



March 18, 2019

**TO:** LOCSO Board of Directors  
**FROM:** Ann Kudart, Administrative Services Manager  
**SUBJECT:** **Agenda Item 11B – 4/4/2019 Board Meeting**  
Approve Prior Meeting Minutes

**President**  
Marshall E. Ochylski

**Vice President**  
Charles L. Cesena

**Directors**  
Matthew D. Fourcroy  
Vicki L. Milledge  
Christine M. Womack

**General Manager**  
Renee Osborne

**District Accountant**  
Robert Stilts, CPA

**Unit Chief**  
Scott M. Jalbert

**Battalion Chief**  
Greg Huang

**DESCRIPTION**

Attached are the minutes of the Board of Directors meeting held March 7, 2019 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 Board of Directors meeting held March 7, 2019.***

Attachment

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**Los Osos Community Services District  
DRAFT Minutes of the Regular Meeting of March 7, 2019**

AGENDA ITEM	DISCUSSION OR ACTION
<p><b>1. CALL TO ORDER/FLAG SALUTE/SILENT OBSERVANCE/ROLL CALL</b></p>	<p>Vice President Cesena called the meeting to order at 6:30 p.m., led the flag salute and asked for a moment of silent observance.</p> <p>Roll Call:            Matthew Fourcroy, Director – Present            Vicki Milledge, Director – Present            Christine Womack, Director – Present            Chuck Cesena, Vice President – Present            Marshall Ochylski, President – Absent</p> <p>The following staff was present:            Renee Osborne, General Manager            Roy Hanley, District Counsel            Jose Acosta, Utility Systems Manager            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>REAL PROPERTY MATTERS (Government Code §54956.8)</u>            Conference with Real Property Negotiator            Property: APN 074-141-003 Lupine Pump Station Site            Agency Negotiator: Renee Osborne, General Manager            Negotiating Parties: County of San Luis Obispo            Instruction to Negotiator: Potential purchase, terms and price.</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 7:02 p.m.</p> <p>The following Directors were present:            Matthew Fourcroy, Director – Present            Vicki Milledge, Director - Present            Christine Womack, Director – Present            Charles Cesena, Vice President – Present            Marshall Ochylski, President – Absent</p> <p>The following staff was present:            Renee Osborne, General Manager            Roy Hanley, District Counsel            George Huang, 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 reported that there was no reportable action taken in Closed Session.</p>
<p><b>7. PRESENTATIONS</b></p>	
<p><b>A. Administer Oath of Office to George Huang, Battalion Chief, Station 15-South Bay</b></p>	<p>Vice President Cesena administered the Oath of Office to Station 15-South Bay Battalion Chief George Huang and welcomed him to the District.</p>
<p><b>B. Presentation of Certificate of Appreciation to Harmony Brown, Station 15-South Bay</b></p>	<p>Vice President Cesena presented a Certificate of Appreciation to Harmony Brown on her more than six years of service as the Administrative Assistant at Station 15-South Bay and wished her the best in her future endeavors.</p> <p>Public Comment – Richard Margetson, Julie Tacker, and Tom Wright thanked Ms. Brown for her outstanding service, enthusiasm, and dedication to Station 15 and the community.</p>
<p><b>C. Presentation Regarding the Limited Obligation Refunding Bonds Wastewater Assessment District #1</b></p>	<p>Bud Levine from Wulff, Hansen &amp; Co., Municipal Advisors, and Nicki Tallman and Rick Brandis, Brandis Tallman, LLC, Underwriters of the bond, provided a PowerPoint presentation regarding the results of the bond refinancing. They provided a recap of the transactions, the final costs of issuance, a summary of bond savings, the bond debt service annual savings, the savings to the property owners, and provided an explanation of the reassessment report that is available at the District.</p>

AGENDA ITEM	DISCUSSION
<p><b>C. Presentation Regarding the Limited Obligation Refunding Bonds Wastewater Assessment District #1 (continued)</b></p>	<p>Public Comment – Linde Owen voiced her appreciation for the work done in refinancing the bonds and commented on the Tri-W property.</p> <p>Julie Tacker commented on access to the reassessment report and commented that the total cost for the NBS reassessment engineer's report exceeded their contract.</p> <p>Richard Margetson commented on the bond savings and asked about the process regarding the initial reserve fund deposit.</p> <p>Mr. Levine reported that in order to legally do the refunding, the existing reserve fund was brought in to be part of the pool of money to be used to pay off the old bonds and then issue enough bonds to make up the difference and to fulfill all the requirements of the new bonds.</p>
<p><b>8. PUBLIC COMMENT FOR ITEMS NOT ON THE AGENDA</b></p>	<p>Nancy Bass, Linda Donnelly, and Karen Aguilar commented on the proposed Morro Bay sewer, its effects on Los Osos, and urged the Board to request that the Morro Bay City Council find an alternate route.</p> <p>Linde Owen supported the previous speakers' comments, that there is no water for expanded growth and their need to protect the basins; supported the use of one-half acre of the Tri-W property for the library's expansion needs; and, that the Habitat Conservation Plan needs to move forward.</p> <p>Lynette Tornatzky commented on the Qualitative Metric Results and Costs for Identified Projects and Programs report showing that the 2<sup>nd</sup> Street Baywood Green Street Project was in the running to receive funding.</p>
<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 Report</b></p> <p><b>F. Los Osos/Baywood Park Chamber of Commerce Report</b></p> <p><b>G. Los Osos Focus Group of the Fire Safe Council Report</b></p>	<p>Chief Huang provided a summary of the Chief's Report for February 2019 as submitted in the agenda packet, reporting that the Station responded to 119 calls and was called to cover or respond to emergencies 9 times; that Reserve Firefighter Palmer had accepted a position with Ventura City Fire and Harmony Brown would be leaving after six years as Administrative Assistant; and, reported on various special programs and projects and training prospective reserve firefighter candidates.</p> <p>Commander Manuele, Sheriff's Coast Station, provided a report of Sheriff Department activities for the month of February 2019 with 534 calls for service, an increase over last year of approximately 6%. He reported that Coast Station, which handles Avila, Los Osos, Cayucos, Cambria, had 1,811 calls for service in that period alone.</p> <p>Utility Systems Manager Acosta provided a summary of the January 2019 activities of the Utilities Department as submitted in the agenda packet, reporting that residential water usage was 49.8 gallons per person per day, a decrease from 55.2 gallons this same time last year. He reported on the 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 January 2019 as submitted with the agenda packet reporting that staff has been working on the mid-year budget adjustments which had final reviews by the committees, worked with the Ad Hoc Committee regarding refinancing of the wastewater bonds, met with Battalion Chief George Huang and provided updates on procedures, the budget, ESAC and the District's goals. She reported on the costs of archiving board meeting; the 2019 Water Conservation Campaign; and, the Countywide Hazard Mitigation Plan.</p> <p>Lynette Tornatzky reported on the February 28<sup>th</sup> LOCAC meeting; an upcoming meeting on March 21<sup>st</sup> at SBCC regarding 1<sup>st</sup> Street Encroachment Project; Supervisor Gibson's report; vegetation growing on County owned unpaved streets; vacation rentals; that the Traffic and Circulation Committee meets the third Monday, the Tree and Landscape Committee meets second Monday, the Land Use Committee meets first Monday; and, that the next LOCAC meeting will be held March 28<sup>th</sup> at 7:00 p.m. at Sea Pines.</p> <p>None</p> <p>Tom Wright reported that at the February meeting the group met with the Supervising Ranger of County Parks regarding reducing the hazardous fuels in the Monarch Grove areas; Cabrillo Estates is holding a Firewise Community Kickoff Meeting on March 30<sup>th</sup>; that the next meeting of the Focus Group will be March 18<sup>th</sup> at 10:00 a.m.; and, he reported that property owners are responsible for maintaining safe fire reduction zones around their property.</p>

AGENDA ITEM	DISCUSSION
<b>H. Utilities Advisory Committee Report</b>	Committee Chairperson Cesena provided a summary of the February 20 <sup>th</sup> UAC meeting as submitted in the agenda packet reporting that the Committee discussed leak adjustment issues, the District's Water Shortage Contingency Plan and Title 2, heard updates regarding the Utilities Department, his attendance at the WRAC meeting, and that the next UAC meeting will be held on March 20 <sup>th</sup> .
<b>I. Parks and Recreation Advisory Committee Report</b>	Committee Chairperson Fourcroy provided a summary of the March 5 <sup>th</sup> Parks and Recreation meeting reporting that the Committee approved of the minutes, reviewed the mid-year budget adjustments, reviewed the 2019 Work Plan, and the discussion of potential opportunities including pocket parks, trails and paths, tax sale properties, and memorial benches.
<b>J. Finance Advisory Committee Report</b>	Committee Vice Chairperson Womack provided a summary of the March 4 <sup>th</sup> FAC meeting reporting that the Committee approved the minutes, reviewed and recommended Board approval of the Warrant Register and to receive and file the Financials. The Committee reviewed the mid-year budget adjustments and made a recommendation to the Board; reviewed their 2019 work plan; and, heard an update regarding the recent bond refinancing and tax savings for property owners.
<b>K. Appointment by Director Milledge to Fill a Vacancy on the Finance Advisory Committee</b>	Director Milledge appointed Sandra Cirilo to the vacant position on the Finance Advisory Committee.
<b>L. Appointment by Director Womack to fill a Vacancy on the Utilities Advisory Committee</b>	Director Womack reported that she was not ready to make her UAC appointment.
<b>M. Directors Announcements of District and Community Interest and Reports on Attendance at Public Meetings, Training Programs, Conferences, and Seminars</b>	Director Milledge announced that she attended the Los Osos Focus Group meeting.  Directors Fourcroy and Milledge reported that they had completed their required Ethics Training as well as their required Harassment Prevention Training.
<b>N. Response to Previously Asked Questions</b>	None
<b>10. PUBLIC COMMENT ON THE ADMINISTRATIVE AND COMMITTEE REPORTS AND THE CONSENT AGENDA</b>	Vice President Cesena asked if there were any items to be pulled for separate consideration.  Public Comment – Julie Tacker requested a status report on the election lawsuit. She commented on the Habitat Conservation Plan and the Community Plan; budget adjustments regarding an error for the rubber chip project; supported AGP archiving the Board meeting; opposed the Board supporting Item 11G; and, commented on the Directors Compensation report.  Richard Margetson asked if the Rate Group was officially tasked to proceed and reminded the community that the South Bay Community Center is the only center owned by the community.  Linde Owen supported LOCAC meetings being held at the Community Center and not at Sea Pines and opposed the handling of the UAC vacancy appointment.
<b>11. CONSENT AGENDA</b> <b>A. Receive Administrative and Committee Reports</b> <b>B. Approve Meeting Minutes of February 7, 2019</b> <b>C. Approve Warrant Register for February 1-22, 2019</b> <b>D. Receive Financial Reports for the Period Ending January 31, 2019</b> <b>E. Approve Fiscal Year 2018/2019 Mid-Year Budget Adjustments</b>	Vice President Cesena pulled Item 11G from the Consent Agenda and no action was taken.  A motion was made by Director Fourcroy that the Board receive and file the Administrative and Committee Reports and approve the Consent Agenda with the exception of Item 11G. The motion was seconded by Director Womack and carried with the following vote:  Ayes: Directors Fourcroy, Womack, Milledge, Cesena Nays: None Abstain: None Absent: Ochylski

AGENDA ITEM	DISCUSSION
<p>F. Review of Policy and Procedures Regarding Director Compensation Support of Assembly Bill 510 (Cooley)</p> <p>G. Approve California Special District Association's (CSDA) Request for a Call to Action in</p> <p>H. Adopt Resolution Authorizing the Issuance of a Credit Card to Battalion Chief George Huang</p>	
<p><b>12. GENERAL ACTION ITEMS</b></p> <p>A. Approve 2019 Advisory Committee Work Plans</p>	<p>General Manager Osborne provided a summary of the staff report as submitted with the agenda packet.</p> <p>Public Comment – Julie Tacker commented that she would have liked to see the previous work plans presented with the current work plans; and, that the parks and Recreation Work Plan does not have an item regarding the County's reimbursement for the District's expenses incurred by the Rubber Chip Project.</p> <p>Linde Owen commented on adding an item to the Parks and Rec work plan to prioritize past County and community studies.</p> <p><b>Director Womack moved that the Board approve the work plans for the 2019 Finance, Parks and Recreation, and Utilities Advisory Committees. The motion was seconded by Director Fourcroy and carried unanimously.</b></p>
<p><b>13. DISCUSSION OF PULLED CONSENT ITEMS</b></p>	<p>None</p>
<p><b>14. FUTURE AGENDA ITEMS</b></p>	<p>Director Fourcroy will be presenting his Ad Hoc Committee report regarding a proposed social media plan at the next meeting.</p>
<p><b>15. CLOSING BOARD COMMENTS</b></p>	<p>Director Fourcroy voiced his appreciation to the Bond Refinancing Ad Hoc Committee.</p>
<p><b>16. ADJOURNMENT</b></p>	<p>The meeting adjourned at 9:22 p.m.</p>