

**ITEM 2**

**APPROVE MINUTES OF  
MAY 17, 2017**

**Los Osos Community Services District  
DRAFT Minutes of the Utilities Advisory Committee Meeting  
May 17, 2017 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>            Jan Harper, Committee Member – Absent            Lee Harry, Committee Member – Present            Gene Heyer, Committee Member – Present            Leonard Moothart, Committee Member – Present            Ron Munds, Committee Member – Absent            Chuck Cesena, Chairperson – Present</p> <p><u>Staff:</u>            Frank Asuncion, Water Resource Crew Leader            Ann Kudart, Administrative Services Manager</p>	
<p><b>2. Approval of UAC Minutes of February 16, 2017 and April 19, 2017</b></p>	<p>Public Comment – None.</p> <p>Committee Member Harry abstained from voting on the February 16, 2017 minutes and Committee Member Moothart abstained from voting on the April 19, 2017; seeing no other objections the minutes were approved as presented.</p>	<p><b>Action – File approved minutes.</b></p>
<p><b>3. Status Report Regarding Water Rate Study</b></p>	<p>Chairperson Cesena reported on the upcoming protest hearing on June 15, 2017 for water customers and property owners within the District's water service area regarding proposed water rates.</p> <p>Committee Member Moothart thanked him for his recent Letter to the Editor discussing the proposed rate increase.</p> <p>Committee Member Harry commented on the elasticity of water rates when a drought is officially declared over.</p> <p>Public Comment – Linde Owen commented on the lower tiers getting the largest hit.</p> <p>Richard Margetson clarified that upper tiers did get additional increases but not as high a percent as lower tiers as the majority of consumption is in the lower tiers.</p> <p>Jeff Edwards requested Mr. Harry clarify his comment regarding elasticity of water rates and Committee Member Lee responded that in his experience in the past people conserve during droughts but then the memory goes quickly aware unless it is reinforced and does not believe we'll see any further decrease in water sales.</p>	
<p><b>5. Recap of May 17, 2017 Basin Management Committee (BMC) Meeting</b></p>	<p>Chairperson Cesena moved Item 5 to be heard at this time. He reported that the BMC heard updates on Basin Plan Infrastructure projects with LOCS and GSWC each moving wells into the upper aquifer to blend with lower; BMC discussed the LO Community Plan update and they sent a letter to the County requesting that planning for growth take into account the projected safe yields from the Basin Management Plan; they heard a report on spring data monitoring that showed salt levels dropped slightly but looking at trends not one data point; that the County will be updating their water conservation plan in June; and that purveyors are moving forward with water supply projects not waiting on collective funding.</p>	

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<p><b>5. Recap of May 17, 2017 Basin Management Committee (BMC) Meeting (continue)</b></p>	<p>Public Comment – Jeff Edwards commented on the Community Plan and water conservation discussion and believes creek discharge should be added to the District’s CIP list.</p> <p>Julie Tacker commented on BMC meeting time; addition of bedrooms being heard at BMC; need to expand the Urban Service Line; the rebate program; and, second 218 associated with the wastewater project.</p> <p>Linde Owen disappointed BMC 218 not moving forward to fund basin management expenses.</p> <p>Richard Margetson commented that water conservation program rebates should be equitable to everyone.</p> <p>Lynette Tornatzky believes that the BMC recycle water map is incorrect.</p>	
<p><b>4. Review of Projected Utilities and Drainage FY 2017/2018 Budgets</b></p>	<p>Chairperson Cesena started open discussions between the Committee and members of the public reporting funds in 4030 and 4114 will need to be moved into their correct categories; that property tax revenue dropping due to possible transfer of 25% to Fire or Drainage; County projected a 4% increase in property tax; salaries and wages need to be reviewed; confused by the comments shown; no attached personnel worksheet; questions regarding 7325 insurance decreasing; Wallace engineering cost to be put in CIP budget; need 6130 computer hardware and 6140 software needs to be funded; why a reduction in 7348 water conservation; 8644 brine disposal services should be higher; 6641 and 6900 comments should be removed; 7324 and 8539 Education/Training costs for Utilities crew ongoing certification; explanation need on debt service decrease and the loan administration fee; the Reserves in Fund 500 need to be reviewed and recalculated; need to revisit Drainage Assessments and property taxes and revise Drainage total revenues; all Payroll taxes and benefits need to be revised as well as the Budget Difference column; why does 7320 shows a negative; review 6000 and 6025 cell phones and telephone charges; revisit the repairs and maintenances line items; a portion of Fund 500 items 7324 and 8539 Education/Training should be charged to Fund 800; and, review/revise the Projected Unrestricted Fund Balance.</p> <p>Public Comment: Jeff Edwards commented on District staff; supported immediate termination of General Manager.</p> <p>Lynette Tornatzky commented on Mr. Edwards’ previous comments regarding District staff.</p> <p>Julie Tacker commented on the number of General Manager’s over the years and the District’s need to explain how rate payers’ money is being spent.</p> <p>Linde Owen supported termination of the General Manager.</p> <p>Richard Margetson supported termination of the General Manager.</p>	<p><b>Action – The Committee requested the addition of Fiscal Year 16/17 budget; reported that inconsistent formatting and explanations make it difficult to understand the document.</b></p>

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<b>6. Public Comments on Items NOT on this Agenda</b>	<p>Richard Margetson commented that the budget must be in a form that's public friendly and reader friendly with a narrative leading into the budget.</p> <p>Julie Tacker commented that the CIP list be included with the reworked priorities.</p> <p>Linde Owen commented on the increase to GMs contract.</p>	
<b>7. Schedule Next UAC Meeting</b>	The next meeting of the Utilities Advisory Committee is scheduled to be held on Wednesday, June, 21, 2017 at 5:30 pm unless otherwise noticed.	
<b>8. Closing Comments by UAC Committee Members</b>	None.	
<b>9. Adjournment</b>	The meeting adjourned at 7:35 p.m.	