



May 7, 2020

TO: LOCSO Board of Directors
FROM: Laura Durban, Administrative Services Manager
SUBJECT: **Agenda Item 6B – 05/07/2020 Board Meeting**
Approve Prior Meeting Minutes

President
Charles L. Cesena

Vice President
Christine M. Womack

Directors
Matthew D. Fourcroy
Vicki L. Milledge
Marshall E. Ochylski

General Manager
Ron Munds

District Accountant
Robert Stilts, CPA

Unit Chief
Scott M. Jalbert

Battalion Chief
Greg Huang

DESCRIPTION

Attached are the minutes of the Board of Directors meeting held April 2, 2020 and Special Board of Directors meeting held April 7, 2020 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 meeting held April 2, 2020 and April 7, 2020.

Attachments

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Los Osos Community Services District
DRAFT - Minutes of the Regular Meeting of April 02, 2020

AGENDA ITEM	DISCUSSION OR ACTION
<p>1. CALL TO ORDER/FLAG SALUTE/ROLL CALL</p>	<p>President Cesena called the meeting to order at 6:00 p.m.</p> <p>Roll Call: Matthew Fourcroy, Director – Present Vicki Milledge, Director – Present Marshall Ochylski, Director – Present Christine Womack, Director – Arrived 6:10PM Chuck Cesena, Vice President – Present</p> <p>The following staff was present: Ron Munds, General Manager Jeffrey Minnery, District Counsel Jose Acosta, Utility Systems Manager Laura Durban, Administrative Services Manager</p>
<p>2. General Action Item A. Adopt Resolution 2020-03 Adopting the Utility Billing Adjustment Policy</p> <p>B. Adopt Resolution 2020-04 Adopting the Virtual Public Meeting Protocols and Policy Related to Coronavirus COVID-19</p>	<p>General Manager Munds presented the resolution as submitted in the agenda packet commenting on the current policy, what will change with this policy, and the direction given from the Board at the January meeting to create a Utility Billing Adjustment Policy.</p> <p>Public Comment – Christina Grimm commented on the meeting being streamed on Facebook Live and that it was being shared on the Chamber of Commerce Facebook page.</p> <p>A motion was made by Director Ochylski that the Board Adopt Resolution 2020-03 adopting the Utility Billing Adjustment Policy. The motion was seconded by Director Milledge and carried with the following vote:</p> <p>Ayes: Directors Fourcroy, Milledge, Ochylski, Cesena Nays: None Abstain: None Absent: Director Womack</p> <p>District Counsel Minnery presented the resolution as submitted in the agenda packet.</p> <p>Director Fourcroy thanked General Manager Munds and District Counsel Minnery for getting this resolution in place and responding to the situation that the District is in.</p> <p>Public Comment – Julie Tacker voiced support for the Resolution and inquired about clearer direction for how to access meetings in the future.</p> <p>A motion was made by Director Ochylski that the Board Adopt Resolution 2020-04 adopting the Virtual Public Meeting Protocols and Policy Related to Coronavirus COVID-19. The motion was seconded by Director Fourcroy and carried with the following vote:</p> <p>Ayes: Directors Fourcroy, Milledge, Ochylski, Womack, Cesena Nays: None Abstain: None Absent: None</p>
<p>3. PUBLIC HEARING A. Public Hearing to adopt Ordinance No, 2020-02 of the Los Osos Community Services District amending and restating Chapter 2.01.21 of Title 2 of the District Code.</p>	<p>General Manager Munds presented the report as submitted in the Agenda Packet.</p> <p>Public Comment - None</p> <p>A motion was made by Director Ochylski that the Board Adopt on second reading, Ordinance 2020-02 amending and restating Chapter 2.01.21 of Title 2 of the District Code. The motion was seconded by Director Milledge and carried with the following vote:</p> <p>Ayes: Directors Fourcroy, Milledge, Ochylski, Womack, Cesena Nays: None Abstain: None Absent: None</p>
<p>4. PUBLIC COMMENT FOR ITEMS NOT ON THE AGENDA</p>	<p>Julie Tacker commented on the County Sewer Rate Increase Public Hearing that will take place in front of the Board of Supervisors on April 21st; discussed the difficulty that many residents may have trying to participate; inquired about the District requesting the County to delay/postpone the vote until after the Stay-At-Home order is removed; commented on what plan the County has, the struggle that the business community currently is having and will continue to have with this increase, and how the</p>

AGENDA ITEM	DISCUSSION
<p>4. PUBLIC COMMENT FOR ITEMS NOT ON THE AGENDA (continued)</p>	<p>County should be creative to figure out how not to raise rates at this time; the community should mail in protest votes and request the meeting be postponed.</p> <p>President Cesena commented that it is the wrong time to have a Public Hearing with a very important Agenda Item where community participation should be included; Inquired if the LOCSD Board would have to have a Special Meeting to take action on this item; commented that Los Osos businesses are suffering currently and this is not the time for large participation and that the County will still be in a Shelter-At-Home order on April 21st.</p> <p>Director Ochylski agreed that the Board needs to take formal action and recommended that the Board have a Special Meeting with the Sewer Rate Increase on the Agenda.</p> <p>Director Womack voiced support of having a Special Meeting.</p> <p>Christina Grimm inquired if the Special Meeting could be in conjunction with the Chamber of Commerce.</p> <p>Director Ochylski responded that the CSD is a government agency and the Chamber is a business and that the two would have to have separate meetings; after the CSD takes a position the Chamber could support that position.</p> <p>General Manager Munds inquired if Monday, April 6 or Tuesday, April 7 would be the better meeting time.</p> <p>The Board agreed that Tuesday April 7, 2020 at 5:30pm would be the time to have a Special Meeting.</p> <p>Julie Tacker commented that the Board should cast a protest vote with District owned properties.</p> <p>General Manager Munds inquired if the Special Meeting on Tuesday April 7, 2020 at 5:30pm is to draft a letter to the County, for the Board President to sign, requesting the delay of the Public Hearing.</p> <p>Director Ochylski commented that a second item on the Agenda would be to discuss if the District should submit a vote of protest for the properties that the District owns.</p>
<p>5. ADMINISTRATIVE AND COMMITTEE REPORTS</p> <p>A. Fire Department Report</p> <p>B. Utilities Department Report</p> <p>C. General Manager Report</p> <p>D. Directors' Announcements of District and Community Interest and Reports on Attendance at Public Meetings, Training Programs, Conferences, and Seminars</p> <p>E. Response to Previously Asked Questions</p>	<p>Written Report only</p> <p>Director Fourcroy inquired about when Station-15 is getting a new Fire Chief.</p> <p>Written Report only</p> <p>President Cesena commented on the raise in water usage in the month of February.</p> <p>Director Ochylski commented that it may be due to increased community members being sheltered-at-home.</p> <p>Written Report only</p> <p>General Manager Munds commented on the Flume Smart Water Rebate program.</p> <p>Director Ochylski inquired about electricity to the Flume Device.</p> <p>Director Ochylski commented on the different things that the Chamber of Commerce is doing during the Shelter in Place time to accommodate helping our local businesses survive through this period of time www.LOBPChamber.org</p> <p>None</p>
<p>6. PUBLIC COMMENT FOR ITEMS ON THE ADMINISTRATIVE AND</p>	<p>Julie Tacker commented about the written reports in the Agenda Packet for the meetings that the Directors attended; reports should be accompanying the form that the directors are filling out for</p>

AGENDA ITEM	DISCUSSION
COMMITTEE REPORTS AND THE CONSENT AGENDA	<p>compensation; Inquired about Low-Income Fund Statement and the Board to bring forward in the future to figure out where to best spend the money to benefit the community.</p> <p>Director Ochylski commented that the Board tasked the FAC to look into the Low-Income Account and that it will be on an agenda for a discussion at a future meeting. GM Munds commented on scheduling a meeting with Lexi Bell from the Morro Bay Natural Estuary Program to get input on the funds in the Low-Income Account so that General Manager Munds can bring that to the table at a later discussion.</p>
7. CONSENT AGENDA A. Receive Administrative, Committee Reports, and Approved Committee Minutes B. Approve Meeting Minutes of March 5, 2020 and March 23, 2020 C. Approve Warrant Register for March 2020 D. Receive Financial Report for Period Ending February 29, 2020 E. Approve 2020 Advisory Work Plans F. Approve a contract with Moss, Levy and Hartzheim LLP for Fiscal Year 2020-2021 Auditing Services G. Approve an Amended Agreement with Pacific Premier Bank to Modify the Interest Rate on the Fire and Water Reserve Accounts	<p>Director Ochylski commented that the FAC meeting was cancelled and that he went through the Warrant Register and the Financial Report personally, and that they are approvable.</p> <p>A motion was made by Director Ochylski that the Board receive and file the Administrative and Committee Reports and approve the Consent Agenda. The motion was seconded by Director Fourcroy and carried with the following vote:</p> <p>Ayes: Directors Fourcroy, Milledge, Ochylski, Womack, Cesena Nays: None Abstain: None Absent: None</p>
8. DISCUSSION OF PULLED CONSENT ITEMS	None
9. FUTURE AGENDA ITEMS	<p>President Cesena commented on the Tuesday April 7, 2020 at 5:50 pm special meeting and the Low-Income Assistant Fund at a future date.</p> <p>Director Fourcroy commented on having an RFP in the future for the Districts future/new auditor.</p>
10. CLOSING BOARD COMMENTS	<p>Director Ochylski commented to support local businesses in any way shape or form possible.</p> <p>President Cesena thanked Staff for staying up to date on the ongoing changes.</p>
11. ADJOURNMENT	The meeting adjourned at 6:45 p.m.

Los Osos Community Services District
DRAFT - Minutes of the Special Meeting of April 7, 2020

AGENDA ITEM	DISCUSSION OR ACTION
1. CALL TO ORDER/ROLL CALL	<p>President Cesena called the meeting to order at 5:30 p.m.</p> <p>Roll Call: Matthew Fourcroy, Director – Present Vicki Milledge, Director – Present Marshall Ochylski, Director – Present Christine Womack, Vice President – Present Chuck Cesena, President – Present</p> <p>The following staff was present: Ron Munds, General Manager Jeffrey Minnery, District Counsel Jose Acosta, Utility Systems Manager Laura Durban, Administrative Services Manager</p>
2. PUBLIC COMMENT FOR ITEMS NOT ON THE AGENDA	<p>Administrative Services Manager Durban read a comment from Ellen Sturtz made available in the supporting documents for the Special Meeting on the LOCSD website.</p> <p>Julie Tacker gave a recap of the meeting that the County had on Jan 16th in regards to increasing the sewer rate; commented on outreach not being adequate and that there have not been any further meetings; on how the mailing outreach occurred; about online commenting with Supervisor Gibson; on lack of participation at the public meeting.</p> <p>President Cesena commented on the letter mailing; on concern regarding public participation.</p>
3. GENERAL ACTION ITEMS A. Discussion of a Draft Letter from the Board of Directors to County of San Luis Obispo Board of Supervisors requesting a delay to the Public Hearing regarding the adoption of a five-year rate increase for the Los Osos Wastewater Service Area scheduled for April 21, 2020	<p>General Manager Munds gave a recap of the April 2 Board Meeting and why there is a Special Meeting for this letter to the County Board of Supervisors; commented on communication that he has had with the County in regards to the timing of the rate increase; proposed three alternatives for the letter, one, for the Board to delay the vote, two, recognizing that if the Board approved the rate increase, ask for delay in implementation, three, is a combination of one and two, asking to delay the hearing and delay the implementation if approved.</p> <p>Vice President Womack commented that the rates would not be raised during the COVID-19 Pandemic; that the County is not trying to make a profit, just pay what it costs to purvey the sewer.</p> <p>Public Comment - Administrative Services Manager Durban read comments from Ellen Sturtz, Cynthia LaPier and Vita Miller made available in the supporting documents for the Special Meeting on the LOCSD website.</p> <p>Julie Tacker commented on meeting procedures for participation for the April 21st Board of Supervisors meeting, that the Public Hearing will not be open, that there is no real time participation for the public to make comments in real time; supports alternative one adding that the District should ask the County to start the process over again; the Board of Supervisors can open the Public Hearing and continue it to another day; would like an opportunity to shape the formula in how the rate increase will be rolled out.</p> <p>Linde Owen commented that the Board send the letter in support that we need the time to finish the COVID-19 Pandemic; if the Board of Supervisors can delay or postpone the charges they can postpone the hearing; that the community has not received an update on how the Sewer Plant is running; that the County is trying to raise the rates without explaining why the rate change is needed; requested that the Board ask the County to postpone the hearing.</p> <p>Jeff Edwards commented that the Board should oppose the rate increase; the steep increase the County is proposing over 5 years is unacceptable, that the Board should tour the treatment facility; that the Board needs to take a position that supports the community.</p> <p>Director Ochylski commented on using alternative one and adding additional language asking the County to acknowledge implementation dates and if the economy has not yet recovered from the Pandemic at that time, that the Board of Supervisors will consider further delaying the implementation.</p> <p>Director Fourcroy commented on the vote that happened in Shandon and that the rate change would be implemented 30 days after the County releases the emergency declaration from the Pandemic; that the financial issue from the Pandemic will last longer than the health pandemic, and tying the rate increase to 30 days after does not address the fact that people will be still hurting financially; that the letter should influence when the increase takes effect; voiced concern that the Board of Supervisors</p>

AGENDA ITEM	DISCUSSION
<p>3. General Action Items (continued)</p>	<p>will use the same language that was used in Shandon, and it not being considerate of those in Los Osos, Shandon, or anywhere else in the County. Director Ochylski commented that the language to add to the letter would be “until the economy has recovered.”</p> <p>President Cesena voiced agreement; commented that when the Pandemic is over that is when recovery can start; on support of starting the process over again when the community can participate and interact; that the plant is working at 50% capacity and the residents have already paid a lot of money; on revisiting the prohibition zone: that many of the items that would come up with a robust 218 process could only happen with full participation.</p> <p>Director Fourcroy commented how the District has no control over this rate increase and that the District is writing a letter to the County Board of Supervisors to consider this.</p> <p>General Manager Munds commented that in the last paragraph there is language asking the Board to reconsider the timing of the public hearing until full participation of the community is possible.</p> <p>Vice President Womack commented on it being okay to pay the workers a living wage; that redoing the rate study will add to the cost.</p> <p>Director Fourcroy commented that this is simply a letter from the District; that there are ways to submit public comment and how to protest on the Recycled Water website; that the District should help Los Osos residents know how to get to the information about the rate change.</p> <p>Director Milledge inquired if the District should be informing the residents on as many platforms as possible.</p> <p>Director Fourcroy commented that the information should be on the District website and that the District should be working with LOCAC and the Chamber of Commerce to help get the two links out for how to participate and how to protest.</p> <p>A motion was made by Director Ochylski that the Board adopt Alternative one with an additional paragraph asking the County to delay the Public Hearing until the Emergency Order of the County of San Luis Obispo is over and public meetings are able to occur with significant public participation; and acknowledge if the County proceeds with the implementations dates, November 2020 for the Base Fee and 2020-2021 for Water Consumption, that if the economy has not recovered from the Pandemic, the Board of Supervisors will consider further delaying the implementation of the rate increases. The motion was seconded by Director Milledge and carried with the following vote:</p> <p>Ayes: Directors Fourcroy, Milledge, Ochylski, Cesena Nays: Director Womack Abstain: None Absent: None</p>
<p>B. Discussion if District should cast a protest vote for District owned properties in the Los Osos Wastewater Service Area.</p>	<p>Public Comment - Administrative Services Manager Durban read a comment from Vita Miller made available in the supporting documents for the Special Meeting on the LOCSO website.</p> <p>Linde Owen urged the District to protest all the District owned properties; commented that there has not been an efficiency analysis, and the residents should get a clear picture of what the County needs the additional money for.</p> <p>Julie Tacker thanked Director Fourcroy for recommending the district reach out through the media, website and newsletter to inform the residents; commented that the County has received 600 protest votes and that the residents need another 2032 to have a majority protest; that the District has two votes that belong to the public and the District should vote in protest; that a protest vote would delay the process until full public participation and community conversations could occur that includes new ideas, new formulas for the rates and charges; the community needs the same process other communities have had with multiple meetings, a question and answer period, bedding of ideas, and the different possibilities should be available to the public.</p> <p>Director Fourcroy commented that he does not support using the District votes as a protest; that having conversations about how to improve the operation and look for cost savings are worthwhile, but cutting funding off and having no ability to pay what is happening is not responsible.</p>

AGENDA ITEM	DISCUSSION
3. General Action Items (continued)	<p>Director Milledge voiced agreement with Director Fourcroy comment.</p> <p>Director Ochylski commented on being undecided and wanting the District to work with the County rather than against.</p> <p>Director Fourcroy commented that the District needs to provide ample time for the community's voices to be heard, and to delay the financial impacts as long as possible, but does not support sending in a protest vote.</p> <p>A motion was made by Director Fourcroy that the Board does not submit a protest vote for the rate increase for the two District properties. The motion was seconded by Vice President Womack and carried with the following vote:</p> <p>Ayes: Directors Fourcroy, Milledge, Ochylski, Womack, Cesena Nays: None Abstain: None Absent: None</p>
4. ADJOURNMENT	The meeting adjourned at 6:28 p.m.

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