

**Los Osos Community Services District
Minutes of the Utilities Advisory Committee Meeting
January 16, 2019 at 5:30 p.m. at the District Office**

AGENDA ITEM	DISCUSSION	FOLLOW-UP
<p>1. Call to Order, Flag Salute and Roll Call</p>	<p>Chairperson Cesena called the meeting to order at 5:32 p.m. and led the flag salute.</p> <p><u>Roll Call:</u> Jan Harper, Committee Member – Present Leonard Moothart, Committee Member – Present Ron Munds, Committee Member – Arrived at 5:33 p.m. Eric Silva, Committee Member – Present Chuck Cesena, Chairperson – Present</p> <p><u>Staff:</u> Jose Acosta, Utility Systems Manager Marti Brand, Administrative Clerk</p>	
<p>2. Review of Fiscal Year 2018/2019 Draft Mid-Year Budget Adjustments Funds 200, 400, 500, 600, and 800</p>	<p>Utility Systems Manager Acosta provided a summary of the report as submitted with the agenda packet reporting that the Financial Advisory Committee reviewed the report at their December meeting. He reported that Fund 200 has 12 septic tanks needing decommissioning and staff has received quotes between \$20,000 to \$30,000 to begin the process and that Bayridge Estates has reserves to cover the full cost of the project. He reported that Fund 400 had no changes; that Fund 500 had an increase of \$400 for Disinfection Feed Pump and Rebuild Kits; that there was a decrease of \$2,000 for Computer Hardware which was offset by an increase for Computer Software of \$2,000. He reported an increase of \$500 for Miscellaneous Small Parts and Supplies; that there was an increase in Repair & Maintenance (R&M) for extinguisher and extensions kits of \$750. Mr. Acosta reported an increase for R&M Tools & Equipment; an increase in R&M for Minor Tools & Equipment of \$400 and a decrease of \$400 in R&M Grounds & Collections; that an increase in R&M Building & Structures of \$4,000 is requested and an increase of \$1,000 for the Water Conservation Program to purchase conservation items resulting in a mid-year budget increase of \$6,650. He reported that Fund 600 had minor adjustments from \$40,857.55 to \$41,407.55; and, Fund 800 had two requests for modifications changing from \$166,336.55 to \$167,686.44.</p> <p>Utility Systems Manager Acosta provided the Committee with a spreadsheet that projected revenue trends versus budgeted revenues.</p> <p>Public Comment – Julie Tacker commented that Fund 200 and Fund 400 narratives are incorrect; that all refinancing fees should have been included in the Mid-Year adjustments; and, asked what account the legal fees should be placed.</p> <p>Richard Margetson commented that Fund 500 revenues are higher than budget; that electric expenses are tracking higher and suggested that revenues should be included as part of the Mid-Year Budget adjustments. He disagreed with the use of the term “adequate revenues” in Fund 500; and, with the inclusion of \$25,000 for bond repayment, if the District was going to refinance the bond in Fund 600.</p> <p>The Committee unanimously recommend that the Board approve the Mid-Year Budget adjustments as discussed.</p>	<p>Action – The Committee unanimously recommend that the Board approve the Mid-Year Budget adjustment as discussed.</p>
<p>3. Approve UAC Meeting Minutes of November 14, 2018</p>	<p>Administrative Clerk Brand presented the minutes for Committee approval.</p> <p>Public Comments – None</p> <p>Committee Member Moothart moved that the Committee approve the UAC minutes of November 14, 2018. The motion was seconded by Committee Member Harper and carried by unanimous consent.</p>	<p>Action – File approved minutes.</p>

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<p>4. January 16, 2019 Basin Management Committee Meeting Update</p>	<p>Chairperson Cesena provided a detailed update of the discussions at today's Basin Management Committee (BMC) meeting. He reported that the BMC will have a formal Request for Qualifications (RFQ) for Interim Executive Director Miller's replacement; that the appointment of BMC officers will remain the same next year with President Ochylski of the LOCSO, Vice President Zimmer of Golden State Water, Secretary Cote of S & T Water and Supervisor Gibson as Treasurer; that the Committee heard an update regarding the status of the Basin Plan Infrastructure. He reported on the discussion regarding the Cleath Harris Report on Los Osos Basin Plan Metric Trends Review and Infrastructure Program C Evaluation commenting that the letter from the UAC was well received and that the Committee's suggestions were reasonable; that the Committee adopted the Annual Budget; and, approved the proposals for Hydrogeologic Services by Cleath-Harris not to exceed \$62,700.</p> <p>Public Comment – Lynette Tornatzky commented that 40 acres were disallowed on the Basin boundary by the Department of Water Resources owned by the Bureau of Land Management.</p> <p>Richard Margetson commented that any water going to dryland farmers will be a financial loss for the community, that the community will never recoup the cost of putting in the lines, the right-of-way costs, and the water treatment.</p> <p>Jeff Edwards commented on the County's involvement with dryland farmers and inquired when the Board was going to reconsider; objected to the Goodwin Project receiving water; and, addressed his concerns regarding the progress of the Capital Improvement Projects.</p> <p>Julie Tacker commented on the potential well site and the concerns of the local residents.</p> <p>Chairperson Cesena reported that Executive Director Miller is currently working with the residents.</p>	<p>Action – Updates only, no action.</p>
<p>5. Utilities Department Updates</p>	<p>Utility Systems Manager Acosta reported that the Board approved a resolution regarding the 8th Street Water Yard Building Project's exemption from the County's fire sprinkler code which would add significant cost to the project. Mr. Acosta reported that the 10th Street reservoir dive revealed that repairs are needed to the hatch, the cathodic cap, and the ladder and that he will report back to the Committee after receiving the repair quotes.</p> <p>He reported that regarding the Bayridge Estates Septic Tanks Project staff has located two facilities willing to take the septic product and will have a total of three or four quotes by end of the week with prices ranging from \$17,300 to \$30,000; that the drainage panels are operational at Bayridge Estates and at Don and Mitchell Drainage Facilities and that the crew is currently constructing an awning to protect the panels. Mr. Acosta reported Bayridge drainage facility was waiting for a replacement pump; that the 16th Street drainage facility pumps have been installed with a significant reduction in noise with no flooding; and, that they are coordinating with Los Osos Middle School to complete the State's Lead and Copper sampling.</p> <p>He reported that the Well Meters had arrived but the crew is waiting for the arrival of the spool before beginning installation; and, that they will have three to four quotes from leak detection companies by the end of February to begin the Leak Detection Project in the spring.</p> <p>Public Comment – Julie Tacker inquired as to the goal for the final disposition of the tanks and the cost.</p>	<p>Action – Updates only, no action.</p>

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5. Utilities Department Updates (continued)	<p>Jeff Edwards asked if the Committee could create a monthly usage report per capita per day; if the Palisades Well is being pumped; and, asked for the reasoning the District is pursuing acoustic leak detection</p> <p>Richard Margetson requested that if a usage trend chart is created that it contain the definition of the calculations.</p> <p>Utility Systems Manager Acosta responded that the water gap is part of the reasoning, along with the District's sandy soil type, that when leaks occur they do not surface; that losses were up to 15% last year but the year-to-date losses have lowered to 11%; and, that the District meter replacement program has narrowed the gap.</p> <p>He reported that when hired the leak detection company will do a thorough acoustic detection of the system looking at every valve, service connection meter and hydrant to pinpoint a leak and provide GPS mapping of our system. Mr. Acosta further reported that the District uses the Palisades Well to supplement flows as needed and that it is possible to provide a usage trend chart for two years.</p>	
6. Public Comments NOT on this Agenda	None.	
7. Schedule UAC Meeting	The next meeting of the Utilities Advisory Committee is scheduled to be held on Wednesday, February 20, 2019 at 5:30 p.m. unless otherwise noticed.	
8. Closing Comments by UAC Committee Members	<p>Committee Member Harper asked if it was necessary to turn in a Committee Application.</p> <p>Chairperson Cesena reported that currently the Ad Hoc Bylaw Committee is reviewing to clarify this but suggested that applications be submitted. He thanked the Committee for putting their hearts into this group.</p> <p>Committee Member Munds thanked the Committee and staff for their efforts.</p>	
9. Adjournment	The meeting adjourned at 7:00 p.m.	