



August 15, 2018

TO: LOCSD Board of Directors
FROM: Ann Kudart, Administrative Services Manager *agk*
SUBJECT: **Agenda Item 11B – 9/6/2018 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 August 2, 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 August 2, 2018.

Attachment

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**Los Osos Community Services District
DRAFT Minutes of the Regular Meeting of August 2, 2018**

AGENDA ITEM	DISCUSSION OR ACTION
1. CALL TO ORDER/FLAG SALUTE/SILENT OBSERVANCE/ROLL CALL	<p>President Milledge called the meeting to order at 6:00 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 – Absent Vicki Milledge, President – Present</p> <p>The following Staff were present: Renee Osborne, General Manager Roy Hanley, District Counsel Jose Acosta, Utility Systems Manager Ann Kudart, Administrative Services Manager</p>
2. PUBLIC HEARINGS AND PRESENTATIONS	<p>There were no public hearings or presentations.</p> <p>President Milledge announced that on August 13th there will be a public meeting regarding the County's Stormwater Resource Plan at the District Office, Suite 106 from 6:30 p.m. to 7:30 p.m.; and, on August 30th a community meeting regarding proposed well sites on the eastern side of the Groundwater Basin at South Bay Community Center at 6:00 p.m.</p>
3. PUBLIC COMMENT FOR ITEMS NOT ON THE AGENDA	<p>Julie Tacker commented that the removal of the rubber tire material from the Park was not agendized, the "Play It Safe Los Osos" Facebook page, and supported the removal of the rubber material from the Los Osos Community Park.</p> <p>Judith King opposed the oil and gas shutdown initiative and provided a "No on Measure G" handout.</p>
4. ADMINISTRATIVE AND COMMITTEE REPORTS	<p>Battalion Chief Alex was unavailable; his report regarding Station 15-South Bay activities during the month of July 2018 was submitted in the agenda packet.</p>
A. Fire Department Report	
B. Sheriff Department Report	None
C. Utilities Department Report	Utility Systems Manager Jose Acosta provided a summary of the June 2018 activities of the Utilities Department as submitted in the agenda packet, reporting that residential water usage was 69.6 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. Mr. Acosta reported that all District drainage locations were weed abated prior to the June inspections, including the Tierra Basin.
D. General Manager Report	General Manager Osborne provided a summary of the GM's activities for July 2018 as submitted in the agenda packet. She reported that staff has been obtaining bids for projects and equipment that were approved for the 18/19 fiscal year; that staff is preparing for the 17/18 Audit and have scheduled the preliminary field work with the Auditor for August 23-24; Parks and Recreation has been reviewing options for the removal of the rubber chips at the playground at the Los Osos Community Park; and an update regarding the Los Osos Low Income Assistance Fund.
E. Los Osos Community Advisory Council (LOCAC)	Secretary Lynette Tornatzky provided an update of the July 26 th LOCAC meeting in which the Council discussed and item to construct a home from a barn; an update on the HCP approval process; and report of the Stormwater Resource Plan from the County; a change to a Vacation Rental to Home Stay; and a new LOCAC website at www.locac.info . The next meeting will be held August 23 rd .
F. Los Osos/Baywood Park Chamber of Commerce Report	Steve Vinson reported that Dominos is the Chamber Business of the Month; a combined Chamber and Rotary Ice Cream Mixer will be held August 8 th 5:30 p.m.-7:00 p.m. at the Chamber; the South Bay Women's Network will have an ice cream event on August 11 th from 12:00 p.m.-4:00 p.m. at the Schoolhouse; the Chamber's Farm to Table Event on September 3 rd 2:30 p.m.-5:30 p.m. at the Farmer's Market; 3 rd Annual Bear Festival on September 9 th ; and, the March 2019 trip to Spain.
G. Los Osos Fire Safe Focus Group Report	None

AGENDA ITEM	DISCUSSION
<p>H. Emergency Services Advisory Committee Report</p> <p>I. Finance Advisory Committee Report</p> <p>J. Directors Announcements of District and Community Interest and Reports on Attendance at Public Meetings, Training Programs, Conferences, and Seminars</p> <p>K. Response of Previously Asked Question</p>	<p>Committee Chairperson Milledge reported on the July 24th ESAC meeting in which the Committee welcomed its new members and reviewed the Brown Act guidelines; Battalion Chief Spinharney and Battalion Chief Alex provided a detailed orientation of Cal Fire and South Bay-15 services; and an overview of the Committee's 2018 Work Plan was provided. No meeting was scheduled due to fire season and Chief Alex's schedule.</p> <p>Director Cesena reported that he attended the ESAC meeting and that the Chiefs stated that they did not have to be present in order for ESAC meetings to be held and that he supported the scheduling of quarterly ESAC meetings as they can always be canceled if necessary.</p> <p>Director Womack reported on the July 30th FAC meeting with all members in attendance; that the Committee approved the minutes, recommended that the Board approve the warrants, and receive the financial reports; that the fiscal year-end financial reports will be submitted after the audit is completed; that the Committee recommended Board approval of a change in the allocation of interest distribution and Phase 2 of the Los Osos Low Income Assistance Fund; and the next meeting will be held Tuesday, September 4th.</p> <p>Director Cesena reported that the August 15th Basin Management Committee meeting has been rescheduled to be held August 30th.</p>
<p>5. PUBLIC COMMENT ON THE ADMINISTRATIVE AND COMMITTEE REPORTS AND THE CONSENT AGENDA</p>	<p>President Milledge asked if any Director wished to pull an item from the Consent Agenda; Director Cesena requested Item 6E be pulled for separate discussion.</p> <p>Julie Tacker commented on the upcoming Stormwater Resource Plan meeting; Los Osos Drainage Plan; LID plans for stormwater runoff; the Verdin warrant; and, voiced her concerns regarding the lack of tracking of the Low Income Assistance funds.</p> <p>Linde Owen suggested that the County submit their budget for Los Osos Parks to be reviewed at the Parks and Recreation meetings; the Low Income Assistance funds and why there are still noncompliant properties; and, an appeal against add-on towers by Verizon.</p> <p>Richard Margetson commented that the year-end figures in the Utilities Report match the Rate Committee's mid-year predications;</p>
<p>6. CONSENT AGENDA</p> <p>A. Receive Administrative and Committee Reports</p> <p>B. Approve Meeting Minutes of July 5, 2018</p> <p>C. Approve Warrant Register for July 2018</p> <p>D. Receive Financial Reports for the Period Ending June 30, 2018</p> <p>E. Interest Income Allocation Disbursement</p> <p>F. Adopt Resolution Authorizing the Purchase of the Replacement Command Vehicle</p>	<p>A motion was made by Director Cesena that the Board receive and file the Administrative and Committee Reports and approve the Consent Agenda with the exception of 6E. The motion was seconded by Director Womack and carried with the following vote:</p> <p>Ayes: Directors Cesena, Womack, Tornatzky, Milledge Nays: None Abstain: None Absent: Ochyłski</p>

AGENDA ITEM	DISCUSSION
<p>7. GENERAL ACTION ITEMS A. Recommendation Regarding Phase 2 of the Los Osos Low Income Assistance Fund</p>	<p>General Manager Osborne provided a summary of the report submitted with the agenda packet; that twelve applications for financial assistance with sewer laterals were received; that eleven applicants met the low income threshold and were eligible for assistance and requested Board approval of the qualifying applicants.</p> <p>Legal Counsel Hanley recommended asking the County for information regarding reasons as to why the approximately 100 remaining individuals have not applied as that information may assist the District in disbursing the next round of funding.</p> <p>Public Comment – Linde Owen commented that the District is using the funds to duplicate the County's efforts.</p> <p>Julie Tacker commented that these were the District funds; asked what the fundamental goal was; commented on the County's two programs; that the District was targeting the same people; and, that we need to change our criteria.</p> <p>Steve Best supported the District's program.</p> <p>A motion was made by Director Womack that the Board accept the qualifying applicants for financial assistance through the Los Osos Low Income Assistance Fund. The motion was seconded by Director Tornatzky and carried 4-0.</p>
<p>8. DISCUSSION OF PULLED CONSENT ITEMS</p> <p>Consent Agenda Item 6E. Interest Income Allocation Disbursement</p>	<p>General Manager Osborne reported that the Finance Committee was directed to review the interest income distribution among the funds; that a separate account was established for Fire with approximately \$1.5 million moved into a Pacific Premier Money Market Account for Fire funds; and, that the remaining funds were currently co-mingled in LAIF and Rabobank Money Market Account with the interest income disbursed among these funds.</p> <p>Public Comment – Richard Margetson opposed approval at this time as more explanation regarding the distribution of the interest is needed; that money earned by an Enterprise Fund cannot be given to another fund without it being a loan that must be repaid at the going interest rate; that the CD at Pacific Premier was supposed to be a designated fund for the Public Facility Fees only and that those funds have a specific purpose and cannot be used for anything else.</p> <p>Julie Tacker commented on her confusion regarding "co-mingled funds"; that with good financials and audits it should not be difficult to know which fund owns how much money; she opposed staff's recommendation as provided in the report; and, supported further discussion of this item.</p> <p>Director Cesena requested a breakdown, the percentage, of each of the funds in LAIF and Rabobank and then allocate the interest accordingly.</p> <p>Legal Counsel Hanley recommended that the Board direct staff to work out what percentage of the Water Fund and the Wastewater Fiduciary Fund are in each account, to allocate that same percentage of the interest income to those two funds, and not worry about percentage allocations to all the other funds as they are not restricted funds.</p> <p>A motion was made by Director Womack that the Board allocate the same percentage of the interest income based on the percentage of funds in the Water Fund and the Wastewater Fiduciary Fund and that the remaining be retained. The motion was seconded by Director Tornatzky and carried 3-1.</p>
<p>9. FUTURE AGENDA ITEMS</p>	<p>Director Cesena and Director Womack requested an update regarding the next phase of the Low Income Assistance Program be agendized for the September meeting and that the Board, not FAC, discuss and set the parameters.</p>
<p>10. CLOSING BOARD COMMENTS</p>	<p>Director Cesena reminded the public again that school is out, to please drive slow as there are many children outside playing, and that the speed limit is 25 mph unless posted otherwise.</p> <p>Director Womack encouraged more public participation.</p>
<p>11. ADJOURNMENT</p>	<p>The meeting adjourned at 7:44 p.m.</p>