

**Los Osos Community Services District
DRAFT Minutes of the Utilities Advisory Committee Meeting
March 21, 2018 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 Cesena called the meeting to order at 5:32 p.m. and led the flag salute.</p> <p><u>Roll Call:</u> Jan Harper, Committee Member – Present 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 Jose Acosta, Utility Systems Manager Ann Kudart, Administrative Services Manager</p>	
2. Approval of UAC Minutes of February 21, 2018	<p>Public Comment – None</p> <p>Committee Member Harper made a motion to approve the minutes of February 21, 2018. The motion was seconded by Committee Member Heyer and approved unanimously.</p>	Action – File approved minutes.
3. Recap of March 21, 2018 Basin Management Committee (BMC) Meeting	<p>Chairperson Cesena reported that the BMC heard an update on the status of the Basin Plan Infrastructure Projects and about moving away from a 218 basin-wide to support some of the programs as the purveyors are doing it all rates and charges and funding their own wells; that a 218 is still an option when a project is big enough to involve all parties; that the County will hold a meeting on March 26th to explore potential modification to the Los Osos Groundwater Basin boundary; update regarding the County's Water Conservation Program with available rebates for low flow toilets as well as additional rebates for hot water recirculation pumps, more efficient washing machines. He reported that there will be a meeting held on Thursday, June 21st at 7:00 p.m. at the Community Center regarding the rebate program; approval of \$10,000 for Cleath-Harris to update the Basin modeling; and, public comments requesting County discussions regarding recycled water contracts to dryland farmers and to provide updates regarding the number of requests being received for new bedroom additions.</p>	Action – Updates only, no action associated.
4. Utilities Department Updates	<p>Utility Systems Manager Acosta reported on the 8th Street storage facility and provided pictures of the rust and mold in the existing seatrains. He received estimates ranging from \$70,000 to \$100,000, reviewed the estimates, completed an RFP, District Engineer Miller reviewed and recommended a design/build, and the RFP is currently with Legal Counsel for review and approval. Once approved by Legal Counsel it will go to the Board for approval to issue the RFP.</p> <p>Mr. Acosta reported that he has received 4 bids for the replacement of the rusted dump bed with the lowest bid of \$9,035; and, that Revenue and Expenditure reports for the Utilities Department funds was also included for the Committee's review.</p> <p>Public Comment – Richard Margetson commented that the revenues and expenses have still not been corrected and are inaccurate; and, believes the District is in a better position than anticipated and that the Water Rate subcommittee should meet again before the end of the year.</p>	Action – Updates only, no action associated.
5. Review of Board Item Regarding Purchase of New Utility Vehicle	<p>Utility Systems Manager Acosta reported that the 2000 Ford F-250 is in need of replacement; that he contacted six dealerships and received three bids with the lowest bid from Mullahey Ford for \$34,674.78. He reported that he has contacted Mullahey regarding trade-in and is awaiting an adjusted quote. He reported that this item will also go to FAC before going to the Board for approval.</p>	Action – The Committee recommended that the Board approve purchase of a new utility vehicle from Mullahey Ford.

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<p>5. Review of Board Item Regarding Purchase of New Utility Vehicle (continued)</p>	<p>Public Comment – None</p> <p>Committee Member Moothart made a motion that the Committee recommended that the Board approve the purchase of a new utility vehicle from Mullahey Ford. The motion was seconded by Committee Member Munds and approved unanimously.</p>	
<p>6. Review of Board Item Regarding UAC Work Plan</p>	<p>General Manager Osborne reported that the Committee's Work Plan was comprised of items from last year and also recommendations from the Committee. She proposed the addition of an item to conduct joint UAC/FAC meetings regarding specific projects of interest and concern to both committees and an item to review of bids for the 8th Street building.</p> <p>Chairperson Cesena responded that review of bids for 8th Street would come under the item regarding review of CIP. He discussed the need for flexibility to address issues as they arise and not have to go back to the Board for approval. GM Osborne responded that she had discussed that with Legal Counsel and that the Board would need to amend their Bylaws.</p> <p>Public Comment – Richard Margetson commented on the importance of the Utilities and Finance Committees to review the budgets jointly and that an important issue might not be reviewed by this Committee because it is not on the work plan.</p> <p>The Committee recommended adding an item regarding review of the Rate Stabilization study with staff as needed; a possible change to the Bylaws to address new items as directed by the Board President; and, review, respond, and provide recommendations to the Board regarding items on the Basin Management Plan as needed.</p> <p>Committee Member Moothart made a motion that the Committee recommended that the Board approve the UAC Work Plan as amended. The motion was seconded by Committee Member Harper and approved unanimously.</p>	<p>Action – The Committee recommended that the Board approve the UAC Work Plan as amended.</p>
<p>7. Review of Board Item Regarding the Water Rate Stabilization Reserve</p>	<p>General Manager Osborne reported that the fund, per 2016/2017 audit, has a total of \$256,856, recommended leaving \$177,982 in the Rate Stabilization Reserve and move the remainder of \$78,874 to Capital Improvements; that this Committee's recommendation would be taken to FAC and then a recommendation by the Committees would be brought to the Board.</p> <p>The Committee discussed the General Water Contingency Reserves being underfunded and possibly moving the funds into that reserve.</p> <p>Public Comment – Richard Margetson commented that the Operations and Maintenance budget of \$1,779,821 may not be correct as it seems too high.</p> <p>Committee Member Harper made a motion that the Committee recommended that the Board direct staff to move \$116,874 from Water Rate Stabilization Reserve account to the Water General Contingency fund and also stop moving money into Water Rate Stabilization fund. The motion was seconded by Committee Member Moothart and approved unanimously.</p>	<p>Action: The Committee recommended that the Board direct staff to move \$116,874 from the Water Rate Stabilization Reserve to the Water General Contingency fund and to stop moving money into the Water Rate Stabilization fund.</p>
<p>8. Update Regarding Water Conservation program</p>	<p>General Manager Osborne reported that six conservation entry winners were chosen and will be presented their awards at the March 23rd Los Osos/Baywood Park Business Expo, that a conservation video and a logo entry will be posted every other month to the District's Facebook page, website and Channel 20, that we met our goal of \$2,000 sponsorship money and paid out \$1,300 in awards, that the next step will be for the Chamber of Commerce to have the banners and posters printed with the remaining \$700 to cover that expense.</p>	<p>Action – Updates only, no action associated.</p>

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9. Public Comments on Items NOT on this Agenda	Linde Owner commented that the children's designs not being used on the banners and posters but that a more professional artist creates the banners using the students' concepts.	
10. Schedule Next UAC Meeting	The next meeting of the Utilities Advisory Committee is scheduled to be held on Wednesday, April 18, 2018 at 5:30 p.m. unless otherwise noticed.	
11. Closing Comments by UAC Committee Members	Committee Member Moothart thanked Utility Systems Manager Acosta for the thorough reports and appreciated the work put into them. Chairperson Cesena commented on the need to continue to saving water.	
12. Adjournment	The meeting adjourned at 6:44 p.m.	