



July 11, 2024

TO: LOCSO Board of Directors

FROM: Ron Munds, General Manager
Laura Durban, Administrative Services Manager

SUBJECT: Agenda Item 11A – 07/11/2024 Board Meeting
Receive Administrative, Committee Reports, and Approved
Committee Minutes

President
Marshall E. Ochylski

Vice President
Christine M. Womack

Directors
Charles L. Cesena
Matthew D. Fourcroy
Troy C. Gatchell

General Manager
Ron Munds

District Accountant
Robert Stilts, CPA

Unit Chief
John Owens

Battalion Chief
Paul Provence

DESCRIPTION

Attached are the approved minutes from meetings in June 2024.

STAFF RECOMMENDATION

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 presented Administrative, Committee Reports and Approved Committee Minutes

Attachment

Finance Advisory Committee Minutes 04/29/2024
Utilities Advisory Committee Minutes 05/15/2024

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**Los Osos Community Services District
Minutes of the Finance Advisory Committee Meeting
April 29, 2024 at 5:30 p.m. at the District Office**

AGENDA ITEM	DISCUSSION	FOLLOW-UP
<p>1. Call to Order and Roll Call</p>	<p>Chairperson Womack called the meeting to order at 5:32 p.m. and led the flag salute.</p> <p><u>Roll Call:</u></p> <p>Chuck Cribbs, Committee Member – Present Gary J. Freiberg, Committee Member – Absent Lisa Gonzalez, Committee Member – Present Lee Hood, Committee Member – Present Keith Swanson, Committee Member – Present Marshall Ochylski, Vice Chairperson – Present Christine, Womack, Chairperson – Present</p> <p><u>Staff:</u></p> <p>Ron Munds, General Manager Laura Durban, Administrative Services Manager</p>	
<p>2. Approve FAC Meeting Minutes of April 1, 2024</p>	<p>Chairperson Womack presented the minutes for approval.</p> <p>Public Comment - None</p> <p>Committee Member Gonzalez made a motion that the Finance Advisory Committee approve the minutes of the FAC meeting held April 1, 2024. The motion was seconded by Committee Member Hood and the motion passed unanimously.</p>	<p>Action: File Approved Minutes</p>
<p>3. Review of Board Item Preliminary Budget for Fiscal Year 2024-2025</p>	<p>General Manager Munds presented a summary of the preliminary 2024–2025 fiscal year budget for each fund, including the Fire Vehicle Sinking Fund.</p> <p>Public Comment for Fund 100 – None</p> <p>Public Comment for Fund 200 and 400 – None</p> <p>The Committee discussed the Vehicle Sinking Fund during Fund 301.</p> <p>Public Comment for Fund 301 – Richard Margetson inquired about the Special Fire Tax, and the Fire Vehicle Sinking Fund.</p> <p>The Committee discussed electric vehicle requirements for Fund 500.</p> <p>Public Comment for Fund 500 – Richard Margetson commented on commercial water revenue and inquired about expenses exceeding revenue, reserves and cash flow.</p> <p>Public Comment for Fund 600 – None</p> <p>The Committee discussed the hiring of a paid consultant for Fund 650.</p> <p>Public Comment for Fund 650 – Richard Margetson inquired about lowering trash rates.</p> <p>The Committee discussed the FEMA reimbursement for Fund 800.</p> <p>Public Comment for Fund 800 – None</p> <p>Public Comment for Fund 900 – None</p>	<p>Action: Recommend to the Board that the Board take the FAC Committee concerns and comments under advisement in how they review the budget.</p>

AGENDA ITEM	DISCUSSION	FOLLOW-UP
3. Review of Board Item Preliminary Budget for Fiscal Year 2024-2025 (cont.)	Committee Member Swanson made a recommendation to the Board that the Board take the FAC Committee concerns and comments under advisement in how they review the budget. The motion was seconded by Committee Member Gonzalez and the motion carried with unanimous consent.	
4. Review of Board Item First Quarter 2024 Investment Report	<p>General Manager Munds presented the first quarter report, including strategies and compliance.</p> <p>Public Comment – Richard Margetson inquired about Optimized Investment Partner fees.</p> <p>Committee Member Hood made a recommendation that the Board receive and file the Quarterly Investment Report for the first quarter of 2024. The motion was seconded by Committee Member Swanson and the motion carried with unanimous consent.</p>	Action: The Committee recommended that the Board receive and file the Quarterly Investment Report for the first quarter of 2024.
5. Review of Board Item Regarding Approval of Warrant Register for April 2024	<p>General Manager Munds presented the Warrants.</p> <p>The Committee discussed the Warrants.</p> <p>Public Comment – None</p> <p>Committee Member Gonzalez made a recommendation that the Board approve the Warrants of April 2024. The motion was seconded by Committee Member Cribbs and the motion carried with unanimous consent.</p>	Action: The Committee recommended that the Board approve the Warrant Register for April 2024.
6. Review of Board Item Regarding Financial Reports for the Period Ending March 31, 2024	<p>General Manager Munds presented the Financials.</p> <p>The Committee discussed the Financials.</p> <p>Public Comment – None</p> <p>Committee Member Swanson made a recommendation that the Board receive and file the Financials of March 31, 2024. The motion was seconded by Committee Member Gonzalez and the motion carried with unanimous consent.</p>	Action: The Committee recommended that the Board receive and file the Financials for the period ending March 31, 2024.
7. General Manager Update	<p>General Manager Munds presented and discussed Habitat Conservation Plan Implementation (HCP), weed abatement inspections, and FEMA re-submission.</p> <p>Public Comment – None</p>	Action: None
8. Public Comments on Items NOT on this Agenda	Public Comment – None	
9. Schedule Next FAC Meeting	The next meeting of the Financial Advisory Committee is scheduled for Monday, June 3, 2024 unless otherwise noted.	
10. Closing Comments by FAC Committee	The Committee discussed the Los Osos Corridor Plan.	
11. Adjournment	The meeting adjourned at 7:30 p.m.	

**Los Osos Community Services District
Minutes of the Utilities Advisory Committee Meeting
May 15, 2024 at 5:30 p.m. at the District Office**

AGENDA ITEM	DISCUSSION	FOLLOW-UP
1. Call to Order Flag Salute Roll Call	<p>Chairperson Cesena called the meeting to order at 5:30 p.m.</p> <p><u>Roll Call:</u> James Bishop, Committee Member – Present Jan Harper, Committee Member – Present Leonard Moothart, Committee Member – Present Pam Ouellette, Committee Member – Present Matthew Tallone, Committee Member – Absent Matthew Fourcroy, Vice-Chairperson – Absent Chuck Cesena, Chairperson – Present</p> <p><u>Staff:</u> Ron Munds, General Manager Margaret Falkner, Utility Systems Manager Laura Durban, Administrative Services Manager</p>	
2. Approve UAC Minutes of April 17, 2024	<p>Chairperson Cesena presented the minutes for approval.</p> <p>Public Comment – None</p> <p>Committee Member Harper moved to approve the meeting minutes of April 17, 2024. The motion was seconded by Committee Member Ouellette and carried with unanimous consent.</p>	Action – File approved minutes.
3. Basin Management Committee Update	<p>General Manager Munds presented a review of the BMC Annual Monitoring Report.</p> <p>The Committee discussed the meeting and the Annual Monitoring Report.</p> <p>Public Comment – Patrick McGibney inquired about chloride presentation slide and commented on the basin yield metric, sustainability of the water basin, chloride, and transparency with changes to the GMO.</p> <p>Richard Margetson commented on nitrate concerns and the Regional Board.</p> <p>Becky McFarland commented on the Cabrillo nitrate concerns, SGMA basins, adding monitoring wells, and inquired if private wells are pumping from Zone E.</p> <p>General Manager Munds responded that the rural residents and agricultural wells mostly, if not all, pump from the upper aquifer.</p> <p>Committee Member Bishop commented on the nitrate metric, the Regional Board, and monitoring wells.</p>	Action - None
4. Los Osos CSD 2023-2024 Water Report	<p>General Manager Munds presented the 2023/2024 Water Report, commenting on the report’s purpose, Program A, Program C, the Water Supply Resiliency Intertie Project, water production, per capita water use, rainfall and the recommendation to move to Stage II of the Water Shortage Contingency Plan.</p> <p>The Committee discussed wells, water supply, the Intertie project, water allocation, and the Water Shortage Contingency Plan stages.</p> <p>Public Comment – Patrick McGibney commented on restrictions in Stage III, equitable water usage, an unsustainable basin, and the intertie.</p> <p>Becky McFarland commented on water levels, the intertie, water allocation, water level metric rise, and drought level signage.</p> <p>Richard Margetson commented on the coverage of homes supported by 200-acre feet, 2-year average rainfall, and the overall cost of the Intertie project.</p>	Action - Recommended that the Board receive the report, and move drought conditions from Stage III to Stage II for the Water Shortage Contingency Plan

AGENDA ITEM	DISCUSSION	FOLLOW-UP
<p>4. Los Osos CSD 2023-2024 Water Report (cont.)</p>	<p>General Manager Munds discussed the imported water project to be for the recovery of the basin, the Coastal Commission staff recommendation to approve the Community Plan with modifications and the short notice the Purveyors had regarding the information from the Coastal Commission, the District testing results for PFAS and testing will happen every 6 months, water level rise, agriculture increases factored into estimation, and not having a cost for the Intertie Project at this time.</p> <p>Committee Member Bishop made a motion to recommend to the Board that the Board receive the report, and to change drought conditions from Stage III to Stage II for the Water Shortage Contingency Plan Stage. The motion was seconded by Committee Member Moothart and carried with unanimous consent.</p>	
<p>5. Review Board Item Proposed Amendments to the County of San Luis Obispo Growth Management Ordinance for Los Osos</p>	<p>General Manager Munds presented providing a background, implementation strategy, metrics to ensure sustainability over time, and next steps to allow for limited growth in Los Osos.</p> <p>The Committee discussed the growth rate and the Growth Management Ordinance with the County, Coastal Commission Meeting, Habitat Conservation Plan and the Basin Plan goals.</p> <p>The Committee discussed the points made in the purveyor letter to County. Members made suggestions to modify the parameters to add safeguards that water neutral development is not impacting the water basin. Committee member Ouelette voiced that she is not in favor of any additional growth for multiple reasons.</p> <p>Chairperson Cesena commented that building being tied to Title 19 requiring water neutral development is key.</p> <p>Public Comment – Patrick McGibney commented on sustainability, Nitrate levels, recharging the Basin, and that Los Osos is not ready for growth until the Basin is sustainable.</p> <p>Becky McFarland commented that in the Growth Management Ordinance, rentals, offices and additional units are not required to retrofit.</p> <p>Richard Margetson commented on the letter to the Coastal Commission, retrofits should be based on size not an estimate, the County will be in control once the Coastal Commission approves, and the County wants growth in Los Osos.</p> <p>Committee discussed growth, 5-years data needed, revising the chart for growth for sustainability, the upcoming Coastal Commission meeting, Title 19, and public notice.</p>	<p>Action - None</p>
<p>6. Utility Department Report</p>	<p>Utility Systems Manager Falkner reported on April 2024's water production, well site production and runtime hours, water billing information, rainfall totals and call out log.</p> <p>The Committee discussed the report.</p> <p>Public Comment – Richard Margetson commented that revenue is up over the last three billing cycles and inquired if the District knew why revenue was up.</p> <p>Becky McFarland inquired who is called for leaks if they see running water.</p>	<p>Action – None</p>
<p>7. Utilities Department Updates</p>	<p>General Manager Munds provided updates on South Bay lower well rehab is completed and American Society of Civil Engineers Award.</p> <p>Committee Member Harper inquired about FEMA.</p> <p>Public Comment – Becky McFarland inquired about the Basin repair and flooding on 10th Street.</p>	<p>Action – None</p>

AGENDA ITEM	DISCUSSION	FOLLOW-UP
	General Manager Munds commented on Cabrillo Basin repair and 10 th Street flooding issue and the jurisdictional disagreement with the County.	
8. Public Comments on items NOT on this Agenda	<p>Public Comment – Patrick McGibney thanked the Committee and CSD, suggested writing another letter to the Coastal Commission about growth.</p> <p>Lynette Tornatzky commented that the the tank on 16th Street stopped singing.</p> <p>Richard Margetson commented on concerns with retrofit to build and what next step will be when there are not retrofit credits left.</p> <p>Becky McFarland encouraged the public to go to the Coastal Commission meeting; commented on reversal of decision on ADU's in other cities and outreach for the Coastal Commission meeting.</p>	Action – None
9. Schedule the Next UAC Meeting	The next meeting of the Utilities Advisory Committee is scheduled to be held on Wednesday, June 19, 2024, at 5:30 p.m. unless otherwise noticed.	
10. Closing Comments by UAC Committee Members	Chairperson Cesena thanked the Committee and the Public for their participation.	
11. Adjournment	The meeting adjourned at 7:52 p.m.	