

Tom Fayram, President  
 Brad Ross, Vice-President  
 Julie Kennedy, Director  
 Lisa Palmer, Director  
 Greg Parks, Director



**LOS OLIVOS COMMUNITY SERVICES DISTRICT  
 FINANCE COMMITTEE MEETING**

**Posted: 6-5-2023**

**June 9, 2023 – 8:30 AM**

**St Mark's in the Valley Episcopal Church  
 2901 Nojoqui Ave, Los Olivos CA 93441**

**Please observe decorum and instructions from the Committee Chair**

**Finance Committee: Director Julie Kennedy, Director Lisa Palmer, and General Manager Guy Savage**

This meeting will be held both in-person and electronically via Zoom Meetings. In-person the meeting will be held at the following locations:  
 St Mark's in the Valley Episcopal Church, 2901 Nojoqui Ave, Los Olivos CA 93441

The public will also be able to hear and participate electronically via Zoom by using the following links:

Zoom: <https://us06web.zoom.us/j/81937722522?pwd=SWpSU0RYZFljZTBkNGphZG41TGs4dz09>  
 By Phone: +1 669 900 6833 US (San Jose) Meeting ID: 819 3772 2522 Passcode: 914085  
 One tap mobile: +14086380968,,81937722522#,,,,\*914085# US (San Jose)

The Los Olivos Community Services District is committed to ensuring equal access to meetings. In compliance with the American Disabilities Act, if you need special assistance to participate in the meeting or need this agenda provided in a disability-related alternative format, please call 805.500.4098 or email to losolivoscscsd@gmail.com. Any public records, which are distributed less than 72 hours prior to this meeting to all, or a majority of all, of the District's Board members in connection with any agenda item (other than closed sessions) will be available for public inspection at the time of such distribution at a location to be determined in Los Olivos, California 93441.

**MEETING AGENDA**

**1. CALL TO ORDER**

**2. ROLL CALL**

**3. DIRECTOR COMMENTS**

Directors will give reports on any meetings that they attended on behalf of the Committee and/or choose to comment on various Committee activities. Committee member requests for future agenda items may also be made at this time.

**4. PUBLIC COMMENTS**

Members of the public may address the Committee on any items of interest within the subject matter and jurisdiction of the Committee but not on the agenda today (Gov. Code - 54954.3). The public may also request future agenda topics at this time. Speakers are limited to 3 minutes. Due to the requirements of the Ralph M. Brown Act, the District cannot take action today on any matter not on the agenda, but a matter raised during Public Comments may be referred to District staff for discussion and possible action at a future meeting.

**5. ADMINISTRATIVE AGENDA**

**A. APPROVAL OF MEETING MINUTES**

Finance Committee Meeting Minutes of May 4, 2023.

**6. BUSINESS ITEMS**

**A. Review and recommend to full Board of Directors' payment of invoices received by June 1, 2023.**

No.	Invoice Date	Invoice #	Provider	Amount
1.	5/4/2023	83015	MNS – Engineering Services	\$ 2,452.50

Los Olivos Community Services District, P.O. Box 345, Los Olivos, CA 93441, (805) 500-4098  
[losolivoscscsd@gmail.com](mailto:losolivoscscsd@gmail.com), [www.losolivoscscsd.com](http://www.losolivoscscsd.com)

2.	5/4/2023	75423	Aleshire & Wynder – Legal Services	\$ 2,914.01
3.	5/12/2023	83166	MNS – Engineering Services	\$ 1,277.50
4.	5/15/2023	2081049	Stantec – Engineering Services	\$ 1,303.50
5.	5/31/2023	20235	Savage – General Manager and District Services	\$ 4,050.00

Project	Vendor	To Date (inc. above)	Remaining Authorization
Audit	Moss, Levy & Hartzheim, LLP	\$ 2,500.00	\$ 5,275.00

- B. Review Budget Reports
- C. Audit Report Review
- D. Fiscal Year 2023-24 Budget Discussion

**7. ADJOURNMENT**

**ITEM 5A - MINUTES TO APPROVE**

**MINUTES TO APPROVE**

Tom Fayram, President  
Brad Ross, Vice-President  
Julie Kennedy, Director  
Lisa Palmer, Director  
Greg Parks, Director



**LOS OLIVOS COMMUNITY SERVICES DISTRICT  
FINANCE COMMITTEE MEETING**

**Posted: 5-1-2023**

**May 4, 2023 – 8:30 AM**

**St Mark's in the Valley Episcopal Church  
2901 Nojoqui Ave, Los Olivos CA 93441**

**Please observe decorum and instructions from the Committee Chair**

**Finance Committee: Director Julie Kennedy, Director Lisa Palmer, and General Manager Guy Savage**

This meeting will be held both in-person and electronically via Zoom Meetings. In-person the meeting will be held at the following locations:  
St Mark's in the Valley Episcopal Church, 2901 Nojoqui Ave, Los Olivos CA 93441

The public will also be able to hear and participate electronically via Zoom by using the following links:

Zoom: <https://us06web.zoom.us/j/81937722522?pwd=SWpSU0RYZFliZTBiLNGphZG41TGs4dz09>  
By Phone: +1 669 900 6833 US (San Jose) Meeting ID: 819 3772 2522 Passcode: 914085  
One tap mobile: +14086380968,,81937722522#,,,,\*914085# US (San Jose)

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## MEETING AGENDA

### 1. CALL TO ORDER

**The meeting was called to order at: 8:37 AM.**

### 2. ROLL CALL

Attending: Director Kennedy, Director Palmer, General Manager Savage

Absent: None

### 3. DIRECTOR COMMENTS

Directors will give reports on any meetings that they attended on behalf of the Committee and/or choose to comment on various Committee activities. Committee member requests for future agenda items may also be made at this time.

No comments.

### 4. PUBLIC COMMENTS

Members of the public may address the Committee on any items of interest within the subject matter and jurisdiction of the Committee but not on the agenda today (Gov. Code - 54954.3). The public may also request future agenda topics at this time. Speakers are limited to 3 minutes. Due to the requirements of the Ralph M. Brown Act, the District cannot take action today on any matter not on the agenda, but a matter raised during Public Comments may be referred to District staff for discussion and possible action at a future meeting.

No comments.

### 5. ADMINISTRATIVE AGENDA

#### A. APPROVAL OF MEETING MINUTES

Finance Committee Meeting Minutes of April 7, 2023.

Public Comment: No comments.

**Los Olivos Community Services District, P.O. Box 345, Los Olivos, CA 93441, (805) 500-4098**

[losolivoscscsd@gmail.com](mailto:losolivoscscsd@gmail.com), [www.losolivoscscsd.com](http://www.losolivoscscsd.com)

Motion to approve the meeting minutes of April 7, 2023.

Motion by: Director Palmer, Second: Director Kennedy. Voice vote: (3-0) All in favor.

## 6. BUSINESS ITEMS

### A. Review and recommend to full Board of Directors' payment of invoices received by May 1, 2023.

No.	Invoice Date	Invoice #	Provider	Amount
1.	4/13/2023	74960	Aleshire & Wynder – Legal Services	\$ 4,312.99
2.	3/7/2023	1091	Confluence ES – Effluent Disposal Study	\$ 550.00
3.	4/30/2023	20234	Savage – General Manager and District Services	\$ 3,611.25

Project	Vendor	To Date (inc. above)	Remaining Authorization
Effluent Study	GSI	\$ 15,317.50	\$ 4,182.50
Effluent Study	ConfluenceES	\$ 19,421.20	\$ 1,028.80
Audit	Moss, Levy & Hartzheim, LLP	\$ 2,500.00	\$ 5,275.00

Public Comment: No comments.

Motion to approve business item 6A.

Motion by: Director Palmer, Second: Director Kennedy. Voice vote: (3-0) All in favor.

### B. Review Budget Reports

GM Savage points out that property tax revenues have been received, thereby making the cash balance increase. General discussion about need for an MHI study follows. Director Kennedy asks if there are any known invoices that might come in this fiscal year, beyond the normal set. GM Savage responds by saying that there is not much work being performed by contractors, beyond the usual staff-type support. Director Palmer asks about whether the County EHS grant might be available to help with paying for the MHI study, with Director Kennedy saying she is estimating the total cost to be around \$50,000.

Public Comment: No comments.

### C. Audit Report Review

Directors note that there is nothing of consequence in the report, with GM Savage noting that the 2022 report is nearly complete. He adds that there is no action and that he will sign/return the necessary documents to Moss, Levy & Hartzheim.

Public Comment: No comments.

### D. Fiscal Year 2023-24 Budget Discussion

The committee generally discusses the upcoming budget cycle. GM Savage notes that what is presented at budget time is more of a spending plan than a ridged budget, adding that funds are regularly moved between various line-items by the Board without any significant action required to make it happen. Directors Palmer and Kennedy offer ways to make the budgeting processes be more informative for the public and Board. They note that additional emphasis on grant assistance, spending assumptions on contractual services, and other documentation would be helpful. Director Palmer notes her desire to see funds set aside for workshop related expenses (noticing, outreach, facilitator). Director Kennedy notes that as a member of the Grants Subcommittee, she thinks more direction from the Technical Subcommittee related to funding needs would be very helpful.


Public comment: Kathryn Rohrer speaks.

## 7. ADJOURNMENT

Motion to adjourn at 9:06 AM.

Motion by: GM Savage, Second: Director Palmer. Voice vote: (3-0) All in favor.

Respectfully submitted:



Guy W. Savage  
General Manager – Los Olivos Community Services District

Approved:

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Lisa Palmer or Julie Kennedy  
Director – Los Olivos Community Services District

# ITEM 6A - INVOICE PAYMENT

INVOICE PAYMENT



201 N. Calle Cesar Chavez | Suite 300  
Santa Barbara, CA 93103

Main: 805 692 6921

[WWW.MNSENGINEERS.COM](http://WWW.MNSENGINEERS.COM)

- > CIVIL ENGINEERING
- > CONSTRUCTION MANAGEMENT
- > LAND SURVEYING

May 4, 2023

Project No: LOCD.180392.00

Invoice No: 83015

Los Olivos Community Services District

P.O. Box 553

Los Olivos, CA 93441

Principal Jeffrey Edwards  
 Project Manager Douglas Pike  
 Project LOCD.180392.00 District Support Services

This Invoice includes:

1. General District Support Tasks: \$1,527.50
2. Engineering Tasks:
  - a. REGEN Report Update Review (draft & final): \$185.00
  - b. GSI Well Report Review and comment: \$0.00
  - c. Assessment Engineer: \$0.00
  - d. General Engineering Tasks (Technical Committee): \$370.00
  - e. Grant Support (New Grant Opportunities Research): \$370.00
3. PRA Request: \$0.00

**Professional Services for the Period: March 1, 2023 to March 31, 2023**

Level 2 TASK01 District Management

**Professional Personnel**

	<b>Hours</b>	<b>Rate</b>	<b>Amount</b>	
Administrative Support				
Project Coordinator	7.50	105.00	787.50	
Project Management				
District Engineer	4.00	185.00	740.00	
Totals	11.50		1,527.50	
<b>Total Labor</b>				<b>1,527.50</b>
				<b>Level 2 Subtotal</b>
				<b>\$1,527.50</b>

Level 2 TASK02 Engineering Tasks



**Professional Personnel**

	<b>Hours</b>	<b>Rate</b>	<b>Amount</b>	
Project Management				
District Engineer	5.00	185.00	925.00	
Totals	5.00		925.00	
<b>Total Labor</b>				<b>925.00</b>
		<b>Level 2 Subtotal</b>		<b>\$925.00</b>
		<b>Current Invoice Amount</b>		<b>\$2,452.50</b>

# Billing Backup

Thursday, May 4, 2023

MNS Engineers, Inc.

Invoice 83015 Dated 5/4/2023

12:55:32 PM

Project LOCSD.180392.00 District Support Services  
 Level 2 TASK01 District Management

## Professional Personnel

			<b>Hours</b>	<b>Rate</b>	<b>Amount</b>
Administrative Support					
Project Coordinator					
Zepeda, Mary	3/6/2023		.25	105.00	26.25
File A&W Invoice; Update Budget Tracking Log					
Zepeda, Mary	3/10/2023		1.50	105.00	157.50
Prepare and Forward GSI Invoice 00876.001-15 to EHS for reimbursement; Update Budget Tracking Log					
Zepeda, Mary	3/20/2023		.25	105.00	26.25
Assist GS to confirm FIN error message					
Zepeda, Mary	3/23/2023		2.75	105.00	288.75
Prepare GSI, GWS, MNS (2), Regan Invoices for payment via FIN; Update Budget Tracking Log; Followup with GS re Moss Levy Hardzheim Vendor Package					
Zepeda, Mary	3/27/2023		2.50	105.00	262.50
Create and Process Single Payment Claims for GSI , GWS, Regen, MNS Invoices for DP; Follow-up with GS re Moss, Levy & Hartzheim, LLP Invoice and GSI 00876.001-23 Invoice; Update Budget Tracking Log					
Zepeda, Mary	3/31/2023		.25	105.00	26.25
File Streamline Invoice; Update Budget Tracking Log					
Project Management					
District Engineer					
Pike, Douglas	3/15/2023		4.00	185.00	740.00
Prepare for, Set up and support District Board Meeting					
<b>Totals</b>			<b>11.50</b>		<b>1,527.50</b>
<b>Total Labor</b>					<b>1,527.50</b>
<b>Level 2 Subtotal</b>					<b>\$1,527.50</b>

Level 2 TASK02 Engineering Tasks

## Professional Personnel

			<b>Hours</b>	<b>Rate</b>	<b>Amount</b>
Project Management					
District Engineer					
Pike, Douglas	3/3/2023		1.00	185.00	185.00
REGEN Report review meeting					
Pike, Douglas	3/15/2023		2.00	185.00	370.00
Teams Meeting with the State Water Board re Planning Grant Draft Report					
Pike, Douglas	3/16/2023		.50	185.00	92.50
Minutes - LOCSD - Meeting Recording Concerns					
Pike, Douglas	3/24/2023		.50	185.00	92.50
Zoom Meeting with District					
Pike, Douglas	3/29/2023		1.00	185.00	185.00

Project	LOCSD.180392.00	District Support Services	Invoice	83015
Technical Subcommittee @ Wed Mar 29, 2023 4:30pm - 5:30pm				
	Totals	5.00	925.00	
	<b>Total Labor</b>			<b>925.00</b>
			<b>Level 2 Subtotal</b>	<b>\$925.00</b>
			<b>Project Total</b>	<b>\$2,452.50</b>
			<b>Total this Report</b>	<b>\$2,452.50</b>



May 4, 2023

Via Email: Guy Savage – [GM.LOCSD@gmail.com](mailto:GM.LOCSD@gmail.com)

General Manager  
Los Olivos Community Services District  
P.O. Box 345  
Los Olivos, CA 93441

Re: **May 2023 Billing Statement (for services through 04/30/23);  
Aleshire & Wynder, LLP**

Dear General Manager:

Enclosed, please find the billing statements for the month of May, which include services rendered and costs incurred by Aleshire & Wynder, LLP, through April 30, 2023.

Should you have any questions or require additional information concerning the foregoing, please let me know.

Sincerely,

ALESHIRE & WYNDER, LLP

Elizabeth Shaffer *for*  
G. Ross Trindle, III

Enclosure

cc: Mary Zepeda – [mzepeda@mnsengineers.com](mailto:mzepeda@mnsengineers.com)

## LOS OLIVOS COMMUNITY SERVICES DISTRICT (01245) MONTHLY BILLING SUMMARY

Billing Period: April 1 thru April 30, 2023

	Total Hours	Hourly Rate	Total Fees	Total Costs	Total Fees & Costs	Writeoff Value	Comments
<b>0001 General</b> (\$220 Blended: Atty / Paralegal / Law Clerk)	8.20	220	1,804.00	273.02	2,077.02	0.00	(Advisory/Transactional Svcs)
<b>TOTALS:</b>	<b>8.20</b>		<b>1,804.00</b>	<b>273.02</b>	<b>2,077.02</b>	<b>0.00</b>	



Los Olivos Community Services District  
Attn: General Manager  
PO Box 345  
Los Olivos, CA 93441

May 1, 2023  
Bill No. 75423

For Legal Services Rendered Through 04/30/23

CLIENT: 01245 - Los Olivos Community Services District  
MATTER: 0001 - General

**PROFESSIONAL SERVICES**

Date	Attorney	Description	Hours	Amount
04/11/23	GRT	(REGULAR MEETING) INITIAL TRAVEL TIME FOR REGULAR MEETING [SPLIT WITH IVCS, SMVWCD]	1.30	286.00
04/12/23	GRT	(REGULAR MEETING) COMPLETE PREPARATION FOR AND ATTEND REGULAR MEETING	3.70	814.00
04/14/23	GRT	(REGULAR MEETING) RETURN TRAVEL TIME FOR REGULAR MEETING [SPLIT WITH IVCS, SMVWCD]	1.30	286.00
	GRT	(PUBLIC COMMENT) REVIEW OF EMAIL FROM MS. GOTT RE PUBLIC COMMENT REQUIREMENTS; PROVIDE RESPONSE AND ANALYSIS TO GENERAL MANAGER RE SAME	0.20	44.00
04/24/23	GRT	(GOTT PRA) EMAIL EXCHANGE WITH DIRECTOR KENNEDY RE PUBLIC RECORDS ACT REQUEST FROM MS. GOTT RE PUBLIC COMMENT AND AGENDA ITEMS	0.30	66.00
	GRT	(GOTT PRA) DRAFT TRANSMITTAL TO MS. GOTT RE EXTENSION FOR RESPONSE DEADLINES FOR DIRECTORS FAYRAM, PALMER, AND KENNEDY	0.40	88.00
	GRT	(GOTT PRA) DRAFT TRANSMITTAL TO DIRECTOR PALMER RE EXTENDED RESPONSE DEADLINE	0.20	44.00

**PROFESSIONAL SERVICES**

<b>Date</b>	<b>Attorney</b>	<b>Description</b>	<b>Hours</b>	<b>Amount</b>
	GRT	(GOTT PRA) REVIEW OF POTENTIALLY RESPONSIVE DOCUMENTS FROM DIRECTOR FAYRAM	0.70	154.00
04/28/23	GRT	(GOTT PRA) BRIEF EMAIL EXCHANGE WITH DIRECTOR KENNEDY RE RESPONSE TO PRA REQUEST	0.10	22.00
<b>Total Professional Services</b>			<u>8.20</u>	<u>\$1,804.00</u>

**PROFESSIONAL SERVICES SUMMARY**

<b>Code</b>	<b>Name</b>	<b>Hours</b>	<b>Rate</b>	<b>Amount</b>
GRT	George "Ross" Trindle	8.20	220.00	1,804.00
<b>Total Professional Services</b>		<u>8.20</u>		<u>\$1,804.00</u>

**DISBURSEMENTS**

<b>Date</b>	<b>Description</b>	<b>Amount</b>
04/25/23	MILEAGE TO/FROM 1720210-(TO IVCSO, BOARD MTNG, 04/11/23);Check#1293 - G. Ross Trindle, III	35.37
04/25/23	MILEAGE TO/FROM 1720210-(IVCSO TO LOSO, BOARD MTNG, 04/12/23);Check#1293 - G. Ross Trindle, III	12.02
04/25/23	MILEAGE TO/FROM 1720210-(LOSO TO IVCSO, BOARD MTNG, 04/14/23);Check#1293 - G. Ross Trindle, III	12.02
04/25/23	MILEAGE TO/FROM 1720210-(IVCSO TO RIVERSIDE OFFICE, BOARD MTNG, 04/14/23);Check#1293 - G. Ross Trindle, III	35.37
04/25/23	TRAVEL EXPENSE 1720210-(HOTEL, BOARD MEETINGS, 04/11 - 04/14/23);Check#1293 - G. Ross Trindle, III	178.24
<b>Total Disbursements</b>		<u>\$273.02</u>

**Receipts Since Last Bill**

Prior Balance On This Matter	-2,639.01	
Date	Description	Total Applied to this Matter
04/20/23	LOS OLIVOS COMMUNITY SERVICES	3,476.00
Less Total Payments		<u>\$3,476.00</u>
Current Matter Due Amount		<u>\$2,914.01</u>



Hampton Inn and Suites by Hilton - Santa Maria, CA  
 2190 Preisker Ln, Santa Maria 93458 US  
 8054241414  
 smxsm\_Hampton\_Suites@hilton.com

Date Range: Apr 11, 2023 - Apr 14, 2023  
 Tax ID :

### Guest Folio

Confirmation Number - 81575840

#### Primary Guest

Guest Name TRINDLE G  
 Address 1217 N 1ST AVE  
 City, State, Zip Code UPLAND CA 91786  
 Country US

#### ADDN GUESTS

#### Hilton Honors

★ Diamond  
 629895263

#### Stay Details

Check In Date Apr 11, 2023  
 Check Out Date Apr 14, 2023  
 Room NKRU - 306  
 Source OTHER  
 Guests 1/0

#### Company Details

Name  
 Tax ID  
 PO Number  
 Account Name

#### Other Details

Bill Number  
 Tax Exemption NO  
 Tax Exempt  
 Date  
 Travel Agent  
 IATA  
 Name

Date	Type	Description	Amount
Apr 11, 2023	Charge	GUEST ROOM	\$152.28
Apr 11, 2023	Tax	RM - CITY TAX	\$0.30
Apr 11, 2023	Tax	RM - CA TOURISM TAX	\$3.05
Apr 11, 2023	Tax	RM - OCCUPANCY TAX	\$15.23
Apr 12, 2023	Charge	GUEST ROOM	\$156.98
Apr 12, 2023	Tax	RM - CITY TAX	\$0.31
Apr 12, 2023	Tax	RM - CA TOURISM TAX	\$3.14
Apr 12, 2023	Tax	RM - OCCUPANCY TAX	\$15.70
Apr 13, 2023	Charge	GUEST ROOM	\$167.32
Apr 13, 2023	Tax	RM - CITY TAX	\$0.33
Apr 13, 2023	Tax	RM - CA TOURISM TAX	\$3.35
Apr 13, 2023	Tax	RM - OCCUPANCY TAX	\$16.73
Apr 14, 2023	Payments	AMEX-1000	\$-534.72

Summary	
Type	Amount
GUEST ROOM	\$476.58
RM - CITY TAX	\$0.94
RM - CA TOURISM TAX	\$9.54
RM - OCCUPANCY TAX	\$47.66
CREDIT CARD	\$534.72
<b>Folio Balance</b>	<b>\$0.00</b>

Check In Time 12:06 PM  
 Check Out Time 09:18 AM

Reservations: [www.hamptoninn.com](http://www.hamptoninn.com) or 1-800-HAMPTON  
 The on-line eFolio is a courtesy informational service, subject to and Site Usage; actual folio kept in hotel records: [www.privacy.hilton.com](http://www.privacy.hilton.com)





**CURRENT BILL TOTAL AMOUNT DUE**

Balance Forward:

Payments & Adjustments:

**Total Due:**

\$2,077.02

4,312.99

-3,476.00

\$2,914.01

# Please return this page with remittance

to  
Aleshire & Wynder, LLP

**Bill Number:** 75423  
**Bill Date:** May 1, 2023  
**Client Code:** 01245  
**Client Name:** Los Olivos Community Services District  
**Matter Code:** 0001  
**Matter Name:** General

Total Professional Services	1,804.00
Total Disbursements	273.02
<b>CURRENT BILL TOTAL AMOUNT DUE</b>	<b><u>\$2,077.02</u></b>
Balance Forward:	4,312.99
Payments & Adjustments:	-3,476.00
<b>Total Due:</b>	<b><u>\$2,914.01</u></b>

Amount enclosed: \_\_\_\_\_

Thank You



201 N. Calle Cesar Chavez | Suite 300  
Santa Barbara, CA 93103

Main: 805 692 6921

[WWW.MNSENGINEERS.COM](http://WWW.MNSENGINEERS.COM)

- > CIVIL ENGINEERING
- > CONSTRUCTION MANAGEMENT
- > LAND SURVEYING

May 12, 2023

Project No: LOCSD.180392.00

Invoice No: 83166

Los Olivos Community Services District

P.O. Box 553

Los Olivos, CA 93441

Principal Jeffrey Edwards  
Project Manager Douglas Pike  
Project LOCSD.180392.00 District Support Services

This Invoice includes:

1. General District Support Tasks: \$722.50
2. Engineering Tasks:
  - a. General Support Tasks: Attend Board Meeting: \$370.00
  - b. General Engineering Tasks (Technical Committee): \$185.00
  - c. Grant Support (New Grant Opportunities Research): \$0.00
3. PRA Request: \$0.00

**Professional Services for the Period: April 1, 2023 to April 30, 2023**

Level 2 TASK01 District Management

**Professional Personnel**

	<b>Hours</b>	<b>Rate</b>	<b>Amount</b>	
Administrative Support				
Project Coordinator	6.00	105.00	630.00	
Project Management				
District Engineer	.50	185.00	92.50	
Totals	6.50		722.50	
<b>Total Labor</b>				<b>722.50</b>
				<b>Level 2 Subtotal</b>
				<b>\$722.50</b>

Level 2 TASK02 Engineering Tasks

**Professional Personnel**

	<b>Hours</b>	<b>Rate</b>	<b>Amount</b>	
Project Management				
District Engineer	3.00	185.00	555.00	
Totals	3.00		555.00	
<b>Total Labor</b>				<b>555.00</b>

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Project	LOCSD.180392.00	District Support Services	Invoice	83166
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<b>Level 2 Subtotal</b>	<b>\$555.00</b>
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<b>Current Invoice Amount</b>	<b>\$1,277.50</b>
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**Outstanding Invoices**

<b>Number</b>	<b>Date</b>	<b>Balance</b>
83015	5/4/2023	2,452.50
<b>Total</b>		<b>2,452.50</b>

# Billing Backup

Friday, May 12, 2023

MNS Engineers, Inc.

Invoice 83166 Dated 5/12/2023

12:40:57 PM

Project LOCS.D.180392.00 District Support Services  
 Level 2 TASK01 District Management

## Professional Personnel

	Hours	Rate	Amount
Administrative Support			
Project Coordinator			
Zepeda, Mary	4/3/2023	.25	105.00
			26.25
Forward Pending Invoices to GS			
Zepeda, Mary	4/4/2023	.75	105.00
			78.75
File Regen Invoice; Update Budget Tracking Log; Assist DP with responding to a FIN returned document (Regen Invoice)			
Zepeda, Mary	4/10/2023	.25	105.00
			26.25
Assist GS re Box Access to MNS Box Files			
Zepeda, Mary	4/13/2023	.25	105.00
			26.25
File ConfluenceES and A&W Invoice; Update Budget Tracking Log			
Zepeda, Mary	4/14/2023	2.00	105.00
			210.00
Prepare MA&W, GSI Water Solutions, GWS, MNS, Moss, Levy & Hartzheim, SBC ES (2), Streamline Regan Invoices for payment via FIN; Update Budget Tracking Log			
Zepeda, Mary	4/17/2023	2.25	105.00
			236.25
Create and Process Single Payment Claims for A&W, GSI, GWS, MLH, MNS, Regen Streamline Invoices for DP; Update Budget Tracking Log			
Zepeda, Mary	4/18/2023	.25	105.00
			26.25
Follow-up with DP re SBC Invoices and Vendor Payment			
Project Management			
District Engineer			
Pike, Douglas	4/21/2023	.50	185.00
			92.50
Communications and Box link to Alexander Horn to LOCS.D financial files			
	Totals	6.50	722.50
			<b>722.50</b>
<b>Level 2 Subtotal</b>			<b>\$722.50</b>

Level 2 TASK02 Engineering Tasks

## Professional Personnel

	Hours	Rate	Amount
Project Management			
District Engineer			
Pike, Douglas	4/10/2023	1.00	185.00
			185.00
Technical Committee Meeting			
Pike, Douglas	4/12/2023	2.00	185.00
			370.00
Board Meeting Attendance			
	Totals	3.00	555.00
			<b>555.00</b>
<b>Level 2 Subtotal</b>			<b>\$555.00</b>

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Project	LOCSD.180392.00	District Support Services	Invoice	83166
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**Project Total** **\$1,277.50**

**Total this Report** **\$1,277.50**

Project Name: Septic to Sewer Preliminary Design Project  
 Contract Order No.:  
 Progress Report No.: **16**  
 Ending Date: **21-Apr-23**

**TASK SUMMARY**

Task	Title	Authorized Budget	Billed to Date	Billed this Invoice	Total Billed	Status
201	Loading Study	\$ 20,000.00	\$ 16,845.50	\$ -	\$ 16,845.50	Complete
202	Basis of Design	\$ 266,750.00	\$ 168,921.65	\$ 1,303.50	\$ 170,225.15	In Progress
203	WWTP Siting Study	\$ 10,000.00	\$ 9,922.25	\$ -	\$ 9,922.25	Complete
<b>Total Due this invoice</b>				<b>\$ 1,303.50</b>		

**TASK EXPENDITURE SUMMARY**

WORK TASK	DESCRIPTION	ASSIGNED	EXPENDED PREVIOUSLY	EXPENDED THIS PERIOD	TOTAL EXPENDED	% OF FUNDS EXPENDED	% ACTUAL COMPLETED
<b>201</b>	<b>Loading Study</b>	<b>\$ 20,000.00</b>	<b>\$ 16,845.50</b>		<b>\$ 16,845.50</b>	<b>84%</b>	<b>100%</b>
<b>202</b>	<b>Basis of Design</b>	<b>\$ 266,750.00</b>	<b>\$ 168,921.65</b>	<b>\$ 1,303.50</b>	<b>\$ 170,225.15</b>	<b>64%</b>	<b>60%</b>
202.001	Basis of Design	\$ 13,876.00	\$ 13,720.00	\$ -	\$ 13,720.00	99%	100%
202.002	30 Percent Design	\$ 173,048.00	\$ 141,427.65	\$ 125.00	\$ 141,552.65	82%	100%
202.003	60 Percent Design	\$ 51,040.00	\$ -	\$ 1,178.50	\$ 1,178.50	2%	0%
202.004	PM	\$ 28,786.00	\$ 13,774.00	\$ -	\$ 13,774.00	48%	48%
<b>203</b>	<b>Siting Study</b>	<b>\$ 10,000.00</b>	<b>\$ 9,922.25</b>	<b>\$ -</b>	<b>\$ 9,922.25</b>	<b>99%</b>	<b>100%</b>
203.001	3rd Party Review	\$ 10,000.00	\$ 9,922.25	\$ -	\$ 9,922.25	99%	100%
<b>CONTRACT TOTALS:</b>		<b>\$ 296,750.00</b>	<b>\$ 195,689.40</b>	<b>\$ 1,303.50</b>	<b>\$ 196,992.90</b>	<b>66.4%</b>	<b>66%</b>



INVOICE

<b>Invoice Number</b>	2081049
<b>Invoice Date</b>	May 15, 2023
<b>Customer Number</b>	163739
<b>Project Number</b>	184031368

**Bill To**

Los Olivos Community Service District  
 Guy Savage  
 PO Box 345  
 Los Olivos CA 93441  
 United States

**Please Remit To**

Stantec Consulting Services Inc. (SCSI)  
 13980 Collections Center Drive  
 Chicago IL 60693  
 United States  
 Federal Tax ID  
 11-2167170

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**Project Description:** Los Olivos Community Service District Project Design Services – Task Order No. 1 rev 01 (Loading Study)

<b>Stantec Project Manager:</b>	Poytress, Carrie Elizabeth
<b>Authorization Amount:</b>	\$296,750.00
<b>Authorization Previously Billed:</b>	\$195,689.40
<b>Authorization Billed to Date:</b>	\$196,992.90
<b>Current Invoice Due:</b>	\$1,303.50
<b>For Period Ending:</b>	April 21, 2023

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**email invoice to:** Guy Savage (GM.LOCSD@gmail.com)



INVOICE

Invoice Number

2081049

Project Number

184031368

**Top Task 202**                      **Basis of Design**

**Low Task 202.002**              **30 Percent Design**

**Professional Services**

Billing Level	Date	Hours	Rate	Current Amount
Level 15				
Poytress, Carrie Elizabeth	2023-04-03	0.25	250.00	62.50
Poytress, Carrie Elizabeth	2023-04-04	0.25	250.00	62.50
		<b>0.50</b>		<b>125.00</b>
		<b>0.50</b>		<b>125.00</b>
<b>Professional Services Subtotal</b>		<b>0.50</b>		<b>125.00</b>

**Low Task 202.002 Subtotal** **125.00**

**Low Task 202.003**              **60 Percent Design**

**Professional Services**

Billing Level	Date	Hours	Rate	Current Amount
Level 11				
Soldo, Stephanie Hassoldt	2023-04-03	4.50	200.00	900.00
Soldo, Stephanie Hassoldt	2023-04-04	0.50	200.00	100.00
		<b>5.00</b>		<b>1,000.00</b>
Level 14				
Smer, Marla Jo McGee	2023-03-14	0.25	238.00	59.50
Smer, Marla Jo McGee	2023-03-16	0.50	238.00	119.00
		<b>0.75</b>		<b>178.50</b>
<b>Professional Services Subtotal</b>		<b>5.75</b>		<b>1,178.50</b>

**Low Task 202.003 Subtotal** **1,178.50**

**Top Task 202 Total** **1,303.50**

Total Fees & Disbursements \$1,303.50

**INVOICE**

**Invoice Number**  
**Project Number**

2081049  
184031368

**INVOICE TOTAL (USD)**

**\$1,303.50**

# INVOICE

**FROM:**

Guy W. Savage  
PO Box 894  
Los Olivos, Ca 93441

**BILL TO:**

Via electronic delivery  
President Thomas Fayram  
Los Olivos Community Services District  
PO Box 345  
Los Olivos, Ca 93441

**Invoice # 20235**  
**Invoice Date: 5/31/2023**

Dear President Fayram,

Please see the below for professional services provided, plus any expenditures made on behalf of the District. The attached tally of hours (units) exceeds those being billed below. This is being done to track the hours for future reference. Per agreement, the hours will be capped at the number below or as authorized by the President.

Date	Description	Units	Rate	Amount
5/31/2023	General Manager Services - LOCSD (5/1/23-5/31/23) See Attached for Details	30	\$ 135.00	\$ 4,050.00
<b>Total</b>				<b>\$ 4,050.00</b>

Thank you for your continued support.



Email: [GM.LOCSD@gmail.com](mailto:GM.LOCSD@gmail.com)

Page 1 of 1

Date	Description	Hours	Rate	Amount
1-May	Fin agenda, budget	1.75	\$ 135.00	\$ 236.25
	Gott PRA	2.25	\$ 135.00	\$ 303.75
2-May	CoSB monitoring wells	1.5	\$ 135.00	\$ 202.50
3-May	Gott PRA	0.75	\$ 135.00	\$ 101.25
	Grants / Technical committees, emails	0.75	\$ 135.00	\$ 101.25
	Waterboard support - mw maps	1	\$ 135.00	\$ 135.00
	District maps - lot sizes	1.5	\$ 135.00	\$ 202.50
4-May	Finance Committee and minutes	1.25	\$ 135.00	\$ 168.75
	LAFCO meeting	0.25	\$ 135.00	\$ 33.75
	May Regular agenda	0.5	\$ 135.00	\$ 67.50
7-May	May Regular and workshop agendas (budget)	2.25	\$ 135.00	\$ 303.75
	Audit	0.5	\$ 135.00	\$ 67.50
	Gott PRA	0.5	\$ 135.00	\$ 67.50
8-May	Emails	0.5	\$ 135.00	\$ 67.50
	Fayram meeting	0.75	\$ 135.00	\$ 101.25
9-May	Meeting prep, emails, Gott PRA	1	\$ 135.00	\$ 135.00
10-May	Regular meeting and workshop	4.75	\$ 135.00	\$ 641.25
11-May	Meeting minutes, follow up with SCO	1.5	\$ 135.00	\$ 202.50
	Gott PRA	0.5	\$ 135.00	\$ 67.50
12-May	Emails, meeting follow-up	0.75	\$ 135.00	\$ 101.25
15-May	Technical subcommittee	1.5	\$ 135.00	\$ 202.50
16-May	Meeting minutes	1.25	\$ 135.00	\$ 168.75
	RWQCB groundwater monitoring well discussion	1	\$ 135.00	\$ 135.00
	IRWM Meeting	1.5	\$ 135.00	\$ 202.50
	EHS Grant follow-up	0.25	\$ 135.00	\$ 33.75
17-May	Grants subcommittee	1	\$ 135.00	\$ 135.00
	Proposed budget	0.5	\$ 135.00	\$ 67.50
18-May	Proposed budget	3.5	\$ 135.00	\$ 472.50
	Emails, website update	0.75	\$ 135.00	\$ 101.25
22-May	Fayram meeting, Palmer meeting	1.75	\$ 135.00	\$ 236.25
23-May	Emails, SDRMA, State follow ups, prior minutes posting to web	1.5	\$ 135.00	\$ 202.50
	GW monitoring maps	0.5	\$ 135.00	\$ 67.50
	CSA-16 Shandon MHI (grants committee work)	0.5	\$ 135.00	\$ 67.50
24-May	Project Management committee	1.25	\$ 135.00	\$ 168.75
26-May	emails, budget discussion	0.5	\$ 135.00	\$ 67.50
<b>Totals</b>		<b>41.75</b>	<b>\$</b>	<b>5,636.25</b>

# ITEM 6B – BUDGET REPORTS

## BUDGET REPORTS

# Report : Financial Status (Real-Time)

Selection Criteria: Fund = 3490

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

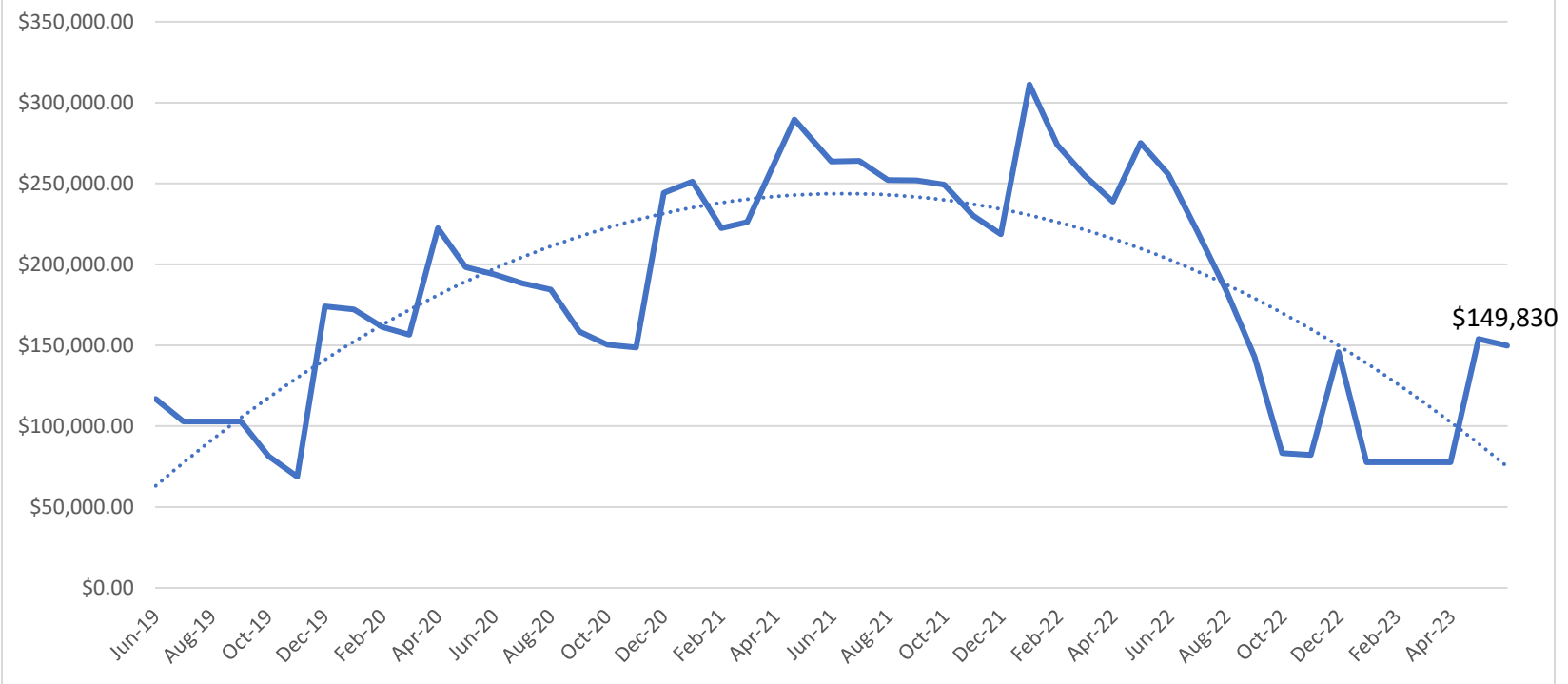
Last Updated: 6/5/2023 12:04 AM

As of: 5/31/2023 (92% Elapsed)

## Fund 3490 -- Los Olivos CSD

Line Item Account	6/30/2023 Fiscal Year Adjusted Budget	5/31/2023 Year-To-Date Actual	6/30/2023 Fiscal Year Variance	6/30/2023 Fiscal Year Pct of Budget
<b>Revenues</b>				
<b>Taxes</b>				
3066 -- Special Tax Assessment	203,121.00	228,759.45	227,649.65	112.62%
Taxes	203,121.00	228,759.45	227,649.65	0.00%
<b>Use of Money and Property</b>				
3380 -- Interest Income	724.00	1,190.55	466.55	--
3381 -- Unrealized Gain/Loss Invstmnts	0.00	0.00	0.00	#DIV/0!
Use of Money and Property	0.00	1,190.55	466.55	#DIV/0!
<b>Intergovernmental Revenue-Other</b>				
4840 -- Other Governmental Agencies	169,804.00	30,131.27	-139,672.73	17.74%
Intergovernmental Revenue-Other	274,000.00	30,131.27	-243,868.73	11.00%
<b>Revenues</b>	<b>372,925.00</b>	<b>260,081.27</b>	<b>88,443.47</b>	<b>69.74%</b>
<b>Expenditures</b>				
<b>Services and Supplies</b>				
7090 -- Insurance	2,500.00	2,799.92	299.92	112.00%
7324 -- Audit and Accounting Fees	4,000.00	2,645.50	-1,354.50	66.14%
7430 -- Memberships	1,200.00	1,287.00	87.00	107.25%
7450 -- Office Expense	2,000.00	0.00	-2,000.00	0.00%
7460 -- Professional & Special Service (Project, Planning & Studies)	189,908.00	214,601.58	24,693.58	113.00%
7508 -- Legal Fees	30,000.00	33,005.40	3,005.40	110.02%
7510 -- Contractual Services (IGM Contract, Engineer)	49,000.00	76,588.62	27,588.62	156.30%
7530 -- Publications & Legal Notices	1,000.00	0.00	-1,000.00	0.00%
7671 -- Special Projects	175,000.00	0.00	-175,000.00	0.00%
7732 -- Training	1,500.00	0.00	-1,500.00	0.00%
<b>Services and Supplies</b>	<b>456,108.00</b>	<b>330,928.02</b>	<b>125,179.98</b>	<b>72.55%</b>
<b>Expenditures</b>	<b>456,108.00</b>	<b>330,928.02</b>	<b>125,179.98</b>	<b>72.55%</b>

Los Olivos CSD Cash Balance History



# ITEM 6C – AUDIT REPORTS

## AUDIT REPORTS



**LOS OLIVOS COMMUNITY  
SERVICES DISTRICT**

**FINANCIAL STATEMENTS**  
June 30, 2021

**LOS OLIVOS COMMUNITY SERVICES DISTRICT**  
**TABLE OF CONTENTS**  
June 30, 2021

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Statement of Revenues, Expenses, and Changes  
in Net Position – Proprietary Fund ..... 4

Statement of Cash Flows – Proprietary Fund ..... 5

Notes to Basic Financial Statements ..... 6

**FINANCIAL SECTION**

## INDEPENDENT AUDITORS' REPORT

The Board of Directors  
Los Olivos Community Services District  
Los Olivos, California

### Report on the Financial Statements

We have audited the accompanying financial statements of the Los Olivos Community Services District (the District) as of and for the fiscal year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

#### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

#### *Auditors' Responsibility*

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### *Opinions*

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Los Olivos Community Services District, as of June 30, 2021, and the respective changes in financial position thereof and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

***Other Matters***

***Required Supplementary Information***

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated May 15, 2023, on our consideration of the Los Olivos Community Services District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

*Moss, Levy & Halperin LLP*

Santa Maria, CA  
May 15, 2023

**LOS OLIVOS COMMUNITY SERVICES DISTRICT**  
**STATEMENT OF NET POSITION - PROPRIETARY FUND**  
June 30, 2021

---

**ASSETS**

Cash in county treasury	\$	264,153
Interest receivable		<u>252</u>
Total assets		<u>264,405</u>

**LIABILITIES**

Accounts payable		<u>23,535</u>
Total liabilities		<u>23,535</u>

**NET POSITION**

Unrestricted		<u>240,870</u>
Total net position	\$	<u>240,870</u>

The notes to basic financial statements are an integral part of these basic financial statements.

**LOS OLIVOS COMMUNITY SERVICES DISTRICT**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION -**  
**PROPRIETARY FUND**  
For the Fiscal Year Ended June 30, 2021

---

<b>Operating Expenses:</b>	
Professional services	\$ 88,618
Contractual services	104,051
Other services and supplies	<u>4,133</u>
Total operating expenses	<u>196,802</u>
Operating Loss	<u>(196,802)</u>
<b>Non-Operating Revenues (Expenses):</b>	
Interest income	(180)
Assessments	197,023
Intergovernmental revenue	<u>44,986</u>
Total Non-Operating Revenues (Expenses)	<u>241,829</u>
Change in net position	45,027
<b>Net Position</b>	
Net Position, beginning of fiscal year	<u>195,843</u>
Net Position, end of fiscal year	<u><u>\$ 240,870</u></u>

The notes to basic financial statements are an integral part of these basic financial statements.

**LOS OLIVOS COMMUNITY SERVICES DISTRICT**  
**STATEMENT OF CASH FLOWS - PROPRIETARY FUND**  
For the Fiscal Year Ended June 30, 2021

---

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Payments to vendors	\$ (173,267)
Net cash used by operating activities	<u>(173,267)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
Intergovernmental revenue	44,986
Property assessments	<u>197,023</u>
Net cash provided by noncapital financing activities	<u>242,009</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Interest received	<u>177</u>
Net cash provided by investing activities	<u>177</u>
Net increase in cash and cash equivalents	68,919
Cash and cash equivalents - July 1, 2020	<u>195,234</u>
Cash and cash equivalents - June 30, 2021	<u>\$ 264,153</u>
Reconciliation to Statement of Net Position:	
Cash in county treasury	<u>\$ 264,153</u>
 <b>Reconciliation of operating loss to net cash used by operating activities:</b>	
Operating loss	\$ (196,802)
Adjustments to reconcile operating loss to net cash used by operating activities:	
Change in assets and liabilities:	
Accounts payable	<u>23,535</u>
Net cash used by operating activities	<u>\$ (173,267)</u>

The notes to basic financial statements are an integral part of these basic financial statements.



**NOTE 1 - ORGANIZATION**

The Los Olivos Community Services District is an independent governmental unit within the unincorporated area of the County of Santa Barbara and derives its decision-making capabilities from State legislation. The District is governed by a Board of Directors elected to serve four-year terms. The primary purpose of the District is the building and operation of facilities needed to collect, treat, and dispose of sewage, wastewater, recycled water, and storm water.

There are no component units included in this report which meet the criteria of the Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, as amended by GASB Statements No. 39, No. 61, and No. 80.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

- A. Accounting Policies - The accounting policies of the District conform to accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants (AICPA).

In accordance with GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, the District has opted to apply all applicable GASB pronouncements and all FASB Statements and Interpretations, Accounting Principles Board (APB) Opinions, and Accounting Research Bulletins (ARB) issued on or before November 30, 1989, unless they conflict with or contradict GASB pronouncements.

- B. Accounting Method - The District is organized as an Enterprise Fund and follows the accrual method of accounting, whereby revenues are recorded when earned and expenses are recorded when incurred.

- C. Fund Financial Statements - The fund financial statements provide information about the District's proprietary fund.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities.

GASB Statement No. 34 defines major funds and requires that the District's major business-type fund be identified and presented separately in the fund financial statements.

Major funds are defined as funds that have assets, liabilities, revenues, or expenses equal to ten percent of their fund-type total and five percent of the grand total. The District maintains one proprietary fund.

Proprietary Fund Type

Enterprise Fund:

Enterprise fund is used to account for operations (a) that are financed and operated in a manner similar to private business enterprises – where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

The District reported its enterprise fund as a major fund in the accompanying basic financial statements.

Sewer Fund – The Sewer Fund is to account for the provision of sewer services to the residents of the District.

- D. Cash and Cash Equivalents – For purposes of the statement of cash flows, cash and cash equivalents include restricted and unrestricted cash and investments with original maturities of three months or less.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

- E. Property, Plant and Equipment – Capital assets purchased by the District are recorded at cost. Contributed or donated capital assets are recorded at fair value when acquired.
- F. Depreciation – Capital assets purchased by the District are depreciated over their estimated useful lives (ranging from 5-50 years) under the straight-line method of depreciation according to the following schedule:

<u>Item</u>	<u>Years</u>
Office Furniture and Equipment	5
Plant Equipment	10-20
Manholes, Laterals, and Sewer lines	30
Treatment Plant Structures	30-50

- G. Receivables - The District did not experience any significant bad debt losses; accordingly, no provision has been made for doubtful accounts and accounts receivable are shown at full value.
- H. Construction in Progress - The District occasionally constructs capital assets for its own use in the plant operations. The costs associated with these projects are accumulated in a construction in progress account while the project is being developed. Once the project is completed, the entire cost of the constructed assets are transferred to the capital assets account and depreciated over the estimated useful life of the capital assets.
- I. Use of Estimates -The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America, as prescribed by the GASB and the AICPA, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.
- J. Net Position - GASB Statement No. 63 requires that the difference between assets added to the deferred outflows of resources and liabilities added to the deferred inflows of resources be reported as net position. Net position is classified as either net investment in capital assets, restricted, or unrestricted.

Net position that is net investment in capital assets, consists of capital assets, net of accumulated depreciation, and reduced by the outstanding principal of related debt. Restricted net position are those net position that have external constraints placed on them by creditors, grantors, contributors, laws, or regulations of other governments, or through constitutional provisions or enabling legislation. Unrestricted net position consist of net position that do not meet the definition of invested in capital assets, net of related debt, or restricted net position.

K. Future Accounting Pronouncements

GASB Statements listed below will be implemented in future financial statements:

Statement No. 87	"Leases"	The provisions of this statement are effective for fiscal years beginning after June 15, 2021.
Statement No. 89	"Accounting for Interest Cost Incurred before the End of a Construction Period"	The provisions of this statement are effective for fiscal years beginning after December 15, 2020.
Statement No. 91	"Conduit Debt Obligations"	The provisions of this statement are effective for fiscal years beginning after December 15, 2021.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**K. Future Accounting Pronouncements (Continued)**

Statement No. 92	"Omnibus 2020"	The provisions of this statement are effective for fiscal years beginning after June 15, 2021.
Statement No. 93	"Replacement of Interbank Offered Rates"	The provisions of this statement except for paragraphs 11b, 13, and 14 are effective for fiscal years beginning after June 15, 2020. Paragraph 11b is effective for fiscal years beginning after December 31, 2021. Paragraphs 13 and 14 are effective for fiscal years beginning after June 15, 2021.
Statement No. 94	"Public-Private and Public-Public Partnerships and Availability Payment Arrangements"	The provisions of this statement are effective for fiscal years beginning after June 15, 2022.
Statement No. 96	"Subscription-Based Information Technology Arrangements"	The provisions of this statement are effective for fiscal years beginning after June 15, 2022.
Statement No. 97	"Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans - an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32"	The provisions of this statement except for paragraphs 6-9 are effective for fiscal years beginning after December 15, 2019. Paragraph 6-9 is effective for fiscal years beginning after June 15, 2021.

**NOTE 3 - CASH AND INVESTMENTS**

On June 30, 2021, the District had the following cash and investments on hand:

Cash in county treasury	\$ <u>264,153</u>
Total cash and investments	\$ <u>264,153</u>

Cash and investments listed above, are presented on the accompanying statement of net position as follows:

Cash in county treasury	\$ <u>264,153</u>
	\$ <u>264,153</u>

The District categorizes its fair value measurements within the fair value hierarchy established by U.S. Generally Accepted Accounting Principles. The Hierarchy is based on the valuation inputs used to measure the fair value of the asset. These principles recognize a three-tiered fair value hierarchy. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The District had investments in the Santa Barbara County investment pool, that investment is measured under Level 2.

**NOTE 3 - CASH AND INVESTMENTS (Continued)**

Investments Authorized by the District's Investment Policy

The District's investment policy only authorizes investment in the local government investment pool administered by the County of Santa Barbara. The District's investment policy does not contain any specific provisions intended to limit the District's exposure to interest rate risk, credit risk, and concentration of credit risk.

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the District manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

Information about the sensitivity of the fair values of the District's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the District's investments by maturity:

<u>Investment Type</u>	<u>Carrying Amount</u>	<u>Remaining Maturity (in Months)</u>			
		<u>12 Months Or Less</u>	<u>13-24 Months</u>	<u>25-60 Months</u>	<u>More than 60 Months</u>
Santa Barbara County Investment Pool	\$ 264,153	\$ 264,153	\$ -	\$ -	\$ -
Total	\$ 264,153	\$ 264,153	\$ -	\$ -	\$ -

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of rating by a nationally recognized statistical rating organization. Presented below, is the minimum rating required by the California Government Code, the District's investment policy, or debt agreements, and the actual rating as of fiscal year end for each investment type.

<u>Investment Type</u>	<u>Minimum Carrying Amount</u>	<u>Exempt Legal Rating</u>	<u>From Disclosure</u>	<u>Rating as of Fiscal Year End</u>		
				<u>AAA</u>	<u>Aa</u>	<u>Not Rated</u>
Santa Barbara County Investment Pool	\$ 264,153	N/A	\$ -	\$ -	\$ -	\$ 264,153
Total	\$ 264,153		\$ -	\$ -	\$ -	\$ 264,153

Custodial Credit Risk

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The California Government Code and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The fair value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure the District's deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

None of the District's deposits with financial institutions in excess of federal depository insurance limits were held in uncollateralized accounts.

**NOTE 3 - CASH AND INVESTMENTS (Continued)**

Investment in Santa Barbara County Investment Pool

The District is a participant in the Santa Barbara County Investment Pool that is regulated by the California Government Code. The fair value of the District's investment in this pool is based upon the District's pro-rata share of the fair value provided by the Santa Barbara County Investment Pool for the entire Santa Barbara County Investment Pool portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by the Santa Barbara County Investment Pool, which are recorded on an amortized cost basis.

**NOTE 4 – COMMITMENTS AND CONTINGENCIES**

According to the District's staff and attorney, no contingent liabilities are outstanding and no lawsuits are pending of any real financial consequence.

**LOS OLIVOS COMMUNITY  
SERVICES DISTRICT**

**FINANCIAL STATEMENTS**  
June 30, 2022

**Draft**

**LOS OLIVOS COMMUNITY SERVICES DISTRICT**  
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June 30, 2022

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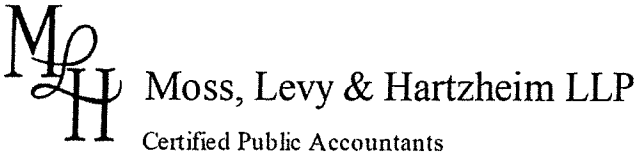
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**FINANCIAL SECTION**

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## INDEPENDENT AUDITORS' REPORT

The Board of Directors  
Los Olivos Community Services District  
Los Olivos, California

### Report on the Financial Statements

#### *Opinions*

We have audited the accompanying financial statements of the Los Olivos Community Services District (the District) as of and for the fiscal year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Los Olivos Community Services District, as of June 30, 2022, and the respective changes in financial position thereof and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinions*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Los Olivos Community Services District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### *Responsibilities of Management for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Los Olivos Community Services District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

#### *Auditors' Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Los Olivos Community Services District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Los Olivos Community Services District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

***Required Supplementary Information***

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated May XX, 2023, on our consideration of the Los Olivos Community Services District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Santa Maria, CA  
May XX, 2023

**LOS OLIVOS COMMUNITY SERVICES DISTRICT**  
**STATEMENT OF NET POSITION - PROPRIETARY FUND**  
 June 30, 2022

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**ASSETS**

Current Assets:

Cash in county treasury	\$ 213,382
Interest receivable	<u>397</u>
Total current assets	<u>213,779</u>

Noncurrent Assets:

Construction in progress	<u>160,705</u>
Total noncurrent assets	<u>160,705</u>
Total assets	<u>374,484</u>

**LIABILITIES**

Accounts payable	<u>79,662</u>
Total liabilities	<u>79,662</u>

**NET POSITION**

Unrestricted	294,822
Total net position	<u>\$ 294,822</u>

Draft

The notes to basic financial statements are an integral part of these basic financial statements.

**LOS OLIVOS COMMUNITY SERVICES DISTRICT**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION -**  
**PROPRIETARY FUND**  
For the Fiscal Year Ended June 30, 2022

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<b>Operating Expenses:</b>	
Professional services	\$ 76,539
Insurance	162
Contractual services	105,546
Other services and supplies	<u>1,102</u>
Total operating expenses	<u>183,949</u>
Operating Loss	<u>(183,949)</u>
<b>Non-Operating Revenues (Expenses):</b>	
Interest income	(6,416)
Assessments	200,931
Intergovernmental revenue	<u>43,386</u>
Total Non-Operating Revenues (Expenses)	<u>237,901</u>
Change in net position	53,952
<b>Net Position</b>	
Net Position, beginning of fiscal year	<u>240,870</u>
Net Position, end of fiscal year	<u><u>\$ 294,822</u></u>

Draft

The notes to basic financial statements are an integral part of these basic financial statements.

**LOS OLIVOS COMMUNITY SERVICES DISTRICT**  
**STATEMENT OF CASH FLOWS - PROPRIETARY FUND**  
For the Fiscal Year Ended June 30, 2022

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<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Payments to vendors	\$ (127,822)
Net cash used by operating activities	<u>(127,822)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
Intergovernmental revenue	43,386
Property assessments	200,931
Payment of construction in progress	<u>(160,705)</u>
Net cash provided by noncapital financing activities	<u>83,612</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Interest received	<u>(6,561)</u>
Net cash provided by investing activities	<u>(6,561)</u>
Net increase in cash and cash equivalents	(50,771)
Cash and cash equivalents - July 1, 2021	<u>264,153</u>
Cash and cash equivalents - June 30, 2022	<u>\$ 213,382</u>
Reconciliation to Statement of Net Position:	
Cash in county treasury	<u>\$ 213,382</u>
 <b>Reconciliation of operating loss to net cash used by operating activities:</b>	
Operating loss	\$ (183,949)
Adjustments to reconcile operating loss to net cash used by operating activities:	
Change in assets and liabilities:	
Accounts payable	<u>56,127</u>
Net cash used by operating activities	<u>\$ (127,822)</u>

Draft

The notes to basic financial statements are an integral part of these basic financial statements.

**NOTE 1 - ORGANIZATION**

The Los Olivos Community Services District is an independent governmental unit within the unincorporated area of the County of Santa Barbara and derives its decision-making capabilities from State legislation. The District is governed by a Board of Directors elected to serve four-year terms. The primary purpose of the District is the building and operation of facilities needed to collect, treat, and dispose of sewage, wastewater, recycled water, and storm water.

There are no component units included in this report which meet the criteria of the Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, as amended by GASB Statements No. 39, No. 61, No. 80 and No. 90.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

- A. Accounting Policies - The accounting policies of the District conform to accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants (AICPA).

In accordance with GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, the District has opted to apply all applicable GASB pronouncements and all FASB Statements and Interpretations, Accounting Principles Board (APB) Opinions, and Accounting Research Bulletins (ARB) issued on or before November 30, 1989, unless they conflict with or contradict GASB pronouncements.

- B. Accounting Method - The District is organized as an Enterprise Fund and follows the accrual method of accounting, whereby revenues are recorded when earned and expenses are recorded when incurred.

- C. Fund Financial Statements - The fund financial statements provide information about the District's proprietary fund.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities.

GASB Statement No. 34 defines major funds and requires that the District's major business-type fund be identified and presented separately in the fund financial statements.

Major funds are defined as funds that have assets, liabilities, revenues, or expenses equal to ten percent of their fund-type total and five percent of the grand total. The District maintains one proprietary fund.

Proprietary Fund Type

Enterprise Fund:

Enterprise fund is used to account for operations (a) that are financed and operated in a manner similar to private business enterprises – where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

The District reported its enterprise fund as a major fund in the accompanying basic financial statements.

Sewer Fund – The Sewer Fund is to account for the provision of sewer services to the residents of the District.

- D. Cash and Cash Equivalents – For purposes of the statement of cash flows, cash and cash equivalents include restricted and unrestricted cash and investments with original maturities of three months or less.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

- E. Property, Plant and Equipment – Capital assets purchased by the District are recorded at cost. Contributed or donated capital assets are recorded at fair value when acquired.
- F. Depreciation – Capital assets purchased by the District are depreciated over their estimated useful lives (ranging from 5-50 years) under the straight-line method of depreciation according to the following schedule:

<u>Item</u>	<u>Years</u>
Office Furniture and Equipment	5
Plant Equipment	10-20
Manholes, Laterals, and Sewer lines	30
Treatment Plant Structures	30-50

- G. Receivables - The District did not experience any significant bad debt losses; accordingly, no provision has been made for doubtful accounts and accounts receivable are shown at full value.
- H. Construction in Progress - The District occasionally constructs capital assets for its own use in the plant operations. The costs associated with these projects are accumulated in a construction in progress account while the project is being developed. Once the project is completed, the entire cost of the constructed assets are transferred to the capital assets account and depreciated over the estimated useful life of the capital assets.
- I. Use of Estimates -The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America, as prescribed by the GASB and the AICPA, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.
- J. Net Position - GASB Statement No. 63 requires that the difference between assets added to the deferred outflows of resources and liabilities added to the deferred inflows of resources be reported as net position. Net position is classified as either net investment in capital assets, restricted, or unrestricted.

Net position that is net investment in capital assets, consists of capital assets, net of accumulated depreciation, and reduced by the outstanding principal of related debt. Restricted net position are those net position that have external constraints placed on them by creditors, grantors, contributors, laws, or regulations of other governments, or through constitutional provisions or enabling legislation. Unrestricted net position consist of net position that do not meet the definition of invested in capital assets, net of related debt, or restricted net position.

K. Future Accounting Pronouncements

GASB Statements listed below will be implemented in future financial statements:

Statement No. 91	"Conduit Debt Obligations"	The provisions of this statement are effective for fiscal years beginning after December 15, 2021.
Statement No. 93	"Replacement of Interbank Offered Rates"	The provisions of this statement except for paragraphs 11b, 13, and 14 are effective for fiscal years beginning after June 15, 2020. Paragraph 11b is effective for fiscal years beginning after December 31, 2021. Paragraphs 13 and 14 are effective for fiscal years beginning after June 15, 2021.
Statement No. 94	"Public-Private and Public-Public Partnerships and Availability Payment Arrangements"	The provisions of this statement are effective for fiscal years beginning after June 15, 2022.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**K. Future Accounting Pronouncements (Continued)**

Statement No. 96	"Subscription-Based Information Technology Arrangements"	The provisions of this statement are effective for fiscal years beginning after June 15, 2022.
Statement No. 99	"Omnibus 2022"	The provisions of this statement are effective in April 2022 except for the provisions related to leases, PPPs, SBITAs, financial guarantees and derivative instruments. The provisions related to leases, PPPs, and SBITAs are effective for fiscal years beginning after June 15, 2022. The provisions related to financial guarantees and derivative instruments are effective for fiscal years beginning after June 15, 2023.
Statement No. 100	"Accounting Changes and Error Corrections - an amendment of GASB Statement No. 62"	The provisions of this statement are effective for fiscal years beginning after June 15, 2023.
Statement No. 101	"Compensated Absences"	The provisions of this statement are effective for fiscal years beginning after December 15, 2023.

Draft

**NOTE 3 - CASH AND INVESTMENTS**

On June 30, 2022, the District had the following cash and investments on hand:

Cash in county treasury	<u>\$ 213,382</u>
Total cash and investments	<u>\$ 213,382</u>

Cash and investments listed above, are presented on the accompanying statement of net position as follows:

Cash in county treasury	<u>\$ 213,382</u>
	<u>\$ 213,382</u>

The District categorizes its fair value measurements within the fair value hierarchy established by U.S. Generally Accepted Accounting Principles. The Hierarchy is based on the valuation inputs used to measure the fair value of the asset. These principles recognize a three-tiered fair value hierarchy. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The District had investments in the Santa Barbara County investment pool, that investment is measured under Level 2.



**NOTE 3 - CASH AND INVESTMENTS (Continued)**

Investments Authorized by the District's Investment Policy

The District's investment policy only authorizes investment in the local government investment pool administered by the County of Santa Barbara. The District's investment policy does not contain any specific provisions intended to limit the District's exposure to interest rate risk, credit risk, and concentration of credit risk.

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the District manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

Information about the sensitivity of the fair values of the District's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the District's investments by maturity:

<u>Investment Type</u>	<u>Carrying Amount</u>	<u>Remaining Maturity (in Months)</u>			
		<u>12 Months Or Less</u>	<u>13-24 Months</u>	<u>25-60 Months</u>	<u>More than 60 Months</u>
Santa Barbara County Investment Pool	\$ 213,382	\$ 213,382	\$ -	\$ -	\$ -
Total	\$ 213,382	\$ 213,382	\$ -	\$ -	\$ -

Draft

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of rating by a nationally recognized statistical rating organization. Presented below, is the minimum rating required by the California Government Code, the District's investment policy, or debt agreements, and the actual rating as of fiscal year end for each investment type.

<u>Investment Type</u>	<u>Minimum Carrying Amount</u>	<u>Exempt Legal Rating</u>	<u>From Disclosure</u>	<u>Rating as of Fiscal Year End</u>		
				<u>AAA</u>	<u>Aa</u>	<u>Not Rated</u>
Santa Barbara County Investment Pool	\$ 213,382	N/A	\$ -	\$ -	\$ -	\$ 213,382
Total	\$ 213,382		\$ -	\$ -	\$ -	\$ 213,382

Custodial Credit Risk

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The California Government Code and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The fair value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure the District's deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

None of the District's deposits with financial institutions in excess of federal depository insurance limits were held in uncollateralized accounts.

**LOS OLIVOS COMMUNITY SERVICES DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
 June 30, 2022

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**NOTE 3 - CASH AND INVESTMENTS (Continued)**

Investment in Santa Barbara County Investment Pool

The District is a participant in the Santa Barbara County Investment Pool that is regulated by the California Government Code. The fair value of the District's investment in this pool is based upon the District's pro-rata share of the fair value provided by the Santa Barbara County Investment Pool for the entire Santa Barbara County Investment Pool portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by the Santa Barbara County Investment Pool, which are recorded on an amortized cost basis.

**NOTE 4 – SCHEDULE OF CAPITAL ASSETS**

A schedule of changes in capital assets for the fiscal year ended June 30, 2022, is shown below:

	Balance July 1, 2021	Additions	Deletions	Balance June 30, 2022
Construction in Progress	\$ -	\$ 160,705	\$ -	\$ 160,705
Net capital assets	\$ -	\$ 160,705	\$ -	\$ 160,705

**NOTE 5 – COMMITMENTS AND CONTINGENCIES**

According to the District's staff and attorney, no contingent liabilities are outstanding and no lawsuits are pending of any real financial consequence.

Draft

# ITEM 6D – FY 2023-24 BUDGET DISCUSSION

FY 2023-24 BUDGET DISCUSSION

## FY 2023-24 Budget Process and Timeline Review

	<b>PROPOSED STEPS</b>	<b>DATE</b>
1	Budget Workshop, after Regular Meeting concludes	5/10/2023
2	GM prepares recommended Draft Budget	5/19/2023
3	Finance Committee prepares and approves recommended Draft Budget to present to Board	6/9/2023
4	Board Approves a preliminary budget at a Regular Meeting and determines a Hearing Date	6/14/2023
5	The District will publish a notice stating that the GM has prepared a proposed final budget which is available for inspection on the website; and include the date, time, and place when the Board will meet to adopt the final budget and that any person may appear and be heard regarding any item in the budget or regarding the addition of other items.  Publication must be at least 2 weeks before Budget adoption meeting in at least one newspaper of general circulation in the district. NOTE: The notice must be PUBLISHED at least two weeks before the hearing, (SY Valley News / Santa Maria Times). It only needs to be published one time. Post Draft Budget on Website.	6/21/2023 - publication must be at least 2 weeks before 7/12/2023 meeting
6	Final Budget hearing, part of Regular Meeting	7/12/2023
7	Post Final Budget on website	7/13/2023



**FY 2023-24  
PROPOSED  
BUDGET**

**BOARD OF DIRECTORS**

**Tom Fayram, President**

**Brad Ross, Vice President**

**Julie Kennedy, Director**

**Lisa Palmer, Director**

**Greg Parks, Director**

**General Manager**

**Guy Savage**

Board of Directors:

The following pages provide an overview of the Proposed Budget for the Los Olivos Community Service District (LOCSD) for the Fiscal Year 2023-24 (FY 2023-24). The LOCSD fiscal year begins on July 1; therefore, FY 2023-24 runs from July 1, 2023 to June 30, 2024. Details of the Proposed Budget can be found on Page 4 of this document and are based on input from your April 12, 2023 Strategic Planning session and your May 10, 2023 Budget Workshop. Inputs from both meetings have been considered and incorporated, with special emphasis on the efforts required to get the LOCSD to a successful Proposition 218 vote by 2025. The efforts are captured in the schedule of activities (work packages) provided at the end this document, in Table 2.

The LOCSD Proposed Budget for FY 2023-24 has been prepared consistent with the current FY 2022-23 budget. By law, the LOCSD is required to develop and adopt a balanced budget. A balanced budget is one where the total expected revenues are equal to total planned spending.

For FY 2023-24, the LOCSD anticipates \$277,072 in total cash and revenues to be available for expenditure during the fiscal year. This includes \$48,678 in fund balance from FY 2022-23, \$744 in Interest Income, and \$227,650 in Special Tax Revenues.

Expenses for FY 2023-24 are anticipated to be \$231,542, including all normal and professional services expenditures.

Reserves are anticipated to be set at \$45,530 for the fiscal year.

**FY 2022-23 to FY 2023-24 Comparisons**

The Adopted FY 2022-23 budget included \$203,121 in Special Tax Assessment revenues. The FY 2023-24 Proposed Budget assumes \$227,650 in Special Tax Assessments revenues. The FY 2023-24 figure is based on actual receipts in FY 2022-23. Both budgets included less than \$1,000 in Interest Income. In FY 2022-23, the District included \$169,804 in grant funds as a revenue source. No grant funds are assumed for FY 2023-24.

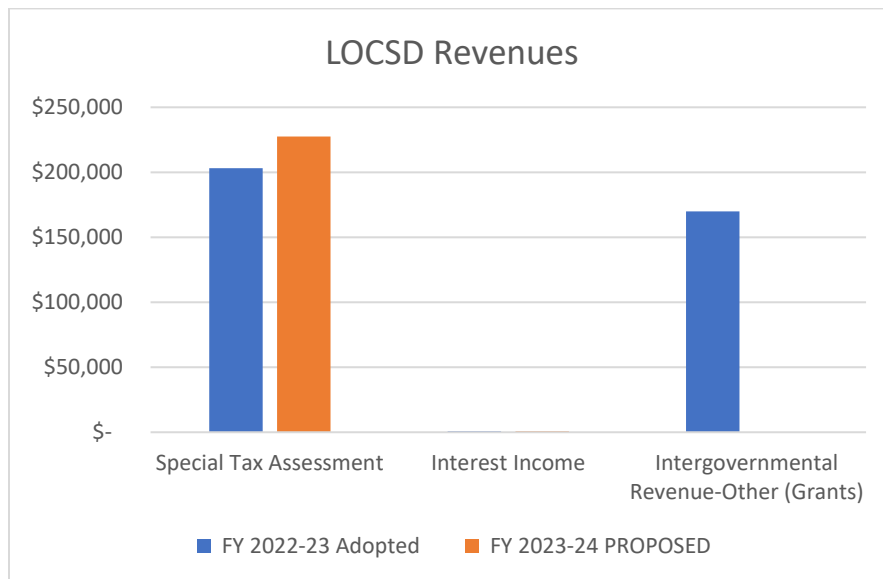


Chart 1 – Comparison of FY 2022-23 to FY 2023-24 Revenue Sources

Revenues

As noted above and can be seen in the charts below, in FY 2022-23, the LOCS D projected significant grant revenues (\$169,804). As of the development of this document, only limited amounts of those grant funds had been received (see Chart 4). For this reason, and as a best practice in budgeting, no grant revenues have been assumed nor are any included in the FY 2023-24 Proposed Budget. This is due to philosophical approach being taken which assumes that unless a grant is “guaranteed” it should not be included as a revenue source. Note that while the revenue charts below round Interest Income to 0%, both budgets include a small amount (less than \$1,000) of Interest Income revenue.

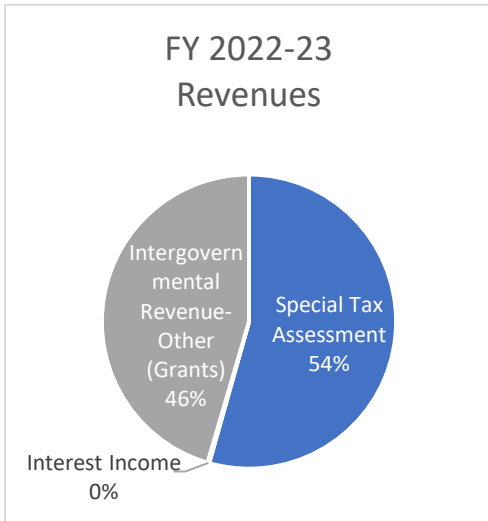


Chart 2 – FY 2022-23 Revenues

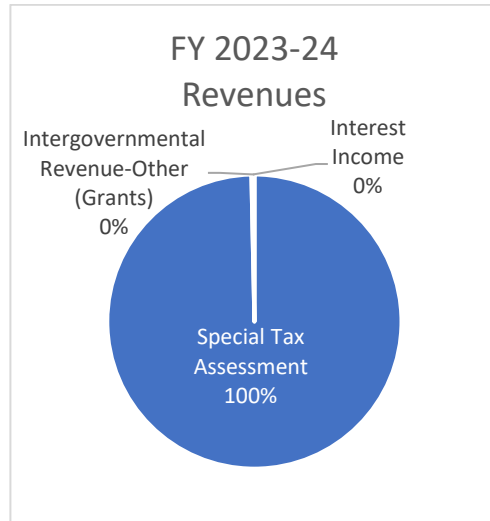


Chart 3 – FY 2023-24 Revenues

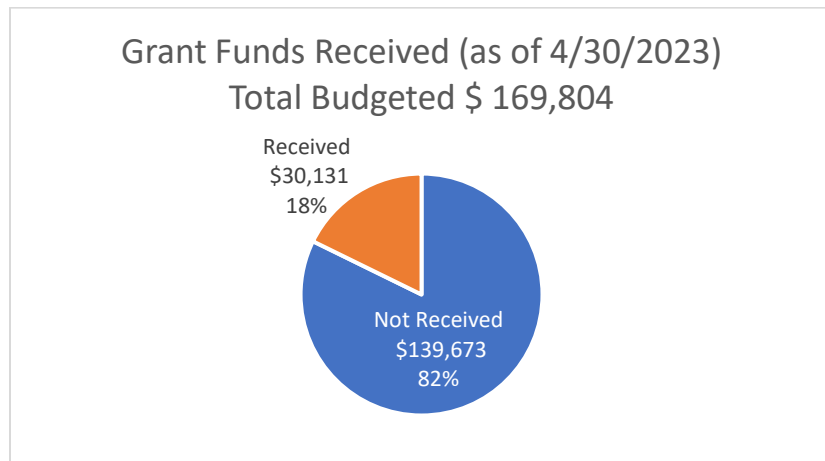


Chart 4 – Grant Revenues FY 2022-23

Expenses

The expenses in the FY 2023-24 Proposed Budget mainly consist of those activities that are required to operate the LOCS D during a typical year.

Annually incurred expenses such as insurance, audit, and office expenses comprise the majority of the smaller amounts included in the Proposed Budget. The amounts used for these expenses in the FY 2023-24 Proposed Budget were based on quotes from existing service providers or prior year actuals.

Expenses related to Legal Fees and Contractual Services (GM and DE contracts) are based on a straight-line

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projection of FY 2022-23 actuals, plus any contractually agreed to increases. Where a contractually agreed increase is expected, a 4% Consumer Price Index (CPI) increase was assumed.

As part of your FY 2023-24 budget discussions, your Board emphasized increased public engagement. For this reason, five public notifications, including mailers to all property owners within the LOCSD, have been assumed. Additionally, the LOCSD is required to provide public notice in a local newspaper for its Budget Hearing. Combined, these Publication and Legal Notice costs are estimated to be \$1,750 for FY 2023-24.

The other expense shown in the FY 2023-24 Proposed Budget is Professional & Special Service. The amount shown is \$78,886. This amount of funds can be allocated by your Board to whatever activities or work packages your Board prioritizes throughout the year. As shown in schedule of activities shown in Table 2, your Board has identified a number of work packages that are necessary to keep the LOCSD on track for a successful Proposition 218 vote by 2025. Working with the District Engineer and Project Management subcommittee, the General Manager has provided estimates for each of the work packages. The work packages and associated estimated costs include:

- Additional technical study - \$90,000
- Additional engineering and design (60% design) - \$300,000
- Assessment Engineer Report - \$50,000
- Median Household Income (MHI) study - \$50,000
- Environmental Review - \$150,000

Of particular note is the Environmental Review work package. This work package is anticipated to straddle FY 2023-24 and FY 2024-25. Based on the actual timing of when the work package is started, it is estimated that approximately \$100,000 will occur in FY 2023-24, and the remaining \$50,000 will occur in FY 2024-25.

Outside of the identified potential work packages identified for FY 2023-24, and not included in this Proposed Budget is the work required to develop and implement additional groundwater monitoring wells. The LOCSD established two groundwater monitoring wells in FY 2022-23. Per Board discussion and agreement, additional groundwater monitoring wells will only be pursued if the non-staff expense for construction, installation, and on-going monitoring is 100% covered by grant funding. It should be noted that the Regional Water Quality Control Board (RWQCB), or Waterboard as it is often referred to, has a keen interest in seeing the LOCSD install and monitor three additional wells within the LOCSD's boundaries. Consequently, it is likely that the LOCSD will receive pressure to install additional wells during FY 2023-24.

The final amount shown on FY 2023-24 Proposed Budget is a Reserve. Per Board Policy, this amount should be budgeted no less than 10% of the current operating budget. If budgeted in this manner, the Reserve would amount to \$27,707. However, given the potential expenses related to the work packages noted above, the amount was conservatively increased in the Proposed Budget to \$45,530, or 20% of the Special Tax Revenues.



**Los Olivos Community Services District  
FY 2023-24 Budget (Proposed)**

Line Item Account	FY 2022-23 Approved Budget	FY 2022-23 YTD Actuals+ Commitments (as of 4/30/23)	PROPOSED FY 2023-24	Notes
<b>Beginning Balance</b>	\$ 136,475	\$ 136,475	\$ 48,678	
<b>Revenues</b>				
<b>Taxes</b>				
3066 -- Special Tax Assessment	\$ 203,121	\$ 227,650	\$ 227,650	Used FY 2022-23 actual
<b>Taxes</b>	<b>\$ 203,121</b>	<b>\$ 227,650</b>	<b>\$ 227,650</b>	
<b>Use of Money and Property</b>				
3380 -- Interest Income	\$ 724	\$ 1,191	\$ 744	Average prior 3 years
3381 -- Unrealized Gain/Loss Invstmnts		\$ -		
<b>Use of Money and Property</b>	<b>\$ 724</b>	<b>\$ 1,191</b>	<b>\$ 744</b>	
<b>Intergovernmental Revenue-Other</b>				
4840 -- Other Governmental Agencies	\$ 169,804	\$ 30,131	\$ -	
<b>Intergovernmental Revenue-Other</b>	<b>\$ 169,804</b>	<b>\$ 30,131</b>	<b>\$ -</b>	
<b>Total Cash &amp; Revenues</b>	<b>\$ 510,124</b>	<b>\$ 395,447</b>	<b>\$ 277,072</b>	
<b>Expenditures</b>				
<b>Services and Supplies</b>				
7090 -- Insurance	\$ 2,500	\$ 2,800	\$ 2,934	Per SDRMA letter 3/27/23
7324 -- Audit and Accounting Fees	\$ 4,000	\$ 7,775	\$ 2,500	1-year est MLH
7325 -- Other Professional Services (Grant Assistance)		\$ -		
7430 -- Memberships	\$ 1,200	\$ 1,287	\$ 1,300	
7450 -- Office Expense	\$ 2,000	\$ -		
7460 -- Professional & Special Service	\$ 189,908	\$ 219,384	\$ 78,886	\$78,886 in unallocated Professional and Special Services funds. Efforts on the workplan that are unfunded; but the Board has expressed interest in includes: \$90k technical study, \$300k 60% design, \$50k Assessment Engineer rpt, \$100k (of \$150k) environmental - portion that would be completed in FY 2023-24, \$50k MHI study
7508 -- Legal Fees	\$ 30,000	\$ 36,481	\$ 45,529	Straight-line, plus increase per contract (4%), plus May, June
7510 -- Contractual Services (GM Contract, Engineer)	\$ 49,000	\$ 79,041	\$ 98,643	Straight-line plus May, June
7530 -- Publications & Legal Notices	\$ 5,000	\$ -	\$ 1,750	Budget notices + 5 workshops mailers, etc. at \$300 per workshop
7671 -- Special Projects	\$ 175,000	\$ -		
7732 -- Training	\$ 1,500	\$ -		
<b>Services and Supplies</b>	<b>\$ 460,108</b>	<b>\$ 346,769</b>	<b>\$ 231,542</b>	
<b>Other Charges</b>	\$ -	\$ -	\$ -	
7894 - Communication Services	\$ -	\$ -	\$ -	
<b>Other Charges</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	
<b>Reserves</b>			\$ 45,530	20% of Special Tax Revenues, per Policy could be \$27,702 (10%)
<b>Reserves</b>		\$ -	<b>\$ 45,530</b>	
<b>Total Expenditures</b>	<b>\$ 460,108</b>	<b>\$ 346,769</b>	<b>\$ 277,072</b>	
<b>Ending Balance</b>	<b>\$ 49,293</b>	<b>\$ 48,678</b>	<b>\$ 0</b>	

Table 1 – FY 2023-24 Proposed Budget

<b>LOCS D - Septic to Sewer / Water Reclamation Roadmap - WORKING DRAFT</b>					
Task	2023		2024		FY 2023-24 Est. Cost
	Q3	Q4	Q1	Q2	
<b>Board and Public Education</b>					
Public workshops and outreach					\$1.5k
<b>Engineering / Design</b>					
Additional Technical Study / Design					\$90k
60% Design					\$300k
Assessment Engineer Report including benefit factors/rates					\$50k
<b>Environmental Review</b>					
Environmental study, assessment and report (incl. public review)					\$100k
<b>Grants and Financing</b>					
MHI study					\$50k
<b>Monitoring Well(s)</b>					
Find funding for well monitoring program					
Drill three additional monitoring wells					\$150k

Table 2 – FY 2023-24 Potential Activities (Work Packages)

For each of the work packages shown in Table 2, no funding has been allocated in the FY 2023-24 Proposed Budget. Instead, it is assumed that should the LOCSD find other funding mechanisms (eg. grants) to cover the expense of a work package, an amendment will be made to the budget per legally established procedures. It may be that more than one work package is funded by a single funding mechanism or that a single work package relies on more than one funding mechanism to be completed. Therefore, no assumptions about how many budget amendments would be required to complete the entire list of work packages should be made.

**FY 2023-24 Budget Timeline**

STEP	PROPOSED STEPS	DATE
1	Budget Workshop, after Regular Meeting concludes	5/10/2023
2	GM prepares recommended Draft Budget	5/19/2023
3	Finance Committee prepares and approves recommended Draft Budget to present to Board	6/9/2023
4	Board Approves a preliminary budget at a Regular Meeting and determines a Hearing Date	6/14/2023
5	The District will publish a notice stating that the GM has prepared a proposed final budget which is available for inspection on the website; and include the date, time, and place when the Board will meet to adopt the final budget and that any person may appear and be heard regarding any item in the budget or regarding the addition of other items. Publication must be at least 2 weeks before Budget adoption meeting in at least one newspaper of general circulation in the district. NOTE: The notice must be PUBLISHED at least two weeks before the hearing, (SY Valley News / Santa Maria Times). It only needs to be published one time. Post Draft Budget on Website.	6/21/2023 publication must be at least 2 weeks before 7/12/2023 meeting
6	Final Budget hearing, part of Regular Meeting	7/12/2023
7	Post Final Budget on website	7/13/2023

Table 3 – FY 2023-24 Budget Timeline

As a resident of the District, I would like to thank you for your ongoing support of the Los Olivos Community Services District’s mission to improve groundwater quality by converting septic systems to a community wastewater collection, treatment, and reclamation facility in the Los Olivos area.

Sincerely,

\_\_\_\_\_  
 Guy W. Savage  
 General Manager  
 Los Olivos Community Services District