

**Los Osos Community Services District
Minutes of the Finance Advisory Committee Meeting
September 30, 2019 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 5:30 p.m. and Committee Member Gonzales lead the flag salute.</p> <p><u>Roll Call:</u></p> <p>Sandra Cirilo, Committee Member – Absent Lisa Gonzalez, Committee Member – Present Cheri Grimm, Committee Member – Present Bea Jansen, Committee Member – Present Alyce Thorp, Committee Member – Present Christine Womack, Vice Chairperson – Arrived at 5:45 p.m. Marshall Ochylski, Chairperson – Present left at 5:55 p.m.</p> <p><u>Staff:</u> Ron Munds, General Manager Laura Durban, Administrative Services Manager</p>	
<p>2. Approve FAC Meeting Minutes of July 8, 2019</p>	<p>Chairperson Ochylski presented the minutes for approval.</p> <p>Public Comment – None</p> <p>Committee Member Jansen made a motion that the Committee approve the minutes of July 29, 2019. The motion was seconded by Committee Member Gonzalez and the motion carried by unanimous consent.</p>	<p>Action: File Approved Minutes.</p>
<p>7. Review of Board Item Regarding Establishing a Recycled Water Rate</p>	<p>Chairperson Ochylski moved item 7 on the Agenda to be presented next.</p> <p>General Manager Munds provided a brief summary of the report as submitted in the agenda packet.</p> <p>Chairperson Ochylski commented that it is for a single user and can be used for multiple properties by that single user.</p> <p>Committee Member Gonzalez inquired what the profit would be.</p> <p>General Manager Munds responded that at this time the District is unsure, the school's water use has dropped dramatically since the school installed a computerized system; unsure of the exact amount, but it will be less than anticipated in 2017; most of the water use will be in tier 4.</p> <p>General Discussion among the Committee occurred on which schools may be included.</p> <p>Public Comment – Richard Margetson inquired if when this was originally considered, did the District estimate the reduction rate would be between 7,000-10,000; if it will only be around 5,000 now.</p> <p>Committee Member Thorp inquired if Baywood Elementary would be included in the future.</p> <p>General Manager Munds responded that the District would establish the Recycled Water Rate, proceed with connecting the middle school first and then see about Baywood Elementary.</p> <p>Committee Member Gonzalez made a motion that the Committee recommend that the Board adopt a resolution amending Appendix A to Title 2 of the Los Osos Community Services District Code to establish a recycled water rate for the San Luis Coastal Unified School District Properties. The motion was seconded by Committee Member Jansen and passed by unanimous consent.</p>	<p>Action: The Committee recommended that the Board Adopt a Resolution Amending Appendix A to Title 2 of the Los Osos Community Services District Code to Establish a Recycled Water Rate for the San Luis Coastal Unified School District Properties.</p>

AGENDA ITEM	DISCUSSION	FOLLOW-UP
<p>6. Review of Board Item Regarding Update Regarding Reconciliation of the Reserve Accounts and Approval of the Transfer of Funds from the Mechanics General Checking Account into the Water and Fire Pacific Premier Money Market Reserve Accounts</p>	<p>Chairperson Ochylski moved item 6 on the Agenda to be presented next.</p> <p>General Manager Munds provided a brief summer of the report as submitted in the agenda packet.</p> <p>Committee Member Gonzalez inquired on if there is an insurance policy at Pacific Premier for the amount in the account.</p> <p>Vice Chairperson Womack responded that there is a Full Faith in Credit in California and that Pacific Premier has to hold 110% in Reserves of the amount the District has in the account.</p> <p>Public Comment – Richard Margetson commented that the District needs to take another look at the Investment Policy as the District is currently in a unique position; that the Public Facility Reserves are not going up, and inquired to what is the District entitled to with the Public Facility Fees from the County of SLO.</p> <p>Chairperson Ochylski said when the District scheduled their work program for the upcoming year, the plan is to look at the Investment Policy as well as a few other policies.</p> <p>Committee Member Gonzalez made a motion that the Committee recommends that the Board approve the transfer of funds from the District’s Mechanic Bank General Checking account to the Pacific Premier Bank Money Market accounts in the amount of \$595,661.09 for Water Reserves and \$138,887.87 for Fire Reserves. The motion was seconded by Committee Member Jansen and passed by unanimous consent.</p> <p>Chairperson Ochylski commented about the SDRMA letter the District received stating that the District did not have a workers compensation or claim against the District property and that the District received two points to lower insurance cost in the future.</p> <p>Director Ochylski turned the meeting over to Vice Chairperson Womack as he had to leave due to not feeling well.</p>	<p>Action: The Committee recommended that the Board approve the transfer of funds from the District’s Mechanic Bank General Checking Account to the Pacific Premier Bank Money Market Accounts in the amount of \$595,661.09 for Water Reserves and \$138,887.87 for Fire Reserves.</p>
<p>3. Review of Board Item Regarding Approval of Warrant Register for August 2019 and September 2019</p>	<p>General Manager Munds presented the Warrants for the Committee’s review.</p> <p>Committee Member Thorp inquired about what R.P. Environmental Warrant was used for.</p> <p>Committee Member Gonzalez inquired about if Moss, Levy & Hartzheim warrant was the down payment for the audit services and what the expected cost would be; inquired about Stainless Steve transaction and what was done to the Chief’s Vehicle.</p> <p>Vice Chairperson Womack inquired about the interest payment on the credit card.</p> <p>Administrative Services Manager Durban commented that due to a late payment in April of 2018 there was an interest fee that occurred, previously credit cards were reconciled individually and not the statement as a whole, the ongoing interest had been adding up since April 2018, this payment resolves this issue and should not occur again as reconciliation will occur for the entire statement from this point forward and not reconciled as individual cards.</p> <p>Committee Members requested that Administrative Services Manager Durban reach out to the credit card company and inquire if there is anything the District can do to get the interest fee removed or lessened.</p>	<p>Action: The Committee recommended that the Board approve the Warrant Register for August 2019 and September 2019.</p>

AGENDA ITEM	DISCUSSION	FOLLOW-UP
<p>3. Review of Board Item Regarding Approval of Warrant Register for August 2019 and September 2019 (Continued)</p>	<p>Public Comment – None</p> <p>Committee Member Jansen made a motion that the Committee recommend that the Board approve the warrants of August 2019 and September 2019. The motion was seconded by Committee Member Thorp and passed by unanimous consent.</p>	
<p>4. Review of Board Item Regarding Financial Reports for the Period Ending July 31, 2019 and August 31, 2019</p>	<p>General Manager Munds presented the Financial Reports for the Committee's review.</p> <p>General Manger Munds commented on the Administrative Statement of Revenues and Expenditures item 7303 that the amount is incorrect and that in the attachment provided to the public, and the committee, shows the item corrected with the correct total.</p> <p>General Manager Munds commented that the Drainage Reserves may be incorrect, will be working with Bookkeeper Geidel and that amount may change.</p> <p>Committee Member Gonzalez inquired about Administration Item 7320 Professional Consulting Services and what the District spent \$1041.52 when the budget for the year is \$5000.</p> <p>General Manager Munds responded that he would research and let Committee Member Gonzalez know.</p> <p>Committee Member Thorp inquired about the Professional Services Accounting 7304 only being \$2500 and why it does not accrue each month.</p> <p>General Manager Munds responded that he would look into it and discuss with Bookkeeper Geidel.</p> <p>Committee Member Gonzalez inquired about the processes that the District should be looking into changing, and inquired about scheduling Directors to have set days that they should come into the office to sign checks, or to set up items on direct pay.</p> <p>Public Comments – Richard Margetson inquired about the Drainage amount changing and will the balance sheet for capital outlay and general contingency go up; commented that the transfer to Administration from Water that is expensed at mid-year and at year end for the previous six months does not give a true reflection of where the funds stand, the Administration allocation should be expensed out monthly for each fund.</p> <p>General Manager Munds responded that he will be sorting out the Drainage Reserve, and will be going through with Bookkeeper Geidel to sort out what should have come from Drainage Reserves; will look into Administration expense to Water and see if it is a policy or a procedure to transfer every six months and see if the District is able to do it monthly.</p> <p>Committee Member Jansen inquired about Administration Item 7309 and 7310 for Late Fees and Bank Service Charges and what they were for.</p> <p>General Manager Munds responded he would research and let her know.</p> <p>Committee Member Grimm made a motion that the Committee recommend that the Board receive and file the Financials of July 30, 2019 and August 31, 2019. The motion was seconded by Committee Member Gonzalez and passed by unanimous consent.</p>	<p>Action: The Committee recommended that the Board receive and file the financials for the period ending July 31, 2019 and August 31, 2019</p>

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5. Review of Board Item Authorizing Transfer of \$8,000 from Admin Reserves to General Fund for new Payroll Software	<p>General Manager Munds and Administrative Services Manager Durban provided a brief summary of the report as submitted with the agenda packet.</p> <p>Administrative Services Manager Durban commented on the current payroll process and the issues that occur.</p> <p>Committee members inquired about the different services Criterion offers, how it would be used and the functionality of the program.</p> <p>Public Comment - None</p> <p>Committee Member Jansen made a motion that the Committee recommend that the Board approve the transfer of \$8,000 from the Administrative Reserves for Information Technology account for the purchase of Criterion HCM Payroll Software. The motion was seconded by Committee Member Thorp and passed by unanimous consent.</p>	<p>Action: The Committee recommended that the Board approve the transfer of \$8,000 from the Administrative Reserves for Information Technology account for the purchase of Criterion HCM Payroll Software.</p>
8. Public Comments on Items NOT on this Agenda	None	
9. Schedule Next FAC Meeting	The next meeting of the Financial Advisory Committee is scheduled for Monday, November 4, 2019 unless otherwise noted.	
10. Closing Comments by FAC Committee	<p>Committee Member Jansen informed the Committee that she will not be attending the next FAC meeting due to a conflict in schedule.</p> <p>General Manager Munds commented that the District's Utility Billing Specialist Radvansky is moving and that the District hired Alicia Zuniga as her replacement.</p> <p>Committee Member Gonzalez commented that through Los Osos Cares that the Los Osos Library will have 3 overnight parking spots available soon to help provide a safe place to park for residents that are currently living in their car.</p>	
11. Adjournment	The meeting adjourned at 6:41 p.m.	