

**Los Osos Community Services District
Minutes of the Finance Advisory Committee Meeting
June 30, 2014 at 5:30 p.m. at the District Office**

AGENDA ITEM	DISCUSSION	FOLLOW-UP
4. Review of Board Item Regarding Current Expenditure Reports (continued)	<p>Public Comment – Richard Margetson agreed with having net surplus or deficit after total expenditures. He commented on the \$25,000 interfund transfer to Fund 600 and the Admin draw.</p> <p>Linde Owen commented on the recent changes and complications of the budget process.</p> <p>Committee Member Gonzalez requested a balance sheet format be provided showing assets and liabilities which would be useful to the committee and the public. Committee Member Edwards again requested two positions be deleted as previously recommended by the committee.</p> <p>Committee Member Swanson recommended the Board receive and file the expenditure reports with the minutes to reflect the comments made by the committee and the public. The motion was seconded by Committee Member Tornatzky. Without objection Vice Chairperson Wright called for a unanimous roll call, seeing no objections, the motion was approved.</p>	
5. Review of Board Item Regarding an Interfund Loan from the District's Water Fund to the Vista de Oro Fund in an Amount Not to Exceed \$30,000	<p>Chairperson Ochylski reported that Vista de Oro operates at a deficit, the monies will be repaid as the assessments remains on the parcels until it is paid back. General Manager Kivley reported that this is a one-time draw up to \$30,000 and only as needed.</p> <p>Committee Member Swanson opposes the transfer from Water and recommended it come from Solid Waste reserves.</p> <p>Public Comment – Richard Margetson asked how the fiscal year 12/13 deficit would be accounted for at this time and supports Committee Member Swanson's recommendation that it come from Solid Waste reserves.</p> <p>Committee Member Edwards moved to recommend the Board approve a transfer from Solid Waste fund at an interest rate of 2.5%. There was no second.</p> <p>Committee Member Swanson moved to recommended that the Board adopt the resolution authorizing an interfund loan from Solid Waste reserves to Fund 400 at the West Coast Prime rate plus 1% interest rate effective at the date of the resolution. The motion was seconded by Committee Member Gonzalez. Without objection Chairperson Ochylski called for a unanimous roll call, seeing no objections, the motion was approved.</p>	Action: The Committee recommended that the Board accept the resolution authorizing a transfer from Solid Waste reserves with allowable interest rate effective at the date of the ordinance West Coast Prime plus 1
6. Review of Board Item Regarding Setting the Reserves for Fiscal Years 2013/2014 and 2014/2015	<p>General Manager Kivley reported that this item is setting the reserves based on the budget adopted by the Board.</p> <p>Public Comment – Richard Margetson believes the General Contingency Reserve goal is inaccurate. He commented on the Rate Stabilization Reserve maximum goal; the Capital Outlay Reserve; urged the Board to take an active stance in funding the Basin Management Reserve; and that the Wastewater Debt Reserve should have a footnote explaining that there is no income source.</p>	

AGENDA ITEM	DISCUSSION	FOLLOW-UP
6. Review of Board Item Regarding Setting the Reserves for Fiscal Years 2013/2014 and 2014/2015 (continued)	<p>Committee Member Ochylski recommended a footnote clarifying where the money is coming from be added to the Wastewater Debt Reserve Fund 9502 and requested Staff confirm that 9572 and 9988 are correct.</p> <p>Committee Member Swanson recommended that the Board adopt the resolution setting the Reserves noting the Committee's concerns regarding Fund 600 Debt Reserve 9502 and to confirm that the Contingency Reserve 9572 and Rate Stabilization Reserve 9988 are correct. Committee Member Gonzalez seconded and without objection Chairperson Ochylski called for a unanimous roll call, seeing no objections, the motion was approved.</p>	Action: The Committee recommended that the Board adopt the resolution setting the Reserves noting the Committee's concerns regarding Fund 600 Debt Reserve 9502 and to confirm that the Contingency Reserve 9572 and Rate Stabilization Reserve 9988 are correct.
7. Public Comments on Items Not on the Agenda	<p>Linde Owen commented on financial reimbursement for damages to our water system by sewer construction; hydrant damage and flooding as a result of a car accident; clarification as to how lost Solid Waste revenue will be made up; and the new accountant.</p> <p>Richard Margetson commented that the resolution to Item 7B of the Board agenda for the Special Fire Tax is incorrect; disapproves the format of the minutes and the possibility of videotaping the Committee meetings.</p>	
8. Schedule FAC Meeting	The next meeting of the Finance Advisory Committee will be held on Monday, August 4, 2014 at 5:30 p.m. at the District Office.	
9. Closing Comments by UAC Committee Members	<p>Committee Member Swanson commented that the District needs to recover the damages to its water system.</p> <p>Committee Member Gonzalez commented on the need to modify the presentation of the financials and include a balance sheet.</p> <p>Committee Member Tornatzky commented on focusing on the cost of attorney fees and electricity.</p> <p>Committee Member Heyer commented on reviewing the cost of the telemetry lines.</p>	
10. Adjournment	The meeting adjourned at 7:08 p.m.	