

**Los Osos Community Services District
Minutes of the Finance Advisory Committee Meeting
October 29, 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 Ochylski called the meeting to order at 5:32 p.m. and General Manager Osborn led the flag salute.</p> <p><u>Roll Call:</u></p> <p>Lisa Gonzalez, Committee Member – Present Cheri Grimm, Committee Member – Present Bea Jansen, Committee Member - Absent Alyce Thorp, Committee Member - Absent Joyce Witt, Committee Member - Present Marshall Ochylski, Chairperson -- Present</p> <p><u>Staff:</u> Renee Osborne, General Manager Greg Alex, Battalion Chief Adrienne Geidel, District Bookkeeper Marti Brand, Administrative Clerk</p>	
<p>2. Approve FAC Meeting Minutes of September 4, 2018</p>	<p>General Manager Osborne presented the minutes for Committee approval.</p> <p>Member Grimm reported that Item 3 should read approve August Warrant, not June.</p> <p>Public Comment - Richard Margetson stated that his comment on Item 5 was that he did not like the process regarding the replacement of the chips.</p> <p>Committee Member Gonzalez moved to approve the meeting minutes of September 4, 2018 as amended. The motion was seconded by Committee Member Grimm and carried by unanimous consent.</p>	<p>Action: File approved minutes with amendments.</p>
<p>3. Review of Board Item Regarding Approval of Warrant Registers for September 1, 2018 through October 19, 2018</p>	<p>District Bookkeeper Geidel presented the Warrant Reports with no special comments.</p> <p>Committee Member Witt inquired about the change in the time frame of warrants from September through the middle of October. Bookkeeper Geidel reported that Administrative Service Manager Kudart was out of the office on the 19th through the end of the month and the warrants reflect the time period.</p> <p>Committee Member Witt inquired about Check #28166 to Rain for Rent, in the amount of \$31,057.48 and Utility Systems Manager Acosta reported that it was an upgrade at the 16th Street drainage site to address noise complaints and to operate more efficiently. She asked about Check #29152 regarding the Ford Truck and Chief Alex reported that the truck did sell. Committee Member Gonzalez asked the amount of the sale and if it was above \$250 and the Chief did not have the exact amount but reported it was above \$2500.</p> <p>Public Comment - Julie Tacker commented that it would be helpful to have more packets available for the public; that the three legal bill transaction descriptions being exactly the same make it difficult to distinguish the various expenses; and asked about the Parks and Recreation component.</p> <p>General Manager Osborne responded that regarding the legal bills, all were regarding discussions with the County regarding Right-of-Way Permitting and Bookkeeper Geidel stated these are from Fund 900 for \$315.00.</p> <p>Committee Member Gonzalez moved that the Committee recommend that the Board accepted the Warrant Registers. The motion was seconded by Committee Member Witt and carried by unanimous consent.</p>	<p>Action: The Committee recommended that the Board approve the September 1, 2018 and the October 19, 2018 warrants.</p>

AGENDA ITEM	DISCUSSION	FOLLOW-UP
<p>4. Review of Board Item Regarding Financial Reports for the Periods Ending August 31, 2018 and September 30, 2018</p>	<p>District Bookkeeper Geidel provided a brief summary of the report as submitted with the agenda packet. Ms. Geidel reported that line 5035 Accidental Death and Dismemberment had been included with Disability Insurance, however, ABRA separated it and it will be adjusted at mid-year.</p> <p>Committee Member Witt asked if 6100 Labor & Support IT and 6110 IT Purchased Services were the same and General Manager Osborne reported that one has to do with a contract and the other with software support. Committee Member Witt asked about the September Fund 500 and if it was normal to put together all the infrastructure items or should the infrastructure items be separated. Ms. Geidel responded when you buy a capital asset it is not actually an expenditure and the District utilizes this line item to capitalize all our assets at the end of the year and that our auditor at the end of the year decides on the items to be capitalized. She reported that the updated June 30, 2018 Revenue and Expense Report show the balances have dropped significantly according to what is not an expenditure and what has been added to capital assets.</p> <p>Committee Member Gonzales commented that there is a depreciation schedule that is considered a holding spot for assets. Ms. Geidel reported that it would be updated yearly with the audit and General Manager Osborne commented that this is where we store and account for them.</p> <p>General Manager Osborne reported that the draft audit will be discussed at the December's FAC meeting.</p> <p>Public Comment - Richard Margetson requested that Reserve fund balances be included in the Financials and believes that there are discrepancies in the reserve funds.</p> <p>Julie Tacker commented that there was no accounting for the Low Income Assistance; that she is accustomed to budget adjustments coming with Board approval; and voiced her concern that chip replacement expenses had not been included and will exceed the Board's approval amount.</p> <p>Chairperson Ochylski requested that the Low Income Fund information be provided. General Manager Osborne stated that this has been the practice but believes it was an oversight and copies will be made available.</p> <p>Committee Member Grimm moved that the Committee recommend that the Board receive and file the Financial Reports for the periods ending August 2018 and September 2018. The motion was seconded by Committee Member Gonzales and carried by unanimous consent.</p>	
<p>5. Review of Board Item Regarding the Purchase of Self-Contained Breathing Apparatus, Thermal Imaging Cameras, and Supporting Gear</p>	<p>Battalion Chief Alex provided a brief summary of the report as submitted with the agenda packet reporting that staff is requesting permission to purchase new equipment for Station 15 – South Bay Firefighters consisting of Self Contained Breathing Apparatus (SCBA), Integrated Thermal Imaging Cameras (ITIC), and supporting gear used to find hidden hot spots. He reported that the current SCBA's are in excess of 16 years old, out of warranty, and difficult to find repairing vendors. He reported that the County had a vendor change resulting in the replacement of the masks, bottles, fit testing, supporting gear and the ITICs and that SLO County/CAL FIRE Stations are required to obtain this equipment as part of the State and Countywide compliance.</p> <p>Chief Alex reported that the quote is for necessary supporting equipment expenditures of \$84,493.21, that \$65,000 has been set aside and that the difference needed from Capital Outlay Reserves is \$19,493.21.</p>	<p>Action: The Committee recommended that the Board approve the purchase and transfer of funds from 301 in the amount of \$19,493.21 for Capital Outlay Reserves</p>

AGENDA ITEM	DISCUSSION	FOLLOW-UP
<p>5. Review of Board Item Regarding Purchase of Self-Contained Breathing Apparatus, Thermal Imaging Cameras, and Supporting Gear (continued)</p>	<p>Public Comment - Linde Owen asked if the District would be selling off the old equipment to help pay for the cost and the Chief responded that the packs are old, out of compliance, out of warranty, and that there is nothing salvable.</p> <p>Committee Member Witt made a motion that the Committee recommend that the Board approve the purchase of the equipment and the transfer of \$19,493.21 from Capital Outlay Reserves. The motion was seconded by Committee Member Gonzalez and carried by unanimous consent.</p>	
<p>6. Review of Board Item Regarding Bayridge Estates Septic Tanks Decommission Process</p>	<p>Utility Systems Manager Acosta reported that the 10 septic tanks in Bayridge Estates are in need of decommissioning; that AI's Septic pumped two tanks in 2016 but was no longer interested in pursuing the project; that staff had contacted several sludge hauling services but many are not interested; that there are concerns in finding a disposal site as the sludge has expired and the product is considered hazardous waste; that the District has two quotes from companies that will pump, haul, and dispose of the waste and received a third quote but was unable to include it when presenting to the UAC on October 17, 2018, but once received will be included. He reported that UAC recommended that FAC review and provide comments to the Board for their decision. Mr. Acosta reported the financial impact of decommissioning the Bayridge Estates tanks should be paid by Fund 200 Reserves and that the Fund should only need a temporary loan that can be paid back by the end of 2018/19 fiscal year. He reported that no wastewater facility in the County or Santa Maria would take this product as it is a large volume and could interrupt process at their facility.</p> <p>Public Comment - Julie Tacker opposed the Water Fund lending funds to Bayridge as the 2014 Prop 218 does not allow for that; that the County should be involved; that Bayridge Estates needs to be involved to understand potential costs to them; and, what is Bayridge responsible.</p> <p>Vita Miller commented that it sounded as if there was enough money in the Bayridge Estates fund and there would not be a need for a temporary loan; that there was a plan from the beginning as to what would happen to the tanks; and requested that Bayridge residents be given advance notification.</p> <p>Linde Owen commented that dormant septic tanks go anaerobic and asked about the tanks in Vista De Oro.</p> <p>Lynette Tornatzky commented on penalties should we do nothing and what has the County recommended.</p> <p>Richard Margetson commented on his concerns regarding the lag time before this was brought forward; and, payment from the Bayridge fund by the end of Fiscal Year 18/19.</p> <p>Chairperson Ochylski recommended that the Committee request that the Board direct staff to move forward with a Request for Proposal (RFP); Committee Member Gonzalez stated that an RFP could also request what to do with the decommission tanks; and, General Manager Osborne reported that Mr. Miller has been involved from the beginning and advising staff on the process.</p> <p>Committee Member Gonzales made a motion to recommend to the Board to direct staff to move forward with a Request for Proposal. The motion was seconded by Committee Member Grimm and carried by unanimous consent.</p>	<p>Action: The Committee recommended that the Board direct staff to move forward with a Request for Proposal.</p>

AGENDA ITEM	DISCUSSION	FOLLOW-UP
7. Update Regarding Low Income Assistance Fund	<p>General Manager Osborne provided a brief summary of the report as submitted with the agenda packet.</p> <p>Director Womack requested that the Committee consider donating the \$800.00 of General Manager Osborne's time as a benefit to the community in assisting everyone to getting hooked up to the sewer.</p> <p>Committee Member Gonzales stated that in regards to the whole budget, \$800 is not significant and Committee Member Witt commented that people have donated their time on paper.</p> <p>Public Comment - Julie Tacker opposed the total amount of hours stated by Ms. Osborne; objected to Mr. Acosta's time not being donated; opposed the influence of the Morro Bay Estuary on decisions on the fund after many others donated to the fund and objected to the process of the project.</p> <p>Richard Margetson commented that there would not be a fund without the Morro Bay National Estuary Program and would like to hear Bob Semonsen's perspective on the project as his initial donation spurred many donations.</p> <p>Ms. Osborne reported that she spent more than 16 hours on this project and take work home; that these hours reflect time spent in the office that cannot be accomplished at home; and, that this is only Phase One.</p> <p>Committee Member Gonzales stated there have been a lot of donations starting with the Estuary and that this is about the people who are living on the edge financially, age-wise, and so beyond themselves that they need this assistance. Committee Member Grimm voiced her agreement.</p> <p>Committee Member Grimm made a motion to recommend that the Board donate the General Manager's time and expenses to Phase One as a benefit to Los Osos. The motion was seconded by Committee Member Witt and carried by unanimous consent.</p>	Action: The Committee recommended that the Board donate the General Manager's time and expenses to Phase One as a benefit to Los Osos.
8. Public Comments on Items NOT on Agenda	<p>Julie Tacker opposed LOCAC's Land Use Committee discussing an item regarding a monitoring well before coming to the public at a CSD meeting.</p> <p>Chairperson Ochylski responded that it had been addressed by the Basin Management Committee.</p> <p>Richard Margetson commented that the District does not have a general fund, that all funds are funded by a revenue source of their own and that the administrative fund is funded by all the other funds. He commented that there are four candidates for two CSD seats and there was one candidate here in attendance.</p> <p>Lynette Tornatzky asked about taxes that come from the County and designated to a fund.</p> <p>Bookkeeper Geidel responded that all were designated.</p>	
9. Schedule Next Meeting	Next meeting was scheduled for Monday, December 3, 2018 at 5:30 p.m.	
10. Closing Comments by FAC Committee Members	None	
11. Adjournment	The meeting adjourned at 6:58 p.m.	