



November 27, 2017

TO: LOCSD Board of Directors

FROM: Renee Osborne, General Manager

SUBJECT: **Agenda Item 12A – 12/7/2017 Board Meeting**
Adopt Resolution Establishing a Checking Account to Accept the SLO
Community Foundation Funds and Approve Applications for Assistance

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Vice President

Vicki L. Milledge

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DESCRIPTION

Adopt a resolution establishing a checking account and approve all applications received by the District for assistance.

STAFF RECOMMENDATION

Staff recommends that the Board adopt the following motion:

Motion: I move that the Board adopt Resolution 2017-28 establishing a checking account in the name of "Los Osos Low Income Assistance Fund" at Pacific Premier Bank; to approve all eight applications to receive funds from the Los Osos Low Income Assistance Fund for sewer lateral connections upon County permit approval of completion with invoices paid directly to each contractor only; and that upon completion of the eight sewer laterals, the General Manager will work with the current team of volunteers to bring to this Board suggestions regarding the remaining funds.

DISCUSSION

Supervisor Gibson's office contacted the District in August regarding the Los Osos Low Income Assistance Fund. The County had not distributed the funds and officially, the funds were never given to the County. No paperwork has been found.

The General Manager was asked to contact the County, the Morro Bay National Estuary Program Executive Director, and the Community Foundation to start the process. The County did not distribute the funds because they felt that it would be more efficient for the District to distribute the funds directly. County Staff would have had to invoice the fund for all administration and staff time. This would have impacted the fund significantly.

An application and flyer was created for the fund and distributed to homeowners still needing to connect to the sewer system. The list of seventy-two homeowners was given to the General Manager by the County. Letters were sent out by the District and the County. Local agencies were also contacted to help distribute the applications. A volunteer team was formed to help with the application approval process; however, since there were only eight applications received, the team was not needed.

Pacific Premier Bank will be provided the District a checking account and checks free of charge to help with the program. Once the County approves the work on the laterals, invoices from the contractors will be turned in to the District and checks will be made out to the contractors. Lexi Bell, Morro Bay National Estuary Program is willing to assist as needed during this process.

FINANCIAL IMPACT

There will be nominal administrative costs. Only the General Manager is working on this project. MBNEP Executive Director Lexie Bell was contacted regarding the District charging the fund some administrative costs and has agreed that minimal administrative time is consistent with the original intent of the Estuary Program's donation to the fund.

Attachments – Exhibit A to the Staff Report
Resolution 2017-28

EXHIBIT A APPLICANT AND FUND SUMMARY

Using the HUD requirements, six (6) of the eight (8) applicants qualify as low income to very low income.

2017 MAXIMUM INCOME CHART	
HOUSEHOLD SIZE	MAXIMUM INCOME (80% of the Area Median)
1	\$45,750
2	\$52,300
3	\$58,850
4	\$65,350
5	\$70,600
6	\$75,850
7	\$81,050
8	\$86,300

*Source: U.S. Department of Housing and Urban Development. These income figures are subject to change annually. Income levels effective as of April 14, 2017

Los Osos Community Applicants

Applicant #	# of Adults	# of children	Other income	Gross Income Taxes	Notes
1	2	1	\$4,942	-\$3,402	Husband retired, Wife disabled. All 3 are on SS Benefits.
2	1	0		\$16,719	Retired
3	2	0		\$16,900	Husband is disabled and wife works part-time
4	1			\$19,244	Retired
5	3	1	\$483	\$29,865	Single/Separated Mom, living with her 3 kids. 1 of the adult kids has a part time job. Made \$483.
6	2	2		\$62,552	Wife does not work. Stays home with kids.
7	2			\$54,804	Widower with one adult daughter
8	2			\$61,654	Husband is not working anymore. Currently in the hospital with Stage 4 cancer. Has not filed 2016 taxes. Amount is from 2015 taxes

Applicants #7 and #8 do not qualify under the HUD requirements. Applicant #7 just goes over the income threshold by \$2,504. Applicant #8 goes over the income threshold by \$9,354. With the current situation that both applicant #7 and #8 are in, after discussion with the Lexie Bell and Bruce Gibson's office, we feel that the 2 applicants should be allowed to receive funds.

With the sewer laterals averaging at approximately \$5,000, we would spend approximately \$40,000 of the current \$169,015.64 in the Los Osos Community Funds. Our suggestion is that we accept all eight applicants, and decide at a later time what to do with the remaining funds. Several ideas have already been submitted such as; helping people recycle their septic tanks, off-setting low income residents with their sewer bills, and reimbursing low income residents that already installed their sewer laterals. These examples would require a lottery process.

RESOLUTION NO. 2017-28

**A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE LOS OSOS COMMUNITY SERVICES DISTRICT
ESTABLISHING A CHECKING ACCOUNT AT PACIFIC PREMIER BANK**

WHEREAS, Pacific Premier Bank (herein "Bank") is designated as a depository for the funds held by Los Osos Community Services District (herein "District"); and to provide other financial accommodations indicated in this resolution; and

WHEREAS, the Board finds that there is a need to create a separate checking account for donated funds designated as Los Osos Community Low Income Assistance Funds and currently under the management of "The Community Foundation of San Luis Obispo County" (herein "Foundation").

NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE LOS OSOS COMMUNITY SERVICES DISTRICT DOES HEREBY RESOLVE, DECLARE, DETERMINE AND ORDER AS FOLLOWS:

1. Establish a new checking account at Pacific Premier Bank for the funds from the Foundation designated as Los Osos Community Low Income Assistance funds.
2. The Board President, Vice President and General Manager designated on the signature cards.

On the motion of Director _____, seconded by Director _____,
and on the following roll call vote, to wit:

Ayes: _____
Nays: _____
Absent: _____
Conflicts: _____

The foregoing resolution is hereby passed, approved, and adopted by the Board of Directors of the Los Osos Community Services District this 7th day of December 2017.

Jon-Erik Storm, President
LOCSB Board of Directors

ATTEST:

APPROVED AS TO FORM:

Renee Osborne
General Manager and Secretary to the Board

Roy A. Hanley
District Legal Counsel