

**Los Osos Community Services District
DRAFT Minutes of the Utilities Advisory Committee Meeting
October 12, 2016 at 5:30 p.m. at the District Office**

AGENDA ITEM	DISCUSSION	FOLLOW-UP
<p>1. Call to Order, Flag Salute and Roll Call</p>	<p>Chairperson Wright called the meeting to order at 5:31 p.m. and Committee Member Moothart led the flag salute.</p> <p><u>Roll Call:</u> Jan Harper, Committee Member – Present Lee Harry, Committee Member – Absent Gene Heyer, Committee Member – Present Leonard Moothart, Committee Member – Present Ron Munds, Committee Member – Present Linde Owen, Alternate Member – Absent Chuck Cesena, Vice Chairperson – Present Mike Wright, Chairperson – Present</p> <p><u>Staff:</u> Rob Miller, District Engineer Ann Kudart, Administrative/Accounting Assistant III</p>	
<p>2. Approval of UAC Meeting Minutes for September 14, 2016</p>	<p>Committee Member Munds moved to approve the minutes as presented. The motion was seconded by Committee Member Harper.</p> <p>Public Comment: None.</p> <p>Seeing no objections, the motion passed unanimously.</p>	<p>Action – File approved minutes.</p>
<p>3. Discussion of Water Revenue Shortfalls</p>	<p>District Engineer Miller reported that current revenue and the water sales dropped more than predicted in the last adopted rate study; that the recent reserve statement provided more detailed information and that reserves available in the water fund are sufficient to fund the projects at 8th Street and the Inter-tie project. He informed the Committee that the summer period activities have resulted in more water sales due to septic tank decommissioning and re-establishing plant materials however this uptake in water sales may not persist into future fiscal years.</p> <p>Chairperson Wright announced that President Ochylski, with Board approval, appointed District Engineer Miller, UAC Member Munds, and Public Member Richard Margetson, to an Ad Hoc committee to conduct an internal review of the water fund in regard to sales, budget, and current water rates and to bring back specific recommendations to the Board.</p> <p>Public Comment – Richard Margetson, Jeff Edwards, Lynette Tornatzky spoke.</p>	
<p>4. Discussion of Disputed Wastewater Fund</p>	<p>Chairperson Wright reported that he would like to begin a discussion on the use of funds of approximately \$103,000, which was from the bankruptcy in which claimants had already written off the loss and returned the checks or checks never cashed. The time set by the court has expired and the funds are available for District use.</p> <p>The Committee discussed using the funds to pay down the bond or that it be used District-wide in support of the Basin's management.</p>	<p>Action – Members will consider additional recommendations for further discussion.</p>

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4. Discussion of Disputed Wastewater Fund (continued)	Public Comment – Jeff Edwards and Richard Margetson spoke.	
5. Utilities Department Updates A. Update on Bayridge Estates and Vista de Oro easements B. Update on unrestricted funds available in Fund 500	District Engineer Miller reported that this is moving forward and that District Legal Counsel is currently working with the County on these easements. No further update as the Committee discussed this item earlier in the meeting.	
3. Public Comments on Items NOT on this Agenda	Jeff Edwards commented on achieving additional conservation in the community through the Title 19; the SRF interest rate reduction request; and grants.	
4. Schedule Next UAC Meeting	The next meeting of the Utilities Advisory Committee is scheduled to be held on Wednesday, November 9, 2016 at 5:30 pm unless otherwise noticed.	
5. Closing Comments by UAC Committee Members	Committee Member Moothart asked if the District has received any IRWM funding and Mr. Miller reported that the District did not rank high enough. Committee Member Munds reported that more funding will soon be available. Mr. Miller announced that the District has applied for Prop 1 funds. Chairperson Wright reported that the Inter-Tie project was approved by the Board and that it is going out for bids.	
6. Adjournment	The meeting adjourned at 6:14 p.m.	