

**Los Osos Community Services District  
DRAFT Minutes of the Utilities Advisory Committee Meeting  
June 21, 2017 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 5:34 p.m. and led the flag salute.</p> <p><u>Roll Call:</u>            Jan Harper, Committee Member – Present            Lee Harry, Committee Member – Present            Gene Heyer, Committee Member – Present            Leonard Moothart, Committee Member – Present            Ron Munds, Committee Member – Absent            Chuck Cesena, Chairperson – Present</p> <p><u>Staff:</u>            Renee Osborne, General Manager            Ann Kudart, Administrative Services Manager</p>	
<b>2. Approval of UAC Minutes of May 17, 2017</b>	<p>Public Comment – None.</p> <p><b>Committee Member Harry made a motion to approve the minutes. The motion was seconded by Committee Member Moothart and carried with the following vote:</b></p> <p><b>Ayes: Harry, Moothart, Heyer</b>  <b>Nays: None</b>  <b>Abstain: Harper</b>  <b>Absent: Munds</b></p>	<b>Action – File approved minutes.</b>
<b>3. Recap of June 15, 2017 Proposition 218 Protest Hearing Regarding Proposed Water Rates</b>	<p>Chairperson Cesena reported that the 218 Protest Hearing regarding the proposed water rate increase held on June 15, 2017 was unsuccessful as only 226 protests were received well below the number needed for a successful protest.</p>	
<b>4. Recap of May 17, 2017 Basin Management Committee Meeting</b>	<p>Chairperson Cesena reported that the Committee reviewed the annual monitoring report with trend indicating continue saltwater intrusion and that monitoring will continue every six months; the Committee discussed possible funding of an additional 600' monitoring well at Cuesta Inlet; and discussed the County expanding its water conservation rebate program.</p> <p>Chairperson Cesena reminded everyone that although California is out of a drought, Los Osos is not.</p>	
<b>5. Review of Proposed Fiscal Year 2017/2018 Utilities Department Budget</b>	<p>General Manager Osborne reported that following UAC's review and recommendations, the budget will be refined, reviewed at the June 29<sup>th</sup> Finance Committee meeting, and then go before the Board for adoption at their July 6<sup>th</sup> meeting. She reviewed the Budget Summary as submitted with the agenda packet which shows that Fund 200 Bayridge, Fund 400 Vista de Oro, Fund 600 Wastewater, and Fund 900 Drainage show projected negative fund balances due to roll overs from 16/17; discussed Admin allocations, the \$25,000 loan repayment from Bayridge; new utilities maintenance software and training expenses; expenses for Wastewater as there was no 16/17 budget for Fund 600; that engineering services connected to specific capital improvements will be capitalized; and reviewed the reserves and the anticipated additional revenue from the rate study.</p>	

AGENDA ITEM	DISCUSSION	FOLLOW-UP
<b>5. Review of Proposed Fiscal Year 2017/2018 Utilities Department Budget (continued)</b>	<p>Public Comment – Lynette Tornatzky commented that Wallace Group provided services for the tax assessments however following the bankruptcy additional reports were required and NBS was hired to provide those for Wastewater.</p> <p>Jeff Edwards commented on District responsibility regarding Phase II of the Bayridge collection system; questioned if a payback analysis by Wallace regarding gravity flow at 8<sup>th</sup> Street had been done; seatrains at the Water Yard; and brine disposal.</p> <p>Richard Margetson commented that the budget is for an individual year and the results of that year are not carried over as a negative or a positive from the previous year when starting the next year's budget; if ending in a negative there should be a transfer in from reserves and if ending with a positive a transfer out to a reserve, as determined by the Board.</p>	
<b>6. Public Comments on Items NOT on this Agenda</b>	Richard Margetson commented on discrepancies with the some of the supplemental wastewater bills.	
<b>7. Schedule Next UAC Meeting</b>	The next meeting of the Utilities Advisory Committee is scheduled to be held on Wednesday, July 19, 2017 at 5:30 p.m. unless otherwise noticed.	
<b>8. Closing Comments by UAC Committee Members</b>	None.	
<b>9. Adjournment</b>	The meeting adjourned at 7:07 p.m.	