

**Los Osos Community Services District  
Minutes of the Regular Meeting of February 1, 2018**

AGENDA ITEM	DISCUSSION OR ACTION
<p><b>1. CALL TO ORDER/FLAG SALUTE/SILENT OBSERVANCE/ROLL CALL</b></p>	<p>President Storm called the meeting to order at 6:31 p.m. and led the flag salute.</p> <p>Roll Call:            Charles Cesena, Director – Present            Jon-Erik Storm, 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            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>A. <u>CONFERENCE WITH LEGAL COUNSEL-LIABILITY CLAIM [Government Code 94961]</u>            Claimant: Jason Zatt, Utility Compliance Technician II            Agency Claimed Against: Los Osos Community Services District</p> <p>B. <u>REAL PROPERTY MATTERS (Government Code §54956.8)</u>            Conference with Real Property Negotiator            Property: APN 074-412-010, 2030, Andre Avenue, Los Osos, CA            Agency Negotiator: Roy Hanley, District Counsel            Negotiating Parties: Anastasi Development Company LLC            Instruction to Negotiator: Potential Water Well Easement, Price and Terms</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 6:33 p.m.</p>
<p><b>5. RECONVENE TO OPEN SESSION</b></p>	<p>The Board reconvened to Open Session at 7:05 p.m.</p> <p>Roll Call:            Charles Cesena, Director – Present            Jon-Erik Storm, 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. PRESENTATION AND PUBLIC HEARINGS</b></p>	<p>None</p>
<p><b>8. PUBLIC COMMENT FOR ITEMS NOT ON THE AGENDA</b></p>	<p>Julie Tacker asked the Board to oppose the County's contracts with dryland farmers; to have a discussion regarding the decommissioning of septic tanks in Bayridge Estates; commented on the District's loans to Bayridge Estates and Vista de Oro without formal loan agreements; and, to stop pumping at Palisades Well.</p> <p>Lynette Tornatzky commented on the Celebrate Los Osos Sahara Mustard Weed Pull event on Saturday, February 17<sup>th</sup> from 10am to noon.</p> <p>Richard Margetson commented on his previous remarks concerning issues with the Audit and thanked Director Cesena for his concerns regarding the financial position of the District.</p> <p>Linde Owen commented on the \$2.5 million that the County recently released for Water Conservation.</p>

AGENDA ITEM	DISCUSSION
<p><b>9. 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. Finance Advisory Committee Report</b></p> <p><b>H. Directors' Announcements of District and Community Interest and Reports on Attendance at Public Meetings, Training Programs, Conferences, and Seminars</b></p> <p><b>I. Response to Previously Asked Questions</b></p>	<p>Battalion Chief Alex provided a summary of the December 2017 Fire Department activities as submitted in the agenda packet.</p> <p>Commander Voge, provided a report of the Sheriff Department's activities over the past two weeks in Los Osos.</p> <p>Utility Systems Manager Jose Acosta provided a summary report on the December 2017 activities of the Utilities Department as submitted in the agenda packet.</p> <p>General Manager Osborne provided a summary of the GM's activities for January 2018 as submitted in the agenda packet.</p> <p>Vice Chairperson Larry Bender reported that the Council has received numerous requests for remodels and that there will be a meeting on February 5<sup>th</sup> to continue discussions regarding vacation rentals.</p> <p>Steve Vinson reported on the Chamber held its annual retreat on January 27<sup>th</sup> to map out their activities for 2018 and discussed the Board's roles and responsibilities.</p> <p>Vice President Ochylski reported on the January 29<sup>th</sup> FAC meeting in which the Committee recommended approval of the warrant register and discussed the financial reports; District Bookkeeper Geidel reported that the negative balance in the fire tax is due to the tax collection schedule and when the funds are received at the District; that no substantive changes were made to the Audit report; and, that the next FAC meeting will be held January 26<sup>th</sup>.</p> <p>Director Storm reported that Vice President Ochylski was named Citizen of the Year by the Los Osos/ Baywood Park Chamber of Commerce and offered his congratulations; Vice President Ochylski offered his congratulations to all the other winners.</p> <p>President Milledge reported on her attendance at a recent Fire Safety lecture.</p> <p>General Manager Osborne responded to a previously asked question about an Audit comment regarding payroll errors and that they have been addressed and corrected to the Auditor's satisfaction.</p>
<p><b>10. 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 and Director Cesena requested Item 11G be pulled for separate discussion.</p> <p>Public Comment – Lynette Tornatzky commented that no information regarding the meeting place or time for tomorrow's Fire Safe Council meeting was available and that the encroachment project on 1<sup>st</sup> Street had been pulled from the February 5<sup>th</sup> Land Use Committee meeting agenda.</p> <p>Linde Owen asked if the Admin Clerk position that is now being advertised has been budgeted.</p> <p>Julie Tacker commented that there has been no ESAC meeting in seven months; the administrative costs to Conservation program; the \$40,000 draw from the Low Income Assistance Fund and the need to discuss the intention of the money.</p>
<p><b>11. CONSENT AGENDA</b></p> <p><b>A. Receive Administrative and Committee Reports</b></p> <p><b>B. Approve Meeting Minutes of January 18, 2018</b></p> <p><b>C. Approve Warrant Register for January 2018</b></p> <p><b>D. Receive Financial Reports for the Period Ending December 31, 2017</b></p> <p><b>E. Authorize Designated Officers for the Local Agency Investment Account (LAIF)</b></p> <p><b>F. Adopt Resolution Amending the Board Bylaws and Rules of Decorum for 2018</b></p>	<p><b>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 11G. The motion was seconded by Director Storm and carried with the following vote:</b></p> <p><b>Ayes: Directors Ochylski, Storm, Cesena, Tornatzky, Milledge</b>  <b>Nays: Cesena on Items 11D</b>  <b>Abstain: None</b>  <b>Absent: None</b></p>

AGENDA ITEM	DISCUSSION
<p>11. CONSENT AGENDA (continued) G. Adopt Resolution Approving 2018 Contract with Robert Stilts, CPA for Bookkeeping/Accounting Services</p>	
<p>12. GENERAL ACTION ITEMS A. Consideration of the District's Portion of the Basin management Committee's Operating Budget for Calendar Year 2018</p>	<p>President Milledge called for public comment to be held on General Action Item 12A, seeing none, she closed public comment.</p> <p>General Manager Osborne reported that at the January 17, 2018 BMC meeting, the Committee approved the 2018 Proposed Budget. The proposed amounts were as follows, based on the percentage split of: LOCSD (38%); GSWC (38%); SLO County (20%); and, S&amp;T Mutual (4%).</p> <p><b>A motion was made by Director Cesena that the Board approve the District's portion of the Basin Management Committee Budget with respect to the costs anticipated in Fiscal Year 2017/2018 in the amount of \$61,370 and direct staff to include funding in the draft 2018/2019 budget in the amount of \$50,654 for BMC expenses through Calendar Year 2019. The motion was seconded by Director Storm and carried by unanimous consent.</b></p>
<p>B. Appointment of District Advisory Committee Chairpersons and Alternate Chairpersons and Appointment of District Representatives to Outside Agencies by the Board President</p>	<p>President Milledge called for public comment to be held on General Action Item 12B.</p> <p>Public Comment – Julie Tacker and Linde Owen opposed public comment being called prior to any Board discussion and requested public comment go back to the traditional process.</p> <p>President Milledge appointed Director Ochylski as FAC Chairperson and Director Storm as Alternate Chairperson; Director Cesena as UAC Chairperson and herself as Alternate Chairperson; and Director Tornatzky as Parks &amp; Recreation Chairperson and Vice President Ochylski as Alternate Chairperson.</p> <p>President Milledge read a letter from Chief Jalbert, Unit Chief SLO County Fire Department, requesting the attendance of Cal Fire personnel at ESAC meetings be discontinued. The Board discussed not holding ESAC meetings; possibly appointing an Ad Hoc Committee to discuss the Fire Budget; and President Milledge did not appoint an ESAC Chair or Alternate.</p> <p>President Milledge appointed Director Cesena to Water Resources Advisory Committee and General Manager Osborne as Alternate; General Manager Osborne to the Integrated Regional Water Management and Director Cesena as Alternate; herself to the Los Osos Fire Safe Council and Director Storm as Alternate; Director Ochylski to Morro Bay National Estuary Program and herself as Alternate; Director Cesena to CAPSLO and herself as Alternate; Director Tornatzky to LOCAC and herself as Alternate; and Director Ochylski to Basin Management Committee and Director Cesena as Alternate.</p>
<p>C. Consider Local Agency Formation Commission (LAFCO) Request for Nomination for Alternate Special District Member</p>	<p>General Manager Osborne provided a summary as provided with the agenda packet.</p> <p>Public Comment – Linde Owen commented she could not comment as there was no discussion to comment on.</p> <p>The Board took no action.</p>
<p>13. DISCUSSION OF PULLED CONSENT ITEMS  G. Adopt Resolution Approving 2018 Contract with Robert Stilts, CPA for Bookkeeping/Accounting Services</p>	<p>Director Cesena asked what changed from the initial contract to the requested increase and if Mr. Stilts still had a role or if it was all turned over to his assistant. General Manager Osborne responded that additional duties have been given to the Bookkeeper that were not in the original contract and that Mr. Stilts does not have a role and that Ms. Geidel is the District's Bookkeeper.</p> <p>Public Comment – Julie Tacker commented that this is a 39% increase to the contract and that we are paying for Mr. Stilts and his assistant to be trained and that the staff report should have reflected the financial impacts and better explained.</p> <p>Linde Owen commented that there was recently and increase to the GM's contract to do the work, that the District should be cutting costs, and that the public deserves a better explanation regarding the increase costs.</p>

AGENDA ITEM	DISCUSSION
<p><b>13. DISCUSSION OF PULLED CONSENT ITEMS (continued)</b></p> <p><b>G. Adopt Resolution Approving 2018 Contract with Robert Stilts, CPA for Bookkeeping/Accounting Services</b></p>	<p>A motion was made by Vice President Ochylski that the Board adopt Resolution 2018-05 accepting Robert Stilts, CPA to provide bookkeeping/accounting services for the District and direct staff to enter into a month to month agreement beginning February 1, 2018, at a \$5,000 monthly flat rate. The motion was seconded by Director Tornatzky and carried with the following vote:</p> <p><b>Ayes: Directors Ochylski, Tornatzky, Cesena, Storm, Milledge</b>  <b>Nays: None</b>  <b>Abstain: None</b>  <b>Absent: None</b></p>
<p><b>14. FUTURE AGENDA ITEMS</b></p>	<p>Director Ochylski requested further discussion regarding ESAC meetings.</p> <p>Director Cesena requested 4.0 Staffing for the Fire Department.</p> <p>Director Storm requested a discussion to add Weed Abatement Authority from LAFCO; President Milledge appointed Vice President Ochylski and Director Storm to an Ad Hoc Committee to analyze and research the issue.</p>
<p><b>15. CLOSING BOARD COMMENTS</b></p>	<p>Director Cesena reported that the average monthly temperatures were up between 5.5° and 9.9° over the monthly average since October, there has been no rain, and we are back in a drought.</p> <p>Vice President Ochylski announced the Rotary's Electronic Recycling event February 19-24 at Trinity Methodist Church.</p>
<p><b>16. ADJOURNMENT</b></p>	<p>The meeting adjourned at 8:37 p.m.</p>