



FINANCE ADVISORY COMMITTEE MEETING

Thursday, March 30, 2017 at 5:30 p.m.
Los Osos Community Services District Office
2122 9th Street, Suite 106, Los Osos, CA

COMMITTEE MEMBERS

Marshall Ochylski, Chairperson
Jon-Erik Storm, Alternate Chairperson
Michael Burns, Member
Jeff Edwards, Member
Lisa Gonzalez, Member
Cheri Grimm, Member
Christine Womack, Member

STAFF

Renee Osborne, General Manager
Ann Kudart, Administrative Services Manager

AGENDA

1. **Opening – 5:30 p.m.**
 - A. Call to Order
 - B. Flag Salute
 - C. Roll Call
2. **Review of Board Item Regarding March 2017 Warrant Register for Disbursement**
(Recommendation to the Board)
Presented By: General Manager Osborne
3. **Review of Board Item Regarding Fiscal Year 2016/2017 Mid-Year Budget**
(Recommendation to the Board)
Presented By: General Manager Osborne
4. **Recap of March 16, 2017 Joint FAC/UAC Meeting**
(Discussion Only, No Action Associated)
Presented By: Chairperson Ochylski
5. **Public Comments on Items NOT on this Agenda:** At this time, the public may comment on items not on this agenda. Each commenter is limited to 3 minutes and shall address the Chairperson.
6. **Schedule FAC Meeting** – Unless otherwise noted, the next FAC meeting will be held Thursday, April 27th.
7. **Closing Comments by FAC Committee Members**
8. **Adjournment**

LOS OSOS COMMUNITY SERVICES DISTRICT
Unposted General Ledger Transactions

Check# Name	Description	Fund	Amount
AFLAC	2/1-2/28/17 Emp Insurance	100/500	416.52
AGP VIDEO, INC	Ch20 January Meeting	100	1,025.00
AGP VIDEO, INC	CH20 February Meeting	100	1,125.00
AHA SHOES	Boots, Mobley	301	169.43
ALLIED ADMIN - DELTA DENTAL	4/1-30/17, Dental Plan	100/500	819.52
AT&T	Acct. 134994840-4 Internet & Phone SB Well	500	120.06
AT&T	1/17/17-2/16/17	100/500	986.01
AT&T	2/17/17- 3/16/17	100/500	991.92
AT&T	2/17/17 - 3/16/17	301	139.96
AUTOZONE	Battery for Vac Trk, Core Refund	500	103.75
BRENNTAG PACIFIC INC.	Sodium Hydrochlorite Rec'd 2/13/17	500	928.11
BRENNTAG PACIFIC INC.	Containers of Augupur Phosphate Rec'd 3/6	500	1,645.09
BROWNSTEIN, HYATT, FARBER, SCHRECK	Contract Svcs -1/31/17, Basin Mgt Cost Sharing	500	904.40
CALIF. URBAN WATER CON. COUN.	California Urban Water Conservation Council 2017 Dues	500	1,285.57
CHARTER COMMUNICATIONS	Internet for Station 2/28/17 - 3/27/17	301	108.94
CHARTER COMMUNICATIONS	Internet 2/28/17 - 3/27/17	100/500	225.00
CHARTER COMMUNICATIONS	Internet 3/1/17 - 3/31/17	500	95.00
CHARTER COMMUNICATIONS	3/19/17-4/18/17 Channel 20	100	138.01
CHARTER COMMUNICATIONS	03/28/17-04/27/17 Internet Svc	100/500	225.00
COAST PEST CONTROL	Bi-Monthly Svc Fire Station	301	75.00
COASTAL CARPET CLEANERS	Carpet and wall cleaning Site 102	500	290.00
COASTAL COPY, LP	Copier Usage 1/19/17-2/18/17	301	29.69
COUNTY OF SAN LUIS OBISPO - EH	Cross Connection Svcs thru 2/28	500	469.20
COURIER SYSTEMS	Water Billing to PRP	500	12.00
CRYSTAL SPRINGS WATER	2/01/28/17 Acct. 057427 Water delivery	100	82.50
DE LANGE LANDEN FIN. SERVICES	Sharp copier lease Feb	100	393.02
DE LANGE LANDEN FIN. SERVICES	Sharp copier lease March	100	393.02

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Check# Name	Description	Fund	Amount
DEBI TIDD CONSULTING	visit/training for Our Water Our World program	800	275.00
DIGITAL DEPLOYMENT, INC	3/1/17 -3/31/17 Website Hosting	100	200.00
EAMON LACY	Balance due from \$ 1000 deposit	500	719.20
ERNEST PACKAGING SOLUTIONS	Mop Heads # CAL059	301	30.37
EXECUTIVE JANITORIAL CORP	February Janitorial Svc	100	332.00
EXECUTIVE JANITORIAL CORP	Janitorial service and Supplies February	100	382.41
FARM SUPPLY CO	Pump labor, galvanized tee 90	800	103.93
FARM SUPPLY CO	Pipe supplies Drainage Basin	800	177.85
FERGUSON ENTERPRISES, INC	4x9 blk CI 125#thrd Drainage Bayridge basin	800	33.09
FERGUSON ENTERPRISES, INC	3/4" Meter angle, key valve Svc line maint.	500	751.55
FERGUSON ENTERPRISES, INC	300' IPS SDR7HDPE Drainage work at Bayridge	500	264.38
FLUID RESOURCE MANAGEMENT	8th St. drainage/ repairs Water wells	800/500	819.25
GEORGE CONTENTO	April Suites 102 & 106	100	2,900.00
GOLDEN STATE WATER COMPANY	Water Service: Fire 12/14/16 -2/14/17	301	414.28
GRACE ENV. SERVICES	March Services	100	6,502.00
HAMNER JEWELL & ASSOC	Svc through 12/15/16-1/15/17, Prgm C Exp. Well	500	603.75
HAMNER JEWELL & ASSOC	Services thru 2/15/17, Program C Expansion Well	500	47.50
HANLEY & FLEISHMAN, LLP	2/1 -2/28/17 General Legal	100-900	5,394.00
HUMANA INSURANCE COMPANY	March Insurance Life ADD	301	260.00
HUMANA INSURANCE COMPANY	April Insurance Life ADD	301	260.00
SLO COUNTY TAX COLLECTOR	Property Assessments for FY16/17 Installment # 2	200-800	2,129.89
JEANETTE MOORE	Customer had credit on final bill	500	28.33
JOHN MADONNA CONSTRUCTION	Sewer Lateral (reimbursed through septic reserve fund)	301	9,500.00
JOHN MADONNA CONSTRUCTION	LOCSD/GSWC Waterline Inter-Tie Replacement	500	5,177.50
KITZMAN WATER, INC.	PE HC Soft-Water Service 2/1/17-2/28/17	301	80.65
L N CURTIS	Boots # 832	301	456.31
LIFE ASSIST INC	Paramedic Supplies	301	640.42
LIFE ASSIST INC	Paramedic Supplies	301	1,122.79
LOS OSOS CHEVRON	Gas & Diesel Fleet 80% Water 20% Drainage Feb-17	500/800	636.78

LOS OSOS COMMUNITY SERVICES DISTRICT
Unposted General Ledger Transactions

Check# Name	Description	Fund	Amount
MINER'S ACE HARDWARE	Maint & Parts	500/800	730.38
MINER'S ACE HARDWARE	Maint & Parts	301	22.49
MISSION COUNTRY DISPOSAL	3/1-3/31/17, Monthly Trash Svc El Moro	500	114.81
MISSION COUNTRY DISPOSAL	3/1- 3/31/17, Monthly Trash Svc	301	104.83
MISSION LINEN SUPPLY	Water Yard Towel Rolls	500	42.36
MOSS, LEVY & HARTZHEIM LLP	02/28/17 # LOSOSOSCSD Audit Services	100	1,400.00
NBS GOVERNMENT FINANCIAL	04/1/17 - 6/30/17, WW AD # Bond Admin Svc	100	2,967.83
OFFICE DEPOT INC	02/01-28/17 Gen Office Supplies # 28702448	100	221.60
PETE'S TIRE AND AUTO	Oil change, tires Unit H	500	404.25
PG&E	Electric Svc January	100-800	11,032.56
PG&E	Electric Svc February	100-800	1,755.79
PITNEY BOWES	01/1/17-04/10/17, Postage Meter	100	297.37
PITNEY BOWES PURCHASE POWER	Postage Refill	100	500.00
PRP COMPANIES	Utility Billing sort, inserts for large cycl routes 206-213	500	1,039.52
PUBLIC SAFETY CENTER, INC.	Vests	301	142.59
RANGE MASTER	Pant, Belt, Hem - Wheeler, Mobley	301	307.59
Robert Stilks, CPA	02/15/17-03/15/17 Bookkeeping Services	100	3,600.00
SAN LUIS POWERHOUSE	Investigation of low AC output at Bayridge drainage generator	800	405.00
SELECT BUSINESS SYSTEMS	02/01-28/17 Copier Contract	100	193.93
SLO COUNTY CLERK-RECORDER	2016 Consolidated Gen Election Expenses	100	11,232.80
COUNTY DEPT OF PUBLIC WORKS	March-June SBFD Sewer Svc Charges	301	445.59
COUNTY DEPT OF PUBLIC WORKS	Water Quality Tests/Sampling thru 2/28/17	500	1,370.46
COUNTY DEPT OF PUBLIC WORKS	LOCSD Water Yard, Minimum charge for sewer	500	237.36
SLO COUNTY EMPLOYEES ASSOC	02/13/17 - 02/26/17 SLOCEA Dues	100/500	156.34
SLO COUNTY EMPLOYEES ASSOC	2/26/17 -03/12/17 SLOCEA Dues	100/500	156.34
SLO COUNTY FIRE DEPT/CDF	Training: Fire Fgt Academy (Wheeler, Wright, DeAnda, Bender	301	1,000.00
SLO COUNTY FIRE DEPT/CDF	Training: Confined Space Awareness (Wheeler)	301	160.00
SOUTH COUNTY SANITATION	Brine disposal S. Bay Well, 2/27/17 .11 per Gallon	500	1,903.00
SPEED'S OIL TOOL SERVICE, INC	Trucking Brine S. Bay Ion Exch 2/22/17	500	536.00

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Check# Name	Description	Fund	Amount
SPEED'S OIL TOOL SERVICE, INC	Trucking Brine S. Bay Ion Exch 2/2/17 & 2/17/17	500	896.00
SPEED'S OIL TOOL SERVICE, INC	Trucking Brine S. Bay Ion Exch 3/7/17	500	416.00
STANLEY CONVERGENT SECURITY	Monitoring 4/1-30/17, 2122 9th St, Ste 106	100	55.00
STANLEY CONVERGENT SECURITY	Monitoring Charges for Alarm Sys # 1371001193	301	111.24
SWCA ENVIRO. CONSULTANTS	Environ Svcs til 2/1/17 Program C well snail assessment	500	568.00
TECHXPRESS INC	March IT Support & Svc	100	1,401.00
TECHXPRESS INC	April IT Support & Svc	100	1,401.00
The Blind Lady	Blinds for Board Room	100	1,610.89
THE DOCUTEAM, LLC	2/01-28/17 Onsite Service Doc destruction	100	38.00
THE GAS COMPANY	Gas Svc 1/20-2/21/17	301	169.80
THE GAS COMPANY	Gas Svc 1/24/17 - 2/23/17	500	48.02
THE GAS COMPANY	Gas Ste 106, 1/23/17-2/22/17	100	74.50
THE LINCOLN NATIONAL LIFE INS.	4/1 -4/30/17, Insurance Benefits	100/500	519.90
USA BLUE BOOK	Meter locks (4) single pin Chlorine injector parts	500	180.79
VERIZON WIRELESS	Cellular Svc # 472454582-00001, 1/8 - 2/7/17	301/500	472.59
VERIZON WIRELESS	Cellular Svc # 472454582-00001; 3/8/17-4/7/17	301/500	472.71
VISION SERVICE PLAN	3/01-31/17 Vision	100/500	184.24
VISION SERVICE PLAN	04/01-30/17 Vision	100/500	184.24
WALLACE GROUP	Eng Svc Fire lateral, Vista de Oro, BMC projects, 8th Street, Board Meeting, Recycled Water, Program C	100/400	6,632.63
WELLS FARGO VENDOR FIN SERV	Copier Lease 4/3/17 - 5/2/17 # 90136374384	301	93.31
Total			111,450.60

Los Osos Community Services District
DRAFT Minutes of the Joint Finance Advisory Committee/Utilities Advisory Committee Special Meeting
March 16, 2017 at 5:30 p.m. at the District Office

AGENDA ITEM	DISCUSSION	FOLLOW-UP
<p>1. Call to Order/ Flag Salute/ Roll Call</p>	<p>Vice Chairperson Wright called the meeting to order at 5:32 p.m. and FAC Alternate Member Orback led the flag salute.</p> <p><u>Roll Call:</u> Michael Burns, FAC Committee Member – Present Jeff Edwards, FAC Committee Member – Present Lisa Gonzalez, FAC Committee Member – Arrived 5:56 p.m. Cheri Grimm, FAC Committee Member – Present Christine Womack, FAC Committee Member – Arrived 5:34 p.m. Jan Harper, UAC Committee Member – Present Lee Harry, UAC Committee Member - Present Gene Heyer, UAC Committee Member - Present Leonard Moothart, UAC Committee Member – Present Ron Munds, UAC Committee Member – Present Marshall Ochylski, FAC Chairperson – President Chuck Cesena, UAC Chairperson - President</p> <p><u>District Staff:</u> Renee Osborne, General Manager Rob Miller, District Engineer Margaret Falkner, Utility Compliance Technician III Ann Kudart, Administrative Services Manager</p>	
<p>2. Discussions and Recommendations to the Board Regarding Potential Changes to Water Rates and Water Rate Structure</p> <p>1. Review and/or Potential Changes of Reserve Policies</p> <p>2. Property Tax Allocations</p> <p>3. Admin Allocations</p> <p>4. Possible Additional Factors</p>	<p>Chairperson Ochylski provided background information; set the process of the meeting as a free forum with members interacting freely; and introduced the Water Rate Group, District Engineer Rob Miller, UAC Member Ron Munds, and Richard Margetson.</p> <p>Engineer Miller provide a PowerPoint presentation. The group created a revenue calculator which can run scenarios based on recent water sales data can calculate how much revenue may be received in any given fiscal year in each of the tiers and how that will compare to expenses. The Group discussed key drivers including reserves, operating expenses, and Admin overhead.</p> <p>The Committees discussed leaving the funds in the Water Conservation reserve as is, move into another reserve, or leave in operating budget.</p> <p>Public Comment – None</p> <p>The Committees unanimously recommended that the Board reallocate \$25,000 from Water Conservation Reserve into the General Contingency Reserve.</p> <p>The Committees discussed the Capital Outlay Reserves and the critical infrastructure needs and revenue stability.</p> <p>The Committees unanimously recommended that the Board allocate \$500,000 the first year, \$700,000 the second year, and \$900,000 the third year to the Capital Outlay Reserve.</p> <p>Engineer Miller provided a brief background of the property tax division inherited from CSA 9 in which non-District water customers don't directly benefit. The Committees discussed property taxes benefiting the entire District not only LOCS D water customers.</p> <p>Public Comment – Julie Tacker supported property taxes benefiting Fire or a Basin benefit.</p> <p>Richard Margetson supported a portion of property taxes benefitting Fire to reach 4.0 staffing goal.</p>	<p>Action: The Committee recommended that the Board:</p> <p>1. Reallocate \$25,000 from Water Conservation Reserve into the General Contingency Reserve.</p> <p>2. Allocate \$500,000 the first year, \$700,000 the second year, and \$900,000 the third year to the Capital Outlay Reserve.</p> <p>3. Allocate 25% of the property tax from Water the first year, 12.5% of the property tax from Water the second year, and 12.5% of the property tax from Water the third year with a policy of 100% eventually coming out of Water.</p>

AGENDA ITEM	DISCUSSION	FOLLOW-UP
<p>2. Discussions and Recommendations to the Board Regarding Potential Changes to Water Rates and Water Rate Structure (continued)</p>	<p>General Manager Osborne recommended a 50/50 split to benefit Fire and Drainage.</p> <p>Committee Member Edwards moved to recommend that the Board take 100% of the property tax from Water. There was no second, the motion was not considered.</p> <p>Committee Member Harry moved to recommend that the Board take 50% of the property tax from Water. The motion was seconded by Committee Harper. The motion failed 4-6-0.</p> <p>Committee Member Edward moved to recommend that the Board take 75% of the property tax from Water. There was no second, the motion was not considered.</p> <p>Committee Member Womack moved to recommend that the Board take 50% over three years with a policy of 100% eventually. The motion was seconded by Committee Burns and passed 9-1-0.</p> <p>Committee Member Womack moved to recommend that the Board take 25% of the property tax from Water the first year, 12.5% of the property tax from Water the second year, and 12.5% of the property tax from Water the third year. The motion was seconded by Committee Harry and passed unanimously.</p>	
<p>3 Adjournment</p>	<p>The meeting adjourned at 7:30 p.m.</p>	