

**Los Osos Community Services District  
Board of Directors  
Minutes of the Special Meeting of October 5, 2013**

AGENDA ITEM	DISCUSSION OR ACTION
<p><b>1. CALL TO ORDER/FLAG SALUTE/ROLL CALL</b></p>	<p>President Moothart called the Special Meeting to order at 8:15 a.m. and led the flag salute.</p> <p><u>Roll Call:</u>            Marshall Ochylski, Director – Present            David Vogel, Director – Present            Michael Wright, Director - Absent            Craig Baltimore, Vice President – Present            Leonard Moothart, President - Present</p> <p>The following Staff were present:            Margaret Falkner, Interim General Manager            Michael Seitz, District Legal Counsel            Ann Kudart, Administrative/Accounting Assistant</p>
<p><b>2. GENERAL ACTION ITEMS</b></p> <p><b>A. Approve Contract for the Position of Full-Time General Manager of the Los Osos Community Services District</b></p>	<p>Legal Counsel Seitz announced that Item 2B would be pulled from the agenda and that the Board would add a Closed Session item to the agenda, as Item C, pursuant to Government Code §54954.2 subdivisions (e) and (b)(2).</p> <p>C. <u>PENDING LITIGATION (Government Code, §54956.9(a))</u>            Conference with Legal Counsel Regarding Existing Litigation (Formally Initiated):  <i>- In re Los Osos Community Services District (ND-06-10548)</i> United States Bankruptcy Court, Central District of California, Northern Division</p> <p><b>Director Ochylski made a motion to add Item C to the agenda. The motion was seconded by Vice President Baltimore and carried with the following vote:</b></p> <p><b>Ayes: Directors Ochylski, Baltimore, Vogel, Moothart</b>  <b>Nays: None</b>  <b>Abstain: None</b>  <b>Absent: Wright</b></p> <p>Legal Counsel Seitz reported that the Board chose Kathy Kivley as the General Manager on a three year contract; annual salary of \$90,000; a one-time payment of \$7,000 as reimbursement for relocation expenses; and \$400 monthly automobile allowance for travel in San Luis Obispo County and within 100 miles of its border. He reported that the General Manager shall serve at the will of the Board and if terminated without cause would receive a cash payment equal to two months base salary.</p> <p>At this point in the meeting, the Board took a five minute break to allow the public to review the contract.</p> <p>Public Comment: Linde Owen inquired if the drug testing was a standard procedure.</p> <p>Jeff Edwards voiced his disappointment of the meeting day and time and that the public had been kept out of the discussion of the hiring a new General Manager.</p> <p>Julie Tacker agreed with the previous speaker and commented on the tardiness of several of the Board members to the meeting. She stated her disappointment with the way the contract was handled.</p> <p>Richard Margetson commented on his displeasure with the Board not choosing a local candidate. He commented on the salary including the leave benefits.</p> <p>Al Barrow welcomed Ms. Kivley as the District's new General Manager and commented on Section 2 of the contract.</p> <p><b>Director Ochylski made a motion to approve the contract for the position of Full-Time General Manager. The motion was seconded by Vice President Baltimore and carried with the following vote:</b></p> <p><b>Ayes: Directors Ochylski, Baltimore, Vogel, Moothart</b>  <b>Nays: None</b>  <b>Abstain: None</b>  <b>Absent: Wright</b></p> <p>Ms. Kivley, via telephone, commented on the importance of connecting with the community and that she</p>

AGENDA ITEM	DISCUSSION
	looked forward to living and working in Los Osos.
<b>2. GENERAL ACTION ITEMS  (continued)</b>  <b>B. Approve the  Solid Waste Transfer to the  County of San Luis Obispo</b>	This item was pulled from the agenda.  Public Comment: Al Barrow opposed the transfer of the Solid Waste franchise.  Julie Tacker would have liked to see a community workshop and opposed the transfer.  Jeff Edwards opposed the transfer without a LAFCO process.  Richard Margetson commented on the Board's disservice to the community in not providing a staff report.
<b>3. ADJOURN OPEN SESSION  AND  OPEN CLOSED SESSION</b>  <b>C. PENDING LITIGATION  (Government Code,  §54956.9(a)) Conference with  Legal Counsel Regarding  Existing Litigation  (Formally Initiated):  <i>In re Los Osos Community  Services District  (ND-06-10548) United States  Bankruptcy Court,  Central District of California,  Northern Division</i> </b>	President Moothart adjourned Open Session at 9:25 a.m. and opened Closed Session.  Legal Counsel Seitz announced that the Board would convene to Closed Session for the following:  <u>PENDING LITIGATION (Government Code, §54956.9(a))</u> Conference with Legal Counsel Regarding Existing Litigation (Formally Initiated): - <i>In re Los Osos Community Services District (ND-06-10548)</i> United States Bankruptcy Court, Central District of California, Northern Division  Public Comment: Al Barrow asked if the community could pay for a bond to buy back the franchise.  Jeff Edwards commented on the buyback provisions for the District to re-acquire the franchise. He commented on the County's involvement and their role in the bankruptcy process.  Julie Tacker commented on the the bankruptcy and would have liked Director Ochylski's explanation to have been recorded by AGP. She commented on the County's hiring of special bankruptcy attorneys and billing the taxpayers for that cost.
<b>ADJOURN TO  CLOSED SESSION</b>	The Board adjourned to Closed Session at 9:41 a.m.