

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



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

**Posted: 3-6-2023**

**March 10, 2023 – 9:00 AM**

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

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

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

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

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

Zoom: <https://us06web.zoom.us/j/84446258300?pwd=dkxCZXZvREJTSWxDTkIwVDVmQllrZz09>  
 By Phone: +1 669 900 6833 US (San Jose) Meeting ID: 844 4625 8300 Passcode: 825604  
 One tap mobile: +16699006833,,84446258300#,,,,\*825604# US (San Jose)

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

**MEETING AGENDA**

**1. CALL TO ORDER**

**2. ROLL CALL**

**3. DIRECTOR COMMENTS**

Directors will give reports on any meetings that they attended on behalf of the Committee and/or choose to comment on various Committee activities.

**4. PUBLIC COMMENTS**

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

**5. ADMINISTRATIVE AGENDA**

**A. APPROVAL OF MEETING MINUTES**

Finance Committee Meeting Minutes of February 7, 2023.

**6. BUSINESS ITEMS**

**A. Review and recommend to full Board of Directors’ payment of invoices received by March 3, 2023.**

No.	Invoice Date	Invoice #	Provider	Amount
1.	1/18/2023	82187	MNS Invoice – Engineering and Support Services	\$ 2,302.50
2.	2/21/2023	82448	MNS Invoice – Engineering and Support Services	\$ 2,716.50

3.	2/9/2023	00876.001-23	GSI – Groundwater Monitoring Well	\$ 4,206.25
4.	2/17/2023	1228	Regen – Engineering Services	\$ 9,220.00
5.	3/1/2023	20232	Savage – General Manager services	\$ 3,847.50

Project	Vendor	To Date (inc. above)	Remaining Authorization
Effluent Study	GSI	\$ 15,317.50	\$ 4,182.50
Effluent Study	ConfluenceES	\$ 19,421.20	\$ 1,578.80
Groundwater Monitoring	GSI	\$ 94,287.52	\$ 1,612.48
Audit	Moss, Levy & Hartzheim, LLP	\$ 0	\$ 7,775.00
Technical Recommendation	REGEN	\$ 9,220.00	\$ 1,680.00

B. Review Budget Reports (See Packet)

C. Independent Auditor's Report FY 2018-19

**7. ADJOURNMENT**

**ITEM 5A - MINUTES TO APPROVE**

**MINUTES TO APPROVE**

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



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

**Posted: 2-3-2023**

**February 7, 2023 – 9:00 AM  
St Mark's in the Valley Episcopal Church  
2901 Nojoqui Ave, Los Olivos CA 93441**

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

**Finance Committee: President Tom Fayram, Director Lisa Palmer, and General Manager Guy Savage**

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By Phone: +1 669 900 6833 US (San Jose) Meeting ID: 844 4625 8300 Passcode: 825604  
One tap mobile: +16699006833,,84446258300#,,,,\*825604# US (San Jose)

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**MEETING AGENDA**

**1. CALL TO ORDER**

**President Fayram calls the meeting to order at 9:04AM.**

**2. ROLL CALL**

**President Fayram requests a roll call be taken.**

PRESENT: President Fayram, Director Palmer, General Manager Savage

ABSENT: None

**3. DIRECTOR COMMENTS**

Directors will give reports on any meetings that they attended on behalf of the Committee and/or choose to comment on various Committee activities.

No comments.

**4. PUBLIC COMMENTS**

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

No public in attendance.

**5. ADMINISTRATIVE AGENDA**

**A. APPROVAL OF MEETING MINUTES**

Finance Committee Meeting Minutes of January 5, 2023.

**Motion to approve the Meeting Minutes of January 5, 2023.**

**Motion By: Director Palmer, Second: President Fayram**

**AYES:** President Fayram, Director Palmer, General Manager Savage

**NOES:** None

**ABSTAIN:** None

**6. BUSINESS ITEMS**

**A. Review and recommend to full Board of Directors' payment of invoices received by February 2, 2023.**

No.	Invoice Date	Invoice #	Provider	Amount
1.	1/2/2023	1071	ConfluenceES – Effluent Study	\$ 9,871.20
2.	9/13/2022	00876.001-18	GSI – Groundwater Monitoring Well (Aug)	\$ 510.00
3.	11/7/2022	00876.001-20	GSI – Groundwater Monitoring Well (Oct)	\$ 3,265.00
4.	1/12/2023	00876.001-22	GSI – Groundwater Monitoring Well (Dec)	\$ 1,931.25
5.	9/13/2022	00876.003-3	GSI – Effluent Study (Aug)	\$ 4,103.75
6.	11/7/2022	00876.003-5	GSI – Effluent Study (Oct)	\$ 1,918.75
7.	12/20/2022	73138	Aleshire & Wynder – Legal Services (y/e 2022)	\$ 3,628.48
8.	2/2/2023	73437	Aleshire & Wynder – Legal Services (Jan 2023)	\$ 2,464.00
9.	1/31/2023	20231	Savage – General Manager services	\$ 6,029.27

Project	Vendor	To Date (inc. above)	Remaining
Effluent Study	GSI	\$ 15,317.50	\$ 4,182.50
Effluent Study	ConfluenceES	\$ 19,421.20	\$ 1,578.80
Groundwater Monitoring	GSI	\$ 90,081.27	\$ 5,818.73
Audit	Moss, Levy & Hartzheim, LLP	\$ 0	\$ 7,775.00
Technical Recommendation	REGEN	\$ 0	\$ 10,900.00

**Motion to approve the invoices as presented.**

**Motion By: President Fayram, Second: Director Palmer**

**AYES:** President Fayram, Director Palmer, General Manager Savage

**NOES:** None

**ABSTAIN:** None

**B. Review Budget Reports (See Packet)**

GM Savage notes that the grant with County EHS concluded as of 12/31/2022. He adds that given the scope of work for the EHS grant and the timelines originally proposed, not all of the funding from the grant will be received by the District. Reconciliation will continue over the next month or two. He adds that he is working with County EHS on possible other opportunities for grants that could include additional groundwater monitoring wells.

**7. ADJOURNMENT**

**Motion to adjourn at 9:16AM.**

**Motion By: General Manager Savage, Second: Director Palmer**

**AYES:** President Fayram, Director Palmer, General Manager Savage

**NOES:** None

**ABSTAIN:** None

Respectfully submitted:



Guy W. Savage

General Manager – Los Olivos Community Services District

Approved:

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Lisa Palmer,  
President

# ITEM 6A - INVOICE PAYMENT

INVOICE PAYMENT



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

Main: 805 692 6921

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

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

January 18, 2023

Project No: LOCD.180392.00

Invoice No: 82187

Los Olivos Community Services District

P.O. Box 553

Los Olivos, CA 93441

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

This Invoice includes:

1. General District Support Tasks: \$735.00
2. Engineering Tasks:
  - a. Effluent Disposal Study: \$0
  - b. Monitoring well engineering and permitting support: \$0.00
  - c. Assessment Engineer: \$92.50
  - d. General Engineering Tasks: \$370.00
  - e. Grant Support: \$1,105.00 (WRE Draft Support)
3. PRA Request: \$0

**Professional Services for the Period: December 1, 2022 to December 31, 2022**

Level 2 TASK01 District Management

**Professional Personnel**

	Hours	Rate	Amount
Administrative Support			
Project Coordinator	7.00	105.00	735.00
Totals	7.00		735.00
<b>Total Labor</b>			<b>735.00</b>
		<b>Level 2 Subtotal</b>	<b>\$735.00</b>

Level 2 TASK02 Engineering Tasks

**Professional Personnel**

	Hours	Rate	Amount
Project Management			
District Engineer	5.50	185.00	1,017.50



Project	LOCSD.180392.00	District Support Services	Invoice	82187
Fund Development/Grant Applications				
	Administrative Analyst	5.00	110.00	550.00
	Totals	10.50		1,567.50
	<b>Total Labor</b>			<b>1,567.50</b>
			<b>Level 2 Subtotal</b>	<b>\$1,567.50</b>
			<b>Current Invoice Amount</b>	<b>\$2,302.50</b>

**Outstanding Invoices**

Number	Date	Balance
81166	9/9/2022	3,485.00
81982	12/20/2022	5,875.00
<b>Total</b>		<b>9,360.00</b>

# Billing Backup

Tuesday, February 21, 2023

MNS Engineers, Inc.

Invoice 82187 Dated 1/18/2023

4:28:26 PM

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

**Professional Personnel**

	Hours	Rate	Amount
Administrative Support			
Project Coordinator			
Zepeda, Mary	12/1/2022	.50	105.00
			52.50
File A&W and 2023 CSDA New Billing and Update Budget Tracking Log; Follow-up with GS re Financial Audit Availability			
Zepeda, Mary	12/15/2022	.50	105.00
			52.50
Attend LOCSA Audit Kickoff Meeting			
Zepeda, Mary	12/16/2022	2.50	105.00
			262.50
Prepare GSI, MNS Confluence A&W (3), B2E, GWS, CSDS, GSI, GWS, MNS Invoices for payment via FIN; Update Budget Tracking Log			
Zepeda, Mary	12/19/2022	3.00	105.00
			315.00
Finalize GSI, MNS Confluence A&W (3), B2E, GWS, CSDS, GSI, GWS, MNS Invoices for payment via FIN; Create and Process Single Payment Claims for A&W (3), B2E, GWS, CSDS, GSI, GWS, MNS Invoices for DP; Update Budget Tracking Log; Follow-up with SBC AH re JE-0239818 FIN Quarterly Billing Disbursement			
Zepeda, Mary	12/20/2022	.50	105.00
			52.50
Upload and File MNS (2) New Billing and FIN Supporting Documentation with IA for 12/19/22 Payment; Update Budget Tracking Log			
Totals		7.00	735.00
<b>Total Labor</b>			<b>735.00</b>
			<b>Level 2 Subtotal</b>
			<b>\$735.00</b>

Level 2	TASK02	Engineering Tasks		
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**Professional Personnel**

	Hours	Rate	Amount
Project Management			
District Engineer			
Pike, Douglas	12/9/2022	.50	185.00
			92.50
Mtg w/Guy re: NV5 Proposal & Workshops			
Pike, Douglas	12/13/2022	2.50	185.00
			462.50
Draft Report SWRF & Submit			
Pike, Douglas	12/14/2022	1.50	185.00
			277.50
Attend District Meeting, Report of SWRF Grant Report status			
Pike, Douglas	12/15/2022	.50	185.00
			92.50
Auditor Meeting			
Pike, Douglas	12/16/2022	.50	185.00
			92.50
Upload Draft Reepport to State FAAST System			
Fund Development/Grant Applications			
Administrative Analyst			
Reineke, Elizabeth	12/30/2022	5.00	110.00
			550.00

Work on compiling information to go into the Construction Permit  
for the CWSRF Grant Applicatin for Los Olivos

Totals	10.50	1,567.50	
<b>Total Labor</b>			<b>1,567.50</b>

<b>Level 2 Subtotal</b>	<b>\$1,567.50</b>
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<b>Project Total</b>	<b>\$2,302.50</b>
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<b>Total this Report</b>	<b>\$2,302.50</b>
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201 N. Calle Cesar Chavez | Suite 300  
Santa Barbara, CA 93103

Main: 805 692 6921

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

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

February 21, 2023

Project No: LOCS.D.180392.00

Invoice No: 82448

Los Olivos Community Services District

P.O. Box 553

Los Olivos, CA 93441

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

This Invoice includes:

1. General District Support Tasks: \$958.75
2. Engineering Tasks:
  - a. Effluent Disposal Study: \$0.00
  - b. Monitoring well engineering and permitting support: \$0.00
  - c. Assessment Engineer: \$0.00
  - d. General Engineering Tasks: \$277.50
  - e. Grant Support: \$1,480.00 (WRF Draft Support)
3. PRA Request: \$0.00

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

Level 2 TASK01 District Management

**Professional Personnel**

	Hours	Rate	Amount	
Administrative Support				
Project Coordinator	8.25	105.00	866.25	
Project Management				
District Engineer	.50	185.00	92.50	
Totals	8.75		958.75	
<b>Total Labor</b>				<b>958.75</b>
		<b>Level 2 Subtotal</b>		<b>\$958.75</b>

Level 2 TASK02 Engineering Tasks

**Professional Personnel**

	Hours	Rate	Amount	
Project Management				
District Engineer	9.50	185.00	1,757.50	
Totals	9.50		1,757.50	
<b>Total Labor</b>				<b>1,757.50</b>
		<b>Level 2 Subtotal</b>		<b>\$1,757.50</b>
		<b>Current Invoice Amount</b>		<b>\$2,716.25</b>

**Outstanding Invoices**

Number	Date	Balance
82187	1/18/2023	2,302.50
<b>Total</b>		<b>2,302.50</b>

# Billing Backup

Tuesday, February 21, 2023

MNS Engineers, Inc. Invoice 82448 Dated 2/21/2023 10:51:01 AM

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

**Professional Personnel**

	Hours	Rate	Amount
Administrative Support			
Project Coordinator			
Zepeda, Mary	1/12/2023	3.50	105.00
Prepare ConfluenceES, GSI (2), GWS, MNS(2), NV5 Invoices for payment via FIN; Follow-Up with DM re GSI Outstanding Invoices; Update Budget Tracking Log			
Zepeda, Mary	1/13/2023	3.50	105.00
Create and Process Single Payment Claims for ConfluenceES, GSI (2), GWS, MNS(2), NV5 Invoices for DP; Follow-Up with DM re GSI Outstanding Invoices and Update Budget Tracking Log; Follow-up with SBC Auditor Help Desk re need for Existing Vendor Update due to GSI office relocation.			
Zepeda, Mary	1/17/2023	1.25	105.00
Research FIN Inbox Notification for DP; Contact SBC Auditor Help Desk to confirm steps needed to address Vendor Remittance Address Change; Submit Ven Mod for GSI for DP			
Project Management			
District Engineer			
Pike, Douglas	1/3/2023	.50	185.00
Audit File links to Alexander Hom <ahom@mlhcpas.com>			
Totals		8.75	958.75
<b>Total Labor</b>			<b>958.75</b>
<b>Level 2 Subtotal</b>			<b>\$958.75</b>

Level 2	TASK02	Engineering Tasks		
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**Professional Personnel**

	Hours	Rate	Amount
Project Management			
District Engineer			
Pike, Douglas	1/11/2023	1.50	185.00
State Water Board Communications with Jody Hack, Attend Board Meeting/Workshop			
Pike, Douglas	1/17/2023	3.00	185.00
RWF Grant Draft Report Update			
Pike, Douglas	1/28/2023	5.00	185.00
State Recycled Water Feasibility Report			
Totals		9.50	1,757.50
<b>Total Labor</b>			<b>1,757.50</b>
<b>Level 2 Subtotal</b>			<b>\$1,757.50</b>
<b>Project Total</b>			<b>\$2,716.25</b>
<b>Total this Report</b>			<b>\$2,716.25</b>



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

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

February 09, 2023  
 Invoice No: 00876.001 - 23

Project 00876.001 Groundwater Quality Management Services

- Prepare technical memo for Monitoring Wells
- Review water quality results
- Project management

**Professional Services from January 1, 2023 to January 31, 2023**

Task .004 Technical Memorandum and Submittals

**Labor**

	Hours	Rate	Amount
Principal Consultant			
Thompson, Timothy	6.50	265.00	1,722.50
Managing Geologist			
Lapostol, Andres	13.75	135.00	1,856.25
Project Geologist			
Gauthier, John	4.00	130.00	520.00
GIS/Graphics/Database			
Palmer, Nicole	.50	125.00	62.50
Administration			
Steensma, Nancy	.50	90.00	45.00
Totals	25.25		4,206.25
<b>Total Labor</b>			<b>4,206.25</b>
<b>Total this Task</b>			<b>\$4,206.25</b>

**Project Summary**

	Current Period	Prior Periods	Invoiced to Date
Total Billings	4,206.25	90,081.27	94,287.52
Authorized Budget			95,900.00
Budget Remaining			1,612.48
<b>Total this Invoice</b>			<b>\$4,206.25</b>

**Outstanding Invoices**

Number	Date	Balance
18	9/13/2022	510.00
20	11/7/2022	3,265.00
22	1/12/2023	1,931.25
<b>Total</b>		<b>5,706.25</b>

**Regen, PLLC**

213 S 11th St  
ID US  
+1 2087948558  
accounting@regenaec.com



**INVOICE**

**BILL TO**  
Guy Savage  
PO Box 345  
Los Olivos, CA 93441

**INVOICE** 1228  
**DATE** 02/17/2023  
**TERMS** Due on receipt  
**DUE DATE** 02/17/2023

DATE	ACTIVITY	DESCRIPTION	QTY	RATE	AMOUNT
02/17/2023	Consulting	Technical Memorandum Wastewater Treatment / Dispersal Alternatives Review & Recommendations	34	250.00	8,500.00
02/17/2023	Consulting	Technical Writer	6	120.00	720.00
<b>BALANCE DUE</b>					<b>\$9,220.00</b>



# INVOICE

**FROM:**

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

**BILL TO:**

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

**Invoice # 20232**  
**Invoice Date: 3/1/2023**

Dear President Fayram,

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

Date	Description	Units	Rate	Amount
3/1/2023	General Manager Services - LOCSD (2/1/23-2/28/23) See Attached for Details	28.5	\$ 135.00	\$ 3,847.50
<b>Total</b>				<b>\$ 3,847.50</b>

Thank you for your continued support.



Date	Description	Hours	Rate	Amount
2-Feb	Waterboards - funding opportunities	1	\$ 135.00	\$ 135.00
3-Feb	SYVRWCD - Kevin Walsh / Bill Buelow	2.25	\$ 135.00	\$ 303.75
	Finance Agenda	2	\$ 135.00	\$ 270.00
6-Feb	Regular Agenda	1	\$ 135.00	\$ 135.00
7-Feb	Finance meeting and minutes	1.25	\$ 135.00	\$ 168.75
	Fayram meeting	0.5	\$ 135.00	\$ 67.50
8-Feb	Regular Agenda	1.25	\$ 135.00	\$ 168.75
9-Feb	REGEN TM review, coordination, and commentary	1.5	\$ 135.00	\$ 202.50
12-Feb	Regular Agenda	0.5	\$ 135.00	\$ 67.50
13-Feb	LAFCO coordination	0.25	\$ 135.00	\$ 33.75
14-Feb	Quarterly update	1.5	\$ 135.00	\$ 202.50
15-Feb	Regular meeting	3	\$ 135.00	\$ 405.00
16-Feb	2.15 minutes, posting to web	2.25	\$ 135.00	\$ 303.75
21-Feb	Bills	0.5	\$ 135.00	\$ 67.50
	REGEN TM review, coordination, and commentary	0.5	\$ 135.00	\$ 67.50
22-Feb	Form 700s, website updates, etc.	0.75	\$ 135.00	\$ 101.25
	Quarterly update	3.25	\$ 135.00	\$ 438.75
23-Feb	County - Workday implementation webinar	1	\$ 135.00	\$ 135.00
25-Feb	Billing	0.75	\$ 135.00	\$ 101.25
	Secretary of State filing	0.5	\$ 135.00	\$ 67.50
26-Feb	Quarterly update	0.75	\$ 135.00	\$ 101.25
	Audit follow up	0.5	\$ 135.00	\$ 67.50
	Insurance renewal - SDRMA	0.5	\$ 135.00	\$ 67.50
	Email contacts update	0.25	\$ 135.00	\$ 33.75
27-Feb	Fayram meeting	0.75	\$ 135.00	\$ 101.25
28-Feb	Regen TM	0.25	\$ 135.00	\$ 33.75
	<b>Totals</b>	<b>28.5</b>	<b>\$</b>	<b>3,847.50</b>

# ITEM 6B – BUDGET REPORTS

## BUDGET REPORTS

**Report : Financial Status (Real-Time)**

Selection Criteria: Fund = 3490

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

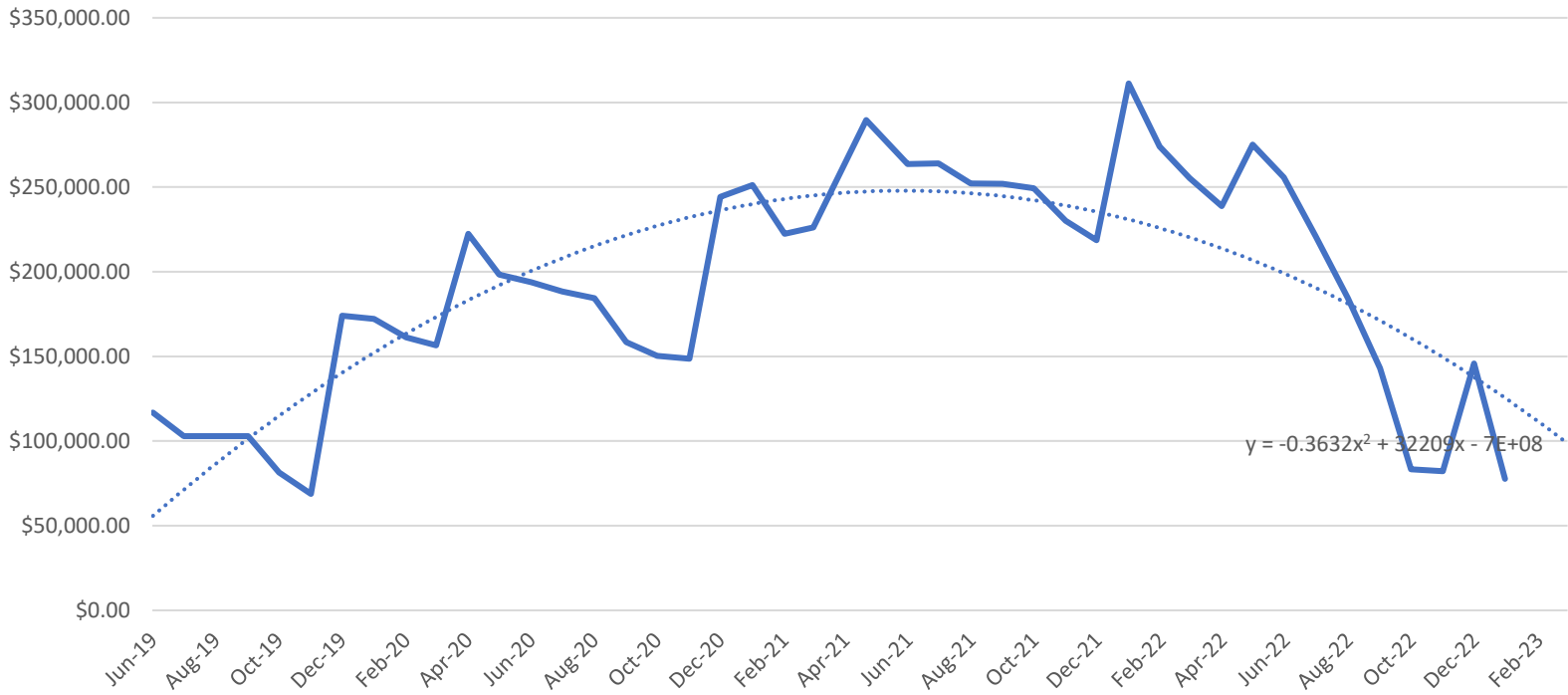
Last Updated: 2/5/2023 1:36 AM

As of: 1/31/2023

**Fund 3490 -- Los Olivos CSD**

Line Item Account	6/30/2023 Fiscal Year Adjusted Budget	3/5/2023 Year-To-Date Actual	6/30/2023 Fiscal Year Variance	6/30/2023 Fiscal Year Pct of Budget
<b>Revenues</b>				
<b>Taxes</b>				
3066 -- Special Tax Assessment	136,475.00	138,629.85	2,154.85	101.58%
Taxes	136,475.00	138,629.85	2,154.85	0.00%
<b>Use of Money and Property</b>				
3380 -- Interest Income	724.00	709.03	-14.97	--
3381 -- Unrealized Gain/Loss Invstmnts	0.00	0.00	0.00	#DIV/0!
Use of Money and Property	0.00	709.03	-14.97	#DIV/0!
<b>Intergovernmental Revenue-Other</b>				
4840 -- Other Governmental Agencies	169,804.00	5,662.50	-164,141.50	3.33%
Intergovernmental Revenue-Other	274,000.00	5,662.50	-268,337.50	2.07%
<b>Revenues</b>	<b>306,279.00</b>	<b>145,001.38</b>	<b>-162,001.62</b>	<b>47.34%</b>
<b>Expenditures</b>				
<b>Services and Supplies</b>				
7090 -- Insurance	2,500.00	2,799.92	299.92	112.00%
7324 -- Audit and Accounting Fees	4,000.00	0.00	-4,000.00	0.00%
7430 -- Memberships	1,200.00	1,287.00	87.00	107.25%
7450 -- Office Expense	2,000.00	0.00	-2,000.00	0.00%
7460 -- Professional & Special Service (Project, Planning & Studies)	189,908.00	197,762.85	7,854.85	104.14%
7508 -- Legal Fees	30,000.00	28,692.41	-1,307.59	95.64%
7510 -- Contractual Services (IGM Contract, Engineer)	49,000.00	58,129.87	9,129.87	118.63%
7530 -- Publications & Legal Notices	1,000.00	0.00	-1,000.00	0.00%
7671 -- Special Projects	175,000.00	0.00	-175,000.00	0.00%
7732 -- Training	1,500.00	0.00	-1,500.00	0.00%
<b>Services and Supplies</b>	<b>456,108.00</b>	<b>288,672.05</b>	<b>167,435.95</b>	<b>63.29%</b>
<b>Expenditures</b>	<b>456,108.00</b>	<b>288,672.05</b>	<b>167,435.95</b>	<b>63.29%</b>

### Los Olivos CSD Cash Balance History



# ITEM 6C – AUDIT REPORT

AUDIT REPORT

**LOS OLIVOS COMMUNITY  
SERVICES DISTRICT**

FINANCIAL STATEMENTS  
June 30, 2019

**LOS OLIVOS COMMUNITY SERVICES DISTRICT**  
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June 30, 2019

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**FINANCIAL SECTION**



## INDEPENDENT AUDITORS' REPORT

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

### Report on the Financial Statements

We have audited the accompanying financial statements of the Los Olivos Community Services District (the District) as of and for the period May 24, 2018 through June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

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

#### *Auditors' Responsibility*

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

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

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

#### *Opinions*

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Los Olivos Community Services District, as of June 30, 2019, and the respective changes in financial position thereof and, where applicable, cash flows thereof for the period May 24, 2018 through June 30, 2019 in accordance with accounting principles generally accepted in the United States of America.

***Other Matters***

***Required Supplementary Information***

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated March 2, 2023, on our consideration of the Los Olivos Community Services District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

*Mosa, Keny & Halzheim LLP*

Santa Maria, CA  
March 2, 2023

**LOS OLIVOS COMMUNITY SERVICES DISTRICT**  
**STATEMENT OF NET POSITION - PROPRIETARY FUND**  
June 30, 2019

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**ASSETS**

Cash in county treasury	\$ 117,220
Interest receivable	568
Total assets	<u>117,788</u>

**LIABILITIES**

Accounts payable	14,530
Total liabilities	<u>14,530</u>

**NET POSITION**

Unrestricted	103,258
Total net position	<u>\$ 103,258</u>

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

**LOS OLIVOS COMMUNITY SERVICES DISTRICT**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION -**  
**PROPRIETARY FUND**  
For the Period May 24, 2018 through June 30, 2019

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<b>Operating Expenses:</b>	
Office expense	\$ 70
Professional services	24,475
Insurance	1,784
Contractual services	59,661
Other services and supplies	<u>1,837</u>
 Total operating expenses	 <u>87,827</u>
 Operating Loss	 <u>(87,827)</u>
<b>Non-Operating Revenues (Expenses):</b>	
Interest income	1,675
Assessments	<u>189,410</u>
 Total Non-Operating Revenues (Expenses)	 <u>191,085</u>
 Change in net position	 103,258
<b>Net Position</b>	
Net Position, beginning of fiscal year	<u>                    </u>
 Net Position, end of fiscal year	 <u><u>\$ 103,258</u></u>

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

**LOS OLIVOS COMMUNITY SERVICES DISTRICT**  
**STATEMENT OF CASH FLOWS - PROPRIETARY FUND**  
For the Period May 24, 2018 through June 30, 2019

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**CASH FLOWS FROM OPERATING ACTIVITIES**

Payments to vendors	\$ <u>(73,297)</u>
Net cash used by operating activities	<u>(73,297)</u>

**CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES**

Property assessments	<u>189,410</u>
Net cash provided by noncapital financing activities	<u>189,410</u>

**CASH FLOWS FROM INVESTING ACTIVITIES**

Interest received	<u>1,107</u>
Net cash provided by investing activities	<u>1,107</u>

Net increase in cash and cash equivalents	117,220
Cash and cash equivalents - May 24, 2018	<u>                    </u>
Cash and cash equivalents - June 30, 2019	<u>\$ 117,220</u>
Reconciliation to Statement of Net Position:	
Cash in county treasury	<u>\$ 117,220</u>

**Reconciliation of operating loss to net cash used by operating activities:**

Operating loss	\$ (87,827)
Adjustments to reconcile operating loss to net cash used by operating activities:	
Change in assets and liabilities:	
Accounts payable	<u>14,530</u>
Net cash used by operating activities	<u>\$ (73,297)</u>

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

**NOTE 1 - ORGANIZATION**

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

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

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

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

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

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

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

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

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

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

Proprietary Fund Type

Enterprise Fund:

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

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

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

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

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

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

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

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

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

K. Future Accounting Pronouncements

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

Statement No. 84	"Fiduciary Activities"	The provisions of this statement are effective for fiscal years beginning after December 15, 2019.
Statement No. 87	"Leases"	The provisions of this statement are effective for fiscal years beginning after June 15, 2021.



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

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

Statement No. 89	"Accounting for Interest Cost Incurred before the End of a Construction Period"	The provisions of this statement are effective for fiscal years beginning after December 15, 2020.
Statement No. 90	"Majority Equity Interests-an Amendment of GASB Statements No. 14 and No. 61"	The provisions of this statement are effective for fiscal years beginning after December 15, 2019.
Statement No. 91	"Conduit Debt Obligations"	The provisions of this statement are effective for fiscal years beginning after December 15, 2021.

**NOTE 3 - CASH AND INVESTMENTS**

On June 30, 2019, the District had the following cash and investments on hand:

Cash in county treasury	<u>\$ 117,220</u>
Total cash and investments	<u>\$ 117,220</u>

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

Cash in county treasury	<u>\$ 117,220</u>
	<u>\$ 117,220</u>

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

Investments Authorized by the District's Investment Policy

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

Disclosures Relating to Interest Rate Risk

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

**LOS OLIVOS COMMUNITY SERVICES DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
 June 30, 2019

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

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

<u>Investment Type</u>	<u>Carrying Amount</u>	<u>Remaining Maturity (in Months)</u>			
		<u>12 Months Or Less</u>	<u>13-24 Months</u>	<u>25-60 Months</u>	<u>More than 60 Months</u>
Santa Barbara County Investment Pool	\$ 117,220	\$ 117,220	\$ -	\$ -	\$ -
Total	\$ 117,220	\$ 117,220	\$ -	\$ -	\$ -

Disclosures Relating to Credit Risk

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

<u>Investment Type</u>	<u>Minimum Carrying Amount</u>	<u>Exempt Legal Rating</u>	<u>From Disclosure</u>	<u>Rating as of Fiscal Year End</u>		
				<u>AAA</u>	<u>Aa</u>	<u>Not Rated</u>
Santa Barbara County Investment Pool	\$ 117,220	N/A	\$ -	\$ -	\$ -	\$ 117,220
Total	\$ 117,220		\$ -	\$ -	\$ -	\$ 117,220

Custodial Credit Risk

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

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

Investment in Santa Barbara County Investment Pool

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

**NOTE 4 – COMMITMENTS AND CONTINGENCIES**

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