



October 27, 2016

TO: LOCSD Board of Directors
FROM: Ann Kudart, Administrative/Accounting Assistant III
SUBJECT: **Agenda Item 11B – 11/3/2016 Board Meeting**
Approve Meeting Minutes of October 6, 2017 and
October 13, 2016

President
Marshall E. Ochylski

Vice President
Jon-Erik G. Storm

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

General Manager
Renee Osborne

District Accountant
Warmerdam CPA Group

Unit Chief
Scott M. Jalbert

Battalion Chief
Tom McEwen

DESCRIPTION

Attached are minutes from your Board's Regular Meeting held October 6, 2016 and your Special Meeting held October 13, 2016, 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 October 6, 2016 and October 13, 2016 meetings.

Attachments

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**Los Osos Community Services District
Board of Directors
DRAFT Minutes of the Regular Meeting of October 6, 2016**

AGENDA ITEM	DISCUSSION OR ACTION
<p>1. CALL TO ORDER/FLAG SALUTE/ROLL CALL</p>	<p>President Ochylski called the meeting to order at 6:02 p.m. and led the flag salute.</p> <p>Chuck Cesena, Director – Present Lou Tornatzky, Director – Present Mike Wright, Director – Present Jon-Erik Storm, Vice President – Present Marshall Ochylski, President – Present</p> <p>The following Staff were present: Roy Hanley, District Legal Counsel Ann Kudart, Administrative/Accounting Assistant III</p>
<p>2. ANNOUNCEMENT OF CLOSED SESSION ITEMS, PUBLIC COMMENT ON CLOSED SESSION ITEMS, AND CONVENING OF CLOSED SESSION</p>	<p>President Ochylski announced that the Board would convene to Closed Session for the following:</p> <p>A. INITIATION OF LITIGATION [Government Code §54956.9(c)] Conference with Legal Counsel regarding one (1) potential case</p> <p>B. CONFERENCE WITH REAL PROPERTY NEGOTIATORS [Government Code §54956.8] Property: APN 074-491-031 in Bayridge Estates APN 074-042-001 in Vista de Oro Agency Negotiator: Roy Hanley, District Legal Counsel Negotiating Parties: San Luis Obispo County Under Negotiation: Terms of Easements</p> <p>C. PUBLIC EMPLOYMENT [Government Code 54957 (b)(1)] Title: General Manager</p> <p>Public Comment – None</p> <p>The Board adjourned to Closed Session at 6:04 p.m.</p>
<p>3. PUBLIC COMMENT</p> <p>4. ADJOURN TO CLOSED SESSION</p>	
<p>5. RECONVENE TO OPEN SESSION</p>	<p>The Board reconvened to Open Session at 7:02 p.m. with all Directors present.</p> <p>The following Staff were present: Roy Hanley, District Legal Counsel Tom McEwen, Battalion Chief, Station 15-South Bay Ann Kudart, Administrative/Accounting Assistant III</p>
<p>6. REPORT OUT OF CLOSED SESSION MEETING</p>	<p>Legal Counsel Hanley announced that there was no reportable action taken during the Board's closed session meeting.</p>
<p>7. PRESENTATIONS AND PUBLIC HEARINGS</p>	<p>None</p>
<p>8. PUBLIC COMMENT FOR ITEMS NOT ON THE AGENDA</p>	<p>Julie Tacker commented on the New Times article; the District's financial reports; the uncompleted work; and needed projections on the life of the District.</p> <p>Linde Owen opposed a full time GM unless they are also an accountant.</p>
<p>9. ADMINISTRATIVE AND COMMITTEE REPORTS</p> <p>A. CAL FIRE Report</p> <p>B. Utilities Department Report</p> <p>C. Legal Counsel Report</p> <p>D. Los Osos Community Advisory Council (LOCAC)</p>	<p>Battalion Chief McEwen provided a brief summary of the Fire Department report for August 2016 as submitted in the agenda packet. He reminded the public that the inspection after connecting laterals requires smoke and carbon monoxide detectors installed in living areas and bedrooms.</p> <p>Utility Compliance Technician was unavailable. The August 2016 Utilities Department Report was submitted in the agenda packet.</p> <p>Legal Counsel Hanley reported that a Workers' Compensation for volunteers such as CERT would be reported at a future meeting.</p> <p>Vicki Milledge reported on the September LOCAC meeting in which the Council heard a report from the Sheriff Department; County Planning Department on the Community Plan and the Habitat Conservation Plan; the Oil Train proposal; and they reviewed a project for an equestrian center.</p>

AGENDA ITEM	DISCUSSION
<p>E. Los Osos/Baywood Park Chamber of Commerce</p>	<p>Steve Vinson reported that Grocery Outlet would be holding a Grand Opening on November 12th; the Chamber's Mixer will be on October 7th; the 38th Annual Oktoberfest on October 30th; and the Chamber's "Super Heroes Christmas Parade" and Annual Needs and Wishes Celebration will be on December 10th.</p> <p>Vice President Storm announced that he is continuing to collect surveys on the parks study and that the November 17th Parks and Recreation Advisory Committee meeting will not be held.</p>
<p>F. Utilities Advisory Committee Meeting Report</p>	<p>Director Wright reported on the September 14th Utilities Advisory Committee meeting in which the Committee heard updates on the Barnett Cox contract; recycled water contract with the schools; 8th Street Upper Aquifer Well; 3rd Street well, Bayridge Estates and Vista de Oro easements; and the Utility Department finances.</p>
<p>G. Finance Advisory Committee Meeting Report</p>	<p>President Ochylski reported on the October 3rd Finance Advisory Committee meeting in which the Committee approved the prior meeting minutes; discussed the warrants and reformatting of the financial reports; discussed the need to move forward with Admin Allocation and sampling timecards; discussed holding a joint FAC/UAC meeting; and the next FAC meeting will be held October 31st.</p> <p>Director Cesena reported on the October 4th Special ESAC meeting in which the Committee Fund 301 financials; the need to agendize the property tax issue and requested a legal opinion.</p>
<p>H. Basin Management Committee Meeting</p>	<p>President Ochylski reported that the Basin Management Committee provided input into the Community Plan; heard an excellent presentation from Committee Member Garfinkel on climate change and the impact on our water supply; a report on the Salt and Nutrients Management Plan; discussed available funds for water conservation; repurposing of septic tanks; and that the boundary modification request was denied.</p> <p>President Ochylski reappointed Director Cesena to continue as District representative to CAPSLO.</p> <p>Director Cesena reported on his attendance at WRAC in which the committee heard a presentation of geophysical means of mapping of water basins.</p> <p>President Ochylski reported on his attendance at the Morro Bay National Estuary Program meeting in which the Committee discussed their goals, polled members, and gave direction to staff to report at their next meeting. He also reported on the bi-monthly meeting of the SLO Chapter of the Special District Association in which they heard a report from the County on the Community Plan updates.</p>
<p>I. Directors Announcements of Direct and Committee Interest and Reports on Attendance at Public Meetings, Training Programs, Conferences, and Seminars</p>	
<p>J. Response to Previously Asked Questions</p>	
<p>10. PUBLIC COMMENT ON THE ADMINISTRATIVE AND COMMITTEE REPORTS AND THE CONSENT AGENDA</p>	<p>President Ochylski pulled Consent Item 11F for further discussion.</p> <p>Public Comment – Julie Tacker, Linde Owen, Vicki Milledge, Lynette Tornatzky, and Richard Margetson spoke.</p>
<p>11. CONSENT AGENDA A. Receive Administrative and Committee Reports B. Approve Meeting Minutes of September 15, 2016; September 22, 2016; and September 27, 2016 C. Receive Warrant Register for September 2016 D. Receive Financial Report for Period Ending August 31, 2016 E. Adopt Resolution Authorizing Formal Bid Process and Executing Related Construction Contracts for Water System Interconnection Improvements F. Approve Amended and Restated Lease Agreement for District Offices</p>	<p>A motion was made by Vice President Storm to receive and file the Administrative and Committee Reports and to approve the items on the Consent Calendar with the exception of Item 11F. 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>

AGENDA ITEM	DISCUSSION
<p>13. DISCUSSION OF PULLED CONSENT ITEM F. Approve Amended and Restated Lease Agreement for District Offices</p>	<p>Vice President Storm requested Consent Item 11F be continued to the next meeting.</p> <p>Public Comment – None</p> <p>A motion was made by Vice President Storm to continue Consent Item 11F. The motion was seconded by Director Wright and passed by unanimous consent.</p>
<p>12. GENERAL ACTION ITEMS</p> <p>A. Discussion and Potential Action Regarding a Community Forum for Candidates for the Los Osos Community Services District Board of Directors</p>	<p>President Ochylski recused himself as he is a candidate and left the dais.</p> <p>District Counsel Hanley gave a brief summary of the item as submitted with the agenda packet.</p> <p>Public Comment – Julie Tacker, Linde Owen, and Richard Margetson spoke.</p> <p>A motion was made by Director Wright to allow the use of Channel 20 to televise the forum with the cost and arrangements solely borne by the five candidates. The motion was seconded by Director Cesena and carried with the following vote:</p> <p>Ayes: Directors Wright, Cesena Nays: Directors Tornatzky, Storm Abstain: None Absent: None</p> <p>The Board, by unanimous consent, placed the item on the upcoming special meeting agenda.</p> <p>President Ochylski returned to the dais.</p>
<p>B. Discussion and Potential Action Regarding Support for Naming Nearby Hill "Los Osos Peak"</p>	<p>District Counsel Hanley gave a brief summary of the item as submitted with the agenda packet.</p> <p>Public Comment – None</p> <p>The Board, by unanimous consent, directed staff to write a letter to the Department of Interior in support of renaming the nearby hill to "Los Osos Peak".</p>
<p>14. FUTURE AGENDA ITEMS</p>	<p>Vice President Storm requested a discussion of combining the numerous zones of benefits to only one property tax split.</p> <p>Director Wright requested an item pertaining to Workers' Comp for the CERT volunteers and a discussion of the Wastewater Disputed Reserve fund be placed on an upcoming agenda.</p>
<p>15. CLOSING BOARD COMMENTS</p>	<p>Director Cesena announced the October 8th Fire Safety Fair in the Rite Aid parking lot.</p> <p>Director Wright encouraged repurposing septic tanks.</p> <p>President Ochylski reminded the public of Chief McEwen's announcement that inspections after connecting laterals requires smoke and carbon monoxide detectors installed in living areas and bedrooms.</p>
<p>16. ADJOURNMENT</p>	<p>The meeting adjourned at 8:35 p.m.</p>

**Los Osos Community Services District
Board of Directors
DRAFT Minutes of the Special Meeting of October 13, 2016**

AGENDA ITEM	DISCUSSION OR ACTION
<p>1. CALL TO ORDER/FLAG SALUTE/ROLL CALL</p>	<p>President Ochylski called the meeting to order at 3:03 p.m. and Legal Counsel Hanley led the flag salute.</p> <p><u>Roll Call:</u> Chuck Cesena, Director – Present Lou Tornatzky, Director – Present Mike Wright, Director – Arrived at 3:06 p.m. Jon-Erik Storm, Vice President – Present Marshall Ochylski, President – Present</p> <p>The following Staff were present: Roy Hanley, District Legal Counsel Ann Kudart, Administrative/Accounting Assistant III</p>
<p>2. ANNOUNCEMENT OF CLOSED SESSION ITEMS</p> <p>3. PUBLIC COMMENT</p> <p>4. ADJOURN TO CLOSED SESSION</p>	<p>President Ochylski announced that the Board would convene to Closed Session for the following:</p> <p>A. <u>CONFERENCE WITH REAL PROPERTY NEGOTIATORS [Government Code §54956.8]</u> Property: 2122 9th Street, Suites 102 and 106, Los Osos, CA Agency Negotiator: Roy Hanley, District Legal Counsel Negotiating Parties: George Contento Under Negotiation: Terms of Lease</p> <p>B. <u>PUBLIC EMPLOYMENT [Government Code 54957 (b)(1)]</u> Title: District General Manager Interview</p> <p>Public Comment: None</p> <p>The Board adjourned to Closed Session at 3:06 p.m.</p>
<p>5. RECONVENE TO OPEN SESSION</p> <p>6. REPORT OUT OF CLOSED SESSION</p>	<p>At 4:03 p.m. President Ochylski called the Open Session to order.</p> <p>Legal Counsel Hanley reported that in regards to Item 2A the Board gave direction to staff on the terms of the lease will be public record once it is signed.</p>
<p>7. GENERAL ACTION ITEMS</p> <p>A. Approve Amended and Restated Lease Agreement for District Offices</p>	<p>President Ochylski reported that the lease was amended to include Suites 102 and 106, a five year extension, and that the District would vacate Suite 201.</p> <p>Public Comment – Jeff Edwards supported the action.</p> <p>A motion was made by Director Wright to accept the lease as written contingent upon the Landlord's signature and to authorize the Board President to execute the agreement on behalf of the District based on closed session direction. The motion was seconded by Director Cesena and carried with the following vote:</p> <p>Ayes: Directors Wright, Cesena Tornatzky, Ochylski Nays: Storm Abstain: None Absent: None</p>
<p>B. Approve Consulting Agreement to Provide General Manager Services</p>	<p>President Ochylski reported that the Board held a second interview with the candidate, Grace Environmental Services; that they would not be an employee of the District but rather a consultant; that the agreement will take effect October 27, 2016; and, that Renee Osborne will be the General Manager with backup provided by Charles Grace, President of Grace Environmental Services.</p> <p>Public Comment – Jeff Edwards and Lynette Tornatzky spoke.</p> <p>Ms. Osborne and Mr. Grace introduced themselves and commented that they are looking forward to working with everyone at the District.</p>

AGENDA ITEM	DISCUSSION
<p>7. GENERAL ACTION ITEMS B. Approve Consulting Agreement to Provide General Manager Services (continued)</p>	<p>A motion was made by Vice President Storm to adopt Resolution 2016-36 approving the consulting agreement with Grace Environmental Services to provide General Manager Services with an effective date of October 27, 2016. The motion was seconded by Director Tornatzky and carried with the following vote:</p> <p>Ayes: Directors Storm, Tornatzky, Cesena, Wright, Ochylski Nays: None Abstain: None Absent: None</p>
<p>C. Discussion of Potential Action Pertaining to Televising the Candidates Forum</p>	<p>President Ochylski reported that at this time he had tentative confirmations from four of the candidates, from the League of Women Voters to moderate, from the Community Center, and from AGP Video for the forum will be held October 20, 2016 at 7:00 p.m.</p> <p>President Ochylski recused himself and left the dais.</p> <p>Public Comment – Jeff Edwards, Vicki Milledge, and Tim Stagers spoke.</p> <p>A motion was made by Director Cesena to televise the Candidates Forum. The motion was seconded by Director Wright and passed by unanimous consent.</p>
<p>8. ADJOURNMENT</p>	<p>Vice President Storm adjourned the meeting at 4:32 p.m.</p>