



## UTILITIES ADVISORY COMMITTEE MEETING

Wednesday, March 21, 2018 at 5:30 p.m.  
Los Osos Community Services District Office  
2122 9<sup>th</sup> Street, Suite 106, Los Osos, CA

### COMMITTEE MEMBERS

Chuck Cesena, Chairperson  
Vicki Milledge, Alternate Chairperson  
Jan Harper, Member  
Gene Heyer, Member  
Leonard Moothart, Member  
Ron Munds, Member

### STAFF

Renee Osborne, General Manager  
Jose Acosta, Utility Systems Manager  
Ann Kudart, Administrative Services Manager

## AGENDA

1. **Opening – 5:30 p.m.**  
Call to Order, Flag Salute, Roll Call
2. **Approve UAC Minutes of February 21, 2018**  
*(Recommend Committee Approval)*  
Presented By: Administrative Services Manager Kudart
3. **Recap of March 21, 2018 Basin Management Committee Meeting**  
*(No Action Associated)*  
Presented By: Chairperson Cesena
4. **Utilities Department Updates**  
*(Review and Discussion)*  
Presented By: Utility Systems Manager Acosta
5. **Review of Board Item Regarding Purchase of New Utility Vehicle**  
*(Review, Discussion, and Board Recommendation)*  
Presented By: Utility Systems Manager Acosta
6. **Review of Board Item Regarding 2018 UAC Work Plan**  
*(Review, Discussion, and Board Recommendation)*  
Presented By: General Manager Osborne
7. **Update Regarding the Water Rate Stabilization Reserve**  
*(Discussion, No Action Associated)*  
Presented By: General Manager Osborne
8. **Update Regarding Water Conservation Program**  
*(No Action Associated)*  
Presented By: General Manager Osborne
9. **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.
10. **Schedule UAC Meeting – Wednesday, April 18, 2018 at 5:30 p.m. unless otherwise noted.**
11. **Closing Comments by UAC Committee Members**
12. **Adjournment**

**ITEM 2**

**APPROVE UAC MINUTES OF  
FEBRUARY 21, 2018**



AGENDA ITEM	DISCUSSION	FOLLOW-UP
<p><b>4. Review of Board Item Regarding Allocation of Budget Surplus in the Amount of \$292,873 to Water Reserve Accounts (continued)</b></p>	<p>Utility Systems Manager Acosta reported an immediate need to replace a vehicle at a cost of approximately \$40,000-\$45,000; that the backhoe has major issues with rusting on the hydraulic unit and damages at a cost of 5,000-\$6,000; and \$14,000 repairs to the flatbed.</p> <p>Committee Member Munds discussed the need to look at the rates, that the District take a fiscally conservative approach, that the District is doing what needs to be done, and at the same time to take care of its ratepayers.</p> <p><b>Committee Member Munds made a motion that the Committee recommended that the Board approve staff's recommendation contingent upon FAC review and recommended approval to the Board. The motion was seconded by Committee Member Harper and approved unanimously.</b></p>	
<p><b>5. Review of Board Item Regarding the 2018 UAC Work Plan</b></p>	<p>The Committee reviewed their 2017 Work Plan and removed the Water Rate Study item; will continue to review and revise the CIP; will review the Utilities budgets for the 18/19 fiscal year; review and provide recommendations and improvements to the Water Conservation Plan; add Basin Management Committee meeting updates; County's recycled water contract with dryland farmers; and Updates of Water Revenues and Reserves.</p> <p>The Committee discussed possible pre-agenda meetings with the Board President, Committee Chairperson, and the General Manager to set the agenda and allowing discussion of issues that come up and are not on the work plan but of concern to the Committee.</p> <p>Public Comment – Richard Margetson commented that UAC should have discussed the recycled water contract with dryland farmers; and, review the financials and review of the Audit.</p> <p>Linde Owen commented on a check list of items to be discussed by UAC.</p>	<p><b>Action:</b> The Committee recommended pre-agenda meetings with the Board President, Committee Chairperson, and the General Manager to set the agenda and allowing discussion of issues that come up and are not on the work plan but of concern to the Committee.</p>
<p><b>6. Review of Board Item Regarding Water Conservation Program and Choose Conservation Entry to Represent UAC</b></p>	<p>The Committee reviewed two of the elementary school entries and chose "Water saved us, now we save water!" to represent UAC. General Manager Osborne reported that awards will be presented at the Chamber's Business Expo on March 23, 2018. The District is waiting for the videos from the Middle School.</p> <p>Public Comment – Linde Owen asked who was designing the posters and banners.</p> <p>General Manager Osborne responded that the District will shop for the best price.</p>	
<p><b>7. Public Comments on Items NOT on this Agenda</b></p>	<p>Linde Owen commented on getting a lot of banners around town; concerns regarding water rate increases in Golden State; and asked if Golden State was part of the Water Conservation campaign.</p> <p>Richard Margetson commented on the Work Plan and the need for UAC to periodically review of financials and be part of the audit process.</p>	
<p><b>8. Schedule Next UAC Meeting</b></p>	<p>The next meeting of the Utilities Advisory Committee is scheduled to be held on Wednesday, March 21, 2018 at 5:30 p.m. unless otherwise noticed.</p>	
<p><b>9. Closing Comments by UAC Committee Members</b></p>	<p>Chairperson Cesena thanked the Committee for their input and support.</p> <p>Committee Member Munds commented on the dismal rainfall this winter and would like for the Committee to discuss the District's water shortage plan.</p>	
<p><b>10. Adjournment</b></p>	<p>The meeting adjourned at 7:02 p.m.</p>	



**ITEM 4**

**UTILITIES DEPARTMENT UPDATES**

**8<sup>th</sup> Street Utility Building**





















## **ITEM 4**

### **UTILITIES DEPARTMENT UPDATES**

**Revenue and Expenditure Reports  
for Funds 200, 400, 500, and 800**

**LOS OSOS COMMUNITY SERVICES DISTRICT**

Balance Sheet  
As of 1/31/2018

		Current Period Balance
<b>LIABILITIES &amp; EQUITY</b>		
<b>CURRENT LIABILITIES</b>		
Trust Liability		
Water Quality Trust Reserve	3050	
500 - Water	500	<u>91,517.27</u>
Total Trust Liability		<u>91,517.27</u>
Total CURRENT LIABILITIES		91,517.27
Other Liabilities		
Other Liabilities		
Replacement Reserve - Vehicle, Equip & Fire Engines	3110	
500 - Water	500	12,042.00
General Contingency Reserve	3111	
500 - Water	500	258,783.00
Capital Outlay Reserve	3160	
500 - Water	500	521,423.29
Water Stabilization Reserve	3163	
500 - Water	500	256,856.00
Basin Management Reserve	3165	
500 - Water	500	50,031.00
Water Conservation Reserve	3167	
500 - Water	500	<u>59,288.00</u>
Total Other Liabilities		<u>1,158,423.29</u>
Total Other Liabilities		<u>1,158,423.29</u>
Total LIABILITIES & EQUITY		<u><u>1,249,940.56</u></u>

**LOS OSOS COMMUNITY SERVICES DISTRICT**  
Statement of Revenues and Expenditures - Monthly Actuals  
200 - 200 - Bayridge  
From 1/1/2018 Through 1/31/2018

	Current Period Actual	YTD	Total Budget - Revised	Total Budget Variance - Revised	Percent Total Budget Remaining - Revised
<b>Revenues</b>					
<b>Property Taxes</b>					
4035	3,125.55	5,137.20	8,696.00	(3,558.80)	(40.92)%
	3,125.55	5,137.20	8,696.00	(3,558.80)	(40.92)%
<b>Service Charges &amp; Fees</b>					
4920	16,353.00	32,103.00	0.00	32,103.00	0.00%
	16,353.00	32,103.00	0.00	32,103.00	0.00%
<b>Special Taxes &amp; Assessments</b>					
4550	0.00	0.00	29,825.00	(29,825.00)	(100.00)%
	0.00	0.00	29,825.00	(29,825.00)	(100.00)%
<b>Use of Money &amp; Property</b>					
4505	20.00	28.57	70.00	(41.43)	(59.19)%
4510	(1.26)	(0.89)	0.00	(0.89)	0.00%
	18.74	27.68	70.00	(42.32)	(60.46)%
	19,497.29	37,267.88	38,591.00	(1,323.12)	(3.43)%
<b>Expenditures</b>					
<b>Services &amp; Supplies</b>					
<b>Insurance, Licenses &amp; Regulatory Fees</b>					
6342	0.00	0.00	1,500.00	1,500.00	100.00%
6345	135.40	270.80	500.00	229.20	45.84%
7325	0.00	800.00	800.00	0.00	0.00%
	135.40	1,070.80	2,800.00	1,729.20	61.76%
<b>Legal &amp; Professional</b>					
7320	0.00	1,008.00	1,108.00	100.00	9.03%
7326	0.00	462.75	500.00	37.25	7.45%
	0.00	1,470.75	1,608.00	137.25	8.54%
<b>Rent &amp; Utilities</b>					
8670	194.41	3,811.33	5,380.00	1,568.67	29.16%
	194.41	3,811.33	5,380.00	1,568.67	29.16%
<b>Repairs &amp; Maintenance</b>					
6800	0.00	6,324.00	6,324.00	0.00	0.00%
	0.00	6,324.00	6,324.00	0.00	0.00%
	329.81	12,676.88	16,112.00	3,435.12	21.32%
<b>Debt Service</b>					
9804	0.00	0.00	27,964.56	27,964.56	100.00%
	0.00	0.00	27,964.56	27,964.56	100.00%
<b>Transfers</b>					
9511	0.00	1,260.77	0.00	(1,260.77)	0.00%
	0.00	1,260.77	0.00	(1,260.77)	0.00%
	329.81	13,937.65	44,076.56	30,138.91	68.38%
<b>Net Revenues over Expenditures</b>	<b>19,167.48</b>	<b>23,330.23</b>	<b>(5,485.56)</b>	<b>28,815.79</b>	<b>(525.30)%</b>

**LOS OSOS COMMUNITY SERVICES DISTRICT**  
Statement of Revenues and Expenditures - Monthly Actuals  
400 - 400 - Vista de Oro  
From 1/1/2018 Through 1/31/2018

	Current Period Actual	YTD	Total Budget - Revised	Total Budget Variance - Revised	Percent Total Budget Remaining - Revised
<b>Revenues</b>					
Special Taxes & Assessments					
4550	4,287.00	8,756.00	15,768.00	(7,012.00)	(44.47)%
	4,287.00	8,756.00	15,768.00	(7,012.00)	(44.47)%
	4,287.00	8,756.00	15,768.00	(7,012.00)	(44.47)%
<b>Expenditures</b>					
Services & Supplies					
Insurance, Licenses & Regulatory Fees					
6342	0.00	0.00	1,500.00	1,500.00	100.00%
6345	9.00	18.00	500.00	482.00	96.40%
7325	0.00	500.00	500.00	0.00	0.00%
	9.00	518.00	2,500.00	1,982.00	79.28%
Legal & Professional					
7320	0.00	700.00	700.00	0.00	0.00%
7326	0.00	165.25	300.00	134.75	44.92%
	0.00	865.25	1,000.00	134.75	13.48%
Rent & Utilities					
8670	74.69	1,507.30	2,300.00	792.70	34.47%
	74.69	1,507.30	2,300.00	792.70	34.47%
Repairs & Maintenance					
6800	0.00	2,262.60	0.00	(2,262.60)	0.00%
	0.00	2,262.60	0.00	(2,262.60)	0.00%
	83.69	5,153.15	5,800.00	646.85	11.15%
Transfers					
9511	0.00	1,260.77	0.00	(1,260.77)	0.00%
	0.00	1,260.77	0.00	(1,260.77)	0.00%
	83.69	6,413.92	5,800.00	(613.92)	(10.58)%
Net Revenues over Expenditures	4,203.31	2,342.08	9,968.00	(7,625.92)	(76.50)%

**LOS OSOS COMMUNITY SERVICES DISTRICT**  
Statement of Revenues and Expenditures - Monthly Actuals  
500 - 500 - Water  
From 1/1/2018 Through 1/31/2018

	Current Period Actual	YTD	Total Budget - Revised	Total Budget Variance - Revised	Percent Total Budget Remaining - Revised
<b>Revenues</b>					
<b>Property Taxes</b>					
4035	82,539.58	135,676.15	171,643.50	(35,967.35)	(20.95)%
	82,539.58	135,676.15	171,643.50	(35,967.35)	(20.95)%
<b>Service Charges &amp; Fees</b>					
4030	139,313.64	1,139,051.07	1,906,000.00	(766,948.93)	(40.24)%
4102	22,878.42	119,059.97	178,000.00	(58,940.03)	(33.11)%
4103	19,464.08	204,247.53	236,000.00	(31,752.47)	(13.45)%
4104	1,753.75	40,789.37	3,000.00	37,789.37	1,259.65%
4114	(365.00)	(1,040.00)	2,084.00	(3,124.00)	(149.90)%
4931	700.00	4,600.00	7,000.00	(2,400.00)	(34.29)%
4932	2,430.44	17,473.20	23,000.00	(5,526.80)	(24.03)%
4933	1,805.00	8,740.00	16,000.00	(7,260.00)	(45.38)%
4937	75.00	535.00	500.00	35.00	7.00%
	188,055.33	1,533,456.14	2,371,584.00	(838,127.86)	(35.34)%
<b>Other Revenues</b>					
4105	0.00	0.00	107,000.00	(107,000.00)	(100.00)%
4925	0.00	3,790.78	3,790.78	0.00	0.00%
4930	50.00	2,074.58	15,000.00	(12,925.42)	(86.17)%
4936	(1.00)	(1.00)	0.00	(1.00)	0.00%
	49.00	5,864.36	125,790.78	(119,926.42)	(95.34)%
<b>Use of Money &amp; Property</b>					
4504	0.00	0.00	2,964.00	(2,964.00)	(100.00)%
4505	528.22	754.60	2,100.00	(1,345.40)	(64.07)%
4510	587.03	2,342.16	1,500.00	842.16	56.14%
	1,115.25	3,096.76	6,564.00	(3,467.24)	(52.82)%
	271,759.16	1,678,093.41	2,675,582.28	(997,488.87)	(37.28)%
<b>Expenditures</b>					
<b>Personnel</b>					
<b>Salaries/Wages</b>					
8018	5,268.72	13,588.00	20,000.00	6,412.00	32.06%
8045	416.88	2,371.76	4,000.00	1,628.24	40.71%
8050	129.81	951.94	1,000.00	48.06	4.81%
8051	0.00	1,862.17	16,000.00	14,137.83	88.36%
8054	24,355.40	173,149.12	339,348.71	166,199.59	48.98%
8056	0.00	2,723.28	2,723.28	0.00	0.00%
8060	2,945.05	10,507.30	23,000.00	12,492.70	54.32%
8063	1,328.94	9,270.94	14,000.00	4,729.06	33.78%
8066	1,516.01	7,822.37	11,000.00	3,177.63	28.89%
8081	909.84	11,979.52	38,000.00	26,020.48	68.47%
	36,870.65	234,226.40	469,071.99	234,845.59	50.07%
<b>Payroll Taxes &amp; Benefits</b>					
5030	186.00	1,182.00	1,500.00	318.00	21.20%
5031	40.00	230.00	500.00	270.00	54.00%
5040	306.10	1,923.98	3,000.00	1,076.02	35.87%
5050	531.06	1,644.98	6,000.00	4,355.02	72.58%

**LOS OSOS COMMUNITY SERVICES DISTRICT**  
Statement of Revenues and Expenditures - Monthly Actuals  
500 - 500 - Water  
From 1/1/2018 Through 1/31/2018

	Current Period Actual	YTD	Total Budget - Revised	Total Budget Variance - Revised	Percent Total Budget Remaining - Revised	
5060	Cafeteria Plan - ER	5,299.30	32,872.20	66,000.00	33,127.80	50.19%
5070	Retirement ER - Regular	7,793.63	37,439.76	60,000.00	22,560.24	37.60%
5071	Retirement ER - Addl Pick-up	199.32	2,163.25	2,200.00	36.75	1.67%
5075	Retirees Medical - ER	133.00	901.00	1,000.00	99.00	9.90%
5120	Workers Comp Insurance - ER	48.08	15,726.18	15,968.01	241.83	1.51%
5124	Retirement - ER - Tier 2	309.26	2,262.41	0.00	(2,262.41)	0.00%
	<b>Total Payroll Taxes &amp; Benefits</b>	<b>14,845.75</b>	<b>96,345.76</b>	<b>156,168.01</b>	<b>59,822.25</b>	<b>38.31%</b>
	<b>Employment Services</b>					
5100	Unemployment Insurance - ER	3,354.20	3,830.20	5,000.00	1,169.80	23.40%
6230	Medical Exam	0.00	2,675.00	2,675.00	0.00	0.00%
	<b>Total Employment Services</b>	<b>3,354.20</b>	<b>6,505.20</b>	<b>7,675.00</b>	<b>1,169.80</b>	<b>15.24%</b>
	<b>Total Personnel</b>	<b>55,070.60</b>	<b>337,077.36</b>	<b>632,915.00</b>	<b>295,837.64</b>	<b>46.74%</b>
	<b>Services &amp; Supplies</b>					
	<b>Clothing &amp; Uniform</b>					
7246	Uniform & Gear	0.00	1,088.58	2,600.00	1,511.42	58.13%
7248	Uniform Safety Boots	161.61	481.35	1,000.00	518.65	51.87%
	<b>Total Clothing &amp; Uniform</b>	<b>161.61</b>	<b>1,569.93</b>	<b>3,600.00</b>	<b>2,030.07</b>	<b>56.39%</b>
	<b>Contract Services</b>					
6100	Labor & Support-IT Services	0.00	0.00	300.00	300.00	100.00%
6110	IT Purchased Services	377.57	3,348.52	5,000.00	1,651.48	33.03%
7250	Water Quality Testing	0.00	11,424.82	28,000.00	16,575.18	59.20%
7255	Security Services	0.00	445.56	7,100.00	6,654.44	93.72%
7301	Contract Maint Services	0.00	0.00	1,500.00	1,500.00	100.00%
7321	Janitorial Cleaning & Supplies	77.98	471.46	850.00	378.54	44.53%
	<b>Total Contract Services</b>	<b>455.55</b>	<b>15,690.36</b>	<b>42,750.00</b>	<b>27,059.64</b>	<b>63.30%</b>
	<b>Equipment &amp; Tools</b>					
6438	Disinfection Feed Pumps	0.00	128.73	260.00	131.27	50.49%
7242	Minor Tools, Accessories & Field Machines	1,161.65	2,365.29	2,500.00	134.71	5.39%
7252	Misc Hardware	0.00	54.00	0.00	(54.00)	0.00%
7253	Rent - Equipment	0.00	0.00	1,000.00	1,000.00	100.00%
7256	Meter Purchases & Replacements	5,832.68	17,435.02	30,000.00	12,564.98	41.88%
	<b>Total Equipment &amp; Tools</b>	<b>6,994.33</b>	<b>19,983.04</b>	<b>33,760.00</b>	<b>13,776.96</b>	<b>40.81%</b>
	<b>Financial Services</b>					
7309	Late Fees	9.00	37.16	0.00	(37.16)	0.00%
	<b>Total Financial Services</b>	<b>9.00</b>	<b>37.16</b>	<b>0.00</b>	<b>(37.16)</b>	<b>0.00%</b>
	<b>Insurance, Licenses &amp; Regulatory Fees</b>					
6120	Computer Licenses	0.00	0.00	200.00	200.00	100.00%
6340	Misc Fees	0.00	579.33	3,000.00	2,420.67	80.69%
6342	Fees - Regulatory	1,436.00	4,321.80	27,000.00	22,678.20	83.99%
6345	Property Taxes & Assessments Costs	1,522.39	3,044.78	6,300.00	3,255.22	51.67%
7325	Insurance	0.00	31,581.00	31,581.00	0.00	0.00%
	<b>Total Insurance, Licenses &amp; Regulatory Fees</b>	<b>2,958.39</b>	<b>39,526.91</b>	<b>68,081.00</b>	<b>28,554.09</b>	<b>41.94%</b>
	<b>Legal &amp; Professional</b>					
7318	Professional & Consulting BMC	0.00	15,422.70	61,370.00	45,947.30	74.87%
7320	Professional & Consulting Services	236.00	15,895.18	40,000.00	24,104.82	60.26%
7326	Legal Services	2,100.00	6,807.50	8,000.00	1,192.50	14.91%



**LOS OSOS COMMUNITY SERVICES DISTRICT**  
Statement of Revenues and Expenditures - Monthly Actuals  
500 - 500 - Water  
From 1/1/2018 Through 1/31/2018

	Current Period Actual	YTD	Total Budget - Revised	Total Budget Variance - Revised	Percent Total Budget Remaining - Revised
7336	0.00	0.00	1,000.00	1,000.00	100.00%
Total Legal & Professional	2,336.00	38,125.38	110,370.00	72,244.62	65.46%
Office/Operations					
6130	0.00	0.00	3,000.00	3,000.00	100.00%
6140	0.00	1,463.88	2,000.00	536.12	26.81%
7140	143.69	324.79	3,000.00	2,675.21	89.17%
General Supplies & Minor Equipment					
7160	1,172.03	8,003.43	14,500.00	6,496.57	44.80%
7180	548.13	769.23	2,000.00	1,230.77	61.54%
7226	0.00	1,579.88	3,000.00	1,420.12	47.34%
7230	0.00	819.58	800.00	(19.58)	(2.45)%
7237	326.29	1,745.22	4,000.00	2,254.78	56.37%
Process Control & Treatment Supplies					
7239	3,194.03	4,993.79	6,600.00	1,606.21	24.34%
7249	0.00	259.60	3,000.00	2,740.40	91.35%
Safety Supplies					
Total Office/Operations	5,384.17	19,959.40	41,900.00	21,940.60	52.36%
Other Expense					
7330	0.00	0.00	250.00	250.00	100.00%
7348	0.00	228.03	3,000.00	2,771.97	92.40%
Misc Operating Expenses					
Water Conservation Program					
Total Other Expense	0.00	228.03	3,250.00	3,021.97	92.98%
Rent & Utilities					
6000	247.98	1,444.94	3,260.00	1,815.06	55.68%
6025	725.70	4,742.12	8,400.00	3,657.88	43.55%
7352	0.00	0.00	2,900.00	2,900.00	100.00%
8610	6,144.30	62,254.01	84,000.00	21,745.99	25.89%
8620	147.03	211.35	250.00	38.65	15.46%
8630	116.65	1,638.24	4,000.00	2,361.76	59.04%
8644	3,769.00	22,498.00	28,500.00	6,002.00	21.06%
8670	9.83	223.82	350.00	126.18	36.05%
Street Lighting					
Total Rent & Utilities	11,160.49	93,012.48	131,660.00	38,647.52	29.35%
Repairs & Maintenance					
6405	0.00	336.63	350.00	13.37	3.82%
6422	0.00	0.00	350.00	350.00	100.00%
6640	0.00	313.03	500.00	186.97	37.39%
R & M - Extinguishers					
R & M - Hydrants					
R & M - Equip & Other Non-Structural Fixed Assets					
6641	0.00	599.22	800.00	200.78	25.10%
6750	7.50	1,298.46	1,700.00	401.54	23.62%
6775	0.00	59.45	100.00	40.55	40.55%
6800	0.00	73.84	1,000.00	926.16	92.62%
R & M - Wells					
R & M - Minor Tools & Equipment					
R & M -Operation/Field Equipment					
R & M - Grounds & Collection Systems					
6830	0.00	4,050.00	8,000.00	3,950.00	49.38%
6900	0.00	418.04	1,500.00	1,081.96	72.13%
7241	425.33	7,892.95	15,000.00	7,107.05	47.38%
Paving & Concrete					
R & M - Buildings & Structures					
R & M - Water Distribution System					
Total Repairs & Maintenance	432.83	15,041.62	29,300.00	14,258.38	48.66%
Travel & Training					
7323	0.00	0.00	250.00	250.00	100.00%
7324	150.00	3,333.33	8,324.00	4,990.67	59.96%
8410	140.00	200.00	400.00	200.00	50.00%
Books, Publications & Subscriptions					
Education & Training Fees					
Certifications					

**LOS OSOS COMMUNITY SERVICES DISTRICT**  
Statement of Revenues and Expenditures - Monthly Actuals  
500 - 500 - Water  
From 1/1/2018 Through 1/31/2018

	Current Period Actual	YTD	Total Budget - Revised	Total Budget Variance - Revised	Percent Total Budget Remaining - Revised
8510	0.00	221.56	2,000.00	1,778.44	88.92%
8539	0.00	0.00	700.00	700.00	100.00%
8550	0.00	221.44	700.00	478.56	68.37%
	290.00	3,976.33	12,374.00	8,397.67	67.87%
Vehicle Maintenance & Repairs					
7006	0.00	130.06	780.00	649.94	83.33%
7211	460.86	1,011.02	2,200.00	1,188.98	54.04%
7220	299.57	2,455.23	4,000.00	1,544.77	38.62%
7228	0.00	110.42	350.00	239.58	68.45%
7232	752.96	4,220.66	5,000.00	779.34	15.59%
	1,513.39	7,927.39	12,330.00	4,402.61	35.71%
	31,695.76	255,078.03	489,375.00	234,296.97	47.88%
Allocation of Administrative Costs					
8152	79.63	391.35	800.00	408.65	51.08%
	79.63	391.35	800.00	408.65	51.08%
Capital Outlay					
6432	478.21	478.21	0.00	(478.21)	0.00%
9006	995.00	27,448.84	380,000.00	352,551.16	92.78%
	1,473.21	27,927.05	380,000.00	352,072.95	92.65%
Debt Service					
9022	0.00	156,109.45	156,109.00	(0.45)	(0.00)%
9023	42,598.47	109,607.84	109,607.00	(0.84)	(0.00)%
9024	11,015.00	11,015.00	11,015.00	0.00	0.00%
	53,613.47	276,732.29	276,731.00	(1.29)	(0.00)%
Reserves					
9571	0.00	0.00	500,000.00	500,000.00	100.00%
9572	0.00	0.00	57,000.00	57,000.00	100.00%
9988	0.00	0.00	32,000.00	32,000.00	100.00%
	0.00	0.00	589,000.00	589,000.00	100.00%
Transfers					
9511	0.00	215,591.70	0.00	(215,591.70)	0.00%
	0.00	215,591.70	0.00	(215,591.70)	0.00%
	141,932.67	1,112,797.78	2,368,821.00	1,256,023.22	53.02%
Net Revenues over Expenditures	129,826.49	565,295.63	306,761.28	258,534.35	84.28%

**LOS OSOS COMMUNITY SERVICES DISTRICT**  
Statement of Revenues and Expenditures - Monthly Actuals  
800 - 800 - Drainage  
From 1/1/2018 Through 1/31/2018

	Current Period Actual	YTD	Total Budget - Revised	Total Budget Variance - Revised	Percent Total Budget Remaining - Revised
<b>Revenues</b>					
Property Taxes					
4035	8,340.33	13,707.76	22,746.00	(9,038.24)	(39.74)%
	8,340.33	13,707.76	22,746.00	(9,038.24)	(39.74)%
Special Taxes & Assessments					
4400	29,306.00	57,503.00	95,440.00	(37,937.00)	(39.75)%
	29,306.00	57,503.00	95,440.00	(37,937.00)	(39.75)%
Other Revenues					
4935	9.00	13.50	0.00	13.50	0.00%
	9.00	13.50	0.00	13.50	0.00%
Use of Money & Property					
4505	53.37	76.24	149.00	(72.76)	(48.83)%
4510	56.66	251.25	0.00	251.25	0.00%
	110.03	327.49	149.00	178.49	119.79%
	37,765.36	71,551.75	118,335.00	(46,783.25)	(39.53)%
<b>Expenditures</b>					
Personnel					
Salaries/Wages					
8045	0.00	0.00	200.00	200.00	100.00%
8054	0.00	7,354.62	22,810.00	15,455.38	67.76%
	0.00	7,354.62	23,010.00	15,655.38	68.04%
	0.00	7,354.62	23,010.00	15,655.38	68.04%
Services & Supplies					
Equipment & Tools					
6390	216.69	216.69	500.00	283.31	56.66%
7242	38.59	38.59	200.00	161.41	80.70%
	255.28	255.28	700.00	444.72	63.53%
Financial Services					
7309	0.00	0.50	0.00	(0.50)	0.00%
	0.00	0.50	0.00	(0.50)	0.00%
Insurance, Licenses & Regulatory Fees					
6342	0.00	1.68	7,000.00	6,998.32	99.98%
6345	53.20	106.40	200.00	93.60	46.80%
7325	0.00	3,100.00	3,500.00	400.00	11.43%
	53.20	3,208.08	10,700.00	7,491.92	70.02%
Legal & Professional					
7320	31.50	763.00	1,000.00	237.00	23.70%
7326	0.00	315.00	500.00	185.00	37.00%
	31.50	1,078.00	1,500.00	422.00	28.13%
Office/Operations					
7140	0.00	10.70	50.00	39.30	78.60%
7226	0.00	165.00	200.00	35.00	17.50%
7230	209.75	484.75	500.00	15.25	3.05%
7249	0.00	13.49	200.00	186.51	93.25%

**LOS OSOS COMMUNITY SERVICES DISTRICT**  
Statement of Revenues and Expenditures - Monthly Actuals  
800 - 800 - Drainage  
From 1/1/2018 Through 1/31/2018

	Current Period Actual	YTD	Total Budget - Revised	Total Budget Variance - Revised	Percent Total Budget Remaining - Revised
Total Office/Operations	209.75	673.94	950.00	276.06	29.06%
Other Expense					
7346 Promotional Expenses - Event	0.00	250.00	250.00	0.00	0.00%
Total Other Expense	0.00	250.00	250.00	0.00	0.00%
Rent & Utilities					
6000 Cell Phones	138.65	829.93	1,250.00	420.07	33.61%
6025 Telephone	20.46	139.67	200.00	60.33	30.16%
8610 Electric	147.72	1,142.72	1,500.00	357.28	23.82%
8670 Street Lighting	35.88	541.34	850.00	308.66	36.31%
Total Rent & Utilities	342.71	2,653.66	3,800.00	1,146.34	30.17%
Repairs & Maintenance					
6640 R & M - Equip & Other Non-Structural Fixed Assets	32.21	32.21	1,000.00	967.79	96.78%
6750 R & M - Minor Tools & Equipment	0.00	57.89	500.00	442.11	88.42%
6800 R & M - Grounds & Collection Systems	0.00	0.00	2,000.00	2,000.00	100.00%
6900 R & M - Buildings & Structures	81.49	155.48	200.00	44.52	22.26%
Total Repairs & Maintenance	113.70	245.58	3,700.00	3,454.42	93.36%
Travel & Training					
7324 Education & Training Fees	0.00	1,591.67	4,000.00	2,408.33	60.21%
8410 Certifications	0.00	0.00	100.00	100.00	100.00%
8475 Training Materials	0.00	0.00	500.00	500.00	100.00%
8510 Lodging & Meals - Local	0.00	0.00	1,000.00	1,000.00	100.00%
8539 Meals	0.00	0.00	100.00	100.00	100.00%
8550 Mileage Reimbursement & Parking	0.00	0.00	300.00	300.00	100.00%
Total Travel & Training	0.00	1,591.67	6,000.00	4,408.33	73.47%
Vehicle Maintenance & Repairs					
7211 Misc Fuel & Diesel	174.69	312.22	550.00	237.78	43.23%
7220 Gasoline	74.89	613.81	800.00	186.19	23.27%
Total Vehicle Maintenance & Repairs	249.58	926.03	1,350.00	423.97	31.41%
Total Services & Supplies	1,255.72	10,882.74	28,950.00	18,067.26	62.41%
Capital Outlay					
9006 Infrastructure CIP	80,275.70	80,275.70	86,000.00	5,724.30	6.66%
Total Capital Outlay	80,275.70	80,275.70	86,000.00	5,724.30	6.66%
Transfers					
9511 Interfund Transfer Out	0.00	5,043.08	0.00	(5,043.08)	0.00%
Total Transfers	0.00	5,043.08	0.00	(5,043.08)	0.00%
Total Expenditures	81,531.42	103,556.14	137,960.00	34,403.86	24.94%
Net Revenues over Expenditures	(43,766.06)	(32,004.39)	(19,625.00)	(12,379.39)	63.08%

## **ITEM 5**

**REVIEW OF BOARD ITEM REGARDING  
PURCHASE OF NEW UTILITY VEHICLE**



March 14, 2018

**TO:** LOCSD Utility Advisory Committee

**FROM:** Jose Acosta, Utility Systems Manager

**SUBJECT:** **Agenda Item 5 – 3/21/2018 Utility Advisory Committee Meeting**  
Review of Board Item Regarding Purchase of New Utility Vehicle

**DISCUSSION**

**President**

Vicki L. Milledge

**Vice President**

Marshall E. Ochylski

**Directors**

Charles L. Cesena  
Jon-Erik G. Storm  
Louis G. Tornatzky

**General Manager**

Renee Osborne

**District Accountant**

Robert Stilts, CPA

**Unit Chief**

Scott M. Jalbert

**Battalion Chief**

Greg Alex

**Mailing Address:**

P.O. Box 6064  
Los Osos, CA 93412

**Offices:**

2122 9<sup>th</sup> Street, Suite 102  
Los Osos, CA 93402

**Phone:** 805/528-9370

**FAX:** 805/528-9377

www.losososcsl.org

The utility crew maintains and utilizes the fleet of District vehicles to perform their daily duties and respond to emergency situations. This fleet of vehicles contains various vehicles, each which is designated for certain responsibilities and a few which may only perform certain functions.

The vehicle in need of replacement is Unit A. It is a 2000 Ford F-250 Super Duty truck, with approximately 105,000 miles. This vehicle has well surpassed its designated life span of ten years. Although the vehicle has lasted eighteen years and has been very useful to the district, its current condition is not so reliable.

The vehicle is in need of brakes, the bed of the truck is rusted through in a several areas, has much interior and body wear, and for the past two years has mostly been giving the water crew electrical component malfunctions. Recently, the vehicle was diagnosed with various fuse irregularities.

This vehicle is experiencing electrical fuse malfunctions, causing the speedometer to not register, the overdrive turning off, the vehicle not starting and employees stranded at various locations and work sites. These issues are safety concerns for the employees and public as well.

Attached is a copy of lowest quote, with all specifications required, being satisfied, as well as correspondence from four of the six dealerships contacted. The following dealerships were contacted and their quotes or responses:

1. Arroyo Grande Chevy - Spoke with salesman and the company could not provide a quote for specified vehicle.
2. Paso Robles Chevrolet. – Salesman provided a quote of \$45,853.
3. Perry Ford – Salesman provided an estimate of \$35,066.46.
4. Mullahey Ford – Salesman provided a quote of \$34,674.78.
5. Paso Robles Ford – Salesman was not able to provide a quote for the specified vehicle, phone communication.
6. Alfaro Chevrolet- Salesman did not provide a quote.

**FINANCIAL IMPACT**

The financial impact is estimated to be \$34,674.78, assuming the vehicle is still available for purchase. Funding for the purchase of the vehicle will come from Fund 500, Vehicle Reserve Fund which currently has \$112,042.

Attachments



## Jose Acosta

---

**From:** Josh Ensminger <joshensminger@gmail.com>  
**Sent:** Tuesday, February 27, 2018 9:08 AM  
**To:** Jose Acosta  
**Subject:** Re: Josh from AG Chevy

Hi Jose

There are no Reg Cab or Double Cab diesels right now. Just crew Cabs. Its sounds weird but there is not a lot of diesel trucks period right now in the state just good gas engine deals.

Does It have to be diesel?

Thanks

Josh

Sent from my iPhone

> On Feb 26, 2018, at 12:42 PM, Josh Ensminger <joshensminger@gmail.com> wrote:

>

> Ok a diesel and are you wanting white?

>

> Sent from my iPhone

>

>> On Feb 26, 2018, at 11:07 AM, Jose Acosta <jacosta@losososcsd.org> wrote:

>>

>> Josh,

>>

>> I apologize, the truck we are replacing is a diesel and we would like to replace in kind. Could you amend the quote accordingly, please?

>>

>> Thank you,

>>

>> Joe Acosta

>>

>> -----Original Message-----

>> From: Josh Ensminger [mailto:joshensminger@gmail.com]

>> Sent: Monday, February 26, 2018 11:05 AM

>> To: Jose Acosta <jacosta@losososcsd.org>

>> Subject: Josh from AG Chevy

>>

>> Hi Jose here is the build sheet and pricing for the truck you requested. Look It over and call me at 1(805)208-6504.

>>

>> Thank you,

>>

>> Josh Ensminger AG Chevy

>>



Preview Order L226 - F2B 4x4 Reg Cab SRW: Order Summary Time of Preview: 02/28/2018 12:42:00

Dealership Name: Mullahey Ford

Sales Code : F71474

Dealer Rep. c-hold16

Type Retail Vehicle Line Superduty Order Code L226

Customer Name L LosOsosCSD

Priority Code 19 Model Year 2018 Price Level 820

DESCRIPTION

F250 4X4 STYLESIDE PICKUP/142

142 INCH WHEELBASE

OXFORD WHITE

VINYL 40/20/40 SEATS

MEDIUM EARTH GRAY

PREFERRED EQUIPMENT PKG.600A

.XL TRIM

.TRAILER TOWING PACKAGE

.AIR CONDITIONING -- CFC FREE

.AM/FM STEREO W/ CLOCK

6.7L POWER STROKE V8 DIESEL

6-SPEED AUTO TRANS

MSRP	DESCRIPTION	MSRP
\$35685	.LT245/75R17E BSW ALL-SEASON	\$0
\$0	3.31 RATIO REGULAR AXLE	\$0
\$0	JOB #1 ORDER	\$0
\$0	10000# GVWR PACKAGE	\$0
\$0	50 STATE EMISSIONS	\$0
\$0	SPARE TIRE AND WHEEL	\$0
\$0	TRAILER BRAKE CONTROLLER	\$270
\$0	JACK	\$0
\$0	FUEL CHARGE	\$0
\$0	PRICED DORA	\$0
\$8995	DESTINATION & DELIVERY	\$1295
\$0		

TOTAL BASE AND OPTIONS

DISCOUNTS

TOTAL

MSRP  
 \$46245  
 NA  
 \$46245

413624.78  
 - 8950  
 -----  
 34,674.78 + fees

Customer Name:

Customer Email:

Customer Address:

Customer Phone:

Customer Signature

Date

*This order has not been submitted to the order bank.*

*This is not an invoice.*

Auto/Mate Co# 01 SubCo 00000 F&I Deal Info Deal# 0015694 DLENTY3

Buyer LOS OSOS COMMUNITY SERVICES DISTRICT

(Last: 1st - ?)

LuxTx N

LenderCd CASH ?=HLP Stock# ?=HLP N/U/D/W N TaxState CA SlsTx 7.750 %

Price & Down Payment  
 Selling Price 34674.78  
 Trade Allowance .00  
 Less Payoff .00  
 Cash Deposit .00  
 Cash on Delivery 37486.03  
 Rebate Total .00  
 Deferred Pmt Total .00

Service Contract Total .00  
 Accessory Total .00  
 Fee Total 117.75  
 Insurance GAP  
 InsCo N GAP N GAP COVERAGE  
 CreditLife N Amount .00  
 Level Life N Taxed N (Y/N)  
 Acc&Health N GAP TaxRt 7.750 %

Finance Terms

Term of Loan 1 Interval 01 (?=1.st)  
 Rate/APR 0.000000 34674  
 DaysTo1st 45 SaleDate 2/26/2018  
 FirstPay 4/10/2018

Deal Recap  
 TotCash 37486.03 TotTax 2693.50  
 TotDown 37486.03 AmtFin .00  
 CASH

Lease

MSRP Amount .00  
 Residual Percent% .00  
 or Amount .00

PAYMENT AMOUNT IS	.00
Drive Off Amt Due	37486.03

Save Skip Gross Disc Jump Oth ScAccFecRebPy

## Jose Acosta

---

**From:** cooperjoliveira@gmail.com on behalf of Cooper Oliveira  
<cooper@borjonautocenter.com>  
**Sent:** Friday, March 9, 2018 9:58 AM  
**To:** Jose Acosta  
**Subject:** Fwd: Chevrolet Silverado 2500

Hi Jose, I wanted to check in, i know you told me you were some time out before making a decision and I did not want to bug ya but wanted to check in to see if there was any chance you were ready to move forward on this unit that is in stock at another dealer. If your ready let me know and I will secure this unit before it is gone

----- Forwarded message -----

**From:** **Cooper Oliveira** <cooper@borjonautocenter.com>  
**Date:** Mon, Mar 5, 2018 at 10:45 AM  
**Subject:** Chevrolet Silverado 2500  
**To:** [jacosta@lososocsd.org](mailto:jacosta@lososocsd.org)

Hello Jose, here is a quote and specs on a truck that I can get for you now. If you are a few months away, and when the 2019's come to light to order I will send you a build quote on a order and orders usually take around 6-8 weeks. The Truck Below Sales Price is \$49,325 but after discount I can sell it to you with all Tax and fees included for \$45,853 Out The Door. Any chance your team would be ready to go with this Chevrolet Truck?

<b>Model Year:</b>	2017		
<b>Make:</b>	Chevrolet	<b>Event Code:</b>	5000-Delivered to Dealer
<b>Model:</b>	2500HD Silverado CK25903-LWB, 4WD, Reg Cab Pickup	<b>Order #:</b>	VHDM4M
<b>PEG:</b>	1WT-1WT Work Truck Preferred Equipment Group	<b>MSRP:</b>	\$49,325.00
<b>Primary Color:</b>	GAZ-Summit White	<b>Order Type:</b>	FBC-Fleet Political Subdivision
<b>Trim:</b>	H2R-Base Cloth, Jet Black / Dark Ash, Interior Trim	<b>Inventory Status:</b>	Available
<b>Engine:</b>	L5P-Engine: 6.6L V8 DuraMax Diesel, Turbo		
<b>Transmission:</b>	MW7-Allison, 6-Speed Automatic		

### Chargeable Options:

	MSRP
DPN: Mirrors, O/S, Wide Load / Trailer, Full Feature	\$350.00
IOB: Radio, 7" Color Screen, Bluetooth, w/ USB Port	\$260.00
JL1: Integrated Trailer Brake Controller	\$275.00
KI4: 110 Volt Electrical Receptacle, In Cab	\$125.00

L5P: Engine: 6.6L V8 DuraMax Diesel, Turbo	\$8,995.00
NQF: T-Case, w/ Rotary Dial Controls, Electronic Shift	\$200.00
PCR: WT Convenience Package	\$725.00
QXT: Tires, LT265/70R17, Blackwall, All Terrain	\$200.00
R9Y: FLEET MAINTENANCE CREDIT	-\$130.00
UVC: Rear View Camera System	\$200.00
VQ1: Holdback, Fleet Dealer Assistance	\$0.00
VYU: Snow Plow Prep Package	\$385.00
Z82: Trailering Package	\$280.00

**No Cost Options:**

C4M: GVW Rating 9900 Lbs  
 GT4: Rear Axle, 3.73 Ratio  
 K05: Engine Block Heater  
 MW7: Allison, 6-Speed Automatic  
 YF5: California Emissions

**Other options:**

1WT: 1WT Work Truck Preferred Equipment Group  
 A31: Power Windows  
 A91: Tailgate Lock, Remote Controlled  
 AE7: Seats: 40/20/40/ Split Front Bench  
 AQQ: Keyless Remote Entry  
 AU3: Power Door Locks  
 AY0: Airbags- Head Curtain, Side Impact  
 BG9: Floor Covering: Rubberized Vinyl, Black  
 C67: Air Conditioning, Manual  
 DD8: ISRV Mirror, Electro-chromatic  
 E63: Body: Pick-Up Bed / Box  
 G80: Locking Differential, Rear  
 GAZ: Summit White  
 H2R: Base Cloth, Jet Black / Dark Ash, Interior Trim  
 K34: Cruise Control  
 K40: Engine Exhaust Brake  
 K47: Air Cleaner, High Capacity  
 KC4: Cooler, Engine Oil  
 KNP: Transmission Cooling System  
 KW5: Alternator, 220 AMP  
 NC7: Emissions Override, Federal  
 NZ4: Wheel, Spare, 17 x 7.5, Steel  
 NZZ: Underbody Shield  
 PYN: Wheels: 17" Steel  
 SAF: Spare Tire Lock  
 TRW: Provision, for Cab Roof Mounted Lamp / Beacon  
 U2J: SiriusXM Satellite Radio, Delete  
 UE0: OnStar Delete  
 UQ3: Speaker System  
 V22: Grille: Chrome Surround  
 V46: Bumper, Front, Chrome  
 V76: Recovery Hooks  
 VJH: Bumper: Rear Chrome Step  
 VK3: License Plate Front Mounting Hardware  
 ZXT: Tire Spare: LT265/70R17 BW  
 ZY1: Paint, Solid

--

**Best Regards,**

**Cooper Oliveira**  
**Paso Robles Chevrolet**  
**2485 Theatre Drive**  
**Paso Robles CA 93446**  
**805-400-9188 Mobile**  
**805-238-7800 Store**  
**805-591-3531 Fax**  
**cooperjoliveira@gmail.com**  
**coliveira@pasocc.com**



Virus-free. [www.avg.com](http://www.avg.com)

--

**Best Regards,**

**Cooper Oliveira**  
**Paso Robles Chevrolet**  
**2485 Theatre Drive**  
**Paso Robles CA 93446**  
**805-400-9188 Mobile**  
**805-238-7800 Store**  
**805-591-3531 Fax**



# Perry Ford

San Luis Obispo

## Quote

TO: los osos community service district	Date: 2/26/2018
Attn: Jose	
We are pleased to submit a quote on the following:	

2018	Ford	f250 4x4	regular cab	xl pick up	factpry order
Year	Make	Model		Trim	tow package
		6.7l diesel		auto	
		Englne		Transmission	

### PLEASE SEE EQUIPMENT LIST

COST	32,696
TAX	2370.46
LICENSE	0 e plate
SUBTOTAL	35,066
REBATE	0 or
REBATE	0
REBATE	0
TOTAL	35,066.46

Doc fee: \$0.00  
tax rate 7.25%

Vehicles out of stock – subject to availability. Prices subject to change by manufacture prior to ordering.  
Thank you for the opportunity to submit this quote and we hope we may be of service to you in the future.

**HARVEY GREEN**

Harvey Green, Commercial & Lease Manager

2/26/2018

Date

Cell: 805.234.7211  
12200 Los Osos Valley Rd.

Email: HarveyGreen@Charter.net  
San Luis Obispo, CA 93405-7222

Direct Fax: 805.544.7548  
805-544-5200

# EQUIPMENT LIST

VIRTCDP V4.36 5432 EN

CNGP530

VEHICLE ORDER CONFIRMATION

02/26/18 19:40:22

==>

Dealer: F71497

Page: 1 of 1

2018 F-SERIES SD

Order No: 0226 Priority: F1 Ord FIN: KA049 Order Type: 5B Price Level: 820

Ord PEP: 600A Cust/Flt Name: LOS OSOS PO Number:

RETAIL

RETAIL

F2B	F250 4X4 SD R/C	\$35685	10000# GVWR PKG	
	142" WHEELBASE		425 50 STATE EMISS	NC
Z1	OXFORD WHITE		512 SPARE TIRE/WHL2	NC
A	VNYL 40/20/40		JACK	
S	MEDIUM EARTH GR		794 PRICE CONCESSN	
600A	PREF EQUIP PKG		REMARKS TRAILER	
	.XL TRIM		SP DLR ACCT ADJ	
	.TRAILER TOW PKG		SP FLT ACCT CR	
572	.AIR CONDITIONER	NC	FUEL CHARGE	
	.AM/FM STER/CLK		B4A NET INV FLT OPT	NC
99T	6.7L V8 DIESEL	8995	DEST AND DELIV	1295
44W	6-SPEED AUTO	NC	TOTAL BASE AND OPTIONS	46365
TD8	.LT245 BSW AS 17		TOTAL	46365
X3H	3.31 ELOCKING	390	*THIS IS NOT AN INVOICE*	
	JOB #1 BUILD		*TOTAL PRICE EXCLUDES COMP PR	

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F4=Submit	F5=Add to Library	F9=View Trailers

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**ITEM 6**

**REVIEW OF BOARD ITEM REGARDING  
2018 UAC WORK PLAN**



## UTILITIES ADVISORY COMMITTEE 2018 WORK PLAN

Recommendations for Utilities Advisory Committee in 2018:

**President**

Vicki L. Milledge

**Vice President**

Marshall E. Ochylski

**Directors**

Charles L. Cesena  
Jon-Erik G. Storm  
Louis G. Tornatzky

**General Manager**

Renee Osborne

**District Accountant**

Robert Stilts, CPA

**Unit Chief**

Scott M. Jalbert

**Battalion Chief**

Greg Alex

1. Periodically review and revise the Capital Improvement Projects (CIP) with Staff.
2. Review Utilities Budget for Fiscal Year 2018/2019.
3. Review and provide Board recommendations regarding the District's Water Conservation Plan.
4. Review and provide Board recommendations regarding Recycled Water usage/distribution in the community of Los Osos.
5. Review and provide Board recommendations regarding the Water Reserve Funds.

**Mailing Address:**

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**Offices:**

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Los Osos, CA 93402

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[www.losososcsd.org](http://www.losososcsd.org)

**ITEM 7**

**UPDATE REGARDING THE WATER  
RATE STABILIZATION RESERVE**



March 16, 2018

**TO:** Utility Advisory Committee

**FROM:** Renee Osborne, General Manager

**SUBJECT: Agenda Item 7 – 3/21/2018 Utilities Advisory Committee Meeting  
Update Regarding the Water Rate Stabilization Reserve Fund**

**President**

Vicki L. Milledge

**Vice President**

Marshall E. Ochylski

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**DISCUSSION**

Attached is the General Ledger of the Water Stabilization Fund. Since June 1, 2010, \$32,000 yearly has been set aside in this fund. The current total in this fund per the 2016-2017 audit is \$256,856.

Adopted Resolution 2010-07 states;

“A Rate Stabilization Reserve shall be established to:

- i. Equalize revenues should District income from the Utility billings decrease due to conservation efforts initiated by the District or by the public; and
- ii. Provide a funding source to offset operation and maintenance revenues associated with fee waivers or reductions approved by the District Board of Directors in accordance with District policies and procedures established pursuant to Government Code Section 61123).(d). Reserves in this category shall be funded by water sales revenues.

The funding goal of this Rate Stabilization Reserve shall be \$32,000 annually until such time as this Rate Stabilization Reserve reaches a total of ten (10%) percent of the total annual water Operation and Maintenance Budget as approved by the Board of Directors from time to time.”

**RECOMMENDATION TO THE BOARD**

The current (2017-2018) Operations and Maintenance budget is \$1,779,821 (this total does not include the potential reserve set asides of \$589,000). The Water Rate Stabilization Reserve has surpassed it's goal of 10% of the total annual water Operation and Maintenance Budget.

Staff would like to recommend to leave \$177,982 in the Rate Stabilization Reserve, and move the remainder (\$78,874) into the Capital Improvement/Outlay Reserve.

Staff would like a recommendation on how we should proceed with the future goal of the Water Stabilization Fund. A new resolution will need to be written/adopted.

Attachments



DATE: June 3, 2010  
AGENDA ITEM: 5H  
 Approved  
 Denied  
 Continued

**RESOLUTION 2010 - 07**

**A RESOLUTION OF THE BOARD OF DIRECTORS  
OF THE LOS OSOS COMMUNITY SERVICES DISTRICT  
ESTABLISHING BUDGET RESERVE POLICIES**

**WHEREAS**, Community Services District Law is established in Section 61000 et seq. of the Government Code; and

**WHEREAS**, Government Code Section 61040(a) states, in relevant part, "a legislative body of five members known as the board of directors shall govern each district. The board of directors shall establish policies for the operation of the district"; and

**WHEREAS**, Government Code Section 61045(g) states, "the board of directors shall adopt policies for the operation of the district, including, but not limited to, administrative policies, fiscal policies, personnel policies, and the purchasing policies required by this division"; and

**WHEREAS**, Government Code Section 61110(b) states, in relevant part, "the board of directors may divide the preliminary budget into categories, including, but not limited to, the following: . . . (6) Designated reserve for capital outlay. (7) Designated reserve for contingencies"; and

**WHEREAS**, Government Code Sections 61112(a) and (c) state "(a) in its budget, the board of directors may establish a designated reserve for capital outlay and a designated reserve for contingencies. When the board of directors establishes a designated reserve, it shall declare the exclusive purposes for which the funds in the reserve may be spent. The funds in the designated reserve shall be spent only for the exclusive purposes for which the board of directors established the designated reserve. The reserves shall be maintained according to generally accepted accounting principles." And "(c) If the board of directors finds that the funds in a designated reserve are no longer required for the purpose for which it established the designated reserve, the board of directors may, by a four-fifths vote of the total membership of the board of directors, discontinue the designated reserve or transfer any funds that are no longer required from the designated reserve to the district's general fund"; and

**WHEREAS**, based on the Staff Report, staff presentation, and public comment, the Los Osos Community Services District ("District") Board of Directors finds that water, drainage, fire protection and waste disposal are vital services to protect the health, safety and welfare of District residents and customers; and

**WHEREAS**, based on the Staff Report, staff presentation, and public comment, the District Board of Directors further finds that these policies help protect the health, safety, and welfare of District residents and customers by establishing a financial plan to:



- A. Address unforeseen and unexpected contingencies of operating District facilities and equipment; and
- B. To timely fund the replacement of District facilities and equipment as they wear out; and

**WHEREAS**, the establishment of adequate reserves is critical to the successful and stable short and long term operation of the District, and

**WHEREAS**, pursuant to Community Services District Law, the District, by this Resolution, establishes reserve categories commencing with the adoption of the Fiscal Year 2010-2011 Budget for the District's fire services, water services, drainage services, and to establish the purposes for each of the reserve categories.

**NOW THEREFORE, THE BOARD OF DIRECTORS OF THE LOS OSOS COMMUNITY SERVICES DISTRICT DOES HEREBY RESOLVE, DECLARE, AND DETERMINE THAT:**

**SECTION 1: RESERVE POLICIES**

**A. Fire Department - Fund 301:**

1. A Vehicle & Equipment Replacement Reserve shall be established for the orderly and timely replacement of emergency equipment, apparatus and accessories. The annual funding goal is equal to the amount of depreciation of replaceable equipment for the year increased by inflationary costs determined by the higher of an amount based on CPI change as per Section 3 or an amount based on industry trends on replacement values. During the years that appropriating the annual funding goal is not financially feasible, a minimum funding of \$72,000 is appropriated. Until such time that the maximum funding goal is reached, catch-up funding will be appropriated in any year whenever it becomes financially feasible. The maximum funding goal is for the reserves to be equal to the total accumulated depreciation of replaceable equipment increased by inflationary costs as described in this section. An equipment replacement schedule is prepared by the Fire Chief or his/her designee that will validate increases or decreases to the reserves funding as requested in the budget of the upcoming year in accordance with this section.
2. A Capital Outlay Reserve shall be established for the replacement, upgrade, expansion or improvements of buildings, structures and facilities that are used by the department to house personnel or equipment. Funding goal is an annual appropriation of \$10,000, with a cumulative maximum goal of \$5 million.
3. A General Contingency Reserve with a maximum goal of \$50,000 shall be established to meet contingency expenditures resulting from natural disasters or from unforeseen circumstances. Once the maximum goal is reached, it shall increase according to the increases in the CPI index as per Section 3. Annual funding goal for this reserve account is \$10,000 until such time when the Reserve reaches the maximum goal of \$50,000, at which time the annual funding will be computed using the change in the CPI index as per Section 3.

**B. Water Department – Fund 500:**

1. A Rate Stabilization Reserve shall be established to:
  - i. Equalize revenues should District income from the Utility billings decrease due to conservation efforts initiated by the District or by the public; and
  - ii. Provide a funding source to offset operation and maintenance revenues associated with fee waivers or reductions approved by the District Board of Directors in accordance with District policies and procedures established pursuant to Government Code Section 61123).(d). Reserves in this category shall be funded by water sales revenues.

The funding goal of this Rate Stabilization Reserve shall be \$32,000 annually until such time as this Rate Stabilization Reserve reaches a total of ten (10%) percent of the total annual water Operation and Maintenance Budget as approved by the Board of Directors from time to time.

2. A General Water Contingency Reserve shall be established for Emergency Operations should a natural or other disaster occur that would temporarily interrupt the District's income from Utility bills, to repair District facilities, and to provide funding for unforeseen circumstances not covered by the District's Operation and Maintenance Budget. The funding goal of this reserve account is an annual appropriation of \$55,000 per year up to a maximum cumulative goal of sixty (60%) percent of the District's annual Operation and Maintenance Budget as approved by the Board from time to time.
3. A Water Capital Outlay Reserve will be established for the replacement of water infrastructure. The funding goal of the Water Capital Outlay Reserve is to fund the timely replacement of water infrastructure and facilities as referenced in the District's Water Master Plan or other subsequent water planning documents approved by the District. The annual funding goal of this reserve is \$60,000 per annum with a short-term cumulative funding goal of \$470,000 and a long-term cumulative funding goal equal to the total of capital improvement projects identified in the Water Master Plan which are still not completed which as of July 1, 2010 total \$12.7 million.
4. A Water Quality Reserve shall be established to fund studies on the causes of pollution and contamination of the District's water supply, to mitigate the problem so as to continue delivery of safe drinking water and fund short-term and long-term solutions to prevent and mitigate water contamination problems in the future for the whole community.

No annual funding goal is set but a seed funding of \$124,719 from a settlement of a water pollution case is hereby transferred to this reserve.

Annual investment or interest income earned by the reserve will increase this reserve.

**C. Drainage - Fund 800:**

1. A Drainage Capital Outlay Reserve fund shall be established for the replacement of equipment and facilities associated with the operation of District drainage services. The funding goal of this Capital Outlay Reserve will be \$10,000 per annum with a total funding goal of \$500,000. The total funding goal may be adjusted by the Board of Directors from time to time as part of the adoption of the annual budget. The maximum goal is set to a level that is sufficient to replace at least half of the drainage equipment and facilities at any point.
2. A General Contingency Reserve shall be established for contingency expenditures resulting from natural disasters or unforeseen circumstances. The maximum funding goal is \$50,000 and once reached, it shall increase in accordance with the CPI index change as per Section 3. The funding goal for this reserve account is \$5,000 per annum until such time as the General Contingency Reserve shall reach its overall goal at which time the General Contingency Reserve shall be funded with an annual increase in accordance with the CPI index as per Section 3.

**D. Solid Waste – Fund 650**

1. General Contingency Reserves not to exceed \$ 300,000 is established to cover expenditures estimated to equal no more than six months of operating costs in the event that the District may find itself operating solid waste collection, disposal and recycling functions should its business partner now franchised to do these functions be unable to continue to provide these services due to an unforeseen event. This reserve provides assurance that solid waste services remain uninterrupted at all times. Annual appropriation for this reserve will be no more than \$ 50,000 annually until the maximum cumulative reserve goal of \$300,000 is reached at which time funding will equal the change in the CPI index as per section 3.

**E. Septic Systems in Bayridge and Vista de Oro - Funds 200 and 400**

1. Capital Outlay Reserves - Any funds that are not needed to fund appropriations for operating accounts in these funds in any year will all be placed in the Capital Outlay Reserves for each of these funds. These will be used to maintain and improve aging septic system infrastructures in these two locations. No maximum goals are set for these reserves. However, should there be remaining balances in these reserves at the time when a new district-wide sewer system gets operational, the remaining balances, after paying off any internal loans, are refunded to the property owners who made the payments.

## **SECTION 2: RESERVE FUNDING**

Reserve funding sources include rates, charges, special taxes, and property taxes collected by the District related to the services referenced in Section 1 of this Resolution.

Any and all interest accruing from funds held in reserves will be added to the Reserve Balance.

In any year where there is a major shortfall in revenues due to unusual circumstances which may or may not be under the control of the Board of Directors, funding for Reserves is held in abeyance and is subsidiary to the funding of Operations and Maintenance expenditure accounts. After the circumstance is resolved, funding for Reserves for all years that were not fully funded will be restored whenever feasible. A description of the unusual circumstance will be presented to the Board at the time the Proposed Budget or the Final Budget is presented along with a statement of the impact on the reserves funding goals.

## **SECTION 3: INCREASE OF RESERVES USING CONSUMER PRICE INDEX (CPI)**

Change to Reserves using the change in CPI Index as used in Section 1 is computed as the average of the annual averages from the beginning of the latest closed fiscal year to the end of that fiscal year using the Los Angeles-Riverside-Orange CPI and the San Francisco-Oakland-San Jose CPI for all items.

## **SECTION 4: TRANSFERS**

Pursuant to Government Code Section 61112(c), the District Board of Directors may only transfer reserve funds for purposes other than the purposes outlined in Section 1, above, by a four-fifths (4/5) vote of the total membership of the Board of Directors and upon a finding that the reserves are no longer required for the designated purpose. Reserve transfers are limited to funding shortfalls in other related budget categories of the particular service and to funding shortfalls in administrative services budget.

## **SECTION 5: INCONSISTENCY**

To the extent that the terms or provision of this Resolution may be inconsistent or in conflict with the terms or conditions of any prior District motions, resolutions, rules, or regulations adopted by the District, governing the same subject matter thereof, then such inconsistent and conflicting provisions of prior motions, resolutions, rules, and regulations are hereby repealed.

## **SECTION 6: SEVERABILITY**

If any section, subsection, sentence, clause or phrase of this Resolution is for any reason held to be unconstitutional, ineffective or in any manner in conflict with the laws of the United States, or the State of California, such decision shall not affect the validity of the remaining portions of this Resolution. The Governing Board of the District hereby declares that it would have passed this Resolution and each section, subsection, sentence, clause and phrase thereof, irrespective of the fact that any one or more sections, subsection, sentence, clause or phrase be declared unconstitutional, ineffective, or in any manner in conflict with the laws of the United States or the State of California.


**SECTION 7: INCORPORATION OF RECITALS**

The recitals to this Resolution are true and correct and incorporated herein by this reference.


Upon the motion of Director Sparks, seconded by Director Cesera and on the following roll call vote:

AYES: Sparks, Cesera, Kelly, Soret, Ochylski  
NOES: \_\_\_\_\_  
ABSENT: \_\_\_\_\_  
ABSTAIN: \_\_\_\_\_

The following Resolution is hereby passed, approved and adopted by the Board of Directors of the Los Osos Community Services District on the 3<sup>rd</sup> day of June 2010.

  
\_\_\_\_\_  
Marshall E. Ochylski  
President, Board of Directors  
Los Osos Community Services District

ATTEST:

  
\_\_\_\_\_  
W. Dan Gilmore  
General Manager and Secretary to the Board