

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



LOS OLIVOS COMMUNITY SERVICES DISTRICT

Posted: 8-6-2026

REGULAR MEETING

August 12, 2026, 6PM (Pacific)

Los Olivos Grange Hall

2374 Alamo Pintado Ave, Los Olivos CA 93441

Please observe decorum and instructions from the President

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

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

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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.

Regular Meeting minutes of July 8, 2026.

B. APPROVAL PAYMENT OF INVOICES RECEIVED ON OR BEFORE AUGUST 3, 2026.

No.	Invoice Date	Invoice #	Provider	Amount
1	4/30/2026	I-12600	MLH – FY 2024-25 Audit	\$ 5,000.00
2	7/1/2026	107603	Aleshire and Wynder – Legal Services	\$ 2,264.87
3	7/13/2026	26070507	MNS / BKF – Engineering Services	\$ 550.00
4	7/22/2026	R22-00959 – 7	Padre – Environmental Services	\$ 85.00
5	7/27/2026	68424	Wallace Group – Engineering Services	\$ 15,851.85
6	7/31/2026	20267	GWS – General Manager Services	\$ 4,650.51
7	8/3/2026	1416	Civic Sol Accounting – Accounts Payable Services	\$ 301.25
8				

Project	Vendor	To Date (including current invoices)	Total Authorization
Phase 1 - 30% Design / 30-year cost of ownership	Wallace Group	\$ 305,993.65	\$ 403,000.00
Environmental Review	Padre	\$ 16,943.53	\$ 57,383.00
Proposition 218 Communications	RGS	\$ 5,443.20	\$ 28,300.00
FY 2025-26 Audit	Nigro&Nigro	\$ 0.00	\$ 9,500.00

BUSINESS ITEMS:

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

7. AUTHORIZATION FOR THE WALLACE GROUP TO PROCEED WITH DESIGN EFFORTS IN AN AMOUNT NOT TO EXCEED \$985,429 AND DESIGNATION OF GENERAL MANAGER SAVAGE AS PROJECT MANAGER OVER WALLACE GROUP EFFORTS

At the June 10 Regular Meeting, direction to staff was provided regarding equalization tank(s) and conveyance lines being hung on bridges between the District and the meeting point (manhole) 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). Discussion regarding the need for an equalization tank and to confirm design approaches with the County of Santa Barbara is on-going.

At the July 8, 2026 Regular Board meeting of the LOCSD, your Board adopted Resolution 26-04 – A Project Option which selected gravity collection as its preferred option for collection within the boundaries of the LOCSD and continuing to explore conveyance options (gravity or pressurized) between the LOCSD and nearest manhole owned by the City of Solvang. As noted in the General Manager's recommendations it was intended as part of the motion that the Wallace Group be authorized to begin additional design activities. That recommended action was not included in the motion made during the July 8, 2026 meeting.

The Wallace Group contact calls for completion of 30% (Phase 1) and 60 and 90% (Phase 2) designs and related cost estimating at a cost not to exceed \$1,485,435. As part of the original contact signing, your Board selected Option B for the 30% design and 30-year cost estimating (Phase 1) effort at a cost not to exceed \$403,000. The Wallace Group has completed the Phase1 - Option B work at a total cost of \$305,993.65 (\$97,006.35 under budget). Given the cost savings to date, the remaining effort to complete Phase 2 of the Wallace Group's contract (60% and 90% designs) is expected to be less than \$985,428.65. The Wallace Group's contract provides for 30, 60, and 90% design efforts. The Wallace Group's 30% design and 30-year cost-of-ownership documents can be found at:

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

As with any project of the magnitude required to produce 60 or 90% design and cost estimates, day-to-day decisions are required to be made regarding project progress and direction. As a general definition, a project

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manager oversees and coordinates all aspects of a project to ensure it is completed on time, within budget, and to the required quality standards. They manage resources, schedules, budgets, and communication with clients, contractors, and regulatory bodies. Project managers are regularly given authority to provide direction to contractors, shift cost elements between budgeted project items, and resolve project issues to prevent delays or budget overages. An example of a shift between budgeted project items would be as follows. In the existing Wallace Group contract, Potholing is estimated at \$303,348 and Geo Technical at \$250,000. If, during the normal course of business, it was determined that Geo Technical work was going to exceed its budget by \$25,000 (total of \$275,000) and Potholing be under budget by \$50,000 (total of \$253,348), the Project Manager would typically be authorized to make such a shift without returning to the full Board of Directors for authorization. All such shifts would be within the originally designated budget for the project and any request to exceed the adopted budget would be brought back to the Board of Directors for approval.

As part of his on-going duties, the General Manager is requesting that he be designated Project Manager over the Wallace Group's efforts. That designation would authorize him to make day-to-day decisions regarding timelines, expenditures, product quality, and general direction. Decisions made by the General Manager regarding expenditures would continue to be shown in monthly Wallace Group bills. Major decisions would also be reflected in the General Manager's monthly status report.

General Manager's recommendation: Authorize the Wallace Group to begin Phase 2 Design efforts and designate General Manager Savage as Project Manager over all Wallace Group design efforts.

INFORMATIONAL ITEMS:

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

8. REPORTS

A. SUBCOMMITTEE REPORTS

Finance Subcommittee (President Kennedy Chair) – did not meet

Grants Subcommittee (Director Palmer Chair) – did not meet

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

9. 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.

10. ADJOURNMENT

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

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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 LOCSD.

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

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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.losolivoscscd.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.losolivoscscd.com/2026-06-03-special-community-workshop>.

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

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.losolivoscscd.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.losolivoscscd.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 LOCSD 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 LOCSD 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.

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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

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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 losolivoscscd@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

President Kennedy called the meeting to order at: 6:04 PM

2. ROLL CALL

Present: President Kennedy, Director Fayram, Director Parks, Vice President Nelson

Present (via Zoom): Director Palmer

Absent: None

President Kennedy comments that at the request of staff, items 8 and 9 will be switched in order, with item 8 following item 9.

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.

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Michelle deWerd, Kathryn Rohrer, Keith Saarloos, Anna Marie Gott, Mark Herthel, Dennis Beebe, Karen Steinwachs, Sam Marmostein, Lisa Ponragic (Beer), and Mike Brady speak

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

GM Savage comments that he has nothing to report at this time.

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	5,078.57
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

President Kennedy opens the floor to public comment.

Karen Steinwachs and Kathryn Rohrer speak.

Director Parks comments that he has concerns about the prior meeting. He makes it clear that he did not comment on the issue during the prior month's meeting, but that he would like his comments commemorated in these minutes. Director Parks' concern had to do with item 8 of the June 10th meeting. The specific concern related to commentary from District Counsel regarding a potential path forward. As part of his commentary at the June meeting, Counsel Koczanowicz clarified that putting something on the agenda for a subsequent month is not a vote to approve what is put on a future agenda, just a specific action to agendize it. At the June 10th meeting, following further discussion by the Board, a motion was approved to bring back the project resolution with gravity as the selected option for collection, along with clarity regarding Solvang equalization approach to July meeting. Staff clarifies Director Parks' intent and confirms that it can and will bring back the June 10th meeting minutes, along with the July meeting minutes, for approval at the next Regular meeting.

Motion to approve item 6B and bring back 6A after noting Director Parks' comments.

Motion by: Director Parks, second: Director Fayram

Roll call vote: 5-0

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

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

President Kennedy opens the floor to public comment.

Mark Herthel speaks.

Staff reminds President Kennedy that it may be to hold public comment until after the staff presentation is conclude. President Kennedy agrees, offering Mr. Herthel an opportunity to speak again following GM Savage's presentation. Using a prepared set of slides, which are posted on the Districts website for this meeting, GM Savage summarizes terminology, history of the project, prior workshop information, cost of delaying decisions and the project, and timelines. Staff then notes that a revised version of Resolution 26-04 is available for the Board and public in hard copy.

President Kennedy opens the floor to public comment.

Mark Herthel (again), Kathryn Rohrer, Anna Marie Gott, and Vivi Zeigler speak.

Director Fayram comments about prior decisions that were made, including the selection of consolidation to Solvang. He comments on his discussions with various engineers and how none of them recommend running your own plant if a reasonable consolidation is an option. He adds that he is prepared to move forward with the Resolution and let people decide via vote early next year. Director Parks comments that he doesn't think he is ready. He notes concerns about potentially inflated costs and closes his comments with restating his concerns and not being ready. Director Fayram comments on his concerns about decentralized treatment. Director Nelson comments on his trip to see a STEP system in Oregon and the differences between Los Olivos and the Oregon community. He notes that he looks at the two options from a long-term perspective of what it takes to own and maintain any system. He comments about the financial impacts long-term of owning and running STEP systems. He comments that he is ready to support the Resolution. He then comments on costs and what happens over time. Director Nelson then shifts his comments to what it takes run a treatment plant. Director Palmer notes that she has spoken lots of her neighbors. She says she is hearing "gravity and get it to a vote" consistently. She notes that

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she is prepared to support the resolution. President Kennedy speaks to values stated by residents: long-term feasibility and durability of the system and preserving local control over the community's wastewater future. Her noted focus is on what best serves the District over time, costs, local control, can we get it permitted, and so on. She then emphasizes feedback she has had from the community and says she is ready to support the resolution.

Motion to approval of Resolution 26-04, as amended.

Motion by Director Fayram, second: Vice President Nelson

Roll call vote:

Ayes: Director Fayram, VP Nelson, Director Palmer, President Kennedy

Nays: Director Parks

Note: Item 8 was heard after item 9, per staff request.

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.

GM Savage provides an overview of the grants and loan being offered by the County of Santa Barbara. As part of his commentary, he thanks several people at the County for their efforts in making the grants and loan a possibility. Director Fayram reemphasizes that Supv. Hartmann really helped make this happen. Director Palmer again thanks the Supervisors and departmental staff. President Kennedy echoes the thanks.

President Kennedy opens the floor to public comment.

No requests speak.

Motion to Authorize the District President to sign a zero interest, five-year loan in the amount of seven hundred fifty thousand dollars 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 for design and engineering activities.

Motion by Director Fayram, second: Vice President Nelson

Roll call vote: 5-0

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

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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.

GM Savage makes a presentation on taxation powers and briefly describes how they are obtained.

President Kennedy opens the floor to public comment.

Mike Brady, Vivi Zeigler, and Sam Marmostein speak.

Director Fayram asks staff about how the vote is completed. Counsel confirms that the Proposition 218 vote is a weighted benefit vote, whereas registered voters would vote for a new tax. Director Fayram then asks, based on public comment, if a sales tax can be added to the District, with staff responding that it can. Director Parks asks about existing TOT going to County general fund and whether the District could obtain a portion of the TOT collected within the District, with staff responding that they have attempted that approach previously, without success. Director Nelson asks if other taxes can be made for other things such as wine tasting. Director Palmer then notes that the item is related to taxation power and notes her preference for something broader than TOT.

President Kennedy reopens the floor to public comment.

Karen Steinwachs speaks.

Direction to staff is given to pursue taxation as a potential revenue source, beyond just TOT, and identify costs related to various tax measures.

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Motion to Authorize the District President to sign a zero interest, five-year loan in the amount of seven hundred fifty thousand dollars 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 for design and engineering activities.

Motion by Director Fayram, second: Vice President Nelson

Roll call vote: 5-0

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.

GM Savage walks through a prepared presentation (see website). He notes this is an annual item and legally required.

President Kennedy reopens the floor to public comment.

No requests to speak.

Motion to approve Resolution 26-05.

Motion by Vice President Nelson, second: Director Parks

Roll call vote: 4-0, with GM Savage noting that Director Palmer has left the meeting.

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.

GM Savage walks through a prepared presentation (see website). He notes this is an annual item and reemphasizes that any technical changes would be reviewed by the President and any change in the CPI being applied would be returned to the Board for a new authorizing vote.

President Kennedy reopens the floor to public comment.

No requests to speak.

Motion to approve Resolution 26-05.

Motion by Director Fayram, second: Director Parks

Voice vote: 4-0

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.

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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.

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

President Kennedy reopens the floor to public comment.

No requests to speak.

Motion to approve Resolution 26-05.

Motion by Vice President Nelson, second: Director Parks

Voice vote: 4-0

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.

GM Savage walks through the attachments in the agenda. DE Pike comments on his work related to engineering with the GM and Wallace Group. He then speaks about his work with San Juan Bautista and the funding approach taken by that community. He agrees to share of details the information with GM Savage and the Grants subcommittee.

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

Motion to adjourn at: 8:15 PM

Motion by: Director Nelson, second: Director Parks

Voice vote: 4-0

Respectfully submitted:



Guy W. Savage

General Manager – Los Olivos Community Services District

Approved:

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President (Director) Julie Kennedy

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ITEM 6B - INVOICES

INVOICES

Moss, Levy & Hartzheim LLP
2400 Professional Parkway, Suite 205
Santa Maria, CA 93455
805-925-2579

Invoice to:

LOS OLIVOS CSD
PO Box 345
Los Olivos, CA 93441

April 30, 2026

Inv #: I-12600
ID #: LOCSD

For Professional Services Rendered:

2025 Audit 5,000.00

Invoice Total **\$5,000.00**

Prior Balance

Payments Received – Thank You

Total Due **\$5,000.00**

AR Summary Aging

Current	Over 30	Over 60	Over 90	Over 120	Total AR
5,000.00	0.00	0.00	0.00	0.00	5,000.00



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Federal Tax ID: 55-0814676

LOS OLIVOS COMMUNITY SERVICES DISTRICT (01245)
MONTHLY BILLING SUMMARY

Billing Period: June 2026

Matter Description	Total Hours	Total Fees	Total Costs	Total Other Charges	Total Billed	Comments
0001 General	9.10	2,193.10	71.77	0.00	2,264.87	
TOTALS:	9.10	2,193.10	71.77	0.00	2,264.87	



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Federal Tax ID: 55-0814676

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

July 1, 2026
Bill No. 107603

For Legal Services Rendered Through 6/30/26

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

PROFESSIONAL SERVICES

Date	Attorney	Description	Hours	Amount
06/01/26	MDK	CONFERENCE WITH GS RE VARIOUS MATTERS (.3); REVIEW FACT SHEET FOR 218 AND PROVIDE COMMENTS (.2)	0.50	120.50
06/02/26	MDK	REVIEW EMAILS RE QUORUM AND PRA REQUEST AND RESPOND.	0.20	48.20
06/04/26	MDK	CALL WITH GS RE EASEMENT ISSUES	0.20	48.20
06/09/26	MDK	PHONE CONFERENCE WITH GS RE VARIOUS ITEMS	0.40	96.40
06/10/26	MDK	REVIEW EMAILS RE PRA REQUESTS AND RESPONSES (.2); REVIEW AGENDA PACKET (.4); REVIEW EMAILS RE PROP 1 SUPPORT LETTER AND RESPOND WITH STRATEGY (.2); PHONE CONFERENCE WITH GS (.1);	0.90	216.90
06/11/26	MDK	REVIEW FINAL RESOLUTIONS FOR APPROVAL AND SIGNATURES	0.10	24.10
06/12/26	MDK	EXCHANGE EMAILS RE PUBLIC COMMENT FACT SHEET AND UPCOMING MEETING	0.20	48.20
06/15/26	MDK	CONFERENCE WITH GS AND JK	0.50	120.50
06/16/26	MDK	REVIEW EMAIL AND LETTER FROM FPPC AND CONFERENCE WITH GS RE SAME(.4) REVIEW EMAIL FROM JK AND RESPOND (.3)	0.70	168.70

Client: 01245 - Los Olivos Community Services District
Matter: 0001 - General

July 1, 2026
Page 2

Date	Attorney	Description	Hours	Amount
06/17/26	MDK	EXCHANGE EMAILS WITH GS RE FPPC	0.20	48.20
06/23/26	MDK	FINALIZE RESPONSE LETTER TO FPPC(.3) REVIEW GROUNDWATER MONITORING RESULTS AND GS EMAIL(.1)	0.40	96.40
06/24/26	DCZ	EXCHANGE CORRESPONDENCE WITH ATTORNEY KOCZANOWICZ RE ADA AND BROWN ACT REQUIREMENTS; ANALYZE RELEVANT LEGAL AUTHORITIES RE SAME	0.50	120.50
06/24/26	MDK	CONFERENCE WITH GS RE VARIOUS MATTERS(.8); REVIEW RESEARCH AND EMAIL GS AND LP RE VIRTUAL ATTENDANCE RULES(.3) RESEARCH RE ADA ACCOMMODATIONS REQUIREMENTS FOR WEBSITE DOCUMENTS(.3)	1.40	337.40
06/25/26	MDK	REVIEW FPPC RESPONSE AND COMMUNICATE WITH KRADER RE SAME	0.20	48.20
06/30/26	MDK	ATTEND BOARD MEETING VIA ZOOM	2.70	650.70
Total Professional Services			9.10	\$2,193.10

PROFESSIONAL SERVICES SUMMARY

Code	Name	Hours	Rate	Amount
MDK	Martin D. Koczanowicz	8.60	241.00	2,072.60
DCZ	Darren C Ziegler	0.50	241.00	120.50
Total Professional Services		9.10		\$2,193.10

DISBURSEMENTS

Date	Description	Amount
06/23/26	RIVERSIDE POSTAGE: FPPC COMPLAINT NO. COM- 06112026-12389	1.03
06/26/26	(NO. COM-06112026-12389, TO KENDALL BONEBRAKE, 06/23/26) FedEx 9-356-39010	70.74
Total Disbursements		\$71.77

CURRENT BILL TOTAL AMOUNT DUE **\$2,264.87**

Balance Forward: 2,578.70

Total Due: **\$4,843.57**

Please return this page with remittance

to
Aleshire & Wynder LLP

Bill Number: 107603
Bill Date: July 1, 2026
Client Code: 01245
Client Name: Los Olivos Community Services District
Matter Code: 0001
Matter Name: General

Total Professional Services:	2,193.10
Total Disbursements:	71.77
CURRENT BILL TOTAL AMOUNT DUE	<u>\$2,264.87</u>
Balance Forward:	2,578.70
Total Due:	<u>\$4,843.57</u>

Amount enclosed: _____

Thank You



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

July 13, 2026

Project No: M00180392-000

Invoice No: 26070507

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 May 25, 2026 to June 28, 2026

Professional Personnel

	Hours	Rate	Amount	
District Engineer	3.00	185.00	555.00	
Totals	3.00		555.00	
Total Labor				555.00
Current Invoice Amount				555.00

Outstanding Invoices

Number	Date	Balance
93166	3/10/2026	555.00
93543	4/15/2026	185.00
93937	5/8/2026	462.50
26060867	6/12/2026	92.50
Total		1,295.00

Invoice

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



1861 Knoll Drive
Ventura, CA 93003
Phone: (805) 644-2220
www.Padreinc.com

July 22, 2026

Invoice No: R22-00959 - 7

Invoice Total	85.00
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Project R22-00959 Mitigated Negative Declaration for the Los Olivos Wastewater Collection Project

Email Invoices: gm.locsd@gmail.com
LOCSD PSA Dated July 11th, 2025

Professional Services from May 30, 2026 to June 26, 2026

001 Professional Services

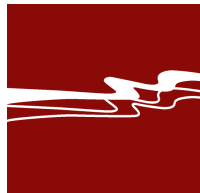
Professional Personnel

	Hours	Rate	Amount	
Senior Professional II	.50	170.00	85.00	
Totals	.50		85.00	
Total Labor				85.00
Total this Phase				85.00

Billing Limits

	Current	Prior	To-Date
Total Billings	85.00	16,858.53	16,943.53
Limit			57,383.00
Remaining			40,439.47

Total this Invoice: 85.00



WALLACE GROUP

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

July 27, 2026

Project No: 1565-0002-00

Invoice No: 68424

Invoice Total \$15,851.85

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

Professional services rendered through June 30, 2026

Phase 00100 Project Management

Labor

	Hours	Rate	Amount	
Principal	3.25	290.00	942.50	
Director of Surveying	1.00	236.00	236.00	
Totals	4.25		1,178.50	
Total Labor				1,178.50
Total this Phase				\$1,178.50

Phase 00130 Project Meetings

Labor

	Hours	Rate	Amount	
Principal	17.25	290.00	5,002.50	
Director of Civil Engineering	1.50	236.00	354.00	
Senior Mechanical Engineer III	4.50	232.00	1,044.00	
Totals	23.25		6,400.50	
Total Labor				6,400.50
Total this Phase				\$6,477.35

Reimbursables Units

Mileage

76.85

Total this Phase \$6,477.35

Phase 00210 Project Report (Collection System)

Labor

	Hours	Rate	Amount	
Principal	1.50	290.00	435.00	
Totals	1.50		435.00	
Total Labor				435.00
Total this Phase				\$435.00

Phase 00211 Project Report (LS)

Labor

	Hours	Rate	Amount
Principal	1.00	290.00	290.00

Project	1565-0002-00	*LOCSD WW COLLECTN & CONVEYNCE TO SOLVANG		Invoice	68424
Director of Civil Engineering		.25	236.00	59.00	
Senior Mechanical Engineer III		19.50	232.00	4,524.00	
Totals		20.75		4,873.00	
Total Labor					4,873.00
				Total this Phase	\$4,873.00

Phase	00220	Preliminary Design (Collection System)			
Labor					
		Hours	Rate	Amount	
Principal Engineer		.25	264.00	66.00	
Senior Civil Designer III		9.00	192.00	1,728.00	
Totals		9.25		1,794.00	
Total Labor					1,794.00
				Total this Phase	\$1,794.00

Phase	00221	Preliminary Design (LS)			
Labor					
		Hours	Rate	Amount	
Civil Engineer I		1.25	184.00	230.00	
Senior Civil Designer III		4.50	192.00	864.00	
	Totals	5.75		1,094.00	
	Total Labor				1,094.00
			Total this Phase		\$1,094.00

Budget	Current	Prior	To-Date	
Total Billings	15,851.85	290,141.80	305,993.65	
Limit			403,006.00	
Remaining			97,012.35	
			Total this Invoice	\$15,851.85

Outstanding Invoices		
Number	Date	Balance
68161	6/16/2026	9,138.00
Total		9,138.00

Project	1565-0002-00	*LOCSD WW COLLECTN & CONVEYNCE TO SOLVANG	Invoice	68424
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Billing Backup

Monday, July 27, 2026

Wallace Group

Invoice 68424 Dated 7/27/2026

9:52:04 AM

Project	1565-0002-00	LOCSD, District Wastewater Collection & Conveyance to the City of Solvang -
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Phase	00100	Project Management
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Labor

			Hours	Rate	Amount	
Principal						
Principal						
1000 - Wagner, Kari	6/10/2026		1.25	290.00	362.50	
Project Management						
1000 - Wagner, Kari	6/15/2026		.25	290.00	72.50	
Project Management						
1000 - Wagner, Kari	6/16/2026		.75	290.00	217.50	
Follow Up with GS/Respond to Question						
1000 - Wagner, Kari	6/18/2026		.25	290.00	72.50	
Project Management						
1000 - Wagner, Kari	6/24/2026		.25	290.00	72.50	
Project Coordination						
1000 - Wagner, Kari	6/29/2026		.50	290.00	145.00	
Project Coordination						
Director of Surveying						
Director of Surveying						
2000 - Bradshaw, Clayton	6/16/2026		1.00	236.00	236.00	
Next phase of work team meeting						
Totals			4.25		1,178.50	
Total Labor						1,178.50
Total this Phase						\$1,178.50

Phase	00130	Project Meetings
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Labor

			Hours	Rate	Amount
Principal					
Principal					
1000 - Wagner, Kari	6/1/2026		3.00	290.00	870.00
Prepare Presentation					
1000 - Wagner, Kari	6/2/2026		2.00	290.00	580.00
Prepare Presentation					
1000 - Wagner, Kari	6/3/2026		7.75	290.00	2,247.50
Update Presentation/Workshop plus Travel					
1000 - Wagner, Kari	6/4/2026		.25	290.00	72.50
Mtg Follow Up					
1000 - Wagner, Kari	6/9/2026		1.00	290.00	290.00
Mtg with GS					
1000 - Wagner, Kari	6/10/2026		1.50	290.00	435.00
Attend Board Meeting					
1000 - Wagner, Kari	6/16/2026		1.00	290.00	290.00
Team Coordination Meeting					
1000 - Wagner, Kari	6/29/2026		.75	290.00	217.50
Team Coordination Meeting					

Project	1565-0002-00	*LOCSD WW COLLECTN & CONVEYNCE TO SOLVANG			Invoice	68424
Director of Civil Engineering						
Director of Civil Engineering						
1002 - Hawthorne, Rachel	6/16/2026		.75	236.00	177.00	
Project Team Coordination Meeting						
1002 - Hawthorne, Rachel	6/29/2026		.75	236.00	177.00	
Design Team Meeting						
Senior Mechanical Engineer III						
Senior Mechanical Engineer III						
1063 - Rutherford, Erik	6/3/2026		4.50	232.00	1,044.00	
Workshop in Los Olivos, includes prep and travel time						
Totals			23.25		6,400.50	
Total Labor						6,400.50
Reimbursables Units						
Mileage						
6/3/2026	Special board meeting, ESR, 2025 RAV1		106.0	Mileage @ 0.725	76.85	
						76.85
Total this Phase						\$6,477.35

Phase	00210	Project Report (Collection System)				
Labor						
			Hours	Rate	Amount	
Principal						
Principal						
1000 - Wagner, Kari	6/11/2026		.25	290.00	72.50	
Mtg Follow Up						
1000 - Wagner, Kari	6/12/2026		1.25	290.00	362.50	
Follow Up Re. Requested Updates						
Totals			1.50		435.00	
Total Labor						435.00
Total this Phase						\$435.00

Phase	00211	Project Report (LS)				
Labor						
			Hours	Rate	Amount	
Principal						
Principal						
1000 - Wagner, Kari	6/8/2026		.50	290.00	145.00	
Follow Up						
1000 - Wagner, Kari	6/9/2026		.50	290.00	145.00	
Follow Up						
Director of Civil Engineering						
Director of Civil Engineering						
1002 - Hawthorne, Rachel	6/10/2026		.25	236.00	59.00	
Download Septic System Location Files						
Senior Mechanical Engineer III						
Senior Mechanical Engineer III						
1063 - Rutherford, Erik	6/2/2026		.50	232.00	116.00	

Project	1565-0002-00	*LOCSD WW COLLECTN & CONVEYNCE TO SOLVANG	Invoice	68424
reviewing presentation for town hall meeting				
1063 - Rutherford, Erik	6/8/2026	1.00	232.00	232.00
evaluating gravity creek under crossing vs Grand LS				
1063 - Rutherford, Erik	6/9/2026	2.00	232.00	464.00
Grand LS vs gravity, meeting with Guy to discuss questions ahead of board meeting				
1063 - Rutherford, Erik	6/10/2026	2.00	232.00	464.00
grinder pump vs sewage pump for gravity system. Attending LOCSD board meeting				
1063 - Rutherford, Erik	6/11/2026	.50	232.00	116.00
follow up discussion with Kari, reviewing next steps				
1063 - Rutherford, Erik	6/16/2026	1.50	232.00	348.00
meeting with Kari, Rachel, Ralph, and Clayton to discuss next steps for authorized work. Follow up notes to Ralph				
1063 - Rutherford, Erik	6/22/2026	2.00	232.00	464.00
reviewing flows to east side collection system				
1063 - Rutherford, Erik	6/23/2026	2.00	232.00	464.00
Bridge attachment preliminary design				
1063 - Rutherford, Erik	6/24/2026	2.00	232.00	464.00
reviewing flows to east side collection system				
1063 - Rutherford, Erik	6/25/2026	.50	232.00	116.00
bridge crossing design				
1063 - Rutherford, Erik	6/26/2026	2.00	232.00	464.00
gravity sewer bridge crossing design				
1063 - Rutherford, Erik	6/29/2026	2.00	232.00	464.00
update meeting with Kari/Rachel/Ralph, preparing graphic				
1063 - Rutherford, Erik	6/30/2026	1.50	232.00	348.00
cost estimate for hanging sewer				
Totals		20.75		4,873.00
Total Labor				4,873.00
Total this Phase				\$4,873.00

Phase	00220	Preliminary Design (Collection System)		
Labor				
		Hours	Rate	Amount
Principal Engineer				
Principal Engineer				
1001 - Tanaka, Steven	6/25/2026	.25	264.00	66.00
Technical Support to Erik Rutherford				
Senior Civil Designer III				
Senior Civil Designer/Technician III				
1018 - Schell, Ralph	6/25/2026	6.00	192.00	1,152.00
Worked on Latest Batch of On-Site Septic Systems				
1018 - Schell, Ralph	6/29/2026	3.00	192.00	576.00
Existing Septic Systems				
Totals		9.25		1,794.00
Total Labor				1,794.00
Total this Phase				\$1,794.00

Phase	00221	Preliminary Design (LS)		

Project	1565-0002-00	*LOCSD WW COLLECTN & CONVEYNCE TO SOLVANG	Invoice	68424
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Labor

		Hours	Rate	Amount	
Civil Engineer I					
Civil Engineer I					
1015 - Cass, Alexandra	6/22/2026	1.25	184.00	230.00	
Refine flow estimate to east side of LOCSD only					
Senior Civil Designer III					
Senior Civil Designer/Technician III					
1018 - Schell, Ralph	6/16/2026	2.50	192.00	480.00	
Existing Septic System Layouts					
1018 - Schell, Ralph	6/25/2026	2.00	192.00	384.00	
Profile for Gravity Middle Bridge					
Totals		5.75		1,094.00	
Total Labor					1,094.00
			Total this Phase		\$1,094.00
			Total this Project		\$15,851.85
			Total this Report		\$15,851.85

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 #: 202607
Invoice Date: 7/31/2026

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
7/31/2026	General Manager Services - LOCSD (6/1/26-6/30/26) See Attached for Details	30	\$ 154.73	\$ 4,641.90
7/31/2026	HP Printing - monthly service	1	\$ 8.61	\$ 8.61
8/1/2026	Annual PO Box for LOCSD	1	\$ 194.00	\$ 194.00
Total				\$ 4,844.51

Thank you for your continued support.



Email: GM.LOCSD@gmail.com

Page 1 of 1

Date	Description	Hours	Grant Reimbursable	Rate	Amount	Amount Grant Reimbursable
2-Jul	Wallace Group, phone calls	1.5	\$	154.73	\$ 232.10	\$ -
3-Jul	Resolutions 26-04, 26-05, 26-06, Coffee w/a Director, emails	4	\$	154.73	\$ 618.92	\$ -
4-Jul	July 8 agenda, TOT research	3.25	\$	154.73	\$ 502.87	\$ -
5-Jul	July 8 agenda	2.5	\$	154.73	\$ 386.83	\$ -
6-Jul	Phone calls, July 8 prep	3	\$	154.73	\$ 464.19	\$ -
	deWerd PRA	0.25	\$	154.73	\$ 38.68	\$ -
7-Jul	July 8 prep, public commentary forward to Board	0.5	\$	154.73	\$ 77.37	\$ -
	deWerd Grange insurance	0.25	\$	154.73	\$ 38.68	\$ -
	deWerd PRA	0.5	\$	154.73	\$ 77.37	\$ -
8-Jul	July 8 prep	0.5	\$	154.73	\$ 77.37	\$ -
	deWerd PRA	0.25	\$	154.73	\$ 38.68	\$ -
	Regular meeting, video post	4.75	\$	154.73	\$ 734.97	\$ -
	Rohrer PRA	0.25	\$	154.73	\$ 38.68	\$ -
9-Jul	Regular meeting minutes	0.75	\$	154.73	\$ 116.05	\$ -
	Minutes from 6-10 update (added note)	0.25	\$	154.73	\$ 38.68	\$ -
	Invoice processing	0.25	\$	154.73	\$ 38.68	\$ -
12-Jul	Email	0.25	\$	154.73	\$ 38.68	\$ -
15-Jul	Emails and phone calls	0.75	\$	154.73	\$ 116.05	\$ -
16-Jul	Rohrer and deWerd PRA	0.75	\$	154.73	\$ 116.05	\$ -
	Invoices, emails, EQ tanks	1	\$	154.73	\$ 154.73	\$ -
	Social media	0.25	\$	154.73	\$ 38.68	\$ -
20-Jul	SH & 1234 training	4	\$	154.73	\$ 618.92	\$ -
	Resolutions 26-04, 26-05, 26-06 box post, invoices, audit k/o	2	\$	154.73	\$ 309.46	\$ -
	Emails and phone calls	0.75	\$	154.73	\$ 116.05	\$ -
	Padre	0.25	\$	154.73	\$ 38.68	\$ -
21-Jul	Rohrer PRA	0.5	\$	154.73	\$ 77.37	\$ -
22-Jul	LAFCO - latent powers (tax authority)	0.5	\$	154.73	\$ 77.37	\$ -
	Meetings w/Palmer, Kennedy	1	\$	154.73	\$ 154.73	\$ -
	Emails and phone calls	0.75	\$	154.73	\$ 116.05	\$ -
23-Jul	Rohrer PRA	0.25	\$	154.73	\$ 38.68	\$ -
29-Jul	Emails, elections, property tax	0.5	\$	154.73	\$ 77.37	\$ -
			\$	154.73	\$ -	\$ -
Totals		36.25	0		\$ 5,608.96	\$ -
Grand Totals		Hours	36.25		\$	5,608.96



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

Invoice 1116

BILL TO

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

DATE
08/03/2026

PLEASE PAY
\$301.25

DUE DATE
09/02/2026

DESCRIPTION	QTY	RATE	AMOUNT
Bookkeeping services for 7/1/26-7/31/26	1	100.00	100.00
Advanced accounting services for 7/1/26-7/31/26- Assist with audit inquires/support	1.75	115.00	201.25

TOTAL DUE

\$301.25

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!

**ITEM 7 – WALLACE GROUP PHASE 2 AUTHORIZATION AND
AUTHORIZE GM TO SERVE AS PROJECT MANAGER**

**WALLACE GROUP PHASE 2 AUTHORIZATION AND AUTHORIZE GM
TO SERVE AS PROJECT MANAGER**

RESOLUTION NO. 26-04

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE LOS OLIVOS COMMUNITY SERVICES DISTRICT SELECTING THE PROJECT OPTION FOR THE LOS OLIVOS COMMUNITY WASTEWATER PROJECT, AND DECLARING INTENT TO BEGIN, CONSISTENT WITH THE SELECTED PROJECT ALTERNATIVE, 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 selected from those options; and

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

WHEREAS, the District was considering two options for the Project and had the Consultant develop 30% plans and estimates for each option; and

WHEREAS, the District has selected the Project Option 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 Selected Option is a Project that consist of gravity fed laterals, mains, and associated equipment for all properties within the boundaries of the Los

Olivos Community Services District and 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 is hereby selected; and

4. The Board of Directors does declare the intent, based upon this selected option and description of the Project, 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 Option consistent with this Resolution. .

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:

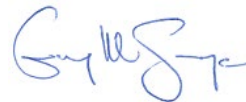
AYES: _____

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.

**PROFESSIONAL SERVICES AGREEMENT
BETWEEN
THE LOS OLIVOS COMMUNITY SERVICES DISTRICT
AND
WALLACE GROUP**

This agreement is made and entered into, effective October 8, 2025 between the LOS OLIVOS COMMUNITY SERVICES DISTRICT, a California special district (“District” or “LOCSD”), and WALLACE GROUP, a California corporation, (“Consultant”).

RECITALS

WHEREAS, the District approved Resolution 25-01 on June 11, 2025; and

WHEREAS, the District desires to contract with Consultant for certain professional engineering services necessary for the creation of 90% design and cost documents that detail design, development and cost estimation for a collection system within the District and a force main conveyance pipeline between the District and the City of Solvang’s Waste Water Treatment Infrastructure and Plant (“WWTP”) at a point of connection identified near the City of Solvang’s community park known as Sunny Field Park. Such contracted effort shall be known as the “Project” or “90% Design and Cost Estimating”; and

WHEREAS, the Consultant was selected through a competitive process which sought qualified consultants through an open and public Request for Proposal (RFP) process, which began on or about June 25, 2025; and

WHEREAS, the District seeks to understand the near final design, impacts and costs of completing a community collection system within the District to consist of gravity fed collection, effluent system collection, or a mix of the two; and

WHEREAS, the District seeks to understand the near final design, impacts, and costs of a pipeline which will convey wastewater generated from within the District’s legal boundaries to the City of Solvang’s WWTP through the use of a sewage lift station(s), sewer force main, and equalization tank(s); and

WHEREAS, the City of Solvang is not a direct participant in this agreement but has agreed to allow the District and Consultant to investigate, study, and develop engineering approaches to allow for the District to connect to the City’s WWTP; and

WHEREAS, Consultant has previously provided professional and engineering services related to collection, treatment, and/or disposal of wastewater; and

WHEREAS, Consultant represents that it has the licenses, qualifications and technical skills, experience and expertise to perform these services for the District.

NOW THEREFORE, based on the terms and conditions herein, the parties agree as follows:

1. Scope of Services

Consultant shall perform the professional services required to complete the Project for the District as described in the Scope of Work attached as Exhibit “B” and incorporated by reference herein.

All work and services by Consultant shall be performed in a diligent and customarily accepted professional manner.

Consultant represents, and District relies on such representation, that its work and services shall be performed, within the limits prescribed by the District, in a manner consistent with the level of care and skill ordinarily exercised by environmental, planning, and engineering professionals under similar circumstances at the time its services are performed. No other representation, express or implied, is included or intended by Consultant’s Proposal, this Agreement, or any reports or documents prepared herewithin.

Consultant agrees to undertake the discrete tasks outlined in Exhibit “B” only upon consultation with and authorization from the District’s General Manager .

As further described on Exhibit “B”, Consultant’s Services include, but are not limited to:

1. Participation in meetings to include: (a) a kick-off meeting and site walk with District representatives (b) monthly status and progress meetings to report progress, exchange technical information, resolve technical issues, and engage in general coordination and communications activities with the District’s General Manager, Engineer, and Technical Subcommittee, (c) in-person attendance at no less than one District Board of Director’s meeting prior to finalizing the Project and related documentation. Note unless otherwise stipulated, such meetings may be held via remote telecommunications technologies such as Zoom or Microsoft Teams and be subject to the Brown Act.
2. Performing a review of applicable District, City of Solvang, County of Santa Barbara, State of California, and Federal documents for the purpose of completing the Project and making recommendations, including any applicable value engineering, related to the collection of wastewater within the District and transportation of wastewater from the District to the City

of Solvang. The review expressly includes all documentation provided as part of LOCSD Request for Proposal 2501 which includes basis of design and 30% design documents generated by Stantec Consulting and REGEN Engineering.

3. Developing a 90% Design Package of design drawings, plans, and specifications for (1) a gravity fed collection system within the District, (2) an effluent system collection system within the District, (3) a force main conveyance system between the District and the City of Solvang.
 - a) The 90% Design Package will be based on the findings and results of previous design engineering tasks completed by Stantec Consulting and REGEN Engineering.
 - i. When evaluating effluent systems, Consultant will prepare a list of recommendations regarding ownership of effluent system components and a list of property easement considerations.
 - b) In developing the 90% Design Package, Consultant will prepare and submit plans and specifications at an approximate completion level of 90%. The 90% Design Package will be a complete project package, with all design drawings, details, and specifications completed.
 - c) Specifications included in the 90% Design Package will include required or proposed construction sequencing and constraints, general criteria, installation requirements and testing procedures, and listing of proposed bid item breakdown.
 - d) The 90% Design Package plans will include civil, architectural, mechanical, electrical, landscape, instrumentation, details and controls, as necessary.
 - e) All plans shall include any necessary construction specific mitigation measures to comply with identified project environmental constraints as well as regulatory agency requirements where applicable.
 - f) All plans shall document completed work to identify areas for value engineering of designs, optimization of collection and conveyance systems, and examination of the number and location of lift stations and equalization tanks.
4. Developing a budgetary opinion of probable construction costs related to the Project to expressly include (1) gravity collection system costs, (2) effluent system collection costs, and (3) District to City of Solvang WWTP conveyance system costs. Budgetary opinion shall be inclusive of necessary right-of-way acquisition costs.

5. Completing project closeout activities which includes providing electronic copies of all final documents, designs, drawings, and spreadsheets used to complete the Project.

2. Term of Contract

Unless otherwise earlier terminated as specified in Section 9, this Agreement shall commence on the date set forth above and shall expire at completion of the Project no later than April 15, 2027. Consultant shall complete all work in accordance with the timelines set forth in the Proposal, unless both the District and Consultant agree, in writing, to an extension. Any such extension to the Term of Contract shall specify a date by which all work shall be completed.

3. Force Majeure

The time period(s) specified in the Schedule of Performance for performance of the services rendered pursuant to this Agreement will be extended because of any delays due to unforeseeable causes beyond the control and without the fault or negligence of the Consultant, including, but not restricted to, acts of God or of the public enemy, unusually severe weather, fires, earthquakes, floods, epidemics, pandemics, quarantine restrictions, riots, strikes, freight embargoes, wars, litigation, and/or acts of any governmental agency, including the District, if the Consultant shall, within ten (10) days of the commencement of such delay, notify the District's Project Manager in writing of the causes of the delay. The Project Manager shall ascertain the facts and the extent of delay and extend the time for performing the services for the period of the enforced delay when and if, in the judgment of the Project Manager, such delay is justified. The Project Manager's determination is final. In no event will Consultant be entitled to recover damages against the District for any delay in the performance of this Agreement, however caused; Consultant's sole remedy being extension of the Agreement pursuant to this Section.

4. Independent Consultant Relationship

- a. It is expressly understood between the parties that no employee/employer relationship is intended, the relationship of Consultant to District being that of an independent Consultant. District shall not be required to make any payroll deductions or provide Workers' Compensation Insurance coverage or health benefits to Consultant.
- b. Consultant is solely responsible for selecting the means, methods and procedures for performing its services hereunder as assigned by the District and for coordinating all portions of the work so the results will be in accordance with the terms and conditions of this Agreement. Consultant will supply all tools and instruments required to perform its services under this Agreement.

- c. Pursuant to this Agreement, Consultant is rendering professional services only and any payments made to it are compensation solely for such services as it may render and recommendations it may make in the performance of services.

5. Compliance with Laws

Consultant will be solely responsible for giving all notices and complying with any and all applicable laws, ordinances, rules, regulations and lawful orders of any public authority relating to Consultant's work, including but not limited to those relating to prevailing wage, copyright, trademark or other intellectual property matters.

6. Environmental Laws.

Consultant shall comply with all applicable environmental laws, ordinances, codes and regulations of Federal, State, and local governments. Consultant shall also comply with all applicable mandatory standards and policies relating to energy efficiency.

7. Acknowledgment of Relationship

- a. Consultant agrees that all dealings of the parties under this Agreement shall be confidential, and writings, reports, data, information or communication developed, prepared or assembled by Consultant under this Agreement, or any information made available to Consultant by District, shall not be revealed, disseminated or made available by Consultant to any person or entity other than District without the prior written consent of District, unless otherwise required by subpoena or applicable law.
- b. The Parties acknowledge that the City of Solvang is an indirect party to this agreement. The City of Solvang has no direct financial interests related to the execution of this contract nor is the City of Solvang in any manner responsible for payment to Consultant for services rendered under this contract. City of Solvang representative(s) may attend any meetings held between the Parties.
- c. The Parties agree that confidentiality, as specified in paragraph 8.a above, does not include the City of Solvang and its representatives. Any and all information gathered, developed, prepared, or assembled by Consultant may be shared with City of Solvang and its representatives, with notice of such request and response provided to the District.

8. Payment to Consultant

- a. District shall pay Consultant monthly in proportion to the services performed plus reimbursable expenses and charges for any additional services within thirty (30) days after receipt of Consultant's invoices in a form approved by District's, with the exception of any disputed amounts which shall be withheld until resolution of the dispute. Payment terms are further described on Exhibit "C".

Total Project Cost not to Exceed: Phase 1: \$474,581 (Four Hundred Seventy-Four Thousand, Five Hundred and Eighty-one dollars) and Phase 2: \$1,485,435 (One Million, Four Hundred Eighty-Five Thousand, Four Hundred and Thirty-five dollars).

- b. No payment made under this Agreement shall be conclusive evidence of Consultant's performance of the Agreement, either wholly or in part, and no payment shall be construed to be an acceptance of Consultant's work.

9. Assistance by District

District agrees to provide the Consultant with any available information of relevance to Consultant's work, including all data and documents pertaining to the Project. District pledges to work cooperatively with Consultant and render all reasonable assistance toward completion of Consultant's work.

The District's Project Manager shall be General Manager, Guy Savage.

10. Ownership of Documentation

All maps, designs, data, spreadsheets, reports and other documentation (other than Consultant's drafts, notes and internal memoranda), whether physically produced or electronic, including duplication of same prepared by Consultant in the performance of these services, shall become the property of the District upon full payment of all monies owed to Consultant and shall be retained by the Consultant for a period of three (3) years after completion of the Project. If requested by the District, all, or the designated portions of such documentation, shall be delivered to the District.

District agrees to hold Consultant harmless from all damages, claims, expenses, and losses arising out of any non-Consultant reuse of plans, specifications, drawings, maps, models, electronic files, and other documents for purposes other than those described in this Agreement, unless written authorization of Consultant is first obtained.

11. Termination of Contract

Consultant specifically acknowledges and agrees that the District may at any time during the term of this Agreement terminate Consultant's services with or without cause, and without penalty, at the completion of any phase of Consultant's services as set forth in Exhibit "B" and upon thirty (30) days' written notice to Consultant. Any termination or any special instructions hereunder from District shall be made in writing. In the event this Agreement is terminated, and upon full payment of all monies owed to Consultant, all data, specifications, documents and information generated by Consultant, including in electronic form, in connection with the Project shall be delivered to District and may be used by District. Copies of these materials may be retained by Consultant.

Upon termination, Consultant shall be compensated only for those Services which have been rendered to District, and Consultant shall be entitled to no further compensation. If the Agreement is terminated by Consultant without cause, Consultant shall reimburse District for additional costs to be incurred by District in obtaining the work from another consultant.

12. Indemnification and Hold Harmless; Insurance Requirements

a. Indemnity for Professional Liability. When the law establishes a professional standard of care for Consultant's services, to the fullest extent permitted by law, Consultant shall indemnify and hold harmless (but not defend) District and its officers, and employees, agents (the "District's Parties") from and against any and all losses, liabilities, damages, costs and expenses, including reimbursement of reasonable attorneys' fees and costs to the extent same are caused by any negligent or wrongful act, error or omission of Consultant, its officers, agents, employees of sub-consultants (or any entity or individual for which Consultant shall bear legal liability) in the performance of professional services under this Agreement as provided to the District based upon a proportionate percentage of fault as adjudicated by a court of competent jurisdiction.

Consultant has no obligation to pay for any of the indemnitees' defense related costs prior to a final determination of liability or to pay any amount that exceeds Consultant's finally determined percentage of liability based upon the comparative fault of Consultant.

Nothing contained in the indemnity provisions shall be construed to require Consultant to indemnify District, against any responsibility of liability in contravention of Civil Code 2782 and 2782.8

b. Indemnity for Other Than Professional Liability. Other than in the performance of professional services and to the full extent permitted by law, Consultant shall indemnify, and hold harmless (but not defend) District

and District's Parties from and against any liability (including liability for claims, suits, actions, losses, expenses or costs, including reasonable attorneys' fees and costs, court costs, defense costs and expert witness fees), to the extent caused by, the negligent performance of this Agreement by Consultant or by any individual or entity for which Consultant is legally liable, including but not limited to officers, agents, employees or sub-consultants of Consultant.

c. Submission of insurance certificates or other proof of coverage shall not relieve Consultant from liability under this indemnification and hold harmless provisions. These provisions shall survive the termination of this Agreement and shall apply whether or not such insurance policies shall have been determined to be applicable to any of such damages or claims for damages.

d. Prior to the commencement of the Project, Consultant shall provide District with proof of the types and amounts of insurance described on Exhibit "A".

13. No Assignment

This Agreement is a personal services contract and work hereunder shall not be delegated or assigned by Consultant to any person or entity without the advance written consent of District. Consultant shall not employ any sub-consultants for its work.

14. Examination of Records

Consultant agrees that District shall have access to and the right to examine at any reasonable time and on reasonable notice Consultant's documents, papers and records, including accounting records, relating to or involving this Agreement. Notwithstanding the foregoing, District's right to inspect, copy and audit shall not extend to the composition of Consultant's rates and fees, percentage mark ups or multipliers but shall apply only to their application to the applicable units.

15. Notice

All notices or other official correspondence relating to contractual matters between the parties shall be made by depositing the same as first-class, postage paid mail addressed as follows:

To Consultant:

Kari Wagner
Wallace Group
612 Clarion Court
San Luis Obispo, CA 93401

To District:

LOS OLIVOS COMMUNITY SERVICES DISTRICT
Attn: General Manager
PO Box 345
Los Olivos, CA 93441

or such other address as either party may designate hereinafter in writing delivered to the other party. All notices shall be agreed to have been received three (3) days after mailing.

16. No Waiver

No failure or delay by District in asserting any of District's rights and remedies as to any default of Consultant shall operate as a waiver of the default, of any subsequent or other default by Consultant, or of any of District's rights or remedies. No such delay shall deprive District of its right to institute and maintain any actions or proceeding which may be necessary to protect, assert or enforce any rights or remedies arising out of this Agreement or the performance of this Agreement.

17. Partial Invalidity

If any term, covenant, condition, or provision of this Agreement is found by a court of competent jurisdiction to be invalid, void, or unenforceable, the remainder of the provisions hereof shall remain in full force and effect, and shall in no way be affected, impaired, or invalidated thereby.

18. Terms

No alteration or variation of the terms of this Agreement shall be valid unless made in writing and signed by the parties. No oral understanding or agreement not incorporated herein shall be binding on any of the parties.

19. Incorporation of Recitals

The foregoing recitals are incorporated herein as though fully set forth.

20. California Law

This Agreement shall be interpreted and construed pursuant to the laws of the State of California. Any dispute between the parties shall be filed and heard in a court of competent jurisdiction in the County of Santa Barbara, State of California.

21. Additional Provisions

Consultant agrees that no full-time employee of District shall be employed by its firm during the period that this Agreement is in effect.

22. Nondiscrimination

Consultant agrees that he will abide by all applicable federal, state, and local laws, rules and regulations concerning nondiscrimination and equal opportunity in contracting. Such laws include, but are not limited to, the following; Title VII of the Civil Rights Act of 1964 as amended; the Americans with Disabilities Act of 1990; the California Fair Employment and Housing Act; and California Labor Code sections 1101 and 1102. Consultant shall not discriminate against any employee, sub-consultant, or officer of the District because of race, age, color, ancestry, religion, sex/gender, sexual orientation or identification, mental disability, physical disability, national origin, political beliefs, organizational affiliation, or marital status in the selection for training, hiring, contracting, utilization, or other forms of compensation. Consultant shall not discriminate in providing the services under this Agreement because of age, race, color, national origin, ancestry, religion, sex/gender, sexual orientation or identification, mental disability, physical disability, medical condition, political beliefs, organizational affiliations, marital status, or other category protected under the law. If District finds that any of these provisions have been willfully violated, such violation shall constitute a material breach of Agreement upon which District may determine to cancel, terminate, or suspend this Agreement. In addition to an independent finding by District of such violation, a finding by the State of California or by the United States of a violation shall constitute a finding by District of such violation.

23. Attorneys' Fees.

If either party to this Agreement is required to initiate or defend or made a party to any action or proceeding in any way connected with this Agreement, the prevailing party in such action or proceeding, in addition to any other relief which may be granted, shall be entitled to reasonable attorneys' fees, whether or not the matter proceeds to judgment, and to all other reasonable costs for investigating such action, taking depositions and discovery, including all other necessary costs the court allows which are incurred in such litigation.

24. Conflict of Interest.

Consultant warrants that it has not paid or given and will not pay or give any third party any money or other consideration for obtaining this Agreement. Consultant shall comply with all conflict of interest laws and regulations.

25. Interpretation.

The terms of this Agreement shall be construed in accordance with the meaning of the language used and shall not be construed for or against either party by reason of the authorship of this Agreement or any other rule of construction which might otherwise apply.

26. Corporate Authority.

The persons executing this Agreement on behalf of the parties hereto warrant that (i) such party is duly organized and existing, (ii) they are duly authorized to execute and deliver this Agreement on behalf of said party, (iii) by so executing this Agreement, such party is formally bound to the provisions of this Agreement, and (iv) the entering into this Agreement does not violate any provision of any other Agreement to which said party is bound.

27. Limitation of Liability

The total amount of all claims District may have against Consultant under this Agreement or arising from the performance or non-performance of the Services under any theory of law, including but not limited to claims for negligence, negligent misrepresentation and breach of contract, shall be strictly limited to the greater of the fees or \$2,000,000. As District's sole and exclusive remedy under this Agreement any claim, demand or suit shall be direct and/or asserted only against Consultant and not against any of Consultant's employees, officers or directors.

Neither District nor Consultant shall be liable to the other or shall make any claim for any incidental, indirect, or consequential damages arising out of or connected to this Agreement or the performance of the services on this Project. This mutual waiver includes, but is not limited to, damages related to loss of use, loss of profits, loss of income, unrealized energy savings, diminution of property value or loss of reimbursement or credits from governmental or other agencies.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement the day and year first above written.

DISTRICT:
LOS OLIVOS COMMUNITY SERVICES DISTRICT

By: _____
Julie Kennedy, President
Los Olivos Community Services District

ATTEST:

Guy Savage, General Manager

CONSULTANT:
WALLACE GROUP

By: _____
Kari Wagner
Senior Vice President/Principal

By: _____
Brad Brechwald,
CEO/Principal in Charge

EXHIBIT “A”

LOS OLIVOS COMMUNITY SERVICES DISTRICT INSURANCE REQUIREMENTS

Consultant shall procure and maintain for the duration of the Agreement (and thereafter as specified herein) insurance against claims for injuries to persons or damage to property which may arise from or in connection with the performance of the work hereunder by Consultant, his agents, representatives, employees or sub-consultants.

MINIMUM SCOPE OF INSURANCE

Coverage shall be at least as broad as:

1. Insurance Services Office Commercial General Liability coverage (occurrence form CG 00 01).
2. Insurance Services Office form number CA 00 01 covering Automobile Liability, Code 1 (any auto).
3. Workers' Compensation insurance as required by the State of California and Employer's Liability Insurance.

MINIMUM LIMITS OF INSURANCE

Consultant shall maintain limits no less than:

1. General Liability (Including operations, products and completed operations, as applicable): \$2,000,000 per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability Insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit.
2. Automobile Liability: \$1,000,000 per accident for bodily injury and property damage.
3. Employer's Liability: \$1,000,000 per accident for bodily injury or disease.
4. Errors and Omissions Liability: A policy of professional liability insurance in an amount not less than \$2,000,000 per occurrence.

5. Consultants Pollution Liability: N/A

6. Asbestos Pollution Liability: N/A

DEDUCTIBLES AND SELF-INSURED RETENTION

Any deductibles or self-insured retentions must be declared to and approved by the District. At the option of the District, either (1) the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the District and its directors, officers, employees, agents and volunteers (collectively "District Parties"), or (2) Consultant shall provide a financial guarantee satisfactory to the District guaranteeing payment of losses and related investigations, claim administration and defense expenses.

OTHER INSURANCE PROVISIONS`

The commercial general liability and automobile liability policies are to contain, or be endorsed to contain, the following provisions:

1. The District and District Parties are to be covered as insureds as respects: liability arising out of work or operations performed by or on behalf of the Architect; or automobiles owned, leased, hired or borrowed by Consultant.
2. For any claims related to this Agreement, Consultant's insurance coverage shall be primary insurance as respects the District and District Parties. Any insurance or self-insurance maintained by the District and District Parties shall be excess of the Consultant's insurance and shall not contribute with it.
3. Each insurance policy required by this clause shall be endorsed to state that coverage shall not be canceled by either party, except after thirty (30) days prior written notice has been provided to the District.

If General Liability, Consultants Pollution Liability and/or Asbestos Pollution Liability and/or Errors & Omissions coverage's are written on a claims-made form:

1. The retroactive date must be shown and must be before the date of this Agreement or the beginning of work on the Project.
2. Insurance must be maintained and evidence of insurance must be provided for at least five (5) years, if commercially available, after completion of the contract of the Project. District shall be notified in writing, should Consultant decide that such coverage is not commercially available and have the opportunity to contest such determination.

If coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a retroactive date prior to the Agreement effective date, Consultant must purchase an extended period coverage, if commercially available, for a minimum of five (5) years after completion of the Project. District shall be notified in writing, should Consultant decide that such coverage is not commercially available and have the opportunity to contest such determination.

3. A copy of the claims reporting requirements must be submitted to the District for review.

ACCEPTABILITY OF INSURERS

Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A: VII, unless otherwise acceptable to the District. Exception may be made for the State Compensation Insurance Fund when not specifically rated.

VERIFICATION OF COVERAGE

Consultant shall furnish the District with original certificates and amendatory endorsements effecting coverage required by this clause. The endorsements should be on forms provided by the District, or on other than the District's forms provided those endorsements conform to District requirements and are acceptable to the District. All certificates and endorsements are to be received and approved by the District before work commences. However, failure to do so shall not operate as a waiver of these insurance requirements. The District reserves the right to require complete, certified copies of all required insurance policies, including endorsements affecting the coverage required by these specifications at any time.

SUB-CONSULTANTS

Consultant shall include all sub-consultants as insureds under its policies or shall furnish separate certificates and endorsements for each sub-consultant. All coverages for sub-consultant shall be subject to all of the requirements stated herein.

END OF PAGE

EXHIBIT “B”
SCOPE OF WORK

SCOPE OF SERVICES

TASK 1: PROJECT MANAGEMENT AND MEETINGS

Task 1.1 Project Management

This task includes day-to-day coordination of project activities, including scheduling and budget controls, staffing needs and coordination, District coordination, monthly status updates and reporting, and other related project management activities. This effort is based on the schedule duration of sixteen months based on the schedule provided.

Task 1.2 Kick-off Meeting

We will coordinate and attend an in-person kick-off meeting with key Wallace Group and District representatives, and other stakeholders recommended by the District. We will prepare the meeting agenda and minutes for this meeting as well as a list of documents. This meeting will focus on the project objectives, scope of services, schedule, deliverables, and other components of the project so that the project direction is well defined. We request that any items that may be of importance for the completion of the project be provided to Wallace Group at the time of the kick-off meeting or before.

Following the meeting, we will tour the community and forcemain route and discuss various constraints or concerns the District may want to highlight. It is anticipated that this meeting will take 8 hours including travel time.

Task 1.3 Project Meetings

We will attend and prepare agendas and meeting minutes for the project meetings. This task includes preparing responses to comments received during deliverable review meetings. Internal coordination meetings are also included. Where possible, monthly progress meetings will be scheduled in concurrence with milestone deliverable meetings. We will also schedule a meeting with the County of San Luis Obispo to discuss lessons learned from the Los Osos CSD septic to sewer conversion.

- Monthly progress meetings – 12 budgeted (3 WG Staff, 1 hour, virtual)
- 30% Design Submittal (3 WG Staff, 2 hours, in-person)
- 60% Design Submittal (3 WG Staff, 2 hours, in-person)
- 90% Design Submittal (3 WG Staff, 2 hours, in-person)
- Coordination meeting with County of San Luis Obispo for Lessons Learned

Task 1.4 Board Meetings

We will attend one (1) Board meeting following completion of the 30% submittal and one (1) Board meeting following completion of the 90% submittal. We will prepare a PowerPoint presentation for both Board meetings.

Wallace Group is able to attend additional Board meetings or special committee meetings upon request on a Time & Materials basis.

Task 1.5 QA/QC

Wallace Group will provide in-house quality assurance and quality control (QA/QC) at each milestone deliverable stage. At each milestone, there is a comprehensive QA/QC review of project research, data, calculations, and report by senior or principal engineers within our firm. Our Construction Management Team will provide a constructability review prior to the 90% submittal.

Task 1 Deliverables:

- Meeting Agendas (PDF)
- Meeting Minutes (PDF)

TASK 2: PROJECT REPORT AND PRELIMINARY DESIGN (30%)

Task 2.1 Project Report

A Basis of Design (BOD) Report has already been prepared for the project which discusses flow rates, design standards and other critical aspects of the project. Wallace Group will review the BOD and provide a Peer Review or concurrence of the report.

Wallace Group will prepare an addendum to the BOD that will evaluate project alternatives (gravity, STEP, hybrid), identify required permits, environmental and design work, schedule, and budget (construction budget and life cycle costs).

The project alternatives will describe proposed facilities including lift station and pipeline design elements, pumps, pipeline alignment, diameter and material, electrical supply and capacity, and other key design elements. The project report will evaluate the routing/alignment, review and identify easement and right of way issues for temporary construction access and permanent/long-term access rights, review hydraulic conditions, recommend valving and other appurtenances, pipeline material selection, Engineer's opinion of probable construction cost estimate, and a life cycle cost analysis.

The engineer's opinion of probable cost and life cycle cost analysis will include, but will not be limited to:

- Project Costs
 - Design
 - Permitting and environmental
 - Easements/acquisitions (temporary and permanent)
 - Administrative
 - LAFCO and Prop 218
 - Alternative option construction
 - Cost share for upgrades to City of Solvang sewer collection system or WWTP (if any)
- Life Cycle Costs (for District)
 - Operations and maintenance for entire system
 - Electrical costs
 - Staffing needs (identify licensure requirements)
 - Debt service
 - Capital Improvement program
 - Reserve account

- Regulatory permitting
- Life Cycle Costs (for Property Owners)
 - Conversion costs
 - Maintenance costs
 - Electrical costs
 - Replacement costs

Development of the Project will require coordination with the District and City of Solvang staff to establish design criteria, standards, permit requirements, capacity, and other aspects of the Project. We will review the District's design standards related to sanitary sewerage facilities, and will develop criteria to be used for the utility design, including:

- Force main average and maximum velocities (ideally velocity should remain at or below 4 ft/s to minimize hydraulic transient conditions).
- Force main service pressure ranges, recommended pipe material and pressure class
- Appurtenances including A&Vs, blowoffs, isolation valves
- Hydraulic grade line
- Proposed pipeline alignments

A 20-year life cycle cost will be included as part of the financial analysis.

The evaluation will utilize existing data already provided including survey, geotechnical, and environmental investigation. These investigations will identify the primary constraints regarding access and easement issues, geotechnical considerations, permitting, and biological and/or cultural resources under the project alternatives and help to inform the 30% preliminary design. No additional investigations are to be included as part of this task.

The comparative analysis between the project alternatives will be performed based on life cycle costs, survey/access, geotechnical, environmental, and other constraints. We will submit this report to the District for review and approval. The project will advance to Task 3 upon approval of the report and subsequent authorization by the District.

A draft project report will be submitted to the District for review and comment prior to completion of the final project report. We will review and respond to the comments received on the draft project report and issue responses to comments in tabular format to the District.

Task 2.2 Preliminary Design

We will prepare two preliminary design alternatives. Alternative 1 will be a gravity system Preliminary Design (30%) prepared by Stantec with some suggested modifications to reduce depth of the sewer where possible. Alternative 2 will be a hybrid gravity/STEP system. The Preliminary Design will also include two lift station designs and consideration of an equalization basin. The preliminary design will include facility and equipment sizing, siting, and alignments of proposed force mains to determine requirements for easements and environmental review, as required. The plans will include horizontal plan view layouts and preliminary profiles (existing utilities not shown in profiles) and will not include grading/drainage design, detail sheets, traffic control, and erosion and sediment control. The plan view will be designed at 1"=40'. Based on the 30% plan set prepared by Stantec, we anticipate up to 120 sheets for the collection system (two alternatives), and up to 30 sheets for the sewer forcemain, lift stations (2), and

equalization tank. No topographic survey is included under this task. It is assumed that Stantec's survey is adequate and complete. This submittal will not include General Notes, Abbreviations, Legend, Survey sheets, temporary erosion and sediment control, traffic control, electrical, structural, or details.

Task 2 Deliverables:

- Draft Project Report and Preliminary Design (PDF format)
- Final Project Report and Preliminary Design (PDF format)

TASK 3: FIELD INVESTIGATIONS

Task 3.1 Survey

We will provide surveying services in support of the design for this project. It will be broken into four elements: Mapping verification, septic tank location, miscellaneous collection system support, and lift station/force main mapping.

We anticipate approaching the mapping of the collection system area and the force main route differently.

For the collection system area, much mapping has been completed to date and is the basis and background of the Los Olivos Community Services District Septic to Sewer Project 30% Submittal completed by Stantec. It would be our goal to preserve and use as much of the existing completed mapping as possible. To do so, we have assumed that liabilities related to the Stantec mapping will remain between the Owner and Stantec. We will use the mapping and update it where we are aware of locations it is out of date, or quality deficient, as those areas come to our attention during the design process and our own quality assessment of the existing mapping. For budgeting purposes, we have included two field days for mapping verification and 64 hours of associated mapping updates and CAD drawing file modifications to fit with our CAD standards. We have assumed an additional 17 working days to locate all 372 septic tanks and associated office time to map the locations of the septic tanks. This assumes the District or other company has already located the septic tanks and provided access. Additional time may be required if our survey crew is required to uncover buried septic tank lid or locate the tanks. We have also assumed an additional three field days and 70 hours for more focused updates driven by the design and engineering team.

Together with the review and incorporation of existing mapping, another critical element of augmentation to the existing mapping is the documentation and investigation of existing record survey monuments and control stations. Based on our review of the 30% Stantec design document, this has not been completed and will need to be. We will review County of Santa Barbara record maps and include augmenting the existing mapping with the locations that monuments are found to exist based on this research. This information will be incorporated in the design and construction documents, so that the appropriate steps can be taken by the Owner and the Contractor to comply with California State law addressing monument perpetuation, Business and Professions Code §8771. This includes, for budgeting purposes, researching, locating, measuring and documenting on the base map approximately 120 record monument locations.

It is our understanding that mapping has not yet been completed for the proposed sanitary

sewer force main alignment. We propose to capture this mapping using a combination of aerial and field survey techniques. This includes an approximate 50 feet wide strip along approximately 18,000 feet of Alamo Pintada Road, from the intersection with Creekside Drive in the south to Santa Barbara Avenue in the north. Aerial mapping will be completed at a scale of 1" = 20' and at a one-foot contour interval showing such features as edges of pavement; road striping; driveways; dirt roads; utility poles and above and at grade utility structures, fences, buildings, vegetation and other items according to standard practice. The aerial mapping will be augmented by field survey to locate in greater detail and accuracy the significant features therein, and including locating overhead wires; utility markings, placards, and paint; drainage and sewer structures and the invert and pipe size of storm drain culverts and other items according to standard practice for mapping in support of an underground utility design project.

We will locate sufficient monuments to plot the best fit record boundary and right-of-way lines of the properties and roads within the force main mapping limits. The collected information of this task will be compiled in a Civil 3d, 2024, or newer file and serve as the base layer for design and engineering. Coordination with the engineering design team is included. For budgeting purposes, we have assumed:

1. That traffic control will not be needed as part of this scope of work
2. Ordering title reports will not be required or they will be provided by the client and review or easement plotting will be additional and addressed through a contract amendment.
3. That sufficient monuments exist, no material discrepancies will be discovered, and that filing a Record of Survey or Corner Record will not be required, including in the event that a Record of Survey is required according to Section 8762 of the California Business and Professions Code (BPC) or rehabilitating of controlling monuments used as part of this survey is required due to their condition being less than permanent and durable and other requirements specified by Section 8771.6 of the BPC. However, if as a part of the survey for this project, a Record of Survey or Corner Record is required or existing monuments are found and determined to need re-establishment to comply with state law the client agrees to authorize additional scope and budget to satisfy these requirements.

Task 3.1 Deliverables:

- AutoCAD Civil 3d survey base file (AutoCAD 2024 DWG format)

Task 3.2 Geotechnical Investigation

During the project design phase, we will include the performance of a preliminary site geotechnical investigation to be performed by Earth System Pacific (ESP) to evaluate subsurface conditions. Based on the field investigation, ESP will provide recommendations for site preparation, trench, and pavement repair, pavement structural sections, trenching and excavation, backfill, horizontal directional drilling, slabs, foundations, infiltration, and groundwater mitigation where needed.

The quantity, location, and depth of borings to be completed will be determined following the completion of Task 2. We have included an estimated budget of \$250,000 to support the design of the project.

Task 3.2 Deliverables:

- Geotechnical Report (PDF)

Task 3.3 Potholing

Wallace Group assumes that there may be some level of potholing needed during the design phase. Wallace Group will assess the need for potholing and provide a recommendation for existing utilities that may need potholing to confirm if any conflicts may impact design. Wallace Group has budgeted \$50,000 for coordination and \$250,000 for potholing field services.

TASK 4: PLANS AND SPECIFICATIONS

Upon approval from the District of the preferred design alternative , the project team will develop 90% design documents including plans and an engineer's opinion of probable construction cost for the project. Note, specifications will not be developed at this time. This task will lay out the basis for the subsequent environmental and permitting review.

The following subtasks are included:

Task 4.1 60% Design Documents

This deliverable will include a 60% plan set and engineer's opinion of probable cost for the chosen alternative. The plan view will be designed at 1"=40'. Based on the 30% plan set prepared by Stantec, we anticipate up to 65 sheets for the collection system and details, and up to 40 sheets for the sewer forcemain, lift stations (2), equalization tank, and details. The plans will include lateral stub outs to property line for all properties. Design of sewer laterals on private property is not included.

The following additional sheets will be included:

- Title sheet
- General Notes, Abbreviations, Legend

Please note, the following sheets will not be provided in the 60% or 90% design. These sheets will be provided in the final design package:

- Survey Sheets
- Temporary erosion and sediment control
- Traffic control

Task 4.2 90% Design Documents

Upon receipt of consolidated, written comments from the District, Wallace Group will prepare the 90% design submittal. Wallace Group will update the engineer's opinion of probable cost based on the 90% design. Additional design elements will be included in the 90% design including electrical, controls, and structural design elements.

Electrical and Controls Design:

Each site will include the following when applicable:

Electrical Construction Plans including:

- Single line diagram
- Site electrical plans
- Elevation details
- Conduit/Cable Schedules
- Panel Schedules
- Load and voltage drop calculations
- Pump control schematics
- Electrical details
- Electrical design summary
- Engineer's opinion of probable cost estimate

Assumptions and Exclusions

1. The locations of new service connection points will be assumed based on existing electrical utilities observed on-site and on PG&E service maps.
2. PG&E service fees can vary significantly and can be difficult to estimate. An assumed fee will be provided for both design approaches, but cannot be determined without PG&E designing their service connections.
3. The SCADA system is not fully defined in the RFP. Scope includes meeting with District to define system requirements. The system design will be developed to a level that allows the scope of the selected approach to be finalized and specified according to the District's requirements.
4. Excludes radio design or radio path study. If radio communication is required, a radio path study by others may be required.
5. Excludes all application and permit fees.

Structural Design:

Structural Design will include the following:

- Buoyancy calculations and foundation design for wet wells and equalization tank
- Pad foundation design
- Forcemain Design for Bridge
- Engineer's opinion of probable cost estimate

Task 4 Deliverables:

- 60% Plans and Engineer's Opinion of Probable Cost (PDF Format)
- 90% Plans and Engineer's Opinion of Probable Cost (PDF Format)

TASK 5: EASEMENT IDENTIFICATION

Our team will assist in identifying easements required for both construction on a temporary basis and permanent easements required for ongoing access and maintenance.

We will provide the legal descriptions and exhibits necessary for the ROW acquisition and temporary construction easements (TCE's) for the selected project. Exhibits will be required for each parcel of land or unique owner that a proposed acquisition or temporary access and construction agreement will affect. Acquisition exhibits will show limited topography and limited proposed design improvements over the project's aerial imagery, APN number, owner name, gross APN acreage, adjoining property information, proposed permanent easement areas and temporary access and construction agreement areas. Each Acquisition Exhibit will be produced on an 11"X17" paper size and provided in PDF format. We assume the County will provide appraisal and acquisition services.

Costs do not include expenses for land acquisition or easements.

Task 5 Deliverable:

- Easement Summary Report

TASK 6: PERMITS AND RELATED STUDIES

Task 6.1 Environmental Permits

It is assumed that the District and/or the District's consultant will take lead and obtain all environmental permits required for the project. Wallace Group has assumed a supporting role and thus has allocated up to 100 hours to support preparation of documents or exhibits and peer review of permit applications.

Task 6.2 Other Permits

Our project team will assist the District in the preparation of applications for administrative and encroachment permits. Anticipated permits and applications include:

- City and County encroachment permits

These permit applications will be compiled once design is at a sufficient stage to satisfy application requirements. We include time for coordination with the permitting agencies via email and telephone correspondence.

Task 6.2 Deliverables:

- Draft permit application(s) (PDF)
- Final permit application(s) (PDF)

TASK 7: ASSESSMENT DISTRICT FORMATION

Task 7.1 Assessment District Formation – DTA

DTA, a subconsultant to Wallace Group, will prepare the Engineer's Report and conduct the Proposition 218 Protest Hearing for the formation of an Assessment District to fund the construction of the sewer collection system. Please refer to the DTA proposal for details of the scope of work.

- Out of scope of work: in-person attendance at Board meetings

- Optional task item: Ballot tabulation

Task 7.2 Assessment District Formation – Wallace Group

Wallace Group will provide up to 40 hours of support in the development of the benefit unit determination and Engineer's Report.

Task 7.2 Deliverables:

- Draft and Final Engineer's Report (PDF)

PROJECT PHASING

The following scope of work is broken into two phases and Optional Tasks as follows:

- Phase 1 includes the following tasks:
 - Task 1.1: Schedule based on six (6) months
 - Task 1.2: Kick Off Meeting
 - Task 1.3: Meetings
 - Monthly progress meetings – 12 budgeted (3 WG Staff, 1 hour, virtual)
 - 30% Design Submittal (3 WG Staff, 2 hours, in-person)
 - Task 1.4: Board Meeting
 - One (1) Board meeting following completion of the 30% submittal
 - Task 1.5: QA/QC
 - 30% Design Submittal
 - Task 2.0: Project Report and Preliminary Design (30%)
 - Task 3.1: Survey (Partial Survey effort)
- Phase 2 includes the following tasks:
 - Task 1.1: Schedule based on twelve (12) months
 - Task 1.3: Meetings
 - 60% Design Submittal (3 WG Staff, 2 hours, in-person)
 - 90% Design Submittal (3 WG Staff, 2 hours, in-person)
 - Coordination meeting with County of San Luis Obispo for Lessons Learned
 - Task 1.4: Board Meeting
 - One (1) Board meeting following completion of the 90% submittal
 - Task 1.5: QA/QC
 - 60% Design Submittal
 - 90% Design Submittal
 - Task 3.1: Survey (Remaining Survey effort)
 - Task 3.2: Geotechnical
 - Task 3.3: Potholing
 - Task 4.1: 60% Design Documents
 - Task 4.2: 90% Design Documents
 - Task 5.0: Easement Identification
 - Task 6.1: Environmental Permits
 - Task 6.2: Other Permits

- Additional Services includes the following tasks:
 - 100% Design Documents
 - Specifications
 - Bid Phase Services
 - Construction Phase Services
 - LAFCO Support
 - Regulatory Compliance Support including Sewer System Management Plan
 - Design of sewer laterals on private property

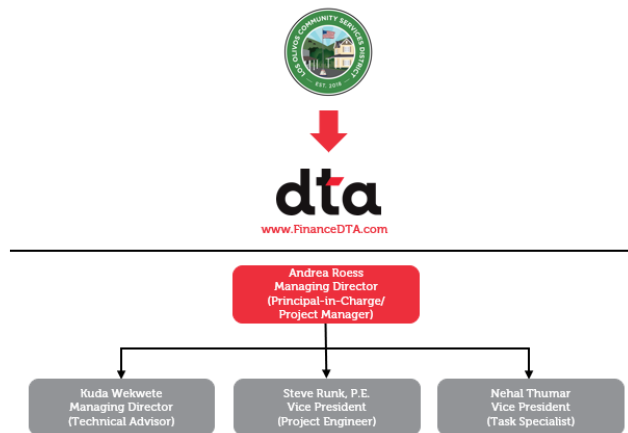
PROJECT UNDERSTANDING

DTA is pleased to submit this proposal to the Los Olivos Community Services District (the “District”). In collaboration with Wallace Group, DTA shall serve as the Assessment Engineer and will assist the District in establishing an Assessment District (“AD”) to fund authorized sewer system services.

KEY PERSONNEL QUALIFICATIONS

DTA has assigned personnel to this project who bring experience and technical expertise to each unique element of this engagement. Our team organization is illustrated below. Project roles of our key team members are described below and followed by professional biographies. All personnel will be available full-time (100%) for the duration of the project.

Figure 1: Team Organization Chart



DTA has assembled a project team for the District with the breadth of experience required to provide assessment engineering services in a professional and timely manner. **This project would be primarily handled out of DTA’s Irvine office.** Andrea Roess, a Managing Director at DTA, would serve as the Principal-in-Charge of DTA’s project team and handle primary account responsibilities for this engagement. Ms. Roess will attend meetings as necessary and supervise all project staff.

Ms. Roess will also serve as the Project Manager for the DTA team and be the District’s primary point of contact throughout this engagement. She will oversee all day-to-day activities and attend all meetings. This will include scheduled meetings with District staff at which she will provide regular updates regarding progress and any problems that have arisen. In addition, Ms. Roess will be setting up conference calls with District staff and other interested parties whenever necessary. She may schedule these conference calls once per month on a date in-between any scheduled meetings with District staff.

Ms. Roess will handle the ongoing execution and completion of the entire Scope of Work and match DTA’s work and deliverables with the District’s needs and objectives. She will also manage the work of DTA’s project team, including leading data collection efforts, providing senior-level analysis, reviewing progress and work products with District staff and stakeholders, and presenting findings at project meetings. Ms. Roess will be assisted in these tasks by support staff, as needed.

Kuda Wekwete, a Managing Director at DTA, will provide technical advisory services. Steve Runk, P.E., the Vice President of Engineering Services, will provide engineering expertise, prepare and/or review facilities cost estimates, and contribute to the apportionment analysis for property included in each district.

Key personnel will be available to the extent proposed, or designated by the District, for the duration of the project and no person designated as “key” to the project shall be removed or replaced without the prior written concurrence of the District. In addition, DTA is not behind schedule or past the completion date for any active projects and has a long history of delivering projects on a timely basis and adhering to agreements.

According to the SEC, as of September 12, 2017 (due to a new regulatory requirement), representatives of Municipal Advisor firms must have earned the Series 50 license to engage in municipal advisory activities. **DTA managers at the Vice President level and above are Series 50 licensed and therefore duly authorized by the SEC/MSRB to engage in municipal advisory activities.**

A DTA Team Resumes

Andrea Roess

Managing Director | Andrea@FinanceDTA.com

Project Role – Principal-in-Charge/Project Manager



Since joining DTA in 1992, Ms. Roess has participated in all aspects of the formation and implementation of special finance districts to fund infrastructure and services. She has managed the formation and annual administration of more than 300 land-secured financing districts, including several PACE programs. In addition, Ms. Roess established and manages DTA's water and sewer practice and is a leader in the development of PACE programs.

Ms. Roess has utilized her computer skills to develop numerous state-of-the-art computer models that evaluate cash flows related to funding infrastructure and public services. This ability has enabled her to develop sophisticated bond structuring concepts for CFDs and ADs, as well as complex fiscal impact and fee impact models. She has also prepared hundreds of Engineer's Reports for ADs and been involved in the development of escrow release formulas and bond pool financing structures. In addition, Ms. Roess has experience in the preparation of PFFPs, Water/Sewer Revenue Bond analyses, and tax increment analyses. She is also the Project Manager in charge of annual special tax administration for more than 120 financing districts throughout California, Florida, Hawaii, Missouri, and Nevada.

In addition, Ms. Roess has become an influential voice in the world of CFDs and public finance through an intimate understanding of CFD subject matter that is unrivaled in the industry. Her direct and innovative approach to solving problems has led to a variety of innovative and successful solutions for her clients. This success has not gone unnoticed in the CFD circle. For years, industry professionals have sought her guidance and insights on a wide variety of issues that they faced. She is regularly asked to participate at speaking engagements and conferences to share her experiences and knowledge related to CFD structuring and other public finance topics.

For your reference, listed below is a sampling of current clients to whom Ms. Roess provides both district formation and annual administration consulting services.

- | | |
|---------------------------|---|
| ▪ Borrego Water District | ▪ County of Imperial; |
| ▪ City of Anaheim; | ▪ County of Los Angeles; |
| ▪ City of Blythe; | ▪ County of Orange; |
| ▪ City of Brawley; | ▪ County of San Bernardino; |
| ▪ City of Calexico; | ▪ County of Santa Barbara; |
| ▪ City of Cathedral City; | ▪ Laguna Beach Unified School District; |

- City of Los Angeles;
- City of Oceanside;
- County of Imperial;
- Riverside Unified School District;
- San Diego County Fire Protection District; and
- Upland Unified School District.

Ms. Roess holds an M.B.A. degree with a concentration in finance from San Francisco State University and a B.A. in psychology/public policy analysis from Pomona College.

Ms. Roess is active in industry groups, including CSMFO, the Association of Women in Water, Energy, and Environment (“AWWEE”), and many others. In addition, Ms. Roess has been elected the Director of Mentorship of the Women in Public Finance Los Angeles Chapter Board and has participated on numerous panels and workshops related to public financing. **She also holds a Series 50 license as a registered Municipal Advisor with the SEC/MSRB under rules promulgated following the Dodd-Frank Act in 2010.**

Kuda Wekwete

Managing Director | Kuda@FinanceDTA.com

Project Role – Technical Advisor

Since joining DTA in 2005, Mr. Wekwete has been involved in all aspects of the formation and implementation of special districts to fund infrastructure and services, as well as the sale of over \$300 million in CFD bonds. His work has involved the preparation of tax spreads and overlapping debt analyses for the formation and/or sale of bonds for over 175 special districts established throughout California. In this role, Mr. Wekwete has prepared RMAs, CFD and Engineer’s Reports, and documents required for the formation of CFDs, sale of property, and annual levying of special taxes. He has also been responsible for preparing PFFPs involving CFDs and other public finance mechanisms.



For your reference, listed below is a sampling of current clients to whom Mr. Wekwete provides both CFD formation and annual administration consulting services.

- City of South San Francisco;
- RPOSD;
- CSCDA (20 CFDs/250 ADs);
- County of Los Angeles;
- City of Paso Robles;
- City of San Mateo;
- City of Stockton; and
- City of Santa Clara.

In addition, Mr. Wekwete has been actively involved in the preparation of dozens of impact fee studies, especially in the area of transportation infrastructure costing, and apportionment of these costs over various land use types based on benefit criteria. His engineering background has enabled him to assist DTA’s Vice President of Engineering Services in applying a variety of apportionment methodologies to the development of fee studies and establishment of Benefit ADs for public sector clients. Mr. Wekwete’s recent work on DIF studies has included engagements for the Cities of Colton, Desert Hot Springs, Fontana, Paso Robles, Perris, and Torrance and the Counties of Riverside, San Bernardino, San Luis Obispo, and Santa Barbara, among others.

Mr. Wekwete also has experience in the preparation of Fiscal Impact Reports (“FIRs”), tax increment analyses, and PFFPs and has performed due diligence services and developed disclosure documentation for land purchasers, public agencies, and lenders.

Mr. Wekwete received his B.S. and M.S. in operations research and industrial engineering from Cornell University and Columbia University, respectively. **He also holds a Series 50 license as a registered Municipal Advisor with the SEC/MSRB under rules promulgated following the Dodd-Frank Act in 2010.**

Steve Runk, P.E.

Vice President, Engineering Services | Steve@FinanceDTA.com

Project Role – Engineer (State License Number C23473 – California Registered Civil Engineer)



Mr. Runk has over 45 years of experience in the design and construction management of major civil engineering projects, including roadways, bridges, sewer and water improvements, and flood control facilities, grading for public works projects, and construction of commercial and industrial buildings. Mr. Runk's specific responsibilities have included design, quality control, specifications, estimates, construction bid packages, construction coordination and management, cost analyses and cost control, scheduling, manpower forecasting, staffing, and marketing. He has also assisted public agencies and developers in the procurement of funding from the California Department of Transportation ("Caltrans") and other federal and state agencies.

Mr. Runk has a proven track record of meeting schedules and adhering to budgets. Since joining DTA in 2000, he has worked with local agencies to resolve community issues and negotiate scope changes with contractors to ensure the timely and satisfactory completion of construction projects. He has also acted as the Project Manager for the establishment of ADs and preparation of numerous AB 1600 DIF justification studies. Mr. Runk specializes in preparing assessment apportionment formulas and fee studies for roads, storm drains, and water and wastewater facilities.

Since 2012, DTA has served as the on-call Assessment Engineer for the City of San Buenaventura's MADs. Mr. Runk, in collaboration with DTA support staff, prepared the Engineer's Report for MAD No. 28 in late 2021. He also assisted with the formation of MAD Nos. 21 through 27, in addition to preparing and submitting updated Engineer's Reports to amend the prior reports for MAD Nos. 17 and 18 to better document their assessment methodologies and conform to Prop 218's strict benefit requirements.

Prior to joining DTA, Mr. Runk, as the Senior Construction Manager for Holmes & Narver, Inc., successfully completed the construction of the SR-41 Freeway in Fresno County, which was the County's first Measure "C" sales tax-funded freeway. Prior to this project, Mr. Runk successfully completed the construction of the SR-71 Freeway in Chino/Chino Hills, California. This \$98 million project was the first Measure "M" sales tax-funded project for the San Bernardino Associated Governments ("SANBAG"). Mr. Runk's responsibilities on both projects included contract management, quality control, public relations, cash flow analyses, project closeout, and compliance with federal and State funding requirements.

Previously, Mr. Runk held positions with various public and private engineering entities in which he delivered projects requiring a wide variety of engineering expertise. He holds a B.S. in engineering from the University of California at Los Angeles and an M.S. in civil engineering from California State University at Long Beach. Mr. Runk is a registered Civil Engineer in the State of California.

Nehal Thumar

Vice President | Nehal@FinanceDTA.com

Project Role – Task Specialist

Since joining DTA in 2000, Mr. Thumar has been involved in all aspects of the formation and implementation of numerous Mello-Roos CFDs located throughout California. His responsibilities related to these CFDs have included the preparation of tax spread proforma analyses, RMAs, Public Reports, and overlapping debt analyses. In addition, Mr. Thumar has managed the annual administration of over 25 CFDs in Southern California and prepared due diligence, tax projections, and Disclosure Reports related to land-secured bond issuances for numerous clients in Arizona, California, and Nevada.



Additionally, Mr. Thumar's involvement in both the CFD formation and annual administration has provided him with a unique perspective. For instance, he has reviewed numerous CFD formation and legal documents from the standpoint of how each CFD may impact interested stakeholders down the line through an annual

administration point of view. This type of exposure to both CFD formation and annual administration has afforded Mr. Thumar the ability to identify any future pitfalls prior to the actual formation of a district.

For your reference, listed below is a sampling of current clients to whom Mr. Thumar provides both district formation and annual administration consulting services.

- Borrego Water District
- City of Anaheim;
- City of Blythe;
- City of Brawley;
- City of Calexico;
- City of Cathedral City;
- City of Los Angeles;
- City of Oceanside;
- County of Imperial;
- County of Imperial;
- County of Los Angeles;
- County of Orange;
- County of San Bernardino;
- County of Santa Barbara;
- Laguna Beach Unified School District;
- Riverside Unified School District;
- San Diego County Fire Protection District; and
- Upland Unified School District.

Mr. Thumar has also prepared Fiscal Impact Reports ("FIRs") for various public agency clients. In addition, he has worked on the preparation of DIF justification studies. His work during the impact fee justification and apportionment analysis process for each respective project has included the preparation of the capital improvement and public facilities needs list(s), fee model development, report writing, data collection, and interactions with city/county staff and key stakeholders.

Mr. Thumar earned an M.B.A. degree with a concentration in finance and a B.A. in economics from the University of Southern California. **He also holds a Series 50 license as a registered Municipal Advisor with the SEC/MSRB under rules promulgated following the Dodd-Frank Act in 2010.**

SCOPE OF WORK

DTA will assist the Los Olivos Community Services District (the “District”) in establishing an AD to fund authorized sewer system services. Our responsibilities under this Scope of Work include the following tasks:

Task 1 – Background Research

DTA will collect information on existing and anticipated land uses, Assessor’s parcels located within the proposed district boundary, and planning information for use in preparing the assessment spread. Data to be gathered includes the following:

- Santa Barbara County (“County”) Assessor records for each of the roughly 400 parcels within the AD;
- Land use data as provided by the District, property owner, outside data sources, and/or site inspections, as necessary;
- Information on services descriptions, cost estimates, and phasing of types of services to be included in the benefit analysis;
- Existing relevant studies of the project area for use in conducting the benefit analysis; and
- Services costs to be assessed. Services costs are to be provided by District staff and/or its consultants.

This task includes the preparation of a database of the roughly 400 parcels within the AD that contains a description and assessment number of each property assessed and the address of the property owner based on the records of the County Assessor’s Office.

Task 2 – Benefit Assessment

DTA will develop a method and formula for the allocation of the costs of proposed assessments to benefitting properties. This task will consist of the following subtasks:

- 2.1 Develop a rationale for the benefit assessment based on the projected benefit to the property;
- 2.2 Identify the boundaries of the AD and benefit subareas based on the level of benefit (if applicable);
- 2.3 Identify the AD’s quantitative Equivalent Dwelling Unit (“EDU”) or Benefit Assessment Unit (“BAU”) factors used to differentiate benefit based on property type (e.g., residential, commercial, industrial, etc.);
- 2.4 Determine the improvements to be included in the AD based on input from the District, property owners, the design engineer, bond counsel, and the engineering analysis of general and special benefit, in addition to preparing a narrative description to include in the Engineer’s Report; and
- 2.5 Develop a benefit spread that allocates assessments to all properties in the AD based on the benefit assessment rationale (Task 2.1) and EDU factors (Task 2.3).

The proposed benefit spread will be proportional to benefit received, legally defensible (relationship between costs allocated and benefit received), sufficient to meet minimum revenue requirements, and politically acceptable. The proposed benefit spread will be submitted to District staff for review prior to the completion of work on the Engineer’s Report.

Task 3 – Preparation of Assessment Diagram

This task entails the preparation of an assessment diagram pursuant to the requirement of the Streets and Highways Code and County Recorder’s Office.

Task 4 – Engineer’s Report

DTA will act as "Engineer of Work" and prepare Preliminary and Final Engineer's Reports pursuant to the requirements of the Streets and Highway Code. As required by law, the report shall contain the following:

- Streets and Highway Code information and tables;
- Description of services and facilities;
- Preliminary and final estimate of costs;
- Assessment diagram;
- Method of assessment spread; and
- Assessment roll with preliminary assessments.

After confirmation of the assessments by the District Board of Directors ("Board"), DTA shall produce the Final Engineer's Report. This report shall include the final costs provided by the District in place of the estimated costs listed in the Preliminary Engineer's Report and make any revisions requested by the District Board.

Deliverable: Draft and Final Engineer’s Report

Task 5 – Public Notices and Ballot Protest Procedure

With assistance from the District’s legal counsel, DTA will prepare and mail notices pursuant to the Municipal Improvement Act of 1913 and Right to Vote on Property Taxes Act. Said notices shall include the following:

- The estimated assessment pertaining to the entire AD;
- The estimated assessment pertaining to each parcel;
- The duration of the assessment;
- The reason for the assessment (e.g., a general description of the services);
- The basis under which the assessment was calculated;
- The date, time, and location of the public hearing;
- A statement that a majority protest from the individuals who have mailed in their ballot (weighted by level of assessment) shall cause the assessment proceedings to be abandoned; and
- A ballot to be mailed by a property owner to the District to declare their support or opposition to the AD.

Task 6 – Meetings and Public Hearings

DTA will attend up to a total of five (5) virtual meetings and one (1) in-person public hearing associated with the formation of the AD. Attendance at any in-person or additional virtual meetings will be billed on a time and materials basis at additional cost, **not to exceed \$2,500**.

Task 7 – Ballot Tabulation

Prior to and at the public hearing, DTA shall tabulate ballots submitted by property owners to determine whether the majority protest exists within the AD. The tabulation log will consist of a computerized database of every parcel within the AD. This tabulation will be completed prior to the close of the public hearing and the results will be provided to the District for the inclusion of public record.

Task 8 – Post-Formation Services

After confirmation of the assessments by the City Council, DTA will provide the following services:

- 8.1 Provide the information necessary for the preparation of the Notice of Cash Collection;

- 8.2 Coordinate the mailing of the Notice of Cash Collection;
- 8.3 Prepare the paid and unpaid list and calculate the new amount to bond after the end of the 30-day cash collection period;
- 8.4 Assist in the preparation of and record the Notice of Assessment, assessment roll, and other necessary documents with the County Recorder's Office; and

Work related to actual bond issuance would be covered under a separate agreement.

FEE PROPOSAL

DTA shall be remunerated for consulting services (as described above in the Scope of Work) on an hourly basis according to the rates set forth in Table 1 below, with invoices being submitted to the District monthly. DTA shall perform the tasks listed under the Scope of Work for a maximum fee of **\$50,000 for Tasks 1-6, plus \$2,500 in out-of-pocket expenses**. Any additional tasks and professional services beyond those described in the Scope of Work will be billed at the hourly rates listed in Table 1 below.

Table 1: DTA's Fee Schedule

Labor Category	Labor Rate
President/Managing Director	\$315/Hour
Senior Vice President	\$290/Hour
Vice President	\$265/Hour
Senior Manager	\$220/Hour
Manager	\$205/Hour
Senior Associate	\$185/Hour
Associate III	\$175/Hour
Associate II	\$165/Hour
Associate I	\$150/Hour
Research Associate II	\$140/Hour
Research Associate I	\$125/Hour

Upon the City's request, potential extended services include attending meetings in addition to those specified in the Scope of Work, providing noticing/balloting services, if any assessments are increased per Prop 218 guidelines, assisting with the formation of any new district, including CFDs, and conducting all annexations to the district, providing testimony in court of time to prepare for a suit of any kind, and informing the City of any new, or changes to existing, laws related to Landscape & Lighting Districts. Any work on these extended services shall be billed on a time and materials basis at additional cost at the hourly rates listed in Table 1.

Budget for a Prop 218 mail-ballot is not included herein. DTA shall provide a not-to-exceed budget for election support services at the time of commencement of such services. Our experience has been that the consulting services costs associated with our prior Prop 218 elections have varied depending upon the size of and number of Assessor parcels to be included in the mail-ballot, amount of property owner support or opposition, level of contribution to our workload from municipal staff, and other factors. Without knowing the scope of services required for the Prop 218 election, it is difficult to establish a maximum budget at this point in time. In addition to ballot/notice design and tabulation support, we estimate a printing and mailing billing rate of \$2.50 per parcel based on prior mailings. Actual mailing costs will be finalized once an official quote is received from a vendor.

Out-of-pocket and administrative expenses shall be equal to 3% of DTA's billings for labor, plus any outside vendor payments, not to exceed a total of \$2,500. All hourly rates for services apply through June 30, 2026, and are subject to a cost-of-living increase at that time. On or about the first two weeks of each month during which consulting services are rendered hereunder, DTA shall present to the District an invoice covering the current consulting services performed and reimbursable expenses incurred pursuant to the agreement and exhibits thereto. Such invoices shall be paid by the District within 30 days of the date of each invoice. A 1.2% monthly charge may be imposed against accounts that are not paid within 30 days of the date of each invoice. DTA shall stop all work on the project if payment is not received within 45 days of submittal of an invoice.

A Disclaimer

While DTA has a fiduciary responsibility as a licensed Municipal Advisor, DTA is not, unless otherwise stipulated, acting as the District's Municipal Advisor. The services discussed herein do not constitute any financial advice or fall under the category of municipal advisory services as defined by the SEC.

B Limitations

This budget covers only those tasks outlined in the Scope of Work. Additional consulting services beyond Additional consulting services beyond the tasks listed in the Scope of Work ("Additional Work") may require additional fees if they cause total hourly fees to exceed the proposed budget to be determined. If the tasks listed in the Scope of Work are not completed within 12 months, at any point thereafter, DTA may request an increase in the maximum fee if total hourly billings to date exceed the proposed compensation level listed above. Other Additional Work shall include:

- Additional analyses based on revised land use assumptions or changes in improvements or improvement costs;
- Research performed by DTA to obtain data that was the responsibility of the District or County, as listed in Scope of Work;
- Attendance at more than one (1) in-person meeting, more than five (5) virtual meetings, or extended conversations with property owners and homeowners' groups;
- Establishment of zones which would require multiple analyses, Engineer's Report preparation, maps, etc., to cover each additional zone;
- Extended discussions or negotiations with the District Board, property owners, developers, and other parties associated with the AD formation;
- Preparing and administering ballots, in addition to the tabulation of ballots;
- Additional work due to the inclusion of capital facilities to be funded by the AD; and
- Creation of a base project map for the purposes of preparing the AD boundary map.

Wallace Group Team Resource Estimate for the Los Olivos CSD -Phase 1																						BUDGET SUMMARY	
PHASE / TASK No.	TASK DESCRIPTION	PRINCIPAL HRS	DIRECTOR HRS	SENIOR ENGINEER III HRS	ENGINEER III HRS	ENGINEER II HRS	ASSOCIATE ENGINEER II HRS	SENIOR DESIGNER III HRS	RESIDENT ENGINEER III HRS	SENIOR LAND SURVEYOR III HRS	LAND SURVEYOR II HRS	SURVEY TECHNICIAN III HRS	SURVEY TECHNICIAN I HRS	PARTY CHIEF* HRS	INSTRUMENT PERSON* HRS	PROJECT ASSISTANT III HRS	OTTO ELECTRIC COST	DTA COST	Misc. Direct Costs COST	TOTAL LABOR HOURS HRS	WG LABOR \$	TOTAL COST \$	
	RATE	\$280	\$228	\$225	\$188	\$183	\$150	\$186	\$195	\$208	\$180	\$155	\$140	\$250	\$150	\$145							
1.1	Project Management	36	16	12												6				70	\$17,298	\$17,298	
1.2	Kick-Off Meeting	8	8	8		10													\$88	34	\$7,694	\$7,782	
1.3	Project Meetings	30	30	30	20	20	20	20											\$75	170	\$36,130	\$36,205	
1.4	Board Meetings	6					4												\$75	10	\$2,280	\$2,355	
1.5	QA/QC	32	6						12											50	\$12,668	\$12,668	
2.1	Project Report	16	40	24	40	16	60	16									\$5,000			212	\$41,424	\$46,424	
2.2	Preliminary Design (30%)	12	48	30	40	40	120	480												770	\$143,174	\$143,174	
3.1	Survey		35							20	40	125	125	160	160				\$14,000	665	\$120,215	\$134,215	
7.0	Assessment District Formation																						
7.1	Assessment District Formation - DTA																	\$52,500				\$52,500	
7.2	Assessment District Formation - WG	40																		40	\$11,200	\$11,200	
	SUB-TOTALS	180	183	104	100	86	204	516	12	20	40	125	125	160	160	6	\$5,000	\$52,500	\$14,238	2,021		\$463,821	
	WALLACE GROUP LABOR COSTS	\$50,400	\$41,724	\$23,400	\$18,800	\$15,738	\$30,600	\$95,976	\$2,340	\$4,160	\$7,200	\$19,375	\$17,500	\$40,000	\$24,000	\$870							\$392,083
	WALLACE GROUP DIRECT COSTS																					\$14,238	
	SUBCONSULTANT DIRECT COSTS																					\$57,500	
	DIRECT COSTS OVERHEAD @ 15%																					\$10,761	
	TOTAL																					\$474,581	

Task Budgets may fluctuate within Overall Budget
* Designates Prevailing Wage

WALLACE GROUP CORPORATE

Wallace Group Team Resource Estimate for the Los Olivos CSD -Phase 1																						BUDGET SUMMARY	
PHASE / TASK No.	TASK DESCRIPTION	PRINCIPAL HRS	DIRECTOR HRS	SENIOR ENGINEER III HRS	ENGINEER III HRS	ENGINEER II HRS	ASSOCIATE ENGINEER II HRS	SENIOR DESIGNER III HRS	RESIDENT ENGINEER III HRS	SENIOR LAND SURVEYOR III HRS	LAND SURVEYOR II HRS	SURVEY TECHNICIAN III HRS	SURVEY TECHNICIAN I HRS	PARTY CHIEF* HRS	INSTRUMENT PERSON* HRS	PROJECT ASSISTANT III HRS	OTTO ELECTRIC COST	DTA COST	Misc. Direct Costs COST	TOTAL LABOR HOURS HRS	WG LABOR \$	TOTAL COST \$	
	RATE	\$280	\$228	\$225	\$188	\$183	\$150	\$186	\$195	\$208	\$180	\$155	\$140	\$250	\$150	\$145							
1.1	Project Management	36	16	12												6				70	\$17,298	\$17,298	
1.2	Kick-Off Meeting	8	8	8		10													\$88	34	\$7,694	\$7,782	
1.3	Project Meetings	30	30	30	20	20	20	20											\$75	170	\$36,130	\$36,205	
1.4	Board Meetings	6					4												\$75	10	\$2,280	\$2,355	
1.5	QA/QC	32	6						12											50	\$12,668	\$12,668	
2.1	Project Report	16	40	24	40	16	60	16									\$5,000			212	\$41,424	\$46,424	
2.2	Preliminary Design (30%)	12	48	30	40	40	120	480												770	\$143,174	\$143,174	
3.1	Survey		35							20	40	125	125	160	160				\$14,000	665	\$120,215	\$134,215	
7.0	Assessment District Formation																						
7.1	Assessment District Formation - DTA																						
7.2	Assessment District Formation - WG																						
	SUB-TOTALS	140	183	104	100	86	204	516	12	20	40	125	125	160	160	6	\$5,000		\$14,238	1,981		\$400,121	
	WALLACE GROUP LABOR COSTS	\$39,200	\$41,724	\$23,400	\$18,800	\$15,738	\$30,600	\$95,976	\$2,340	\$4,160	\$7,200	\$19,375	\$17,500	\$40,000	\$24,000	\$870							\$380,883
	WALLACE GROUP DIRECT COSTS																					\$14,238	
	SUBCONSULTANT DIRECT COSTS																					\$5,000	
	DIRECT COSTS OVERHEAD @ 15%																					\$2,886	
	TOTAL																					\$403,006	

Task Budgets may fluctuate within Overall Budget
* Designates Prevailing Wage

WALLACE GROUP CORPORATE

Wallace Group Team Resource Estimate for the Los Olivos CSD - 90% Design & Cost Estimating WW Collection & Conveyance																										BUDGET SUMMARY	
PHASE / TASK No.	TASK DESCRIPTION	PRINCIPAL	PRINCIPAL ENGINEER	DIRECTOR	SENIOR ENGINEER III	ENGINEER III	ENGINEER II	ASSOCIATE ENGINEER II	SENIOR DESIGNER III	RESIDENT ENGINEER III	SENIOR LAND SURVEYOR III	LAND SURVEYOR II	SURVEY TECHNICIAN III	SURVEY TECHNICIAN I	PARTY CHIEF*	INSTRUMENT PERSON*	PROJECT ASSISTANT III	EARTH SYSTEMS	OTTO ELECTRIC	MURPHY STRUCTURAL	POTHOLING SUB	Misc. Direct Costs	TOTAL LABOR HOURS				
		HRS	HRS	HRS	HRS	HRS	HRS	HRS	HRS	HRS	HRS	HRS	HRS	HRS	HRS	HRS	HRS	COST	COST	COST	COST	COST	HRS	WG LABOR \$	TOTAL COST \$		
	RATE	\$280	\$255	\$228	\$225	\$188	\$183	\$150	\$186	\$195	\$208	\$180	\$155	\$140	\$250	\$150	\$145										
1.1	Project Management	72		36	24												10						142	\$35,218	\$35,218		
1.2	Kick-Off Meeting																										
1.3	Project Meetings	72		72	72	52	52	52	52													\$150	424	\$89,540	\$89,690		
1.4	Board Meetings	6						4														\$75	10	\$2,280	\$2,355		
1.5	QA/QC	170		24						48													242	\$62,432	\$62,432		
2.1	Project Report																										
2.2	Preliminary Design (30%)																										
3.1	Survey			35							20	40	125	125	130	130							605	\$108,215	\$108,215		
3.2	Geotechnical Investigation																	\$250,000							\$250,000		
3.3	Potholing	6		10	8	16	60	100	100												\$250,000		300	\$53,348	\$303,348		
4.1	60% Design Documents																										
	Plans	20		138	80	130	80	160	260													\$150	868	\$166,504	\$166,654		
	Estimate	8		24	24	40	40		32														168	\$33,904	\$33,904		
4.2	90% Design Documents																										
	Plans	20		138	80	130	80	160	260										\$40,000	\$25,000		\$150	868	\$166,504	\$231,654		
	Estimate	8		24	24	40	40		32														168	\$33,904	\$33,904		
5.0	Easement Identification		40	16							56	72												184	\$38,456	\$38,456	
6.1	Environmental Permits	16	64	8					12															100	\$24,856	\$24,856	
6.2	Other Permits		40				40	16																96	\$19,920	\$19,920	
	SUB-TOTALS	398	144	525	312	408	392	492	748	48	76	112	125	125	130	130	10	\$250,000	\$40,000	\$25,000	\$250,000	\$525	4,175		\$1,400,606		
	WALLACE GROUP LABOR COSTS	\$111,440	\$36,720	\$119,700	\$70,200	\$76,704	\$71,736	\$73,800	\$139,128	\$9,360	\$15,808	\$20,160	\$19,375	\$17,500	\$32,500	\$19,500	\$1,450								\$835,081		
	WALLACE GROUP DIRECT COSTS																								\$525		
	SUBCONSULTANT DIRECT COSTS																								\$565,000		
	DIRECT COSTS OVERHEAD @																								15%	\$84,829	
	TOTAL																								\$1,485,435		

Task Budgets may fluctuate within Overall Budget
* Designates Prevailing Wage

WALLACE GROUP CORPORATE

END OF EXHIBIT B

SCOPE OF WORK

EXHIBIT “C”

COMPENSATION AND TIMING

The total compensation for the Project is budgeted at:

Phase 1 Option A - 30% without survey effort: \$267,000 (Two Hundred Sixty-seven Thousand dollars)

Phase 1 Option B - 30% with survey effort: \$403,000 (Four Hundred Three Thousand dollars)

Phase 1 Option C - 30% without survey effort with Assessment Engineering (dta): \$338,000 (Three Hundred Thirty-eight Thousand Dollars)

Phase 1 Option D - 30% with survey effort and with Assessment Engineering (dta): \$474,581 (Four Hundred Seventy-Four Thousand, Five Hundred and Eighty-one dollars)

Phase 2: \$1,485,435 (One Million, Four Hundred Eighty-Five Thousand, Four Hundred and Thirty-five dollars).

Parties recognize that the District’s Board of Directors usually meets on the second Wednesday of each month. Parties further recognize that the District’s Board of Directors must approve all invoices from Consultant for payment. To facilitate prompt payment, Consultant agrees to furnish invoices electronically to the District’s Project Manager and to submit invoices on or before the last day of each month. The Consultant further understands and agrees that invoices submitted after the first of any month may be delayed in payment by up to an additional thirty (30) days.

END OF PAGE

**ITEM 8B – GENERAL MANAGER AND DISTRICT ENGINEER
COMMENTS**

GENERAL MANAGER AND DISTRICT ENGINEER COMMENTS

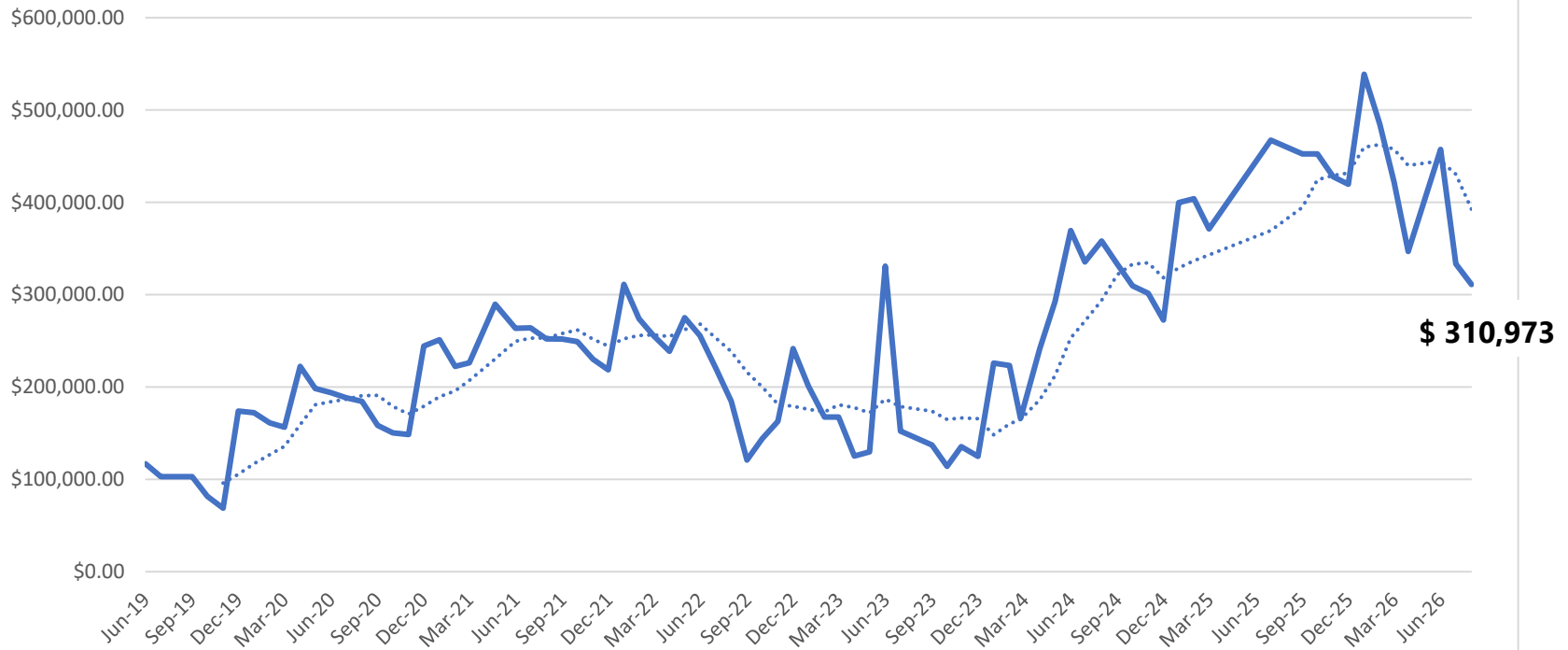
Summary Project Status Report

- Another PRA from deWerd
- 30/30 Design Activities – Wallace Group (WG)
 - 30/30 Complete
 - Moving toward Phase 2 design – agenda tonight
- EPA/CAWAG (ERG) consulting effort. Continuing to work with EPA representatives regarding free consulting they provide.
 - Met with RCAC - discussion was on rate calculations
- Financing - Follow up regarding WRDA – outreach to Corps
 - Increase of WRDA bill allotment from \$4 million to \$30 million – work being completed by Congressman Carbajal's office
- Financing – working on with County regarding \$250k grants and \$750 loan
- FY 2025-26 Audit work has already begun

Priorities:

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

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





COSB - Balance Sheet (Debit/Credit Summary)

10:49 AM

08/05/2026

Page 1 of 1

Ledger: Actuals

Period: FY 2026-27 - Jul

Fund: FD-3490 Los Olivos CSD

Book: Modified Accrual

Additional Options: Report by Accounting Date using Plan Structure

As of: 07/31/2026

Accounting Period: Open

Ledger Account	Beginning Balance	Year-To-Date	Year-To-Date	Ending Balance
	07/01/2026	Debits	Credits	07/31/2026
Assets				
1000:Cash in Treasury	333,413.05	19,322.84	41,762.42	310,973.47
1130:Interest Receivable	3,731.07	0.00	3,731.07	0.00
Total Assets	337,144.12	19,322.84	45,493.49	310,973.47
Total Assets and Deferred Outflows of Resources	337,144.12	19,322.84	45,493.49	310,973.47
Liabilities				
3000:Accounts Payable	0.00	31,248.72	31,248.72	0.00
Total Liabilities	0.00	31,248.72	31,248.72	0.00
Equity				
Total Non-Residual Equity	0.00	0.00	0.00	0.00
5025:Fund Balance-Residual	337,144.12	41,762.42	15,591.77	310,973.47
Total Equity	337,144.12	41,762.42	15,591.77	310,973.47
Total Liabilities, Deferred Inflows of Resources, & Equity	337,144.12	73,011.14	46,840.49	310,973.47



COSB - Budget vs Actual (Financial Status)

10:47 AM

08/05/2026

Page 1 of 1

Period: FY 2026-27 - Aug

Fund: FD-3490 Los Olivos CSD

Book: Modified Accrual

Additional Options: Report by Accounting Date using Plan Structure

As of: 08/05/2026 (10% Elapsed)

Accounting Period: Open

Ledger Account	06/30/2027	08/05/2026				06/30/2027	
	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
Revenues							
6000:Taxes	0.00			(0.50)	(0.50)	(0.50)	0.00%
6250:Intergovernmental Revenue-Other	0.00			5,078.57	5,078.57	5,078.57	0.00%
Total Revenues	0.00			5,078.07	5,078.07	5,078.07	0.00%
Expenditures							
7020:Services and Supplies	0.00			31,248.72	31,248.72	(31,248.72)	0.00%
Total Expenditures	0.00			31,248.72	31,248.72	(31,248.72)	0.00%
Net Financial Impact	0.00			(26,170.65)	(26,170.65)	(26,170.65)	0.00%



COSB - Budget vs Actual (Expenditure Status)

10:50 AM

08/05/2026

Page 1 of 1

Period: FY 2026-27 - Jul

Fund: FD-3490 Los Olivos CSD

Additional Options: Report by Accounting Date using Plan Structure

As of: 07/31/2026 (8% Elapsed)

Accounting Period: Open

Ledger Account	06/30/2027	07/31/2026				06/30/2027	
	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
Expenditures							
7020:Services and Supplies	0.00			31,248.72	31,248.72	(31,248.72)	● 0.00%
Total Expenditures	0.00			31,248.72	31,248.72	(31,248.72)	● 0.00%
Total Uses of Funds	0.00			31,248.72	31,248.72	(31,248.72)	● 0.00%



July 14, 2026

Guy Savage
General Manager
Los Olivos Community Services District
Post Office Box 345,
Los Olivos, California 93441

Re: President's Special Acknowledgement Award – Property/Liability Program

Dear Guy,

On behalf of SDRMA Board of Directors and staff, it is my great pleasure to extend our congratulations to you, your governing body at Los Olivos Community Services District management, and staff on achieving no paid claims for the Property/Liability Program years 2021-2026. A paid claim for the purposes of this recognition represents the first payment on an open claim during the prior program year and excludes property claims.

As a symbol of our appreciation and acknowledgment of your exceptional performance, we are pleased to present Los Olivos Community Services District with the *President's Special Acknowledgement Award*, representing your outstanding achievement. In addition to this annual recognition, members with no paid claims receive the following, all resulting in a reduction to their annual contribution amount:

- earned one credit incentive point (CIP) for the 2025-26 program year
- for the prior five consecutive program years earned three additional bonus CIPs

This accomplishment is a testament to your agency's commitment to risk management excellence and a culture of safety and proactive governance. By consistently prioritizing risk management and fostering an environment where safety is essential, your agency has set a standard of excellence that is truly commendable.

Your commitment to safety and continuous improvement helps inspire and encourage fellow SDRMA members, and we are proud to partner with Adin Community Services District as part of our SDRMA community.

Once again, congratulations on this achievement. Please do not hesitate to reach out if there is anything we can do to support your continued success.

Sincerely,

Robert J. Swan, President
Board of Directors
Special District Risk Management Authority





President's Special Acknowledgement Award

The President of the Special District Risk Management Authority

Hereby gives special recognition to

Los Olivos Community Services District

The President's Special Acknowledgement Award is to recognize members with no "paid" claims during the prior five consecutive program years in the Property/Liability Program. A "paid" claim for the purposes of this recognition represents the first payment on an open claim during that same period and excludes property claims. Congratulations on your excellent claims record!

Robert J. Swan
Robert J. Swan, SDRMA Board President

7/14/2026

Date