

Lisa Palmer, President
Tom Fayram, Vice President
Mike Arme, Director
Brian O'Neill, Director
Brad Ross, Director



Memo To President Palmer, Board members

From: Doug Pike, Interim General Manager

Subject: Grant Strategy Update

Date: March 9, 2022

In conjunction with our ongoing development of a grant funding strategy, and following the report to your board after the December 8, 2021 meeting, I have the following report and recommendations regarding potential cooperation and partnerships with the Eastern Management Area (EMA) Groundwater Sustainability Agency (GSA) and Santa Ynez River Water Conservation District, Improvement District No. 1 (ID1) in order to obtain significant grant funding from the state and federal government.

The District's proposed wastewater collection and treatment system has distinct components and purposes that align with potential pursuits of grant funding. At the downstream end of the system are components that address wastewater treatment and effluent discharge. It will be necessary for the District to develop a strategy to address the discharge of treated effluent; effluent discharge has potential connections to grant funding sources.

While nearly all of the funding sources contemplated (except one) are directly accessible to the District, some of these funding sources may be best pursued in partnership with ID1 and the GSA in order to solidify purpose of the funding pursuit, enhance competitiveness, and reduce financial burden to the District. The shared purpose would be the District's future treatment method for effluent discharged from the system and the GSA's and ID1's utilization of the effluent with mutual benefits derived thereof. The one grant funding source for which the District is not eligible to apply is the Proposition 68 Sustainable Groundwater Management (SGM) Program. Only GSA's or their members are eligible to apply.

Additionally, the current state legislative session will determine if the State Legislature will appropriate additional funding to the Small Community Drought Relief program (SCDR) by the time of the May budget revision. If additional funding is made available to the SCDR in FY 22/23, the time to submit a SCDR application would be immediately after the May budget revision due to the "first-come/first-serve" nature of SCDR. To re-emphasize, the District can apply directly to SCDR, but the District would best be served to have an understanding in place with ID1 on their use of the effluent since SCDR is essentially a potable water supply program.

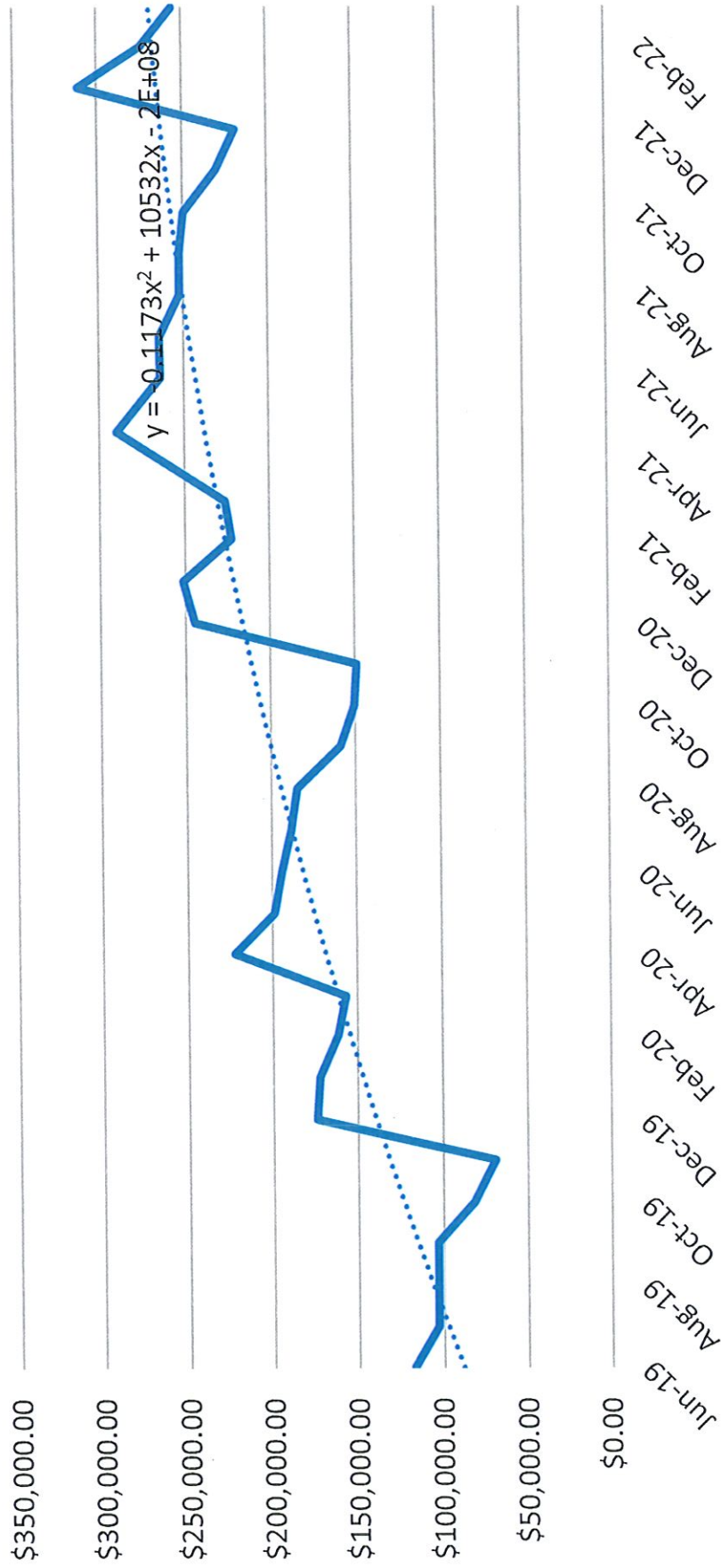
Therefore, a cooperative Memorandum of Understanding (MOU) would need to be in place by May 2022. As an alternative, the MOU could be put on a schedule to be in place by August 2022 in line with the scheduled opening date for the Sustainable Groundwater Management (SGM) Program (Round 2). This alternative may be worth considering since the SCDR application is relatively inexpensive at roughly less than \$10,000 which the District may choose to cover without a cost-sharing arrangement through an MOU.

The cost to develop a MOU including staff time, document drafting, and legal review is estimated to be between \$15,000 and \$20,000. The MOU would be a master MOU covering cooperation in pursuing all funding sources.

Recommendations

1. Direct the Interim General Manager to prepare and provide a comprehensive briefing presentation to the GSA and ID1 on District project planning and financial planning and the District's interest in partnering on mutually beneficial grant applications.
2. Initiate formal discussions with the GSA and ID1 on the development of key principles of common interest for mutual benefit with regard to possible uses of treated effluent produced from the future District infrastructure system.
3. Develop and propose entering into a Memorandum of Understanding with ID1 for purposes of cooperation and partnership on District sales and ID1 use of future District effluent supplies, pursuit of grant funding to implement uses of District effluent, and cost sharing in the pursuit of grant funding.

Los Olivos CSD Cash Balance History



Report : Financial Status (Real-Time)

Selection Criteria: Fund = 3490

Layout Options: Summarized By = Fund, LineItemAccount; Page Break At = Fund

Last Updated: 3/8/2022

Accounting Period: OPEN

Fund 3490 -- Los Olivos CSD

Line Item Account	6/30/2022 Fiscal Year Adjusted Budget	3/8/2022 Year-To-Date Actual	6/30/2022 Fiscal Year Variance	6/30/2022 Fiscal Year Pct of Budget	
Revenues					
Taxes					
3066 -- Special Tax Assessment	196,253.00	117,750.31	-78,502.69	60.00%	3.9% CPI Increase
Taxes	196,253.00	117,750.31	-78,502.69	0.00%	
Use of Money and Property					
3380 -- Interest Income	0.00	432.32	432.32	--	
3381 -- Unrealized Gain/Loss Invstmnts	-80.00	-1,580.27	-1,500.27	1975.34%	
Use of Money and Property	-80.00	-1,147.95	-1,067.95	1434.94%	
Intergovernmental Revenue-Other					
4840 -- Other Governmental Agencies	274,000.00	39,543.50	-234,456.50	14.43%	\$124k Remaining EHS Funds, 150k State Planning Grant
Intergovernmental Revenue-Other	274,000.00	39,543.50	-234,456.50	14.43%	
Revenues	470,173.00	156,145.86	-314,027.14	33.21%	
Expenditures					
Services and Supplies					
7090 -- Insurance	2,500.00	161.79	-2,338.21	6.47%	SDRMA Membership-Liability Coveraee
7324 -- Audit and Accounting Fees	4,000.00	59.25	-3,940.75	1.48%	FIN Expenses,Audit Expenses
7325 -- Other Professional Services (Grant Assistance)	10,000.00	0.00	-10,000.00	0.00%	Grant Writing
7430 -- Memberships	1,200.00	1,102.00	-98.00	91.83%	CSDA
7450 -- Office Expense	2,000.00	0.00	-2,000.00	0.00%	Postage, Printing,supplies
7460 -- Professional & Special Service (Project, Planning & Studies)	439,000.00	84,060.70	-354,939.30	19.15%	Grant revenue and cash reserves- Planning, Design and Environ. WWTP
7508 -- Legal Fees	27,000.00	16,480.00	-10,520.00	61.04%	
7510 -- Contractual Services (IGM Contract, Engineer)	67,000.00	64,784.27	-2,215.73	96.69%	Incl. MNS (\$18,000 - \$1500/mo) and Perm. GM. (\$45,000 - \$135/hr x 30 hrs/Mo Round up)
7530 -- Publications & Legal Notices	5,000.00	0.00	-5,000.00	0.00%	Anticipates additional noticing for Prnn 21R
7671 -- Special Projects	15,000.00	0.00	-15,000.00	0.00%	Special Assessment Vote
7732 -- Training	1,500.00	0.00	-1,500.00	0.00%	
Services and Supplies	574,200.00	166,648.01	-407,551.99	29.02%	
Other Charges					
7894 -- Communication Services	930.00	0.00	930.00	0.00%	Website Hosting, Ring Central
Expenditures	575,130.00	166,648.01	-407,551.99	28.98%	

Cash Balance

Fund	Beginning Balance	Month-to-date cash receipts	Month-To-Date Treasury Credits (+)	Month-To-Date Treasury Debits (-)	Ending Balance	
2/1/2022 - 2/28/2022 (FY 2021-22)	\$274,179.36	0.00	0.00	18,774.77	\$255,404.59	2/28/2022

Los Olivos Community Services District
Action Plan

Task	Start Date	End Date	Duration	Budget
Stantec Siting Study	10/14/2021	1/15/2022	93	\$10,000
Stantec Siting Study Draft Submittal	12/8/2021	12/9/2021	1	
Stantec Load Study Update	11/1/2021	12/8/2021	37	\$20,000
Stantec Basis of Design	11/1/2021	12/10/2021	39	\$13,876
Stantec Basis of Design Draft Report	11/15/2021	12/10/2021	25	
Stantec Basis of Design Board Approval	1/11/2022	1/12/2022	1	
Stantec 30% Design			91	\$173,048
Stantec 30% Design Draft Submittal			1	
Stantec 30% Design Board Review			1	
Stantec 60% Design (FY 2022-23)			93	
Effluent Disposal Options Analysis			100	\$60,000
Effluent Disposal Study Consultant Selection			33	
GSI Well Drilling			31	\$15,000
GSI Groundwater Monitoring			171	\$33,000
MNS Grant Effort			163	
Select Assessment Engineer			36	\$30,000
MNS WRFPP Report			98	\$8,000

FY 20-21 Budget Modifucation Request

	Approved	YTD	Recom. Bud.	Modification
Beginning Bal.	\$213,370		\$213,370	
Revenues				
Special Tax				
Assessment	196,253	-0-	\$196,253	-0-
County EHS	\$124,000	\$18,223	\$124,000	-0-
State Grant	\$150,000	-0-	\$150,000	-0-
Revenue Total	\$470,253	\$18,223	\$470,253	-0-
Expenditures				
Services and Sup.				
Insurance	\$2,500	\$162	\$2,500	-0-
Audit and Account.	\$4,000	\$59	\$3,941	-0-
Membership	\$1,200	\$1,102	\$1,200	-0-
Office Expense	\$2,000	-0-	\$2,000	-0-
Total Serv. & Sup.	9,700	\$1,322	\$9,700	-0-
Professional Serv.				
Stantec Prel. Design	\$180,000	-0-	\$209,350	\$29,350
Siting Study		-0-	\$10,000	\$10,000
GSI Grnd Water Mg.	\$48,250	\$13,392	\$48,250	-0-
GSI Inj Feas.	-0-	\$11,000	\$12,500	\$12,500
Effl. Opt.	-0-		\$60,000	\$60,000
Pre. Env	\$65,000	-0-	\$65,000	-0-
Assessment Eng	\$30,000	-0-	\$30,000	-0-
Avail \$ Prof Serv	\$115,750		\$3,900	(\$111,850)
Total Prof Serv.	\$439,000	\$24,392	\$439,000	
Direct Support Serv				
Legal Fees	\$27,000	\$10,460	\$27,000	-0-
Grant Asst.	\$10,000	-0-	\$10,000	-0-
Gen Mang.	\$49,000	\$11,620	\$49,000	-0-
Dist Eng	\$18,000	\$12,590	\$36,000	\$18,000
Publica. Noc	\$5,000	-0-	\$5,000	-0-
Assess. Proc	\$15,000	-0-	\$15,000	-0-
Training	\$1,500	-0-	-0-	(\$1,500)_
Comm Serv.	\$930	-0-	\$930	-0-
Total Dir. Supp.	\$126,430	\$34,670	\$142,930	\$16,500
Total Exp	\$575,130	\$60,384	\$591,630	\$16,500
Ending Bal	\$108,493		\$91,993	