

**Los Osos Community Services District
DRAFT Minutes of the Utilities Advisory Committee Meeting
February 16, 2017 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 Cesena called the meeting to order at 5:30 p.m. and led the flag salute.</p> <p><u>Roll Call:</u> Jan Harper, Committee Member – Present Lee Harry, Committee Member – Absent Gene Heyer, Committee Member – Present Leonard Moothart, Committee Member – Present Ron Munds, Committee Member – Present Chuck Cesena, Chairperson – Present</p> <p><u>Staff:</u> Renee Osborne, General Manager Roy Hanley, District Counsel Rob Miller, District Engineer Ann Kudart, Administrative Services Manager</p>	
<p>2. Introduction of 2017 Utilities Advisory Committee and a Review of Brown Act Guidelines</p>	<p>Chairperson Cesena introduced Alternate Chairperson Vicki Milledge.</p> <p>District Counsel Hanley provided a review of the 2017 LOCS Board Bylaws and Rules of Decorum and reviewed the formalities of the Brown Act rules regarding Standing Committees.</p>	
<p>3. Update Regarding Status of Bayridge Estates and Vista de Oro</p>	<p>District Counsel Hanley reported that these items would be on the Board's March agenda recommending that the District give the County an easement in Bayridge Estates to allow maintenance of sewer related matters with the District maintaining ownership of the property; and, regarding Vista de Oro, he reported that the recommendation to the Board would be to deed the property to the County.</p> <p><u>Public Comment</u> – Julie Tacker commented on the debt associated with the properties.</p> <p>Committee Member Munds, as a County employee, recused himself from further discussion regarding this item.</p> <p>Following Committee discussion, they recommended that the Board ask the County to assume the debt.</p>	<p>Action: - The Committee recommended that the Board ask the County to assume the debts associated with the Bayridge Estates and Vista de Oro properties.</p>
<p>4. Approval of UAC Meeting Minutes for October 12, 2016</p>	<p><u>Public Comments</u> – Jeff Edwards commented on his October 12th interest rate deduction comments; Richard Margetson opposed the format of the minutes.</p> <p>Committee Member Moothart made a motion to approve the minutes. The motion was seconded by Committee Member Harper and carried with the following vote:</p> <p>Ayes: Moothart, Harper, Heyer, Munds Nays: None Abstain: None Absent: Harry</p>	<p>Action – File approved minutes.</p>

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5. Review of 2017 UAC Work Plan	<p>General Manager Osborne reported that the Water Rate Study should be close to completion at the end of March; the CIP list would be reviewed periodically with staff with changes brought back at the next UAC meeting; that the goal is to have the draft 17/18 Utilities budget at the next UAC meeting for review; and that the Water Conservation Plan is ongoing.</p> <p>Chairperson Cesena reported that District water conservation efforts are interactive with the Basin Management Committee.</p> <p>Public Comment – Richard Margetson supported Basin Management Committee updates to UAC; Jeff Edwards opposed implementation of conservation measures by the District.</p>	
6. Water Rate Subcommittee Update	<p>District Engineer Rob Miller, Ron Munds, and Richard Margetson of the Water Rate Study Group provided a PowerPoint presentation and discussion of water sales trends and previous predications; the loss of revenue from reduced sales; the impact to revenue when schools convert to recycled water; potential revenue reductions from changes in property taxes and admin allocations; cost of Capital Improvement priorities; outdated reserve policies with reserves not being funded last year.</p> <p>Mr. Miller reported that approved increases through the Prop 218 process already on the books will become automatic July 2017 and July 2018 and to address the shortfalls the Group recommended raising an additional \$300,000 to \$500,000 per year over and above the already approved increases with a new Prop 218.</p> <p>Public Comment – Jeff Edwards commented on meter charges; Julie Tacker commented on selling real estate to backfill reserves.</p> <p>The Group suggested using the funds in the Water Quality Trust Fund to soften the rate increase.</p>	Action: The Committee recommended that the Board address the shortfalls by confirming property taxes, admin allocations and funding the outdated reserve policies.
7. Public Comments on Items NOT on this Agenda	<p>Richard Margetson announced the recent passing of Los Osos resident George Taylor.</p>	
8. Schedule Next UAC Meeting	<p>The next meeting of the Utilities Advisory Committee is scheduled to be held on Wednesday, March 15, 2017 at 5:30 pm unless otherwise noticed.</p>	
9. Closing Comments by UAC Committee Members	<p>None</p>	
10. Adjournment	<p>The meeting adjourned at 7:02 p.m.</p>	