

Julie Kennedy, President
Tom Nelson, Vice President
Tom Fayram, Director
Lisa Palmer, Director
Greg Parks, Director



LOS OLIVOS COMMUNITY SERVICES DISTRICT

Posted: 7-5-2026

REGULAR MEETING

July 8, 2026, 6PM (Pacific)

Los Olivos Grange Hall

2374 Alamo Pintado Ave, Los Olivos CA 93441

Please observe decorum and instructions from the President

**Note: The following Director will be participating remotely. The public may join them at the addresses indicated.
Director Palmer - The Inn on the Lake - Ullswater, Glenridding, CA11 0PE England**

This meeting will be held both in-person and electronically via Zoom meetings. In-person the meeting will be held at the address above. The public will also be able to hear and participate electronically by using the following links:

On Zoom:

<https://us06web.zoom.us/j/85195290804?pwd=rO5nrKISaewJAVMeY3MbZ7mtLlxudn.1>

By Phone:

Meeting ID: 851 9529 0804 Passcode: 473619

One tap: +14086380968,,85195290804#,,,,*473619# US (San Jose)

The Los Olivos Community Services District (LOCSD) is committed to ensuring equal access to meetings. In compliance with the American Disabilities Act (ADA), 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. Agendas and meeting packets are generally available to the public at the Los Olivos Post Office - 2880 Grand Avenue. 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. PLEDGE OF ALLEGIANCE

4. PUBLIC COMMENT

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

INFORMATIONAL ITEM:

Per public request, a brief report from the General Manager that conveys District status and updates is being added at the beginning of the agenda. This status report may touch on key items in the project plan or schedule. The General Manager will leave other detailed reporting, including budgetary reporting until the end of the meeting. This item is informational only, no action will be taken, and no public comment will be received.

5. GENERAL MANAGER'S BRIEF DISTRICT STATUS REPORT

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

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ADMINISTRATIVE ACTION ITEMS:

All matters listed hereunder constitute an administrative / consent agenda and will be acted upon by a single vote of the Board. Matters listed on the Consent Agenda will be read only at the request of a member of the Board, in which event the matter may be removed from the Consent Agenda and considered as a separate item. The public may comment on any of the items prior to any action being taken by the Board.

6. CONSENT AGENDA

A. APPROVAL OF MEETING MINUTES

Regular Meeting minutes of June 10, 2026.

B. APPROVAL PAYMENT OF INVOICES RECEIVED ON OR BEFORE JULY 4, 2026.

No.	Invoice Date	Invoice #	Provider	Amount
1	2026-05-31	21402	RGS – Communications Services	3,449.50
2	2026-06-12	26060867	MNS / BKF – Engineering Services	92.50
3	2026-06-12	106645	Aleshire and Wynder – Legal Services	409.70
4	2026-06-16	68161	Wallace Group – Engineering Services	9,138.00
5	2026-06-29	00876.007 - 4	GSI – Groundwater monitoring sampling and testing	4,078.57
6	2026-06-30	202606	GWS – General Manager Services	9,049.06
7	2026-06-23	79824	SDRMA – Annual Insurance	3,831.29
8	2026-07-01	1106	Civic Sol Accounting – Accounts Payable Services	200.00

Project	Vendor	To Date (including current invoices)	Total Authorization
Phase 1 - 30% Design / 30-year cost of ownership	Wallace Group	\$ 290,141.80	\$ 403,000.00
Environmental Review	Padre	\$ 15,440.00	\$ 57,383.00
Proposition 218 Communications	RGS	\$ 5,443.20	\$ 28,300.00

BUSINESS ITEMS:

The public may comment on any business item prior to any action being taken by the Board.

7. CONSIDERATION OF RESOLUTION 26-04 - A PROJECT DESCRIPTION FOR THE COLLECTION AND CONVEYANCE OF WASTEWATER TO THE CITY OF SOLVANG, WHERE WASTEWATER WOULD BE TREATED AND DISPOSED OF

On June 3, 2026, the Board of Directors held a Community Workshop related to the Collection and Conveyance of wastewater. Prior workshops with the community and decisions by the Board of Directors determined that the City of Solvang would provide for treatment and disposal of treated wastewater. The June 3 workshop was designed to educate the public and obtain input related to the two community collection options under consideration: gravity fed and septic tank effluent pumping (STEP), and to discuss and describe conveyance options for a dedicated pipeline from the District to a connection point with the City of Solvang near Sunny Fields Park. Workshop materials, including presentation materials, handouts, and links to the Wallace Group reports can be found at: <https://www.losolivoscsd.com/2026-06-03-special-community-workshop>.

On June 10, 2026, at its Regular Meeting, the Board of Directors provided direction to staff to return at the next Regular Meeting (July 8, 2026) with a Project Description that would focus on gravity as the preferred collection approach.

At the June 10 Regular Meeting, additional direction to staff was provided regarding equalization tank(s) and conveyance lines being hung on bridges between the District and the meeting point with the City of Solvang. As part of staff’s research, further effort by Wallace Group was directed regarding the ability to use gravity conveyance. It was determined that gravity conveyance is possible and that by using gravity conveyance, no lift stations would be required to be built by the District. Instead, wastewater could be collected and conveyed using gravity as its primary basis. Such a collection and conveyance system is estimated to result in construction savings in the hundreds of thousands of dollars (\$x00,000) and annual ongoing operations and maintenance savings in the tens of thousands of dollars (\$x0,000). Additional discussion regarding the need for an equalization tank and to confirm design approaches with the County of Santa Barbara is needed.

The Wallace Group’s contract provides for 30, 60, and 90% design efforts. The 30% design is now effectively complete. The Wallace Group’s 30% design and 30-year cost-of-ownership documents can be found at:

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

losolivoscsd@gmail.com, www.losolivoscsd.com

<https://www.losolivoscsd.com/technical-studies-and-reports>.

General Manager's recommendation: Approve Resolution 26-04 and authorize the Wallace Group to begin 60% Design efforts.

8. CONSIDERATION OF GRANTS AND LOANS FROM THE COUNTY OF SANTA BARBARA. GRANTS, TOTALING AN AMOUNT UP TO TWO HUNDRED FIFTY THOUSAND (\$250,000) WOULD BE PROVIDED THROUGH ENVIRONMENTAL HEALTH SERVICES. A LOAN, IN THE AMOUNT OF SEVEN HUNDRED FIFTY THOUSAND (\$750,000) WOULD BE PROVIDED BY THE SANTA BARBARA COUNTY WATER AGENCY.

The District has been attempting to secure funding necessary to complete the 90% design effort, environmental review, and Proposition 218 processes. If completed, the combined efforts would allow the District to hold a property owner (Proposition 218) vote. The County of Santa Barbara has offered a combination of grants and loans that provide a total of one million dollars (\$1,000,000).

The grant approach is similar to prior grants provided by the County. The District, through its General Manager, will identify specific work packages (see attached), execute the work packages, and then request reimbursement for the completed work. It is probable that five or more separate work packages will be identified and executed, resulting in reimbursed expenses to the District in the amount of \$250,000. It is anticipated that the General Manager will report on any grants at the District's Regular Meetings and/or at District Grant Subcommittee meetings.

The proposed loan approach from the County Water Agency includes a five-year, zero interest (0%) loan in the amount of seven hundred fifty thousand dollars (\$750,000). Annual payments would be due from the District beginning in year two of the loan in the amount of one-hundred fifty thousand dollars (\$150,000). The final payment, at the end of the loan, would be for a total of three hundred thousand dollars (\$300,000). It is worth noting that the payment due in year two is approximately one-half of the District's total revenues through its special tax.

General Manager's recommendation: Authorize the District President to sign a zero interest, five-year loan in the amount of seven hundred fifty thousand dollars (\$750,000) with the County Water Agency and authorize the District General Manager to identify work packages and submit separate grant requests to the County of Santa Barbara in an amount totaling up to two hundred fifty thousand dollars (\$250,000) for design and engineering activities.

9. CONSIDERATION OF PURSUIT OF TAXATION AUTHORITY THROUGH SANTA BARBARA LOCAL AREA FORMATION COMMISSION (SBLAFCO).

As the District looks towards a property owner vote (Proposition 218) in early 2027, funding of construction has been a key factor. One proposed approach has been to pursue an increase of Transient Occupancy Tax (TOT) for properties within the District's boundaries. TOT, often referred to as a bed tax or hotel tax, is collected by operators of hotels or hotel like establishments. Every hotel, motel, and individual vacation rental or homestay operator in the unincorporated areas of Santa Barbara County is required to collect TOT from transient guests who stay for a period of 30 consecutive days or less. Vacation rental sites such as Airbnb and VRBO do not remit TOT to the Tax Collector-- it is the responsibility of the operator to remit the TOT collected to the Tax Collector monthly.

TOT applies to any structure or other living space occupied by an individual, firm, partnership, association, social club or any other group acting as a unit for lodging or sleeping purposes and pay a customary fee to the operator of such a structure. There are some limitations and exemptions that apply and are listed in the County of Santa Barbara's General Ordinance Codes, Chapter Section 32-11, through Section 32-21. A structure includes, but is not limited to, any hotel, inn, tourist home or house, motel, studio and bachelor hotels, lodging and rooming house, apartment house, public or private clubs, and mobile homes or house trailers at a fixed location not operated by a local government.

Effective January 1, 2025 an amount equal to 14% of the customary fees collected from any person(s) or organization(s) was implemented throughout unincorporated Santa Barbara County. This was an increase of 2% over the prior rate of 12%. As of the 2023 reporting period, the most recent data provided by the State Controller's office, Santa Barbara County TOT rates were similar to other jurisdictions. Many counties and cities have increased their TOT rates in the past two years, and Santa Barbara County remains similar to other jurisdictions. As of the 2023 reporting period, areas such as the communities around Disneyland collected TOT at upwards of 15%, as did Ojai, Santa Monica, and Malibu. Other jurisdictions such as Palo Alto had implemented TOT rates of 15.5%.

Based on information obtained from the County of Santa Barbara, TOT collections for Los Olivos (93441 zip code) are on track to exceed \$2,500,000 for the fiscal year ended June 30, 2026. Thus, every 1% of TOT results in \$25,000 in revenue. Prior to the COVID-19 pandemic, expansion of Mattei's Tavern and Inn, and the 2% increase of TOT rates, TOT collections in Los Olivos were below \$1,000,000. Rate increases at establishments have resulted in roughly 10% increase in revenues per year. All TOT collected from within Los Olivos currently goes to the County's General Fund.

To implement a specific increase within the District boundaries, the District would have to seek "taxation" power from SBLAFCO. If SBLAFCO grants the power to tax, the District would need pass a taxation measure either as part of its Proposition 218 process or a separate measure to add a specific percentage of tax to occupants of transient facilities such as hotels and inns. The process for obtaining the power is straightforward and takes three to four months from start to finish. It is worth noting that having taxation power does not require that the District exercise it. Related, the District would likely perform outreach and polling, through its current consultants, to determine the feasibility of exercising the taxation power.

General Manager's recommendation: Consider pursuit of taxation power and provide direction to staff.

10. CONSIDERATION OF RESOLUTION 26-05 – APPROPRIATIONS LIMIT FOR FY 2026-27 (GANN LIMIT)

Consideration of a resolution that states the appropriations limit, also known as the Gann limit, for the fiscal year ending June 30, 2027. The Gann Initiative, also known as Article XIII B of the Constitution of the State of California, mandates the calculation and adoption of an annual appropriations limit on various units of government, including the Los Olivos Community Services District, by adjusting the prior year's appropriation limit for changes in inflation and population. The current LOCSD fiscal year (FY 2026-27) runs from July 1, 2026 to June 30, 2027.

General Manager's recommendation: Approve Resolution 26-05.

11. CONSIDERATION OF RESOLUTION 26-06 – AUTHORIZING LEVY OF PROPERTY TAX ASSESSMENT AND CPI INCREASE

Consideration a resolution that authorizes a tax levy with consumer price index (CPI) increase and provides for collection via direct charge by the Santa Barbara County Auditor-Controller via placement on the secured tax bill of all parcels within the District, excluding exempt or partially exempt parcels pursuant to past action by the Board of Directors. Resolution 26-06 is an update to prior resolutions and District formation documents and will increase tax levies by three percent (3.6%) over the prior amount. Most parcels will experience an annual amount of \$726.11 on their property tax bill. Given issues with obtaining the final list from the County of Santa Barbara, and statute driven dates regarding turning in of the District's assessment lists, the General Manager is further requesting authorization for the General Manager and/or President to make technical changes to the list. Technical changes could include adjustments to names such as when a property transfer occurred or when a property moves from an individual to a trust, assessment amounts for split or joined parcels, changes in parcel counts, changes consistent with adopted District policies, and other legally driven changes. Any change to the CPI amount applied would be based on a new majority vote by the Board of Directors, in open session.

General Manager's recommendation: Approve Resolution 26-06 and authorize the General Manager and/or President to make technical changes as noted in the item description.

12. CONSIDERATION OF FINANCIAL AUDIT CONTRACT (ENGAGEMENT) WITH NIGRO AND NIGRO PROFESSIONAL ACCOUNTING SERVICES (NNCPAS)

As noted at the June 2026 Regular Meeting, the FY 2024-25 required financial audit was a difficult effort. The General Manager sought direction from the Board regarding reexamination of the recent Request for Proposal finalists for annual audit services at the June 2026 Regular Meeting. For FY 2024-25 the District hired the highest rated consultant. Given the difficulties in completing that audit timely, the General Manager's recommendation was to reach out to the next highest rated proposer to confirm pricing and willingness. NNCPAS, the second highest rated consultant in the recent RFP confirmed they are still interested in completing the District's annual audit and that their pricing terms have not changed (\$9,500). NNCPAS cost is higher than the prior audit firm's costs, but significantly less than other respondents to the RFP.

General Manager's recommendation: Approve the audit contract (engagement) with NNCPAS in the amount of \$9,500 for fiscal year 2025-26 and direct the President and/or General Manager to sign as appropriate.

INFORMATIONAL ITEMS:

These items are informational only, no action will be taken, and no public comment will be received.

13. REPORTS

A. SUBCOMMITTEE REPORTS

Finance Subcommittee (President Kennedy Chair) – did not meet

Grants Subcommittee (Director Palmer Chair) – met to review \$250,000 grant and \$750,000 loan

Project Management Subcommittee (Director Palmer Chair) – did not meet, last met April 2025

Technical Subcommittee (Director Fayram Chair) – did not meet

Prop 218 Ad hoc – did not meet

B. GENERAL MANAGER AND DISTRICT ENGINEER COMMENTS

The GM and DE will give reports on any meetings that they attended on behalf of the District, report on various District-related activities and/or provide status on projects. The GM may also review the Budget Reports. See the packet for more details.

Notable upcoming meeting items:

TBD: If approved, Wallace Group 60% design

14. DIRECTORS COMMENTS

Directors will give reports on any meetings that they attended on behalf of the Board and/or choose to comment on various District-related activities. Directors may also request future agenda topics at this time.

15. ADJOURNMENT

ITEM 6A - MINUTES

MINUTES

Julie Kennedy, President
Tom Nelson, Vice President
Tom Fayram, Director
Lisa Palmer, Director
Greg Parks, Director



LOS OLIVOS COMMUNITY SERVICES DISTRICT

Posted: 6-7-2026

REGULAR MEETING

June 10, 2026, 6PM (Pacific)

Los Olivos Grange Hall

2374 Alamo Pintado Ave, Los Olivos CA 93441

Please observe decorum and instructions from the President

Note: The following Directors will be participating remotely. The public may join them at the addresses indicated.

Director Palmer - 3523 Koso St, Davis CA 95618

Director Nelson - 6421 SW Airport Road, Faxon OK 73540

This meeting will be held both in-person and electronically via Zoom meetings. In-person the meeting will be held at the address above. The public will also be able to hear and participate electronically by using the following links:

On Zoom:

<https://us06web.zoom.us/j/85195290804?pwd=rO5nrKISaewJAVMeY3MbZ7mtLlxudn.1>

By Phone:

Meeting ID: 851 9529 0804 Passcode: 473619

One tap: +14086380968,,85195290804#,,,,*473619# US (San Jose)

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MEETING AGENDA

1. CALL TO ORDER

President Kennedy called the meeting to order at: 6:03 PM

2. ROLL CALL

Present: President Kennedy, Director Fayram, Director Parks

Present (via Zoom): Director Palmer

Absent: Vice President Nelson

3. PLEDGE OF ALLEGIANCE

4. PUBLIC COMMENT

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

President Kennedy opens the floor to public comment.

Michelle de Werd, Kathryn Rohrer, Matt Loudon, Sam Marmostein, and Anne Marie Gott speak.

5. PUBLIC HEARING: CONSIDERATION OF THE PROPOSED FISCAL YEAR 2026-27 BUDGET

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

losolivosc s d@gmail.com, www.losolivosc s d.com

Per Board direction in April 2026, the General Manager has developed a proposed budget for Board’s consideration. The District’s fiscal year runs from July 1, 2026 through June 30, 2027. The budget for Fiscal Year 2026-27 (FY 2026-27) can be found online at:

<https://www.losolivoscsd.com/district-budgets>

The Board will:

- Receive the report of the General Manager
- Open Public Hearing to receive Public Comment
- Close the Public Hearing
- Deliberate on the General Manager’s Proposed Budget Recommendation
- Adopt a Budget for Fiscal Year 2026-27

General Manager’s recommendation: Adopt the FY 2026-27 budget for the LOCS.D.

The Board and public receive an overview of the FY 2026-27 budget from GM Savage.

President Kennedy opens the Public Hearing to receive Public Comment at 6:18PM.

Michelle de Werd, Matt Loudon, and Jeannie Hollingsworth speak.

President Kennedy closes the Public Hearing to 6:28PM.

Director Fayram speaks to notification of the CCRWQCB and the need to make choices is difficult. Director Parks notes that he supports the budget as proposed. President Kennedy concurs with using other funds, possibly reserves, to fund groundwater testing. She ties her thinking to the design. Director Palmer ask about speaking to the County and CCRWQCB about how much funding is needed for monitoring. She notes that the Board could also consider suspend budgeting a reserve.

Motion to adopt the FY 2026-27 budget as proposed by the General Manager.

Motion by: Director Fayram, second: Director Parks

Roll Call vote: 4-0

INFORMATIONAL ITEM:

Per public request, a brief report from the General Manager that conveys District status and updates is being added at the beginning of the agenda. This status report may touch on key items in the project plan or schedule. The General Manager will leave other detailed reporting, including budgetary reporting until the end of the meeting.

This item is informational only, no action will be taken, and no public comment will be received.

6. GENERAL MANAGER’S BRIEF DISTRICT STATUS REPORT

GM Savage comments that it is a full agenda tonight and that apart from the agenda, he does not have anything to report.

ADMINISTRATIVE ACTION ITEMS:

All matters listed hereunder constitute an administrative / consent agenda and will be acted upon by a single vote of the Board. Matters listed on the Consent Agenda will be read only at the request of a member of the Board, in which event the matter may be removed from the Consent Agenda and considered as a separate item. The public may comment on any of the items prior to any action being taken by the Board.

7. CONSENT AGENDA

A. APPROVAL FISCAL YEAR 2024-25 AUDIT

The District contracted with Moss, Levy, Hartzheim (MLH) to conduct an audit of District finances for fiscal year 2024-25, which ran from July 1, 2024 to June 30, 2025. The final audit is attached.

B. APPROVAL OF MEETING MINUTES

Regular Meeting minutes of April 8, 2026.

C. APPROVAL PAYMENT OF INVOICES RECEIVED ON OR BEFORE JUNE 4, 2026.

Note: the actual amount of the Padre invoice was \$2,418.53

No.	Invoice Date	Invoice #	Provider	Amount
1	2026-03-30	2026-564	Padre – Environmental Services	1,000.00
2	2026-03-31	21123	Regional Gov’t Services – Communications Services	528.00
3	2026-04-03	1086	Civic Sol – Accounting Services	100.00
4	2026-04-15	93543	MNS-BKF – Engineering Services	185.00
5	2026-04-20	67733	Wallace Group – 30% design, 30-year lifecycle costs	52,730.25
6	2026-04-21	104897	Aleshire & Wynder – Legal Services	530.20

7	2026-04-30	202604	GWS – General Management Services	6,926.96
8	2026-04-30	21237	Regional Gov't Services – Communications Services	137.80
9	2026-05-05	105705	Aleshire & Wynder – Legal Services	674.80
10	2026-05-05	1096	Civic Sol – Accounting Services	\$387.50
11	2026-05-08	93937	MNS – Engineering Services	462.50
12	2026-05-20	67966	Wallace Group – 30% design, 30-year lifecycle costs	17,951.50
13	2026-05-31	202605	GWS – General Management Services	4,003.72
14	2026-06-02	R22-00959	Padre – Environmental Services	355.00

Project	Vendor	To Date (including current invoices)	Total Authorization
Phase 1 - 90% Design / 30-year cost of ownership	Wallace Group	\$ 281,003.80	\$ 403,000.00
Environmental Review	Padre	\$ 15,440.00	\$ 57,383.00
Proposition 218 Communications	RGS	\$ 1,993.60	\$ 28,300.00

GM Savage notes that as there was no May meeting there is a larger than usual number of invoices. He adds that individual finance subcommittee members may have reviewed them in detail, but there is no recommendation from the subcommittee. GM Savage adds that the consent agenda includes a receive and file of the FY 2024-25 audit. He says that it would be his recommendation that the Board shift to a new vendor. Based on prior experience he requests that the Board provide direction in this area.

President Kennedy opens the floor to public comment.

No requests speak.

Motion to approve the consent agenda with the stipulation we consider changing auditors.

Motion by: Director Parks, second: Director Fayram

Roll call vote: 4-0

BUSINESS ITEMS:

The public may comment on any business item prior to any action being taken by the Board.

8. DISCUSSION REGARDING JUNE 3, 2026 COMMUNITY WORKSHOP ON COLLECTION AND CONVEYANCE, CONSIDERATION OF APPROACH TO COLLECTION AND CONVEYANCE OF WASTEWATER, AND CONSIDERATION OF FINANCING FOR CONTINUED ENGINEERING EFFORTS RELATED TO THE COLLECTION OF CONVEYANCE OF WASTEWATER

On June 3, 2026 the Board of Directors held a Community Workshop related to the Collection and Conveyance of wastewater. Prior workshops with the community and decisions by the Board of Directors determined that the City of Solvang would provide for treatment and disposal of treated wastewater. The workshop was designed to educate the public on the two community collection options under consideration: gravity fed and septic tank effluent pumping (STEP), and to discuss and describe conveyance options for a dedicated pipeline from the District to a connection point with the City of Solvang. At the meeting and following introductions and an overview, Ms. Kari Wagner from the Wallace Group provided an overview of the Wallace Group's 30% design and 30-year life cycle costing reports. The Wallace Group documents can be found at:

<https://www.losolivoscsd.com/technical-studies-and-reports>.

Public comment, question and answers, and general discussion followed Ms. Wagner's presentation. Workshop materials, including a post workshop survey, presentation materials, handouts, and links to the Wallace Group reports can be found at: <https://www.losolivoscsd.com/2026-06-03-special-community-workshop>.

Video from the workshop can be found at: <https://youtu.be/lmJMBLfhtLc>.

As there has been comment about whether or not the project is even required, a copy of a recent "no project" memo from the Central Coast Regional Water Quality Control Board (CCRWQCB), which was discussed at the workshop, can be found at:

<https://www.losolivoscsd.com/files/0f6e4540f/2026-5-19+Reiteration+on+a+Zero+Project+Path+-+CCRWQCB.pdf>.

The Wallace Group's contract provides for 30, 60, and 90% design efforts. The 30% design is now complete. Given current financing, the Wallace Group's efforts have effectively been put on hold until additional funding can be identified. Recent attempts to obtain Clean Water State Revolving Fund (CWSRF) grants have, as previously discussed in public meetings, resulted in a low score for the District's application. Given the low score, the District

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should not anticipate receiving CWSRF at this time. Details of the scoring can be found at:

https://www.waterboards.ca.gov/water_issues/programs/grants_loans/srf/.

As has been previously stated, the District does not score well against the Water Board's established criteria. This is due to many factors; key among them is that the District is: (1) still in the planning stage (as opposed to construction), (2) not a financially disadvantaged community, and (3) not including a reused component in its efforts since the City of Solvang does not currently recycle treated wastewater. The District is continuing its discussions with others, such as the County of Santa Barbara, to identify the funding required to complete the Wallace Group design efforts.

General Manager's recommendation: Discuss the workshop and workshop materials including the CCRWQCB "no-project" memo, consider selection of a community collection approach (gravity or STEP), discuss next steps regarding the Wallace Group efforts, consider financing options, and provide direction to staff as appropriate.

GM Savage walks through a prepared presentation. Following his presentation, Director Parks notes that he is not ready to make a decision on collection or conveyance. He then talks about the County memo. Director Parks then comments on equalization tanks. He then comments on dewatering and whether it is needed if horizontal boring is used. Director Parks closes his comments by mentioning POLO's efforts on potential alternatives. Director Palmer asks about dewatering, with DE Pike responding. She then notes concerns about equalization tanks, creek discharge, bridge crossing, whether STEP estimates included for easements, and POLO report. Director Fayram says he disagrees with not moving forward, he would see the District move towards a vote, through the democratic process. GM Savage responds to Director Palmer, with Ms. Wagner from Wallace Group confirming that \$5,000 was included for easements. President Kennedy asks about pump / lift stations. Ms. Wagner responds that the memo from the County was what she expects. It addresses what is allowed or not allowed within the public right of way (ROW). The only things allowed are the collection/conveyance/laterals and related. Tamara Anderson (CCRWQCB) responds Director Palmer's question about permitting requirements. She notes NPDES, low and high threat, and other permits depending on the quality of the water that would be discharged. At permit time the water makeup (what is in the water from a constituents perspective) would drive what permits are required. Director Parks asks follow-up with commentary about our monitoring well samples.

President Kennedy opens the floor to public comment.

Matt Loudon, Jeannie Hollingsworth, Anne Marie Gott, Sam Marmostein, and Brian Carroll speak.

Director Fayram speaks to the cost of waiting (\$1.5M per year), water quality, septic systems, basin plan, and costs. He talks about the issues that come up as you design a system, the POLO design, and practicalities to what will and won't work. He reemphasizes that he thinks we need to move forward. With Kari responding to the commentary about use of right of way, but out of the road path. Director Fayram summarizes his thoughts by saying that the District has had conversations and held workshops, and needs to move forward. Director Parks restates that he is not ready to make a decision yet. Director Palmer overall agrees with Director Fayram that the community is ready to move forward with gravity. She agrees with Director Parks on potholing and septic system identification. He speaks to how things would be different if we had outside funding to help pay for the construction. Director Fayram comments again that the Board owes the public a path forward. Directors Parks and Fayram then talk about equalization tanks and the need for them. President Kennedy talks about walking in the community every morning and, particularly when it is cold and wet, smelling septic tanks. She comments about property owners who have a septic tanks that are on life support. She comments that she too wants to move things forward. She favors having the GM work with Solvang to determine the need for equalization,

Motion to direct the GM to bring back to our July meeting a resolution amending our prior project description that focus on a gravity collection system with prospects related to equalization.

Motion by: Director Fayram

Motion dies for lack of a second.

Direction is given to the GM to bring back information about equalization; County public works related to handing conveyance lines on bridges.

The Board discusses the funding options offered by the County. Counsel clarifies whether the item needs to be continued to next month or agendize it "new" for next month in response to a question from Director Palmer.

President Kennedy asks if people will be ready to make a decision in July. Director Palmer says she will be ready. Discussion then shifts to applying for County funding. Counsel Koczanowicz clarifies that putting something on the agenda for next month is not a vote to approve what it put on the agenda, just to agendize it.

Motion to bring back the project description with gravity as the selected option for collection along with clarity regarding Solvang equalization approach to July meeting.

Motion by: Director Palmer, second: Director Fayram.

Roll Call vote:

Ayes: Director Palmer, Director Fayram, President Kennedy

Nays: Director Parks

The board then discusses the County memo regarding rights-of-way and the possible grants and loans from the County. Copies were available in the room and can be found on the District website. Link:

<https://www.losolivoscsd.com/files/121adade3/Memo+from+County+of+Santa+Barbara+regarding+use+of+rights-of-way+2026.6.9.pdf>

Motion to bring back for consideration to the July meeting the funding options outlined by General Manager Savage in his presentation (\$250k in grant, \$750k in loan).

Motion by: Director Fayram, second: President Kennedy.

Roll Call vote: 4-0

Direction to staff to authorize Wallace group to move forward with Septic System Location and Potholing.

Direction to staff to work with CCRWQCB to determine water quality issues related to discharge into the creek.

Following item 8:

Counsel Koczanowicz speaks to potentially adding an urgency item to the agenda at this time. The item concerns a Coalition - Prop 4: DAC vs VDP letter. Counsel outlines the process necessary to add an "urgent" item at this point to the evening's agenda. The item would be heard after Item 9.

Motion to add urgent item as detailed by General Counsel.

Motion by: Director Fayram, second by: Director Parks

Roll Call vote: 4-0

9. CONSIDERATION OF RESOLUTIONS 26-02 AND 26-03 REGARDING LOCSO BOARD OF DIRECTOR ELECTIONS ON NOVEMBER 3, 2026

The Board will consider two resolutions and related materials required to properly engage the County of Santa Barbara for election services for the upcoming General Election to be held on November 3, 2026. Resolution 26-02 ensures that the District pursue a consolidate election process with the County of Santa Barbara. Consolidation essentially allows the County to perform all work on behalf of the District, thereby significantly lowering the cost for the election. Resolution 26-03 is required by the County and addresses Candidate Qualifications and places the cost burden of any statement of qualifications of filing on candidates for LOCSO Board of Directors openings. The positions currently held by Directors Kennedy, Palmer, and Parks are up for election.

General Manager's recommendation: Adopt Resolutions 26-02 and 26-03 and direct the General Manager, acting in his capacity as Board Secretary when necessary, to file 2026 elections related materials with the County of Santa Barbara as required.

GM Savage walks through a prepared presentation (see website for a copy).

President Kennedy opens the floor to public comment.

No requests speak.

Motion to Adopt Resolutions 26-02 and 26-03 and direct the General Manager, acting in his capacity as Board Secretary when necessary, to file 2026 elections related materials with the County of Santa Barbara as required.

Motion by: Director Fayram, second: Director Parks

Roll Call vote: 4-0

Added item Dam Safety and Climate Resilience Local Assistance Program Letter:

President Kennedy opens the floor to public comment.

Anne Marie Gott speaks.

GM Savage shows the requested letter of support regarding the program to the public and Board.

Motion to authorize the General Manager to submit the template letter, customize it, and authorize the GM to execute it on behalf of the District.

Motion by: Director Palmer, second by: Director Fayram

Roll Call vote: 4-0

INFORMATIONAL ITEMS:

These items are informational only, no action will be taken, and no public comment will be received.

10. REPORTS

A. SUBCOMMITTEE REPORTS

Finance Subcommittee (President Kennedy Chair) – did not meet

Grants Subcommittee (Vice President Palmer Chair) – did not meet

Project Management Subcommittee (Vice President Palmer Chair) – did not meet, last met April 2025

Technical Subcommittee (Director Fayram Chair) – did not meet

Prop 218 Ad hoc – met to work on workshop related flyer

B. GENERAL MANAGER AND DISTRICT ENGINEER COMMENTS

The GM and DE will give reports on any meetings that they attended on behalf of the District, report on various District-related activities and/or provide status on projects. The GM may also review the Budget Reports. See the packet for more details.

GM Savage walks through the attached handouts.

Notable upcoming meeting items:

July – Gann Limit, Tax Assessment Authorization

11. DIRECTORS COMMENTS

Directors will give reports on any meetings that they attended on behalf of the Board and/or choose to comment on various District-related activities. Directors may also request future agenda topics at this time.

Director Fayram – Responds to public comment. He has been working with Assemblymember Hart and Senator Limone regarding funding from the State level.

Director Parks - Nothing

Director Palmer – Nothing

President Kennedy – Comments that the District will continue to push for funding.

12. ADJOURNMENT

Motion to adjourn at: 8:40PM

Motion by: Director Fayram, second: Director Parks

Voice vote: 4-0

Respectfully submitted:



Guy W. Savage

General Manager – Los Olivos Community Services District

Approved:

President (Director) Julie Kennedy

ITEM 6B - INVOICES

INVOICES

INVOICE

Regional Government Services
 PO Box 1350
 Carmel Valley, CA 93924
 AR@rgs.ca.gov
 (650) 587-7300 x2



Los Olivos Community Services District
 Guy Savage
 gm.locsd@gmail.com

May 31, 2026
 Invoice No: 21402
Total This Invoice \$3,449.60

Project 05048.C251100000-05 Los Olivos Community Services District -Comm and Engagement Services
Professional Services from May 01, 2026 to May 31, 2026

Professional Personnel

	Hours	Rate	Amount	
Strategic Services Consultant	2.40	191.00	458.40	
Senior Advisor	16.70	161.00	2,688.70	
Technical Specialist	2.50	121.00	302.50	
Totals	21.60		3,449.60	
Total Labor				3,449.60

Billing Limits

	Current	Prior	To-Date	
Total Billings	3,449.60	1,993.60	5,443.20	
Limit			28,300.00	
Remaining			22,856.80	
				Total this Invoice <u><u>\$3,449.60</u></u>

Billing Backup

Regional Government Services Authority

Invoice 21402 Dated 5/31/2026

Project 05048.C251100000-05 Los Olivos Community Services District -Comm and Engagement Services

Professional Personnel

	Hours	Rate	Amount
Strategic Services Consultant			
May 7	.30	191.00	57.30
Press release edits and project guidance.			
May 11	.30	191.00	57.30
Review draft 2 of press release. Edit social media content. Guidance on video approach.			
May 15	.10	191.00	19.10
Coordinate on design. Project management.			
May 18	.10	191.00	19.10
Coordination re: printing brochure.			
May 21	.40	191.00	76.40
Press release edits.			
May 22	.20	191.00	38.20
Brochure.			
May 26	.30	191.00	57.30
Handout design and social media coordination.			
May 27	.10	191.00	19.10
Review social post.			
May 28	.30	191.00	57.30
Flier coordination - size and layout.			
May 29	.30	191.00	57.30
Content edits.			
Senior Advisor			
May 6	1.50	161.00	241.50
Review materials, draft of press release, 3 social media posts, and Process (as graphic and as video storyboard)			
May 8	.50	161.00	80.50
Press release, social media, graphics/video adjustments			
May 11	.30	161.00	48.30
Press release and social media post recommendations to Guy			
May 18	1.00	161.00	161.00
Handout copy generation, review, and copy additions			
May 19	1.00	161.00	161.00
Creative briefing to Comms team, brief for digital tracking			
May 20	2.50	161.00	402.50
Handout first proof review/edits, Press Release edits and timing recommendations,			
May 21	.80	161.00	128.80
Press release edits, social media post updates/recommendations			
May 26	4.00	161.00	644.00
Review new copy and layout options and provide recommendations, pull copy from Claude version and edit, and subsequent follow-up, photo selection, updated briefing for design; review FB page for first Workshop post, determine next steps for access			
May 27	.80	161.00	128.80
Call with Julie, review v4 copy, brief Matt, photo follow-up			
May 28	.80	161.00	128.80
Proof review, edits, and change in layout to 11 x 17, review proof			
May 29	3.50	161.00	563.50
Review feedback, make edits			

Technical Specialist

May 26	.20	121.00	24.20	
Los Olivos facebook access	May 27	.30	121.00	36.30
Los Olivos CSD handout	May 28	1.40	121.00	169.40
Los Olivos CSD Handout	May 29	.60	121.00	72.60
Los Olivos CSD Handout				

Totals

21.60 3,449.60

Total Labor

3,449.60

Total this Project

\$3,449.60

Total this Report

\$3,449.60



REMIT ACH PAYMENT TO: MNS Engineers, Inc.
 BANK NAME: Pacific Premier Bank
 ROUTING NUMBER: 322285781
 BANK ACCOUNT NUMBER: 4317181537
 TYPE ACCOUNT: Checking
 CONTACT: payments@mnsengineers.com

IF UNABLE TO REMIT PAYMENT VIA ACH, PLEASE MAIL CHECKS TO:
 MNS Engineers, Inc.
 P.O. Box 6637
 Pasadena, CA 91109-6573
 Contact: 805.692.6921

June 12, 2026
 Project No: M00180392-000
 Invoice No: 26060867
 Guy Savage
 Los Olivos Community Services District
 P.O. Box 553
 Los Olivos, CA 93441

Principal Clifford Maurer
 Project Manager Douglas Pike
 Project M00180392-000 District Support Services

Professional Services from April 27, 2026 to May 24, 2026

Professional Personnel

	Hours	Rate	Amount	
District Engineer	.50	185.00	92.50	
Totals	.50		92.50	
Total Labor				92.50
				Current Invoice Amount 92.50

Outstanding Invoices

Number	Date	Balance
93166	3/10/2026	555.00
93543	4/15/2026	185.00
93937	5/8/2026	462.50
Total		1,202.50



1 Park Plaza, Suite 1000
 Irvine, CA 92614
 P (949) 223-1170 • F (949) 223-1180
 awattorneys.com

Federal Tax ID: 55-0814676

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

Billing Period: May 2026

Matter Description	Total Hours	Total Fees	Total Costs	Total Other Charges	Total Billed	Comments
0001 General	1.70	409.70	0.00	0.00	409.70	
TOTALS:	1.70	409.70	0.00	0.00	409.70	



1 Park Plaza, Suite 1000
 Irvine, CA 92614
 Phone: (949) 223-1170
 Fax: (949) 223-1180
 Federal Tax ID: 55-0814676

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

June 12, 2026
 Bill No. 106645

For Legal Services Rendered Through 5/31/26

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

PROFESSIONAL SERVICES

Date	Attorney	Description	Hours	Amount
05/06/26	MDK	EXCHANGE EMAIL WITH S RE NOTICE OF CANCELLATION	0.10	24.10
05/11/26	MDK	REVIEW EMAIL FROM GS AND RESPOND	0.10	24.10
05/13/26	MDK	REVIEW EMAILS RE KLR'S REQUEST FOR INFORMATION AND PROVIDE COMMENTS	0.20	48.20
05/18/26	MDK	REVIEW EMAIL FROM JK AND RESPOND(.2); EXCHANGE EMAILS RE PRA REQUEST AND 10-DAY LETTER(.2)	0.40	96.40
05/19/26	MDK	TELEPHONE CONFERENCE WITH JK RE VARIOUS MATTERS(.3); REVIEW PRA REQUEST EXCHANGE EMAILS WITH STAFF AND DRAFT A 10-DAY LETTER(.3)	0.60	144.60
05/20/26	MDK	REVIEW EMAIL FROM KLR AND RESPOND	0.20	48.20
05/28/26	MDK	REVIEW EMAIL RE CWSRF SCORING OF THE DISTRICT APP AND RESPOND	0.10	24.10
Total Professional Services			1.70	\$409.70

PROFESSIONAL SERVICES SUMMARY

Code	Name	Hours	Rate	Amount
MDK	Martin D. Koczanowicz	1.70	241.00	409.70
Total Professional Services		1.70		\$409.70

CURRENT BILL TOTAL AMOUNT DUE

\$409.70

Balance Forward:

2,169.00

Total Due:

\$2,578.70

Please return this page with remittance

to
Aleshire & Wynder LLP

Bill Number: 106645
Bill Date: June 12, 2026
Client Code: 01245
Client Name: Los Olivos Community Services District
Matter Code: 0001
Matter Name: General

Total Professional Services:	409.70
Total Disbursements:	0.00
CURRENT BILL TOTAL AMOUNT DUE	\$409.70
Balance Forward:	2,169.00
Total Due:	\$2,578.70

Amount enclosed: _____

Thank You



Wallace Group
A California Corporation
612 Clarion Court
San Luis Obispo, CA 93401
Phone: 805-544-4011 Fax: 805-544-4294

Los Olivos Community Services District
 PO Box 345
 Los Olivos, CA 93441

June 16, 2026
 Project No: 1565-0002-00
 Invoice No: 68161
Invoice Total \$9,138.00

Project 1565-0002-00 LOCSD, District Wastewater Collection & Conveyance to the City of Solvang -
Professional services rendered through May 31, 2026

Phase 00100 Project Management

Labor

	Hours	Rate	Amount	
Principal	1.25	290.00	362.50	
Totals	1.25		362.50	
Total Labor				362.50
Total this Phase				\$362.50

Phase 00150 QA/QC

Labor

	Hours	Rate	Amount	
Principal	1.25	290.00	362.50	
Totals	1.25		362.50	
Total Labor				362.50
Total this Phase				\$362.50

Phase 00210 Project Report (Collection System)

Labor

	Hours	Rate	Amount	
Principal	10.25	290.00	2,972.50	
Director of Civil Engineering	15.50	236.00	3,658.00	
Senior Project Analyst I	.50	165.00	82.50	
Totals	26.25		6,713.00	
Total Labor				6,713.00
Total this Phase				\$6,713.00

Phase 00211 Project Report (LS)

Labor

	Hours	Rate	Amount	
Senior Mechanical Engineer III	6.50	232.00	1,508.00	
Totals	6.50		1,508.00	
Total Labor				1,508.00
Total this Phase				\$1,508.00

Project	1565-0002-00	*LOCSO WW COLLECTN & CONVEYNCE TO SOLVANG	Invoice	68161
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Phase	00220	Preliminary Design (Collection System)
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Labor

	Hours	Rate	Amount	
Senior Civil Designer III	1.00	192.00	192.00	
Totals	1.00		192.00	
Total Labor				192.00
				Total this Phase
				\$192.00

Budget

	Current	Prior	To-Date	
Total Billings	9,138.00	281,003.80	290,141.80	
Limit			403,006.00	
Remaining			112,864.20	
				Total this Invoice
				\$9,138.00

Outstanding Invoices

Number	Date	Balance
67502	3/31/2026	47,738.75
67733	4/20/2026	52,730.25
67966	5/20/2026	17,951.50
Total		118,420.50

Billing Backup

Tuesday, June 16, 2026

Wallace Group

Invoice 68161 Dated 6/16/2026

11:42:15 AM

Project 1565-0002-00 LOCSO, District Wastewater Collection & Conveyance to the City of Solvang -

Phase 00100 Project Management

Labor

			Hours	Rate	Amount
Principal					
Principal					
1000 - Wagner, Kari	5/7/2026		.25	290.00	72.50
Project Management					
1000 - Wagner, Kari	5/14/2026		.75	290.00	217.50
Project Follow Up					
1000 - Wagner, Kari	5/19/2026		.25	290.00	72.50
Project Management					
	Totals		1.25		362.50
	Total Labor				362.50

Total this Phase \$362.50

Phase 00150 QA/QC

Labor

			Hours	Rate	Amount
Principal					
Principal					
1000 - Wagner, Kari	5/5/2026		1.25	290.00	362.50
QA/QC Sensitivity Analysis/Report					
	Totals		1.25		362.50
	Total Labor				362.50

Total this Phase \$362.50

Phase 00210 Project Report (Collection System)

Labor

			Hours	Rate	Amount
Principal					
Principal					
1000 - Wagner, Kari	5/3/2026		3.50	290.00	1,015.00
Update Final Report					
1000 - Wagner, Kari	5/4/2026		.50	290.00	145.00
Review Edits					
1000 - Wagner, Kari	5/6/2026		2.75	290.00	797.50
Finalize Report					
1000 - Wagner, Kari	5/26/2026		1.25	290.00	362.50
Review Comments					
1000 - Wagner, Kari	5/28/2026		2.00	290.00	580.00
Respond to Comments/Review Sensitivity Analysis					

Project	1565-0002-00	*LOCSO WW COLLECTN & CONVEYNCE TO SOLVANG	Invoice	68161	
1000 - Wagner, Kari		5/29/2026	.25	290.00	72.50
Issue Final Report					
Director of Civil Engineering					
Director of Civil Engineering					
1002 - Hawthorne, Rachel		5/4/2026	4.75	236.00	1,121.00
Project Report					
1002 - Hawthorne, Rachel		5/5/2026	1.00	236.00	236.00
Project Report					
1002 - Hawthorne, Rachel		5/6/2026	3.50	236.00	826.00
Project Report					
1002 - Hawthorne, Rachel		5/7/2026	.25	236.00	59.00
Project Report					
1002 - Hawthorne, Rachel		5/13/2026	.25	236.00	59.00
Respond to Report Review Comments					
1002 - Hawthorne, Rachel		5/26/2026	2.00	236.00	472.00
Address Review Comments					
1002 - Hawthorne, Rachel		5/27/2026	2.75	236.00	649.00
Address Review Comments					
1002 - Hawthorne, Rachel		5/28/2026	1.00	236.00	236.00
Address Review Comments					
Senior Project Analyst I					
Senior Project Analyst I					
1030 - Richardson, Lonnie		5/13/2026	.50	165.00	82.50
Review Draft Exhibit A for tax rolls					
Totals			26.25		6,713.00
Total Labor					6,713.00
Total this Phase					\$6,713.00

Phase	00211	Project Report (LS)			
Labor					
			Hours	Rate	Amount
Senior Mechanical Engineer III					
Senior Mechanical Engineer III					
1063 - Rutherford, Erik		5/4/2026	.50	232.00	116.00
report updates					
1063 - Rutherford, Erik		5/5/2026	1.25	232.00	290.00
report updates					
1063 - Rutherford, Erik		5/6/2026	1.00	232.00	232.00
report updates, printing appendix					
1063 - Rutherford, Erik		5/13/2026	.25	232.00	58.00
Reviewing feedback from Tom Fayram					
1063 - Rutherford, Erik		5/26/2026	1.00	232.00	232.00
report coordination with Kari and Rachel, reviewing 'no-project' letters					
1063 - Rutherford, Erik		5/27/2026	1.00	232.00	232.00
letter response					
1063 - Rutherford, Erik		5/28/2026	1.50	232.00	348.00
letter response, sensitivity analysis updates					
Totals			6.50		1,508.00
Total Labor					1,508.00
Total this Phase					\$1,508.00

Phase	00220	Preliminary Design (Collection System)			
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Labor

			Hours	Rate	Amount	
Senior Civil Designer III						
Senior Civil Designer/Technician III						
1018 - Schell, Ralph		5/6/2026	1.00	192.00	192.00	
Plots						
	Totals		1.00		192.00	
	Total Labor					192.00
				Total this Phase		\$192.00
				Total this Project		\$9,138.00
				Total this Report		\$9,138.00



650 NE Holladay St., Suite 900
 Portland, OR 97232
 P: 503.239.8799
 accounting@gsiws.com
 www.gsiws.com

Los Olivos Community Services District
 Guy Savage
 PO Box 345
 Los Olivos, CA 93441

June 29, 2026
 Invoice No: 00876.007 - 4

Project 00876.007 Biannual Monitoring and Reporting for Existing Groundwater Monitoring Network - 2025-2026

Professional Services from June 01, 2026 to June 30, 2026

Task .001 Monitoring and Sampling, and Reporting

Labor

	Hours	Rate	Amount	
Principal Hydrogeologist II Thompson, Tim	3.00	355.00	1,065.00	
Managing Hydrogeologist I Lapostol, Andres	2.00	190.00	380.00	
Project Geochemist I O'Malley, Katherine	17.50	155.00	2,712.50	
Administration Steensma, Nancy	1.00	120.00	120.00	
Totals	23.50		4,277.50	
Total Labor				4,277.50

Subconsultants

Eurofins Environment Testing Southwest, 6/22/2026 Eurofins Environment Testing Lab Analysis Southwest, LLC			245.00	
Total Subconsultants		1.1 times	245.00	269.50

Reimbursable Expenses

Equipment Rental/Purchase			420.69	
Field Supplies			5.21	
Total Reimbursables		1.1 times	425.90	468.49

GSI Owned Equipment Billing

6/10/2026 GSI Field Vehicle	87.0 miles @ 0.725		63.08	
Total GSI Owned Equipment			63.08	63.08

Total this Task \$5,078.57

Project Summary

	Current Period	Prior Periods	Invoiced to Date	
Total Billings	5,078.57	10,504.54	15,583.11	
Authorized Budget			16,000.00	
Budget Remaining			416.89	
Total this Invoice			\$5,078.57	\$5,078.57



Environment Testing

Invoice No.	5700289310	Invoice Date	June 19, 2026
Terms	30 Day Payment Terms	Federal Tax ID	33-0327665
Remit to	Eurofins Environment Testing Southwest, LLC , PO BOX 1455, Carol Stream, IL 60132-1455		
Wire/ACH	Citibank ABA: 031100209 Acct# 38996675 SWIFT Code: CITIUS33		

Bill to:
GSI Water Solutions, Inc. Attn: Accounts Payable 418 Chapala Street Santa Barbara, CA 93101-8056

Ship to:
GSI Water Solutions, Inc 418 Chapala Street, Suite E Santa Barbara, CA 93101

P.O. Number	W.O. Number	Contract Number	Work Ordered by
Purchase Order not required			Andres Lapostol
Job Description	Site Name	SDG Number	Invoice Contact
See below			Accounts Payable

Job No.	Job Description	Receipt Date	Quantity	Unit Price	Amount
	Method/Test Description				
J283337-1	LOCSD Bi-annual gw sampling	06/11/2026			
	SM 2540C - Total Dissolved Solids (TDS)		5.00	23.00	115.00
	300.0 - Nitrate/Nitrite as N		5.00	23.00	115.00
	Safe and Environmentally Responsible Waste Management (per sample)		5.00	3.00	15.00

Project Number	Client Number	Project Manager	Subtotal (USD)	\$245.00
57018664	7340	Jennifer Moffatt		
Latest Sample Receipt Date	Latest Report Date	Phone Number	Total (USD)	\$245.00
06/11/2026	06/19/2026	(657) 210-6362		

For proper credit, please include invoice number on all remittance.

INVOICE

FROM:

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

BILL TO:

Via electronic delivery
President Julie Kennedy
Los Olivos Community Services District
PO Box 345
Los Olivos, Ca 93441

Invoice #: 202606
Invoice Date: 6/30/2026

Dear President Kennedy,

Please see 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 thirty (30) or as authorized by the District.

Date	Description	Units	Rate	Amount
6/30/2026	General Manager Services - LOCSD (6/1/26-6/30/26) See Attached for Details	60	\$ 149.35	\$ 8,961.00
6/30/2026	HP Printing - monthly service	1	\$ 8.61	\$ 8.61
6/2/2026	Column - Santa Maria Times - Annual budget notice in newspaper	1	\$ 79.45	\$ 79.45
Total				\$ 9,049.06

Thank you for your continued support.



Email: GM.LOCSD@gmail.com

Date	Description	Hours	Grant			Amount Grant Reimbursable
			Reimbursable	Rate	Amount	
1-Jun	Fact sheet, County meeting coord	2.25		\$ 149.35	\$ 336.04	\$ -
2-Jun	Projector, workshop pre-work	4.5		\$ 149.35	\$ 672.08	\$ -
	WG presentation review and comment, rework of LOCSO preso	2.25		\$ 149.35	\$ 336.04	\$ -
3-Jun	Workshop pre-work, social media, printing, Zoom link	6		\$ 149.35	\$ 896.10	\$ -
	Meeting setup, meeting, teardown	4		\$ 149.35	\$ 597.40	\$ -
4-Jun	Post workshop, video post, social media	1.25		\$ 149.35	\$ 186.69	\$ -
	Emails, post workshop follow-ups, media return	1.5		\$ 149.35	\$ 224.03	\$ -
	SYCSD, ID 1 meeting	1.5		\$ 149.35	\$ 224.03	\$ -
	Groundwater monitoring coord	0.5		\$ 149.35	\$ 74.68	\$ -
	June 10 meeting agenda, accounting catch up, audit follow up	3.5		\$ 149.35	\$ 522.73	\$ -
5-Jun	Coffee with Director / meeting with Kennedy, emails, agenda	1.5		\$ 149.35	\$ 224.03	\$ -
6-Jun	June 10 meeting agenda, budget, audit	3.75		\$ 149.35	\$ 560.06	\$ -
8-Jun	Rohrer PRA	1.5		\$ 149.35	\$ 224.03	\$ -
	Meetings with Board members	1.5		\$ 149.35	\$ 224.03	\$ -
	June 10 prework, emails	1.5		\$ 149.35	\$ 224.03	\$ -
9-Jun	Rohrer PRA	0.5		\$ 149.35	\$ 74.68	\$ -
	Assessment Engineer coord	0.25		\$ 149.35	\$ 37.34	\$ -
	June 10 prework, emails	6.25		\$ 149.35	\$ 933.44	\$ -
10-Jun	Rohrer PRA follow-up	0.25		\$ 149.35	\$ 37.34	\$ -
	SCI assessment engineer proposal review/meeting	0.75		\$ 149.35	\$ 112.01	\$ -
	County meeting, including after discussions, drive time, and so on	2.5		\$ 149.35	\$ 373.38	\$ -
	June 10 prework, emails	3.5		\$ 149.35	\$ 522.73	\$ -
	June 10 meeting	4		\$ 149.35	\$ 597.40	\$ -
11-Jun	June 10 minutes, video, attachments, and April 8 minutes uploads	1.5		\$ 149.35	\$ 224.03	\$ -
	Elections resolutions	0.75		\$ 149.35	\$ 112.01	\$ -
	Project Description, County Loan, emails	1		\$ 149.35	\$ 149.35	\$ -
	NNCPAS - audit services	0.25		\$ 149.35	\$ 37.34	\$ -
12-Jun	Tax roll, phone calls, AP	1.5		\$ 149.35	\$ 224.03	\$ -
15-Jun	Phone calls, emails, RGS post review	0.5		\$ 149.35	\$ 74.68	\$ -
16-Jun	Rohrer FPPC	0.25		\$ 149.35	\$ 37.34	\$ -
17-Jun	SB 827 required training	2		\$ 149.35	\$ 298.70	\$ -
18-Jun	Parks, emails	0.25		\$ 149.35	\$ 37.34	\$ -
19-Jun	Emails, phone calls, general admin	1		\$ 149.35	\$ 149.35	\$ -
20-Jun	Rohrer FPPC	0.25		\$ 149.35	\$ 37.34	\$ -
23-Jun	Emails, invoices, groundwater	1.25		\$ 149.35	\$ 186.69	\$ -
	Quarterly update	1		\$ 149.35	\$ 149.35	\$ -
	City of Solvang	0.5		\$ 149.35	\$ 74.68	\$ -
24-Jun	Meeting w/Board members, quarterly update, LAFCO, counsel	2.75		\$ 149.35	\$ 410.71	\$ -
26-Jun	RCAC, Nelson, quarterly update	3		\$ 149.35	\$ 448.05	\$ -
	Grants subcommittee agenda, post,	0.5		\$ 149.35	\$ 74.68	\$ -
30-Jun	Grants subcommittee, video post	0.75		\$ 149.35	\$ 112.01	\$ -
	WRDA follow up, meetings	1.25		\$ 149.35	\$ 186.69	\$ -
	SYCSD, City of Solvang meeting	2		\$ 149.35	\$ 298.70	\$ -
		Totals	77.25	0	\$ 11,537.29	\$ -
		Grand Totals	Hours	77.25		\$ 11,537.29



Guy Savage <gm.locsd@gmail.com>

Re: Request for up to 40 hours

1 message

Julie Kennedy <julie.kennedy.locsd@gmail.com>
To: General Manager - LOCSD <gm.locsd@gmail.com>

Thu, Jun 11, 2026 at 4:16 PM

Thank you Guy, yes - approved.

Julie

On Thu, Jun 11, 2026 at 3:57 PM General Manager - LOCSD <gm.locsd@gmail.com> wrote:

Julie,

As we have been discussing the past couple of weeks, this is by far the busiest month I've ever encountered with respect to the District. Tasks include work regarding:

Workshop, which included IT issues

Regular Meeting

Rohrer PRA

City of Solvang and County meetings, finance MOUs and letters

Budget

Audit

Quarterly newsletter

I'm already over my 30 normal and the previously approved 40 hours. What I would like approval for is up to 60 hours for the month. I know I'll go well over that before all is said and done, but I am happy to give any additional time, just as you do, back to my own community.

Guy

On Thu, Jun 4, 2026 at 5:43 PM General Manager - LOCSD <gm.locsd@gmail.com> wrote:

Julie,

Given the workshop and other catch up efforts following my vacation, I am requesting up to 40 hours for the month. I may even be back to request more as we not only have two meetings this month, but it is also a "quarterly update" to LAFCO and the community month.

Guy

Guy Savage
General Manager
Los Olivos Community Services District
PO Box 345, Los Olivos, CA 93441
(805) 500-4098
www.LosOlivosCSD.com

--
Guy Savage
General Manager
Los Olivos Community Services District
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Column Software PBC
 PO Box 208098
 Dallas, TX 75320-8098
help.column.us

Paid by
 Los Olivos Community Service District

Receipt number
 Invoice number
 Notice ID
 Publisher
 Date paid
 Payment method

BD88A4A8-0004
 6cRyFTOaxakmBOeepvQv
 Santa Ynez Valley News
 Jun 2, 2026
 VISA - 0153

Description	Qty	Unit price	Amount
05/14/2026: Other Notice	1	67.68	67.68
=== Notes === Notice Name: 2026-27 Budget Hearing Order Number: 580892			Net Subtotal \$67.68
			Tax 0.00
			Processing Fee 11.77
			Amount paid \$79.45



Civic Sol Accounting
 65 N San Marcos Rd. Unit A
 Santa Barbara, CA 93111
 (760) 215-2439
 Suzann@CivicSolAccounting.com

Invoice 1106

BILL TO
 Los Olivos Community
 Services District
 PO Box 345
 Los Olivos, CA 93441

DATE 07/01/2026	PLEASE PAY \$200.00	DUE DATE 07/31/2026
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DESCRIPTION	QTY	RATE	AMOUNT
Bookkeeping services for 6/1/26 - 6/30/26	2	100.00	200.00

TOTAL DUE	\$200.00
------------------	-----------------

THANK YOU.

Make all checks payable to Civic Sol Accounting.
 If you have any questions, please contact Suzann | 760-215-2439 | Suzann@CivicSolAccounting.com

THANK YOU FOR YOUR BUSINESS!

Property/Liability Package Program Invoice

Program Year 2026-27

Los Olivos Community Services District

Post Office Box 345
Los Olivos, California 93441

Invoice Date: 06/15/2026
Invoice Number: 79824
Member Number: 7948

Property, Boiler/Machinery, Pollution, Cyber <i>Coverage for 0 reported item(s) valued at (including contents): \$0</i>	\$0.00
Mobile/Contractors Equipment <i>Coverage for 0 reported item(s) valued at: \$0</i>	0.00
General Liability*, Errors & Omissions, Employee & Public Officials Dishonesty <i>Certificates: 1 Non-Member Certificate(s)</i>	4,038.80
Auto Liability (includes \$50 charge for non-owned auto coverage) <i>Coverage for 0 reported item(s) valued at: \$0</i>	50.00
Auto Comp / Collision <i>Coverage for 0 reported item(s) valued at: \$0</i>	0.00
Trailers <i>Coverage for 0 reported item(s) valued at: \$0</i>	0.00

Gross Package Contribution	\$4,088.80
Earned CIP Credits (6)	-182.51
Longevity Distribution Credit	0.00
MemberPlus Online RQ Bonus	-75.00
Other Discounts	0.00
Subtotal	\$3,831.29
5% Multi-Program Discount	\$0.00

Total Contribution Amount Due by July 15

\$3,831.29

**Current Limit of Liability is \$2.5M for G/L, A/L and E&O (excluding outside excess liability limits)*

Please pay in full by the due date. If not, a late charge of one percent (1%) per month, twelve percent (12%) per annum, will be assessed on all sums past due. Imposition of this charge does not extend the due date for payment.

Remit Payment to:

Special District Risk Management Authority
P.O. Box 15677, Sacramento, California 95852

For invoice questions contact the SDRMA Finance Department at accounting@sdrma.org or 800.537.7790

Special District Risk Management Authority
1112 I Street Suite 300, Sacramento, California 95814-2865
Tel 916.231.4141 or 800.537.7790 | Fax 916.231.4111

www.sdrma.org

ITEM 7 – RESOLUTION 26-04 – A PROJECT DESCRIPTION

RESOLUTION 26-04 – A PROJECT DESCRIPTION

RESOLUTION NO. 26-04

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE LOS OLIVOS COMMUNITY SERVICES DISTRICT ADOPTING A PROJECT DESCRIPTION FOR THE LOS OLIVOS COMMUNITY WASTEWATER PROJECT, AND DECLARING INTENT TO BEGIN, CONSISTENT WITH THE ADOPTED PROJECT DESCRIPTION, SPECIAL STUDIES, THE ENVIRONMENTAL PROCESS, PURSUIT OF GRANT AND LOAN FUNDING AND THE PROPOSITION 218 PROCESS

WHEREAS, the Los Olivos Community Services District (“District”) is authorized and empowered to collect, treat, or dispose of sewage, wastewater, recycled water, and storm water, per Government Code section 61110(b); and

WHEREAS, the District Board of Directors has a charge to seek public input and provide transparency and cooperative decision making with the community; and

WHEREAS, the District Board of Directors has directed, conducted and presented a series of Public Workshops with the purpose of describing project options, developing cost estimates, obtaining public input, and identifying or refining a Project Description; and

WHEREAS, Public input was received, considered and substantially influenced the development of this Project Description; and

WHEREAS, the District has also worked in a partnership relationship with the Central Coast Regional Water Quality Control Board and the County of Santa Barbara to affirm their agreement and cooperation with the general approach as described in the Project Description; and

WHEREAS, the District has drafted the Project Description consistent with and input from the property owners and citizens of the District, community surrounding the District, the City of Solvang, the Central Coast Regional Water Quality Control Board and the County of Santa Barbara.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Los Olivos Community Service District, as follows:

1. The above recitals are true and correct;
2. The Board of Directors hereby repeals any and all prior Resolutions which adopted any project description, including Resolution 25-01;
3. The Project Description as attached hereto is hereby adopted;
4. The Board of Directors does declare the intent, based upon this Project Description, to continue or begin special studies, the environmental process, pursuit of grant and loan funding, the proposition 218 process and to initiate all other tasks

associated with Project planning, development, implementation, and funding, all to be consistent with the Project Description; and

5. The Board of Directors authorizes and directs the General Manager, its Technical Committee as well as other committees or subcommittees that may be formed, and individual Directors as tasks are assigned, to implement this Project consistent with the Project Description.

I HEREBY CERTIFY that the foregoing Resolution was passed and adopted by the Board of Directors of the Los Olivos Community Services District at a regularly scheduled meeting held on the 8th day of July 2026, by the following vote:

AYES: _____

NOES: _____

ABSENT: _____

ABSTAIN: _____

ATTEST:



GUY SAVAGE, General Manager

LOS OLIVOS COMMUNITY SERVICES DISTRICT

By: _____
JULIE KENNEDY, Board President

APPROVED AS TO FORM:

By: 
MARTIN KOCZANOWICZ, District Counsel

I, Guy W. Savage, Board Secretary of the Los Olivos Community Services, Santa Barbara County, California, DO HEREBY CERTIFY that the foregoing is a true and accurate copy of the Resolution passed and adopted by the Board of Directors of the Los Olivos Community Services District on the date and by the vote indicated herein.

ATTACHMENT "1"

**Los Olivos Community Wastewater System
Project Description**



July 8, 2026

Los Olivos Community Services District Wastewater System Project Description

OUR PURPOSE

The Los Olivos Community Services District (District) was formed by voters in 2018 to help ensure local control over the planning, development, construction, and operation of the infrastructure necessary to collect, treat, and dispose of wastewater generated within the boundaries of the Los Olivos Community Services District, an unincorporated community in the County of Santa Barbara.

PROJECT GOAL

The purpose of the Los Olivos Wastewater System Project (Project) is to implement an economically viable wastewater treatment and reclamation solution or solutions for property owners within the District that meets public health needs and the regulatory requirements of the Central Coast Regional Water Quality Board and County of Santa Barbara Public Health Department - Environment Health Services.

The Project is comprised of the following distinct components:

1. A collection system based on the use of gravity fed laterals, mains, and associated equipment for all properties within the boundaries of the Los Olivos Community Services District;
2. A force (pressurized) main or gravity (unpressurized) main conveyance system and related infrastructure, to be used solely by the District, that connects the District collection system to the City of Solvang sewer main;
3. Completion of Environmental Review and associated documentation for the Project;
4. Connection to the City of Solvang sewer main for the treatment and disposal of District wastewater, including any necessary upgrades to City infrastructure, at or near the community park known as Sunny Field Park;
5. Working with officials from the County of Santa Barbara, Santa Barbara County Local Agency Formation Commission, Central Coast Regional Waste Quality Control Board, State of California, U.S. Government, and others to ensure planning and regulatory requirements are met and to seek financial assistance for the Project; and
6. Performing outreach to secure grants and other assistance for the development, design, environmental review, construction and on-going operation of the Project.

7. Securing financial instruments, such as loans and bonds, to pay for the development, design, environmental review, and construction of the Project.

General Approach

The District's Project will be developed, designed and environmentally reviewed in its entirety. Construction and on-going operations may occur in phases. Should phasing be used, the downtown core, including all commercially zoned parcels, shall be included in the initial phase. An area to the south of the downtown core, along San Marcos Avenue and north of Olivet Avenue, is known to contain small lots and should be considered for inclusion in any initial phase. Other areas for consideration in an initial or early phase are the small lots along San Marcos Avenue north of Park Street and other small lots within one block of the downtown core. In addition, where a segment of the community collection system passes any side of a parcel, such parcels should be considered for inclusion in the phase being then constructed.

The District intends to seek grant or other funding to the maximum extent possible to defray the costs of constructing and operating the Project. Where such funds are insufficient to cover costs, parcel owners will be responsible for a fair-share cost based on usage or the benefit the parcel receives.

The District acknowledges that grants may drive construction timing and phasing. The District recognizes that grants may be available to individual lower-income parcel owners, households on a fixed income, or for reasons not applicable to the majority of parcel owners (e.g. specific veteran's benefits). While the District will attempt to help these individual parcel owners obtain grant funding related to their unique circumstance, the responsibility for obtaining these unique grants will remain with the recipient property owner.

Community Collection System

The community collection system serves as "backbone" of the Project. The community collection system will consist of underground (subsurface) sewer pipes and related infrastructure strategically placed within the community, primarily under community streets and alleys to allow for the closest and most economically feasible connection for most parcels in the District. The community collection system will be installed in the most cost-effective manner feasible. Where possible and economically feasible, the collection system will be installed using lateral (horizontal) boring, as opposed to open cut trenching, to minimize community impacts to the extent possible.

Structures will be connected to the District-owned community collection system via privately installed, owned, and maintained laterals. Certain laterals may be successfully connected with gravity flow while some may require small, private grinder or ejector pumps to move the sewage into the collection system. District participation in lateral, grinder/ejector pump and septic abandonment or reuse costs will depend on grant and funding sources. Property owners will be responsible for the installation, replacement, and regular maintenance of components installed on their property. The District will

perform an inspection at the point of the lateral connection to the community collection system.

Where possible, the District will establish “master contracts” that individual property owners can leverage for activities on their parcels such as lateral installation and existing septic system abandonment or removal. Existing septic systems and leach fields will be abandoned or removed as required by State laws and local codes.

Connecting to the City of Solvang sewer system will require a pipeline to be installed between the District and the City of Solvang. The pipeline is regularly referred to as a conveyance line. Preliminary designs are based on a force main (pressurized line) travelling underground along Alamo Pintado Road from the southern tip of the District to an existing manhole near Sunny Field Park, a distance of approximately 3.5 miles. The pipeline will be sized to meet the wastewater flow requirements of the District and will not include capacity for wastewater flow needs of parcels outside the District. Additionally, the City of Solvang has identified a small number of segments of their existing infrastructure that may need to be replaced to accommodate LOCSO flows. The District will financially participate in these upgrades.

Treatment and Disposal Facilities

The District’s Project includes connecting to the City of Solvang’s sewer main for transmission to the Wastewater Treatment Plant (WTP) for treatment and disposal of wastewater. The resulting collaboration will result in a further consolidation of wastewater treatment within the Santa Ynez Valley. The existing City of Solvang WTP has the capacity to process the District’s wastewater. The District anticipates a contract similar to those that currently exist between the City of Solvang and the Santa Ynez Community Services District (SYCSD) for treatment and disposal of wastewater. The contract between the City of Solvang and the District will be based on the wastewater flows of District parcels and will not include “excess” capacity for parcels outside the District.

Because the City of Solvang’s WTP processes up to 1,500,000 gallons of waste per day, it falls under the jurisdiction of the Central Coast Regional Wastewater Quality Control Board, as the lead regulating agency. Where possible and economically feasible, the District will advocate for the use of reclaimed water from the City’s WTP to be used by customers or for other groundwater basin beneficial uses.

Operations and Maintenance

The community collection and conveyance system is anticipated to be operated and maintained initially by contract system operators. The City of Solvang will operate and maintain its own WTP and other City-owned wastewater related infrastructure. System costs will be shared in an equitable manner by those connected to and benefit from the District’s infrastructure. The District will review and consider established formulas for this participation that may include current use, zoning, parcel size, water use, fixture unit counts or other factors.

District parcels not connected to the District infrastructure will be subject to the County of Santa Barbara’s Local Agency Management Plan (LAMP) and will contribute to the

cost of management, inspection and enforcement of the LAMP and related operating costs of the District.

Ongoing monitoring and reporting of the Project will occur in accordance with operating requirements as specified by the Central Coast Regional Water Quality Control Board and the County of Santa Barbara.

Construction Implementation and Timing

Construction will generally consist of the following phases:

1. Detailed design, planning, budgeting, and environmental review.
2. Assessment engineering – a process wherein the proportional special benefit conferred by each parcel is determined.
3. Proposition 218 (property owner) vote.
4. Final Design, including preparation of final plans, specifications and cost estimates.
5. Advertising and bidding of the various components. The District will procure professional and construction services in accordance with the applicable State laws.
6. Construction of the community collection and conveyance system, and negotiated upgrades to City infrastructure. District construction will be organized in such a manner to limit costs where possible. Construction in the downtown core and along Grand, Alamo Pintado, and Santa Barbara Avenues will be expedited in such a manner to limit the impacts to the users of those main transportation arteries.
7. Connection to the City of Solvang’s wastewater treatment infrastructure.
8. Service lateral connection. Connections may be coordinated with and completed in conjunction with sewer collection and conveyance installation and connection to the City of Solvang’s WTP. Individual parcel connection to the District’s collection system, via service laterals, is expected to occur within six (6) months of the completion of construction for the collection and conveyance systems.
9. System operation and maintenance.

Some of the steps shown above may occur concurrently. For example, assessment engineering may be concurrent with detailed design and environmental review activities.

Project timing will be affected by many factors, including obtaining grants and other funding, environmental processes, and actual construction. Lateral connections are anticipated to require significant property owner participation and cooperation.

The District anticipates a minimum of three years to design, review, permit, finance and construct the Project. The timeline includes property owner voting process. Per early studies completed in cooperation with the City of Solvang, the District will not connect to the City's WTP until after City's current WTP project is completed. That project is targeted for completion in late 2029.

----- **END OF PROJECT DESCRIPTION** -----

**ITEM 8 - GRANTS AND LOANS FROM THE COUNTY OF SANTA
BARBARA**

GRANTS AND LOANS FROM THE COUNTY OF SANTA BARBARA

POSSIBLE work packages for Environmental Health Grants (numbers rounded)

1. Potholing – collection system - \$75,000
2. 30% design rework for gravity conveyance - \$25,000
3. Assessment Engineering - \$60,000
4. Septic system location identification - \$45,000
5. Potholing – conveyance system - \$45,000

LOAN AGREEMENT

THIS LOAN AGREEMENT (hereafter Agreement) is made by and between the Santa Barbara County Water Agency, a political subdivision of the State of California (hereafter COUNTY) and the Los Olivos Community Services District (hereafter BORROWER).

WHEREAS, waste discharges from onsite water treatment systems in the Los Olivos area have resulted in exceedances of water quality standards and the Central Coast Regional Water Quality Control Board requires implementation of a long-term solution to address water quality impacts; and

WHEREAS, the formation of the Los Olivos Community Services District (hereafter District or Borrower) to address these impacts was approved by 75% voter approval via a mail-in ballot election held on or about January 30, 2018, with the results of the election certified by the Santa Barbara County Clerk/Registrar on or about February 8, 2018; and

WHEREAS, the BORROWER is managed by five (5) elected, uncompensated Board of Directors who serve staggered terms of four (4) years each, and

WHEREAS, on April 3, 2025, the Santa Barbara County Local Agency Formation Commission (SBLAFCO) approved an extension through April 2027 for the District to conduct a Proposition 218 assessment vote, based on letters of progress sent to SBLAFCO by the District and public testimony received; and

WHEREAS, the BORROWER is authorized and empowered to collect, treat, or dispose of sewage, wastewater, recycled water, and storm water, pursuant to Government Code section 61110(b); and

WHEREAS, the District's primary revenue source is a special tax that was approved in compliance with Article XIII D, Section 6 of the California Constitution, also known as Proposition 218; and

WHEREAS, on July 9, 2025, the District Board of Directors approved Resolution 25-03 which set the tax levy for fiscal year 2025-26 to be a total of Two Hundred Sixty Thousand Five Hundred Eighty-One Dollars and Ninety cents (\$260,581.90), and directed that said tax levy be collected via direct charge by the Santa Barbara County Auditor-Controller via placement on the secured tax bill; and

WHEREAS, the BORROWER has conducted extensive technical studies and

public outreach and determined that sewage collection and conveyance to the City of Solvang for treatment and disposal is the locally preferred solution to these water quality issues; and

WHEREAS, the BORROWER has determined that a 90% engineering design of sewage collection and conveyance to Solvang is necessary to continue to address local water quality issues and the cost of said study exceeds the District's current Proposition 218 funding; and

WHEREAS, the Santa Barbara County Water Agency Board of Directors recognizes the BORROWERS' need for outside funding to complete a 90% engineering design of sewage collection and conveyance to Solvang; and

WHEREAS, the COUNTY is empowered by the 1945 Santa Barbara County Water Agency Act to do any and every lawful act necessary to be done, that sufficient water may be available for any present or future beneficial use or uses of the lands or inhabitants within the agency; and

WHEREAS, existing water quality impacts impair the beneficial uses of groundwater in the Santa Ynez River Valley Groundwater Basin; and

WHEREAS, upon Board approval, \$750,000 will be allocated as a no-interest loan in the Fiscal Year 2026-27 operating budget, to BORROWER; and

WHEREAS, this funding is necessary to allow BORROWER to fund engineering design and environmental review of a solution to Los Olivos water quality impacts and enable BORROWER to obtain construction funding; and

WHEREAS, the loan will be repaid in full, without interest.

NOW, THEREFORE, in consideration of the mutual covenants and conditions contained herein, the Parties agree as follows:

- 1. **LOAN.** COUNTY will loan BORROWER \$750,000.00 U.S. dollars in COUNTY fiscal year 2026-27 (the "Loan") to be used to fund a 90% engineering design and environmental review of sewage collection and conveyance to the City of Solvang which will provide a community benefit and addresses local water quality issues. BORROWER agrees to timely repay the COUNTY the full amount of the loan in accordance with the terms herein.
- 2. **INTEREST.** The loan shall be a no interest loan.

3. PAYMENT DATE/ MATURITY DATE. The loan shall be due and payable in 4 portions as follows:

- First payment of \$150,000.00 U.S. dollars due December 1, 2029.
- Second payment of \$150,000.00 U.S. dollars due December 1, 2030.
- Third payment of \$150,000.00 U.S. dollars due December 1, 2031.
- Fourth payment of \$300,000.00 U.S. dollars due December 1, 2032.

4. PLACE AND MANNER OF PAYMENT. All amounts due and payable under this Agreement shall be made in any coin or currency of the United States which on the respective Payment Date thereof shall be legal tender for the payment of public and private debts to the SANTA BARBARA COUNTY WATER AGENCY, 130 E Victoria St., Suite 2, Santa Barbara, CA 93101 or at such other place as COUNTY may designate to BORROWER in writing from time to time. All amounts due under this Agreement shall be paid in immediately available funds without setoff, counterclaim, or any other deduction whatsoever.

5. DEFAULT AND ACCELERATION. The entire principal amount of this Agreement shall, at the option of COUNTY, be immediately due and payable upon any Event of Default. For purposes of this Agreement, the occurrence of any of the following shall constitute an "Event of Default": (i) BORROWER'S use of Loan funds for costs or for uses inconsistent with the terms of this Agreement; (ii) BORROWER'S failure to pay taxes; (iii) BORROWER'S (1) filing for bankruptcy or reorganization, (2) making a general assignment for the benefit of creditors, (3) insolvency, or (4) failure, inability, or admission in writing of its inability, to pay its debts as they become due.

a. **Remedies.** Upon the occurrence and during the continuance of an Event of Default, COUNTY may: declare the entire Debt immediately due, payable, and collectible, regardless of maturity, and, upon such event, the entire Debt shall become immediately due, payable, and collectible; and exercise any or all of its rights or remedies under this Agreement or otherwise available to Lender at law or in equity, which rights and remedies are incorporated herein by reference.

b. **Remedies Cumulative.** The rights and remedies available to

COUNTY shall be cumulative and may be exercised independently, concurrently, or successively in COUNTY'S sole discretion on one or more occasions, as applicable.

c. **Partial Exercise.** No partial exercise by COUNTY of any right or remedy exercised pursuant to this Agreement shall preclude further exercise of such remedy or the exercise of any other remedy available to Lender hereunder or under any other Loan Document, at law, or in equity.

d. **Notice and Demand Waived.** Notice or demand given to BORROWER in any instance shall not entitle Borrower to notice or demand in a similar or subsequent instance, nor shall any such notice constitute a waiver by Lender of its rights to take any further action without notice or demand.

e. **No Prejudice to Lender's Rights.** COUNTY may release security for the Loan, may release any party liable for the Loan, may grant extensions or forbearances with respect thereto, and may apply any security held to repayment of the Loan, in each case, without prejudice to COUNTY'S rights under this Agreement. COUNTY shall not be deemed as a consequence of its delay or failure to act, or by granting any releases, extensions, forbearances, or by applying any security to the balance due, to have waived or be estopped from exercising any rights and remedies COUNTY may have under this Agreement or at law or in equity.

6. NO OFFSET. BORROWER hereby waives any and all rights of offset it now has or may hereafter have against COUNTY, its successors and assigns, and agrees to make the payments called for herein in accordance with the terms of this Agreement.

7. DESIGNATED REPRESENTATIVES. Matthew Young at phone number (805) 568-3546 is the representative of COUNTY and will administer this Agreement for and on behalf of COUNTY. The District's General Manager, Guy Savage, at phone number (805) 500-4098 is the designated representative for BORROWER. Changes in designated representatives shall be made only after advance written notice to the other party.

8. NOTICES. Any notice or consent required or permitted to be given under this Agreement shall be given to the respective parties in writing, by personal delivery or email, or with postage prepaid by first class mail, registered or certified mail, or

express courier service, as follows:

To COUNTY: Matt Young
Santa Barbara County Water Agency
130 E Victoria St., STE 200
Santa Barbara, CA, 93105
Email: mcyoung@countyofsb.org

To BORROWER: Guy Savage
General Manager
Los Olivos Community Services District
PO Box 345
Los Olivos, CA, 93441
Email: gm.locsd@gmail.com

or at such other address or to such other person that the parties may from time to time designate in accordance with this Notices section. If sent by first class mail, notices and consents under this section shall be deemed to be received five (5) days following their deposit in the U.S. mail. This Notices section shall not be construed as meaning that either party agrees to service of process except as required by applicable law.

9. DISTRIBUTION OF FUNDS TO BORROWER. Subject to the terms and conditions set forth herein, COUNTY shall fund the Loan in a **single advance** to BORROWER on **October XX, 2026**. The Loan is not a revolving credit loan and no amount repaid hereunder may be readvanced or reborrowed.

10. INDEPENDENT CONTRACTOR. It is mutually understood and agreed that BORROWER (including any and all of its officers, directors, agents, and employees), shall perform any actions that use this Loan as an independent contractor as to COUNTY and not as an officer, agent, servant, employee, joint venturer, partner, or associate of COUNTY. Furthermore, COUNTY shall have no right to control, supervise, or direct the manner or method by which BORROWER shall perform its work and function. However, COUNTY shall retain the right to administer this Agreement so as to verify that BORROWER is performing its obligations in accordance with the terms and conditions hereof. BORROWER understands and

acknowledges that it shall not be entitled to any of the benefits of a COUNTY employee, including but not limited to vacation, sick leave, administrative leave, health insurance, disability insurance, retirement, unemployment insurance, workers' compensation and protection of tenure. BORROWER shall be solely liable and responsible for providing to, or on behalf of, its employees all legally-required employee benefits. In addition, BORROWER shall be solely responsible and save COUNTY harmless from all matters relating to payment of BORROWER employees, including compliance with Social Security withholding and all other regulations governing such matters. It is acknowledged that during the term of this Agreement, BORROWER may be providing services to others unrelated to the COUNTY or to this Agreement.

11. TAXES. BORROWER shall pay all taxes, levies, duties, and assessments of every nature due in connection with any actions or work that use this Loan and shall make any and all payroll deductions required by law. COUNTY shall not be responsible for paying any taxes on BORROWER's behalf, and should COUNTY be required to do so by state, federal, or local taxing agencies, BORROWER agrees to promptly reimburse COUNTY for the full value of such paid taxes plus interest and penalty, if any. These taxes shall include, but not be limited to, the following: FICA (Social Security), unemployment insurance contributions, income tax, disability insurance, and workers' compensation insurance.

12. NO PUBLICITY OR ENDORSEMENT. BORROWER shall not use COUNTY's name or logo or any variation of such name or logo in any publicity, advertising or promotional materials. BORROWER shall not use COUNTY's name or logo in any manner that would give the appearance that the COUNTY is endorsing BORROWER. BORROWER shall not in any way contract on behalf of or in the name of COUNTY. Except where otherwise required by law, BORROWER shall not release any informational pamphlets, notices, press releases, research reports, or similar public notices concerning the COUNTY or its projects, without obtaining the prior written approval of COUNTY.

13. RECORDS, AUDIT, AND REVIEW. BORROWER shall keep such business records pursuant to this Agreement as would be kept by a reasonably prudent practitioner of BORROWER'S profession and shall maintain such records for at least four (4) years following the termination of this Agreement. All accounting records shall be kept in accordance with generally accepted accounting principles.

COUNTY shall have the right to audit and review all such documents and records at any time during BORROWER'S regular business hours or upon reasonable notice. In addition, if this Agreement exceeds ten thousand dollars (\$10,000.00), BORROWER shall be subject to the examination and audit of the California State Auditor, at the request of the COUNTY or as part of any audit of the COUNTY, for a period of three (3) years after final payment under the Agreement (Cal. Gov. Code Section 8546.7). BORROWER shall participate in any audits and reviews, whether by COUNTY or the State, at no charge to COUNTY.

If federal, state or COUNTY audit exceptions are made relating to this Agreement, BORROWER shall reimburse all costs incurred by federal, state, and/or COUNTY governments associated with defending against the audit exceptions or performing any audits or follow-up audits, including but not limited to: audit fees, court costs, attorneys' fees based upon a reasonable hourly amount for attorneys in the community, travel costs, penalty assessments and all other costs of whatever nature. Immediately upon notification from COUNTY, BORROWER shall reimburse the amount of the audit exceptions and any other related costs directly to COUNTY as specified by COUNTY in the notification.

14. INDEMNIFICATION AND INSURANCE. In lieu of and notwithstanding the pro rata risk allocation which might otherwise be imposed between the parties pursuant to California Government Code Section 895.6, the parties agree that all losses or liabilities incurred by a party shall not be shared pro rata but instead all parties agree that pursuant to California Government Code Section 895.4 BORROWER shall defend, indemnify, and save harmless the COUNTY and its officers, agents and employees from any and all claims, demands, damages, costs, expenses (including attorney fees), judgments or liabilities arising out of this Loan Agreement or occasioned by the performance or attempted performance of the provisions hereof; including, but not limited to, any act or omission on the part of BORROWER or its agents or employees.

15. NONDISCRIMINATION. COUNTY hereby notifies BORROWER that COUNTY's Unlawful Discrimination Ordinance (Article XIII of Chapter 2 of the Santa Barbara County Code) applies to this Agreement and is incorporated herein by this reference with the same force and effect as if the ordinance were specifically set out herein and BORROWER agrees to comply with said ordinance.

16. NON-ASSIGNMENT. BORROWER shall not assign, transfer or subcontract this Agreement or any of its rights or obligations under this Agreement without the prior written consent of COUNTY and any attempt to assign, subcontract or transfer without such consent shall be void and without legal effect and shall constitute grounds for termination. COUNTY acknowledges that third-party contractors may perform some of the work under this Agreement.

17. TERMINATION.

a. **By COUNTY.** COUNTY may, by written notice to BORROWER, terminate this Agreement in whole or in part at any time.

b. **By BORROWER.** BORROWER may, at BORROWER option terminate this Agreement at any time by repaying the outstanding loan amount.

18. SECTION HEADINGS. The headings of the several sections shall be solely for convenience of reference and shall not affect the meaning, construction or effect hereof.

19. SEVERABILITY. If any one or more of the provisions contained herein shall for any reason be held to be invalid, illegal or unenforceable in any respect, then such provision or provisions shall be deemed severable from the remaining provisions hereof, and such invalidity, illegality or unenforceability shall not affect any other provision hereof, and this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.

20. REMEDIES NOT EXCLUSIVE. No remedy herein conferred upon or reserved to COUNTY is intended to be exclusive of any other remedy or remedies, and each and every such remedy, to the extent permitted by law, shall be cumulative and in addition to any other remedy given hereunder or now or hereafter existing at law or in equity or otherwise.

21. TIME IS OF THE ESSENCE. Time is of the essence in this Agreement and each covenant and term is a condition herein.

22. NO WAIVER OF DEFAULT. No delay or omission of COUNTY to exercise any right or power arising upon the occurrence of any event of default shall impair any such right or power or shall be construed to be a waiver of any such default or an acquiescence therein; and every power and remedy given by this Agreement to

COUNTY shall be exercised from time to time and as often as may be deemed expedient in the sole discretion of COUNTY.

23. ENTIRE AGREEMENT AND AMENDMENT. In conjunction with the matters considered herein, this Agreement contains the entire understanding and agreement of the parties as to the matters expressly set forth herein and there have been no promises, representations, agreements, warranties or undertakings by any of the parties, either oral or written, of any character or nature hereafter binding except as set forth herein. This Agreement may be altered, amended or modified only by an instrument in writing, executed by the parties to this Agreement and by no other means. Each party waives their future right to claim, contest or assert that this Agreement was modified, canceled, superseded, or changed by any oral agreements, course of conduct, waiver or estoppel.

24. SUCCESSORS AND ASSIGNS. All representations, covenants and warranties set forth in this Agreement, by or on behalf of, or for the benefit of any or all of the parties hereto, shall be binding upon and inure to the benefit of such party, its successors and assigns.

25. COMPLIANCE WITH LAW. BORROWER shall, at its sole cost and expense, comply with all County, State and Federal ordinances and statutes now in force or which may hereafter be in force with regard to this Agreement. The judgment of any court of competent jurisdiction, or the admission of BORROWER in any action or proceeding against BORROWER, whether COUNTY is a party thereto or not, that BORROWER has violated any such ordinance or statute, shall be conclusive of that fact as between BORROWER and COUNTY.

26. CALIFORNIA LAW AND JURISDICTION. This Agreement shall be governed by the laws of the State of California. Any litigation regarding this Agreement or its contents shall be filed in the County of Santa Barbara, if in state court, or in the federal district court nearest to Santa Barbara County, if in federal court.

27. EXECUTION OF COUNTERPARTS. This Agreement may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original; and all such counterparts, or as many of them as the parties shall preserve undestroyed, shall together constitute one and the same instrument.

28. AUTHORITY. All signatories and parties to this Agreement warrant and

represent that they have the power and authority to enter into this Agreement in the names, titles and capacities herein stated and on behalf of any entities, persons, or firms represented or purported to be represented by such entity(ies), person(s), or firm(s) and that all formal requirements necessary or required by any state and/or federal law in order to enter into this Agreement have been fully complied with. Furthermore, by entering into this Agreement, BORROWER hereby warrants that it shall not have breached the terms or conditions of any other contract or agreement to which BORROWER is obligated, which breach would have a material effect hereon.

29. INTEGRATION. This Loan Agreement contains the entire agreement of the parties with respect to the loan and supersedes any and all prior negotiations and agreements.

30. OTHER AGREEMENTS. BORROWER represents that it has not entered into any agreements that are inconsistent or in conflict with the terms of this Loan Agreement. BORROWER shall not enter into any agreements that are inconsistent or in conflict with the terms of this Agreement without an express waiver by COUNTY in writing.

31. SURVIVAL. All provisions of this Agreement which by their nature are intended to survive the termination or expiration of this Agreement shall survive such termination or expiration.

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Agreement to Distribute County Funds for Public Purpose between the **SANTA BARBARA COUNTY WATER AGENCY** and **LOS OLIVOS COMMUNITY SERVICES DISTRICT**.

IN WITNESS WHEREOF, the parties have executed this Agreement to be effective on the date executed by COUNTY.

SANTA BARBARA COUNTY WATER AGENCY

By: _____
Bob Nelson, Chair, Board of Directors

Date: _____

ATTEST:
MONA MIYASATO
COUNTY EXECUTIVE OFFICER
EX OFFICIO CLERK OF THE BOARD
OF DIRECTORS OF THE SANTA BARBARA
COUNTY WATER AGENCY

APPROVED AS TO FORM:
RACHEL VAN MULLEM
COUNTY COUNSEL

BY: _____
Deputy

BY: _____
Deputy

APPROVE AS TO ACCOUNTING FORM:
BETSY M. SCHAFFER, CPA
AUDITOR-CONTROLLER

RECOMMENDED FOR APPROVAL:
CHRIS SNEDDON
PUBLIC WORKS DIRECTOR

BY: _____
Deputy

BY: _____

APPROVE AS TO FORM:
MARISA KAHN
RISK MANAGER

BY: _____
Risk Manager

LOS OLIVOS COMMUNITY SERVICES DISTRICT

By: _____
Julie Kennedy, President, Board of Directors

Date: _____

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DRAFT

ITEM 10 – RESOLUTION 26-05 – GANN LIMIT

**RESOLUTION 26-05 - APPROPRIATIONS LIMIT FOR FY 2026-27
(GANN LIMIT)**

RESOLUTION NO. 26-05

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE LOS OLIVOS
COMMUNITY SERVICES DISTRICT STATING THE APPROPRIATIONS
LIMIT FOR THE FISCAL YEAR ENDING JUNE 30, 2027**

WHEREAS, the Gann Initiative or Proposition 4, also known as Article XIII B of the Constitution of the State of California, was passed by the People; and

WHEREAS, Article XIII B mandates the calculation and adoption of an annual appropriations limit on various units of government, including the Los Olivos Community Services District, by adjusting the prior year's appropriation limit for changes in inflation and population; and

WHEREAS, the District did not have a 2018-2019 limit because the District only came into existence following approval by the voters in a special election held in January of 2018, and did not hold an initial meeting of the Board of Directors until June of 2018; and

WHEREAS, the Board of Directors of the Los Olivos Community Services District has subsequently adopted appropriations limits each fiscal year in accordance with State law, now desires to formally adopt an appropriations limit for the District for fiscal year 2026-27 (July 1, 2026 through June 30, 2027).

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Los Olivos Community Services District, as follows:

1. The above recitals are true and correct; and
2. In accordance with Article XIII B of the Constitution of the State of California, and Government Code section 7900, the initial appropriations limit for the Los Olivos Community Services District for fiscal year 2026-27 is declared to be Two Hundred Sixty-nine Thousand Nine Hundred Sixty-nine Dollars and Twenty-three cents (\$269,969.23), as described in Exhibit "A" attached hereto and incorporated herein, and the appropriations subject to this annual limit for fiscal year 2026-27 is \$269,969.23.

[SPACE INTENTIONALLY LEFT BLANK]

I HEREBY CERTIFY that the foregoing Resolution was passed and adopted by the Board of Directors of the Los Olivos Community Services District at a regular meeting held on the 8th day of July 2026, by the following vote:

AYES: _____

NOES: _____

ABSENT: _____

ABSTAIN: _____

ATTEST:



GUY W. SAVAGE
General Manager / Board Secretary

By: _____
Julie Kennedy, Board President

APPROVED AS TO FORM:

By: _____
Aleshire & Wynder LLP, District Counsel

I, **Guy W. Savage**, General Manager / Board Secretary of the Los Olivos Community Services District, Santa Barbara County, California, DO HEREBY CERTIFY that the foregoing is a true and accurate copy of the Resolution passed and adopted by the Board of Directors of the Los Olivos Community Services District on the date and by the vote indicated herein.

RESOLUTION NO. 26-05

Exhibit A

Appropriations Limit (Gann Limit) California Constitution Article XIII B Government Code §7900, et seq.

The Appropriations Limit (often referred to as the “Gann Limit”) provides a limit (or ceiling) on local government agency appropriations of tax proceeds. This limit is based on the amount of appropriations in the “base year” and is adjusted each year for population growth and cost-of-living factors. The limit applies to proceeds from taxes, investment earnings on taxes, and fees and charges. If the agency’s proceeds are in excess of the limit, excess amounts are to be turned over to the state to be used for school funding. Special districts are specifically included in the definition of “local government[s]” subject to the appropriations limit.

Calculation:

The total annual appropriations subject to limitation of the State and of each local government shall not exceed the appropriations limit of the entity of government for the prior year adjusted for the change in the cost of living and the change in population, except as otherwise provided in this article. – CAL. CONST. ART XIII B SEC 1. The Appropriations Limit is the calculated dollar amount which restricts the ability to appropriate proceeds of taxes. The Appropriations Subject to Limitation may not exceed the Appropriations Limit. In its simplest form, the Appropriations Limit for any year is the Appropriations Limit from the previous fiscal year increased for inflation and population growth. Ultimately, the Appropriations limit in a given year depends on the Appropriations Limit for the Base Year (first year of calculation) adjusted annually according to specified factors. Base Year The appropriations limit for the Article XIII B base year is the sum of the Appropriations Subject to Limitation for that year.The base year of a local government entity formed or incorporated on or after January 1, 1980 is the Appropriations Subject to Limitation for the first full year of operation of that entity.

Base year total Appropriation:

$(378 \text{ Parcels} \times \$500) + (1 \text{ Parcel} \times \$400.00) = \mathbf{\$189,400.00}$ (Adjusted for exempt Parcels)

FY 2019-20 Gann Limit Appropriation:

$(383 \text{ Parcels} \times \$515.50) + (1 \text{ Parcel} \times \$412.40) = \mathbf{\$197,848.90}$ (Applied Parcel Increase and Cost of Living increase based on CPI. The CPI calculation is based on the United States Bureau of Labor Statistics CPI calculation for the Los Angeles-Long Beach-Anaheim region for May 2018 through May 2019, 3.1%)

FY 2020-21 Gann Limit Appropriation:

$(378 \text{ Parcels} \times 520.14) + (1 \text{ Parcel} \times 416.11) = \mathbf{\$197,029.03}$ (Applied Parcel Increase and Cost of Living increase based on CPI. The CPI calculation is based on the United States Bureau of Labor Statistics CPI calculation for the Los Angeles-Long Beach-Anaheim region for May 2019 through May 2020, 0.9%)

FY 2021-22 Gann Limit Appropriation:

$(373 \text{ Parcels} \times 540.14) + (1 \text{ Parcel} \times 432.44) = \mathbf{\$201,904.67}$ (Applied Parcel Increase and Cost of Living increase based on CPI. The CPI calculation is based on the United States Bureau of Labor Statistics CPI calculation for the Los Angeles-Long Beach-Anaheim region for May 2020 through May 2021, 3.9%)

FY 2022-23 Gann Limit Appropriation:

$(373 \text{ Parcels} \times 583.35) + (1 \text{ Parcel} \times 467.04) = \mathbf{\$218,057.03}$ (Applied Parcel Increase and Cost of Living increase based on CPI. The CPI calculation is based on the United States Bureau of Labor Statistics CPI calculation for the Los Angeles-Long Beach-Anaheim region for May 2021 through May 2022, 8.0%)

FY 2023-24 Gann Limit Appropriation:

(371 Parcels x \$645.93 + 1 Parcel x \$516.74) = **\$240,156.33** (Applied Parcel Increase and Cost of Living increase based on CPI. The CPI calculation is based on the United States Bureau of Labor Statistics CPI calculation for the Los Angeles-Long Beach-Anaheim region for May 2022 through May 2023, 3.2%)

FY 2024-25 Gann Limit Appropriation:

(371 Parcels x \$680.47 + 1 Parcel x \$536.89) = **\$252,992.11** (Applied Parcel Increase and Cost of Living increase based on CPI. The CPI calculation is based on the United States Bureau of Labor Statistics CPI calculation for the Los Angeles-Long Beach-Anaheim region for May 2023 through May 2024, 3.9%)

FY 2025-26 Gann Limit Appropriation:

(371 Parcels x \$700.88 + 1 Parcel x \$560.71) = **\$260,588.71** (Applied Parcel Increase and Cost of Living increase based on CPI. The CPI calculation is based on the United States Bureau of Labor Statistics CPI calculation for the Los Angeles-Long Beach-Anaheim region for the prior 12 months ending May 2025, which was 3.0%.)

FY 2026-27 Gann Limit Appropriation:

(372 Parcels x \$726.11 + 1 Parcel x \$580.90) = **\$270,695.35** (Applied Parcel Increase and Cost of Living increase based on CPI. The CPI calculation is based on the United States Bureau of Labor Statistics CPI calculation for the Los Angeles-Long Beach-Anaheim region for the prior 12 months ending May 2026, which was 3.6%.)

https://www.bls.gov/regions/west/news-release/consumerpriceindex_losangeles.htm

ITEM 11 – RESOLUTION 26-06 – SPECIAL TAX INCREASE

**RESOLUTION 26-06 – AUTHORIZING LEVY OF PROPERTY TAX
ASSESSMENT AND CPI INCREASE**

RESOLUTION NO. 26-06

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE LOS OLIVOS COMMUNITY SERVICES DISTRICT AUTHORIZING TAX LEVY WITH CPI INCREASE, AND PROVIDING FOR COLLECTION VIA DIRECT CHARGE BY THE SANTA BARBARA COUNTY AUDITOR-CONTROLLER VIA PLACEMENT ON THE SECURED TAX BILL OF ALL PARCELS IN THE DISTRICT, EXCLUDING EXEMPT OR PARTIALLY EXEMPT PARCELS PURSUANT TO PAST ACTION BY THE BOARD OF DIRECTORS

WHEREAS, the formation of the Los Olivos Community Services District (District) was approved by approximately 75% voter approval via a mail-in ballot election held on or about January 30, 2018, with the results of the election certified by the Santa Barbara County Clerk/Registrar on or about February 8, 2018; and

WHEREAS, a special tax in the amount of Two Hundred Thousand Dollars and Zero Cents (\$200,000), with automatic fiscal year increases thereafter by the percentage change in the Consumer Price Index (CPI) for the Los Angeles-Long Beach-Anaheim area for the prior twelve (12) months, was also approved by the voters as part of the District's formation during the mail-in ballot election; and

WHEREAS, the District was officially formed and the special tax approved following approval and recordation of the Certificate of Completion, by the Santa Barbara County Local Agency Formation Commission as part of the April 5, 2018 regular meeting (see Attachment 1); and

WHEREAS, the District is authorized and empowered to collect, treat, or dispose of sewage, wastewater, recycled water, and storm water, per Government Code section 61110(b) and as stated in the Certificate of Completion; and

WHEREAS, the District is authorized to establish charges for services provided in the District, as provided in Government Code section 61115; and

WHEREAS, the method of tax collection for the special tax shall be the regular county assessment roll, as authorized by the Community Services District Law (Government Code section 6100 *et seq.*) and the Cortese-Knox-Herzberg Act (Government Code section 65000 *et seq.*), and as stated in the Certificate of Completion; and

WHEREAS, the special tax was approved by the voters consistent with Article XIII D, Section 6 of the California Constitution; and

WHEREAS, the special tax was approved for use by the District for initial start-up costs and administration for consideration of wastewater treatment options; and

WHEREAS, on April 3, 2025 the Santa Barbara County Local Agency Formation Commission (SBLAFCO) approved an extension through April 2027 for the District to conduct a Proposition 218 assessment vote, based on letters of progress sent to

SBLAFCO by the District and public testimony received; and

WHEREAS, the Board previously exempted certain parcels from assessment and tax collection as provided by law, and the Board recognizes those same exemptions for fiscal year 2026-27 (see Attachment 2); and

WHEREAS, the Board previously, through Resolution 25-03, authorized the tax levy for fiscal year 2025-26 to be Two Hundred Sixty Thousand Five Hundred Eighty-One Dollars and Ninety cents (\$260,581.90).

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Los Olivos Community Service District, as follows:

1. The above recitals are true and correct; and
2. The tax levy for fiscal year 2026-27 shall be Two Hundred Sixty Thousand Five Hundred Eighty-One Dollars and Ninety cents (\$260,581.90) plus a CPI increase of Three point six percent (3.6%) for a total of Two Hundred Seventy Thousand Six Hundred Ninety-five dollars and Thirty-five cents (\$270,695.35).
3. The Consumer Price Index (CPI) calculation is based on the United States Bureau of Labor Statistics CPI calculation for the Los Angeles-Long Beach-Anaheim region for the twelve-month percentage change for the period ending May 2025, which was 3.6%). The CPI data was obtained on July 3, 2026 from: https://www.bls.gov/regions/west/news-release/consumerpriceindex_losangeles.htm; and
4. The special tax was previously approved in compliance with Article XIII D, Section 6 of the California Constitution, also known as Proposition 218; and
5. The Board of Directors exempts those certain parcels from assessment and tax collection listed in Attachment 2 as provided by law and as described therein;
6. The County of Santa Barbara Auditor-Controller is requested and authorized to collect the special tax via direct charge via placement on the secured tax bill on a per-parcel basis, as indicated in the list of affected parcels (Attachment 3); and
7. The County of Santa Barbara Auditor-Controller is requested to place and collect the direct charge on the tax bill for fiscal year 2026-2027; and
8. The Board of Directors hereby authorizes and directs the General Manager to submit to the Santa Barbara County Auditor-Controller, the list of affected parcels for levying of the previously approved special tax, including any administrative adjustments, and excluding property owned by the federal government and those parcels otherwise exempted.

I **HEREBY CERTIFY** that the foregoing Resolution was passed and adopted by the Board of Directors of the Los Olivos Community Services District at a regularly scheduled meeting held on the 8th day of July 2026, by the following vote:


AYES: _____

NOES: _____

ABSENT: _____

ABSTAIN: _____

ATTEST:



Guy W. Savage
General Manager / Board Secretary

LOS OLIVOS COMMUNITY SERVICES DISTRICT

By: _____
Julie Kennedy, Board President

APPROVED AS TO FORM:

By: _____
Aleshire & Wynder LLP, District Counsel

I, Guy W. Savage, General Manager/Board Secretary of the Los Olivos Community Services, Santa Barbara County, California, DO HEREBY CERTIFY that the foregoing is a true and accurate copy of the Resolution passed and adopted by the Board of Directors of the Los Olivos Community Services District on the date and by the vote indicated herein.

ATTACHMENT "1"

**Certificate of Completion for the Formation of the Los Olivos Community
Services District**

LAFCO

Santa Barbara Local Agency Formation Commission

105 East Anapamu Street ♦ Santa Barbara CA 93101

805/568-3391 ♦ FAX 805/568-2249

www.sblafco.org ♦ lafco@sblafco.org

April 5, 2018 (Agenda)

Local Agency Formation Commission
105 East Anapamu Street
Santa Barbara CA 93101

Consider Execution of the Certificate of Completion for LAFCO File 17-01: Formation of the Los Olivos Community Services District

Dear Members of the Commission

RECOMMENDATION

- 1) It is recommended that the Commission Execute the Certificate of Completion for LAFCO File 17-01: Formation of the Los Olivos Community Services District.

DISCUSSION

Following your Commission's approval of the Formation of the Los Olivos Community Services District on April 13, 2017 and a protest hearing with less than a majority vote held on June 21, 2017, the district formation was set for a mailed ballot election to be held on January 30, 2018. On February 8, 2018, Joseph E. Holland, County Clerk-Recorder-Assessor, certified the canvass of the returns of votes cast and determined the value of the votes as follows: 265/73.4% in favor and 96/26.6% against. The election required a two-thirds vote because of the levying of a special tax. The Board of Supervisors declared the results of the election on February 27, 2018.

Although the Cortese-Knox Hertzberg Act allows the Executive Officer to prepare and record the Certificate of Completion for most changes of organization, for changes that are approved at an election, Government Code Section 57176 reads in pertinent part as follows:

“The commission shall execute, within 30 days of the canvass of the election, a certificate of completion confirming the order of the change of organization or reorganization if a majority of votes cast upon the question are in favor of the change of organization or reorganization in any of the following circumstances: (a) At an election called in the territory ordered to be organized or reorganized”.

Commissioners: Roger Welt, Chair ♦ Roger Aceves ♦ Craig Geyer ♦ Steve Lavagnino ♦ Jim Richardson ♦ Janet Wolf
♦ Joan Hartmann ♦ Judith Ishkanian ♦ Shane Stark ♦ Etta Waterfield ♦ Executive Officer: Paul Hood

Local Agency Formation Commission
April 5, 2018 (Agenda)
Page two

any of the following circumstances: (a) At an election called in the territory ordered to be organized or reorganized”.

Staff has included a proposed Certificate of Completion for the Commission’s review and approval (**Exhibit A**). The Certification of the Canvass of the January 30, 2018 Election Results is attached to the Certificate.

Exhibits:

Exhibit A Certificate of Completion

Please contact the LAFCO office if you have any questions.

Sincerely,



PAUL HOOD
Executive Officer

Recording Requested By:

LAFCO

Santa Barbara Local Agency Formation Commission

Return via interoffice mail to:

LAFCO

105 East Anapamu Street Rm. 407

Santa Barbara CA 93101

805-568-3391 FAX 805-568-2249

No Fee Per Government Code § 6103

CERTIFICATE OF COMPLETION

In the matter of the formation of the Los Olivos Community Services District, the Santa Barbara Local Agency Formation Commission approved formation on April 13, 2017 through Resolution of Approval No. 17-05. Pursuant to Government Code section 57176, the Commission shall execute, within 30 days of the canvass of the election, a certificate of completion confirming the order of the change of organization or reorganization if a majority of votes cast upon the question are in favor of the change of organization or reorganization in an election called in the territory ordered to be organized or reorganized. With the completion of the confirmation election, the Commission finds that no other conditions imposed by the Commission on the formation of the District are required to be satisfied prior to formation.

The Commission ordered the formation of the District subject to a two-thirds vote cast upon the question of formation were in favor of the change of organization. (See Attachment A.) This condition has been met as of February 8, 2017, when County Clerk/Registrar Joseph E. Holland certified the results of the formation election and determined the measure was approved by over two-thirds of the registered voters residing within the boundaries of the proposed District.

The Commission hereby determines and finds that this certificate of completion is complete and in accordance with Resolutions No. 17-05. Further, the Commission finds and determines:

1. The short-form designation of the proceeding is: "17-05: Formation of the Los Olivos Community Services District."
2. The District is located in the Santa Ynez Valley and is comprised of 302 acres.
3. Commission Resolution of Approval No. 17-05 is made a part of this certificate by reference and said Resolution sets forth the boundaries of the new District. (See Attachment B.) The terms and conditions of approval, as authorized and mandated by the Community Services

District Law, Government Code section 61000 et seq., and the Cortese Knox Hertzberg Act, Government Code section 56000 et seq., are as follows:

- a. The name of the district shall be the “Los Olivos Community Services District.”
- b. The District shall be governed by a five-member Board of Directors elected at large. Terms of office of the District directors shall be as set forth in the Community Services District Law, Government Code section 61000 et seq.
- c. The District shall have those powers and responsibilities set forth in the Community Services District Law, Government Code Section 61100(b), which is to collect, treat, or dispose of sewage, wastewater, recycled water, and storm water, in the same manner as a sanitary district, formed pursuant to the Sanitary District Act of 1923, Division 6 (commencing with Section 6400) of the Health and Safety Code. In the case of any conflict between that division and this division, the provisions of this division shall prevail. All other powers of Community Services District shall be considered latent and shall require LAFCO approval to become active.
- d. The District shall be authorized to levy and collect a special tax, as approved by the voters, as follows:
 - i. The maximum annual special tax authorized for the District shall be Two Hundred Thousand (\$200,000) and shall increase automatically each fiscal year thereafter by the percentage change in the Consumer Price Index for the Los Angeles/Long Beach area for the prior 12 months.
 - ii. The actual tax to be levied for any fiscal year shall be determined by a majority vote of the board of directors of the District on the basis of the actual revenues estimated to be required by the District to pay its reasonable and necessary expenses for such year.
 - iii. The method of tax collection shall be the regular county assessment roll.
 - iv. The tax shall be applied to each legal lot within the District, except that unimproved property may be taxed at a lower rate than improved property.
 - v. The District’s authority to levy the tax shall terminate once the District successfully adopts an assessment pursuant to Article XIII D Section 6 of the California Constitution (Proposition 218) to generate revenue sufficient to fund its administrative costs through charges other than the tax.
- e. Should the Board of Directors levy any of the “Proceeds of Taxes,” described above, it will establish an Appropriations Limit. The “provisional appropriations limit of the district” shall be set at \$250,000. This assumes the maximum special tax levy of \$200,000, plus a 25 percent buffer. Pursuant to subsection (c), the permanent

appropriations limit of the district shall be set at the first district election that is held following the first full fiscal year of operation.

- f. The District shall adopt an assessment pursuant to Article XIII D Section 6 of the California Constitution to generate revenue as necessary to fund the wastewater treatment facilities for the area, including the California Environmental Quality Act and other planning analysis, assessment study and necessary election. The Commission may otherwise extend such deadline, if other Commission approved arrangements are made for funding such construction.
4. The effective date of formation of the District shall be the date of the recordation of this Certificate of Completion.

This Certificate of Completion is hereby approved by the Commission on April 5, 2018 in Santa Barbara, California.

AYES:

NOES:

ABSTAINS:

Dated: _____

Chair
Santa Barbara Local Agency
Formation Commission

ATTEST

Jacquelyne Alexander, Clerk
Santa Barbara Local Agency Formation Commission

**CERTIFICATE OF THE COUNTY CLERK-RECORDER-ASSESSOR OF
RESULTS OF CANVASS OF ALL VOTES CAST AT THE
LOS OLIVOS COMMUNITY SERVICES DISTRICT FORMATION ELECTION
JANUARY 30, 2018**

I, **Joseph E. Holland**, County Clerk, Recorder, and Assessor of the County of Santa Barbara, do hereby certify that pursuant to law I did canvass the returns of the votes cast at the above referenced election, and that the following Statement of Votes Cast shows the number of votes cast for and against Measure P2018, and for the candidates for Director, are full, true and correct.

**STATEMENT OF VOTES CAST
LOS OLIVOS COMMUNITY SERVICES DISTRICT FORMATION ELECTION
January 30, 2018**

Number of Registered Voters: 486

Number of Ballots Cast: 363

Precinct: 30-3670

Measure P2018

Los Olivos Community Services District Formation and Tax **Votes Cast / %**

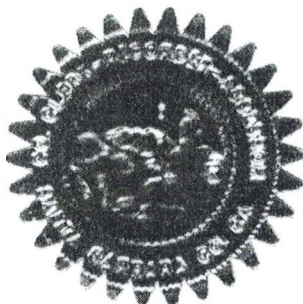
YES	265 / 73.4%
NO	96 / 26.6%


Director

Vote for no more than 5 **Votes Cast / %**

Thomas Fayram	256 / 20.4%
Michael E. Arme	247 / 19.7%
Lisa Palmer	246 / 19.6%
Brian A. O'Neill	243 / 19.4%
Julie Kennedy	240 / 19.2%
Write-in votes	21 / 1.7%

I hereby set my hand and official seal this 8th day of February, 2018.





JOSEPH E. HOLLAND, County Clerk-Recorder-Assessor

**RESOLUTION OF THE LOCAL AGENCY FORMATION COMMISSION
OF THE COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA**

DIRECTING THE BOARD OF SUPERVISORS TO DIRECT COUNTY ELECTIONS TO
CONDUCT THE NECESSARY ELECTIONS ON BEHALF OF THE PROPOSED
LOS OLIVOS COMMUNITY SERVICES DISTRICT

RECITALS

Whereas, on April 13, 2017, the Commission approved the formation of the proposed Los Olivos Community Services District for the purpose of providing a funding mechanism for the building and operation of facilities necessary to collect, treat, and dispose of sewage, wastewater, recycled water, and storm water in the unincorporated territory known as the Los Olivos Community subject to the terms and conditions specified in Commission Resolution 17-04.

Whereas, pursuant to Government Code section 57002 the Executive Officer conducted a protest hearing on June 21, 2017 regarding the formation of the proposed Los Olivos Community Services District.

Whereas, the Executive Director has caused the names on the protest forms to be compared with the voters' register in the office of the registrar of voters and ascertained the value of the protests filed and not withdrawn and found that there were 80 valid protests against the formation of the proposed Los Olivos Community Services District and that there were 488 registered voters residing in the proposed formation area at the close of business on June 21, 2017.

Whereas, on August 3, 2017, the Executive Officer reported to the Commission that a majority protest to the formation of the Los Olivos Community Services District did not exist.

NOW, THEREFORE, THE COMMISSION HEREBY RESOLVES AS FOLLOWS:

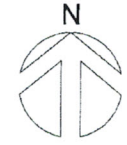
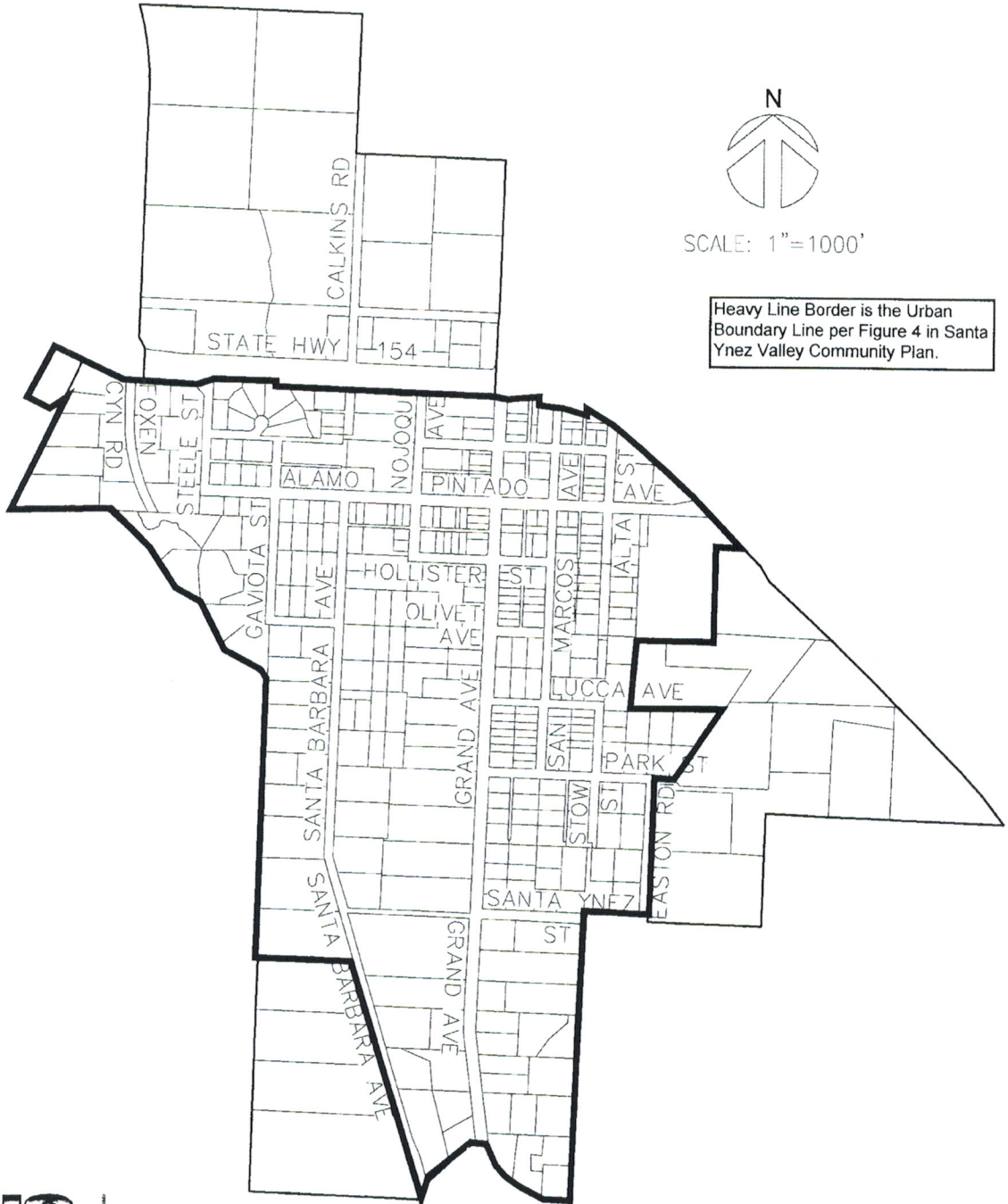
1. Pursuant to Government Code section 61014(e)(2)(B), the Commission hereby orders the formation of the Los Olivos Community Services District and the special tax be subject to the approval of the voters.
2. The affected territory is the unincorporated area of Santa Barbara County known as Los Olivos as approved by the Commission on April 13, 2017 and as shown on Attachment A.
3. The purpose of the special tax shall be to fund the reasonable and necessary expenses of the proposed District and such proceeds shall be applied only to such purpose.
4. The ballot question for the formation of the district and the special tax shall be approved by a two-thirds vote of the voters voting in the election on the issue. Pursuant to Government Code section 61014(c), if the voters do not approve the special tax, the proposed district shall not be formed
5. The method of tax collection shall be the regular county assessment roll.
6. The tax proceeds shall be deposited into a special account and the District shall prepare an annual report pursuant to Government Code section 50075.3.
7. The Commission hereby approves the proposed ballot question for the formation of the District and approval of the special tax as set forth in Attachment B.
8. The Commission hereby directs the Board of Supervisors to direct County Election Officials to conduct the necessary elections on behalf of the proposed Los Olivos Community Services District including election of a board of directors.

//

Attachment A

Map of the Affected Territory Approved by the Commission on April 13, 2017

Proposed Formation of the Los Olivos Community Services District



SCALE: 1" = 1000'

Heavy Line Border is the Urban Boundary Line per Figure 4 in Santa Ynez Valley Community Plan.

MNS
ENGINEERS INC
201 N Calle Cesar Chavez, Ste 300
Santa Barbara, CA 93103
805.692.6921 Phone

ENGINEERING
PLANNING
SURVEYING
CONSTRUCTION MANAGEMENT

Prepared April 11, 2017
Number of Assessor's Parcels = 390
Total Area within Formation Boundary = 302 Acres

LOCS.D.160586.00 * ANX MAP.dwg * 11/16/2016 * RCS * E-FILE

Attachment B

BALLOT QUESTION

MEASURE X2018

LOS OLIVOS COMMUNITY SERVICES DISTRICT FORMATION

Shall the order adopted on April 13, 2017 by the Santa Barbara County Local Agency Formation Commission ordering the formation a community services district in the unincorporated territory known as Los Olivos be approved subject to such terms and conditions, including authorization of an annual special tax not to exceed \$200,000 which shall increase automatically each fiscal year thereafter by the percentage change in the Consumer Price Index, all as more particularly described and set forth in the order?

YES _____ NO _____

Santa Barbara LAFCO
Resolution No. 17-05

PASSED AND ADOPTED by the Commission in Santa Barbara, California, on September 7, 2017 by the following vote:

AYES: Commissioners Geyer, Hartmann, Moorhouse, Richardson, Stark, Wolf and Aceves

NOES:

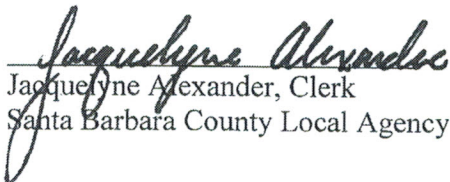
ABSTAINS:

Dated: September 7, 2017.



Roger Aceves, Chair
Santa Barbara County Local Agency Formation Commission

ATTEST:



Jacquelyne Alexander, Clerk
Santa Barbara County Local Agency Formation Commission

ATTACHMENT "2"

Parcels Exempted from Assessment and Tax Collection

Local Government Property: 135-122-031 (County of Santa Barbara); 135-086-001 and 135-086-002 (Santa Ynez River & Water Conservation District); 135-220-072 (Los Olivos Elementary School)

Religious Worship: 135-082-021 and 135-082-022 (Berean Baptist Church); and 135-102-007 and 135-082-024 (St. Marks in-the-Valley Episcopal Church)

Veteran's Property Exemption: 135-350-006 Marilyn Bowman Trust ("Veteran's Property" is defined as any parcel in the District that has received tax exempt status from either the government of the United States or the government of the State of California and as approved by the Board of Directors of the District.)

Non-Profit Park Property: 135-093-007 The Polo Park Foundation ("Non-Profit Public Park Property" is defined as any parcel in the District operated as a park open to the general public by a qualified non-profit corporation under the laws of the United States or the State of California and as approved by the Board of Directors of the District.)

Non-Buildable Parcel: 135-161-016 ("Non-Buildable Parcel" is defined as any parcel in the District that is restricted by size, zoning, location, or any other local jurisdiction ordinance or policy, from being developed with either a residential or commercial structure and as approved by the Board of Directors of the District.):

Partial Exemption: 135-340-014 (Partial Exemption Parcel is defined as a parcel that has completed the installation of an advanced treatment septic system within the District and as approved by the Board of Directors of the District.)

ATTACHMENT "3"

Parcel List for Assessment and Tax Collection

FundNumber	ParcelNumber	Amount
3491	135-064-009	726.11
3491	135-064-013	726.11
3491	135-064-014	726.11
3491	135-064-015	726.11
3491	135-064-016	726.11
3491	135-064-017	726.11
3491	135-064-018	726.11
3491	135-064-019	726.11
3491	135-074-011	726.11
3491	135-074-012	726.11
3491	135-074-013	726.11
3491	135-074-017	726.11
3491	135-074-019	726.11
3491	135-074-021	726.11
3491	135-075-002	726.11
3491	135-075-005	726.11
3491	135-075-006	726.11
3491	135-075-007	726.11
3491	135-075-008	726.11
3491	135-075-009	726.11
3491	135-075-010	726.11
3491	135-081-005	726.11
3491	135-081-006	726.11
3491	135-081-007	726.11
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3491	135-081-010	726.11
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3491	135-081-012	726.11
3491	135-082-015	726.11
3491	135-082-017	726.11
3491	135-082-018	726.11
3491	135-082-019	726.11
3491	135-082-020	726.11
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3491	135-172-015	726.11
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3491	135-172-018	726.11
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3491	135-240-089	726.11
3491	135-340-005	726.11
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3491	135-350-014	726.11
3491	135-350-015	726.11
3491	135-350-016	726.11
3491	135-350-017	726.11
3491	135-350-018	726.11
3491	135-350-019	726.11
3491	135-350-020	726.11
3491	135-360-002	726.11
3491	135-360-002	726.11

ITEM 12 – CONTRACT FOR AUDIT SERVICES WITH NNCPAS

ENGAGEMENT FOR AUDIT SERVICES WITH NNCPAS



September 10, 2025

Board of Directors and Mr. Guy Savage General Manager
Los Olivos Community Services District
PO Box 345
Los Olivos, CA 93441

We are pleased to confirm our understanding of the services we are to provide Los Olivos Community Services District (District) as of and for the year ended June 30, 2025.

Audit Scope and Objectives

We will audit the business-type activities and each major fund of the District, as of June 30, 2025 and for the year then ended and the related notes, which collectively comprise the District's basic financial statements as listed in the table of contents of the financial statements.

The objectives of our audit 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 opinion. 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 auditing standards generally accepted in the United States of America (GAAS) and, if applicable, in accordance with *Government Auditing Standards*, and/or any state or regulatory audit requirements will always detect a material misstatement when it exists.

Misstatements, including omissions, can arise from fraud or error and 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.

Accounting principles generally accepted in the United States of America, (U.S. GAAP,) as promulgated by the Governmental Accounting Standards Board (GASB) require that certain required supplementary information (RSI) such as management's discussion and analysis be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the GASB, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

As part of our engagement, we will apply certain limited procedures to the required supplementary information (RSI) in accordance with auditing standards generally accepted in the United States of America, (U.S. GAAS). These limited procedures will consist primarily of inquiries of management regarding their methods of measurement and presentation, and comparing the information for consistency with management's responses to our inquiries. We will not express an opinion or provide any form of assurance on the RSI. The following RSI is required by U.S. GAAP. This RSI will be subjected to certain limited procedures but will not be audited:

1. Management's Discussion and Analysis

We will also provide a report (that does not include an opinion) on internal control related to the financial statements and compliance with the provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements as required by *Government Auditing Standards*. The report on internal control and on compliance and other matters will include a paragraph that states (1) that the purpose of the report is solely to describe the scope of testing of internal control and compliance, and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control on compliance, and (2) that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. The paragraph will also state that the report is not suitable for any other purpose. If during our audit we become aware that the District is subject to an audit requirement that is not encompassed in the terms of this engagement, we will communicate to management and those charged with governance that an audit in accordance with U.S. generally accepted auditing standards and the standards for financial audits contained in *Government Auditing Standards* may not satisfy the relevant legal, regulatory, or contractual requirements.

Auditor Responsibilities

We will conduct our audit in accordance with GAAS and in accordance with *Government Auditing Standards*. As part of an audit in accordance with GAAS and in accordance with *Government Auditing Standards*, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. 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.
2. 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 District's internal control. However, we will communicate to you in writing concerning any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we have identified during the audit.
3. 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, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
4. Conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk that some material misstatements may not be detected exists, even though the audit is properly planned and performed in accordance with GAAS and in accordance with *Government Auditing Standards*.

Our responsibility as auditors is limited to the period covered by our audit and does not extend to any other periods.

Compliance with Laws and Regulations

As previously discussed, as part of obtaining reasonable assurance about whether the basic financial statements are free of material misstatement, we will perform tests of the District's compliance with the provisions of applicable laws, regulations, contracts, and agreements. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion.

Management Responsibilities

Our audit will be conducted on the basis that management acknowledge and understand that they have responsibility:

- a) For the preparation and fair presentation of the basic financial statements in accordance with accounting principles generally accepted in the United States of America;
- b) For the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of basic financial statements that are free from material misstatement, whether due to error, fraudulent financial reporting, misappropriation of assets, or violations of laws, governmental regulations, grant agreements, or contractual agreements; and
- c) To provide us with:
 - i. Access to all information of which management is aware that is relevant to the preparation and fair presentation of the basic financial statements such as records, documentation, and other matters;
 - ii. Additional information that we may request from management for the purpose of the audit;
 - iii. Unrestricted access to persons within the District from whom we determine it necessary to obtain audit evidence.
 - iv. A written acknowledgement of all the documents that management expects to issue that will be included in the annual report and the planned timing and method of issuance of that annual report; and
 - v. A final version of the annual report (including all the documents that, together, comprise the annual report) in a timely manner prior to the date of the auditor's report.
- d) For including the auditor's report in any document containing basic financial statements that indicates that such basic financial statements have been audited by us;
- e) For identifying and ensuring that the District complies with the laws and regulations applicable to its activities;
- f) For adjusting the basic financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the current year period(s) under audit are immaterial, both individually and in the aggregate, to the basic financial statements as a whole; and
- g) For acceptance of nonattest services, including identifying the proper party to oversee nonattest work;
- h) For maintaining adequate records, selecting and applying accounting principles, and safeguarding assets;
- i) For informing us of any known or suspected fraud affecting the District involving management, employees with significant role in internal control and others where fraud could have a material effect on the financials; and
- j) For the accuracy and completeness of all information provided.

With regard to the supplementary information referred to above, you acknowledge and understand your responsibility:

- a) for the preparation of the supplementary information in accordance with the applicable criteria;
- b) to provide us with the appropriate written representations regarding supplementary information;
- c) to include our report on the supplementary information in any document that contains the supplementary information and that indicates that we have reported on such supplementary information; and
- d) to present the supplementary information with the audited basic financial statements, or if the supplementary information will not be presented with the audited basic financial statements, to make the audited basic financial statements readily available to the intended users of the supplementary information no later than the date of issuance by you of the supplementary information and our report thereon.

As part of our audit process, we will request from management, written confirmation concerning representations made to us in connection with the audit.

Nonattest Services

With respect to any nonattest services we perform,

At the end of the year, we agree to perform the following:

- a) Propose adjusting or correcting journal entries detected during the audit, if applicable, to be reviewed and approved by the District's management.
- b) Word process the financial statements using information provided by management.

We will not assume management responsibilities on behalf of the District. However, we will provide advice and recommendations to assist management of the District in performing its responsibilities.

The District's management is responsible for:

- a) making all management decisions and performing all management functions;
- b) assigning a competent individual to oversee the services;
- c) evaluating the adequacy of the services performed;
- d) evaluating and accepting responsibility for the results of the services performed; and
- e) establishing and maintaining internal controls, including monitoring ongoing activities.

Our responsibilities and limitations of the nonattest services are as follows:

- a) We will perform the services in accordance with applicable professional standards
- b) The nonattest services are limited to the services previously outlined. Our firm, in its sole professional judgment, reserves the right to refuse to do any procedure or take any action that could be construed as making management decisions or assuming management responsibilities, including determining account coding and approving journal entries. Our firm will advise the District with regard to tax positions taken in the preparation of the tax return, but the District must make all decisions with regard to those matters.

Reporting

We will issue a written report upon completion of our audit of the District's basic financial statements. Our report will be addressed to the Board of Directors of the District. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions, add an emphasis-of-matter or other-matter paragraph(s) to our auditor's report, or if necessary, withdraw from the engagement. If our opinions on the basic financial statements are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or to issue a report as a result of this engagement.

In accordance with the requirements of Government Auditing Standards, we will also issue a written report describing the scope of our testing over internal control over financial reporting and over compliance with laws, regulations, and provisions of grants and contracts, including the results of that testing. However, providing an opinion on internal control and compliance will not be an objective of the audit and, therefore, no such opinion will be expressed.

Preparation of State Controller Report

Our Responsibilities

The objective of our engagement is to prepare the annual Financial Transactions Report (FTR) in accordance with the California State Controller's Office Instructions based on information provided by you. We will conduct our engagement in accordance with Statements on Standards for Accounting and Review Services (SSARs) promulgated by the Accounting and Review Services Committee of the AICPA and comply with the AICPA's Code of Professional Conduct, including the ethical principles of integrity, objectivity, professional competence, and due care.

We are not required to, and will not, verify the accuracy or completeness of the information you will provide to us for the engagement or otherwise gather evidence for the purpose of expressing an opinion or a conclusion. Accordingly, we will not express an opinion or a conclusion or provide any assurance on the FTR.

Our engagement cannot be relied upon to identify or disclose any FTR misstatements, including those caused by fraud or error, or to identify or disclose any wrongdoing within the District or noncompliance with laws and regulations.

Management Responsibilities

The engagement to be performed is conducted on the basis that management acknowledges and understands that our role is to prepare the FTR in accordance with the State Controller's Office Instructions. Management has the following overall responsibilities that are fundamental to our undertaking the engagement to prepare your FTR in accordance with SSARs:

- a) The selection of accounting principles generally accepted in the United States of America as the financial reporting framework to be applied in the preparation of the financial statements
- b) 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
- c) The prevention and detection of fraud
- d) To ensure that the District complies with the laws and regulations applicable to its activities
- e) The accuracy and completeness of the records, documents, explanations, and other information, including significant judgments, you provide to us for the engagement to prepare financial statements
- f) To provide us with:
 - i. Documentation, and other related information that is relevant to the preparation and presentation of the financial statements,
 - ii. Additional information that may be requested for the purpose of the preparation of the financial statements, and
 - iii. Unrestricted access to persons of whom we determine necessary to communicate.

As part of our engagement, we will issue a disclaimer that will state that the FTR were not subjected to an audit, review, or compilation engagement by us and, accordingly, we do not express an opinion, a conclusion, nor provide any assurance on them.

Engagement Fees

Our fixed fees for the services previously outlined will be as follows:

Financial Statements and Auditor Reports	\$9,000
Preparation of the State Controller’s Report	500
Total	\$9,500

If significant changes occur in the District’s audit requirements with the implementation of new Governmental Accounting Standards Board (GASB) Standards, Government Auditing Standards or the Audit and Accounting Guide for State and Local Governments issued by the AICPA for attest and/or nonattest services, this may render additional services needed which may increase the above noted fixed fee.

Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if the District's account becomes 60 days or more overdue and may not be resumed until the District's account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report. The District will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from District personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with management and arrive at a new fee estimate before we incur the additional costs.

Additionally, our fees are dependent on the availability, quality, and completeness of the District's records and, where applicable, upon the District's personnel providing the level of assistance identified in the "prepared by client" request list distributed at the end of our planning work (e.g., District employees preparing confirmations and schedules we request, locating documents selected by us for testing, etc.).

We will schedule the engagement based in part on deadlines, working conditions, and the availability of District key personnel. We will plan the engagement based on the assumption that District personnel will cooperate and provide assistance by performing tasks such as preparing requested schedules, retrieving supporting documents, and preparing confirmations. If, for whatever reason, District personnel are unavailable to provide the necessary assistance in a timely manner, it may substantially increase the work we have to do to complete the engagement within the established deadlines, resulting in an increase in fees over our original fee estimate.

If circumstances occur related to the condition of District records, the availability of sufficient, appropriate audit evidence, or the existence of a significant risk of material misstatement of the financial statements caused by error, fraudulent financial reporting, or misappropriation of assets, which in our professional judgment prevent us from completing the audit or forming an opinion on the financial statements, we retain the right to take any course of action permitted by professional standards, including declining to express an opinion or issue a report, or withdrawing from the engagement.

Should our assumptions with respect to these matters be incorrect, or should the condition of the records, degree of cooperation, or other matters beyond our reasonable control require additional commitments by us beyond those upon which our estimated fees are based, we may adjust our fees and planned completion dates. If significant additional time is necessary, we will discuss it with management and arrive at a new fee estimate as soon as reasonably practicable.

Scheduling

Scheduling of the Audit Final-Fieldwork Dates will be based on an agreeable timetable with the District. We ask that the District prepare a completed and finalized Trial Balance and General Ledger in Excel form as of the June 30, 2025 date with all Balance Sheet accounts properly reconciled in Excel or PDF form and uploaded into the Suralink Portal System by the date scheduled. Failure to complete all the above noted items by the date scheduled will result in a \$1,000 extra fee charge and postponement of the audit to a later date. A 30-day notice before the initial scheduled Audit Final-Fieldwork date is required to change the date and avoid the extra \$1,000 fee. However, if a December or January date is chosen for the re-scheduled Audit Final-Fieldwork date, the \$1,000 fee will still apply to cover Overtime costs incurred during those months and will only guarantee the audit will be completed by January 31, 2026.

Other Engagement Matters

During the course of the engagement, we may communicate with you or your personnel via fax or e-mail, and you should be aware that communication in those mediums contains a risk of misdirected or intercepted communications.

Government Auditing Standards require that we document an assessment of the skills, knowledge, and experience of management, should we participate in any form of preparation of the basic financial statements and related schedules or disclosures as these actions are deemed a non-audit service.

Paul J Kaymark, CPA is the engagement partner responsible for supervising the engagement and signing the report.

During the course of the audit we may observe opportunities for economy in, or improved controls over, your operations. We will bring such matters to the attention of the appropriate level of management, either orally or in writing.

You agree to inform us of facts that may affect the basic financial statements of which you may become aware during the period from the date of the auditor's report to the date the financial statements are issued.

We agree to retain our audit documentation or work papers for a period of at least seven years from the date of our report.

The audit documentation for this engagement is the property of Nigro & Nigro, PC and constitutes confidential information. However, we may be requested to make certain audit documentation available to regulatory agencies pursuant to authority given to it by law or regulation, or to peer reviewers. If requested, access to such audit documentation will be provided under the supervision of Nigro & Nigro, PC's personnel. Furthermore, upon request, we may provide copies of selected audit documentation to regulatory agencies. The regulatory agencies may intend, or decide, to distribute the copies of information contained therein to others, including other governmental agencies. We will notify the District of any such request.

Conflict Resolution

Should any litigation or adverse action (such as audits by outside governmental agencies and/or threatened litigation, etc.), by third parties arise against the District or the board of directors subsequent to this engagement, which results in the subpoena of documents from Nigro & Nigro, PC and/or requires additional assistance from us to provide information, depositions or testimony, the District hereby agrees to compensate Nigro & Nigro, PC (at our standard hourly rates) for additional time charges and other costs (copies, travel, etc.), and to indemnify us for any attorney's fees to represent Nigro & Nigro, PC.

If any dispute arises among the parties hereto, the parties agree to first try in good faith to settle the dispute by mediation administered by the American Arbitration Association under its applicable rules for resolving professional accounting and related services disputes before resorting to litigation. The costs of any mediation proceeding shall be shared equally by all parties.

The District and Nigro & Nigro, PC both agree that any dispute over fees charged by the auditor to the District will be submitted for resolution by arbitration in accordance with the applicable rules for resolving professional accounting and related services disputes of the American Arbitration Association, except that under all circumstances the arbitrator must follow the laws of California. Such arbitration shall be binding and final. **IN AGREEING TO ARBITRATION, WE BOTH ACKNOWLEDGE THAT IN THE EVENT OF A DISPUTE OVER FEES CHARGED BY THE ACCOUNTANT, EACH OF US IS GIVING UP THE RIGHT TO HAVE THE DISPUTE DECIDED IN A COURT OF LAW BEFORE A JUDGE OR JURY AND INSTEAD WE ARE ACCEPTING THE USE OF ARBITRATION FOR RESOLUTION.** The prevailing party shall be entitled to an award of reasonable attorneys' fees and costs incurred in connection with the arbitration of the dispute in an amount to be determined by the arbitrator.

Conclusion

At the conclusion of our audit engagement, we will communicate to the Board of Directors the following significant findings from the audit:

- a) Our view about the qualitative aspects of the District's significant accounting practices;
- b) Significant difficulties, if any, encountered during the audit;
- c) Uncorrected misstatements, other than those we believe are trivial, if any;
- d) Disagreements with management, if any;
- e) Other findings or issues, if any, arising from the audit that are, in our professional judgment, significant and relevant to those charged with governance regarding their oversight of the financial reporting process;
- f) Material, corrected misstatements that were brought to the attention of management as a result of our audit procedures;
- g) Representations we requested from management;
- h) Management's consultations with other accountants, if any; and
- i) Significant issues, if any, arising from the audit that were discussed, or the subject of correspondence, with management.

Please sign and return the attached copy of this letter to indicate your acknowledgment of, and agreement with, the arrangements for our audit of the basic financial statements including our respective responsibilities.

Enclosed, as required by *Government Auditing Standards*, is a copy of the report on the most recent peer review of our firm.

We appreciate the opportunity to provide these services and believe this letter accurately summarizes the significant terms of our engagement.

Very truly yours,

Nigro & Nigro, PC

The services and arrangements described in this letter are in accordance with our understanding and are acceptable to us.

Management signature: _____

Title: _____

Date: _____

Governance signature: _____

Title: _____

Date: _____

**ITEM 13B – GENERAL MANAGER AND DISTRICT ENGINEER
REPORTS**

GENERAL MANAGER AND DISTRICT ENGINEER REPORTS

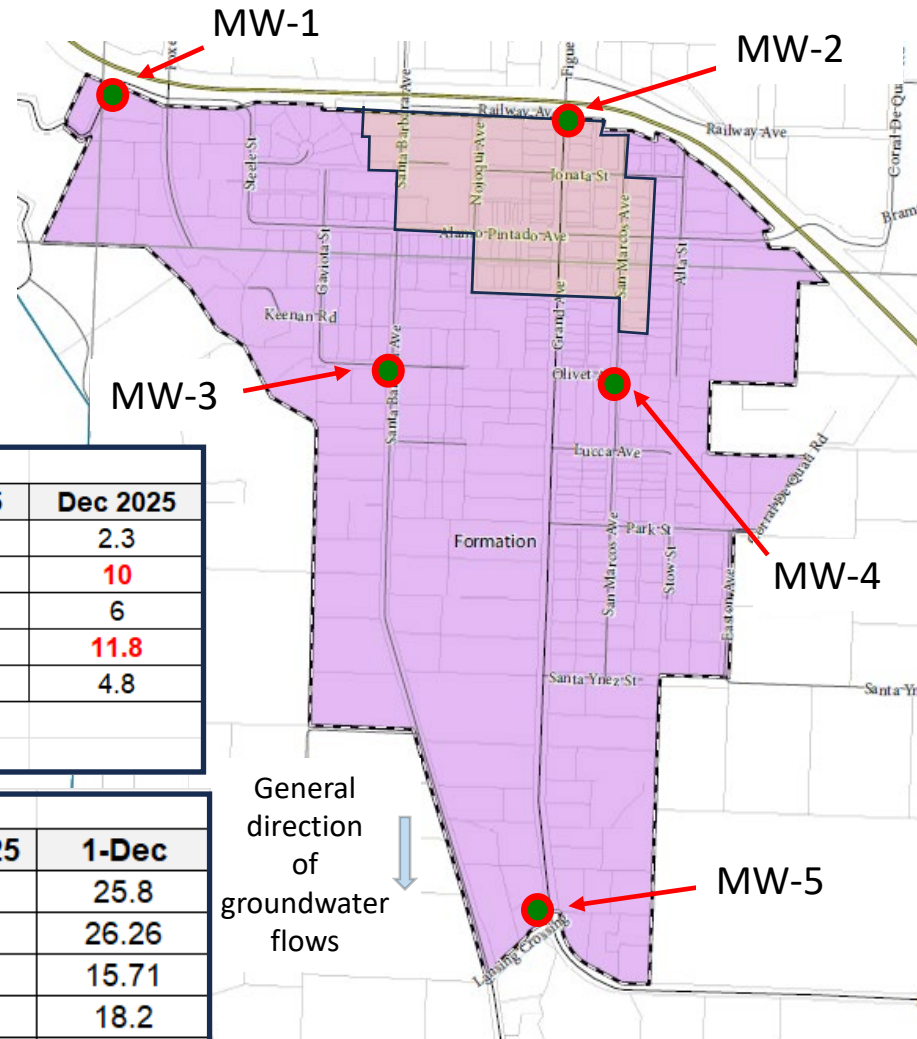
Summary Project Status Report

- 30/30 Design Activities – Wallace Group (WG)
 - Workshop held 6/3/2026
 - Per Board direction, continued work related to equalization tank and bridge hanging for gravity conveyance
 - Under budget
 - Met with City and Wallace Group regarding eq
- EPA/CAWAG (ERG) consulting effort. Continuing to work with EPA representatives regarding free consulting they provide.
 - Focus is on aiding in grant identification and community communications
 - Met with RCAC in June – discussion was on assessment engineering / rate calculations
- Financing - Follow up regarding WRDA – outreach to Corps
 - POSSIBLE increase of WRDA bill allotment from \$4 million to \$30 million – work being completed by Congressman Carbajal’s office, held up by politics and July 4 break
- Financing – Met with County regarding \$250k grants and \$750 loan
- Another PRA from deWerd
- Due to changes in law regarding ADA accessibility on the website, will need to add an agenda item to discuss very soon. In discussion with Counsel, we *may* be exempt from new requirements
- Future item to grant General Manager “project manager” authority

Priorities:

1. General Admin
2. Financing (Grants)
3. WG Design
4. City of Solvang contract
5. Assessment Engineer options

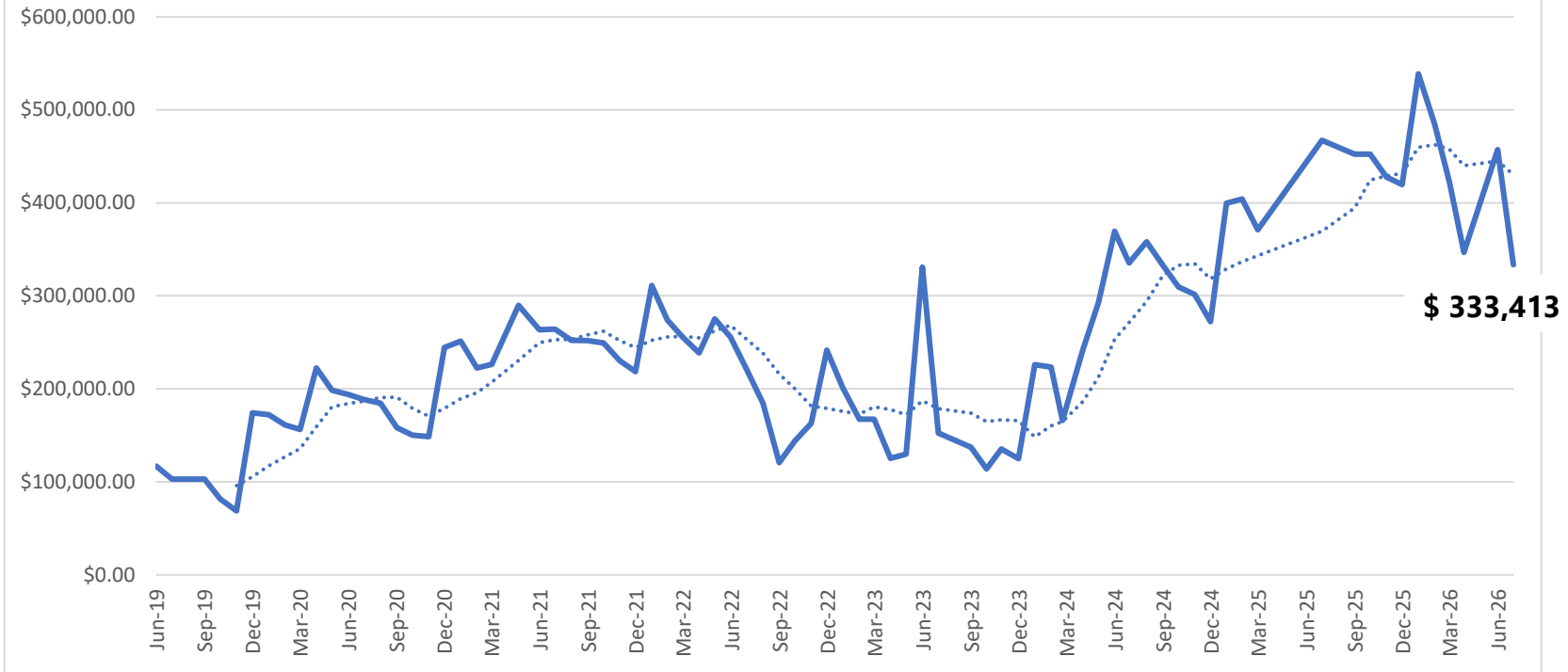
Shallow Groundwater Monitoring Wells



Nitrate Concentrations						
Well	Nov 2022	March 2024	May 2024	Nov 2024	May 2025	Dec 2025
MW-1	2.6	2.5	2.2	2.5	2.2	2.3
MW-2	10	11	9.9	12	12	10
MW-3		6.3	6.1	6.2	5.9	6
MW-4		11	14	13	9.9	11.8
MW-5		4.5	4.7	4.9	4.3	4.8
Maximum Contaminate Level (MCL) allowed is 10						
Groundwater Basin Plan target is 1						

Water Depths (feet below ground surface)						
Well	Nov 2022	Mar 2024	May 2024	Nov 2024	May 2025	1-Dec
MW-1			26.08	26.78	24.75	25.8
MW-2			31.89	27.13	24.4	26.26
MW-3			17.73	14.05	11.78	15.71
MW-4			20.72	17	15.4	18.2
MW-5			10.08	8.08	5.28	4.6

Los Olivos CSD Cash Balance History - w/6 month Trendline





COSB - Balance Sheet (Debit/Credit Summary)

Ledger: Actuals
 Period: FY 2025-26 - Jun
 Fund: FD-3490 Los Olivos CSD
 Book: Modified Accrual
 Additional Options: Report by Accounting Date using Plan Structure

As of: 06/30/2026
 Accounting Period: Open

Ledger Account	Beginning Balance	Year-To-Date	Year-To-Date	Ending Balance
	07/01/2025	Debits	Credits	06/30/2026
Assets				
1000:Cash in Treasury	467,368.07	538,588.87	672,543.89	333,413.05
1130:Interest Receivable	3,867.55	11,613.94	15,481.49	0.00
Total Assets	471,235.62	550,202.81	688,025.38	333,413.05
Total Assets and Deferred Outflows of Resources	471,235.62	550,202.81	688,025.38	333,413.05
Liabilities				
3000:Accounts Payable	1,610.00	420,508.08	418,898.08	0.00
3087:EFT Payable	0.00	18,851.19	18,851.19	0.00
Total Liabilities	1,610.00	439,359.27	437,749.27	0.00
Equity				
Total Non-Residual Equity	0.00	0.00	0.00	0.00
5025:Fund Balance-Residual	469,625.62	670,933.89	534,721.32	333,413.05
Total Equity	469,625.62	670,933.89	534,721.32	333,413.05
Total Liabilities, Deferred Inflows of Resources, & Equity	471,235.62	1,110,293.16	972,470.59	333,413.05



**COSB - Budget vs Actual - with Fiscal Year
Projections (Financial Status)**

Period: FY 2025-26 - Jun
Fund: FD-3490 Los Olivos CSD
Additional Options: Report by Accounting Date using Plan Structure

As of: 06/30/2026 (100% Elapsed)
Accounting Period: Open

Ledger Account	06/30/2026	06/30/2026				06/30/2026		06/30/2026			
	Fiscal Year Adjusted Budget	Year-To-Date Pre-Encumbrances	Year-To-Date Encumbrances	Year-To-Date Actual	Year-To-Date Encumbered Actual	Fiscal Year Variance	Fiscal Year Percentage of Budget	Fiscal Year Budget Estimate Remaining	Fiscal Year Projected Actual	Fiscal Year Projected Variance	Fiscal Year Projected Percentage of Budget
Revenues											
6000:Taxes	251,446.00			260,586.69	260,586.69	9,140.69	103.64%	0.00	260,586.69	9,140.69	103.64%
6150:Use of Money and Property	8,405.00			11,976.28	11,976.28	3,571.28	142.49%	0.00	11,976.28	3,571.28	142.49%
6250:Intergovernmental Revenue-Other	0.00			10,504.54	10,504.54	10,504.54	0.00%	0.00	10,504.54	10,504.54	0.00%
Total Revenues	259,851.00			283,067.51	283,067.51	23,216.51	108.93%	0.00	283,067.51	23,216.51	108.93%
Expenditures											
7020:Services and Supplies	457,119.00			419,280.08	419,280.08	37,838.92	91.72%	0.00	419,280.08	37,838.92	91.72%
Total Expenditures	457,119.00			419,280.08	419,280.08	37,838.92	91.72%	0.00	419,280.08	37,838.92	91.72%
Changes to Fund Balances											
5026:Decrease to Fund Balance Component - Residual	197,268.00			0.00	0.00	(197,268.00)	0.00%	0.00	0.00	(197,268.00)	0.00%
Total Changes to Fund Balance	197,268.00			0.00	0.00	(197,268.00)	0.00%	0.00	0.00	(197,268.00)	0.00%
Net Financial Impact	0.00			(136,212.57)	(136,212.57)	(136,212.57)	0.00%	0.00	(136,212.57)	(136,212.57)	0.00%



COUNTY OF SANTA BARBARA

Planning and Development

**NOTICE OF SUBMITTAL OF COMPLETE APPLICATION FOR
REVISION-DISCRETIONARY**

This may affect your property. Please read.

Notice is hereby given that an application for the project described below has been submitted to the Santa Barbara County Planning and Development Department. This project requires the approval of a Revision-Discretionary by the County PC.

To receive additional information regarding this project, and/or to view the application and plans, please contact Soren Kringel at 123 East Anapamu Street, Santa Barbara, 93101, by email at kringels@countyofsb.org, or by phone at (805) 568-2046.

PROPOSAL: Grand Hotel Expansion
PROJECT ADDRESS: 2860 GRAND AVE, LOS OLIVOS, CA 93441
3rd SUPERVISORIAL DISTRICT

CASE NUMBER: 25RVP-00058

APPLICATION FILED: 8/29/2025

ASSESSOR'S PARCEL NUMBER: 135-094-010

ZONING: C-2

PROJECT AREA: 0.47 acres

PROJECT DESCRIPTION:

o Applicant: Grand Hotel, Llc The

o Proposed Project:

The proposed project is a request for a Revision (RVP) to Development Plan (DVP) Case No. 83DP-045 to allow for the expansion of the Fess Parker Wine Country Inn. The proposed expansion includes 1,472 square feet of new additions to the existing 8,381-square-foot hotel building, the enclosure of a 240-square-foot porch area, the construction of a 54-square-foot porch and balcony area, and the construction of a new 59-square-foot addition on the second floor.

The proposed project also includes the construction of a new two-story hotel building, with a maximum height of 31.5 feet, to be located on two adjacent parcels that will be merged through a Voluntary Lot Merger (Case No. 25VM03). The new building will have a footprint of 8,363 square feet and a total gross floor area of 15,144 square feet. It will contain 17 new hotel rooms ranging in size from 291 square feet to 657 square feet and will include back-of-house administrative offices, a new lobby and lounge area, a luggage storage room, and a library.

The project proposes to use a full-valet parking system that will allow for a total of 47 guest vehicle parking spaces between the parcel created by the Voluntary Merger (onsite), and APN 135-093-024. The project will also provide four parking spaces on a lot off Nojoqui Avenue at APN 135-093-017 for a total of 51 parking spaces. The project also includes a 248-square-foot bicycle storage building that will house up to 20 bicycles.

Site grading will involve 2,115 cubic yards (cy) of cut and 2,185 cy of fill resulting in a total export of 85 cy. The proposed project will result in a total new impervious surface area of 9,837 square feet and will have a total post-project impervious surface area of 14,393 square feet. The project incorporates a Tier III Stormwater Control Plan in compliance with the County's Public Works – Project Clean Water Division. A total of five Valley Oak trees are proposed to be removed or will have their critical root zone impacted by greater than 20%, additionally one California Sycamore will have its critical root zone impacted by greater than 20%. To mitigate the impacted or removed trees, the project includes the planting of 5 48-inch box specimen Valley Oak trees and one 48-inch box specimen California Sycamore tree.

The property will be served by the Santa Ynez River Water Conservation District, a new onsite septic system that will replace the existing septic system, and the Santa Barbara County Fire Department. Access will be provided via an existing 24-foot-wide alley running between Alamo Pintado Avenue and Hollister Street, and through a new 20-foot-wide driveway off San Marcos Avenue.

REVIEW AUTHORITY:

This project is under the jurisdiction of the County PC who will either approve, approve with conditions, or deny the project.

An additional notice of a public hearing or pending action by the County PC regarding this project will be mailed a minimum of 10 days prior to the public hearing or pending action.

ADDITIONAL INFORMATION:

Information about this project review process may also be viewed at:

<https://www.countyofsb.org/1082/Permitting-Home>

Central Coast Regional Water Quality Control Board

July 2, 2026

Kalyan Ali Balaven, Head of School
Dunn School
2555 Highway 154
P.O. Box 98
Los Olivos, CA 93441
Email: kbalaven@dunnschool.org

Sent Via Certified and Electronic Mail
7020 1810 0002 0768 7706

Dear Kalyan Ali Balaven,

ENFORCEMENT PROGRAM: NOTICE OF VIOLATION FOR FAILURE TO SUBMIT REPORTS REQUIRED BY WASTE DISCHARGE REQUIREMENTS ORDER 99-61 AND ORDER R3-2023-0074, DUNN SCHOOL, 2555 HIGHWAY 154, LOS OLIVOS, SANTA BARBARA COUNTY, W DID 3 421015001

The Central Coast Regional Water Quality Control Board (Central Coast Water Board) is a state regulatory agency with the responsibility for protecting the quality of the waters of the state within its area of jurisdiction. The Central Coast Water Board has authority to require submission of information, direct action, establish regulations, levy penalties, and bring legal action when necessary to protect water quality. This notice of violation is to notify Dunn School of alleged violations for failing to comply with the requirements to submit complete quarterly reports and the potential associated administrative civil liability (monetary penalties) that accrue for each day of violation.

Background

The Central Coast Water Board regulates the treatment and disposal of wastewater from the Dunn School onsite wastewater treatment system, located at 2555 Highway 154 in Los Olivos, California under Central Coast Water Board's Waste Discharge Requirements Order 99-61 (Permit 99-61),¹ Order R3-2023-0074,² and the Standard Provisions and Reporting Requirements for Waste Discharge Requirements dated December 5, 2013 (2013 Standard Provisions) adopted therein.³ Dunn School is responsible for complying with Permit 99-61, Order R3-2023-0074 monitoring and

¹ July 9, 1999 Order 99-61: <https://geotracker.waterboards.ca.gov/?surl=47511>

² September 21, 2023 Order R3-2023-0074 Amendment to Monitoring and Reporting Program: <https://geotracker.waterboards.ca.gov/?surl=yb5oh>

³ December 5, 2013 Standard Provisions are accessible at the following link: https://www.waterboards.ca.gov/centralcoast/board_decisions/adopted_orders/2013/2013-0052_resolution_standard_provisions.pdf

reporting requirements, and the 2013 Standard Provisions.

Dunn School has repeatedly failed to submit complete quarterly self-monitoring reports to the Central Coast Water Board, which is a violation of the monitoring and reporting requirements of Permit 99-61, Order R3-2023-0074, and the 2013 Standard Provisions.

Alleged Violations

Permit 99-61, Provision C.1 requires Dunn School to comply with the facility’s Monitoring and Reporting Program 99-61, subsequently amended by Order R3-2023-0074, and the 2013 Standard Provisions. Monitoring and Reporting Program 99-61, as amended, requires submittal of quarterly self-monitoring reports containing all data collected or calculated for the applicable reporting period pursuant to amended Monitoring and Reporting Program 99-61. Failing to submit a complete self-monitoring report is a violation of Permit 99-61, Provision C.1.

For the quarterly self-monitoring reports due since January 31, 2024, the Central Coast Water Board has received incomplete and/or late reports from Dunn School, as summarized in Table 1.

Table 1 – Summary of Incomplete and/or Late Self-Monitoring Reports

Report Period	Due Date	Date Received	Status of Report
Q4 2023 Report	January 31, 2024	February 14, 2024	Late and Incomplete
Q1 2024 Report	April 30, 2024	September 9, 2024	Late and Incomplete
Q2 2024 Report	July 31, 2024	September 9, 2024	Late and Incomplete
Q3 2024 Report	October 31, 2024	November 2, 2024	Incomplete
Q4 2024 Report	January 31, 2025	January 23, 2025	Incomplete
Q1 2025 Report	April 30, 2025	April 15, 2025	Incomplete
Q2 2025 Report	July 31, 2025	July 21, 2025	Incomplete
Q3 2025 Report	October 31, 2025	October 20, 2025	Incomplete
Q4 2025 Report	January 31, 2026	January 9, 2026	Incomplete
Q1 2026 Report	April 20, 2026	April 8, 2026	Incomplete

Incomplete and/or late elements for each self-monitoring report are summarized in Table 2.

Table 2 – Summary of Incomplete and/or Late Elements of Each Self-Monitoring Report

Report Period	Incomplete and/or Late Information
Q4 2023 Report	<ul style="list-style-type: none"> • Signed transmittal sheet¹ • Laboratory reports² • Septic tank inspection and pumping records³ • Monthly wastewater flow data⁴ • Total nitrogen applied to land⁴ • Disposal area weekly monitoring data⁵ • Statement of chemistry laboratory waste chemicals disposal location⁶
Q1 2024 Report	
Q2 2024 Report	
Q3 2024 Report	
Q4 2024 Report	

Q1 2025 Report	<ul style="list-style-type: none"> • Septic tank inspections and pumping records ³ • Monthly wastewater flow data ⁴ • Total nitrogen applied to land ⁴ • Disposal area weekly monitoring data ⁵ • Statement of chemistry laboratory waste chemicals disposal location ⁶
Q2 2025 Report	
Q3 2025 Report	
Q4 2025 Report	
Q1 2026 Report	<ul style="list-style-type: none"> • Septic tank inspection records ³ • Total nitrogen applied to land ⁴ • Disposal area weekly monitoring data ⁵

Table Notes:

1. 2013 Standard Provisions - Section C.14 and C.15
2. Order R3-2023-0074 - Table 1, Laboratory Water Quality Data
3. Monitoring and Reporting Program 99-61 - Maintenance and Inspection
4. Monitoring and Reporting Program 99-61 - Effluent Monitoring
5. Monitoring and Reporting Program 99-61 - Disposal Area Monitoring
6. Monitoring and Reporting Program 99-61 - Reporting

Potential Liabilities

Failing to submit a complete self-monitoring report by its due date is a violation of California Water Code section 13267. Pursuant to Water Code section 13268, the Central Coast Water Board may impose administrative civil liability of up to \$1,000 per day for each day a violation occurs. Your potential administrative civil liability for failing to submit each report completely extends back to the original due date for each report and continues to accrue daily.

The Central Coast Water Board reserves its right to take any enforcement action authorized by law.

How to Submit the Self-Monitoring Reports

You are required to submit all self-monitoring reports electronically in a searchable PDF format and upload them to GeoTracker. Use the transmittal sheet found at the link below as the cover page when submitting the self-monitoring reports.

https://www.waterboards.ca.gov/centralcoast/water_issues/programs/wastewater_permiiting/docs/transmittal_sheet.pdf

Please refer to the [Central Coast Water Board September 21, 2023, letter](#)⁴ informing Dunn School on how to submit the quarterly reports to GeoTracker. Each report must be a separate PDF and contain its own transmittal sheet. All reports must be signed according to the criteria listed at the bottom of the transmittal sheet and must include the certification statement as shown on the transmittal sheet directly above the signature lines.

⁴ September 21, 2023 Order R3-2023-0074 Amendment to Monitoring and Reporting Program: <https://geotracker.waterboards.ca.gov/?surl=yb5ohf>

If you have questions, please contact Central Coast Water Board staff **Cecile Blancarte** at (805) 542-4782, cecile.blancarte@waterboards.ca.gov, or Tamara Anderson at (805) 549-3334, tamara.anderson@waterboards.ca.gov.

Sincerely,

Angela V. Schroeter
Assistant Executive Officer

cc:

Amy Grenier, agrenier@dunnschool.org
James Horvath, jhorvath@dunnschool.org
Justin Pearson, jpearson@dunnschool.org
Paul Rohrer, prohrer@loeb.com
Carlisle Rowlands, carlisle.rowlands@erg.com
David Cotton, dcotton@michaeldbaker.com
Grace Persico, persico.grace@epa.gov
Paul Matsuka, waterworx805@gmail.com
Todd Hodgins, todd@countysanitationco.com
Jason Johnston, jason.johnston@sbcphd.org
Marilyn Merrifield, mmerrifield@sbcphd.org
Steve Nailor, steve.nailor@sbcphd.org
Guy Savage, gm.locsd@gmail.com
Carson Capps, carson.capps@waterboards.ca.gov
Angela V. Schroeter, angela.schroeter@waterboards.ca.gov
Todd Stanley, todd.stanley@waterboards.ca.gov
Tamara Anderson, tamara.anderson@waterboards.ca.gov
Kelsey DeLong, kelsey.delong@waterboards.ca.gov
Cecile Blancarte, cecile.blancarte@waterboards.ca.gov
WDR Program, GeoTracker, rb3-wdr@waterboards.ca.gov

bc:

Ryan Lodge, Ryan.Lodge@waterboards.ca.gov

ECM/CIWQS = CW-220836

Rev. 10/17/2023

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