

**Los Osos Community Services District
Board of Directors
Minutes of the Special Meeting of April 18, 2013**

AGENDA ITEM	DISCUSSION OR ACTION
<p>1. CALL TO ORDER/FLAG SALUTE/ROLL CALL</p>	<p>President Moothart called the Closed Session Meeting to order at 6:00 p.m. and Vice President Baltimore led the flag salute.</p> <p><u>Roll Call:</u> Marshall Ochylski, Director – Arrived at 6:02 p.m. David Vogel, Director - Present Michael Wright, Director - Present 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 Secretary</p>
<p>2. ANNOUNCEMENT OF CLOSED SESSION ITEMS, PUBLIC COMMENT ON CLOSED SESSION ITEMS, AND CONVENING OF CLOSED SESSION</p>	<p>District Legal Counsel Seitz announced that the Board would convene to Closed Session for the following:</p> <p>A. <u>PENDING LITIGATION (Government Code, §54956.9(a).)</u> - <i>In re Los Osos Community Services District (ND-06-10548)</i> United States Bankruptcy Court, Central District of California, Northern Division - <i>LOCSD v. Golden State et al</i> (Groundwater Adjudication), Case No. CV04012 (San Luis Obispo Superior Court) - <i>Corr Family Properties v. Los Osos Community Services District</i>, San Luis Obispo Superior Court, Case No. CV110674 (Cross-Complaint)</p> <p>B. <u>PERSONNEL (Government Code §54957)</u> - Conference with Labor Negotiator District Negotiators: Vice President Baltimore and Director Vogel Employee Organization: San Luis Obispo County Employees Associations</p>
<p>3. PUBLIC COMMENT</p>	<p>Public Comment: None</p>
<p>4. ADJOURN TO CLOSED SESSION</p>	<p>The Board adjourned to Closed Session at 6:03 p.m.</p>
<p>5. RECONVENE TO OPEN SESSION</p>	<p>The Board reconvened to Open Session at 7:05 p.m. and President Moothart led the flag salute.</p> <p><u>Roll Call:</u> Marshall Ochylski, Director – Present David Vogel, Director – Present Michael Wright, Director – Present 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 Ampy Haber, District Accountant Phill Veneris, Battalion Chief, Station 15-South Bay Ann Kudart, Administrative Secretary</p>
<p>6. RECEIVE REPORT OUT OF CLOSED SESSION OF MARCH 7, 2013</p>	<p>Deputy District Counsel Seitz reported that the Board heard reports from Legal Counsel on each of the three Pending Litigation cases, but took no reportable action.</p> <p>In regards to the Conference with Labor Negotiators, the Board heard a report but took no reportable action.</p>
<p>8. GENERAL PUBLIC COMMENT</p>	<p>Linde Owen commented on the failure of the County and Dig Los Osos to keep the community involved and educated on the sewer project.</p> <p>Julie Tacker asked that a telephone number for Dig Los Osos is placed on the electronic signs; requested an update on the Groundwater Management Plan and an update on the District's bankruptcy; and commented on the AG contract on the upcoming Board of Supervisors agenda.</p>

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<p>8. GENERAL PUBLIC COMMENT (continued)</p>	<p>Richard Margetson commented on Jerri Walsh being named People Helping People's Person of the Year at the recent Scottish/Irish Fundraiser.</p>
<p>9. ADMINISTRATIVE AND COMMITTEE REPORTS</p> <p>A. CAL FIRE Report</p>	<p>Battalion Chief Veneris announced that the California Conservation Corps in cooperation with the Los Osos Focus Group and the SLO County Fire Safe Council are launching a door to door Chipping Event to assist residents in a proactive approach to fire safety through reduction of overgrown vegetation on their property. The event is scheduled to take place June 3 through June 6, 2013. The Chief provided handouts to the Board, staff and public.</p> <p>Battalion Chief Veneris reported that Station 15-South Bay responded to 87 calls in February and reported on the Administrative activities, training, special programs and projects, and fire prevention events at the Station throughout February 2013</p>
<p>B. Utilities Department Report</p>	<p>Interim General Manager Falkner reported on the operations of the Utilities Department for the month of February 2013, reporting on water production, consumption and revenues; she reported that crews cleared drainage inlets around town and performed grounds keeping at various drainage basins. She reported that the County is viewing the video of Bayridge and Vista de Oro collection systems and Utility crews continue monitoring and grounds keeping.</p> <p>Interim General Manager Falkner announced that Mission Country Disposal, beginning April 15, 2013, would begin trash pickup at 5:30 a.m. to allow the trash trucks to service the areas in and around the construction zones safely.</p>
<p>C. LOCAC Report</p>	<p>No report was available.</p>
<p>D. Emergency Services Advisory Committee Report</p>	<p>Director Wright reported on the March 26, 2013 meeting reporting that the Committee welcomed new Committee Alternate Member Doust; reviewed Fund 301 financials and recommended Board approval; discussed the placement of the Fire Public Facility Fees Certificate of Deposit; discussed the FY13/14 Fund 301 draft budget; discussed the Special Fire Tax recommending Board approval; and discussed the replacement of the heavy lift rescue airbags. The Committee postponed the discussion of the ESAC Mission Statement to their April meeting; discussed the Habitat Conservation Plan; and received an update on the Fire Engine purchase and procurement.</p> <p>Director Wright reported on the April 16, 2013 Emergency Services Advisory Committee (ESAC) meeting. The Committee approved the March 26, 2013 minutes and reviewed Fund 301 financials. Interim General Manager Falkner reported on the Fire Public Facility Fees and will pursue a one-year CD agreement with Heritage Bank at 0.41%. The Committee heard a presentation by Battalion Chief Veneris on the history of the Special Fire Tax; recommended the Board approve a joint meeting between ESAC and FAC; discussed the Fire Flow Map; heard an update on the purchase of the new fire engine; heard a brief summary of the March 2013 Fire Department Report. The next meeting will be May 21, 2013 at the Fire Station.</p>
<p>E. Utilities Advisory Committee Report</p>	<p>Director Vogel reported on the March 13, 2013 Utilities Advisory Committee (UAC) meeting. He reported the Committee had an in-depth discussion on the District's Water Conservation Plan recommending that the Board write a letter requesting a meeting with the County to discuss specific water conservation issues and also recommended that Staff investigate other opportunities to partner with nonprofits; and heard an update on the Emergency Water Shortage Ordinance by Subcommittee Member Munds. The next meeting will be April 10, 2013 at the District Office.</p> <p>The April 10, 2013 UAC meeting was canceled.</p>
<p>F. Finance Advisory Committee Report</p>	<p>Director Ochylski reported on the April 15, 2013 Finance Advisory Committee (FAC) meeting. The Committee reviewed the warrants and financials recommending the Board accept and file; reviewed the CIP rate increase to the Special Fire Tax for FY13-14 recommending the Board adopt the rate increase; reviewed the Notice of Public Hearings to increase service charges for the maintenance of the septic system in Bayridge Estates and Vista de Oro recommending Board approval; reviewed the item regarding the authorization to purchase a new server and to approve a budget adjustment recommending the Board authorize the purchase. The Committee requested a policy for the replacement of computer and electronic equipment be established; reviewed and recommended that the Board authorize the purchase of new utility billing software; reviewed and recommended Board approval of the item regarding the contract for valve replacement at 11th Street and Nipomo Avenue to R. Baker, Inc.; and heard an update of ESAC actions during March 2013. The next meeting will be held Monday, April 29, 2013.</p>

AGENDA ITEM	DISCUSSION
<p>9. ADMINISTRATIVE AND COMMITTEE REPORTS (continued)</p> <p>G. Directors' Announcement of District and Community Interest and Reports on Attendance at Public Meetings, Training Programs, Conferences and Seminars</p>	<p>President Moothart directed Staff to establish a policy for the replacement of computer and electronic equipment as discussed at the Finance Advisory Committee.</p> <p>None.</p>
<p>10. PUBLIC COMMENT FOR ITEMS ON THE ADMINISTRATIVE AND COMMITTEE REPORTS AND THE CONSENT CALENDAR</p> <p>11. CONSENT CALENDAR</p> <p>A. Receive Administrative and Committee Reports B. Approve Prior Meeting Minutes C. Receive Warrant Register for March 2013 D. Receive Financial Statements for Period Ending February 2013, and Cash and Investment Schedules and Reserves Schedule as of February 28, 2013 E. Adopt the CPI Rate Increase to the Special Fire Tax for FY13-14 F. Authorization to Purchase New Server and Approve a Budget Adjustment G. Authorization to Purchase New Utility Billing Software H. Authorize Contract for Valve Replacement with R. Baker, Incorporated</p>	<p>President Moothart pulled Consent Calendar Item 11E to be brought back at the next Board meeting.</p> <p>Director Vogel made a motion to continue Consent Calendar Item 11E to be heard at the next Board of Directors meeting. The motion was seconded by Director Ochylski.</p> <p>Public Comment: Richard Margetson asked why there was a need to remove the item after Emergency Services and Finance reviewed the item and both Committees recommended Board approval.</p> <p>Ayes: Directors Vogel, Ochylski, Wright, Baltimore, Moothart Nays: None Abstain: None Absent: None</p> <p>Public Comment: Julie Tacker commented on potable water for dust control being sold by Golden State Water Company and she commented on the need for a joint meeting with ESAC and FAC to discuss the Admin allocations throughout the funds.</p> <p>Paul Malykont commented on the informal approval of Item 11E at the recent FAC meeting.</p> <p>Linde Owen believes the ISJ should be discussing the issue of water being pulled from the aquifer for dust control; commented on Channel 20 being used as a tool to provide water conservation education; commented on the low income fund for the laterals; and commented on losing the Solid Waste franchise.</p> <p>Richard Margetson commented on his concerns with the County's Conservation Plan and the inaccurate numbers used in that plan; and commented on the need for the Board to represent the District at the Board of Supervisors meeting.</p> <p>Director Ochylski made a motion to receive and file the Administrative Reports, the Committee Reports, and to approve the Consent Calendar. The motion was seconded by Director Wright and carried with the following vote:</p> <p>Ayes: Directors Ochylski, Wright, Vogel, Baltimore, Moothart Nays: None Abstain: None Absent: None</p>
<p>12. GENERAL ACTION ITEMS</p> <p>A. Approve Notice of Public Hearing to Increase Service Charges for the Maintenance of the Septic System in Bayridge Estates</p>	<p>Interim General Manager Falkner reported on a proposed increase of \$172 per year in the service charges used to maintain a dedicated septic system within the Bayridge Estates subdivision, the issuance of a Notice of Public Hearing on the proposed increase and to set a date for the protest hearing for June 6, 2013.</p> <p>Public Comment: Julie Tacker commented on the age of both collection systems asking if they would be sleeved or replaced.</p> <p>Paul Malykont asked for clarification on the calculations used in Exhibit B.</p> <p>Linde Owen commented on the state of the subdivisions' collections systems.</p> <p>Richard Margetson commented on the need for an explanation of Exhibit B and a Town Hall meeting for both subdivisions for the District to explain what the increases in the service charges are about.</p>

AGENDA ITEM	DISCUSSION
<p>A. Approve Notice of Public Hearing to Increase Service Charges for the Maintenance of the Septic System in Bayridge Estates (continued)</p>	<p>Director Ochylski made a motion to continue this item until the next Board meeting on Thursday, May 2, 2013. The motion was seconded by Vice President Baltimore.</p> <p>Public Comment: Julie Tacker asked what the Board planned to do in the weeks before the next meeting and where is the public involvement.</p> <p>Linde Owen asked if this item could go to Finance and invite the subdivisions to participate.</p> <p>Richard Margetson commented that there needed to be interaction with each of the subdivisions in order to explain the issues.</p> <p>Roll Call: Ayes: Directors Ochylski, Baltimore, Vogel, Wright, Moothart Nays: None Abstain: None Absent: None</p>
<p>B. Approve Notice of Public Hearing to Increase Service Charges for the Maintenance of the Septic System in Vista de Oro</p>	<p>Director Ochylski made a motion to continue this item until the next meeting on Thursday, May 6, 2013. The motion was seconded by Director Wright.</p> <p>Public Comment: Julie Tacker commented that homes in the Bayridge and Vista de Oro subdivisions are not getting a discount to hook up to the sewer as they have been paying for 30 years; she would like to be sure they have a full understanding of their obligations.</p> <p>Richard Margetson commented on the increase based on the CPI on Exhibit B and again asked if there would be an opportunity to address the subdivisions before this item comes back in two weeks.</p> <p>Linde Owen commented on the need for outreach and suggested an article be placed in The Bay News.</p> <p>President Moothart appointed himself and Director Ochylski to an Ad Hoc Committee to investigate possible outreach opportunities.</p> <p>Roll Call: Ayes: Directors Ochylski, Wright, Vogel, Baltimore, Moothart Nays: None Abstain: None Absent: None</p>
<p>C. Ratify Appointment of Alternate Public Member for the Finance Advisory Committees and a Subcommittee to the Utilities Advisory Committee</p>	<p>Administrative Secretary Kudart reported that this item requests the Board ratify the appointments by President Moothart of an alternate to the Finance Advisory Committee and a subcommittee to Utilities Advisory Committee to review the District Code Title 2 regulations.</p> <p>President Moothart appointed Jon-Erik Storm as FAC Alternate Member and appointed Noah Evans, Aaron Floyd and David Vogel to a UAC subcommittee to revise the District Code Title 2 regulations.</p> <p>There was no Public Comment.</p> <p>Director Ochylski made a motion to confirm the appointments. The motion was seconded by Vice President Baltimore and carried with the following vote:</p> <p>Ayes: Directors Ochylski, Baltimore, Vogel, Wright, Moothart Nays: None Abstain: None Absent: None</p>
<p>D. Nominate California Special Districts Association (CSDA) Board Member for Region 4 Seat B</p>	<p>Interim General Manager Falkner reported that CSDA is calling for nominations for a two-year term on its Board of Directors. Region 4 Seat B incumbent, Tim Ruiz, is running for re-election.</p> <p>Legal Counsel Seitz reported that Nipomo CSD nominated Bob Blair.</p> <p>There was no Public Comment.</p> <p>There was no nomination.</p>

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<p>12. GENERAL ACTION ITEMS</p> <p>E. Vote for Local Agency Formation Commission (LAFCO) Special District Member</p>	<p>Interim General Manager Falkner reported that there are three nominations to fill a vacancy for a Regular Special District Member position on LAFCO that is currently held by Alternate LAFCO Commissioner Marshall Ochylski. The nominees are Marshall Ochylski, Anthony Kalvans and Brian Kreowski. Each Special District may vote for one nominee.</p> <p>There was no Public Comment.</p> <p>Director Vogel made a motion to direct Staff to submit a vote for Marshall Ochylski as a Regular Special District Member to LAFCO. The motion was seconded by Director Wright and carried with the following vote:</p> <p>Ayes: Directors Vogel, Wright, Baltimore, Moothart Nays: None Abstain: Ochylski Absent: None</p>
<p>13. FUTURE AGENDA ITEMS</p>	<p>None.</p>
<p>14. CLOSING BOARD COMMENTS</p>	<p>Director Wright reminded the public of the upcoming Chipping Event.</p> <p>Director Vogel reminded the public of the wood chips from the Hazard Abatement project that are available at the end of Rodman Drive and Travis Drive.</p> <p>District Counsel Mike Seitz announced his brother, Jon Seitz, is back home and continuing his recovery Jon is expected to return as the regular District's Counsel within the next six months.</p> <p>Director Ochylski thanked the Board for voting for him as a Regular Special District Member to LAFCO and reminded the public of the upcoming Recognition Ceremony. Battalion Chief Phill Veneris will be recognized for his 25 years of service and Chris Peterson will be pinned as Captain/Paramedic.</p> <p>Vice President Baltimore acknowledged the Committee Members and the public for their comments.</p> <p>President Moothart announced the upcoming Chamber of Commerce Business Showcase on Friday, April 26, 2013 at the Community Center and congratulated Person of the Year Jerri Walsh.</p>
<p>ADJOURNMENT</p>	<p>The Board adjourned to Closed Session at 9:02 p.m.</p>