




April 30, 2018

**TO:** LOCSD Board of Directors  
**FROM:** Ann Kudart, Administrative Services Manager   
**SUBJECT:** **Agenda Item 11B – 5/3/2018 Board Meeting**  
Approve Prior Meeting Minutes

**President**  
Vicki L. Milledge

**Vice President**  
Marshall E. Ochylski

**Directors**  
Charles L. Cesena  
Louis G. Tornatzky  
Christine M. Womack

**General Manager**  
Renee Osborne

**District Accountant**  
Robert Stilts, CPA

**Unit Chief**  
Scott M. Jalbert

**Battalion Chief**  
Greg Alex

**DESCRIPTION**

Attached are the minutes from your Board's meeting held April 5, 2018 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 April 5, 2018.***

Attachment

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**Los Osos Community Services District  
DRAFT Minutes of the Regular Meeting of April 5, 2018**

AGENDA ITEM	DISCUSSION OR ACTION
<p><b>1. CALL TO ORDER/FLAG SALUTE/SILENT OBSERVANCE/ROLL CALL</b></p>	<p>President Milledge called the meeting to order at 6:00 p.m., led the flag salute and asked for a silent observance.</p> <p>Roll Call:            Charles Cesena, Director – Present            Louis Tornatzky, Director – Present            Marshall Ochylski, Vice President – Absent            Vicki Milledge, President – Present</p> <p>The following Staff were present:            Renee Osborne, General Manager            Roy Hanley, District Counsel            Ann Kudart, Administrative Services Manager</p>
<p><b>2. ANNOUNCEMENT OF CLOSED SESSION ITEMS</b></p>	<p>Legal Counsel Hanley announced that the Board would convene to Closed Session for the following:</p> <p><b>A. CONFERENCE WITH LEGAL COUNSEL – INITIATION OF LITIGATION</b>            Pursuant to §54956.9(c): 1 cast</p>
<p><b>3. PUBLIC COMMENT</b></p>	<p>Public Comment – None</p>
<p><b>4. ADJOURN TO CLOSED SESSION</b></p>	<p>The Board adjourned to Closed Session at 6:03 p.m.</p>
<p><b>5. RECONVENE TO OPEN SESSION</b></p>	<p>The Board reconvened to Open Session at 6:31 p.m.</p> <p>Roll Call:            Charles Cesena, Director – Present            Louis Tornatzky, Director – Present            Marshall Ochylski, Vice President – Present            Vicki Milledge, President – Present</p> <p>The following Staff were present:            Renee Osborne, General Manager            Roy Hanley, District Counsel            Greg Alex, Battalion Chief            Jose Acosta, Utility Systems Manager            Ann Kudart, Administrative Services Manager</p>
<p><b>6. REPORT OUT OF CLOSED SESSION MEETING</b></p>	<p>Legal Counsel Hanley announced that there was no reportable action from Closed Session.</p>
<p><b>7. APPOINTMENT OR DISCUSSION OF METHOD TO FILL VACANCY ON BOARD</b></p>	<p>Legal Counsel Hanley provided a summary of his staff report as submitted in the agenda packet and explained that the Board could call for a special election within the time frame and manner provided by the code or fill the vacancy by appointment.</p> <p>At this point in the meeting AGP Video asked for a short break as they were experiencing technical difficulties.</p> <p>The meeting reconvened and President Milledge called for public comment on the appointment process.</p> <p>Public Comment – None</p> <p>The Board discussed filling the vacancy by appointment. Julie Tacker announced her interest in being considered and the candidates were called to the podium for their remarks.</p> <p>Applicant Steve Best remarked that he was a retired heating and air conditioning geothermal engineer with experience in drilling wells; complete and thorough understanding with what is going on with the aquifer in Los Osos; is working on a design for a potable water system for Los Osos; strong feelings in dealing with the homeless issue; and ideas to establish parks and trails throughout the community.</p>

AGENDA ITEM	DISCUSSION
<p><b>7. APPOINTMENT OR DISCUSSION OF METHOD TO FILL VACANCY ON BOARD (continued)</b></p>	<p>Director Cesena asked Mr. Best what he thought were the three biggest issues within the CSD's purview that need to be addressed. Mr. Best responded that his main concern is with the aquifer; that there should be only one water facility serving Los Osos; and the homeless situation; Director Tornatzky asked Mr. Best what experience he has had campaigning and Mr. Best responded that he campaigned in 2016 for a seat on the CSD Board.</p> <p>President Milledge called Linda Ward to the podium; Ms. Ward was not present.</p> <p>President Milledge called Applicant Christine Womack. Ms. Womack remarked that she was interested in serving on the Board; has been a financial advisor for 22 years; would like to see taxpayers' funds spent wisely to benefit the community and not spent on lawsuits; that the District needs to maintain its infrastructure, properly staff water department, make Capital Improvements as needed, work on Basin Management as required by law, and has served on the District's Finance Advisory Committee, served as LOCAC treasure, and has served on the South Bay Women's Network Board for five years and is the immediate past President; and thanked the Board for their consideration.</p> <p>Director Cesena asked Ms. Womack what she thought were the three biggest issues within the CSD's purview that need to be addressed. Ms. Womack responded that a sustainable water supply was the number one issue in Los Osos as well as the housing issue. Director Tornatzky asked what campaign experience Ms. Womack has had and she responded that campaigning would be new to her as she has not run for public office and is willing to give it a go.</p> <p>President Milledge called Julie Tacker to the podium. Ms. Tacker supported waiting a month to fill the vacancy and invite Ms. Ward; that she has a long history in the community serving as a volunteer and a citizen advocate including a four year term on the LOCSD Board and served 14 years on the Emergency Advisory Committee and would advocate to reinstate that committee; has followed the District since 2002 and there would be no learning curve; and appreciate consideration.</p> <p>Director Cesena also asked Ms. Tacker what she thought were the three biggest issues within the CSD's purview that need to be addressed. Ms. Tacker responded that the financial stability of the District is number one is needed to accomplish number two, the water management and necessary infrastructure improvements and number three to continue to provide the highest level of Emergency Services to the community. Director Tornatzky asked what campaign experience Ms. Tacker responded that she campaigned and that she ran and lost in 2002, ran and won in 2004, and ran and won in 2016.</p> <p><b>Director Tornatzky nominated Christine Womack to fill the vacancy and Vice President Ochylski seconded the nomination.</b></p> <p>Public Comment – Linde Owen, Vita Miller, and Richard Margetson supported Julie Tacker.</p> <p>Michelle Pierce, Joyce Witt, and Lynette Tornatzky supported Christine Womack.</p> <p><b>The motion carried with the following roll call vote:</b>  <b>Ayes: Directors Tornatzky, Ochylski, Milledge</b>  <b>Nays: None</b>  <b>Abstain: Cesena</b>  <b>Absent: None</b></p> <p>General Manager Renee Osborne administered the Oath of Office to Christine Womack and she took her seat at the dais.</p>
<p><b>8. PUBLIC COMMENT FOR ITEMS NOT ON THE AGENDA</b></p>	<p>Julie Tacker provided a handout of the Low Income Assistance Fund, voiced her concerns regarding steps taken by the General Manager without Board authority, and that checks for the Low Income fund were not in the warrant register.</p> <p>Lynette Tornatzky commented that volunteers were needed for the upcoming Red Barn Restoration Project.</p> <p>Linde Owen commented on the Chamber's Business Expo and its Water Conservation theme and she commented on the County's \$10 million lawsuit.</p>

AGENDA ITEM	DISCUSSION
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<p><b>8. PUBLIC COMMENT FOR ITEMS NOT ON THE AGENDA (continued)</b></p>	<p>Richard Margetson commented on the 15<sup>th</sup> Anniversary of the “Move the Sewer” signs in Los Osos and that the People Helping People Rummage Sale will be held Friday and Saturday at the Community Center.</p> <p>Andrea Lueker requested that the Board consider reviewing and commenting on the draft EIR for the Morro Bay sewer as the proposed pipelines impact Chorro Flats, Chorro Creek, the Estuary, and the residents of Los Osos.</p>
<p><b>4. ADMINISTRATIVE AND COMMITTEE REPORTS</b></p> <p><b>A. Fire Department Report</b></p> <p><b>B. Sheriff Department Report</b></p> <p><b>C. Utilities Department Report</b></p> <p><b>D. General Manager Report</b></p> <p><b>E. Los Osos Community Advisory Council (LOCAC)</b></p> <p><b>F. Los Osos/Baywood Park Chamber of Commerce Report</b></p> <p><b>G. Los Osos Fire Safe Focus Group Report</b></p> <p><b>H. Parks and Recreation Advisory Committee Report</b></p> <p><b>I. Utilities Advisory Committee Report</b></p> <p><b>J. Finance Advisory Committee Report</b></p>	<p>Battalion Chief Alex provided a summary of the February 2018 and March 2018 Fire Department activities as submitted in the agenda packet. He reported that Station 15-South Bay responded to 123 calls in February and that Station 15-South Bay responded to 105 calls between March 1-26. He reported on Administration, special programs and projects, and training throughout February and March.</p> <p>Sergeant Scotto provided the Sheriff Department's report of activities in Los Osos for the month of February with 187 calls for service.</p> <p>Utility Systems Manager Jose Acosta provided a summary of the January 2018 activities of the Utilities Department as submitted in the agenda packet, reporting that residential water usage increased from 55.2 to 60.7 gallons per person per day. He reported on production and runtime hours by well site, water billing information, Utilities Department operations and maintenance, water distribution and treatment, and rainfall totals.</p> <p>General Manager Osborne provided a summary of the GM's activities for March 2018 as submitted in the agenda packet. She reported on the Los Osos Low Income Assistant Fund, water conservation campaign, and accounting and budgeting activities.</p> <p>Lynette Tornatzky provided an update of the March 22<sup>nd</sup> LOCAC meeting reporting that the Council heard reports from the Sheriff's Department, Supervisor Gibson, Station 15-South Bay Battalion Chief Alex, and the upcoming LOCAC elections.</p> <p>Steve Vinson reported on the March 23<sup>rd</sup> Business Expo and thanked the District and Cal Fire for their participation; the Chamber's October escorted tour of the Amalfi Coast; the Red Barn restoration's need for volunteers; the upcoming Chamber Mixer on April 11<sup>th</sup> at St. Benedict's; and, the warming center at the South Bay Community Center and the need for volunteers.</p> <p>Tom Wright provided an update of the Focus Group and community chipping event for the community of Los Osos May 5-11; that the group is waiting to hear about interim action to lessen the fuel loading in the preserve area above Highland; waiting for the Habitat Conservation Plan (HCP); snail counters have been seen in the preserve area; Senate Bill 1079 regarding pre-pay grants; and, that the next Los Osos Focus Group meeting will be held April 19<sup>th</sup> at 11:00 a.m. at the Cal Fire Training Center.</p> <p>General Manager Osborne reported on the April 3<sup>rd</sup> Parks and Recreation meeting in which the Committee reviewed the Dog Park lease and discussion the addition of language addressing permitting and HCP costs; and discussed their 2018 Work Plan and requested the addition of future community gardens, pocket parks and trails, interim dog parks, and the preservation of green space.</p> <p>Committee Chairperson Cesena reported on the March 21<sup>st</sup> UAC meeting in which the Committee heard an update regarding the Basin Management Committee meeting; discussed the 2018 Work Plan; the vehicle purchases; and reviewed Rate Stabilization Reserve Fund that reached its intended goal and bring back for further review.</p> <p>Committee Chairperson Ochylski reported on the April 2<sup>nd</sup> FAC meeting in which the Committee recommended approval of the warrant register, discussed restructuring the financial reports and recommended the Board receive and file, recommended that the Board approve the vehicle purchases, reviewed Rate Stabilization Reserve Fund and requested that UAC further review; recommended the money market item be pulled as the Committee had concerns regarding interest rates and protection of the funds; and, discussed the 2018 Work Plan.</p>

AGENDA ITEM	DISCUSSION
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<p><b>K. Directors' Announcements of District and Community Interest and Reports on Attendance at Public Meetings, Training Programs, Conferences, and Seminars</b></p>	<p>Vice President Ochylski reported on the March 21<sup>st</sup> Basin Management Committee meeting in which the Committee heard an update on the Basin Plan Infrastructure Projects; discussed the Boundary Modification regarding the fringe areas; received a Water Conservation update; and, approved the Groundwater Basin modeling.</p> <p>Director Cesena reported that he and General Manager Osborne attended the April 4<sup>th</sup> Integrated Regional Water Management meeting; Ms. Osborne reported on the discussion regarding grants; reviewing the Prop 1 grand funding; and, that projects started as of January 1, 2015 will be accepted allowing the District to submit the 8<sup>th</sup> Street project for grant consideration.</p>
<p><b>L. Response to Previously Asked Questions</b></p>	<p>None</p>
<p><b>5. PUBLIC COMMENT ON THE ADMINISTRATIVE AND COMMITTEE REPORTS AND THE CONSENT AGENDA</b></p>	<p>President Milledge asked if a Director wished to pull an item from the Consent Agenda. Vice President Ochylski requested Agenda Item 11G and 11J be pulled and continued.</p> <p>Public Comment – Julie Tacker commented on the need for a Low Income Assistance Fund Ad Hoc committee to provide oversight on the program and how the fund are to pay for the GM's time; and, commented on the amount of staff time spent on the water conservation campaign.</p> <p>Linde Owen commented on the 16% increased water draw from the basin; would like to see banner begin to go up around town; and, stabilize rates.</p> <p>Richard Margetson commented on the need to continue Emergency Services Advisory Committee.</p> <p>Vita Miller commented that FAC did not discuss the Fire Department budget.</p>
<p><b>6. CONSENT AGENDA</b></p> <p><b>A. Receive Administrative and Committee Reports</b></p> <p><b>B. Approve Meeting Minutes of February 1, 2018</b></p> <p><b>C. Approve Warrant Register for February 2018</b></p> <p><b>D. Receive Financial Reports for the Period Ending January 31, 2018</b></p> <p><b>E. Accept San Luis Obispo County Community Fire Safe Council Grant Award in the Amount of \$11,350</b></p> <p><b>F. Accept State Farm Insurance and National Fire Protection Association Cash Award in the Amount of \$500</b></p> <p><b>G. Adopt Resolution Establishing a Money Marketing Account at Pacific Premier Bank for the District Fire Reserves</b></p> <p><b>H. Adopt Resolutions Authorizing the Purchase of a Replace Utility Vehicle and Declaring Utility Vehicle</b></p> <p><b>I. Authorize Purchase of Replacement Dump Bed for Unit C</b></p> <p><b>J. Authorize Transfer of Water Rate Stabilization Reserve Funds</b></p> <p><b>K. Authorize the Issuance of Request for Proposal (RFP) for Design/Build for 8<sup>th</sup> Street Utility Building</b></p>	<p><del>A motion was made by Vice President Ochylski that the Board receive and file the Administrative and Committee Reports and approve the Consent Agenda with the exception of Items 11G and 11J. The motion was seconded by Director Tornatzky and carried with the following vote:</del></p> <p><del>Ayes: Directors Ochylski, Tornatzky, Cesena, Womack, Milledge</del></p> <p><del>Nays: Cesena no on Item 11D</del></p> <p><del>Abstain: None</del></p> <p><del>Absent: None</del></p>

AGENDA ITEM	DISCUSSION
<p><b>12. GENERAL ACTION ITEMS</b></p> <p><b>A. Introduction and First Reading by Title Only of Ordinance Amending Title 2 of the District Code</b></p>	<p>Legal Counsel Hanley reported that this is the first reading of the Ordinance, that the proposed recommended changes will amend existing Title 2 of the District Code to address the changes to the newly changed mandated state codes on plumbing, and removal of language no longer relevant to the District.</p> <p>Utility Systems Manager Acosta reported that the changes made were in regards to fire sprinkler service plumbing, updated language regarding meter box maintenance, removal of language referencing sewer, and the conservation plan.</p> <p>There was no Public Comment.</p> <p><b>A motion was made by Vice President Ochylski that the Board approve the first reading of Ordinance 2018-01. The motion was seconded by Director Womack and carried with the following vote:</b></p> <p><b>Ayes: Directors Ochylski, Womack, Cesena, Tornatzky, Milledge</b>  <b>Nays: None</b>  <b>Abstain: None</b>  <b>Absent: None</b></p>
<p><b>B. CSDA Board of Directors Call for Nominations for Coastal Network Seat A</b></p>	<p>Vice President Ochylski reported that the incumbent is rerunning and sees no reason to nominate someone else unless someone from the District wants to run.</p> <p>There was no Public Comment and no Board nomination.</p>
<p><b>C. LAFCO Alternate Special District Member Ballot</b></p>	<p>Vice President Ochylski reported that the alternate would be required to attend only when the regular members are unavailable and that Ed Eby is the current alternate and has the experience.</p> <p>There was no Public Comment.</p> <p><b>A motion was made by Director Cesena that the Board direct the General Manager to submit the completed ballot for Ed Eby as Alternate Special District Member for LAFCO. The motion was seconded by Director Womack and carried with the following vote:</b></p> <p><b>Ayes: Directors Cesena, Womack, Tornatzky, Milledge</b>  <b>Nays: None</b>  <b>Abstain: Ochylski</b>  <b>Absent: None</b></p>
<p><b>D. Authorize Letter of Opposition to Off Shore Drilling</b></p>	<p>President Milledge reported that the Board has two options; to send a letter on behalf of the District or authorize Directors to send individual letters as Board members.</p> <p>The Board discussed speaking as a group with a united voice and that the letter be written in such a way that it stays within the District's purview.</p> <p>Public Comment – Tom Wright, Tony Salome, Vita Miller, Linde Owen, and Julie Tacker supported the District sending a letter of opposition.</p> <p>The Board discussed adding seismic testing to the language of the letter, that other agencies sent letter in opposition, and asked if LOCAC would also be sending a letter.</p> <p><b>A motion was made by Vice President Ochylski that the Board appoint him to write a letter addressing the oil drilling and seismic testing that will be signed by all five Directors. The motion was seconded by Director Womack and carried by unanimous consent.</b></p>
<p><b>E. Discussion Regarding the Continuation of Emergency Services Advisory Committee ESAC Meetings</b></p>	<p>President Milledge pulled this item to be heard at a later date.</p> <p>Public Comment – Linde Owen, Tom Wright, Jerry Dillingham, Vita Miller, Julie Tacker, and Richard Margetson strongly voiced their support to continue ESAC meetings.</p>

AGENDA ITEM	DISCUSSION
<b>F. Appointment of Public Members to the District's 2018 Standing Advisory Committees</b>	<p>The Board discussed the two vacancies on FAC to be filled by President Milledge and Director Tornatzky at the next Board meeting and the one vacancy on UAC to be filled by Director Cesena.</p> <p>Director Cesena appointed Eric Silva to serve on the Utilities Advisory Committee.</p> <p>Public Comment – Julie Tacker opposed the absence of any ESAC appointments and that they were not listed on the Appointment List as a possibility.</p> <p>Richard Margetson commented that the ESAC members are present, want their committee to continue, and voiced their wishes to continue serving the community on the committee.</p> <p>Vice President Ochylski and Director Cesena supported appointing members to ESAC contingent upon that committee continuing.</p> <p><b>A motion was made by Director Cesena that the Board confirm the appointments to Finance, Parks and Recreation, Utilities, and Emergency Services Advisory Committees contingent upon the Ad Hoc Committee's final report regarding the continuation of Emergency Services. The motion was seconded by Vice President Ochylski and carried by unanimous consent.</b></p>
<b>G. Approve 2018 Advisory Committee Work Plans</b>	<p>Vice President Ochylski reported that FAC reviewed the Work Plan with minor modifications in that the budget will come before the committee on a monthly basis and the addition of an item for FAC's recommendation regarding the Low Income Assistance Fund.</p> <p>Director Cesena reported that the intent of Item 7 of UAC's Work Plan was to review the revenue projected by the previous rate plan.</p> <p>General Manager Osborne and Director Tornatzky reported that Parks and Recreation discussed the additions of recommendations regarding investigation of future community gardens, pocket parks and trails, interim dog parks, and the preservation of green space.</p> <p>Public Comment – Julie Tacker commented that there was no work plan for ESAC which shows a foregone conclusion that there will not be an ESAC and opposed the work plan idea.</p> <p>Richard Margetson commented on the need for an additional line item to FAC's plan that the Committee is authorized to review any potential agenda idea that has a financial impact to the District.</p> <p><b>A motion was made by Vice President Ochylski that the Board approve the work plans with the recommended additions to Park and Recreation, Utilities, and the language recommended by Mr. Margetson for Finance. The motion was seconded by Director Womack and carried by unanimous consent.</b></p> <p>Vice President Ochylski suggested that if the Ad Hoc Committee makes a recommendation to continue ESAC that a work plan for that committee be brought back to the Board next month.</p>
<b>13. DISCUSSION OF PULLED CONSENT ITEMS</b>	None
<b>14. FUTURE AGENDA ITEMS</b>	None
<b>15. CLOSING BOARD COMMENTS</b>	Vice President Ochylski reminded the public of Mission Country Disposal's extra pickup next week, April 9-13 and to follow the rules and guidelines on what can be placed curbside.
<b>16. ADJOURNMENT</b>	The meeting adjourned at 9:53 p.m.