

**Los Osos Community Services District
Board of Directors
Minutes of the Regular Meeting of August 6, 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 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>PERSONNEL MATTERS (Government Code §54957)</u> - Conference with Labor Negotiators District Negotiators: Kathy Kivley, General Manager and Michael Seitz, District Counsel Employee Organization: SLOCEA</p> <p>C. <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: Julie Tacker and Linde Owen opposed Item 2C.</p> <p>The Board adjourned to Closed Session at 6:08 p.m.</p>
<p>5. RECONVENE TO OPEN SESSION</p>	<p>President Wright reconvened the meeting to Open Session at 7:07 p.m. and 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 Margaret Falkner, Utility Compliance Technician Ann Kudart, Administrative/Accounting Assistant</p>
<p>6. RECEIVE REPORT OUT OF CLOSED SESSION A. July 15, 2015 Special Closed Session Meeting B. August 6, 2015</p>	<p>District Legal Counsel Seitz reported that during closed session the Board discussed the groundwater adjudication and the bank but took no reportable action; in regards to Item 2B there was a discussion but took no reportable action; and in regards to Item 2C there was discussion but there was no reportable action. General Manager Kivley reported that at the July 15, 2015 Special Closed Session meeting that the Board discussed the property matters, gave direction but took no reportable action.</p>

AGENDA ITEM	DISCUSSION
7. PRESENTATIONS AND PUBLIC HEARINGS	There were no presentations or public hearings.
8. PUBLIC COMMENT FOR ITEMS NOT ON THE AGENDA	<p>Julie Tacker commented on the future of the District should a new Facilities District be formed.</p> <p>Richard Margetson commented that the figures in a recent Tribune article on reduced water consumption were skewed.</p>
9. ADMINISTRATIVE AND COMMITTEE REPORTS A. CAL FIRE Report B. Utilities Department Report C. General Manager Report D. District Legal Counsel Report E. LOCAC Report F. Los Osos/Baywood Park Chamber of Commerce Report G. Utilities Advisory Committee Report H. Directors' Announcement of District and Community Interest and Reports on Attendance at Public Meetings, Trainings, etc.	<p>The Chief reported on Station 15-South Bay emergency activities, administrative issues, and fire prevention during the month of June 2015 as submitted in the agenda packet.</p> <p>Utility Compliance Technician Falkner provided a summary of the June 2015 report as submitted in the agenda packet.</p> <p>General Manager Kivley reported that during the month of July 2015 she worked on the Habitat Conservation Plan; the LOCSD audit; continued working with CalPERS on unfunded liabilities and District OPEB costs; worked with the ISJ; Bayridge; continued closing out the wastewater account; MOU negotiations; property negotiations; and, finalizing the FY15/16 budget.</p> <p>Legal Counsel Seitz reported that consideration of the stipulated judgement will be September 9, 2015; if approved it will create a Basin Management Committee governed by the Brown Act and that the District will have 38% voting power. The committee will look at multiple funding mechanisms, grants, Prop 1 funds, possibly the formation of a community facility district or other benefit type district.</p> <p>Chairperson Milledge reported that at the July 23, 2015 LOCAC meeting the Council heard reports from the Sheriff's Department. Supervisor Gibson reported on the South Bay bridge replacement project, sidewalk ramps in Los Osos, and upcoming public tour of the wastewater facility. The Council discussed the 4th Street safety project. The next LOCAC meeting will be held August 27, 2015.</p> <p>Chamber of Commerce Director Vinson reported that the Chamber's 60th Birthday Party will be held on August 12th; the 36th Annual Oktoberfest and Car Show on October 26th; that the Chamber is offering a half-off advertising sale; and November 28th Small Business Saturday.</p> <p>President Wright appointed himself and Vice President Ochylski to an Ad Hoc committee to work with South Bay Committee and report back at the Board's October 1, 2015 meeting.</p> <p>Director Cesena reported that at the July 14, 2015 ESAC meeting the committee requested a special committee meeting be held for a budget update with the General Manager present.</p> <p>Director Tornatzky reported that at the July 8, 2015 UAC meeting the committee heard a report from District Engineer Miller on the Cleath-Harris seawater intrusion report and the 8th Street upper aquifer well progress. The next UAC meeting will be held October 14, 2015.</p>
10. PUBLIC COMMENT FOR ADMINISTRATIVE AND COMMITTEE REPORTS AND THE CONSENT CALENDAR	Public Comment: Julie Tacker, Richard Margetson, and Linde Owen spoke.
11. CONSENT AGENDA A. Receive Administrative and Committee Reports B. Approve Minutes of July 9, 2015 and July 15, 2015 C. Receive Warrant Register through July 2015 D. Receive Current Expenditure Reports through June 30, 2015 E. Continue Fiscal Year 15/16 Budget Hearing F. Authorize Formal Bid Process for Repairs on 16th Street Tanks	<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. The motion was seconded by Director Tornatzky and carried with the following vote:</p> <p>Ayes: Directors Ochylski, Tornatzky, Cesena, Storm, Wright Abstain: None Absent: None</p>

AGENDA ITEM	DISCUSSION
<p>12. GENERAL ACTION ITEMS</p> <p>A. Appointment of Members to the Parks and Recreations Subcommittee</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 confirm the appointments of Andrea Lueker, Vicki Milledge, and Shaunna Sullivan to the Parks and Recreation Subcommittee. 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>B. Approve Reimbursement Agreement between Los Osos Community Services District and Monarch Grove Homeowners Association</p>	<p>District Engineer Miller provided a summary of the reports submitted with the agenda packet.</p> <p>Public Comment: Richard Margetson, Julie Tacker, and Linde Owen spoke in opposition of the agreement.</p> <p>Roger Randall spoke on behalf of Monarch Grove Homeowners Association.</p> <p>Lynette Tornatzky spoke in support of the agreement.</p> <p>A motion was made by Director Storm declaring that there was no conflict of interest and that the District not go forward with the reimbursement. 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>Director Cesena requested an item be placed on a future agenda asking the County to request the State Water Board reduce the SRF loan interest rate. General Manager Kivley requested the Board give staff direction to send a letter to the County requesting that they renegotiate the SRF interest rate. The Board concurred and directed staff to draft a formal letter.</p>
<p>15. CLOSING BOARD COMMENTS</p>	<p>Director Storm commented that he looked forward to working with the Parks and Recreation Subcommittee members and will be contacting them to set a meeting date.</p> <p>Vice President Ochylski thanked everyone for their participation.</p> <p>President Wright announced the upcoming Mission Country Disposal Cleanup Week.</p> <p>Director Tornatzky echoed Director Storm's comments.</p> <p>Director Cesena thanked everyone who applied to serve on the Parks and Recreation Subcommittee and looks forward to the Ad Hoc committee working on Community Center relationship.</p>
<p>16. ADJOURNMENT</p>	<p>The meeting adjourned at 8:31 p.m.</p>