



January 28, 2016

TO: LOCSO Board of Directors
FROM: Ann Kudart, Administrative/Accounting Assistant III *ak*
SUBJECT: **Agenda Item 11B – 2/4/2016 Board Meeting**
Approve Meeting Minutes of January 7, 2016 and
January 27, 2016

President
Marshall E. Ochylski

Vice President
Jon-Erik G. Storm

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

General Manager
Kathy A. Kivley

District Accountant
Michael L. Doyel

Acting Fire Chief
Steve Reader

Battalion Chief
Tom McEwen

DESCRIPTION

Attached are minutes from the January 7, 2016 and the January 27, 2016 Board of Directors meetings.

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 January 7, 2016 and the January 27, 2016 meeting.

Attachments

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**Los Osos Community Services District
Board of Directors
DRAFT Minutes of the Regular Meeting of January 7, 2016**

AGENDA ITEM	DISCUSSION OR ACTION
<p>1. CALL TO ORDER/FLAG SALUTE/ROLL CALL</p>	<p>President Wright called the meeting to order at 7:00 p.m. and Director Tornatzky led the flag salute.</p> <p><u>Roll Call:</u> Chuck Cesena, Director – Present Jon-Eric Storm, Director – Present Lou Tornatzky, Director – Present Marshall Ochylski, Vice President – Present Mike Wright, President – Present</p> <p>The following Staff were present: Margaret Falkner, Temporary General Manager Michael Seitz, District Legal Counsel Michael Doyel, District Accountant Tom McEwen, Battalion Chief Ann Kudart, Administrative/Accounting Assistant III</p>
<p>7A. ELECTION OF 2016 BOARD PRESIDENT AND BOARD VICE PRESIDENT</p>	<p>Director Storm nominated Vice President Ochylski as Board President. Director Cesena nominated Director Storm as Board President. Seeing no other nominations, the floor was opened to public comment.</p> <p>Public Comment – Julie Tacker, Peggy Pavek, Richard Margetson, and Linde Owen supported Director Cesena as Board President and Director Storm as Vice President. Lynette Tornatzky supported Vice President Ochylski as President and Director Storm as Vice President.</p> <p>Director Storm declined the nomination for Board President.</p> <p>Vice President Ochylski was elected 2016 Board President with the following vote: Ayes: Tornatzky, Storm, Ochylski, Wright Nays: Abstain: Cesena Absent:</p> <p>President Ochylski nominated Director Storm as Vice President. Seeing no other nominations, the floor was opened to public comment. Seeing none, President Wright closed public comment.</p> <p>Director Storm was elected 2016 Board Vice President with the following vote: Ayes: Cesena, Tornatzky, Storm, Ochylski, Wright Nays: Abstain: Absent:</p> <p>At this point in the meeting, the Board took a 5 minute break. President Ochylski reconvened the meeting at 7:14 p.m.</p>
<p>3. PUBLIC COMMENT FOR ITEMS NOT ON THE AGENDA</p>	<p>Keith Wimer invited the public to view the new Los Osos Sustainability Group Facebook page and the Sierra Club website. He requested that the Basin Management Committee report be pulled to be heard separately.</p> <p>Peggy Pavek commented on the lack of transparency by the Board and disagreed with District comments in the New Times December 17th article.</p> <p>April Dury commented on Mr. Seitz's not providing a report on the General Manager and the public records requests for the GM's compensation records.</p> <p>Linde Owen voiced disappointment that there was no report on the General Manager; she requested an agenda item on the Basin Management Committee update; and supported monthly committee meetings.</p> <p>Julie Tacker provided a handout pertaining to the New Times article and her public records request for records for Board direction to the General Manager to remedy the financials.</p> <p>Lynette Tornatzky congratulated the new Board President and Vice President and opposed the treatment of the General Manager by the public.</p>

AGENDA ITEM	DISCUSSION
3. PUBLIC COMMENT FOR ITEMS NOT ON THE AGENDA (continued)	Richard Margetson urged the Board to revisit the contracts for the recycled water going to the schools.
4. ADMINISTRATIVE AND COMMITTEE REPORTS	Battalion Chief McEwen congratulated the Board President and Vice President on their elections and reported on Station 15-South Bay emergency activities, administrative issues, special programs and projects, train, and fire prevention during the month of November 2015 as submitted in the agenda packet.
A. CAL FIRE Report	
B. Utilities Department Report	Temporary General Manager Falkner reported on the October 2015 and the November 2015 activities of the Utilities Department as submitted in the agenda packet.
C. Legal Counsel Report	Legal Counsel Seitz reported that the District had reached by unanimous vote of the Board a confidential settlement that resulted in mutual release of claims with Kathy Kivley. She will remain on paid Administrative Leave until January 31, 2016 and she will then file for retirement. He read into the record Section 5.3 of the Stipulated Judgment that the purpose of the Basin Management Committee is to implement the Stipulated Judgment and the Basin Plan and to engage in other activities that may be necessary and appropriate to ensure successful implementation of that plan once designated sources of funding have been established.
D. Los Osos Community Advisory Council (LOCAC) Report	Vicki Milledge, LOCAC Chairperson, reported on the December 3, 2015 meeting. The Council heard a report on a proposed recreation addition to an existing residence and unanimously recommended approval and a project located at Bonaire for proposed modifications of a rooftop to accommodate a new wireless facility and the Council did not make a recommendation for action. She reported that LOCAC elections will take place early May with applications available after their January 2016 meeting. Traffic and Circulation will meet January 12 at 5:30 p.m., Land Use will meeting January 14 at 6:30 p.m., and the next LOCAC will meet January 28 at 7:00 p.m.
E. Los Osos/Baywood Park Chamber of Commerce Report	Steve Vinson, Chamber of Commerce, reported on the 2015 activities of the Chamber with membership being up. He reported on the upcoming Chamber Installation and Awards Dinner on January 23 and that the Baywood Ale House is the Chamber's 2015 Business of the Year.
F. Basin Management Committee Report	President Ochylski reported that at the December 14 meeting the Committee elected officers, appointed Rob Miller as the Interim Executive Officer, and discussed the County's revised boundaries for the Basin. At the January 5 meeting the committee agreed to submit the Stipulated Judgment to the Water Resource Board as a requirement to become an adjudicated basin, directed Interim Executive Officer Miller to issue RFQs to assist with writing grant applications, adopted rules and regulations, authorized Mr. Miller to identify potential qualified consultants to assist with ways to fund the Basin Management Committee, and recommended an annual budget. The next meeting will be February 17 at 1:30 p.m.
G. Emergency Services Advisory Committee	Chairperson Ochylski reported that at the November 18 meeting ESAC discussed recommendations to the Board regarding items for discussion in 2016, and favored a monthly committee meeting schedule.
H. Finance Advisory Committee	Chairperson Storm reported that at the December 7 meeting the FAC prioritized items for discussion in 2016 to allow the Committee to get a better understanding of the District's finances.
I. Utilities Advisory Committee	Chairperson Tornatzky reported that at the December 9 meeting UAC discussed CIP priorities and recommended that the Board consider revenue options to support the CIP as presented and pursue outside funding opportunities to implement the Basin Plan.
J. Parks and Recreation Subcommittee Report	Vice President Storm reported that this would be discussed with Action Item 7B.
K. Directors' Announcements of Direct and Committee Interest and Reports on Attendance at Public Meetings, Training Programs, Conferences, and Seminars	None.

AGENDA ITEM	DISCUSSION
<p>5. PUBLIC COMMENT FOR ADMINISTRATIVE AND COMMITTEE REPORTS AND THE CONSENT CALENDAR</p>	<p>Public Comment – Keith Wimer, Linde Owen, Lynette Tornatzky, Julie Tacker, April McLoughlin, Elaine Watson, and Richard Margetson spoke.</p>
<p>6. CONSENT AGENDA A. Receive Administrative and Committee Reports B. Approve Meeting Minutes of December 3, 2015 C. Receive Warrant Register for December 2015 D. Receive Statement of Revenue and Expenditure for November 2015 E. Authorize Issuance of a Debit Card to TC McEwen as a Replacement Card for the Account Currently in the Name of Phill Veneris F. Ratify Employment Contract for Temporary General Manager</p>	<p>A motion was made by Director Wright to receive and file the Administrative and Committee Reports and to approve the items on the Consent Calendar. The motion was seconded by Vice President Storm and carried with the following vote:</p> <p>Ayes: Directors Wright, Storm, Cesena, Tornatzky, Ochylski Nays: Cesena on Item 6D Abstain: None Absent: None</p>
<p>7. GENERAL ACTION ITEMS A. Annual Review of Board Bylaws and Rules of Decorum</p>	<p>Legal Counsel Seitz reported that there have been no changes to the Brown Act that would require mandatory changes to the Board Bylaws and recommended the Board consider changes pertaining to conflicts of interest, abstention, and the sections pertaining to the General Manager and advisory committees.</p> <p>Public Comment – Julie Tacker and Linde Owen spoke.</p> <p>The Board directed that Section 2.8(c) be eliminated; that Section 2.9(b) be left as is; that a period be added following “and duties pursuant to contract” in Section 7.1 and eliminate the remainder of the section; and that Section 11.1(a) should reflect that committee meetings will be held monthly as determined by the Committee Chairperson.</p>
<p>B. Authorize the Creation of a Parks and Recreation Standing Advisory Committee</p>	<p>Temporary General Manager Falkner and Vice President Storm gave a brief summary of the item as submitted with the agenda packet.</p> <p>Public Comment – Richard Margetson and Julie Tacker spoke.</p> <p>A motion was made by Vice President Storm that the Board authorized the creation of a fourth standing committee entitled the Parks and Recreation Advisory Committee; direct staff to add this advisory committee to the committee meeting schedule and to advertise for the five appointed positions plus one alternate on the Parks and Recreation Advisory Committee consistent with the Board of Directors Bylaws and Rules of Decorum. 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>C. Discuss FAC Recommendations to the District Investment Policy</p>	<p>District Accountant Doyel provided a summary of the item as submitted with the agenda packet.</p> <p>Public Comment – Linde Owen and Richard Margetson spoke.</p> <p>A motion was made by Vice President Storm that the Board direct staff to bring back the District Investment Policy for adoption at the Board’s February 4, 2016 meeting. The motion was seconded by Director Wright and carried with the following vote:</p>

AGENDA ITEM	DISCUSSION
<p>C. Discuss FAC Recommendations to the District Investment Policy (continued)</p>	<p>Ayes: Directors Storm, Wright, Cesena, Tornatzky, Ochylski Nays: None Abstain: None Absent: None</p>
<p>D. Authorize the Transfer of General Fund Contingency Monies from SW Fund 650</p>	<p>Legal Counsel Seitz and District Account Doyel provided a report of the item as submitted with the agenda packet.</p> <p>Public Comment – Richard Margetson and Linde Owen spoke.</p> <p>A motion was made by Vice President Storm that the Board authorize staff to prepare a Resolution for adoption authorizing the transfer of the remaining General Fund Contingency monies for the Solid Waste Fund 650 (requires four [4] votes) effective July 1, 2014 consistent with this action and return at the next Board Meeting for adoption. The motion was amended by Director Wright that 100% of the monies be designated in a Fire Mitigation Reserve Fund and accepted by Vice President Storm and carried with the following vote:</p> <p>Ayes: Directors Storm, Wright, Cesena, Ochylski Nays: Tornatzky Abstain: None Absent: None</p>
<p>8. DISCUSSION OF PULLED CONSENT ITEMS</p>	<p>None.</p>
<p>9. FUTURE AGENDA ITEMS</p>	<p>Director Wright requested a review of the District's Personnel Policy and a discussion of the District's position on the recycled water contract.</p> <p>Director Cesena would like to resolve the issue of property taxes going to the water department.</p>
<p>10. CLOSING BOARD COMMENTS</p>	<p>Vice President Storm thanked the Board for their support and supported a review of the Personnel Policy, the recycled water contracts, and the property tax issue.</p> <p>President Ochylski thanked Director Wright for his service as Board President in 2015 and thanked Margaret Falkner for her services as Temporary General Manager.</p>
<p>11. ADJOURNMENT</p>	<p>The meeting adjourned at 9:40 p.m.</p>

**Los Osos Community Services District
Board of Directors
Minutes of the Special Closed Session Meeting of January 27, 2016**

AGENDA ITEM	DISCUSSION OR ACTION
<p>1. CALL TO ORDER/FLAG SALUTE/ROLL CALL</p>	<p>Vice President Storm called the meeting to order at 5:00 p.m. and led the flag salute.</p> <p>Roll Call: Chuck Cesena, Director – Present Lou Tornatzky, Director – Present Mike Wright, Director – Present Jon-Eric Storm, Vice President – Present Marshall Ochylski, President – Absent</p> <p>The following Staff were present: Margaret Falkner, Temporary General Manager Michael Seitz, District Legal Counsel Ann Kudart, Administrative/Accounting Assistant III</p>
<p>2. SPECIAL MEETING PUBLIC COMMENT</p> <p>3. CONSENT AGENDA A. Consideration of Short Extension to Temporary General Manager's Contract</p>	<p>Vice President Storm introduced the item and called for public comment.</p> <p>Public Comment – Richard Margetson spoke.</p> <p>A motion was made by Director Wright that the Board approve the contract extending Margaret Falkner's service as the District's Temporary General Manager through February 12, 2016. The motion was seconded by Director Cesena and carried with the following vote:</p> <p>Ayes: Directors Wright, Cesena, Tornatzky, Storm Nays: None Abstain: None Absent: Ochylski</p>
<p>4. CLOSED SESSION</p> <p>A. ANNOUNCEMENT OF CLOSED SESSION ITEMS</p> <p>B. ADJOURN TO CLOSED SESSION</p> <p>C. RECONVENE TO OPEN SESSION AND ANNOUNCEMENT OF CLOSED SESSION ACTION</p>	<p>District Legal Counsel Seitz announced that the Board would convene to Closed Session for the following:</p> <p>A. ANNOUNCEMENT OF CLOSED SESSION ITEMS: 1. CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Government Code Section 54956.9: 1 case Facts and circumstances that might result in litigation against the local agency but which the local agency believes are not yet known to a potential plaintiff or plaintiffs, which facts and circumstances need not be disclosed</p> <p>Public Comment – Richard Margetson and Lynette Tornatzky spoke.</p> <p>The Board adjourned to Closed Session at 5:06 p.m.</p> <p>The first closed session ended at 5:40 p.m. and the Board reconvened to closed session at 7:30 p.m.</p> <p>The Board reconvened to open session at 8:05 p.m. and Mr. Seitz reported that the Board gave Counsel direction but took no reportable action.</p>
<p>6. ADJOURNMENT</p>	<p>The meeting adjourned at 8:05 p.m.</p>