

**Los Osos Community Services District
Minutes of the Finance Advisory Committee Meeting
August 4, 2014 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 Vice Chairperson Wright led the flag salute.</p> <p>Chairperson Ochylski announced that Committee Member Raynor had resigned and that Alternate Member Tornatzky would complete his term which expires 2016.</p> <p><u>Roll Call:</u> Jeff Edwards, Committee Member – Present Lisa Gonzalez, Committee Member – Present Gene Heyer, Committee Member – Present Keith Swanson, Committee Member – Present Lou Tornatzky, Committee Member - Present Michael Wright, Vice Chairperson – Present Marshall Ochylski, Chairperson – Present</p> <p><u>Staff:</u> Kathy Kivley, General Manager Ann Kudart, Administrative/Accounting Assistant III</p>	
<p>2. Approve FAC Minutes of June 30, 2014</p>	<p>No Public Comment.</p> <p>Committee Member Gonzalez made a motion to approve the minutes. The motion was seconded by Committee Member Tornatzky. Without objection Chairperson Ochylski called for a unanimous roll call, seeing no objections, the motion was approved.</p>	<p>Action: Receive and File.</p>
<p>3. Review of Board Item Regarding the Warrant Register for the Month of July 2014</p>	<p>The Committee discussed the removal and disposal of hazardous waste at the Ferrell yard; high cost of legal and engineering services; and the water conservation marketing consultant. Staff provided a worksheet used when invoicing legal counsel's billing.</p> <p>Public Comment: Chuck Snead commented on various warrants including gas and diesel for fleet vehicles, the installation of ventilation fan for Channel 20 equipment cabinet, Underground Service Alert, and the temporary accountant service.</p> <p>Richard Margetson commented on the temporary accountant position and when will the District hire a permanent accountant.</p> <p>Committee Member Gonzalez moved to recommend that the Board receive and file the Warrant Register. The motion was seconded by Committee Member Swanson. Without objection Chairperson Ochylski called for a unanimous roll call vote, seeing no objections, the motion was approved.</p>	<p>Action: The Committee recommended that the Board receive and file the Warrant Register.</p>
<p>4. Review of Board Item Regarding Current Expenditure Reports</p>	<p>General Manager Kivley reported that Fiscal Year 2013/14 work continues with the general ledger. The District continues working with the auditors who will return to the District at the end of October and closing entries will be available after their site visit. She reported that revenues are close to where they should be, there will be adjustments to the revenue spread for Fund 301, all taxes from the County have been added, and that she found nothing in her review that would be considered anomalies.</p> <p>Public Comment: Richard Margetson commented that the franchise revenues for Fund 650 were incorrect; Fund 301 year to date actuals; Fund 600 Debt Reserves; and he objected that the reports were not available sooner.</p> <p>Committee Member Swanson requested that the Chairperson provide feedback to the Committee as to the Board action taken to the Committee's recommendations.</p>	<p>Action: The Committee provided no recommendation to the Board as the Committee did not have adequate time to review the reports.</p>

AGENDA ITEM	DISCUSSION	FOLLOW-UP
4. Review of Board Item Regarding Current Expenditure Reports (continued)	Committee Member Swanson moved that the Committee had no recommendation to the Board as the Committee did not receive the reports in a timely manner to review. The motion was seconded by Committee Member Gonzalez. Without objection Chairperson Ochylski called for a unanimous roll call vote, seeing no objections, the motion was approved.	
5. Review of Board Item Regarding Establishing a Budget Reserve Policy for Bayridge Estates	<p>General Manager Kivley reported that in 2012 the Board adopted a resolution modifying the Budget Reserve Policy however Bayridge Estates was not included. As there will be expenses for decommissioning septic tanks in this subdivision when the wastewater project is complete, this item will establish a Budget Reserve Policy for Bayridge Estates Subdivision to set aside monies for future costs.</p> <p>Public Comment: Richard Margetson asked if the remaining fund balance beyond the \$8000 budgeted annually would automatically go into the reserves.</p> <p>Staff responded that the funds are not restricted.</p> <p>Committee Member Swanson moved to recommend that the Board adopt Resolution 2014-16 amending Resolution 2012-09 to include establishing a Budget Reserve Policy for Bayridge Estates Subdivision. The motion was seconded by Committee Member Gonzalez. Without objection Chairperson Ochylski called for a unanimous roll call vote, seeing no objections, the motion was approved.</p>	Action: The Committee recommended that the Board adopt Resolution 2014-16 amending Resolution 2012-09 to include establishing a Budget Reserve Policy for Bayridge Estates Subdivision.
6. Public Comments on Items Not on the Agenda	Richard Margetson commented on the District needs to define restricted and unrestricted reserves. He provided a copy and commented on errors in the District's 7/1/14 water rates chart.	
7. Schedule FAC Meeting	The next meeting of the Finance Advisory Committee will be held on Tuesday, September 2, 2014 at 5:30 p.m. at the District Office.	
8. Closing Comments by UAC Committee Members	<p>Committee Member Tornatzky would like to see separate action items for the Board and for the Staff.</p> <p>Committee Member Swanson commented on the Emergency Water Regulations on the Board's agenda.</p> <p>Committee Member Gonzalez requested that the Committee receive a copy of the FY14/15 Budget.</p> <p>Committee Member Edwards asked when the bankruptcy would be over.</p>	
9. Adjournment	The meeting adjourned at 6:31 p.m.	