



September 28, 2016

TO: LOCSD Board of Directors
FROM: Ann Kudart, Administrative/Accounting Assistant III
SUBJECT: **Agenda Item 11B – 10/6/2016 Board Meeting**
Approve Meeting Minutes of September 15, 2016,
September 22, 2016 and September 27, 2016

President
Marshall E. Ochylski

Vice President
Jon-Erik G. Storm

Directors
Charles L. Cesena
Louis G. Tornatzky
R. Michael Wright

Interim General Manager
Peter J. Kampa

District Accountant
Warmerdam CPA Group

Unit Chief
Scott M. Jalbert

Battalion Chief
Tom McEwen

DESCRIPTION

Attached are minutes from your Board's Special Meetings held September 15, 2016, September 22, 2016, and September 27, 2016 for 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 September 15, 2016, September 22, 2016, and September 27, 2016 meetings.

Attachments

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**Los Osos Community Services District
Board of Directors
DRAFT Minutes of the Special Meeting of September 15, 2016**

| AGENDA ITEM | DISCUSSION OR ACTION |
|--|---|
| 1. CALL TO ORDER/FLAG SALUTE/ROLL CALL | <p>President Ochylski called the meeting to order at 6:05 p.m. and Vice President Storm led the flag salute.</p> <p>Chuck Cesena, Director – Present Lou Tornatzky, Director – Present Mike Wright, Director – Present Jon-Erik Storm, Vice President – Present Marshall Ochylski, President – Present</p> <p>The following Staff were present: Peter Kampa, Interim General Manager Roy Hanley, District Legal Counsel Ann Kudart, Administrative/Accounting Assistant III</p> |
| 2. ANNOUNCEMENT OF CLOSED SESSION ITEMS, PUBLIC COMMENT ON CLOSED SESSION ITEMS, AND CONVENING OF CLOSED SESSION | <p>President Ochylski announced that the Board would convene to Closed Session for the following:</p> <p>A. <u>PENDING LITIGATION (Government Code, §54956.9(b))</u> <i>Conference with Legal Counsel regarding Existing Litigation (Formally initiated):</i></p> <ol style="list-style-type: none"> 1. San Luis Obispo Superior Court Case CV 040126, Los Osos Community Services District v Golden State Water Company, et al., per continuing jurisdiction of the Superior Court <p>B. <u>CONFERENCE WITH REAL PROPERTY NEGOTIATORS [Government Code §54956.8]</u></p> <ol style="list-style-type: none"> 1. Property: APN 074-491-031 in Bayridge Estates APN 074-042-001 in Vista de Oro Agency Negotiator: Peter Kampa, Interim General Manager Roy Hanley, District Legal Counsel Negotiating Parties: San Luis Obispo County Under Negotiation: Terms of Easements <p>C. <u>PUBLIC EMPLOYMENT [Government Code 54957 (b)(1)]</u> Title: General Manager</p> |
| 3. PUBLIC COMMENT | <p>Public Comment – Julie Tacker commented on Item 2B urging Legal Counsel to look at the 2013 Prop 218 and supported transferring the properties to the County. She commented on 2C being an open and transparent process.</p> |
| 4. ADJOURN TO CLOSED SESSION | <p>Vice President Storm recused himself from consideration of Item 2A as his wife is management level in the school system.</p> <p>The Board adjourned to Closed Session at 6:12 p.m.</p> |
| 5. RECONVENE TO OPEN SESSION | <p>The Board reconvened to Open Session at 7:06 p.m. and Director Cesena led the flag salute.</p> <p>Roll Call: Chuck Cesena, Director – Present Lou Tornatzky, Director – Present Mike Wright, Director – Present Jon-Erik Storm, Vice President – Present Marshall Ochylski, President – Present</p> <p>The following Staff were present: Peter Kampa, Interim General Manager Roy Hanley, District Legal Counsel Ann Kudart, Administrative/Accounting Assistant III</p> <p>The following Staff were present: Peter Kampa, Interim General Manager Roy Hanley, District Legal Counsel Margaret Falkner, Utility Compliance Technician III Ann Kudart, Administrative/Accounting Assistant III</p> |
| 6. REPORT OUT OF CLOSED SESSION MEETING | <p>Legal Counsel Hanley announced that there was no reportable action on Closed Session Items 2A and 2B. He reported that the Board discussed item 2C and will hold interviews with the top three candidates.</p> |

| AGENDA ITEM | DISCUSSION |
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| <p>7. PRESENTATIONS AND PUBLIC HEARINGS</p> <p>Los Osos Property Tax Rate Areas</p> | <p>Interim General Manager Kampa provided a PowerPoint presentation on the ad valorem property taxes collected by the County, allocated to the District by tax rate areas and distributed by the County Auditor. He reported that the amounts received are detailed in the District's formation documents and that areas outside the water service area are not paying taxes to the District to subsidize water services.</p> <p>President Ochylski left the dais at this point in the meeting.</p> <p>Mr. Kampa reported that there are five tax rate areas funding Water and 15 tax rate areas that fund Fire.</p> <p>President Ochylski returned to the dais.</p> <p>Public Comment – None.</p> |
| <p>8. PUBLIC COMMENT FOR ITEMS NOT ON THE AGENDA</p> | <p>Jim Stanfill requested the Board's support to rename the "no name" peak to the Los Osos peak.</p> <p>Steve Best commented on the homeless problems in Los Osos.</p> <p>Julie Tacker on the upcoming Board of Supervisors meeting to set a date to adopt an ordinance establishing the rules and regulations of the Los Osos sewer service area.</p> <p>Linde Owen commented on responses to previously asked questions; cancellation of committee meetings; issues with the water tanks.</p> |
| <p>9. ADMINISTRATIVE AND COMMITTEE REPORTS</p> <p>A. CAL FIRE Report</p> <p>B. Utilities Report</p> <p>C. Interim General Manager's Report</p> <p>D. Legal Counsel Report</p> <p>E. Los Osos Community Advisory Council (LOCAC)</p> <p>F. Los Osos/Baywood Park Chamber of Commerce</p> <p>G. Emergency Services Advisory Committee Report</p> <p>H. Utilities Advisory Committee Report</p> <p>I. Finance Advisory Committee Report</p> <p>J. Parks and Recreation Subcommittee Report</p> <p>K. Basin Management Committee Meeting</p> | <p>Battalion Chief McEwen was out of the area. President Ochylski reported that the July 2016 Fire Department Report was submitted in the agenda packet.</p> <p>Utility Compliance Technician Falkner gave a brief summary of the July 2016 activities of the Utilities Department as submitted in the agenda packet.</p> <p>Interim General Manager Kampa provided a summary of his report, a copy of which was provided to the Board, staff, and public at the meeting. He summarized updates on the office relocation plans; financial highlights and status of 15/16 audit; the District's bond rating; budget related directives; and other related activities.</p> <p>General Counsel Hanley provided a summary of his report as submitted in the agenda packet on the potential uses of recycled water and the status of contract negotiations with the County on recycled water uses in the District's area of service.</p> <p>There was no LOCAC report.</p> <p>Jim Stanfill reported on the Chamber's September Mixer, a Hiring Fair in October, the 1st Annual Festival de Osos and the 38th Annual Oktoberfest on October 30th, and the Chamber's "Super Heroes Christmas Parade" on December 10th.</p> <p>Director Cesena reported on the August 8th Emergency Services Advisory Committee meeting in which the Committee had an extensive discussion of the financials and that the primary focus at the Committee's next meeting will be the 4.0 staffing.</p> <p>Director Wright reported on the September 14th Utilities Advisory Committee meeting in which the Committee heard updates on Barnett Cox contract; status of the recycled water contract with the schools; the 8th Street Upper Aquifer Well; the 3rd Street well, Bayridge Estates and Vista de Oro easements; and the Utility Department finances.</p> <p>President Ochylski reported that the September 12th meeting was canceled and rescheduled to Monday, September 19th to review water rate structure and then have another joint meeting with UAC after they have reviewed and discussed at their next committee meeting.</p> <p>Vice President Storm reported on the August 15th Parks and Recreation Committee meeting in which the Committee discussed the results of their Community Needs Assessment survey and decided to keep the survey going to collect more information. The Committee will meet again to assess the additional surveys and provide a recommendation to the Board.</p> |

| AGENDA ITEM | DISCUSSION |
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| <p>K. Basin Management Committee Meeting</p> <p>L. Directors Announcements of Direct and Committee Interest and Reports on Attendance at Public Meetings, Training Programs, Conferences, and Seminars</p> <p>M. Response to Previously Asked Questions</p> | <p>President Ochylski reported that the next Committee meeting will be on Wednesday, September 21st.</p> <p>President Ochylski announced the Friday, September 16th SLO County CSDA bimonthly meeting. County Planning will be providing the annual report and the status an update of the status of the Community Plan Update.</p> <p>President Ochylski reported that questions asked at earlier meetings pertaining to the tax zones, Barnett Cox contract, recycled water, water rate structure, assessments to Vista and Bayridge have been addressed by various staff in their reports given this evening. He urged the public to consider repurposing their septic tanks immediately or clean and seal for future use when hooking up to the sewer.</p> <p>President Ochylski encouraged questions to be put in writing and submitted to the Board and staff for response at the next meeting.</p> |
| <p>10. PUBLIC COMMENT ON THE ADMINISTRATIVE AND COMMITTEE REPORTS AND THE CONSENT AGENDA</p> | <p>Public Comment – Julie Tacker, Linde Owen, and Steve Best spoke.</p> |
| <p>11. CONSENT AGENDA</p> <p>A. Receive Administrative and Committee Reports</p> <p>B. Approve Meeting Minutes of August 4, 2016 and August 17, 2016</p> <p>C. Receive Warrant Register for August 2016</p> <p>D. Receive Financial Report for Period Ending June 30, 2016</p> <p>E. Receive Investment Report for Period Ending June 30, 2016</p> <p>F. Adopt Resolution Establishing Appropriations Limit for Fiscal Year 2016/17</p> <p>G. Adopt Resolution Awarding Contract to North State Well Drilling for the 8th Street Upper Aquifer Well Project, Phase I</p> | <p>A motion was made by Vice President Storm to receive and file the Administrative and Committee Reports and to approve the items on the Consent Calendar. The motion was seconded by Director Wright and carried with the following vote:</p> <p>Ayes: Directors Storm, Wright, Cesena, Tornatzky, Ochylski Nays: None Abstain: None Absent: None</p> |
| <p>12. GENERAL ACTION ITEMS</p> <p>A. Discussion and Action Regarding the Vacant District Accountant and Administrative Services Manager Positions; Including Consideration of Contracting for Services and/or Filling the Vacant Positions with At-Will Contract Staff</p> | <p>Administrative/Accounting Assistant Kudart recused herself and left the dais.</p> <p>Interim General Manager Kampa provided a summary of his report, a copy of which was provided to the Board, staff, and public at the meeting.</p> <p>Public Comment – Julie Tacker supported outsourcing payroll and opposed any personnel changes.</p> <p>The Board discussed issuing an RFP for accounting and payroll services with an expanded scope of responsibility and rewarding Ms. Kudart for the additional responsibilities and see what areas of expertise the General Manager search brings to the District and allow the GM to restructure as they see necessary.</p> <p>Ms. Kudart returned to the dais.</p> |

| AGENDA ITEM | DISCUSSION |
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| 13. DISCUSSION OF PULLED CONSENT ITEM | None |
| 14. FUTURE AGENDA ITEMS | Director Wright requested a resolution in support of renaming "No Name" Peak to "Los Osos" peak. Vice President Storm would like to begin the process of changing recycled water uses. |
| 15. CLOSING BOARD COMMENTS | Director Cesena commented on recycling his septic tank. Director Wright appreciated the hard work by staff in getting accurate financials presented. Vice President Storm supported Directors Cesena and Wright's comments. President Ochylski announced the upcoming ECOSLO cleanup event on September 17 th . |
| 16. ADJOURNMENT | The meeting adjourned at 8:38 p.m. |

**Los Osos Community Services District
Board of Directors
DRAFT Minutes of the Special Meeting of September 22, 2016**

| AGENDA ITEM | DISCUSSION OR ACTION |
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| <p>1. CALL TO ORDER/FLAG SALUTE/ROLL CALL</p> | <p>President Ochylski called the meeting to order at 2:04 p.m. and led the flag salute.</p> <p>Chuck Cesena, Director – Present Lou Tornatzky, Director – Present Mike Wright, Director – Present Jon-Erik Storm, Vice President – Present Marshall Ochylski, President – Present</p> <p>The following Staff were present: Ann Kudart, Administrative/Accounting Assistant III</p> |
| <p>2. ANNOUNCEMENT OF CLOSED SESSION ITEMS</p> <p>3. PUBLIC COMMENT</p> <p>4. ADJOURN TO CLOSED SESSION</p> | <p>President Ochylski announced that the Board would convene to Closed Session for the following:</p> <p>A. <u>PERSONNEL EMPLOYMENT [Government Code §54957(b)(1)]</u> Title: District General Manager Interview</p> <p>Public Comment: Jeff Edwards, Lynette Tornatzky, and Tim Staggers spoke.</p> <p>The Board adjourned to Closed Session at 2:11 p.m.</p> |
| <p>5. RECONVENE TO OPEN SESSION</p> <p>6. REPORT OUT OF CLOSED SESSION</p> | <p>The Board reconvened to Open Session at 3:37 p.m.</p> <p>President Ochylski reported that there was no reportable action taken during closed session.</p> |
| <p>7. ADJOURNMENT</p> | <p>The meeting adjourned at 3:37 p.m.</p> |

**Los Osos Community Services District
Board of Directors
DRAFT Minutes of the Special Meeting of September 27, 2016**

| AGENDA ITEM | DISCUSSION OR ACTION |
|---|--|
| <p>1. CALL TO ORDER/FLAG SALUTE/ROLL CALL</p> | <p>President Ochylski called the meeting to order at 6:07 p.m. and Director Cesena led the flag salute.</p> <p>Roll Call: Chuck Cesena, Director – Present Lou Tornatzky, Director – Present Mike Wright, Director – Present Jon-Erik Storm, Vice President – Present Marshall Ochylski, President – Present</p> <p>The following Staff were present: Peter Kampa, Interim General Manager Roy Hanley, District Legal Counsel Ann Kudart, Administrative/Accounting Assistant III</p> |
| <p>2. GENERAL ACTION ITEM</p> <p style="padding-left: 40px;">A. Presentation of Proclamation to Recognize Peter J. Kampa, Kampa Community Solutions for His Service to the Los Osos Community Services District and the Community of Los Osos</p> | <p>President Ochylski gave a brief summary of the item and Vice President Storm read the Certificate of Recognition awarded to Peter Kampa in recognition of his service as Interim General Manager of the Los Osos Community Services District. Members of the Board offered their thanks to Mr. Kampa.</p> <p>Public Comment - None</p> |
| <p>3. ADJOURN OPEN SESSION AND CONVENE TO CLOSED SESSION</p> <p>4. ANNOUNCEMENT OF CLOSED SESSION ITEMS</p> | <p>At 6:09 p.m. President Ochylski announced that the Board would convene to Closed Session for the following:</p> <p>A. CONFERENCE WITH REAL PROPERTY NEGOTIATORS [Government Code §54956.8] Property: 2122 9th Street, Suite 106, Los Osos, CA Agency Negotiator: Roy Hanley, District Legal Counsel Negotiating Parties: George Contento Under Negotiation: Price and Terms</p> <p>B. PUBLIC EMPLOYMENT [Government Code 54957 (b)(1)] Title: General Manager</p> |
| <p>5. PUBLIC COMMENT</p> <p>6. ADJOURN TO CLOSED SESSION</p> | <p>Public Comment: Jeff Edwards supported Item 4A and commented on the traits he'd like to see in a District General Manager.</p> <p>Julie Tacker commented on Item 4A suggesting carpeting the meeting area, the need to conduct a thorough background check of the General Manager, and opposed offering a car allowance.</p> <p>The Board adjourned to Closed Session at 6:15 p.m.</p> |
| <p>7. RREPORT OUT OF CLOSED SESSION</p> | <p>At 7:10 p.m. Legal Counsel Hanley reported that in regards to Item 4A the Board gave direction to staff and in regards to Item 4B there was no reportable action.</p> |
| <p>8. ADJOURNMENT</p> | <p>The meeting adjourned at 7:11 p.m.</p> |