

**Los Osos Community Services District  
Minutes of the Utilities Advisory Committee Meeting  
May 15, 2019 at 5:30 p.m. at the District Office**

AGENDA ITEM	DISCUSSION	FOLLOW-UP
<b>1. Call to Order, Flag Salute and Roll Call</b>	<p>Chairperson Cesena called the meeting to order at 5:40 p.m. and led the flag salute.</p> <p><u>Roll Call:</u>            James Bishop, Committee Member – Present            Jan Harper, Committee Member – Absent            Leonard Moothart, Committee Member – Present            Ron Munds, Committee Member – Present            Eric Silva, Committee Member – Present            Matthew Fourcroy, Vice Chairperson – Present            Chuck Cesena, Chairperson – Present</p> <p><u>Staff:</u>            Renee Osborne, General Manager            Jose Acosta, Utility Systems Manager            Ann Kudart, Administrative Services Manager</p>	
<b>2. Approve UAC Minutes of April 17, 2019</b>	<p>Chairperson Cesena presented the minutes for approval and asked that “well” be added after “South Bay” in Item 3 paragraph 4 and that Item 4 paragraph 2 should read “June” not “January.”</p> <p>Public Comment – Jeff Edwards commented the committee did not approve the Water Conservation program and was surprised it was on this agenda.</p> <p>Administrative Services Manager Kudart responded that the committee discussed and the recommended action was that the item be brought back at their next meeting as stated in Item 4 Follow-Up column on page 2 of the minutes.</p> <p><b>Committee Member Moothart made a motion to approve the minutes of March 20, 2019 as amended. The motion was seconded by Committee Member Silva and carried unanimously.</b></p>	<b>Action – Amend and file approved minutes.</b>
<b>3. Basin Management Committee May 15, 2019 Meeting Update</b>	<p>Lynette Tornatzky reported that Supervisor Gibson provided an update regarding the Habitat Conservation Plan leaving the Ventura Fish and Wildlife Office and in the Federal Registry by mid-July; that Executive Director Miller discussed the Spring monitoring reports; that there was a discussion regarding cannabis projects in ag areas treated the same as Title 19 in urban areas; that there was a discussion regarding a party stepping out of the ISJ; that bids for the Cuesta by the Sea well will be in May 16<sup>th</sup>; that the budget was discussed; that Mr. Miller is leaving as BMC Executive Director; that the GSWC well is both a monitoring well and a domestic well and bore hole leakage shows nitrates. Chairperson Cesena reported that water levels in both upper and lower aquifers have risen since 2017 which is a good sign but concerns regarding the Pasadena lower aquifer monitoring well seeing increased saltwater.</p> <p>Public Comment – Jeff Edwards commented on the cannabis being cultivated is by a dryland farmer and opposed treated effluent going to dryland farmers no matter what they’re growing; that we are using approximately 70% of our sustainable yield; and, that the majority of attendees at BMC meetings are being paid.</p> <p>Committee Member Munds responded that cannabis cultivation is not an ag product.</p> <p>Richard Margetson commented on retrofits.</p>	<b>Action – No action.</b>
<b>4. Utilities Department Update</b>	<p>Utility Systems Manager Acosta reported that the Bayridge Estates Septic Tanks are currently being pumped out, no issues by contractors, staff is collection estimates for abandoning the tanks; that the 2018 Consumer Confidence Report has been completed and will be mailed to District water</p>	<b>Action – No action.</b>

AGENDA ITEM	DISCUSSION	FOLLOW-UP
<p><b>3. Utilities Department Update (continued)</b></p>	<p>customers within the next two billing cycles; and, Alpha Fire and Security will be installing sprinklers at the 8<sup>th</sup> Street water yard building.</p> <p>Public Comment – Richard Margetson commented on the format of the Consumer Confidence Report.</p> <p>Jeff Edwards inquired as to the cost at this time for the 8<sup>th</sup> Street project. Mr. Acosta responded that with the estimates coming in \$170,000 to \$180,000.</p>	
<p><b>5. Discussion Regarding Water Conservation Rebate Program</b></p>	<p>General Manager Osborne provided a summary of the report as submitted with the agenda packet discussing Water Conservation Reserve funds; that rebate amounts are based on price range of items and compared to current GSWC and County rebate programs; and discussed the guidelines.</p> <p>The Committee recommended that rebate items include reducing toilet flow from 1.6 to less than 1.28, to define high efficiency washing machines, and the need to clarify point of use regarding tank-less water heaters.</p> <p>Public Comment – Lynette Tornatzky commented on dual flush and that some low flow toilets require numerous flushes which does save water.</p> <p>Richard Margetson clarified that the County’s program did not allow for 1.6 toilets, inquired as to the maximum rebates allowed per household, and what was the number of toilets the District would allow to be replaced.</p> <p>Jeff Edwards supported conservation but opposed rebate programs as they have been minimally effective; and, that Title 19 has been very successful.</p> <p>The Committee further discussed adding language to the rebate application including “Owner Permission” and “subject to inspection”; under toilets add “for customers reducing from 1.6 to 1.0 only”; and, that there will be only 2 toilet rebates per household.</p> <p><b>Committee Member Munds recommends that the Board implement and approve the rebate program and items as discussed by the Committee, to allocate \$10,000 from Water Conservation Reserves to establish the rebate program for 2019/2020, and to provide staff direction to engage with the County and Golden State Water Company on a consolidated rebate program. The motion was seconded by Committee Member Bishop and was approved unanimously.</b></p>	<p><b>Action – The Committee recommended that the Board implement and approve the rebate program and items as discussed by the Committee, to allocate \$10,000 from Water Conservation Reserves to establish the rebate program for 2019/2020, and, to provide direction to staff to engage with the County and Golden State Water Company on a consolidated rebate program.</b></p>
<p><b>6. Discussion Regarding the LOCSO Water Shortage Contingency Plan (WSCP)</b></p>	<p>Utility Systems Manager Acosta provided a brief summary of the report as submitted with the agenda packet reporting that previous UAC input and recommendations had been made; that the section regarding not awarding leak adjustment credits was removed as recommended by the Water Rate Group; and, that the Water Rate Group also reviewed Title 2 pertaining to credits for fixing water leaks and had no recommended policy changes.</p> <p>Public Comment – Jeff Edwards commented that, by definition, we should be going from Stage III to Stage II; and, that the plan has no application for this District and that we should get rid of it.</p> <p>Richard Margetson commented on the need to change “will” to “may” in the last line of the second bullet point in Stage III Prohibitions.</p> <p>Utility Systems Manager Acosta requested Committee feedback regarding the removal of leak credits from Title 2 reporting that leak credits are only for service line breaks which is defined as the line between the meter and the home and not inside leaks or irrigation; that a list of service line breaks for the past five years including the bill amount and the amount if retroactively credited.</p>	<p><b>Action – The Committee recommended that the Board approve the District Water Shortage Contingency Plan as amended.</b></p> <p><b>Action – The Committee recommended that the Board direct staff to retroactively award leak credits to February 19, 2015.</b></p> <p><b>The Committee requested that Title 2 be brought back for further review.</b></p>

AGENDA ITEM	DISCUSSION	FOLLOW-UP
<p><b>6. Discussion Regarding the LOCSD Water Shortage Contingency Plan (WSCP) (continued)</b></p>	<p>Public Comment – Richard Margetson commented on the total leak adjustment credit formula.</p> <p><b>Committee Member Munds moved that staff prepare the Water Shortage Contingency Plan for presentation to the Board for their approval. The motion was seconded by Committee Member Bishop and approved unanimously.</b></p> <p><b>Committee Member Bishop moved that the Board direct staff to retroactively award leak credits to February 19, 2015. The motion was seconded by Committee Member Silva and approved unanimously.</b></p>	
<p><b>7. Review of Fiscal Year 2019/20 Draft Water and Drainage Budgets</b></p>	<p>General Manager Osborne provided a summary of the report as submitted with the agenda packet with recommended changes made and that Fund 500 budget does not reflect a water rate increase.</p> <p>Chairperson Cesena reported that projects that had been allocated in past budgets but hadn't been completed were put into reserves, that the money was never spent from the reserves that had previously been budgeted and that Financial Impact #4 of the staff report sounds as if we are relying on reserves to accomplish everything when really the only way those reserves were built up was due to the District properly budgeting along the way.</p> <p>Utility Systems Manager Acosta recommended replacing the word "cover" with "supplement" in the summary.</p> <p>Richard Margetson reported that the Water Rate Group discussed not taking the rate increase in 2019/2020 and commented that the budgets have only half of the tax revenues as no decisions have been determined regarding the 12.5%.</p> <p>Committee Member Munds recommended that the summary be changed to reflect the changeover from this fiscal year to the next fiscal year regarding drainage reserves as some of this had been pre-budgeted.</p> <p><b>Committee Member Moothart recommended that staff modify the Fiscal Year Budget as discussed with modifications to the summary and that staff present the budgets to the Board of Directors pending final approval of the recommendations by Chairperson Cesena. Seconded by Committee Member Munds and carried unanimously.</b></p>	<p><b>Action: The Committee recommended that staff modify the budget as discussed with modifications to the summary and that staff present the budgets to the Board of Directors pending final approval of the recommendations by Chairperson Cesena.</b></p>
<p><b>8. Public Comments on Items NOT on this Agenda</b></p>	<p>General Manager Osborne reported that she and Chairperson Cesena are collecting data regarding water credits.</p> <p>Richard Margetson commented on his concerns regarding selling credits to developers.</p>	
<p><b>9. Schedule Next UAC Meeting</b></p>	<p>The next meeting of the Utilities Advisory Committee is scheduled to be held on Wednesday, June 19, 2018 at 5:30 p.m., unless otherwise noticed.</p>	
<p><b>10. Closing Comments by UAC Committee Members</b></p>	<p>Committee Member Moothart announced the Morro Bay Science Explorations Native Shellfish and Aquaculture free event on Thursday, May 16<sup>th</sup> at the SLO Botanical Garden at 6:00 p.m.</p> <p>Committee Member Munds thanked staff for their work.</p>	
<p><b>11. Adjournment</b></p>	<p>The meeting adjourned at 7:41 p.m.</p>	