Los Osos Community Services District – Board of Directors
Minutes of the Regular Meeting of July 2, 2026

AGENDA ITEM	DISCUSSION OR ACTION
1. CALL TO ORDER **ROLL CALL**	Vice President Cesena called the meeting to order at 5:31 p.m. and led the Flag Salute. Roll Call: Chuck Cesena, Vice President – Present Tom Cross, Director – Present Richard Hubbard, Director – Present Matthew Fourcroy, President – Absent Christine Womack, – Present The following Staff was present: Greg Kwolek, General Manager Ron Munds, Interim General Manager Taylor Foland, District Counsel Laura Durban, Administrative Services Manager
2. ANNOUNCEMENT OF CLOSED SESSION ITEMS **A. Conference With Real Property Negotiator [Pursuant to Government Code §54956.8] Property: Sunnyside Elementary School Site [880 Manzanita Dr. Los Osos, CA 93402] District Negotiator: General Manager Kwolek Negotiating Parties: San Luis Coastal Unified School District; County of San Luis Obispo Under Negotiation: Price and Terms of Payments**	Vice President Cesena announced Closed Session [Pursuant to Government Code §54956.8] Public Comment - None
3. ADJOURN TO CLOSED SESSION	Vice President Cesena adjourned to Closed Session at 5:33 p.m.
4. RECONVENE TO OPEN SESSION - 6:00 PM	Vice President Cesena reconvened the meeting to Open Session at 6:00 p.m.
5. REPORT OUT OF CLOSED SESSION	District Counsel Taylor Foland reported there was no reportable action.
6. PRESENTATION **A. Proclamation for Utility Systems Manager Margaret Falkner**	Vice President Cesena read and presented a proclamation to honor Utility Systems Manager Margaret Falkner who was present to accept the proclamation. Interim General Manager Munds commented on Utility Systems Manager Margaret Falkner's history and thanked her for her service. Public Comment – Richard Margetson commented on Utility Systems Manager Margaret Falkner's history, what she's seen and knows, professionalism, accommodation, and serving as an anchor during her time with the District. Administrative Services Manager Durban thanked Utility Systems Manager Falkner, saying it was an honor to work with her, and talked about her accomplishments. Vice President Cesena commented on Utility Systems Manager Margaret Falkner's service to the District. **Vice President Cesena moved to reorder the agenda to hear Agenda Item 9a before Agenda Item 8a. Director Cross seconded the motion, and the motion passed with unanimous consent.**

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7. PUBLIC SAFETY REPORTS	
A. Fire Department Report	No Report
B. Sheriff Department Report	Commander Abbas reported 413 calls for service in June, including 38 enforcement stops and 49 preventive patrols. He commented on having a safe Fourth of July, reminding us of zero tolerance and the severe penalties for fireworks.
C. California Highway Patrol Report	Lieutenant James Ferguson wished Utility Systems Manager Margaret Falkner the best and reported 1 hit-and-run, 15 property damages, 1 major injury, 5 minor injuries, and 1 DUI, totaling 23 crashes. Overall statistics showed 3300 citations, 1400 verbal citations, 138 DUIs from 168 arrests, and 290 crashes. The holiday enforcement period begins July 2 at 6 p.m. Vice President Cesena inquired if it was safe around the bridge. Lieutenant James Ferguson responded that the behavior at the bridge has been good. Public Comment – None
9. GENERAL ACTION ITEMS **A. Adopt a Resolution Declaring Measure B-26 Election Results, Receive and File a Revenue and Expenditure Overview.**	General Manager Kwolek presented Measure B-26 election results, an overview of Sunnyside's finances, and updates on the Sunnyside Park master plan. Commented that at the August 6 meeting there will be a discussion to form a steering committee for the master plan in 6 to 8 months. Vice President Cesena commented on the option to hire a consultant, O&M funds for the master plan process and on the swimming pool money records. Interim General Manager Munds commented on the history of the pool money including the County collecting the pool money funds via a special property tax and a pool feasibility study funded by private donations. The balance of the private donations, after the study was completed, was given to the City of Morro Bay so Los Osos residents could use the Morro Bay pool at the same costs as residents. The County deeded the special property tax funds collected to the CSD for general parks and recreation uses. Director Cross commented on favoring a consultant to lead the Steering Committee. General Manager Kwolek commented on the extent of a consultant's involvement. Public Comment – Jeff Edwards commented that he sees Sunnyside with limited recreation and no development. He commented on revenue and expenditures, admin costs, negative cash flow, permits, master planning, grants, purple pipe, property management, and a master lease. Andrea Leuker commented favorably on a master plan and steering committee and expressed her thanks for the hard work, appreciating that it was a community effort. **Director Womack moved the Board:** **1. Adopt Resolution No. 2026-25 declaring Measure B-26 election results held on June 2, 2026;** **2. Receive and File Revenue and Expenditure Overview; and** **3. Provide input on a Sunnyside Park Master Plan process.** **The motion was seconded by Director Hubbard and the motion passed with the following vote:** **Ayes: Directors Womack, Hubbard, Cross, Cesena** **Nos:** **Abstain:** **Absent: Fourcroy**
8. PUBLIC HEARING **A. Public Hearing to Adopt Resolutions Submitting the Following Fiscal Year 2026/2027 Assessments and Special Tax Rolls to San Luis Obispo County for Collection:**	Vice President Cesena opened the Public Hearing. Interim General Manager Munds presented on the 2026/2027 assessments and special tax rolls. He thanked the county assessor's office for the time spent getting the Parks and Recreation tax ready for this upcoming Fiscal Year Public Comment – Richard Margetson commented on applying the same effort to fire tax increases as was done for Parks and Recreation funding.

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i. Bayridge Estates Annual Service Charge **ii. Vista de Oro Annual Service Charge** **iii. Drainage Special Tax** **iv. Fire Protection and Preventions Services Special Tax** **v. Parks and Recreation Special Tax Los Osos** **vi. Wastewater District No. 1 Assessments** **vii. District Past Due Water Accounts/Delinquent Water Charges** **viii. Delinquent Solid Waste Charges**	Vice President Cesena closed the Public Hearing. **Director Womack moved that the Board adopt Resolutions 2026-17, 2026-18, 2026-19, 2026-20, 2026-21, 2026-22, 2026-23, and 2026-24, to levy the charges, special taxes, and assessments, as listed separately in EXHIBIT A, for Bayridge Estates, Vista de Oro, Drainage, Fire Protection and Prevention Services, LOCSD Parks & Recreation, District No. 1 Wastewater Services, District Delinquent Water Charges, and District Delinquent Solid Waste Charges and direct staff to submit adopted resolutions and tax rolls to the County for collection.** **The motion was seconded by Director Hubbard and the motion passed with the following vote:** **Ayes: Directors Womack, Hubbard, Cross, Cesena** **Nos:** **Abstain:** **Absent: Fourcroy**
9. GENERAL ACTION ITEMS **B. Adopt Resolution Amending and Updating the District's Personnel Policy**	General Manager Kwolek presented background and commented on the four areas updated; governance and administrative authority, recruitment and retention, policy modernization and administrative clean-up, and legal compliance. The Board discussed. Public Comment – None **Director Cross moved that the Board Adopt Resolution 2026-26 amending the District Personnel Policy. The motion was seconded by Director Hubbard and the motion passed with the following vote:** **Ayes: Directors Cross, Hubbard, Womack, Cesena** **Nos:** **Abstain:** **Absent: Fourcroy**
10. PUBLIC COMMENT FOR ITEMS NOT ON THE AGENDA	Richard Margetson commented on the passing of Rosemarie Krantz on June 14. She was known for her generosity and kindness, actively supported various causes, and was a recipient of a lifetime achievement award. A celebration of her life is planned in August.
11. ADMINISTRATIVE AND COMMITTEE REPORTS	
A. Utilities Department Report	Written Report
B. General Manager Report	General Manager Kwolek commented on Measure B-26 passing, the vacancy on ESAC, and the filing period being open for the Board of Directors election. Vice President Cesena commented on Huntington Beach's ranked-choice voting as its voting process. General Manager Kwelok commented on plans to bring legal analysis to the Board.
C. Los Osos/Baywood Park Chamber of Commerce Report	Vice President Cesena commented on the Passport for the Festival of Flavors event.
D. Los Osos Community Advisory Council (LOCAC) Report	Director Hubbard commented on Dan Heimel's final draft report concerning the estimation of Agriculture 'usage' and the function of the leach field on Broderson.
E. Parks and Recreation Committee Meeting Report	No Meeting/No Report
F. Utilities Advisory Committee Meeting Report	Vice President Cesena reported discussions focused on the BMC annual report, and the water level elevation metric.

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G. Finance Advisory Committee Meeting Report	Director Womack reported that the Committee recommended approval of the warrant register, and to receive and file the financials.
H. Emergency Services Advisory Committee Meeting Report	No Meeting/No Report - Director Cross commented that there is a vacancy on the ESAC Committee.
I. Basin Management Committee Meeting Report	Vice President Cesena reported that discussions focused on finalizing the BMC annual report and updating the metrics.
J. Directors' Announcements of District and Community Interest and Reports on Attendance at Public Meetings, Training Programs, Conferences, and Seminars	None
K. Response to Previously Asked Questions	None
12. PUBLIC COMMENT FOR ITEMS ON THE ADMINISTRATIVE AND COMMITTEE REPORTS AND THE CONSENT AGENDA	Public Comment – Richard Margetson commented on measuring Agriculture water usage and emphasized the importance of obtaining accurate numbers and the information needed to place meters.
13. CONSENT AGENDA **A. Receive Administrative Committee Reports, and Approved Committee Minutes** **B. Approve Meetings Minutes of June 4, 2026, Regular Meeting** **C. Approve Warrant Register for June 2026** **D. Receive Financial Report for Period Ending May 31, 2026** **E. Authorize Designated Officers for the Local Agency Investment Account (LAIF) adopt resolution 2026-27**	**Vice President Cesena moved that the Board receive and file the presented Administrative Committee Reports and approve the Consent Agenda. The motion was seconded by Director Cross and the motion passed with the following vote:** **Ayes: Directors Cesena, Cross, Hubbard, Womack** **Nos:** **Abstain:** **Absent: Fourcroy**
14. DISCUSSION OF PULLED CONSENT ITEMS	None
15. FUTURE AGENDA ITEMS	None
16. CLOSING BOARD COMMENTS	Vice President Cesena commented to please respect your neighbors this weekend.
17. ADJOURNMENT	The meeting was adjourned at 7:33 p.m.