

**Los Osos Community Services District
Minutes of the Utilities Advisory Committee Meeting
March 20, 2019 at 5:30 p.m. at the District Office**

AGENDA ITEM	DISCUSSION	FOLLOW-UP
1. Call to Order, Flag Salute and Roll Call	<p>Chairperson Cesena called the meeting to order at 5:30 p.m. and led the flag salute.</p> <p><u>Roll Call:</u> Jan Harper, Committee Member – Absent Leonard Moothart, Committee Member – Present Ron Munds, Committee Member – Present Eric Silva, Committee Member – Present Matthew Fourcroy, Vice Chairperson – Absent Chuck Cesena, Chairperson – Present</p> <p><u>Staff:</u> Jose Acosta, Utility Systems Manager Marti Brand, Administrative Clerk</p>	
2. Welcome 2019 Committee Members and Review of Brown Act Guidelines	<p>Chairperson Cesena introduced President Ochylski who provided a PowerPoint presentation regarding the Brown Act, explaining that it is a law which guarantees the public's right to attend and participate in meetings of local legislative bodies and defining the open meeting requirements of the Brown Act.</p>	Action – No Action.
3. Approve UAC Minutes of February 20, 2019	<p>Administrative Clerk Brand presented the minutes for approval.</p> <p>Public Comment - None</p> <p>Committee Member Munds made a motion to approve the UAC minutes of February 20, 2019. The motion was seconded by Committee Member Silva and carried unanimously.</p>	Action – File approved minutes.
4. March 20, 2019 Basin Management Committee Update	<p>Chairperson Cesena provided a verbal summary of the meeting reporting that on the consent agenda 5C was the Approval of Contract with Twin Cities Surveying for budgeted well head surveys; 7A Update on Status of the Basin Infrastructure Projects; they discussed who will own the monitoring well of the Basin Management Committee (BMC), and the need for a Joint Powers Agreement (JPA) with agency involvement. He reported that the water conservation item did not pass as each purveyor has their own conservation program and the BMC would like to see the focus on hardware for water conservation. There was a discussion of the CHG Report regarding Los Osos Basin Plan Metric Trends Review and Infrastructure Program C Evaluation; that they had a discussion on the push back from neighbors and have accepted the letter from the District regarding the metrics. Chairperson Cesena reported on the vote of the annual budget; the Request for Qualifications for the BMC Executive Director and that this is regarding Interim Executive Director Miller's position. He reported on the Update Status of Recycled Contracts with Agricultural Properties and that the County is committed to this contract and that the Farm Bureau supported the contract and hope the program would expand.</p> <p>Public Comments – Jeff Edwards commented on Supervisor Gibson's reference to Program D and wells going east of the creek; objected to the Supervisor's discussion regarding 10% going to Agriculture for treated effluent; and, the Farm Bureau coming to our side of creek for water.</p> <p>Linde Owen objected that the BMC has carved out Warden Lake as a sub-basin east by the dump and we are soon to be left with only one basin and it is getting smaller.</p>	Action – No Action.

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<p>5. Utilities Department Update</p>	<p>Utility Systems Manager Acosta reported that the 8th Street Water Yard Building Project's soil report had been returned and called for more over-excavation, larger rebar in areas, and a thicker foundation pour; that District staff is working on obtaining quotes for underground fire service installation, fire sprinkler installation, and ADA paving and parking requirements.</p> <p>Regarding Bayridge Septic Tanks he reported that the City of Bakersfield had received and approved the application for the District approve hauler and that the hauler is awaiting conformation from Kern County Public Health to conduct inspection of their vehicles.</p> <p>He reported that staff has been compiling the necessary data for the State Water Resources Control Board Annual Report and that the State has extended their deadline to the end of May; and, that staff has been working on the 2019/2020 Draft Water and Drainage Budgets to be presented to UAC under Item 8 for review and recommendation and that it would be brought back to UAC again before being presented to FAC.</p> <p>Public Comment – Jeff Edwards asked about the cost to date of the Water Yard improvements, if there would be a cost versus benefit analysis, and commented on Palisades Well usage for the past two to four months.</p> <p>Utility Systems Manager Acosta responded that we are at \$200,000 and that this is \$30,000 less than the next highest bid. He reported that the Palisades Well is used as a supplemental well and not as a primary well; that staff has been working on cost and water quality analysis for each of the District well sites and will be reported at the next UAC meeting; that the crew will try to bring over more water from South Bay Well and that if in the future the District does bring on the Program C Well it could eliminate use of the Palisades Well; and, that with new regulations there is a possibility that the 3rd Street Well could be brought back with State approval and the District could remove the Palisades Well from use.</p>	<p>Action – No action.</p>
<p>6. Review of the District Water Shortage Contingency Plan</p>	<p>Utility Systems Manager Acosta reported that the recommended changes made at the Committee's February meeting had been updated and presented for the Committee's review.</p> <p>Public Comment – Jeff Edwards objected to the use of the Water Shortage Contingency Plan commenting that it has not proven to be a useful tool and that he sees no benefits from the Plan.</p> <p>Linde Owen inquired as to the meaning of "no transfer" in Stage III through Stage V; voiced her support of the Water Shortage Contingency Plan; and, if water usage during the upcoming Fire Season kick into Stage V.</p> <p>Richard Margetson commented on possible issues with the reduction targets in the five stages.</p> <p>Committee Member Munds responded that the reduction targets in the second column have nothing to do with the targets in the first column and that there is no commercial program in the first three stages. He supported the Plan as it gives the Board the ability to message the community that there are water issues and that it could be revised and updated to be simplified and more relevant.</p> <p>The Committee unanimously recommended that staff modify the Water Shortage Contingency Plan as presented and discussed for presentation to the Board for their approval and additional review by the Committee after the Water Rate Group has made their recommendation regarding leak credits.</p>	<p>Action – the Committee unanimously recommended that staff modify the Water Shortage Contingency Plan as presented and discussed for presentation to the Board for their approval and additional review by the Committee after the Water Rate Group has made their recommendations regarding leak credits.</p>

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7. Review of Capital Improvement Projects (CIP) List	<p>Utility Systems Manager Acosta provided a summary of the report as submitted with the agenda packet and reviewed the CIP priority listing with the Committee reporting that the Water Department Heavy Equipment Storage project was newly added.</p> <p>Public Comment – Linde Owen asked if the Heavy Equipment Storage project could be started now while there is activity going on with the Water Operation Facility Improvements project.</p> <p>Richard Margetson inquired as to which of the first four projects would be funded out of the current year’s fiscal budget.</p> <p>Utility Systems Manager Acosta responded that the first four projects were included in this year’s budget and if the projects do not get completed the monies will go back into reserves and reprioritized for the next budget.</p> <p>Jeff Edwards commented on the Supplemental Water Wells project and believes that the Board should take a different tack and drop the test well and take all four alternatives and conduct a co-equal analysis under CEQA.</p>	Action – No action.
8. Review of Fiscal Year 2019/2020 Draft Water and Drainage Budgets	<p>Utility Systems Manager Acosta reported that following this review the draft water and drainage budgets will come back before UAC for additional review and final recommendations, then on to the Finance Committee for review and recommendations, and then presented to the Board of Directors for review. He provided a summary of the Water Budget by line item.</p> <p>Public Comment – Richard Margetson commented on the Water Budget Capital Outlay Reserve, Property Taxes, Penalties, Salaries and Wages, and, that Electric seems low.</p> <p>Utility Systems Manager Acosta provided review of the Drainage Budget by line item.</p> <p>Public Comment – Richard Margetson commented that 12.5% Property Taxes from Water should go into Drainage.</p> <p>The Committee unanimously recommended that staff modify the Fiscal Year 2019-20 Draft Budgets as discussed and with recommendations presented and that staff bring the Water and Drainage Budgets back for review by the UAC prior to compiling a final budget.</p>	Action – The Committee recommended that staff modify the Fiscal Year 2019-20 Draft Budgets as discussed and with recommendations presented and that staff bring the Water and Drainage Budgets back for review by the UAC prior to compiling a final budget.
9. Public Comments on Items NOT on this Agenda	None	
10. Schedule Next UAC Meeting	The next meeting of the UAC will be April 17, 2019 at 5:30 p.m. unless otherwise noted.	
11. Closing Comments by UAC Committee Members	None	
12. Adjournment	The meeting adjourned at 7:53 p.m.	