



October 31, 2019

TO: LOCSO Board of Directors
FROM: Laura Durban, Administrative Services Manager
SUBJECT: **Agenda Item 7B – 11/7/2019 Board Meeting**
Approve Prior Meeting Minutes

President
Marshall E. Ochylski

Vice President
Charles L. Cesena

Directors
Matthew D. Fourcroy
Vicki L. Milledge
Christine M. Womack

General Manager
Renee Osborne

District Accountant
Robert Stilts, CPA

Unit Chief
Scott M. Jalbert

Battalion Chief
Greg Huang

DESCRIPTION

Attached are the minutes of the Board of Directors meeting held October 3, 2019 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 October 3, 2019.

Attachment

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Los Osos Community Services District
DRAFT - Minutes of the Regular Meeting of October 3, 2019

AGENDA ITEM	DISCUSSION OR ACTION
<p>1. CALL TO ORDER/FLAG SALUTE/SILENT OBSERVANCE/ROLL CALL</p>	<p>President Ochylski called the meeting to order at 7:00 p.m. and Director Fourcroy led the flag salute.</p> <p>Roll Call: Matthew Fourcroy, Director – Present Vicki Milledge, Director – Present Christine Womack, Director – Present Chuck Cesena, Vice President – Absent Marshall Ochylski, President – Present</p> <p>The following staff was present: Ron Munds, General Manager Jeffrey Minnery, District Counsel Jose Acosta, Utility Systems Manager Laura Durban, Administrative Services Manager</p>
<p>2. PUBLIC COMMENT FOR ITEMS NOT ON THE AGENDA</p>	<p>Julie Tacker commented on Directors Compensation; briefly on the history and the meetings that should not be compensated; on the Board not addressing the funds that should be reimbursed to the District from meetings that are not in the Bylaws to be compensated.</p>
<p>3. 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>E. Los Osos Community Advisory Council (LOCAC) Report</p> <p>F. Los Osos/Baywood Park Chamber of Commerce Report</p>	<p>Chief Huang provided a summary of the Chief's Report for July 24th 2019-September 24th 2019 in which Station 15-South Bay responded to 268 calls, including 146 medical aids, 32 traffic collisions, 16 incidents were reported as fire, forty as public service assists, and twenty-six as false alarms; commented that the Fire Safety Fair will be held October 12th at 11:00 a.m-3 p.m. where local government agencies will be there, and all funds raised will go to Olivia Gonzales the 4 year old that burnt her feet in an unmarked firepit in Montana De Oro; held nine interviews for new Reserve Fire Fighters.</p> <p>Deputy Adams, San Luis Obispo Sheriff's Office, provided a report of Sheriff Department activities for the month of September 2019 with 557 calls for service which included assaults, battery, disturbances, burglary, thefts, vandalism, phone scams, suspicious circumstances.</p> <p>Utility System Manager Acosta provided a summary of the August 2019 activities of the Utilities Department as submitted in the agenda packet reporting total water production; the District produced 15.4 million gallons equated to an average daily demand of 496,000 gallons, 66.3 gallons per day per person, a decrease from last year; he reported on water billing information, Utilities Department operations and maintenance including water sampling, analysis and reporting for all well sites, monthly meter reading, continued valve exercising, continued residential meter replacements, water service line repair, decommissioning of Bayridge septic tanks, and changes on staff, Robert Diemel Water Resource Operator retired and Liz Radvansky, Utility Billing Specialist, decided to step down from her position at the District; her last day is October 21st.</p> <p>General Manager Munds provided a summary of activities for August and September 2019 as submitted with the agenda packet reporting that Carol Gilmer was hired as the Districts Administrative Clerk I; Liz Radvansky is leaving her position at the District and that Alicia Zuniga was hired for the Utility Billing Specialist position; started our annual financial audit and look to have the Final Audit Report available in December; Rob Miller and General Manager Munds on September 23rd went to Salinas to provide a presentation for the 8th Street Well grant and that the award date is anticipated in June 2020.</p> <p>LOCAC Secretary Tornatzky reported on the meeting from September 26th at Sea Pines Golf Resort; showed the Board a copy of the Los Osos Community Plan Draft Environmental Impact Report (DEIR); County Senior Planner Kerry Brown had two announcements about the planning department working on updates, there will be two workshops held at SLO County Library on Housing Element October 16th, 2019 and Safety Element on October 23rd, 2019; Also announced Habitat Conservation Plan (HCP) should be released next month; Supervisor Gibson reported the HCP will go to the Federal Registry next week and that starts a 45-day comment period. Go to www.Locac.info to get the link to take you to the DEIR, also available at the libraries in Los Osos, the County, and Cal Poly; Brown reported that there would be a meeting held with Fish and Wildlife Service about the HCP and the DEIR, the meeting is not yet planned, to get details email kbrown@co.slo.ca.us.</p> <p>Steve Vinson reported that the Chamber is holding a community BBQ at the Chamber of Commerce on October 19th, 2019 from 12-3 p.m. with Santa Maria BBQ, patrons can come sit or take it to go for \$10 a plate; Oktoberfest is October 27th on 2nd Street; starts with a 4-mile run, sign-ups start at 7:30 a.m., Kiwanis Pancake Breakfast will be from 8-10 a.m., music will start at 10:30 a.m., awards for the Car Show will be handed out including a costume contest for adults, kids and dogs, Best of the Fest is the Beer Tasting Contest, raffle tickets available to be a Beer Judge; Festival ends at 5:30 p.m.</p>

AGENDA ITEM	DISCUSSION
<p>3. ADMINISTRATIVE AND COMMITTEE REPORTS (continued)</p> <p>G. Utilities Advisory Committee Report</p> <p>J. Finance Advisory Committee Report</p> <p>K. Directors' Announcements of District and Community Interest and Reports on Attendance at Public Meetings, Training Programs, Conferences, and Seminars</p> <p>L. Response to Previously Asked Questions</p>	<p>General Manager Munds provided a summary of the September 18th UAC meeting in which the Committee recommend that the Board approve Agenda Items 5F and 5G; reported that the BMC announced Rob Millers replacement, Dan Heimel, from Water Systems Consulting.</p> <p>Chairperson Ochylski and Director Womack provided a summary of the September 30th FAC meeting in which the Committee recommended that the Board approve Agenda Items 5C, 5D, 5E and 5F; and, that the next meeting will be Monday, November 4th at 5:30 p.m.</p> <p>None</p> <p>Legal Counsel Minnery responded to previous asked questions on Director's Compensation commenting that The Government Code provides for compensation to Directors for Regular Meetings and advisory bodies; The District has the ability to adopt policies to provide compensation for additional meetings if desired; Over many years, the District developed a practice of compensating Directors beyond the strict policies of its bylaws; Although stipends were paid for additional meetings, there is no evidence of intent to convert District funds, but rather a misunderstanding of policy; The Government Code provides for remedies of "misuse" of District funds that requires intentional and/or negligent acts and the funds must be used for personal use (i.e. – not related to District business); It appears all stipends paid were related to the advancement of District business; The Directors have made a good faith effort to pay back money where stipends were questionable per policy; The District Attorney investigation matter remains on-going; Unless Directed otherwise by the Board, District Counsel will await the closure District Attorney investigation before suggesting any further action.</p>
<p>4. PUBLIC COMMENT FOR ITEMS ON THE ADMINISTRATIVE AND COMMITTEE REPORTS AND THE CONSENT AGENDA</p>	<p>General Manager Munds commented on an error in the Financials in the Board Packet, and to review the Attachment made available that it was discovered before the meeting and was updated.</p> <p>Public Comment – Julie Tacker inquired if General Manager Munds checked to verify that the Grace Environmental final payment is accurate; commented on Directors Compensation, the list of meetings Directors receive compensation for are not defined, would like an audit of the situation over the last multiple years, and have directors pay back the District if overpaid.</p> <p>Richard Margetson commented on Agenda Item 5F and the need to look at the Districts Investment Policy and work on plans for the future; on the Financials being approved for filing, there is an inaccuracy with Drainage that General Manager Munds is working on, the Board will be approving something with an inaccuracy.</p> <p>President Ochylski responded that the Board in 2020 is planning on having a work group about updating the Investment Policies.</p>
<p>5. CONSENT AGENDA</p> <p>A. Receive Administrative and Committee Reports</p> <p>B. Approve Meeting Minutes of August 1, 2019 and August 5, 2019</p> <p>C. Approve Warrant Register for August 2019 and September 2019</p> <p>D. Receive Financial Reports for the Periods Ending July 31, 2019 and August 31, 2019</p> <p>E. Authorize Transfer of \$8,000 from Admin Reserves to General Fund for new Payroll Software</p>	<p>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 Fourcroy and carried with the following vote:</p> <p>Ayes: Directors Womack, Fourcroy, Milledge, Ochylski Nays: None Abstain: None Absent: Cesena</p>

AGENDA ITEM	DISCUSSION
<p>5. CONSENT AGENDA (continued) F. Update Regarding Reconciliation of the Reserve Accounts and Approval of the Transfer of Funds from the Mechanics Bank General Checking Account into the Water and Fire Pacific Premier Money Market Reserve Accounts G. Introduction and First Reading by Title Only of Ordinance Amending Title 2 of the District Code H. Authorize Payment to Pape Kenword for parts used to repair Medic Engine 15, in an amount not to exceed \$13,000</p>	
<p>6. GENERAL ACTION ITEMS A. Consider the adoption of resolution 2019-06 amending Appendix A to Title 2 of the Los Osos Community Services District Code to establish a recycled water rate for San Luis Coastal Unified School District Properties.</p>	<p>General Manager Munds provided a summary of the staff report for Agenda Item 6A; when General Manager Munds, Rob Miller and Richard Margetson developed the water rates in 2017 this delivery was contemplated back then. The District built in what will be the decrease in revenue associated with pricing incentive in those rates, if approved the proposed rate will not have an impact on existing customers; commented that the Recycled Water Rate is not in the purview of Prop 218 due to only two properties owned by the same entity and the District is not proposing a new water rate, or an increased fee.</p> <p>Director Fourcroy inquired if the School District is contracted to take a certain amount; if the School District could switch back if they no longer wanted to use Recycled Water.</p> <p>General Manager Munds responded that there is no contract with the School District, they will remain a customer with a sperate meter for Recycled Water, and it will be independent from their potable water; that in theory the School District could switch back if they wanted, but the District would discourage that.</p> <p>Public Comment – Julie Tacker voiced support of this resolution; commented about contract with Sea Pines, and although they are a for-profit, their rates are the same as farmers; when the time comes for renegotiation to consider the amount of use at Sea Pines and the cost.</p> <p>A motion was made by Director Fourcroy that the Board adopt resolution 2019-26 amending Appendix A to Title 2 of the Los Osos Community Services District Code to establish a Recycled Water Rate for San Luis Coastal Unified School District Properties. The motion was seconded by Director Womack and carried with the following vote:</p> <p>Ayes: Directors Fourcroy, Womack, Milledge, Ochylski Nays: None Abstain: None Absent: Director Cesena</p>
<p>7. DISCUSSION OF PULLED CONSENT ITEMS</p>	<p>Public Comment - None</p>
<p>8. FUTURE AGENDA ITEMS</p>	<p>None</p>
<p>9. CLOSING BOARD COMMENTS</p>	<p>Director Womack commented on South Bay Women’s Network has a scholarship opportunity for women re-entering college, the application is available at SBWN.org</p> <p>President Ochylski commented on the Fire Safety Fair on Saturday October 13th in the Miners/Rite Aid parking lot on Los Osos Valley Road and the training/events, food and items that will be at the fair.</p>
<p>10. ADJOURNMENT</p>	<p>The meeting adjourned at 7:52 p.m.</p>