



November 23, 2015

President
R. Michael Wright

Vice President
Marshall E. Ochylski

Directors
Charles L. Cesena
Jon-Erik G. Storm
Louis G. Tornatzky

General Manager
Kathy A. Kivley

District Accountant
Michael L. Doyel

Fire Chief
Robert Lewin

Battalion Chief
Phill Veneris

TO: LOCSD Board of Directors

FROM: Ann Kudart, Administrative/Accounting Assistant III

SUBJECT: Agenda Item 11E – 12/3/2015 Board Meeting
Receive the 2015 Advisory Committee Meetings Adopted Minutes

DESCRIPTION

Receive the adopted minutes from your Board's Emergency Services Advisory Committee (ESAC), Finance Advisory Committee (FAC), and Utilities Advisory Committee (UAC) 2015 meetings.

SUMMARY STAFF RECOMMENDATION

Staff recommends that the Board receive and file the minutes for this report.

This item will be approved along with the Consent Calendar unless it is pulled by a Director for separate consideration. If so, Staff recommends that the Board adopt the following motion:

Motion: I move that the Board receive and file the adopted advisory committee meeting minutes.

Attachments

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**Los Osos Community Services District
Minutes of the Emergency Services Advisory Committee
January 20, 2015 at 5:30 p.m. at Station 15 - South Bay**

AGENDA ITEM	DISCUSSION	FOLLOW-UP
1. Opening	<p>Chairperson Ochylski called the meeting to order at 5:31 p.m.</p> <p>Roll Call: Marshall E. Ochylski, Chairperson – Present Charles L. Cesena, Vice Chairperson – Arrived at 5:32 p.m. Jerry Dillingham, Committee Member – Present Brent Marshall, Committee Member – Arrived at 5:34 p.m. Vita Miller, Committee Member – Absent Julie Tacker, Committee Member – Present Thomas Wright, Committee Member – Present David Harris, Alternate Committee Member - Present</p> <p>Staff: Phill Veneris, Battalion Chief Loree McRoberts, Executive Assistant</p>	
2. Approval of ESAC Minutes of October 21, 2014	<p>The ESAC reviewed the minutes of October 21, 2014.</p> <p>At the request of Committee Member Tacker, the amended minutes from the September 16, 2014 ESAC Meeting, Item #5 were read aloud by Executive Assistant McRoberts.</p> <p>Committee Member Tacker inquired regarding the follow-up on Item #10: Recommendations to the Board of Directors of Future Committee Items. Chairperson Ochylski stated that he will present the noted topics to the BOD at the February meeting.</p> <p>Public Comment: Richard Margetson spoke.</p> <p>Committee Member Tacker moved that the minutes be approved and filed, as presented. The motion was seconded by Committee Member Wright and carried with the following vote:</p> <p style="margin-left: 40px;">Ayes: Dillingham, Harris, Marshall, Tacker, Wright</p> <p style="margin-left: 40px;">Nays: None</p> <p style="margin-left: 40px;">Abstain: None</p> <p style="margin-left: 40px;">Absent: Miller</p>	Action: Approve and file minutes.
3. Presentation and Discussion and Recommendation to the Board of Directors Regarding the Draft Mid-Year 2014/2015 Fund 301 Budget Adjustments	<p>Battalion Chief Veneris provided an update regarding the draft Mid-Year 2014/2015 Fund 301 Budget and highlighted several points of interest. The Committee further discussed this item.</p> <p>Chairperson Ochylski will clarify charges made to GL 6110 (IT Purchased Services). In addition, he will clarify financials on GL 4035 (Property Taxes), GL 4505 (HO Prop Tax Relief) and GL 7500 (Schedule A Charges).</p> <p>Committee Member Dillingham moved that the Committee recommend that the draft Mid-Year 2014/2015 Fund 301 budget be forwarded to the Board, as noted. The motion was seconded by Committee Member Tacker. Without objection, Chairperson Ochylski called for a unanimous roll call, seeing no objections, the motion was approved unanimously.</p> <p>Public Comment: Richard Margetson spoke.</p>	Action: The Committee recommended that the draft Mid-Year 2014/2015 Fund 301 Budget be forwarded to the Board, as noted.

AGENDA ITEM	DISCUSSION	FOLLOW-UP
4. Provide Update on Request for Proposal to Install Solar Panels at Station 15 – South Bay (Information Only)	<p>Battalion Chief Veneris updated ESAC regarding issuing a Request for Proposal (RFP) to install solar panels on the roof of Station 15 – South Bay. This would include re-shingling a portion of the roof. Fund 301 Capital Reserves would be used for this purpose. The Committee further discussed this item.</p> <p>Public Comment: Richard Margetson and Lynette Tornatzky spoke.</p>	
5. Presentation of Insurance Services Organization (ISO) Public Protection Classification: 03/3X Letter Dated December 22, 2014 (Information Only)	<p>Battalion Chief Veneris updated ESAC regarding an evaluation conducted by the Insurance Services Organization (ISO) re-classifying the Public Protection Classification from 5/9 to 3/3X which is a significant increase and benefit to the residents of Los Osos, to the credit of the LOCSD, Station 15 – South Bay and the various water purveyors. This new classification could provide a cost benefit to Los Osos residents on their homeowners insurance.</p> <p>Public Comment: Richard Margetson spoke.</p>	
6. Discussion and Recommendation to the Board of Directors Regarding Purchase of Thermal Imaging Camera	<p>Battalion Chief Veneris gave a brief update regarding the purchase of a thermal imaging camera, including a brief explanation as to its benefit to firefighters during fire-related calls.</p> <p>This was further discussed by ESAC.</p> <p>No public comment.</p>	
7. Update on Restoring the Station 15 – South Bay Hose Tower (Information Only)	<p>Battalion Chief Veneris updated the Committee on the restoration plan of the Station 15 – South Bay Hose Tower including cleaning, removing rust, painting, installing new lighting and repairing the cracked cement underneath.</p> <p>This was further discussed by ESAC.</p> <p>Public Comment: Richard Margetson spoke.</p>	
8. Review of Board Item Regarding Monthly Fire Department Reports for October 2014, November 2014, December 2014 and Annual 2014 (Information Only)	<p>Battalion Chief Veneris gave a brief summary of the Fire Department Reports for October 2014, November 2014, December 2014 and Annual 2014 as submitted with the agenda packet.</p> <p>This was further discussed by ESAC.</p> <p>Public Comment: Richard Margetson spoke.</p>	
9. Public Comment on Items NOT Listed on this Agenda:	<p>Richard Margetson spoke in support of 4.0 staffing. He further spoke about Property Taxes benefitting Fund 500 (Water).</p>	
10. Schedule Upcoming ESAC Meeting:	<p>The next meeting of the Emergency Services Advisory Committee will be held on Tuesday, April 14, 2015 at 5:30 p.m.</p> <p>Chairperson Ochylski stated that he plans to schedule a Special Meeting, but will update ESAC at a later date.</p>	

AGENDA ITEM	DISCUSSION	FOLLOW-UP
<p>11. Closing Comments by ESAC Committee Members</p>	<p>Chairperson Ochylski stated that President Wright appointed Vice Chairperson Cesena to an Adhoc Committee to seek resolution regarding on-going wildlife issues and the Section 7 Permit.</p> <p>Committee Member Tacker questioned the status of the Admin Allocation Committee. Chairperson Ochylski will seek an update.</p> <p>Committee Member Wright inquired regarding the previous sale of Engine 215 and the status of the GIS maps provided by Golden State Water. Battalion Chief Veneris spoke on both topics.</p> <p>Committee Member Dillingham spoke regarding the status of Engine 215. Battalion Chief Veneris spoke on this topic.</p>	
<p>12. Adjournment</p>	<p>The meeting adjourned at 7:01 p.m.</p>	

**Los Osos Community Services District
Minutes of the Emergency Services Advisory Committee
April 21, 2015 at 5:30 p.m. at Station 15 - South Bay**

AGENDA ITEM	DISCUSSION	FOLLOW-UP
<p>1. Opening</p>	<p>Chairperson Ochylski called the meeting to order at 5:35 p.m.</p> <p>Roll Call: Marshall E. Ochylski, Chairperson – Present Charles L. Cesena, Vice Chairperson – Present Jerry Dillingham, Committee Member – Absent David Harris, Committee Member - Present Vita Miller, Committee Member – Present Julie Tacker, Committee Member – Present Thomas Wright, Committee Member – Present</p> <p>Staff: Phill Veneris, Battalion Chief Harmony Brown, Executive Assistant</p>	
<p>2. Introduction of New Member(s) to ESAC (Update)</p>	<p>ESAC recognized Committee Member Harris' new appointment as an Emergency Services Advisory Committee Member.</p>	
<p>3. Annual Ralph M. Brown Act ESAC Orientation (Update)</p>	<p>Chairperson Ochylski provided a presentation on the Ralph M. Brown Act and highlighted specific points of interest. The Committee reviewed the Ralph M. Brown Act.</p>	
<p>4. Approval of ESAC Minutes of January 20, 2015</p>	<p>The ESAC reviewed the minutes of January 20, 2015.</p> <p>Committee Members Tacker and Miller spoke regarding the minutes and in opposition of the quarterly meeting schedule.</p> <p>Public Comment: Richard Margetson spoke.</p> <p>Committee Member Tacker moved that the minutes be approved and filed, as presented. The motion was seconded by Committee Member Wright and approved unanimously.</p>	<p>Action: Approve and file minutes.</p>
<p>5. Discussion and Recommendation to the Board of Directors Regarding Annual CPI Increase for Special Fire Tax</p>	<p>Battalion Chief Veneris provided an update regarding a memorandum from Wallace Group, as provided in the agenda packet, requesting an increase of 1.7% in the CPI. This was discussed further by ESAC.</p> <p>Public Comment: Richard Margetson spoke.</p> <p>Committee Member Tacker moved that the Board accept the full proposed CPI increase. The motion was seconded by Committee Member Miller and approved unanimously.</p>	<p>Action: The Committee recommended that the Board accept the full proposed CPI increase of 1.7%.</p>
<p>6. Presentation and Review of Board Item Regarding Draft Fiscal Year 2015/2016 Fund 301 Budget</p>	<p>Battalion Chief Veneris gave a detailed summary of the FY 2015/2016 Draft Fund 301 Budget as submitted with the agenda packet.</p> <p>Battalion Chief Veneris explained adjustments in the Schedule A Contract, CAL FIRE Administrative Allocation Fees and LOCSD Administrative Allocation Fees. In addition, he reviewed Fund 301 projected revenues, Reserve Statement and expenditures, including the impact caused by the increase to the State minimum wage and funding options for the Vehicle Sinking Fund.</p>	

AGENDA ITEM	DISCUSSION	FOLLOW-UP
<p>6. Presentation and Review of Board Item Regarding Draft Fiscal Year 2015/2016 Fund 301 Budget (continued)</p>	<p>Battalion Chief Veneris reported that the Solar Panel Project will be funded through Fire Public Facility Fees (25%) and Capital Outlay (75%).</p> <p>Committee Member Miller and Vice Chairperson Cesena spoke regarding the 12.6% projected increase to Schedule A and the anticipated impact on Fund 301.</p> <p>Committee Member Tacker spoke in opposition to the LOCSD Administrative Fee and General Property Tax revenues that benefit Fund 500 (Water).</p> <p>Committee Member Wright spoke in favor of using Fund 650 (Solid Waste) revenue as a source of funding for Fund 301 (Fire).</p> <p>Public Comment: Richard Margetson spoke.</p> <p>Committee Member Tacker moved that Chairperson Ochylski and Vice Chairperson Cesena call a Special Meeting prior to the May 7th BOD meeting to discuss the following budget issues:</p> <ul style="list-style-type: none"> • General Property Taxes • LOCSD Administrative Allocation Fees • CSA9i Revenue for Fiscal Year 2014/2015 • 2013/2014 Audit <p>The motion was seconded by Committee Member Miller and carried with the following vote:</p> <p style="margin-left: 40px;">Ayes: Harris, Miller, Tacker, Wright Nays: None Abstain: None Absent: Dillingham</p>	<p>Action: The Committee recommended a special meeting to be held prior to the May 7th BOD meeting to further discuss the draft Fiscal Year 2015/2016 Fund 301 Budget.</p>
<p>7. Discuss Hazard Abatement Requirements in Los Osos as Outlined in Title 4 (Update)</p>	<p>Battalion Chief Veneris updated ESAC regarding a possible Door-to-Door Chipping Event, to be funded by the San Luis Obispo County Fire Safe Council and LOCSD to be held in late-May, along with Staff's intention to distribute flyers to homes within the state responsibility area (SRA).</p>	
<p>8. Provide Update on Request For Proposal to Install Solar Panels at Station 15 – South Bay (Update)</p>	<p>Battalion Chief Veneris gave a brief update regarding the 30-day Solar Panel RFP, including a walk-thru by interested contractors on this date, anticipated costs, savings and timeframes.</p> <p>This was further discussed by ESAC.</p> <p>No public comment.</p>	
<p>9. Update on Restoring the Station 15 – South Bay Hose Tower (Update)</p>	<p>Battalion Chief Veneris updated the Committee on the restoration plan of the Station 15 – South Bay Hose Tower including cleaning, removing rust, painting, installing new lighting and repairing the cracked cement underneath.</p> <p>This was further discussed by ESAC.</p> <p>No public comment.</p>	

AGENDA ITEM	DISCUSSION	FOLLOW-UP
10. Update on the Los Osos Habitat Conservation Plan and Section 7 Permit (Update)	<p>Vice Chairperson Cesena gave a brief update on the status of the HCP and Section 7 Permit.</p> <p>This was further discussed by ESAC.</p> <p>No public comment.</p>	
11. Review of Board Item Regarding Monthly Fire Department Reports for January 2015, February 2015 and March 2015 (Information Only)	<p>Battalion Chief Veneris gave a brief summary of the Fire Department Reports for January 2015, February 2015 and March 2015 as submitted with the agenda packet.</p> <p>This was further discussed by ESAC.</p> <p>No public comment.</p>	
12. Public Comment on Items NOT Listed on this Agenda:	<p>Richard Margetson spoke in regards to the inconsistent presentation of the LOCSD Admin. Allocation Fees in the FAC packet and ESAC packet.</p> <p>Chairperson Ochylski stated that he plans to schedule a Special Meeting, and will communicate a date by email.</p>	
13. Schedule Upcoming ESAC Meeting:	<p>The next meeting of the Emergency Services Advisory Committee will be held on Tuesday, July 14, 2015 at 5:30 p.m.</p>	
14. Closing Comments by ESAC Committee Members	<p>Committee Member Miller recommended a monthly ESAC meeting schedule.</p> <p>Committee Member Wright inquired regarding Ad-Hoc Committees that were to be formed regarding 4.0 Staffing and the Admin. Allocation Fee.</p> <p>Committee Member Tacker spoke in regards to the 1316 16th Street Project (Water Tank) and whether a fire inspection was necessary.</p>	
15. Adjournment	<p>The meeting adjourned at 7:46 p.m.</p>	

**Los Osos Community Services District
Minutes of the Emergency Services Advisory Committee
May 12, 2015 at 5:30 p.m. at Station 15 - South Bay**

AGENDA ITEM	DISCUSSION	FOLLOW-UP
<p>1. Opening</p>	<p>Chairperson Ochylski called the meeting to order at 5:36 p.m.</p> <p>Roll Call – No action taken.</p> <p>Committee Members Present: Jerry Dillingham, Committee Member Vita Miller, Committee Member Julie Tacker, Committee Member Brent Marshall, Alternate Committee Member</p> <p>Committee Members Absent: David Harris, Committee Member Thomas Wright, Committee Member</p> <p>Chairpersons Present: Marshall E. Ochylski, Chairperson Charles L. Cesena, Vice Chairperson</p> <p>Staff: Phill Veneris, Battalion Chief – Participated via telephone Mike Doyel, District Accountant Harmony Brown, Executive Assistant</p>	
<p>2. Presentation and Review of Board Item Regarding Draft Fiscal Year 2015/2016</p>	<p>District Accountant Doyel addressed the Special Fire Tax revenue concern that was discussed by ESAC at the April 21, 2015 meeting. ESAC expressed concern at this meeting in regards to the 2% revenue increase being a conservative estimate. District Accountant Doyel reported that in an effort to not over-estimate the revenue, it was predicted at 2% and can be adjusted at mid-year, if necessary.</p> <p>There was further discussion by District Accountant Doyel and Vice Chairperson Cesena regarding Line Item 4035 being reduced from 2013/14 to 2014/15 since the District has guaranteed revenues on assessments/tax rolls from the County.</p> <p>Chairperson Ochylski stated that this question will be discussed at the FAC meeting on Thursday, May 14, 2015 for further clarification with General Manager Kivley.</p> <p>ESAC discussed the policies and procedures of PERS in regards to who is eligible and what legal requirement rests upon the District with approximately eight Reserve Firefighters that are currently enrolled.</p> <p>Chairperson Ochylski addressed Line Item 4015 – CSA 9-I Assessments. Battalion Chief Veneris was not clear as to why the revenue is zero dollars for unaudited actuals in 2013/14. Chairperson Ochylski stated this will be discussed at FAC on Thursday, May 14, 2015 for further clarification.</p> <p>Vice Chairperson Cesena questioned Line Item 4934 – Gain on Sale of Fixed Assets in regards to why the unaudited actuals for 2013/14 show the funds at \$34,765 instead of the amount that Medic Engine 215 was sold for, which was closer to \$65,000 approximately. District Accountant Doyel reported that because</p>	<p>Action: The Committee recommends to the BOD that the surplus from the 2013/14 audit be deposited into the Fund 301 Vehicle Sinking Fund.</p>

AGENDA ITEM	DISCUSSION	FOLLOW-UP
<p>2. Presentation and Review of Board Item Regarding Draft Fiscal Year 2015/2016 (continued)</p>	<p>gain is not revenue and, therefore, it should've been deposited into the Vehicle Sinking Fund. Battalion Chief Veneris reported that his understanding was that it would be deposited into Operating Expenses for Fund 301. ESAC was unable to confirm where the excess funds were deposited. Chairperson Ochylski stated this will be discussed at FAC on Thursday, May 14, 2015 for further clarification.</p> <p>Vice Chairperson Cesena expressed intention to reconcile Line Items 4035, 4015 and 4934 before the next fiscal year. Chairperson Ochylski directed District Accountant Doyel to research the 2% Special Fire Tax increase (Line Item 4050) as it seemed to be inaccurate. Chairperson Ochylski, Vice Chairperson Cesena, District Accountant Doyel, Committee Members Tacker and Dillingham expressed intention to resolve these issues now in an effort to avoid deficit spending from Fund 301 in FY 2015/16.</p> <p>Public Comment: Al Barrow, Lynette Tornatzky, Lindy Owen and Richard Margetson spoke.</p> <p>Committee Member Tacker moved that any surplus from the 2013/2014 audit be deposited into the Fund 301 sinking fund and any additional funds above the normal contribution be deposited into 2015/2016 Operating Expenses. There was no second.</p> <p>Battalion Chief Veneris presented several options regarding where to deposit surplus funds. Battalion Chief Veneris spoke in support of depositing all surplus that may result from the 2013/14 audit into the Vehicle Sinking Fund.</p> <p>Committee Member Tacker moved that any surplus from the 2013/2014 audit be deposited into the Fund 301 sinking fund, no matter the amount. There was no second.</p> <p>Committee Member Tacker moved that the surplus from the 2013/14 audit be deposited into the Vehicle Sinking Fund. The motion was seconded by Committee Member Miller and approved unanimously.</p> <p>Chairperson Ochylski spoke regarding the Ad-Hoc Committee that was formed consisting of BOD Member's Craig Baltimore and Michael Wright and their determination to calculate the cost allocation on a cost basis. This was further discussed by ESAC.</p> <p>Battalion Chief Veneris reported that the Ad-Hoc Committee never consulted Fire Staff in regards to the cost allocation, as they were directed to do. If the allocation is revisited, Battalion Chief Veneris expressed his opinion that that would be valuable.</p> <p>Public Comment: Al Barrow, Lindy Owen, Richard Margetson and Lynette Tornatzky spoke.</p> <p>Committee Member Tacker requested that Chairperson Ochylski and Vice Chairperson Cesena request another Special Meeting of ESAC after the BOD meeting on June 4, 2015.</p>	

AGENDA ITEM	DISCUSSION	FOLLOW-UP
3. Closing Comments by ESAC Members	None.	
4. Adjournment	The meeting adjourned at 6:58 p.m.	

**Los Osos Community Services District
Minutes of the Emergency Services Advisory Committee
July 14, 2015 at 5:30 p.m. at Station 15 - South Bay**

AGENDA ITEM	DISCUSSION	FOLLOW-UP
<p>1. Opening</p>	<p>Vice Chairperson Cesena called the meeting to order at 5:33 p.m.</p> <p>Roll Call: Marshall E. Ochylski, Chairperson – Absent Charles L. Cesena, Vice Chairperson – Present Jerry Dillingham, Committee Member – Present Brent Marshall, Committee Member - Present Vita Miller, Committee Member – Present Julie Tacker, Committee Member – Absent Thomas Wright, Committee Member – Present</p> <p>Staff: Mike Doyel, District Accountant Harmony Brown, Executive Assistant</p>	
<p>2. Review of ESAC Minutes of April 21, 2015 and May 12, 2015</p>	<p>The ESAC reviewed the minutes of April 21, 2015 and May 12, 2015.</p> <p>Vice Chairperson spoke in regards to the importance of consistency in CSD Committee Minutes.</p> <p>Public Comment: Richard Margetson and Lynette Tornatzky spoke.</p>	
<p>3. Review on Financial Updates for Fund 301 (Update)</p>	<p>District Accountant Doyel provided a brief summary of the Financial Updates to May 31, 2015 for Fund 301, as provided in the agenda packet.</p> <p>Committee Member Wright expressed concern regarding the Reserve Statement showing a last revision date of March 5, 2015 and requested current records.</p> <p>Committee Member Miller inquired regarding what, if any, follow-up occurred regarding the deposit into the Fund 301 Vehicle Sinking Fund for the 2013/14 sale of E-215. District Accountant Doyel stated that over \$60,000 was deposited into the Vehicle Sinking Fund, as reported and the Reserve Statement shows a sole deposit of \$35,792 because it is a gain on financial assets. Committee Member Miller requested the minutes reflect ESAC's uneasiness that the financial paperwork does not verify a deposit of over \$60,000.</p> <p>Vice Chairperson inquired as to why the remaining funds are not reflected in the Cash Flow. District Accountant Doyel stated he would check and follow-up.</p> <p>Committee Member Miller inquired regarding the update to GL 4035 – Property Taxes. District Accountant Doyel stated that the property taxes were adjusted from 2.9% to 4% and that there is some consideration by staff and legal to impose a retro-active CPI tax based on prior years when the District did not impose the proposed increase. The Committee further discussed a retro-active CPI tax. Committee Member Miller did not support imposing a retro-active CPI tax.</p>	

AGENDA ITEM	DISCUSSION	FOLLOW-UP
3. Review on Financial Updates for Fund 301 (Update) – Cont'd	<p>Committee Member Wright inquired regarding the need for the Solid Waste budget. District Accountant Doyel reported that this is being discussed by the BOD.</p> <p>Public Comment: Richard Margetson spoke.</p>	
4. Provide Update on 2015 Hazard Abatement Inspections in Los Osos (Update)	<p>Executive Assistant Brown updated ESAC regarding Hazard Abatement Inspections that began June 1, 2015 with 288 initial violations. Re-Inspections occurred on June 25, 2015 and again on July 13, 2015. Currently, of the 288 initial violations, only 18 remain and staff is still in contact with the property owners to comply.</p> <p>There was no comment by ESAC or the public.</p>	
5. Update on the Los Osos Habitat Conservation Plan and Section 7 Permit (Update)	<p>Vice Chairperson Cesena reported that the District had a meeting with the County, Fish & Wildlife and Battalion Chief Veneris in an attempt to have fire suppression activities included with the County's work. The County reviewed a draft legal agreement with positive feedback. There should be an additional meeting to discuss the scope of activities, following legal counsel's review.</p>	
6. Review of Board Item Regarding Monthly Fire Department Reports for April 2015, May 2015 and June 2015 (Update)	<p>Executive Assistant Brown provided an update regarding the Monthly Fire Department Reports, as included in the agenda packet.</p> <p>There was no comment by ESAC or the public.</p>	
7. Public Comment on Items NOT Listed on this Agenda:	<p>Richard Margetson commented on the need for ESAC to be given the tools and authority by the BOD in order to be effective. He spoke in regards to miscellaneous news articles that were recently published with inaccurate information.</p>	
8. Schedule Upcoming ESAC Meeting:	<p>The next meeting of the Emergency Services Advisory Committee will be held on Tuesday, October 20, 2015 at 5:30 p.m.</p>	
9. Closing Comments by ESAC Members	<p>Committee Member Dillingham stated that ESAC needs to meet more often than once a quarter and that he would like to see the financial documents regarding the CSD's request to move their office facilities.</p> <p>Committee Member Wright stated that ESAC needs to meet more often than once a quarter. The current meeting schedule is not properly updating the Committee Members regarding Emergency Services activities.</p> <p>Committee Member Wright requested an update regarding an Ad-Hoc committee that was to be formed with BOD President Michael Wright to examine a possible increase in staffing.</p> <p>Committee Member Wright updated ESAC regarding the submission of the Local Hazard Mitigation Plan that, once documented and filed, will allow the CSD to declare a state of emergency, if necessary, and receive financial assistance. Without this Plan in place, Los Osos would receive no governmental financial assistance.</p>	

AGENDA ITEM	DISCUSSION	FOLLOW-UP
9. Closing Comments by ESAC Members (Cont'd)	<p>Committee Member Wright spoke in regards to the Use Permit (online) for the cell tower proposal that stated “no impact to the Fire Department”. Mr. Wright disagreed with this notation, as the cell tower will include batteries, diesel generator and plumbed water. Vice Chairperson Cesena stated that the County exempted the Use Permit from review.</p> <p>Committee Member Miller stated that ESAC needs to meet more often than once a quarter. Miller requested a detailed cash flow, reserves and bank account statements for Fund 301 at the next ESAC meeting.</p>	
10. Adjournment	<p>The meeting adjourned at 6:29 p.m.</p>	

**Los Osos Community Services District
Minutes of the Finance Advisory Committee Meeting
February 2, 2015 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 Storm called the meeting to order at 5:30 p.m. and led the flag salute.</p> <p><u>Roll Call:</u> Jeff Edwards, Committee Member – Present Lisa Gonzalez, Committee Member – Present Gene Heyer, Committee Member – Left at 6:40 p.m. Keith Swanson, Committee Member – Absent Gary Orback, Committee Member - Present Michael Wright, Vice Chairperson – Present Jon-Erik Storm, Chairperson – Present</p> <p><u>Staff:</u> Kathy Kivley, General Manager Mike Doyel, District Accountant Ann Kudart, Administrative/Accounting Assistant III</p>	
<p>4. Review of Board Item Regarding FY 2014/15 Mid-Year Budget and Provide Recommendations to the Board</p>	<p>Chairperson Storm moved this item to be heard at this point in the meeting.</p> <p>General Manager Kivley reported that adjustments in categories where total expenditures are under 50% were not addressed; in Fund 100 a separate revenue category was established to report Homeowners Property Tax Relief revenue to the State. She reported reducing Directors Compensation by \$2000; reducing salaries and wages by \$24,659; increasing Temporary Agency Help to cover temporary accounting services; reducing IT Services by \$1,000; reducing Insurance by \$5,200; adding \$2,000 for replacement costs for computer hardware; and increasing General Supplies & Minor Equipment by \$1,000 to cover cost of office supplies. She reported that the outstanding repayment obligation was reduced to \$4,000 in Fund 100 and Fund 600 will transfer \$21,000. Fund 600 is decreasing Bank Service charges by \$4,000 due to no activity in the account for the first six months of the fiscal year.</p> <p>Public Comment: Richard Margetson, Chuck Snead, and Al Barrow spoke.</p> <p>Committee Member Gonzalez made a motion that the FAC recommended that the LOCSD Board of Directors accept the recommended staff changes for the mid-year budget for the Administration 100, Bayridge 200, Fire 301, Vista de Oro 400, Water 500, Wastewater 600 and Drainage 800 for Fiscal Year 2014/2015 as amended. The motion was seconded by Committee Member Heyer and carried with the following vote:</p> <p>Ayes: Gonzalez, Heyer, Edwards, Orback Nays: None Abstain: None Absent: Swanson</p> <p>General Manager Kivley left the dais.</p>	<p>Action: The Committee recommended that the Board accept the recommended staff changes for the mid-year budget for Funds 100, 200, 301, 400, 500, 600 and 800 as amended.</p>
<p>2. Approve FAC Minutes of August 4, 2014</p>	<p>No Public Comment.</p> <p>Committee Member Edwards made a motion to approve the minutes. The motion was seconded by Committee Member Gonzalez and carried with the following vote:</p> <p>Ayes: Edwards, Gonzalez, Heyer Nays: None Abstain: Orback Absent: Swanson</p>	<p>Action: Receive and File.</p>

AGENDA ITEM	DISCUSSION	FOLLOW-UP
3. Review of Board Item Regarding the Warrant Register for the Month of January 2015	<p>The Committee reviewed and discussed various warrants with staff.</p> <p>Public Comment: Al Barrow, Chuck Snead, and Richard Margetson spoke.</p> <p>Committee Member Edwards moved to recommend that the Board receive and file the Warrant Register. The motion was seconded by Committee Member Gonzales and carried with the following vote:</p> <p>Ayes: Edwards, Gonzalez, Heyer, Orback Nays: None Abstain: None Absent: Swanson</p>	<p>Action: The Committee recommended that the Board receive and file the Warrant Register.</p>
5. Review CIP Funding Options and Provide Recommendations to the Board	<p>Committee Member Edwards provided a brief summary and the Committee discussed the CIP priority list and funding sources including pay as you go, a Community Facilities District, and grant funding.</p> <p>Public Comment: Al Barrow and Richard Margetson spoke.</p> <p>Committee Gonzalez moved that the FAC recommend to the Board that the District explore all available options for funding the Capital Improvement Program adopted on September 4, 2014. The motion was seconded by Committee Member Heyer and carried with the following vote:</p> <p>Ayes: Gonzalez, Heyer, Edwards, Orback Nays: None Abstain: None Absent: Swanson</p>	<p>Action: The Committee recommended to the Board that the District explore all available options for funding the Capital Improvement Program adopted on September 4, 2014.</p>
6. Public Comments on Items Not on the Agenda	<p>Al Barrow commented on the need for affordable housing and that we must assist the ratepayers in saving as much water as possible.</p> <p>Chuck Snead commented on District vehicle purchases.</p> <p>Richard Margetson commented on the need to closely review the mid-year and final budgets line by line.</p> <p>Committee Heyer left the dais.</p>	
7. Schedule FAC Meeting	<p>The next meeting of the Finance Advisory Committee will be held on Wednesday, May 4, 2015, 2015 at 5:30 p.m. at the District Office.</p>	
8. Closing Comments by UAC Committee Members	<p>Committee Member Gonzalez inquired as to the status of the audit.</p> <p>Committee Member Edwards commented on the wastewater project financing sources suggesting it might be time to revisiting the interest rates.</p>	
9. Adjournment	<p>The meeting adjourned at 6:50 p.m.</p>	

**Los Osos Community Services District
Minutes of the Finance Advisory Committee Meeting
May 14, 2015 at 5:30 p.m. at the District Office**

AGENDA ITEM	DISCUSSION	FOLLOW-UP
1. Call to Order, Flag Salute and Roll Call	<p>Chairperson Storm called the meeting to order at 5:30 p.m. and led the flag salute.</p> <p><u>Roll Call:</u> Craig Baltimore, Committee Member – Present Jeff Edwards, Committee Member – Present Lisa Gonzalez, Committee Member – Arrived 5:48 p.m. Gene Heyer, Committee Member – Left at 6:40 p.m. Gary Orback, Committee Member - Present Michael Wright, Vice Chairperson – Present Jon-Erik Storm, Chairperson – Present</p> <p><u>Staff:</u> Kathy Kivley, General Manager Mike Doyel, District Accountant Ann Kudart, Administrative/Accounting Assistant III</p>	
2. Introduction of New Member(s) to FAC and Review Brown Act Guidelines	<p>Chairperson Storm welcomed the committee members and General Manager Kivley reviewed the Brown Act with the committee.</p> <p>Public Comment: None.</p>	
3. Approve FAC Minutes of February 2, 2015	<p>Public Comment: Richard Margetson and Julie Tacker opposed the format of the minutes.</p> <p>Committee Member Edwards made a motion to approve the minutes. The motion was seconded by Committee Member Orback and carried with the following vote:</p> <p>Ayes: Edwards, Orback, Heyer Nays: None Abstain: Baltimore Absent: Gonzalez</p>	Action: Receive and File.
4. Review of Board Item Regarding Fiscal Year 2015/2016 Budget A: Fund 100 Fund 600	<p>General Manager Kivley reported that the total contributions for to Fund 301 sinking fund is \$144,891 as shown on a corrected handout provided to the committee and public.</p> <p>She reported that the Admin Cost Allocation methodology used is the same as that adopted by the Board for FY14/15; unfunded liability; and that Fund 100 will not budget \$25,000 repayment of Improvement Bond Reserve Fund per the bankruptcy order.</p> <p>General Manager Kivley reported a recommended increase of \$12.00 per parcel in the Administrative Charge to allow repayment to the Bond Redemption Reserve account. She reported that the assessment payment of \$30,003.39 per the agreement between the District and Bonaire Investment was never included in any District budget.</p> <p>The Committee recommended that the Board research Bonaire Properties Agreement with the District with the possibility of charging the County for the pipes.</p>	

AGENDA ITEM	DISCUSSION	FOLLOW-UP
Fund 650	<p>General Manager Kivley reported a Reserve balance and a minor charge for cost allocation.</p> <p>Following discussion, the Committee recommended that the Board consider extinguishing the \$118,033 reserve fund and allocating the funds to Fund 500 or Fund 600 to improve Bond rating.</p> <p>Public Comment on Funds 100, 600, and 650: Julie Tacker, Al Barrow and Richard Margetson spoke.</p>	
B. Fund 301	<p>General Manager Kivley reported that Fund 301 Budget included a 12.6% increase in the Schedule A contract which equates to \$216,783; that property tax revenue projections were prepared using a tax increase rate of 2%; a \$1/hour minimum wage increase in January 1, 2016; and a CalPERS Legacy Reserve Firefighters unfunded liability of \$6,102.</p> <p>Public Comment on Fund 301: Richard Margetson and Al Barrow speak.</p>	
C: Fund 200	<p>General Manager Kivley reported that property tax revenue projects were prepared using the annual property tax increase rate of 2%; that an interfund loan to Fund 200 from Fund 500 Water to cover Phase 1 Maintenance Improvement Projects not to exceed \$125,000; and that Salary and Fringe Benefits allocations are increasing due to increase in staff time to insure an efficient transition to the County.</p>	
Fund 400	<p>Regarding Fund 400, General Manager Kivley reported that the fund will reflect a deficit until the septic system conversion occurs and until the District recoups its prior costs for maintaining the system; that the Board authorized an interfund loan not to exceed \$30,000 for Fiscal Years 2012/2013 thru 2014/2015 to cover operating deficits and will need to amend the loan agreement during FY2015/16 to cover the shortfall; and that Salary and Fringe Benefits allocations are increasing due to increase in staff time to insure an efficient transition to the County.</p>	
Fund 500	<p>She reported on Fund 500 salary and fringe benefit costs and that staff recommended no increase in revenues. She reported on the increase in funding for regulatory fees, to Legal fees relative to finalizing the ISJ, and to brine disposal for the Nitrate Treatment Facility. She reported on funding several Capital Improvement Projects and reserves.</p>	
Fund 800	<p>General Manager Kivley reported revenues exceed expenditures in Fund 800 and that monies had been budgeted to continue chipping events.</p> <p>The Committee recommended modification in the District's approach when transitioning Bayridge Estates and Vista de Oro to the County; and consider tearing down the existing facility at the Wateryard and put up a modular building.</p> <p>Public Comment on Funds 200, 400, 500 and 800: Richard Margetson, Julie Tacker, and Al Barrow spoke.</p>	

AGENDA ITEM	DISCUSSION	FOLLOW-UP
<p>4. Review of Board Item Regarding Fiscal Year 2015/2016 Budget (continue)</p>	<p>Committee Member Gonzalez made a motion that the Board accept the Committee's recommendations to research Bonaire Properties Agreement with the District with the possibility of charging the County for the pipes; recommended modification in the District's approach when transitioning Bayridge Estates and Vista de Oro to the County; and consider a prefab building instead of renovating the existing building at the Water Yard. The motion was seconded by Committee Member Baltimore and carried with the following vote:</p> <p>Ayes: Gonzalez, Baltimore, Heyer, Edwards, Orback Nays: None Abstain: None Absent: None</p> <p>Committee Member Orback made a motion that the Board accept the Proposed Fiscal Year Budget for Funds 100, 200, 301, 400, 500, 600, 650, and 800, including committee recommendations. The motion was seconded by Committee Member Edwards and carried with the following vote:</p> <p>Ayes: Orback, Edwards, Heyer, Gonzalez, Baltimore Nays: None Abstain: None Absent: None</p>	<p>The Committee recommended that the Board accept the Proposed FY15/16 Budget with the following Committee recommendations:</p> <p>1. to research the Bonaire Properties Agreement with the District with the possibility of charging the County for the pipes; 2. consider modification in the District's approach when transitioning Bayridge Estates and Vista de Oro to the County; and 3. consider a prefab building instead of renovating the existing building at the Water Yard.</p>
<p>5. Public Comments on Items Not on the Agenda</p>	<p>Al Barrow requested information on moving the Admin Office to 10th Street location.</p> <p>Julie Tacker commented on filing claims and recovering damages from the Wastewater Project; supported turning off the Palisades well; opposed Admin Offices moving and requested a cost analysis; Verizon Cell Tower; and opposed moving meetings to Sea Pines.</p> <p>Richard Margetson commented that the Admin Cost Allocation Ad Hoc Committee obligations were not fulfilled.</p>	
<p>6. Schedule FAC Meeting</p>	<p>The next meeting of the Finance Advisory Committee will be held on Monday, August 3, 2015 at 5:30 p.m. at the District Office.</p>	
<p>7. Closing Comments by FAC Committee Members</p>	<p>Committee Member Gonzalez requested that answers to public questions be provided at the next meeting if possible.</p> <p>Committee Member Baltimore thanked everyone for their participation.</p> <p>Committee Member Edwards commented on potential interest rate reductions to the SRF loan; requested Palisades well be shut off; and requested the Board request staff to prepare a cost benefit analysis of a move to 10th Street.</p> <p>Committee Member Orback supported Mr. Edward request for a cost benefit analysis; and supported a summary of public comments.</p>	
<p>8. Adjournment</p>	<p>The meeting adjourned at 8:00 p.m.</p>	

**Los Osos Community Services District
Minutes of the Finance Advisory Committee Meeting
August 31, 2015 at 5:30 p.m. at the District Office**

AGENDA ITEM	DISCUSSION	FOLLOW-UP
1. Call to Order, Flag Salute and Roll Call	<p>Chairperson Storm called the meeting to order at 5:30 p.m. and led the flag salute and a moment of silence.</p> <p><u>Roll Call:</u> Craig Baltimore, Committee Member – Present Jeff Edwards, Committee Member – Present Lisa Gonzalez, Committee Member – Absent Gene Heyer, Committee Member – Present Gary Orback, Committee Member - Present Michael Wright, Vice Chairperson – Present Jon-Erik Storm, Chairperson – Present</p> <p><u>Staff:</u> Kathy Kivley, General Manager Mike Doyel, District Accountant Ann Kudart, Administrative/Accounting Assistant III</p>	
2. Approve FAC Minutes of May 14, 2015	<p>Admin/Accounting Assistant Kudart reported that the minutes would be amended to add Committee Member Baltimore who was present but left off the roll. Committee Member Heyer reported that the comment in Item 7 was Committee Member Orback, not Heyer.</p> <p>Public Comment: Richard Margetson opposed the format of the minutes.</p> <p>Committee Member Baltimore made a motion to approve the minutes as amended. The motion was seconded by Committee Member Orback and carried with the following vote:</p> <p>Ayes: Baltimore, Orback, Edwards, Heyer Nays: None Abstain: None Absent: Gonzalez</p>	
3. Review of Board Item Regarding Warrant Register for August 2015	<p>The Committee reviewed and discussed various warrants with staff.</p> <p>Public Comment: Richard Margetson and Al Barrow spoke.</p> <p>Committee Member Baltimore moved that the committee review any non-payroll expenditure exceeding \$10,000 and recommend that the Board receive and file the Warrant Register. The motion was seconded by Committee Member Edwards and carried with the following vote:</p> <p>Ayes: Baltimore, Edwards, Orback, Heyer Nays: None Abstain: None Absent: Gonzalez</p>	Action: The Committee will review any non-payroll expenditure exceeding \$10,000 and recommended that the Board receive and file the Warrant Register.
4. Review of Board Item Regarding Prior Year Expenditures	<p>General Manager Kivley provided a summary of the reports as submitted. She reported that the \$50,340 generated from the \$12 parcel charge was not included and would be before the Budget goes to print.</p> <p>Public Comment: Richard Margetson and Al Barrow spoke.</p>	Action: The Committee recommended that the Board receive and file the Prior Year Expenditures

AGENDA ITEM	DISCUSSION	FOLLOW-UP
<p>4. Review of Board Item Regarding Prior Year Expenditures (continued)</p>	<p>Committee Member Edwards moved that the Board receive and file the Prior Year Expenditures. The motion was seconded by Committee Member Baltimore and carried with the following vote:</p> <p>Ayes: Edwards, Baltimore, Heyer, Orback, Nays: None Abstain: None Absent: Gonzalez</p>	
<p>5. Review of Board Item Regarding Fiscal Year 2013/2014 Audit Report</p>	<p>General Manager Kivley provided a summary of the audit report as submitted in the agenda packet. She reported that the Management Discussion and Analysis was excluded as it is not a requirement but an option; that once the audit is received and file and the budget adopted, staff will review cash balances at the end of 13/14 and make recommendations to the Board with regards to putting the money into the reserves or keep in the general checking account.</p> <p>Public Comment: Richard Margetson spoke.</p> <p>Committee Member Baltimore moved that the Board receive and file the Fiscal Year 2013/2014 Audit Report. The motion was seconded by Committee Member Heyer and carried with the following vote:</p> <p>Ayes: Baltimore, Heyer, Edwards, Orback, Nays: None Abstain: None Absent: Gonzalez</p>	<p>Action: The Committee recommended that the Board receive and file the 2013/2014 Audit Report</p>
<p>6. Review District Investment Policy and Provide Recommendations to the Board</p>	<p>Accountant Doyel reported that the District's Investment Policy provides guidelines for the investment of District funds and provides standards with which the District conducts business with financial institutions regarding investments. He reported that the majority of the District's funds are currently invested in the Local Agency Investment Fund (LAIF) and other funds invested in CDs. He reported that staff is not recommending any new changes to the policy.</p> <p>Public Comment: Al Barrow spoke.</p> <p>Committee Member Baltimore moved that the Committee recommend that the Board re-adopt the District's Investment Policy and consider diversification of the LAIF dollars. The motion was seconded by Committee Member Orback and carried with the following vote:</p> <p>Ayes: Baltimore, Orback, Edwards, Heyer Nays: None Abstain: None Absent: Gonzalez</p>	<p>Action: The Committee recommended that the Board re-adopt the District's Investment Policy and consider diversification.</p>
<p>7. Discuss Potential 2-Year Budget and Provide Recommendations to the Board</p>	<p>General Manager Kivley reported that it was brought to her attention that it might be prudent to develop a 2-year budget with midyear adjustments being done every 6 months and that it would be at least 2016/17-2017/18 before the District would be ready to implement.</p>	

AGENDA ITEM	DISCUSSION	FOLLOW-UP
	<p>Public Comment: Al Barrow voiced his support. Richard Margetson voiced his opposition.</p> <p>Committee Member Edwards moved that the Committee recommend that the Board look at developing a 2-year budget for Fiscal Years 2017/18-2018/19. The motion was seconded by Committee Member Heyer and carried with the following vote:</p> <p>Ayes: Edwards, Heyer, Orback Nays: Baltimore Abstain: None Absent: Gonzalez</p>	<p>Action: The Committee recommended that the Board look at developing a 2-year budget beginning FY 2017/18-2018/19.</p>
8. Public Comments on Items Not on the Agenda	<p>Al Barrow commented on water quality and that he does not recommend reverse osmosis.</p> <p>Richard Margetson commented that the budget should have come to this committee and the amount of Admin time spent on Fire.</p>	
9. Schedule FAC Meeting	<p>The next meeting of the Finance Advisory Committee will be held on Monday, November 2, 2015 at 5:30 p.m. at the District Office.</p>	
10. Closing Comments by FAC Committee Members	<p>Committee Member Edwards commented on SRF interest rate reductions and siting a new community well.</p> <p>Committee Member Baltimore commented that mid-year adjustments should be the exception and not the rule.</p> <p>Committee Member Orback commented that committee members need to see reports sooner in order to have adequate review time before meetings.</p> <p>Committee Member Heyer agreed with Mr. Orback's comments.</p>	
11. Adjournment	<p>The meeting adjourned at 7:23 p.m.</p>	

**Los Osos Community Services District
Minutes of the Utilities Advisory Committee Meeting
January 21, 2015 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 Tornatzky called the meeting to order at 5:28 p.m. and led the flag salute.</p> <p><u>Roll Call:</u> Noah Evans, Committee Member – Left at 7:20 p.m. Aaron Floyd, Committee Member – Absent Ron Munds, Committee Member – Present Dominic Roques, Committee Member – Present Chuck Snead, Committee Member – Present Lee Harry, Alternate Member – Present Jon-Erik Storm, Vice Chairperson – Present Louis Tornatzky, Chairperson – Present</p> <p><u>Staff:</u> Kathy Kivley, General Manager Margaret Falkner, Utility Compliance Technician III Rob Miller, District Engineer</p>	
<p>2. Approve UAC Minutes of October 15, 2014</p>	<p>Public Comment – None.</p> <p>Committee Member Roques moved to approve the minutes. The motion was seconded by Committee Member Evans and there being no objections, the motion passed unanimously.</p>	<p><u>Action:</u> File approved minutes.</p>
<p>3. Review Recycled Water Discharges to Los Osos Creek and Provide Recommendations to the Board</p>	<p>District Engineer Rob Miller, reported on the Recycled Water Discharges to Los Osos Creek.</p> <p>Committee Members were pleased with the release of the document and asked for clarification on numerous subjects including permitting, seasonal discharge, pursuing the project, and possible cost sharing with other purveyors.</p> <p>Public Comment – Jeff Edwards stated he was pleased with the release of this document and supports pursuing the project with seasonal release. He expressed his idea the project would be low-tech and does not support sending recycled water to dry land farmers.</p> <p>Keith Wimer submitted draft comments on why the Cleath-Harris Tech Memo is not a good tool for decision making commenting that the study does not consider the full range of options.</p> <p>Linde Owen commented that there are many other options.</p> <p>Richard Margetson commented that 60 acre-feet of recycled water will go to dry land farmers, conclusions are very vague, and the need for a cost benefit analysis over time.</p> <p>Al Barrow commented on unknown effects that the sewer will have on the hydraulics of the basin and suggested alternatives to bring water back into the basin.</p> <p>Lynette Tornatzky commented that there are three water purveyors and the possibility of shared costs.</p> <p>Committee Member Roques made a motion to recommend that the Board commission a focused study, address permitting issues, a cost benefit analysis, recycled water options, and ask the other water purveyors to share in the cost of the more refined study. Committee Member Munds seconded the motion and there being no objection, the vote passed unanimously.</p>	<p><u>Action:</u> The Committee recommended that the Board commission a focused study, address permitting issues, a cost benefit analysis, recycled water options, and ask the other water purveyors to share in the cost of the more refined study.</p>

AGENDA ITEM	DISCUSSION	FOLLOW-UP
<p>4. Review Emergency Shortage Contingency Plan and Provide Recommendations to the Board</p>	<p>District Engineer Miller shared the Emergency Shortage Contingency Plan matrix and said the Board will most likely declare Stage III at their April 2015 meeting.</p>	<p>No recommendation to the Board. There will be a status update.</p>
<p>5. 2014 Seawater Intrusion Monitoring Report (Information Only)</p>	<p>District Engineer Miller reviewed the seawater intrusion report.</p> <p>Public Comment - Jeff Edwards commented on phasing out the Palisades well, creek discharge, and asked for a reasonable goal.</p> <p>Al Barrow commented that switching pumping from Zone D to Zone C would reverse seawater intrusion quicker.</p> <p>Keith Wimer provided a handout that he had provided to the Board of Directors at the December 4, 2014 meeting.</p> <p>Linde Owen concurred with the previous speaker and asked for a diagram of private wells, mentioned the sustainable groundwater act and water conservation.</p> <p>Richard Margetson commented on the acre-feet equation.</p> <p>General Manager Kivley left the meeting at 6:55 p.m. and asked the Chair to continue Item 6 until she returned. General Manager Kivley returned at 7:15 p.m.</p>	
<p>6. Review Utilities Department Mid-Year Budget and Provide Recommendations to the Board</p>	<p>General Manager Kivley presented the Mid-Year budget to the Committee.</p> <p>Public Comment – Keith Wimer commented on the need to budget \$30,000 in water conservation.</p> <p>Linde Owen asked what was wrong with the Utility vehicles and asked whether we will be getting reimbursement for sewer construction expenses.</p> <p>Richard Margetson commented on the allocation of salaries and compared the financials from the January Board meeting with those in the current UAC packet.</p> <p>Lynette Tornatzky supported the Utility vehicles replacement.</p> <p>Al Barrow commented on the need to look at the financials.</p> <p>Committee Member Munds made the motion to recommend that the Board accept the recommended staff changes for the Mid-Year budget for the Bayridge-200, Vista de Oro-400, Water-500 and Drainage-800 funds for Fiscal Year 2014-2015. Committee Member Harry seconded the motion and carried with the following vote:</p> <p>Ayes: Committee Members Munds, Harry, Evans, Roques Nays: Snead Abstain: None Absent: Floyd</p>	<p>The Committee recommended that the Board accept the recommended staff changes for the Mid-Year budget for the Bayridge-200, Vista de Oro-400, Water-500 and Drainage-800 funds for Fiscal Year 2014-2015.</p>
<p>7. Public Comments on Items NOT on this Agenda</p>	<p>Al Barrow commented on the need to hold more UAC meetings and encouraged the formation of a subcommittee.</p> <p>Linde Owen commented on UAC meetings being held once a month and asked that the \$17,000 contact with Barnett Cox and Associates be analyzed.</p> <p>Keith Wimer commented on the need for a larger budget for Water Conservation.</p>	

AGENDA ITEM	DISCUSSION	FOLLOW-UP
7. Public Comments on Items NOT on this Agenda (continued)	<p>Leonard Moothart commented on a review of water conservation dollars spent.</p> <p>Richard Margetson commented on his disappointment with the County's water conservation program and that he would like to see UAC meet more than quarterly.</p> <p>Lynette Tornatzky commented on a public notice discussed at the recent Emergency Services Committee and suggested we have a link from our website to the press release.</p>	
8. Schedule UAC Meeting	The next UAC meeting will be held on April 8, 2015 unless otherwise noted.	
9. Closing Comments by UAC Committee Members	<p>Committee Member Munds commented on the need to take a hard look at the District's Water Conservation programs and see if we can do better.</p> <p>Committee Member Roques commented that he is interested in seeing the outcome of the Barnett Cox contract.</p> <p>Committee Member Harry commented that a great deal of water has been saved in this District which shows a successful Water Conservation program.</p> <p>Chairperson Tornatzky reported that he would be looking for funding opportunities.</p>	
10. Adjournment	The meeting adjourned at 7:35 p.m.	

**Los Osos Community Services District
Minutes of the Utilities Advisory Committee Meeting
April 22, 2015 at 5:30 p.m. at the District Office**

AGENDA ITEM	DISCUSSION	FOLLOW-UP
1. Call to Order, Flag Salute and Roll Call	<p>Chairperson Tornatzky called the meeting to order at 5:30 p.m. and led the flag salute.</p> <p><u>Roll Call:</u> Noah Evans, Committee Member – Present Aaron Floyd, Committee Member – Absent Jan Harper, Committee Member – Arrived at 5:32 p.m. Lee Harry, Committee Member – Present Ron Munds, Committee Member – Arrived at 5:35 p.m. Leonard Moothart, Alternate Member - Present Jon-Erik Storm, Vice Chairperson – Arrived at 6:58 p.m. Louis Tornatzky, Chairperson – Present</p> <p><u>Staff:</u> Kathy Kivley, General Manager Margaret Falkner, Utility Compliance Technician III Rob Miller, District Engineer Ann Kudart, Administrative/Accounting Assistant III</p>	
2. Welcome 2015 Committee Members and Review Brown Act Guidelines	<p>Chairperson Tornatzky welcomed the committee members and General Manager Kivley reviewed the Brown Act with the committee.</p> <p>Public Comment: Julie Tacker and Richard Margetson spoke.</p>	
3. Approval of UAC Meeting Minutes of January 21, 2015	<p>Committee Member Munds moved to approve the minutes. The motion was seconded by Committee Member Harry.</p> <p>Public Comment: Richard Margetson, Julie Tacker, and Linde Owen spoke.</p> <p>The motion carried with the following roll call vote: Ayes: Munds, Harry, Evans, Harper Nays: None Abstain: Moothart Absent: Floyd</p>	Action: File approved minutes.
4. Review Fiscal Year 2015/2016 Utilities Budget and Provide Recommendations to the Board	<p>General Manager Kivley gave a detailed summary of the four Utilities funds as submitted with the agenda packet reporting property tax revenue projections for Funds 200, 500 and 800 were prepared using the annual property tax increase rate of 2%. She reported on revenue, personnel services, services and supplies, and capital outlay for each of the four funds.</p> <p>Public Comment: Jeff Edwards, Julie Tacker, Linde Owen, and Richard Margetson spoke.</p> <p>The Committee discussed the need for Finance Advisory Committee review of the Utilities budget and that funding is in the budget for the Capital Improvement Projects necessary to bring the systems up to the required level of safety and reliability.</p> <p>District Engineer Miller gave a brief update on the three CIP primary projects that need to be funded which include a new 8th Street upper aquifer well and nitrate removal; processing and permitting a lower Aquifer well on the eastside; and the intertie with Golden State.</p>	Action: The Committee recommended that the Utilities budget be forward to the Board provided it is reviewed by the FAC.

AGENDA ITEM	DISCUSSION	FOLLOW-UP
4. Review Fiscal Year 2015/2016 Utilities Budget and Provide Recommendations to the Board (continued)	<p>Committee Member Evans made a motion to move the Utilities budget forward to the Board provided it goes before the Finance Advisory Committee for their review as well. The motion was seconded by Member Harry and carried with the following vote:</p> <p>Ayes: Committee Members Evans, Harry, Harper, Munds, Moothart Nays: None Abstain: None Absent: Floyd</p>	
5. Update of Board Item Regarding Intent to Serve Letters	<p>District Engineer Miller reported that the Board at their April 2, 2015 meeting reviewed the Novy Intent-to-Serve (ITS) and directed staff to bring back two separate actions. One, that the letter now include a requirement that the applicant provide their own engineering study of their water offsets as opposed to just providing the County's Title 19 certificate; and, an amendment to Stage III of the District's Water Shortage Contingency Plan to suspend the processing of new ITS applications.</p> <p>Public Comment: Linde Owen and Richard Margetson spoke.</p>	
6. Update of Ad Hoc Committee Grant Opportunities	<p>Chairperson Tornatzky reported on his efforts in reviewing and rating potential grant opportunities from federal agencies and private and public foundations.</p> <p>Vice Chairperson Storm arrived at the dais.</p> <p>Public Comment: Linde Owen, Julie Tacker, and Richard Margetson spoke.</p> <p>The Committee discussed the necessity of looking at the direct reuse of recycled water.</p> <p>Committee Member Evans left the dais.</p>	
7. Utilities Department Updates – Capital Improvement Projects	<p>District Engineer Miller reviewed the CIP Priority List approved by the Board at their September 4, 2014 meeting. General Manager Kivley reported that Projects OE-5 and OE-4 moving forward. Mr. Miller reported that funding was secured for a partially operable SCADA system (Project OE-2). Utility Compliance Technician Falkner reported the possibility of adding desal to the list.</p> <p>Public Comments: Jeff Edwards, Linde Owen, Julie Tacker, and Richard Margetson.</p> <p>Rob Miller left the dais.</p>	
8. Public Comments on Items NOT on this Agenda	<p>Julie Tacker commented that the outcome of the negotiations with Verizon concerning the cell tower should be made public.</p> <p>Linde Owen opposed quarterly committee meetings and is upset with the current management of the District.</p> <p>Richard Margetson commented on valid issues expressed by the public during comment periods.</p>	

AGENDA ITEM	DISCUSSION	FOLLOW-UP
8. Public Comments on Items NOT on this Agenda (continued)	Lynette Tornatzky commented on the increasing number of attendees at the committee meetings and the need for additional space.	
9. Schedule UAC Meeting	The next UAC meeting will be held on July 8, 2015 unless otherwise noted.	
10. Closing Comments by UAC Committee Members	<p>Committee Member Munds commented on the need to review the District's recycled water plan and inquired if Golden State is working on a water shortage plan.</p> <p>Alternate Member Moothart thanked staff for preparing the budget.</p> <p>Committee Member Harry commented on his health issues and hopes to be able to continue serving on the committee.</p> <p>Committee Member Harper encouraged the committee to look at the data on the Pacific Institute website.</p> <p>Vice Chairperson Storm commented on the recent San Juan Capistrano court decision as not being a final judgement.</p>	
11. Adjournment	The meeting adjourned at 7:40 p.m.	

Los Osos Community Services District
Minutes of the Utilities Advisory Committee Meeting
July 8, 2015 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 Tornatzky called the meeting to order at 5:30 p.m. Vice Chairperson Storm led the flag salute.</p> <p><u>Roll Call:</u> Noah Evans, Committee Member – Absent Jan Harper, Committee Member – Present Lee Harry, Committee Member – Present Ron Munds, Committee Member – Present Leonard Moothart, Alternate Member – Arrived at 5:40 p.m. Jon-Erik Storm, Vice Chairperson – Present Louis Tornatzky, Chairperson – Present</p> <p><u>Staff:</u> Kathy Kivley, General Manager Margaret Falkner, Utility Compliance Technician III Rob Miller, District Engineer Ann Kudart, Administrative/Accounting Assistant III</p> <p>Chairperson Tornatzky announced that Committee Member Floyd had resigned, that Alternate Member Moothart would complete Mr. Floyd's term, and that the Alternate Member position is now vacant.</p>	
<p>2. Approval of UAC Meeting Minutes of April 22, 2015</p>	<p>Committee Member Harry moved to approve the minutes. The motion was seconded by Committee Member Harper.</p> <p>Public Comment: Richard Margetson spoke.</p> <p>The motion carried with the following roll call vote: Ayes: Harry, Harper, Munds Nays: None Abstain: None Absent: Evans, Moothart</p>	<p>Action: File approved minutes.</p>
<p>4e. Seawater Intrusion</p> <p>4c. 8th Street Upper Aquifer Well Progress</p>	<p>Chairperson Tornatzky moved these items to be heard at this point in the meeting.</p> <p>District Engineer Miller reported on the Cleath-Harris Geologists technical memorandum based on the April 2015 water quality sampling at key wells which shows that seawater intrusion continues to advance in the lower aquifer. The report recommended not recalculating the rate of seawater intrusion at every sampling. The next monitoring will be performed in October 2015.</p> <p>Public Comment: Richard Margetson spoke.</p> <p>District Engineer Miller reported that the District approved the nitrate removal project and adopted the Mitigated Negative Declaration for the 8th Street Upper aquifer well, that the MND is through the 30-day challenge period and that he is preparing the application for a Coastal Development permit to drill the well for blending with hopes that a nitrate removal system will not be needed.</p> <p>Public Comment: Linde Owen spoke.</p>	

AGENDA ITEM	DISCUSSION	FOLLOW-UP
3. Review Markups to District Water Conservation and Shortage Contingency Section 2.06	<p>Utilities Compliance Technician Falkner reported on the changes made by the Board to Chapter 2.06 of Title 2 of the District Code and that she incorporated those changes into the spreadsheet.</p> <p>Committee Member Harry recommended changing “may” to “shall” under the prohibitions. General Manager Kivley reported that the Board wants voluntary compliance at this time and “shall” indicates enforcement.</p> <p>Committee Member Moothart recommended referencing adopted emergency rates.</p> <p>Public Comment: Linde Owen, Al Barrow, Richard Margetson spoke.</p> <p>Committee Member Munds reported that the State standard for low flush toilets is 1.28 gallons per flush, not 1.6 gallons.</p> <p>The Committee agreed with the recommended changes, recommended moving forward, and that the rates be tied in in order to go into effect as quickly as possible when necessary.</p>	
4. Utilities Department Updates a. Utilities Department Report of May 2015 b. June 20, 2015 Tribune Article – Los Osos Water Conservation d. 2014 Water Quality Report	<p>Utilities Compliance Technician Falkner reported on the May 2015 Utilities Department Report submitted to the Board at their July meeting reporting on decrease in water production, consumption and revenues; her attendance at the Water Forum; discussed new utility billing payment portal; the Consumer Confidence Report; and; rainfall measures.</p> <p>Public Comment: Richard Margetson, Al Barrow spoke.</p> <p>Utilities Compliance Tech Falkner reported on The Tribune's June 22, 2015 article concerning the District's consumption reduction by its water customers.</p> <p>Public Comment: Richard Margetson, Linde Owen, Al Barrow spoke.</p> <p>She discussed the Consumer Confidence Report for calendar year 2014 that was mailed to District water customers in June.</p>	
5. Public Comments on Items NOT on this Agenda	<p>Linde Owen commented on funding for water audits not public relations; funding for a public water tank; and the cell tower proposal.</p> <p>Richard Margetson commented on Golden State's recent presentation and the issuance of will serve letters.</p>	
6. Schedule UAC Meeting	<p>The next UAC meeting will be held on October 14, 2015 unless otherwise noted.</p>	
7. Closing Comments by UAC Committee Members	<p>Committee Member Harry commented on the seriousness of the drought situation.</p>	
8. Adjournment	<p>The meeting adjourned at 6:54 p.m.</p>	