

**Los Osos Community Services District
Board of Directors
Minutes of the Regular Meeting of January 8, 2015**

AGENDA ITEM	DISCUSSION OR ACTION
<p>1. CALL TO ORDER/FLAG SALUTE/ROLL CALL</p>	<p>Vice President Wright called the meeting to order at 6:00 p.m. and Director Cesena led the flag salute.</p> <p><u>Roll Call:</u> Chuck Cesena, Director – Present Marshall Ochylski, Director – Present Jon-Eric Storm, Director – Present Lou Tornatzky, Director – Present Mike Wright, President Pro Tem – Present</p> <p>The following Staff were present: Kathy Kivley, General Manager Michael Seitz, District Legal Counsel Ann Kudart, Administrative/Accounting Assistant</p>
<p>2. ANNOUNCEMENT OF CLOSED SESSION ITEMS, PUBLIC COMMENT ON CLOSED SESSION ITEMS, AND CONVENING OF CLOSED SESSION</p> <p>3. PUBLIC COMMENT</p> <p>4. ADJOURN TO CLOSED SESSION</p>	<p>District Legal Counsel Seitz announced that the Board would convene to Closed Session for the following:</p> <p>A. <u>EXISTING LITIGATION (Government Code, §54956.9(d) (1))</u> Conference with Legal Counsel Regarding Existing Litigation (Formally Initiated): - <i>LOCSD v. Golden State et al</i> (Groundwater Adjudication), Case No. CV040126 (San Luis Obispo Superior Court) - <i>In re Los Osos Community Services District (ND-06-10548)</i> United States Bankruptcy Court, Central District of California, Northern Division</p> <p>Public Comment – None.</p> <p>The Board adjourned to Closed Session at 6:01 p.m.</p>
	<p>The Board reconvened to Open Session at 7:00 p.m.</p> <p><u>Roll Call:</u> Chuck Cesena, Director – Present Marshall Ochylski, Director – Present Jon-Eric Storm, Director – Present Lou Tornatzky, Director – Present Mike Wright, President Pro Tem – Present</p> <p>The following Staff were present: Kathy Kivley, General Manager Mike Doyel, District Accountant Margaret Falkner, Utility Compliance Technician Ann Kudart, Administrative/Accounting Assistant</p>
<p>6. RECEIVE REPORT OUT OF CLOSED SESSION</p>	<p>Director Ochylski reported that the Board discussed both items under Existing Litigation but took no reportable action.</p>
<p>7A. Election of 2015 Board President and Vice President</p>	<p>Director Ochylski nominated Vice President Wright as Board President. Director Tornatzky seconded the nomination. Seeing no other nominations, the floor was opened to public comment. Seeing none, Vice President Wright closed public comment.</p> <p>Vice President Wright accepted the nomination, the Board voted by acclamation and Mr. Wright was elected 2015 Board President.</p> <p>Director Tornatzky nominated Director Storm as Vice President. Director Cesena nominated Director Ochylski as Vice President. Seeing no other nominations, the floor was opened to public comment. Seeing none, President Wright closed public comment.</p> <p>The Board voted by ballot, General Manager Kivley collected the ballots, Administrative Assistant Kudart read each ballot and announced that on a 3-2 vote Director Ochylski was elected as Vice President of the Board.</p>

AGENDA ITEM	DISCUSSION
<p>7B. Appointment of Chairpersons and Vice Chairpersons to the 2015 Standing Advisory Committees and Outside Agencies by the Board President</p>	<p>President Wright appointed Vice President Ochylski as Chairperson and Director Cesena as Vice Chairperson of the Emergency Services Advisory Committee.</p> <p>President Wright appointed Director Storm as Chairperson and himself as Vice Chairperson of the Finance Advisory Committee.</p> <p>President Wright appointed Director Tornatzky as Chairperson and Director Storm as Vice Chairperson of the Utilities Advisory Committee.</p> <p>President Wright appointed Director Tornatzky as District representative to the Water Resources Advisory Committee (WRAC) and Utilities Compliance Technician Margaret Falkner as alternate.</p> <p>President Wright appointed Vice President Ochylski as District representative to the ISJ and to the Morro Bay National Estuary Program.</p> <p>President Wright appointed himself as District representative to the Fire Focus Group.</p> <p>President Wright appointed Director Cesena as District representative to the Community Action Partnership of San Luis Obispo County (CAPSLO).</p> <p>President Wright appointed, in alphabetical order, Directors to represent the District at LOCAC meetings beginning with Director Cesena at the January meeting.</p> <p>Public Comment – Linde Owen, Keith Wimer, Al Barrow, Bill Moylan and Richard Margetson supported Director Cesena as UAC Vice Chairperson.</p> <p>Lynette Tornatzky supported the committees meeting quarterly and supported Vice President Ochylski as ISJ representative.</p> <p>Julie Tacker commented on the history of the ISJ representative.</p>
<p>8. PUBLIC COMMENT FOR ITEMS NOT ON THE AGENDA</p>	<p>Al Barrow commented on the importance of the Board to formally address the damages to the Palisades Well.</p> <p>Bill Moylan commented on the appointment of the committee chairs.</p> <p>Keith Wimer commented on the Draft Basin Plan, spray fields, creek discharge and recycled water issues.</p> <p>Linde Owen voiced her disappointment with the committee appointments and opposed quarterly committee meetings.</p> <p>Tom Salmon would like to see the Board formally review the District's contracts with Shipsey and Seitz and the Wallace Group.</p> <p>Julie Tacker commented on retiring Palisades Well; questions being asked by the public not being answered; cost of damages associated with the sewer construction and the need to file claims; requested a presentation on creek discharge.</p> <p>Richard Margetson commented on the committee appointments and Emergency Services Advisory Committee issues.</p> <p>Jan Harper voiced her support and confidence with the leadership of the Board.</p> <p>Lynette Tornatzky commented on the presentations at the recent WRAC meeting.</p> <p>Gretchen Clark commented on her support and confidence with the leadership of the Board and would like to participate in the forward and proactive actions to save our aquifer.</p>
<p>9. ADMINISTRATIVE AND COMMITTEE REPORTS A. CAL FIRE Report</p>	<p>Battalion Chief Veneris, on behalf of Chief Lewin and County Fire, welcomed and offered congratulations to the 2015 Board President and Vice President and the new incoming and re-elected Directors. The Chief reported on Station 15-South Bay emergency activities, administrative issues, and fire prevention during the month of November 2014.</p>

AGENDA ITEM	DISCUSSION
<p>B. Utilities Department Report</p> <p>C. General Manager's Report</p> <p>D. District Legal Counsel Report</p> <p>E. LOCAC Report</p> <p>I. Directors' Announcement of District and Community Interest and Reports on Attendance at Public Meetings, Trainings, etc.</p>	<p>Utility Compliance Technician Falkner reported on the November 2014 operations of the Utilities Department, reporting on water production and well site runtime hours. She reported on California's State of Emergency due to the drought, water conservation efforts, and the County's rebate program. She reported that the District is in compliance with the General National Pollutant Discharge Elimination System Permit for storm water discharge and continuing monitoring and grounds keeping by the crews in Bayridge Estates and Vista de Oro.</p> <p>General Manager Kivley reported that during the month of December 2014 she and District Account Doyel began working on the State Comptroller's Compensation and Special District Report. They continue working and will finalize shortly. She reported on her attendance at several ISJ meetings, conference calls, and working on updates to the Basin Management Plan.</p> <p>Legal Counsel was unavailable to give a report.</p> <p>Vicki Milledge, LOCAC Chairperson, reported that there was no meeting in November 2014. The Council did not have a quorum at their December 2014 meeting but discussed a storage facility, garage and deck, new residences, two existing greenhouses expansions, and a permit to extend a PG&E tower. Next meeting will be January 22, 2015.</p> <p>Steve Vinson, of the Chamber of Commerce, reported on the upcoming Installations and Awards Dinner on January 23, 2015 and a January 14, 2015 presentation of a Chamber-sponsored tour of Tuscany.</p>
<p>10. PUBLIC COMMENT FOR ADMINISTRATIVE AND COMMITTEE REPORTS AND THE CONSENT CALENDAR</p>	<p>Al Barrow voiced his appreciation of the Fire Department; commented on disruptions during Public Comment and on the Palisades Well issue.</p> <p>Linde Owen requested an accounting of the \$17,000 contract and an update of the water conservation campaign. She commented on updates needed from LOCAC on all building though out the District and not just within the District's water service area.</p> <p>Julie Tacker commented on the Palisades Well issues; disappointed there was no report on the South Bay Well Blending system; the Compensation and Special District Report; and the water conservation program.</p> <p>Richard Margetson commented on the status of the Palisades Well; the charts in the Utilities Department report; that the Finance Committee should be reviewing all the Financials; and, asked when the Audit would be available.</p>
<p>11. CONSENT AGENDA</p> <p>A. Receive Administrative and Committee Reports</p> <p>B. Approve Meeting Minutes of December 4, 2014</p> <p>C. Receive Warrant Register through December 2014</p> <p>D. Receive Current Expenditure Reports through December 31, 2014</p> <p>E. Adopt Resolution Deleting Outgoing Directors and Adding Incoming Directors on all Bank Signature Cards</p> <p>F. Receive Notice of Completion for South Bay Well Nitrate Removal Project</p>	<p>A motion was made by Director Ochylski to receive and file the Administrative and Committee Reports, and to approve the items on the Consent Calendar. The motion was seconded by Director Storm and carried with the following vote:</p> <p>Ayes: Directors Ochylski, Storm, Cesena, Tornatzky, Wright Nays: None Abstain: None Absent: None</p>
<p>12. GENERAL ACTION ITEMS</p> <p>A. Annual Review of Board Bylaws and Rules of Decorum</p>	<p>General Manager Kathy Kivley provided a summary of the report as submitted with the agenda packet.</p> <p>Director Storm recommended striking Section 9 Director Compensation and that the monies go towards Director training. Director Ochylski opposed striking Section 9 and recommended adding language to Section 11.1(b) "in consultation with the Board." Director Cesena opposed striking Section 9. President Wright recommended language clarifying Alternate Members serve for one year and adding Harassment Training requirement to Section 12.</p>

AGENDA ITEM	DISCUSSION
A. Annual Review of Board Bylaws and Rules of Decorum (continued)	<p>Public Comment – Al Barrow asked who recommended that Board members get a raise and supported striking Section 9.</p> <p>Richard Margetson supported adding language to Section 11.1(b) and supported leaving Section 9 as is and commented on the Director's Compensation line item in the budget.</p> <p>Linde Owen supported the previous speaker's comments pertaining to the budget.</p> <p>Julie Tacker commented on the language of Sections 4.3(b), 4.3(d), 4.4(c), and 11.1(d).</p> <p>A motion was made by Vice President Ochylski that the Board leave Section 9.1 and 9.2 as is; increase Section 9.4 in accordance with Staff recommendation; add "in consultation with the Board" to Section 11.1(b); and add Harassment Training to Section 12. The motion was seconded by Director Tornatzky and carried with the following vote:</p> <p>Ayes: Directors Ochylski, Tornatzky, Cesena, Storm, Wright Nays: None Abstain: None Absent: None</p>
B. LAFCO Special District Member Election	<p>General Manager Kathy Kivley provided a summary of the report as submitted with the agenda packet.</p> <p>Public Comment – None.</p> <p>A motion was made by Director Storm that the Board enter a vote for Marshall Ochylski as LAFCO Special District Member and direct Staff to submit the completed ballot. The motion was seconded by Director Tornatzky and carried with the following vote:</p> <p>Ayes: Directors Storm, Tornatzky, Cesena, Ochylski, Wright Nays: None Abstain: None Absent: None</p>
13. DISCUSSION OF PULLED CONSENT ITEMS	None.
14. FUTURE AGENDA ITEMS	<p>Vice President Ochylski requested updates on the Palisades Well incident and on the South Bay Nitrate Removal System.</p> <p>Director Cesena requested an explanation of Golden State property taxes supporting the District's water service area.</p> <p>President Wright requested that UAC discuss at their January 21st meeting the Creek Discharge and provide a report at the Board's February 5th meeting and supported an update of the PG&G incident at Palisades Well.</p>
15. CLOSING BOARD COMMENTS	<p>Director Cesena wished everyone a Happy New Year and would like to see everyone work together to resolve the problems of the District.</p> <p>Director Storm seconded Director Cesena's comments and congratulated President Wright and Vice President Ochylski.</p> <p>Director Tornatzky would like to move forward with tangible accomplishments.</p> <p>Vice President Ochylski congratulated the Directors and looks forward to working with the new Board.</p> <p>President Wright congratulated the Directors, looks forward to a strong year and wished everyone a Happy New Year.</p>
16. ADJOURNMENT	The meeting adjourned at 8:55 p.m.