



February 23, 2015

TO: LOCSD Board of Directors
FROM: Ann Kudart, Administrative/Accounting Assistant III
SUBJECT: **Agenda Item 11B – 3/5/2015 Board Meeting**
Approve Meeting Minutes of January 8, 2015 and
February 5, 2015

President
R. Michael Wright

Vice President
Marshall E. Ochylski

Directors
Charles L. Cesena
Jon-Erik G. Storm
Louis G. Tornatzky

General Manager
Kathy A. Kivley

District Accountant
Michael L. Doyel

Fire Chief
Robert Lewin

Battalion Chief
Phill Veneris

DESCRIPTION

Attached are minutes from the January 8, 2015 and the February 5, 2015 Board of Directors Regular Meeting.

STAFF RECOMMENDATION

Staff recommends that the Board approve the attached minutes.

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 meetings of January 8, 2015 and February 5, 2015.

Attachment

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**Los Osos Community Services District
Board of Directors
DRAFT 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 chairperson 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 that LOCAC updates are needed on all building District-wide 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
<p>A. Annual Review of Board Bylaws and Rules of Decorum (continued)</p>	<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>
<p>B. LAFCO Special District Member Election</p>	<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>
<p>13. DISCUSSION OF PULLED CONSENT ITEMS</p>	<p>None.</p>
<p>14. FUTURE AGENDA ITEMS</p>	<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&E incident at Palisades Well.</p>
<p>15. CLOSING BOARD COMMENTS</p>	<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>
<p>16. ADJOURNMENT</p>	<p>The meeting adjourned at 8:55 p.m.</p>

**Los Osos Community Services District
Board of Directors
DRAFT Minutes of the Regular Meeting of February 5, 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 Tornatzky led the flag salute.</p> <p><u>Roll Call:</u> Chuck Cesena, Director – Absent Marshall Ochylski, Director – Present Jon-Eric Storm, Director – Present Lou Tornatzky, Director – Absent 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</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>LIABILITY CLAIMS (Government Code §54956.95)</u> Claimant: Debra Lynn Pavak Agency Claimed Against: Los Osos Community Services District</p> <p>C. <u>PERSONNEL MATTERS (Government Code §54957)</u> - Conference with Labor Negotiators District Negotiators: Kathy Kivley, General Manger and Michael Seitz, District Counsel Employee Organization: SLOCEA</p> <p>Public Comment – None.</p> <p>The Board adjourned to Closed Session at 6:02 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 – Present</p> <p>The following Staff were present: Kathy Kivley, General Manager Mike Doyel, District Accountant Margaret Falkner, Utility Compliance Technician Rob Miller, District Engineer Ann Kudart, Administrative/Accounting Assistant</p>
<p>6. RECEIVE REPORT OUT OF CLOSED SESSION</p>	<p>District Legal Counsel Seitz reported that the Board in Closed Session discussed the ISJ and Bankruptcy; voted 5-0 rejected the claim by Debra Lynn Pavak and gave direction to the General Manager to provide notice to the claimant; and, concerning Personnel Matters, the Board gave direction to the negotiators but took no reportable action.</p>
<p>7. PRESENTATIONS AND PUBLIC HEARINGS</p> <p>A. Administer Firefighter's Oath to New Station 15 Reserve Firefighters</p>	<p>Battalion Chief Veneris introduced new Station 15-South Bay Reserve Firefighters Dillion Campbell and Patrick Leonard and gave a brief history of their training. President Wright administered the oath. Members of the firefighter's families came forward and pinned on their badges. The Board, staff and members of the audience offered congratulations to the new reserves.</p>

AGENDA ITEM	DISCUSSION
<p>7B. Public Hearing on Proposed Water Rate Increases and Maximum Water Shortage Emergency Rates</p>	<p>Alex Handlers of Bartle Wells Associates gave a presentation providing a brief background of the District's water services financial challenges facing the District, financial projections to determine annual funding needs and level of rate increases.</p> <p>President Wright opened the public hearing for testimony to consider all objections or protests.</p> <p>Nicholas Cook asked where the District would get additional water without further degrading the basin.</p> <p>Keith Wimer protested the rate increase and voiced his concerns about the type of conservation needed to stop seawater intrusion.</p> <p>Richard Margetson commented on the bimonthly rate increases and his disappointment that this did not go back before the Finance Committee.</p> <p>Julie Tacker commented that the \$180,000 general property tax should benefit the entire District, not only the water department.</p> <p>Seeing no other speakers, President Wright closed the public hearing.</p> <p>Utilities Compliance Technician Falkner counted the written protest votes. District Counsel Seitz reported that there were 34 valid protest votes.</p> <p>District Counsel Seitz reported that there would be two amendments to the resolution. Following the eighth WHEREAS, there will be two additions: "WHEREAS, the Board on February 5, 2015, has conducted the protest hearing and a total of 34 protests were filed before the end of the hearing." And "WHEREAS, the Board finds that the number of protests do not constitute a majority.</p> <p>A motion was made by Vice President Ochylski that the Board adopt Resolution 2015-02 approving water rate increases as amended and setting maximum water shortage emergency rates thereby increasing District water user fees. The motion was seconded by Director Tornatzky and carried with the following vote:</p> <p>Ayes: Directors Ochylski, Tornatzky, Storm, Wright Nays: Cesena Abstain: None Absent: None</p>
<p>8. PUBLIC COMMENT FOR ITEMS NOT ON THE AGENDA</p>	<p>Keith Wimer commented on the status of the Basin Plan and water conservation.</p> <p>Patrick McGibney commented on the Basin Plan and stopping seawater intrusion.</p> <p>Julie Tacker voiced her disappointment that the District Engineer did not respond to the Basin Plan questions and asked that the Board be more inclusive and transparent.</p> <p>Richard Margetson commented on the need for further research on the tax bill issue.</p> <p>Lynette Tornatzky thanked Director Storm for being one of the Tribune's 2015 Top 20 Under 40. She commented on the public emailing the Board should they have questions or concerns.</p> <p>Jan Harper reported on the upcoming Status of Women's Hall of Fame to be held March 14, 2015 at the Madonna Inn.</p>
<p>9. ADMINISTRATIVE AND COMMITTEE REPORTS</p> <p>A. CAL FIRE Report</p> <p>B. Utilities Department Report</p>	<p>Battalion Chief Veneris reported on both the December 2014 and the Annual 2014 review of Station 15-South Bay emergency activities, administrative issues, training, special programs and projects and fire prevention; and, he reported on CERT Training to be held February 17, 2015.</p> <p>Utility Compliance Technician Falkner reported on the December 2014 operations of the Utilities Department, reporting on water production and runtime hours by well sites. She reported on California's State of Emergency due to the drought, water conservation efforts by Barnet, Cox & Associated, and the County's rebate program. She reported on the Central Coast Partners for Water Quality campaign to reduce pet waste and the continuing monitoring and grounds keeping by the crews in Bayridge Estates and Vista de Oro.</p>

AGENDA ITEM	DISCUSSION
<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>General Manager Kivley reported that during the month of January 2015 TechXpress completed an update to the District's operating system software, she attended Nipomo CSD's 50th Anniversary celebration, she served on the oral board for the Chief Plant Treatment Operator for the Los Osos Recycling Water Facility. She reported on finalizing the ISO billing inserts, attended several ISJ meetings, worked with Standard and Poor's on improving the 2002 bond rating, and on the release of the updated Basin Management Plan.</p> <p>Legal Counsel Seitz reported that he has, as directed by the Board, researched issues regarding individuals who had their bankruptcy claims approved and will be reporting at the March Board meeting.</p> <p>LOCAC Representative Jan Harper, reported that at the January 22, 2015 meeting the Council did not have a quorum; Supervisor Gibson announced a Town Hall Meeting to be held February 25, 2015 for a Wastewater Project update; that McDonald's has not pulled its project application; a proposal for a no parking zone on LOVR from Palisades to South Bay Boulevard on the north side of the street; a dog park update; and, a discussion concerning hunting on the Bay. She reported on upcoming LOCAC committee meetings and that the next LOCAC meeting will be held February 26, 2015.</p> <p>Chamber of Commerce Director Steve Vinson reported on the recent Chamber Installation and Awards Dinner; the recent Chamber retreat; the Chamber's 60th Anniversary and upcoming celebration; the upcoming e-Recycle event; and, volunteer opportunities with the Chamber.</p> <p>Director Cesena reported on his attendance at his first CAPSLO meeting and the numerous outreach programs they are involved in.</p> <p>Vice President Ochylski reported that at the January 20, 2015 ESAC meeting the Committee reviewed the items Chief Veneris reported on in his Administrative Report. The Committee recommended that the Board approve the budget adjustments and the purchase of the Thermal Imaging Camera items on this agenda. The Committee requested that the General Manager be present at their future meetings and the Committee would like to see the item "Recommendations for Future Agenda Items" put back on the agenda. The next meeting will be held April 15, 2015.</p> <p>Director Tornatzky reported that at the January 21, 2015 UAC meeting District Engineer Rob Miller reported on the Recycled Water Discharges to Los Osos Creek. The Committee reviewed and discussed the findings and recommended that the Board direct staff to prepare a request for proposal to issue to qualified consultants to prepare a focused study to address potential permitting issues, preliminary considerations, competing recycled water options and next steps to authorize release of the document. The next meeting will be held April 21, 2015.</p> <p>Director Storm reported that at the February 2, 2015 FAC meeting the Committee reviewed the Budget including funds not reviewed by other committees. They recommended that the Board adopt the various changes to the revision. There was an extensive discussion concerning the funding for Capital Improvement Projects recommending that the District pursue all available sources of funding including grants and bond funds. The Committee recommended that the Board approve the Warrants. District Account Doyel reported that a trial balance had been submitted to the auditors is waiting to hear back from them. The next meeting will be held Monday, May 4, 2015.</p> <p>Vice President Ochylski reported that the Water Conservation and Emergency Water Ordinances was defeated by the Board of Supervisors, 3-2; and that he was re-elected to LAFCO.</p> <p>Director Cesena reported that he, Director Storm and President Wright attended the mandated Ethics Training in Templeton. Director Cesena, Director Tornatzky and President Wright will be attending the upcoming mandated Harassment Training.</p> <p>President Wright appointed Director Cesena to an Ad Hoc Committee to spearhead the issuance of the Title 7 permit; he appointed Director Tornatzky to an Ad Hoc Committee to research funding for Capital Improvement Projects; and he appointed Director Storm to a Parks and Recreation Ad Hoc Committee.</p>
<p>10. PUBLIC COMMENT FOR ADMINISTRATIVE AND COMMITTEE REPORTS AND THE CONSENT CALENDAR</p>	<p>Legal Counsel Seitz reported that staff would like to have Item 11E pulled as it will be submitted to the ISJ for consideration of funding. President Wright pulled and continued Item 11E.</p> <p>Julie Tacker commented on the McDonald Project, recommended a report on SB Well Nitrate Removal Project and on the Palisades Well damage, supports "Recommendations for Future Agenda Items" being put back on ESAC agenda, and commented on the Directors attending the Chamber Dinner.</p>

AGENDA ITEM	DISCUSSION
<p>10. PUBLIC COMMENT FOR ADMINISTRATIVE AND COMMITTEE REPORTS AND THE CONSENT CALENDAR (continue)</p>	<p>Tom Wright commented that the ISO billing insert should go to water customers through the District, and the 4.0 staffing discussion at the recent ESAC meeting for a fourth paramedic.</p> <p>Richard Margetson commented on the "Recommendations for Future Agenda Items" placed back on agendas and the positive tenor of the recent ESAC and UAC meetings. He opposed the limited discussion of the mid-year budget review at FAC.</p>
<p>11. CONSENT AGENDA A. Receive Administrative and Committee Reports B. Not Used C. Receive Warrant Register through January 2015 D. Not Used E. Report on Recycled Water Discharges to Los Osos Creek Technical Memorandum F. Authorize Purchase of Thermal Imaging Camera (TIC) and Associated Hardware G. Adopt FY 2015/2016 Budget Calendar</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 provision that 11E has been pulled. 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>
<p>12. GENERAL ACTION ITEMS A. Approve Fiscal Year 2014/2015 Mid-Year Budget</p>	<p>General Manager Kivley reported that the budget addressed those adjustments over \$1000 or any adjustments in categories where the total expenditures for that category exceeded over 50%. She reported the addition of a revenue category called Homeowners Property Tax Relief to report actual tax relief dollars collected by the County, transmitted to the District and reportable to the State for Funds 200, 301, 500 and 800. She reported on two corrections to Fund 600: 9022 Debt Service – Principal \$435,000 should be \$455,000 and that 9023 Debt Service – Interest \$709,375 should be \$698,500 per the debt amortization schedule. She provided a summary of the report as submitted with the agenda packet.</p> <p>Public Comment - Julie Tacker suggested that creating the new reserve fund be memorialized in a resolution; the ESAC discussions and questions concerning the mid-year budget; the refinancing of the bond; and the charges for the Bayridge and Vista de Oro transition plan to the County.</p> <p>Richard Margetson commented on Fund 800 Property taxes; salary allocations; and the bond issue.</p> <p>A motion was made by Director Storm that the Board accept the recommendation of staff changes to the Mid-Year Budget for Administration-100, Bayridge-200, Fire-301, Vista de Oro-400, Water-500, Wastewater-600, Solid Waste-650, and Drainage-800 funds for Fiscal Year 2014/2015 and direct the General Manager to implement the adjustments as outlined, increase the Reserve dollars as proposed and allocate Reserves as written to cover proposed expenditures and revenues noting the corrections in Fund 600 to 9022 to \$455,000 and 9023 to \$698,500. Secondly, I move that the Board direct the General Manager to prepare bid documents for the purchase of two replacement vehicles and authorize the release of the bid documents requesting quotes from various entities with fleet divisions for this purchase from the Water Fund-500 for the Utility Department consistent with the staff report. The motion was seconded by Vice President Ochylski and carried with the following vote:</p> <p>Ayes: Directors Storm, Ochylski, Tornatzky, Wright Nays: Cesena Abstain: None Absent: None</p>
<p>B. Appoint Regular and Alternate Public Members for Standing Advisory Committees</p>	<p>General Manager Kathy Kivley provided a summary of the report as submitted with the agenda packet.</p> <p>Public Comment – Richard Margetson commented on members being on both District committees and LOCAC and disapproved with the way the recent FAC meeting was conducted.</p>

AGENDA ITEM	DISCUSSION
<p>B. Appoint Regular and Alternate Public Members for Standing Advisory Committees (continued)</p>	<p>Chairperson Ochylski appointed Jerry Dillingham, David Harris, and Thomas Wright to the Emergency Services Advisory Committee.</p> <p>Chairperson Tornatzky appointed Jan Harper, Lee Harry, and Leonard Moothart to the Utilities Advisory Committee.</p> <p>Chairperson Storm appointed Lisa Gonzalez and Gary Orback to two-year terms and Craig Baltimore to a one-year term on the Finance Advisory Committee.</p> <p>A motion was made by Director Storm that the Board confirm the appointment to the Emergency Services, Finance and Utilities Advisory Committees, 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>
<p>C. Consider Nominating R. Michael Wright as a Candidate for Election to the Special District Risk Management Authority Board of Directors</p>	<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 adopt Resolution 2015-03 nominating R. Michael Wright as a candidate for election to the Special District Risk Management Authority Board of Directors and direct staff to submit the required nomination documents before the filing deadline of May 1, 2015. 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>
<p>13. DISCUSSION OF PULLED CONSENT ITEMS</p>	<p>None.</p>
<p>14. FUTURE AGENDA ITEMS</p>	<p>None.</p>
<p>15. CLOSING BOARD COMMENTS</p>	<p>Director Storm offered his condolences to Legal Counsel Seitz and expressed a vote of confidence for the work he has done for the District; he commented on moving the District forward; he acknowledged the Los Osos Business of the Year, Rexall, the Volunteer of the Year, Simon Van Beurden, and the Citizen of the Year, John Lindsey. He asked if Closed Session could be moved to 6:30 p.m. and disapproved of the distractions during the Board meeting due to another organization holding their meeting on the other side of the partition.</p> <p>President Wright thanked the new committee applicants and looks forward to a lot of rain over the weekend.</p>
<p>16. ADJOURNMENT</p>	<p>The meeting adjourned at 9:21 p.m.</p>