



December 21, 2018

TO: LOCSO Board of Directors
FROM: Ann Kudart, Administrative Services Manager
SUBJECT: **Agenda Item 11B – 1/10/2019 Board Meeting**
Approve Prior Meeting Minutes

President
Vicki L. Milledge

Vice President
Marshall E. Ochylski

Directors
Charles L. Cesena
Matthew D. Fourcroy
Christine M. Womack

General Manager
Renee Osborne

District Accountant
Robert Stilts, CPA

Unit Chief
Scott M. Jalbert

Battalion Chief
Greg Alex

DESCRIPTION

Attached are the minutes of the Board of Directors meeting held December 6, 2018 your approval.

STAFF RECOMMENDATION

This item will be approved along with the Consent Calendar unless it is pulled by a Director for separate consideration. If so, Staff recommends that the Board adopt the following motion:

Motion: I move that the Board approve the minutes of the Board of Directors meeting held December 6, 2018.

Attachment

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Los Osos Community Services District
DRAFT Minutes of the Regular Meeting of December 6, 2018

AGENDA ITEM	DISCUSSION OR ACTION
<p>1. CALL TO ORDER/FLAG SALUTE/SILENT OBSERVANCE/ROLL CALL</p>	<p>President Milledge called the meeting to order at 6:01 p.m., led the flag salute and asked for a moment of silent observance.</p> <p>Roll Call: Charles Cesena, Director – Present Louis Tornatzky, Director – Present Christine Womack, Director – Present Marshall Ochylski, Vice President – Present Vicki Milledge, President – Present</p> <p>The following Staff was present: Renee Osborne, General Manager Roy Hanley, District Counsel David Fleishman, District Counsel Rob Miller, District Engineer Jose Acosta, Utility Systems Manager Ann Kudart, Administrative Services Manager</p>
<p>2. ANNOUNCEMENT OF CLOSED SESSION ITEMS</p>	<p>Legal Counsel Hanley announced that the Board would convene to Closed Session for the following:</p> <p>A. <u>CONFERENCE WITH LEGAL COUNSEL-ANTICIPATED LITIGATION [Government Code 94956.9(b)]</u> One (1) potential case relative to the election</p> <p>B. <u>REAL PROPERTY MATTERS [Government Code §54956.8]</u> Conference with Real Property Negotiator Property: APN 074-141-003 Lupine Pump Station Site Agency Negotiator: Renee Osborne, General Manager Negotiating Parties: County of San Luis Obispo Instruction to Negotiator: Potential purchase, terms, and price</p> <p>C. <u>CONFERENCE WITH LEGAL COUNSEL-LIABILITY CLAIM [Government Code 94961]</u> Claimant: Jason Zatt, Utility Compliance Technician II Agency Claimed Against: Los Osos Community Services District</p>
<p>3. PUBLIC COMMENT</p>	<p>None</p>
<p>4. ADJOURN TO CLOSED SESSION</p>	<p>The Board adjourned to Closed Session at 6:04 p.m.</p>
<p>5. RECONVENE TO OPEN SESSION</p>	<p>The Board reconvened to Open Session at 7:06 p.m. and President Milledge led the flag salute.</p> <p>The following Directors were present: Charles Cesena, Director – Present Louis Tornatzky, Director – Present Christine Womack, Director – Present Marshall Ochylski, Vice President – Present Vicki Milledge, President – Present</p> <p>The following Staff was present: Renee Osborne, General Manager Roy Hanley, District Counsel Rob Miller, District Engineer Greg Alex, Battalion Chief Jose Acosta, Utility Systems Manager Adrienne Geidel, District Bookkeeper Ann Kudart, Administrative Services Manager</p>
<p>6. REPORT OUT OF CLOSED SESSION MEETING</p>	<p>Legal Counsel Hanley reported that the Board took no reportable action in Closed Session.</p>
<p>7. PRESENTATION A. Draft Fiscal Year 2017/2018 Audit</p>	<p>General Manager Osborne reported that a representative from Moss Levy Hartzheim, District Auditors, was unable to attend tonight's meeting and that District Bookkeeper Geidel was available to answer questions; FAC Chairperson Ochylski reported that Auditor Adam Guise presented the audit to the Finance Advisory Committee on December 3rd. Bookkeeper Geidel reported that there was a prior period adjustment as there is a new reporting requirement from the Governmental Accounting</p>

AGENDA ITEM	DISCUSSION
<p>A. Draft Fiscal Year 2017/2018 Audit (continued)</p>	<p>Standards Board which requires the District to report Health Benefits for Retirees in the full liability amount which we got from an actuary and a double recorded payable from a number of years ago which has been cleaned up. She reported that there were two findings; one was that the inventory count was not completed by June 30; and, that a \$25,000 transfer from the reserve fund to the redemption fund was not done by our bank and that they will make two transfers this year.</p> <p>Public Comment – None</p> <p>Vice President Ochylski reported that this draft audit was presented to FAC and that the members had questions and comments for the Auditor and that it was a clean audit.</p>
<p>8. PUBLIC COMMENT FOR ITEMS NOT ON THE AGENDA</p>	<p>Steve Best commented on transparency and the recent election issues and how unfair it was to the community.</p> <p>Vita Miller commented on the election mishap, transparency, due process, and following elections ethically; and supported Director Cesena as the next Board President.</p> <p>Lynette Tornatzky commented on the Sahara Mustard and Devil's Thorn invasive weeds and encouraged the public to pull them out if they find them in their yards.</p> <p>Julie Tacker commented on the County's responsibility to fight Sahara Mustard; the report at FAC to increase director compensation and if any director was overpaid they should reimburse the District; and, that there is no revenue stream to fund Parks and Recreation.</p> <p>Elaine Watson voiced her support for Director Cesena as the next Board President.</p> <p>Linde Owen supported the comments made by previous speakers Vita Miller and Elaine Watson.</p> <p>Richard Margetson commented that Director Cesena is the only four-time elected official in Los Osos and voiced his support for him as the next Board President.</p>
<p>9. ADMINISTRATIVE AND COMMITTEE REPORTS</p> <p>A. Fire Department Report</p> <p>B. Sheriff Department Report</p> <p>C. Utilities Department Report</p> <p>D. General Manager Report</p>	<p>Chief Alex provided a summary of activities reporting that Station 15 responded to 98 calls between October 17th through November 23rd; that Admin has been working on budget preparation, accepting applicants for reserve fire program and received 12 applications; that November was very busy and active experiencing devastating wildfires and that every firefighter in the State remained on duty serving for 14-20 consecutive days in Los Osos and he thanked the community for their support. He reported that Station 15 kicked off the Operation Santa Claus and Season of Hope charity events; surprised a 3 year-old local boy and his friends and family at his home to celebrate his Firefighter themed birthday party; attended the annual Veteran's Day Service at Los Osos Valley Mortuary; hosted Sunnyside Pre-School on a tour of the station for approximately 21 children; upcoming events include the December 7th Tree Lighting, December 8th Christmas Parade and Needs 'N Wishes Fundraiser; meeting with Golden State Water Company regarding hydrant maintenance and painting; and that the new Command Vehicle has arrived and is being outfitted.</p> <p>Commander Manuele, Sheriff's Coast Station, provided a report of Sheriff Department activities for the month of November 2018 with 576 calls for service which included assaults, disturbances, burglary, thefts, vandalism, phone scams, suspicious circumstance, and with the upcoming holidays urged residents to secure their package deliveries.</p> <p>Utility Systems Manager Acosta provided a summary of the October 2018 activities of the Utilities Department as submitted in the agenda packet, reporting that residential water usage was 63.1 per person per day a decrease from this same time last year. He reported on production and runtime hours by well site, water billing information, Utilities Department operations and maintenance, water distribution and treatment, and rainfall totals.</p> <p>General Manager Osborne provided a summary of the GM's activities for November 2018 as submitted with the agenda reporting that staff has been working with the Auditor on the 2017/2018 draft Audit and working on the wastewater liens transfer.</p> <p>At this point in the meeting, President Milledge called for the LOCAC report as General Manager Osborne was having difficulty reporting due to coughing.</p>

AGENDA ITEM	DISCUSSION
E. Los Osos Community Advisory Council (LOCAC)	Chairperson David Harris provided an update of the November 29 LOCAC meeting reporting that LOCAC meetings will now be held at Sea Pines; that the Council heard reports regarding the CSD's monitoring well; a minor use permit for new construction; an outdoor cannabis cultivation proposal; that the next meeting will be held on January 24, 2019; and, agendas and minutes can be found at www.locac.info .
D. General Manager Report (continued)	At this point in the meeting, General Manager Osborne continued reporting on the activities for November 2018, reporting that staff has been working on the Bayridge Estates RFP, the Mid-Year Budget Adjustments, working with the various Ad Hoc Committees regarding the Weed Abatement Ordinance and refinancing of the wastewater bond assessments. She reported on the District website; the Los Osos Low Income Assistance Fund; and, the Prop 1 Grant for the 8 th Street well.
F. Los Osos/Baywood Park Chamber of Commerce Report	Lynette Tornatzky, Chamber Secretary, reported on the December 7 th Christmas Tree Lighting event and the children's event at the LO Library following the tree lighting; the December 8 th Kiwanis Pancake Breakfast before the Chamber Christmas Parade and Needs 'N Wishes Fundraiser; and the January 18 th Chamber Installation and Awards Dinner.
G. Los Osos Fire Safe Focus Group Report	Tom Wright reported that the next meeting would be held January 14 th ; the Group is waiting for information regarding the Habitat Conservation Plan in order to move forward with projects; and that Senator Monning will be in Atascadero on December 7 th regarding his Senate Bill 1079, which allows for advanced payment in state grant funds for key fire prevention projects in San Luis Obispo County.
H. Utilities Advisory Committee Report	Committee Chairperson Cesena reported on the November 14 th UAC meeting in which the Committee heard updates on pumps and panel installation and requested a brief update on the 8 th Street Building project. Utility Systems Manager Acosta reported that the plans are at Building and Planning and that staff is working with the County regarding fire sprinklers and ADA upgrades to the plans. Chairperson Cesena reported UAC heard reports on the Bayridge tanks decommissioning and the response to the Cleath Harris Monitoring Report.
I. Parks and Recreation Advisory Committee Report	Committee Chairperson Tornatzky reported on the December 4 th Parks and Recreation Committee meeting in which the Committee discussed the success of the rubber chip removal project.
J. Emergency Services Advisory Committee Report	Committee Chairperson Milledge reported on the November 29 th ESAC meeting in which the Committee heard a report from Vice President Ochylski regarding the Weed Abatement Ordinance; Sergeant Nicholson reported on the role of the Sheriff's Department in a natural disaster; Chief Alex provided an introduction to the Ready, Set, Go! Program and updates regarding the Community Wildfire Protection Plan and the Fire Safe Council Grant.
K. Finance Advisory Committee Report	Committee Chairperson Ochylski reported on the December 3 rd FAC meeting in which the Committee recommended Board approval of the warrant register and to receive and file the financial reports; heard the presentation regarding the Audit; and, had a discussion regarding the potential bond refinancing.
L. Directors Announcements of District and Community Interest and Reports on Attendance at Public Meetings, Training Programs, Conferences, and Seminars	None
M. Response to Previously Asked Questions	None
10. PUBLIC COMMENT ON THE ADMINISTRATIVE AND COMMITTEE REPORTS AND THE CONSENT AGENDA	<p>Public Comment – Julie Tacker asked that Director Tornatzky or General Manager Osborne expand on the discussion at the Parks and Recreation Committee meeting regarding fundraising by the committee to reimburse the funds expended during the rubber chip removal project; requested a direct link to Board meeting videos on the website; and, MBNEP's 2nd Street stormwater management concept and that maybe the District could fund the idea.</p> <p>Linde Owen commented on the GM's comment regarding the need for additional funds from the Low Income Community Funds; noxious weed removal including veldt grass; and, that the chip removal project should be paid for by the County.</p> <p>Lynette Tornatzky commented on continuing the Water Resources Advisory Committee reports.</p>

AGENDA ITEM	DISCUSSION
	<p>General Manager Osborne responded to Ms. Owens comment regarding the need for additional funds for the Low Income Assistance Fund and reported that the Community Foundation holds the monies and does not give it all at once and we are requesting additional funds.</p> <p>Bob Lloyd, AGP Video, reported that video archives of District Board meetings could be negotiated to be added to our website.</p>
<p>11. CONSENT AGENDA A. Receive Administrative and Committee Reports B. Approve Meeting Minutes of November 1, 2018 C. Approve Warrant Register for the Period October 20, 2018 through November 30, 2018 D. Receive Financial Reports for the Period Ending October 31, 2018 E. Adopt Resolution Authorizing the Purchase of a Replacement Self-Contained Breathing Apparatus (SCBA) Compliment F. Adopt Resolution Establishing a Policy Regarding District Surplus Property Disposal G. Approve LOCSB Board of Directors 2019 Meeting Schedule H. Approve Transfer of Wastewater Lien Funds to US Bank Redemption Account</p>	<p>A motion was made by Vice President Ochylski that the Board receive and file the Administrative and Committee Reports and approve the Consent Agenda. The motion was seconded by Director Cesena and carried with the following vote:</p> <p>Ayes: Directors Ochylski, Cesena, Tornatzky, Womack, Milledge Nays: None Abstain: None Absent: None</p>
<p>12. GENERAL ACTION ITEMS A. Discussion Regarding the 8th Street and El Moro Avenue Stormwater and Perched Water Recovery Project</p>	<p>District Engineer Miller provided a PowerPoint presentation reporting minimal stormwater infrastructure in Los Osos with low-lying areas needing physical pumping of water to prevent flooding, that several pumps discharge directly to the estuary with one to Los Osos Creek downstream of any water supply benefit with approximately 40-50 acre feet per year discharged annually depending on rainfall, and discussed the drainage problem areas throughout the community. He reported that the Basin Management Committee (BMC) is considering recycled water use alternatives including urban stormwater discharged to Los Osos Estuary at 8th and El Moro temporarily stored then discharged at a controlled rate to the wastewater collection system for recycling as well as shallow perched water recycled during dry weather using a gravity flow system similar to a French drain. He reported that the project is being pursued by BMC, that General Manager Osborne is pursuing grant funds as well, and requested Board authorization to continue these efforts and that updates will be provided as the project progresses.</p> <p>Public Comment – John Goodrich commented on the need to capture the water that flows through the community from the two watersheds and reinject it into the aquifer.</p> <p>Julie Tacker commented on the cost of the water treatment asking how it will be paid and that the MBNEP depends on freshwater flow.</p> <p>Ed Van Fleet asked if the wastewater reclamation could generate enough water to do away with Program C as he is opposed to Program C.</p> <p>Linde Owen commented on putting first flushed water in holding basins and pull out perched water for treatment.</p> <p>Vita Miller commented on the possibility of reusing the Bayridge Estates decommissioned septic tanks as a stormwater collection system.</p>

AGENDA ITEM	DISCUSSION
<p>A. Discussion Regarding the 8th Street and El Moro Avenue Stormwater and Perched Water Recovery Project (continued)</p>	<p>Director Cesena moved that the Board support staff in their efforts and to move forward in the pursuit of grants for the project. The motion was seconded by Director Tornatzky and carried 5-0.</p>
<p>B. Update Regarding Weed Abatement Ordinance</p>	<p>Vice President Ochylski provided a summary of his report as submitted with the agenda packet and is requesting Board direction regarding further changes and/or recommendations.</p> <p>Public Comment – Linde Owen commented on the veldt grass issue suggesting twice yearly mowing and supported a second yearly community cleanup.</p> <p>Julie Tacker asked why an Ordinance is needed if we have the authority through our Fire Department and commented that the administrative overhead outweighs the benefit.</p> <p>The Board directed staff to come back with an Ordinance at their January 2019 meeting based on the direction from the Emergency Services Advisory Committee.</p>
<p>C. Ad Hoc Committee Report Regarding Potential Bond Refinancing</p>	<p>Vice President Ochylski reported that he and Director Womack were appointed by President Milledge to an Ad Hoc Committee to research potential bond refinancing. Director Womack reported that they looked at the two outstanding bonds; that the District could refinance the bonds and save \$1.3 million over 15 years; that the District could only refund the bonds on the interest payment date of March 2, 2019; and, that the Ad Hoc Committee recommended that the Board refinance and move forward to hire a Municipal Advisory and Bond Counsel.</p> <p>Public Comment – Julie Tacker commented on the bond insurance and asked if the District was creditworthy.</p> <p>Steve Best commented on this being a hustled event and election issues.</p> <p>Lynette Tornatzky urged the Board to support the refinancing of the bonds.</p> <p>Director Cesena moved that the Board take action to hire a municipal advisor and bond counsel and provide direction to staff to bring back a resolution for adoption at the Board's January 2019 meeting. The motion was seconded by President Milledge and carried 5-0.</p> <p>Vice President Ochylski reported that the Ad Hoc Committee will interview municipal advisors and bond counsels and bring back at the January 2019 meeting.</p>
<p>D. Potential Response to August 27, 2018 Cleath Harris Geologists, Inc. (CHG) Report on Los Osos Basin Plan Metric Trends Review and Infrastructure Program C Evaluation</p>	<p>Director Cesena reported that the letter came from the Utilities Advisory Committee who has been following the Basin Management Committee and drafted the letter as a potential response to the Cleath Harris Report.</p> <p>Public Comment - John Goodrich opposed moving wells to the east as it will not solve the problems.</p> <p>Ed Van Fleet commented that we need another source of water and not more wells.</p> <p>Linde Owen supported a visual 3D model of the Basin; that conservation is the first major step to getting more water; and, recommended looking at existing private wells to see if any are sitting in deeper areas of the aquifer instead of drilling a new well.</p> <p>Steve Best supported healing the aquifer and creating a new source of water.</p> <p>Lynette Tornatzky inquired as to the conservation efforts the private well owner are taking.</p> <p>Scott Kelting commented that private wells being included in the rebate program might be beneficial; and, opposed drilling a municipal well so close to domestic wells.</p> <p>Ed Van Fleet approached the podium for additional public comment which President Milledge denied and requested he take his seat. Mr. Van Fleet voiced his displeasure at being denied further public comment.</p> <p>President Milledge denied Vita Miller's request to dedicate her time to Mr. Van Fleet.</p>

AGENDA ITEM	DISCUSSION
<p>D. Potential Response to August 27, 2018 Cleath Harris Geologists, Inc. (CHG) Report on Los Osos Basin Plan Metric Trends Review and Infrastructure Program C Evaluation (continued)</p>	<p>District Engineer Miller informed the public that he would participate in any community forum that would benefit further understanding of the issues. He reported that the water model had been debated since the Basin Plan had first been drafted and that we are seeing positive trends, recovery of water levels, and seeing chlorides physically drop in all wells on the west side; that it is important to look for stormwater recharge and supply augmentation; and supported review of this letter at BMC meetings.</p> <p>Director Cesena moved that the Board direct staff to send the letter, as amended, to the Basin Management Committee as the District's response to the above referenced Cleath Harris Geologist report. The motion was seconded by Director Womack and carried 5-0.</p> <p>At this point in the meeting, President Milledge requested District Counsel Hanley explain the Brown Act requirements regarding public comments during a Board meeting. Mr. Hanley reported that this is not a Town Hall meeting, that it is a business meeting of the Board of Directors with certain specified rights for the public to participate before the Board deliberates on any items; and, that the Board's Bylaws have been drafted and carefully follow the limitations that the Brown Act puts on the Board.</p>
<p>13. DISCUSSION OF PULLED CONSENT ITEMS</p>	<p>None</p>
<p>14. FUTURE AGENDA ITEMS</p>	<p>Director Cesena reminded the Board that their letter to the Board of Supervisors regarding the dryland farming contracts had not yet been responded to and would like it to be revisited and followed up.</p>
<p>15. CLOSING BOARD COMMENTS</p>	<p>President Milledge honored departing Director Tornatzky on his service to the District and community and presented him with a Proclamation from his fellow Board members. General Osborne presented Director Tornatzky with a Certificate of Appreciation from the staff.</p> <p>Director Cesena reminded the public that the speed limit in Los Osos is 25 miles per hour and encouraged motorists to slow down and keep our streets safer.</p> <p>Vice President Ochylski reminded the public of the December 8th Needs 'N Wishes Fundraiser at the Community Center following the Chamber's Christmas Parade.</p>
<p>16. ADJOURNMENT</p>	<p>The meeting adjourned at 9:55 p.m.</p>