Los Osos Community Services District Minutes of the Utilities Advisory Committee Meeting February 21, 2018 at 5:30 p.m. at the District Office

AGENDA ITEM	DISCUSSION	FOLLOW-UP
Call to Order, Flag Salute and Roll Call Approved of UAC Minutes	Chairperson Cesena called the meeting to order at 5:35 p.m. and led the flag salute. Roll Call: Jan Harper, Committee Member – Present Gene Heyer, Committee Member – Present Leonard Moothart, Committee Member – Present Ron Munds, Committee Member – Present Chuck Cesena, Chairperson – Present Staff: Renee Osborne, General Manager Jose Acosta, Utility Systems Manager Ann Kudart, Administrative Services Manager	
2. Approval of UAC Minutes of January 17, 2018	Public Comment – None Committee Member Harper made a motion to approve the minutes. The motion was seconded by Committee Member Heyer and approved unanimously.	Action – File approved minutes.
3. Updates Regarding Utilities Department Projects a. 8 th Street Utility Building	Utility Systems Manager Acosta reported that the District has received four rough quotes for the 8 th Street building which will hold tools and equipment; that the quotes ranged from approximately \$45,000 which was for the basic building only, no windows or extras, to \$78,000; that these are soft costs that do not include soil samples, permits, or electrical and plumbing and that he expects the cost to be closer to \$100,00 for the complete project;	Action – Updates only, no action associated.
b. Drainage Permit	that the District will handle the permitting and oversee the project. General Manager Osborne reported that Mr. Acosta will put together the RFP and have it reviewed by District Engineer Miller before issuing. Regarding the drainage permit, Mr. Acosta reported that a new procedure in the permitting process requires trash policy implementations and that each of the District's drainage facilities were assessed to see how much trash could impact these facilities and to consider installing full capture systems; the determination regarding how much trash will impact a drainage facility is based on the density surrounding the facility and does not impact the District's drainage basins as they are basically full capture systems but more for our pumping stations.	
4. Review of Board Item Regarding Allocation of Budget Surplus in the Amount of \$292,873 to Water Reserve Accounts	General Manager Osborne reported that the end of the audited fiscal year 2016-2017 and after depreciation of \$258,763 there remained \$292,873 of unallocated Water Funds; that staff is requesting that \$100,000 be set aside for the building, to allocate \$100,000 towards the Vehicle Reserves, and that the remaining \$92,873 be allocated to the Capital Improvements. The Committee discussed the current balances of Water Reserves including General Contingency \$260,000; Capital Outlay \$500,000; Vehicle and Equipment Replacement \$12,000; Water Stabilization \$256,856; Basin Management \$50,000; and Water Conservation \$59,000. Public Comment — Linde Owen commented on the need to add an additional \$100,000 for the building and supported FAC review of this item. Richard Margetson commented that the \$258,763 depreciation is expensed, that it should be in the checking account, that the determination should be for both the surplus amount and the depreciation amount, and that there needs to be a line item for depreciation in the budget.	Action – The Committee recommended that staff provide the cap for the Water Stabilization reserve; that the Board approve the allocations as long as FAC reviews and recommends approval;

4. Review of Board Item Regarding Allocation of Budget Surplus in the Amount of \$292,873 to Water Reserve Accounts (continued) Utility Systems Manager Acosta reported an immediate need to replace a vehicle at a cost of approximately \$40,000-\$45,000; that the backhoe has major issues with rusting on the hydraulic unit and damages at a cost of 5,000-\$6,000; and \$14,000 repairs to the flatbed. Committee Member Munds discussed the need to look at the rates, that the District take a fiscally conservative approach, that the District is doing what needs to be done, and at the same time to take care of its ratepayers. Committee Member Munds made a motion that the Committee recommended that the Board approve staff's recommendation contingent upon FAC review and recommended approval to the Board. The motion was seconded by Committee Member Harper and approved unanimously. 5. Review of Board Item Regarding the The Committee reviewed their 2017 Work Plan and removed the Water Rate Study item; will continue to review and revise the CIP; will review the Utilities Action: The Committee recommended pre-	AGENDA ITEM	DISCUSSION	raye 2 01 2
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Study item; will continue to review and revise the CIP; will review the Utilities budgets for the 18/19 fiscal year, review and provide recommendations and improvements to the Water Conservation Plan; add Basin Management Committee meeting updates; County's recycled water contract with dryland farmers; and Updates of Water Revenues and Reserves. The Committee discussed possible pre-agenda meetings with the Board President, Committee Chairperson, and the General Manager to set the agenda and allowing discussion of issues that come up and are not on the work plan but of concern to the Committee. Public Comment – Richard Margetson commented that UAC should have discussed the recycled water contract with dryland farmers; and, review the financials and review of the Audit. Linde Owen commented on a check list of items to be discussed by UAC. The Committee reviewed two of the elementary school entries and chose "Vater saved us, now we save water!" to represent UAC. General Manager Osborne reported that awards will be presented at the Chamber's Business Expo on March 23, 2018. The District is waiting for the videos from the Middle School. Public Comment – Linde Owen asked who was designing the posters and banners. General Manager Osborne responded that the District will shop for the best price. 7. Public Comments on Items NOT on this Agenda Richard Margetson commented on getting a lot of banners around town; concerns regarding water rate increases in Golden State; and asked if Golden State was part of the Water Conservation campaign. Richard Margetson commented on the Work Plan and the need for UAC to periodically review of financials and be part of the audit process. 3. Schedule Next UAC Meeting The next meeting of the Utilities Advisory Committee is scheduled to be held on Wednesday, March 21, 2018 at 5:30 p.m. unless otherwise noticed. Chairperson Cesena thanked the Committee for their input and support. Committee Members Chairperson Cesena thanked the Committee for their input and support.	Regarding Allocation of Budget Surplus in the Amount of \$292,873 to Water Reserve Accounts	vehicle at a cost of approximately \$40,000-\$45,000; that the backhoe has major issues with rusting on the hydraulic unit and damages at a cost of 5,000-\$6,000; and \$14,000 repairs to the flatbed. Committee Member Munds discussed the need to look at the rates, that the District take a fiscally conservative approach, that the District is doing what needs to be done, and at the same time to take care of its ratepayers. Committee Member Munds made a motion that the Committee recommended that the Board approve staff's recommendation contingent upon FAC review and recommended approval to the Board. The motion was seconded by Committee Member Harper and approved.	
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10. Adjournment The meeting adjourned at 7:02 p.m.	9. Closing Comments by UAC Committee Members	Committee Member Munds commented on the dismal rainfall this winter and	
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