



June 4, 2020

TO: LOCSO Board of Directors
FROM: Laura Durban, Administrative Services Manager
SUBJECT: **Agenda Item 6B – 06/04/2020 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
Paul Provence

DESCRIPTION

Attached are the minutes of the Board of Directors meeting held May 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 May 7, 2020.

Attachments

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**DRAFT - Los Osos Community Services District
Minutes of the Regular Meeting of May 7, 2020**

AGENDA ITEM	DISCUSSION OR ACTION
1. CALL TO ORDER/FLAG SALUTE/ROLL CALL	<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 – Present 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 Rob Miller, District Engineer Laura Durban, Administrative Services Manager</p>
2. Brown Act Training	<p>Director Ochylski presented to the Board of Directors a presentation on the Brown Act, including questions that each Director needed to respond to and informing them of the current changes in place due to Executive Order N-29-20.</p>
3. PUBLIC COMMENT FOR ITEMS NOT ON THE AGENDA	<p>Julie Tacker voiced disappointment in the outcome of the Sewer Rate increase and in the Board Decision at the Special Meeting about the Sewer Rate Increase; commented on the District's response to providing information about the Sewer Rate increase.</p>
4. ADMINISTRATIVE AND COMMITTEE REPORTS A. Fire Department Report B. Utilities Department Report C. General Manager Report D. Los Osos Community Advisory Council (LOCAC) Report E. Los Osos/Baywood Park Chamber of Commerce Report F. Utilities Advisory Committee Report G. Finance Advisory Committee Report H. Parks and Recreation Advisory Committee Report	<p>Written Report only</p> <p>Written Report only</p> <p>General Manager Munds commented on the COVID-19 Response, Daily Emergency Service Conference Calls, a weekly Special Districts General Manager meeting; on the Flume Smart Water Rebate program; the ENews Online Newsletter.</p> <p>Director Fourcroy inquired if the District has had any direct impacts from COVID-19 that would have been causing any issues.</p> <p>GM Munds responded that the District has been fortunate and has not had any personnel issues but that the District is monitoring water bill payments.</p> <p>President Cesena inquired if the District will need to budget for more rebates for the Flume Smart Water Rebate Program.</p> <p>GM Munds responded that the District has had a larger response than expected but it is leveling off and that it is too early to say if the District has peaked or leveled off on the rebates.</p> <p>Written Report Only</p> <p>Director Ochylski commented on the videos with local businesses; the Food Passport Punch Card that residents can buy for discounts at local businesses.</p> <p>President Cesena commented on the discussion about the Program C Test Well Site Location which will be brought up in Agenda item 8A.</p> <p>Director Ochylski commented that Cheri Grimm resigned from the FAC meeting and thanked her for being an outstanding committee member for the many years she has served the District; that there was a recommendation to approve the warrants and the financials and a discussion on the preliminary budget.</p> <p>All the Directors thanked Cheri Grimm for all her work on the FAC and for her service to the District.</p> <p>Director Fourcroy commented that the District received approval from Fish and Wildlife to construct the Ferrell Street Pathway over the existing sand pathway; on the next steps for the permit process.</p>

AGENDA ITEM	DISCUSSION
<p>I. Directors' Announcements of District and Community Interest and Reports on Attendance at Public Meetings, Training Programs, Conferences, and Seminars</p> <p>J. Response to Previously Asked Questions</p>	<p>Director Ochylski reported on the April Basin Management Committee meeting.</p> <p>None</p>
<p>5. PUBLIC COMMENT FOR ITEMS ON THE ADMINISTRATIVE AND COMMITTEE REPORTS AND THE CONSENT AGENDA</p>	<p>Director Ochylski commented on the response from CalFire on the process of how the Fire Truck went to bid.</p> <p>Julie Tacker commented on the Palisades Well being up in production; inquired about the new Fire Chief and having a press release; about if the Radios and the Fire Truck purchase should have gone to the FAC and ESAC; on a public hearing for the CPI increase; that the Hemp Ordinance parcel size to grow hemp is now 400 acres which should eliminate them from the Los Osos Basin.</p> <p>General Manager Munds commented on the new Fire Chief starting on Monday May 4th, and mentioning the District would like to introduce him at the next in-person meeting.</p>
<p>6. CONSENT AGENDA</p> <p>A. Receive Administrative, Committee Reports, and Approved Committee Minutes</p> <p>B. Approve Meeting Minutes of April 2, 2020 and April 7, 2020</p> <p>C. Approve Warrant Register for April 2020</p> <p>D. Receive Financial Report for Period Ending March 31, 2020</p> <p>E. Adopt Resolution Authorizing Issuance of Credit card to Battalion Chief Paul Provence</p> <p>F. Approve Purchase of Fire Engine from Vehicle Replacement Reserves not to exceed \$710,000</p> <p>G. Approve Purchase of Hand-Held Radios and Supporting Equipment from Fire Capital Outlay Reserve, not to exceed \$55,000</p> <p>H. Approve the Implementation of the Consumer Price Index (CPI) Increase to the Fire Special Tax for Fiscal Year 2020/2021</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>
<p>7. DISCUSSION OF PULLED CONSENT ITEMS</p>	<p>None</p>
<p>8. General Action Items</p> <p>A. Program C Well Location Strategy</p>	<p>General Manager Munds provided a presentation on the Program C Well Location Strategy which is made available on the Los Osos CSD website.</p> <p>Director Fourcroy inquired about the metrics for well site selection and well efficiency in regards to a sustainable basin yield; what the best well site would be based off yield; if the selection will come back to the Board for final selection.</p> <p>District Engineer Rob Miller responded discussing the attachment from Spencer Harris and discussed the well production from each of the sites; commented that just because production is possible does not always mean it has the most benefit; that if the only factor was based off of yield, site C & D would be neck and neck; on the permit process.</p>

AGENDA ITEM	DISCUSSION
<p>8. General Action Items (continued)</p>	<p>President Cesena thanked District Engineer Miller for going through the tables and helping to clarify; inquired about permitting issues, mitigated negative declaration and other studies that may have to be done.</p> <p>General Manager Munds responded that once the District has the information from the CEQUA then it will come back to the Board for final selection.</p> <p>Public Comment – Laura Durban read a public comment from Steve Smith made available on the Los Osos CSD website; also called in and thanked the Board for pursuing other interest and other sites; voiced support for Site E.</p> <p>Laura Durban read an email from Carolyn Neal made available on the Los Osos CSD website.</p> <p>Scott Kelting commented that drilling new wells not being a sustainable long term; thanked the District for diligence to identify two different well sites; voiced support for Site E; inquired about the portion of the water to be given to the owner at Site C if the well site is developed there.</p> <p>Rob Miller responded that in original discussions the owner was discussing getting 10% of water from Site C to be used in other areas of the Basin.</p> <p>President Cesena commented that Site E does have advantages, but reminded those listening that it is in a neighborhood and closer to some homes than other well site locations.</p> <p>A motion was made by Director Ochylski that the Board Approve the selection of SWCA Environmental Consultants to provide Program C Well environmental review services for the five identified well sites and authorize the General Manager to sign an agreement for said services not exceed \$39,106. 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>B Fiscal Year 2020/2021 Preliminary Budget Review</p>	<p>General Manager Munds provided a presentation on the preliminary budget which is made available on the Los Osos CSD website.</p> <p>The Board discussed changing the different options for the Zone A Property Tax allocation.</p> <p>Public Comment – Administrative Services Manager Durban read a comment from Richard Margetson saying he would like more Zone A property tax revenue to be directed towards Fire for FY 2020-21.</p> <p>Julie Tacker requested an explanation for what is expected and the expense for Parks and Recreation projects before the percentage is given to Parks and Recreation; voiced support in giving as much of the allocation to Fire as possible.</p> <p>Jan Harper voiced support for giving the percentage allocation to Parks & Recreation.</p> <p>A motion was made by Vice President Womack that the Board approve the District Zone A Tax Allocation to 47.5% to Fire, 35% to Water & 17.5% to Parks & Recreation. The motion was seconded by Director Milledge and carried with the following vote:</p> <p>Ayes: Directors Fourcroy, Milledge, Womack, Cesena Nays: Director Ochylski Abstain: None Absent: None</p> <p>General Manager Munds continued his presentation on the remainder of the budget discussing each Funds budget and the main changes that will occur in the next fiscal year.</p> <p>Public Comment – Administrative Services Manager read Richard Margetson comment on the Ambulance Contract, Investment income being lower in the next fiscal year and the General Contingency Reserve being lowered.</p> <p>General Manager Munds commented on the change in the General Contingency Reserve.</p>

AGENDA ITEM	DISCUSSION
9. FUTURE AGENDA ITEMS	None
10. CLOSING BOARD COMMENTS	<p>Director Ochylski commented to support local businesses.</p> <p>Vice President Womack inquired about late fees.</p> <p>Legal Counsel Minnery commented that with Resolution 2020-02 the District gave authority to the General Manager Munds to deviate from policy which would include working with customers that are late that is different than current policy.</p> <p>General Manager Munds responded that at this time the District is not assessing late fees.</p> <p>Director Milledge thanked staff for having the slides available during the Zoom meeting.</p>
11. ADJOURNMENT	The meeting adjourned at 8:11 p.m.

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