

**Minutes of the Utilities Advisory Committee Meeting  
September 18, 2019 at 5:30 p.m. at the District Office**

AGENDA ITEM	DISCUSSION	FOLLOW-UP
<p><b>1. Call to Order, Flag Salute and Roll Call</b></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> James Bishop, Committee Member – Arrived at 5:45 p.m. Jan Harper, Committee Member – Absent Leonard Moothart, Committee Member – Present Eric Silva, Committee Member – Present left at 6:19 p.m. Matthew Fourcroy, Vice Chairperson – Present Chuck Cesena, Chairperson – Present</p> <p><u>Staff:</u> Ron Munds, General Manager Jose Acosta, Utility Systems Manager Laura Durban, Administrative Services Manager</p>	
<p><b>2. Approve UAC Minutes of July 17, 2019</b></p>	<p>Chairperson Cesena presented the minutes for approval.</p> <p>Public Comment – None.</p> <p><b>Committee Member Moothart moved to approve and accept the minutes as presented. The motion was seconded by Committee Member Silva and the motion carried by unanimous consent.</b></p>	<p><b><u>Action</u> – File approved minutes.</b></p>
<p><b>3. Basin Management Committee July 17, 2019 and September 18, 2019 Meeting Update</b></p>	<p>Chairperson Cesena reported that Basin Management Committee gave an update on the infrastructure projects; the monitor well will only take a few weeks to construct; approved the selection of the new Executive Director; approved part of the budget for next year to get new Director, Dan Heimel from Water System Consulting (WSC), in place and Rob Miller transitioned out; released money for contract related to creek recharge issue, the feasibility studies show it will be approximately half-a-million dollars; discussed recycled water to Sea Pines; new cannabis and hemp ordinances.</p> <p>Public Comment – Julie Tacker submitted letter to the BMC about cannabis farm that is already growing hemp in our basin; commented about paying attention to the hemp ordinance and amending cannabis for offsets; discussed the offsets and importance of paying attention to the offsets.</p> <p>Jeff Edwards commented on Sea Pines using recycled water; that the recycled water cost is similar to the Dry Land Farmer Agreement; that water to Sea Pines is being heavily subsidized, giving Sea Pines water at almost no cost due to being subsidized; scaling back amount given to Sea Pines to try to cover cost of treatment of recycled water.</p>	<p><b><u>Action</u> – No action.</b></p>
<p><b>4. Utilities Department Update</b></p>	<p>Utility Systems Manager Acosta reported on updates to South Bay Well Project and awarding Water System Consulting (WSC) to provide engineering consulting for the project; working with District Engineer to receive a RFP from AECOM for the SCADA Project; 10<sup>th</sup> Street Reservoir, staff is working with Superior Tank Solutions to commence the work in November; leak detection survey completed by Matchpoint found five distribution leaks and eight customer leaks that are being addressed; Bayridge decommission has 11 of 12 tanks decommissioned, awaiting bid to slurry the last take to complete the project; the County is requesting the 8<sup>th</sup> Street Yard building to be brought up to code, working with District Engineer and Craig Smith to work past this red tape; recruitment for a new Water Resource Operator.</p> <p>General Manager Munds reported on the 8<sup>th</sup> Street Well grant, that he and Rob Miller would be going to Salinas on Monday September 23, 2019 to present to DWR, hoping to be awarded and have it under construction in March of next year.</p>	<p><b><u>Action</u> – No action.</b></p>

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<p><b>5. Review of Board Item Regarding Modification to District Code Title 2</b></p>	<p>Utility Systems Manager Acosta gave a brief summary of the staff report as submitted with the Agenda highlighting amending water leak credits from Stage III of the Water Shortage Contingency Plan, formatting changes, grammatical changes, renumbering as needed, and getting Title 2 current with Senate Bill (SB) 998; reviewed bullet points on the staff report.</p> <p>Public Comment – Jeff Edwards commented on the difference between stages for Water Conservation Plan; that stages are impossible to follow, on getting off the water contingency plan or to simplify it.</p> <p>Julie Tacker inquired to how Title 2 is enforced; can the District have an Enforcer; if there is an Enforcer will the penalties recover the cost to enforce.</p> <p>Richard Margetson inquired about location in ordinance of residents assuming billing if landlord doesn't pay.</p> <p><b>Committee Member Moothart moved to recommend that the Board of Directors accept the requested changes and amend Title 2 of the Los Osos Community Services District Code accordingly with confirmation of multi-family assuming water account. The motion was seconded by Committee Member Bishop and the motion carried by unanimous consent.</b></p>	<p><b>Action – Recommend that the Board of Directors accept the requested changes and amend Title 2 of the Los Osos Community Services District Code accordingly with confirmation of multi-family assuming water account.</b></p>
<p><b>6. Review of Board Item Regarding Establishing a Recycled Water Rate</b></p>	<p>General Manager Munds gave a brief summary of the staff report as submitted with the Agenda and a brief history;</p> <p>Committee Member Bishop inquired about the anticipated Recycled Water amount that would be used.</p> <p>General Manager Munds commented that originally it was discussed that it would be the entire landscape and that it will now be limited to the lower field to avoid overspray issues; the schools water use has dropped dramatically since the school installed a computerized system; unsure of the exact amount, but it will be less than anticipated in 2017; this will only affect Los Osos Middle School at this time.</p> <p>Public Comment – Julie Tacker inquired if the School District will notify parents.</p> <p>General Manager Munds responded that there will be signage, unsure if parents will receive direct notification.</p> <p>Jeff Edwards inquired about amount of water; about what is the District paying the Waste Water Facility for the water; commented that Waste Water Treatment Facility will lose money and sewage rates will go up.</p> <p>Richard Margetson commented on the mitigation requirements and conditions place on the wastewater project and their costs; and the value of the offset of current groundwater pumping to make an attempt to have an impact on sea water intrusion in the lower aquifer.</p> <p>Committee Member Moothart inquired if the BMC has a percentage that needs to go to Broderson; commented that if the District is not producing as much as needed that the District needs to make sure that there is a minimum going to recharge.</p> <p><b>Committee Member Bishop moved to recommend that the Board of Directors adopt a resolution amending Appendix A to Title 2 of the Los Osos Community Services District Code to establish a recycled water rate. The motion was seconded by Committee Member Moothart and the motion carried by unanimous consent.</b></p>	<p><b>Action – Recommend that the Board of Directors adopt a resolution amending Appendix A to Title 2 of the Los Osos Community Services District Code to establish a recycled water rate.</b></p>

AGENDA ITEM	DISCUSSION	FOLLOW-UP
<p><b>7. Review of Board Item Regarding the Transfer of Funds to the Water Reserve</b></p> <p><b>7. Review of Board Item Regarding the Transfer of Funds to the Water Reserve (Continued)</b></p>	<p>General Manager Munds gave a brief summary of the staff report as submitted with the Agenda and an update to the Committee Members on the reserve accounts.</p> <p>Public Comment – Richard Margetson commented that Pacific Premier Interest should be 20 basis points greater than LAIF Interest Rate; there was a 25-basis point drop on September 18, 2019; that the Board should be aware and should look into investing the money that does not need to be as liquid so that we can lock in a higher interest.</p> <p>General Manager Munds responded that he is reading the Investment Policy and looking into updating it.</p> <p><b>Committee Member Moothart moved to recommend that the Board of Directors transfer funds from the District’s Mechanic Bank Checking account to the Pacific Premier Bank Money Market accounts in the amount of \$595,661.09 for Water. The motion was seconded by Committee Member Bishop and the motion carried by unanimous consent.</b></p>	<p><b>Action – Recommend that the Board of Directors transfer funds from the District’s Mechanic Bank Checking account to the Pacific Premier Bank Money Market accounts in the amount of \$595,661.09 for Water.</b></p>
<p><b>8. Public Comments on Items NOT on this Agenda</b></p>	<p>Richard Margetson commented that the Board should consider doing something with the Water Quality Trust Fund money and getting it off the books.</p>	
<p><b>9. Schedule Next UAC Meeting</b></p>	<p>The next meeting of the Utilities Advisory Committee is scheduled to be held on Wednesday, October 16, 2019 at 5:30 p.m., unless otherwise noticed.</p>	
<p><b>10. Closing Comments by UAC Committee Members</b></p>	<p>None</p>	
<p><b>11. Adjournment</b></p>	<p>The meeting adjourned at 6:38 p.m.</p>	