




June 28, 2018

TO: LOCSD Board of Directors
FROM: Ann Kudart, Administrative Services Manager 
SUBJECT: **Agenda Item 6B – 8/2/2018 Board Meeting**
Approve Prior Meeting Minutes

President
Vicki L. Milledge

Vice President
Marshall E. Ochylski

Directors
Charles L. Cesena
Louis G. Tornatzky
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 meetings held July 5, 2018 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 July 5, 2018.

Attachment

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**Los Osos Community Services District
DRAFT Minutes of the Regular Meeting of July 5, 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 6:30 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 were present: Renee Osborne, General Manager Roy Hanley, District Counsel Ann Kudart, Administrative Services Manager</p>
<p>2. ANNOUNCEMENT OF CLOSED SESSION ITEMS</p> <p>3. PUBLIC COMMENT</p> <p>4. ADJOURN TO CLOSED SESSION</p>	<p>President Milledge announced that the Board would convene to Closed Session for the following:</p> <p>A. <u>PUBLIC EMPLOYEE PERFORMANCE EVALUATION [Government Code 54957 (b)(1)]</u> Employee Performance Evaluation – District General Manager</p> <p>Public Comment – Julie Tacker commented that General Manager Osborne is not catching on and not invested in the community. Lynette Tornatzky supported General Manager Osborne.</p> <p>The Board adjourned to Closed Session at 6:36 p.m.</p>
<p>5. RECONVENE TO OPEN SESSION</p>	<p>The Board reconvened to Open Session at 7:08 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 were present: Renee Osborne, General Manager Roy Hanley, District Counsel Rob Miller, District Engineer Jose Acosta, Utility Systems Manager Ann Kudart, Administrative Services Manager</p>
<p>6. REPORT OUT OF CLOSED SESSION MEETING</p>	<p>Vice President Ochylski reported that the Board discussed the evaluation process and that the evaluation will take place at the August meeting.</p>
<p>7. PUBLIC HEARINGS AND PRESENTATIONS</p> <p>A. Adopt Resolutions Submitting the Following Fiscal Year 2018/2019 Assessments and Special Tax Rolls to San Luis Obispo County for Collection:</p> <p>1. Bayridge Estates Annual Service Charge</p> <p>2. Vista De Oro Annual Service Charge</p> <p>3. Drainage Special Tax</p> <p>4. Fire Protection and Prevention Services Special Tax</p>	<p>Administrative Services Manager Kudart provided a brief summary of the staff report as submitted with the agenda packet.</p> <p>President Milledge opened the public hearing for testimony to consider all objections or protests to levying Bayridge Estates annual service charge in Fiscal Year 2018/2019 tax rolls; there being none, the public hearing portion was closed.</p> <p>President Milledge opened the public hearing for testimony to consider all objections or protests to levying Vista de Oro annual service charge in Fiscal Year 2018/2019 tax rolls; there being none, the public hearing portion was closed.</p> <p>President Milledge opened the public hearing for testimony to consider all objections or protests to levying the Drainage Special Tax in Fiscal Year 2018/2019 tax rolls; there being none, the public hearing portion was closed.</p> <p>President Milledge opened the public hearing for testimony to consider all objections or protests to levying the Fire Protection and Preventions Services Special Tax in Fiscal Year 2018/2019 tax rolls; there being none, the public hearing portion was closed.</p>

AGENDA ITEM	DISCUSSION
<p>5. Wastewater District No. 1 Assessments</p>	<p>President Milledge opened the public hearing for testimony to consider all objections or protests to levying the Wastewater District No. 1 Assessments in Fiscal Year 2018/2019 tax rolls; there being none, the public hearing portion was closed.</p> <p>A motion was made by Director Cesena to adopt Resolutions 2018-15, 2018-16, 2018-17, 2018-18, and 2018-18 to levy the charges, special taxes, and assessments for Bayridge Estates, Vista de Oro, Drainage, Fire Protection and Prevention Services, and District No. 1 Wastewater Services direct staff to submit adopted resolutions and tax rolls to the County for collection. The motion was seconded by Director Womack and carried with the following vote:</p> <p>Ayes: Directors Cesena, Womack, Tornatzky, Ochylski, Milledge Nays: None Abstain: None Absent: None</p>
<p>B. Public Hearing to Adopt Resolution Submitting District Past Due Water Accounts as Listed in General Manager's Report of Delinquent Water Charges and Approve Collection in the Fiscal Year 2018/2019 Tax Rolls</p>	<p>Administrative Services Manager Kudart provided a brief summary of the staff report as submitted with the agenda packet.</p> <p>President Milledge opened the public hearing for testimony to consider all objections or protests to levying delinquent water charges for collection in the Fiscal Year 2018/2019 tax rolls; there being none, the public hearing portion was closed.</p> <p>A motion was made by Director Cesena to adopt Resolutions 2018-20 confirming the Report of the District General Manager for delinquent water collection charges and authorize the collection of delinquent charges in the County tax roll. The motion was seconded by Director Tornatzky and carried with the following vote:</p> <p>Ayes: Directors Cesena, Tornatzky, Womack, Ochylski, Milledge Nays: None Abstain: None Absent: None</p>
<p>C. Public Hearing to Adopt the Fiscal Year 2018/2019 Final Budget</p>	<p>General Manager Osborne reported that the Finance and Utilities Advisory Committees reviewed and provided recommended changes and those changes have been made to the proposed budget.</p> <p>Vice President Ochylski reported that the Finance Advisory Committee recommended, unanimously that the Board approve the budget.</p> <p>Director Cesena commented on being able to pay down the loan and decommissioning the tank in Bayridge this fiscal year; asked about Fire vehicle replacements and Capital Outlay;</p> <p>President Milledge opened the public hearing for testimony to consider all objections or protests to adoption of the Fiscal Year 2018/2019 Budget.</p> <p>Richard Margetson commented on the lack of clarification regarding the note from the Auditor and questioned why it was still in the Fund 600 narrative; and, the recent repayment to the County for the Cal Fire contract and his concerns that it does not happen again.</p> <p>Julie Tacker voiced her concerns regarding the Parks and Recreation expenses and the Low Income Assistance Fund as the accounting for the fund is not in the budget.</p> <p>Seeing no other speakers, President Milledge closed the public hearing portion.</p> <p>A motion was made by Vice President Ochylski that the Board adopt Resolution 2018-24 adopting the 2018/2019 Fiscal Year Budgets for Administration, Bayridge, Vista De Oro, Fire, Water, Drainage, Wastewater and Parks and Recreation Funds. The motion was seconded by Director Womack and carried with the following vote:</p> <p>Ayes: Directors Ochylski, Womack, Cesena, Tornatzky, Milledge Nays: None Abstain: None Absent: None</p>

AGENDA ITEM	DISCUSSION
<p>D. Approve Recycled Water Agreement with San Luis Obispo County</p>	<p>District Engineer Rob Miller reported that the agreement to deliver recycled water to District customers has been reviewed by both District and County Legal Counsels, and the Utilities Advisory Committee and endorsed as being an appropriate agreement; he reported that the primary recipients to receive the recycled water will be the two schools that lie in the District's service area and the largest customers because of the irrigation demands for potable water; this will be a conversion of those customers from potable water to recycled water, being disconnected from potable mains for the purpose of irrigation and will remain District customers for the purpose of billing and revenue; the County is responsible for providing all the infrastructure, the required retrofits, and the quality of the recycled water; the District is required to set the meter, conduct the reading of the meter, set the rate, and bill the customer. Mr. Miller reported that this particular use of recycled water is determined the highest benefit to seawater intrusion.</p> <p>Public Comment – Richard Margetson commented that the last time a contract regarding the selling of recycled water never came before the Board and appreciated the Board seeing this new contract; and, the seawater intrusion mitigation factor and the County's contract with the dryland farmers.</p> <p>Julie Tacker supported the agreement and opposed the use of potable water for dust control.</p> <p>Scott Kelting suggested that a better solution for the schools would be artificial turf.</p> <p>A motion was made by Director Tornatzky that the Board approve the draft agreement and authorize the Board President to execute the agreement on behalf of the District. The motion was seconded by Director Womack and carried with the following vote:</p> <p>Ayes: Directors Tornatzky, Womack, Cesena, Ochylski, Milledge Nays: None Abstain: None Absent: None</p>
<p>E. Schedule a Community Meeting/Workshop Regarding Proposed Well Sites on the Eastern Side of the Ground Water Basin</p>	<p>Vice President Ochylski reported that the Basin Management Committee, the District, Golden State Water Company, and S&T Mutual are all supporting a Community Workshop to discuss the selection process and to provide an informal forum for community input regarding the proposed well sites. District Engineer Miller reported that a postcard will be mailed with information regarding the workshop.</p> <p>Public Comment – Scott Kelting requested that the community meeting be held on August 22nd.</p> <p>Julie Tacker commented on participation by the entire Board.</p> <p>The Board discussed the workshop be held on Wednesday, August 22nd at 6:00 p.m. at the South Bay Community Center. Engineer Miller with prepare the mailer.</p>
<p>8. PUBLIC COMMENT FOR ITEMS NOT ON THE AGENDA</p>	<p>Richard Margetson commented on the passing of Leon Goldin, a long-time community volunteer, supporter, and friend to many in Los Osos.</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>Battalion Chief Alex was unavailable and his report concerning Station 15-South Bay activities during the month of June 2018 was submitted in the agenda packet.</p> <p>Commander Voge, Coast Station, provided the Sheriff Department's report detailing the activities in Los Osos for the month of June 218 with 231 calls for service including suspicious circumstances, phone scams, vandalism, theft, burglary, disturbing the peace, and notable incidents.</p> <p>Utility Systems Manager Jose Acosta provided a summary of the May 2018 activities of the Utilities Department as submitted in the agenda packet, reporting that residential water usage was 67.5 gallons per person per day. He reported on decreased production and the runtime hours by well site, water billing information, Utilities Department operations and maintenance, water distribution and treatment, and rainfall totals; and, that the elementary schools' water conservation posters displayed throughout the town are having a positive effect.</p> <p>General Manager Osborne provided a summary of the GM's activities for June 2018 as submitted in the agenda packet. She reported on the Los Osos Low Income Assistant Fund, that staff is working on records retention and destruction, accounting and budgeting activities, Parks and Recreation activities; and the services provided by NBS.</p>

AGENDA ITEM	DISCUSSION
E. Los Osos Community Advisory Council (LOCAC)	Chairperson Larry Bender provided an update of the June 28 th LOCAC meeting in which the Council discussed the vacation rental issues. The next meeting will be held June 26 th .
F. Los Osos/Baywood Park Chamber of Commerce Report	Steve Vinson reported that the Chamber had discount tickets for SLO Blues baseball games and provided an update on upcoming events including September 3 rd Taste of Baywood, the 3 rd Annual Bear Festival, and the October 28 th Oktoberfest and Car Show.
G. Los Osos Fire Safe Focus Group Report	Emily Miggins provided an update regarding the chipping events; the Habitat Conservation Plan, on State not County land behind Highland, in the Morro Dunes Ecological Reserve; and, a discussion regarding maintenance in the Tierra Basin area; and defensible space.
H. Weed Abatement Authority Ad Hoc Committee Report	Vice President Ochylski reported that he and Past Board President Jon-Erik Storm were appointed to the Ad Hoc Committee to look into weed abatement authority for the District; that based on conversations with LAFCO, the District already has the authority under the Fire Protection Powers, that the District has a weed abatement program in accordance with the Health and Safety Code; that the District should adopt an Ordinance that outlines the roles and responsibilities and what actions the District will follow to achieve abatement of weeds; and, that next year the District consider adopting a wider sphere of influence for weed abatement authority.
I. Utilities Advisory Committee Report	Committee Chairperson Cesena reported on the June 20 th UAC meeting in which the Committee heard a presentation on the recycled water agreement, the bids for the 8 th Street water yard building project, a general review of all Utilities Department projects and the Basin Management Committee Capital Project updates. The next UAC meeting will be held July 18 th .
J. Parks and Recreation Advisory Committee Report	Committee Chairperson Tornatzky reported on the July 3 rd Parks and Recreation Committee meeting and that the Committee discussed the recycled rubber tire material at the Los Osos Park and heard an update regarding a term sheet, not a lease, with the County for the proposed dog park.
L. Finance Advisory Committee Report	Committee Chairperson Ochylski reported on the July 2 nd FAC meeting in which the Committee recommended that the Board approval of the warrant register and the financial reports; recommended approval of the 18/19 Budget; and, reviewed how interest rates should be split among the various funds which will be continued at the next FAC meeting will be held July 30 th .
L. Directors Announcements of District and Community Interest and Reports on Attendance at Public Meetings, Training Programs, Conferences, and Seminars	Director Cesena announced that he and Utilities System Manager Acosta will be attending a presentation regarding a new water metering device that provides updates via your smart phone concerning your water usage, leaks, and other real time information.
M. Response of Previously Asked Question	None
10. PUBLIC COMMENT ON THE ADMINISTRATIVE AND COMMITTEE REPORTS AND THE CONSENT AGENDA	Public Comment – Julie Tacker commented on 2013 documents still being of interest; permits regarding the water yard building project; the Morro Shoulderband Snail and over-abatement; next steps to replace the rubber tire material; and, printing and postage costs regarding the Low Income Assistance letters that were mailed recently. Richard Margetson opposed the agreement with Moss, Levy & Hartzheim to conduct the upcoming audit and commented on issues regarding the distribution of income interest percentages.
11. CONSENT AGENDA	A motion was made by Director Womack that the Board receive and file the Administrative and Committee Reports and approve the Consent Agenda. The motion was seconded by Director Tornatzky and carried with the following vote:
A. Receive Administrative and Committee Reports	Ayes: Directors Womack, Tornatzky, Cesena, Ochylski, Milledge
B. Approve Meeting Minutes of June 7, 2018 and June 26, 2018	Nays: None
C. Approve Warrant Register for June 2018	Abstain: None
D. Receive Financial Reports for the Period Ending May 31, 2018	Absent: None

AGENDA ITEM	DISCUSSION
<p>E. Adopt Resolution Establishing Appropriation Limit for FY2018/2019</p> <p>F. Adopt Resolution Declaring Medic Rescue-15 Surplus to District Needs and Authorizing the Sale of Surplus Vehicle</p> <p>G. Reaffirm CAL FIRE/SLO County Fire Department and LOCSD Cooperative Fire Protection Agreement and Update Schedules "A" through "E" to Reflect Changes in Services and Costs for FY2018/2019 as Provided in Paragraph 5 of Cooperative Fire Agreement Amendment 1</p> <p>H. Award Bid for Construction of 8th Street Water Yard Building Project</p> <p>I. Adopt Resolution to Permit the Destruction or Disposal of Certain District Records, Documents and Papers</p> <p>J. Approve Agreement with Moss, Levy & Hartzheim in an amount not to exceed \$18,640</p>	
<p>12. GENERAL ACTION ITEMS</p> <p>A. Appointment of Public Members to the Emergency Services Advisory Committee</p>	<p>Administrative Services Manager Kudart provided a brief summary of the staff report as submitted with the agenda packet and reported that there are six applicants and five openings.</p> <p>Director Cesena appointed Emily Miggins; Director Cesena appointed Craig Baltimore; Vice President Ochylski appointed Bob Neumann; Director Womack appointed Gary Orback; and President Milledge appointed Warren Sargent to serve on the Emergency Services Advisory Committee.</p> <p>Public Comment – None</p> <p>A motion was made by Director Womack that the Board confirm the appointments to the Emergency Services Advisory Committee. The motion was seconded by Director Tornatzky and carried 5-0.</p>
<p>13. DISCUSSION OF PULLED CONSENT ITEMS</p>	None
<p>14. FUTURE AGENDA ITEMS</p>	None
<p>15. CLOSING BOARD COMMENTS</p>	Director Cesena reminded the public that school's out, to please drive slow as there are many children outside playing, and that the speed limit is 25 mph unless posted otherwise.
<p>16. ADJOURNMENT</p>	The meeting adjourned at 9:06 p.m.