

Los Osos Community Services District

Committee Report

Finance Advisory Committee

Monday, April 20, 2009

Committee Members Present:

Bill Garfinkel , Burke Vanderhoef, Lisa Gonzalez , John Saurwein

Mitch Cooney, CSD General Manager

Joe Sparks, CSD Board Member, Steve Senet, CSD Board Member

1) District Reserve Policy

Mitch presented the proposed reserve policy. Mitch clarified the distinction between reserves and segregated accounts. The reserve policy would be subject to a 4/5 vote of the Board. The committee discussed the proposed reserve policy. Concern over maintaining the drainage reserve due to having a fixed assessment was discussed. By not having a built in CPI for funding, the reserve funding will not be able to be maintained over time due to rising expenses. This will require future adjustments to the reserve policy.

2) Fund Allocations to Administrative Operations:

The GM gave a summary of the tax allocations, personnel allocations, and fund allocations for administrative operations. The 5% allocation for fire was explained by Mitch. That percentage and/or amount is set by policy of the Board. The rationale for lower emergency allocation is that the emergency services funding is a contracted item. The committee members would review to provide additional input at the budget meetings on the appropriateness of the 5% allocation.

The committee discussed the allocation of admin funding based on either revenues or expenses. Mitch indicated that the use of revenues is more stable. Support for the use of a rolling average (i.e., use the prior 2, 3, 4, or other years) to make the allocations stable was supported.

3) Public Comments not on the agenda:

The committee received comments from the public. Support from George Taylor was made for time studies of the Utilities department

4) Next Meeting:

The next regularly scheduled meeting is May 18. Staff expects to have draft budget proposals to review.

Submitted: Joe Sparks , FAC Chair

Los Osos Community Services District
Committee Report

Committee: Water Advisory Committee
Date: Wednesday, April 8, 2009

Committee Members Present:

Linde Owen	Mitch Cooney, CSD General Manager
Chuck Snead	Maria M. Kelly, CSD Director
Gordon Taylor	
Lynette Tornatzky	
Dominic Roques	

Agenda Items:

Call to Order – 5:34 PM

A – Drainage

1. Review of possible recommendations regarding dewatering and the waste water project
2. Possible comments regarding the project and drainage

Discussion: Committee discussed the letter being proposed to send to the Planning Commission by the LOCSO and what comments to submit from our committee. There were two issues that were agreed upon for submission and request to incorporate. The first issue was that the project utilizes basins within the district for dewatering purposes as mitigation for construction impacts. The committee believed that this may result in less trucking as well as keeping the water within the basin and district. The second discussion was requesting that the project incorporate a Low Impact Development (LID) approach where there may be impacts to streets that may change or impact drainage flows during construction.

Action: Maria will submit comments to Mitch and Marshall for the development of the letter to be reviewed by the board at their April 16th meeting.

B – Policy Development of Reserves for Water Operations & Drainage

1. Rate Stabilization Reserve
2. Emergency Reserves

Discussion: The committee discussed reserves options and due to the confusion surrounding the names of reserve accounts as noted in the FCS report and names used by committee members, it was agreed that we were actually discussing the development of two reserve accounts: 1. RATE STABILIZATION and 2. CAPITAL RESERVE. After much discussion the following criteria was developed and requested for review by the board and FAC.

1. Rate Stabilization
 - Emergency - only to be used for operations in event of emergency with amount to cover 60 days of operations
 - Conservation – account for 10% reduction over the next #(3?) of years with CPI
2. Capital Reserve- FCS recommends \$470,000
 - Repair and replacement
 - Base on projected project list-via depreciation of system
 - Inclusion and development of capacity charge

These reserves would be set and funded over time as a line item in the yearly budget. Further discussion should be had by the FAC and feedback given to the WAC as whether these are realistic and appropriate and support in giving the board and IGM direction to develop and implement policies that will further the financial stability of the district. Policy will be brought to the board via resolution as developed by IGM.

Public Comment Received

Submitted By
Maria M. Kelly - Director