

**Los Osos Community Services District
Board of Directors
Minutes of the Regular Meeting of July 9, 2015**

AGENDA ITEM	DISCUSSION OR ACTION
<p>1. CALL TO ORDER/FLAG SALUTE/ROLL CALL</p>	<p>President Wright called the meeting to order at 6:00 p.m. and Director Storm led the flag salute.</p> <p><u>Roll Call:</u> Chuck Cesena, Director – Present Jon-Eric Storm, Director – Present Lou Tornatzky, Director – Present Marshall Ochylski, Vice President – Arrived 6:07 p.m. Mike Wright, President – 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 ON CLOSED SESSION ITEMS</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>B. <u>REAL PROPERTY MATTERS (Government Code §54956.8)</u> - Conference with Real Property Negotiator Property: APN 038-662-002, 2030 10th Street, Los Osos, CA District Negotiator: Kathy A. Kivley, General Manager Negotiating Party: Thomas R. Kellaway, Property Owner Issue: Provide instructions to Negotiator</p> <p>Public Comment: Linde Owen, Dr. Hite, Peggy Pavek, Julie Tacker opposed Item 2B.</p> <p>The Board adjourned to Closed Session at 6:13 p.m.</p>
<p>5. RECONVENE TO OPEN SESSION</p>	<p>President Wright reconvened the meeting to Open Session at 7:09 p.m. and Director Storm led the flag salute.</p> <p><u>Roll Call:</u> Chuck Cesena, Director – Present Jon-Eric Storm, Director – Present Lou Tornatzky, Director – Present Marshall Ochylski, Vice President – Present Mike Wright, President – Present</p> <p>The following Staff were present: Kathy Kivley, General Manager Michael Seitz, District Legal Counsel Phill Veneris, Battalion Chief Mike Doyel, District Accountant Rob Miller, District Engineer Margaret Falkner, Utility Compliance Technician Ann Kudart, Administrative/Accounting Assistant</p>
<p>6. RECEIVE REPORT OUT OF CLOSED SESSION</p>	<p>District Legal Counsel Seitz reported that the Board discussed the groundwater adjudication; and in regards to Item 2B the Board gave directions but took no reportable action.</p>

AGENDA ITEM	DISCUSSION
<p>7. PUBLIC HEARINGS A. Adopt Resolutions Submitting the Following FY15/16 Assessments and Special Tax Rolls to SLO County for Collection:</p> <p>1. Bayridge Estates Annual Charges</p>	<p>President Wright opened the public hearing for testimony to consider all objections or protests to levying the Bayridge Estates Annual Service Charge in Fiscal Year 2015/2016 tax rolls.</p> <p>Public Comment: Linde Owen, Julie Tacker spoke.</p> <p>President Wright called for further public testimony and seeing none the public hearing portion was closed.</p> <p>A motion was made by Director Tornatzky to adopt Resolution 2015-18 setting assessments for services at Bayridge Estates and directing their collection by the County in the Fiscal Year 2015/2016 Tax Rolls. The motion was seconded by Director Storm and carried with the following vote: Ayes: Directors Tornatzky, Storm, Cesena, Ochylski Wright Nays: None Abstain: None Absent: None</p>
<p>2. Vista de Oro Annual Charges</p>	<p>President Wright opened the public hearing for testimony to consider all objections or protests to levying the Vista de Oro Annual Service Charge in Fiscal Year 2015/2016 tax rolls.</p> <p>Public Comment: Linde Owen spoke.</p> <p>President Wright called for further public testimony and seeing none the public hearing portion was closed.</p> <p>A motion was made by Director Cesena to adopt Resolution 2015-19 setting assessments for services at Vista de Oro and directing their collection by the County in the Fiscal Year 2015/2016 Tax Rolls. The motion was seconded by Vice President Ochylski and carried with the following vote: Ayes: Directors Cesena, Ochylski, Storm, Tornatzky Wright Nays: None Abstain: None Absent: None</p>
<p>3. Wastewater Assessment District #1 Assessments</p>	<p>President Wright opened the public hearing for testimony to consider all objections or protests to levying Wastewater Assessment District No. 1 Assessments in Fiscal Year 2015/2016 tax rolls.</p> <p>Public Comment: Julie Tacker and Richard Margetson opposed the \$12 administrative costs.</p> <p>President Wright called for further public testimony and seeing none the public hearing portion was closed.</p> <p>A motion was made by Director Storm to adopt Resolution 2015-21 confirming annual assessments for the Wastewater Treatment District #1 and directing their collection by the County in the Fiscal Year 2015/2016 Tax Rolls. The motion was seconded by Director Tornatzky and carried with the following vote: Ayes: Directors Storm, Tornatzky, Ochylski, Wright Nays: Cesena Abstain: None Absent: None</p>
<p>4. Drainage Special Tax</p>	<p>President Wright opened the public hearing for testimony to consider all objections or protests to levying Drainage Special Tax in Fiscal Year 2015/2016 tax rolls. There being none, the public hearing portion was closed.</p> <p>A motion was made by Vice President Ochylski to adopt Resolution 2015-20 setting assessments for drainage services and directing their collection by the County in the Fiscal Year 2015/2016 Tax Rolls. The motion was seconded by Director Cesena and carried with the following vote: Ayes: Directors Ochylski, Cesena, Storm, Tornatzky, Wright Nays: None Abstain: None Absent: None</p>

AGENDA ITEM	DISCUSSION
<p>B. Adopt CPI Rate Increase of 1.70% to the Special Fire Tax for Fiscal Year 2015/2016 and Adopt Resolution to Levy and Approve Collection in the 2015/2016 Tax Rolls</p>	<p>President Wright opened the public hearing for testimony to consider all objections or protests to levying the Special Fire Tax in the Fiscal Year 2015/2016 Tax Rolls.</p> <p>Public Comment: Richard Margetson spoke.</p> <p>President Wright called for further public comment and seeing none the public hearing portion was closed.</p> <p>A motion was made by Director Cesena to adopt Resolution 2015-22 approving the CPI rate increase and approve the levying and collection of the Special Fire Tax assessments as listed in attached Exhibit A and submit to the County of San Luis Obispo for collection the Fiscal Year 2015/2016 Tax Rolls. The motion was seconded by Vice President Ochylski and carried with the following vote: Ayes: Directors Cesena, Ochylski, Storm, Tornatzky, Wright Nays: None Abstain: None Absent: None</p>
<p>C. Adopt Resolution Submitting District Past Due Water Accounts as Listed in General Manager's Report of Delinquent Water Charges and Approve Collection in the 2015/2016 Tax Rolls</p>	<p>President Wright opened the public hearing for testimony to consider all objections or for protests to recording liens and levying assessments on past due accounts of delinquent water charges. There being none, the public hearing portion was closed.</p> <p>A motion was made by Director Tornatzky to adopt Resolution 2015-23 confirming the Report of the District General Manager for delinquent water charges and authorizing the collection of delinquent charges in the Fiscal Year 2015/2016 Tax Rolls. The motion was seconded by Director Storm and carried with the following vote: Ayes: Directors Tornatzky, Storm, Cesena, Ochylski, Wright Nays: None Abstain: None Absent: None</p>
<p>8. PUBLIC COMMENT FOR ITEMS NOT ON THE AGENDA</p>	<p>Keith Wimer congratulated the District in reducing water use 35% and commented on the need for strong indoor and outdoor water conservation program to assist with greywater systems and LID.</p> <p>Peggy Pavek commented on the list of questions she provided the Board at their June meeting and supported Board meetings moving back to the community center.</p> <p>Linde Owen opposed quarterly committee meetings and supported non-potable water delivery.</p> <p>Julie Tacker supported meetings moving back to the community center; requested a report on the Palisades well incident; supported monthly committee meetings; and supported a County loan for Bayridge repairs.</p> <p>Richard Margetson paid tribute to Ann Calhoun.</p> <p>President Wright asked for a moment of silence in memory of Ann Calhoun.</p> <p>Sandra Hedges opposed the District moving to a new building.</p>
<p>9. ADMINISTRATIVE AND COMMITTEE REPORTS</p> <p>A. CAL FIRE Report</p> <p>B. Utilities Department Report</p> <p>C. General Manager Report</p>	<p>Battalion Chief Veneris reported on the upcoming CPR/AED training to be held August 2 at the community center and provided a summary of the May 2015 report as submitted in the agenda packet.</p> <p>Utility Compliance Technician Falkner provided a summary of the May 2015 report as submitted in the agenda packet.</p> <p>General Manager Kivley reported on extensive ISJ negotiations, Bayridge Estates project, finalizing the budget, updated HR software functions and year-end reports, prepared committee reports, MOU negotiations, resolution of US Bank reconciliation, worked with the Auditors; water conservation materials; and the Palisades claim.</p>

AGENDA ITEM	DISCUSSION
<p>9. ADMINISTRATIVE AND COMMITTEE REPORTS (continued)</p> <p>D. District Legal Counsel Report</p> <p>E. LOCAC Report</p> <p>F. Los Osos/Baywood Park Chamber of Commerce Report</p> <p>G. Utilities Advisory Committee Report</p> <p>H. Directors' Announcement of District and Community Interest and Reports on Attendance at Public Meetings, Trainings, etc.</p>	<p>Legal Counsel Seitz reported on the upcoming presentation at the Board of Supervisors meeting on the updated Basin Plan which has had two reviews and that the public will have the opportunity to ask questions and provide comments. He reported that public notices will be sent to all well owners of the upcoming August 14 Court hearing.</p> <p>Chairperson Milledge reported that at the June 25, 2015 LOCAC meeting the Council received reports from the Sheriff's Department, County Planning Department, and County Public Works. They had a presentation from Green Gardeners with recommendations for drought tolerant landscapes. The next LOCAC meeting will be held July 23, 2015.</p> <p>No report was given.</p> <p>Director Tornatzky reported at the July 8, 2015 UAC meeting the Committee reviewed the Water Conservation and Shortage Contingency Section 2.06 of the District's Title 2; heard updates on the May 2015 Utilities Department Report; the article in the Tribune of Los Osos water conservation efforts; the 8th Street upper aquifer well progress; the 2014 Water Quality report; and a seawater intrusion report from District Engineer Miller. The next UAC meeting is scheduled for October 14, 2015.</p> <p>Director Cesena reported on his meeting with Cal Fire, federal and state Fish and Wild Departments, and the County to discuss incorporating the Fire Safety Plan into the Los Osos Habitat Conservation Plan. He reported that the County has agreed.</p>
<p>10. PUBLIC COMMENT FOR ADMINISTRATIVE AND COMMITTEE REPORTS AND THE CONSENT CALENDAR</p>	<p>President Wright pulled Consent Item 11G for further discussion.</p> <p>Public Comment: Keith Wimer, Linde Owen, Julie Tacker, and Richard Margetson spoke.</p>
<p>11. CONSENT AGENDA</p> <p>A. Receive Administrative and Committee Reports</p> <p>B. Approve Minutes of June 4, 2015 and June 30, 2015</p> <p>C. Receive Warrant Register through June 2015</p> <p>D. Receive Current Expenditure Reports through May 31, 2015</p> <p>E. Reaffirm CAL FIRE/SLO County Fire Department and LOCSD Cooperative Fire Protection Agreement and Update Schedules "A" through "E" to Reflect Changes in Services and Costs for FY 15/16</p> <p>F. Award Bid for Rooftop PV Solar System Installation at Station 15-South Bay</p> <p>G. Approve Cell Tower Agreement with Verizon Wireless</p> <p>H. Closeout Proposition 84 Grant for Nitrate Removal Project</p> <p>I. Continue Fiscal Year 15/16 Budget Hearing</p>	<p>A motion was made by Vice President Ochylski to receive and file the Administrative and Committee Reports and to approve the items on the Consent Calendar with the exceptions of Item 11G. The motion was seconded by Director Cesena and carried with the following vote:</p> <p>Ayes: Directors Ochylski, Cesena, Storm Tornatzky, Wright Nays: None Abstain: None Absent: None</p>
<p>13. DISCUSSION OF PULLED CONSENT ITEMS</p> <p>11G. Approve Cell Tower Agreement with Verizon Wireless</p>	<p>President Wright moved the item to be heard at this point in the meeting. Director Tornatzky recused himself and left the dais.</p> <p>Public Comment: Marc Tognazzini, Pete McAdam, Jon Robson, Karen Vainter, John Fouche, Nancy Borden, Dennis Sheridan, Bonnie Tognazzini, Joe Bloom, Marc Tognazzini, Ann Cancher, Richard Margetson, Julie Tacker, Linde Owen, Sandra Hedges, and Anna Tognazzini opposed the item.</p>

AGENDA ITEM	DISCUSSION
<p>13. DISCUSSION OF PULLED CONSENT ITEMS</p> <p>11G. Approve Cell Tower Agreement with Verizon Wireless (continue)</p>	<p>Lynette Tornatzky supported the item.</p> <p>A motion was made by Vice President Ochylski to deny a cell tower agreement with Verizon Wireless. The motion was seconded by Director Cesena and carried with the following vote:</p> <p>Ayes: Directors Ochylski, Cesena, Storm, Wright Nays: None Abstain: None Absent: Tornatzky</p> <p>Director Tornatzky returned to the dais.</p>
<p>12. GENERAL ACTION ITEMS</p> <p>A. California Special Districts Association 2015 Board Elections</p>	<p>General Manager Kivley provided a summary of the report as submitted in the agenda packet.</p> <p>Public Comment: None.</p> <p>A motion was made by Director Storm to submit a blank ballot. The motion was seconded by Director Cesena and carried with the following vote:</p> <p>Ayes: Directors Storm, Cesena, Tornatzky, Ochylski, Wright Nays: None Abstain: None Absent: None</p>
<p>B. Sea Water Intrusion Update</p>	<p>District Engineer Miller gave an update of the draft technical memorandum of May 26, 2015 from Cleath-Harris Geologists providing the results of the semi-annual deep aquifer monitoring in April 2015 which shows that seawater intrusion continues to advance in the lower aquifer. The report recommended not recalculating seawater intrusion every six months.</p> <p>Public Comment: Keith Wimer, Julie Tacker, Linde Owen, and Richard Margetson.</p> <p>A motion was made by Director Storm to receive and file the report. The motion was seconded by Vice President Ochylski and carried with the following vote:</p> <p>Ayes: Directors Storm, Ochylski, Cesena, Tornatzky, Wright Nays: None Abstain: None Absent: None</p>
<p>14. FUTURE AGENDA ITEMS</p>	<p>President Wright directed an item to explore a two year budget cycle go to FAC for recommendations to the Board.</p> <p>Director Cesena requested a subcommittee be appointed to consider moving the meetings back to the community center</p>
<p>15. CLOSING BOARD COMMENTS</p>	<p>Director Cesena reminded the public of the meeting at the Board of Supervisors chambers on Tuesday, July 14 to hear updates on the Basin plan.</p> <p>Vice President Ochylski announced the upcoming CPR/AED training on August 2, 2015.</p> <p>President Wright thanked the community for their involvement.</p>
<p>16. ADJOURNMENT</p>	<p>The meeting adjourned at 9:56 p.m.</p>