

Report

Lost Hills Community Service District Plan for Service and Feasibility Analysis

The Economics of Land Use



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Prepared for:

Kern Local Agency Formation Commission (LAFCo)

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1. Introduction

Background

Economic & Planning Systems (EPS) has been engaged to prepare a plan for service and assess the feasibility of the formation of an independent Community Services District (CSD) in the Lost Hills area, consistent with the Cortese Knox Hertzberg (CKH) Local Government Reorganization Act of 2000, as amended. The proposed CSD would enhance and sustain a range of local municipal services, including community park maintenance, recreation programming, enhancement of County-provided streetscape/landscape maintenance, street lighting maintenance, and enhancement of County-provided roadway and pedestrian improvements and related maintenance services. These services would be funded primarily through a negotiated portion of Kern County's local property tax and a special parcel tax established at the time of formation, augmented by user fees, special benefit assessments, and grant funds. The CSD, in establishing local governance, would provide greater accountability and more direct and meaningful community participation in decision-making regarding municipal services in Lost Hills.

At the present time, municipal services in the area are largely provided by County departments, as well as the Lost Hills Utilities District (LHUD), a public utility district which provides water and sewer services to the developed portions of the community. In recent years, LHCF, LLC, which is funded through the Lost Hills Community Fund,¹ has supported renovations to and operation of the local County-owned Lost Hills Park, as well as landscaping/streetscaping in targeted areas of the Lost Hills community. In addition, The Wonderful Company has donated the time of several of its employees to assist with overseeing park operations and programming. It is assumed that these operational functions would largely be assumed by staff of the new CSD, although LHCF, LLC may continue to organize community and recreational programming in cooperation with the CSD.

Lost Hills is a predominately residential community located west of Interstate 5 at the intersection with State Route 46. According to data from the American Community Survey, the population in the Lost Hills Census-Designated Place (CDP) in 2021 was 1,768 residents. Based on population data provided by ESRI Business Analyst, a demographic mapping software tool, EPS estimates an additional 300 residents live within the proposed CSD boundaries but outside the CDP boundaries. Employment in the area is concentrated in the local agricultural and oil and gas industries. There is a commercial area located at the I-5/SR 46 interchange oriented towards highway traffic, as well as a small amount of retail and service business in the central area of the community along

¹ The Lost Hills Community Fund is funded by the Resnick Foundation and managed by the Central Valley Community Foundation (CVCF).

SR 46 and a number of agricultural processing facilities and oil and gas facilities surrounding the central residential area.

EPS, along with other professional advisors, has evaluated the community's service needs and associated costs, boundary alternatives for the proposed CSD, and revenue sources that may be available to support the proposed municipal services. As a part of this effort, EPS staff has worked closely with representatives of LHCF, LLC, and have interacted with staff from Kern Local Agency Formation Commission (LAFCo) and Kern County departments to develop and refine the CSD proposal.

District Formation Process

The formation of new special districts in California is regulated by the Cortese Knox Hertzberg Local Government Reorganization Act of 2000, Government Code Section 56000 et seq. (CKH Act). A Local Agency Formation Commission is established in each California County to administer the provision of the CKH Act, including formation of new special districts. LAFCo must also consider the provisions of other State law including the statutes enabling a wide variety of special districts (Principal Acts), the California Environmental Quality Act (CEQA), and Constitutional provisions and statutes regulating taxes and other funding of local agencies.

The formation of local agencies is typically initiated by a petition to LAFCo from local interests that may include property owners or residents. Existing local agencies, including County or City governments, can also initiate formation of certain special districts. The application procedures are prescribed in the CKH Act.

As a part of the special district application process LAFCo must complete, or cause to be completed, a 'plan for service' for the proposed special district that includes²:

- (1) The total estimated cost to provide the new or different function or class of services within the special district's jurisdictional boundaries.
- (2) The estimated cost of the new or different function or class of services to customers within the special district's jurisdictional boundaries. The estimated costs may be identified by customer class.
- (3) An identification of existing providers, if any, of the new or different function or class of services proposed to be provided and the potential fiscal impact to the customers of those existing providers.
- (4) A written summary of whether the new or different function or class of services or divestiture of the power to provide particular functions or classes of services, within all or part of the jurisdictional boundaries of a special district, pursuant to subdivision (b) of California Government Code Section 56654, will

² California Government Code Section 56824.12.

involve the activation or divestiture of the power to provide a particular service or services, service function or functions, or class of service or services.

(5) A plan for financing the establishment of the new or different function or class of services within the special district's jurisdictional boundaries.

(6) Alternatives for the establishment of the new or different functions or class of services within the special district's jurisdictional boundaries.

The plan for service and related organizational and feasibility analyses inform and lead to determinations that must be made by LAFCo³, including whether: 1) the district can carry out its authorized purposes; 2) the district has sufficient revenues to provide authorized services; and 3) any existing agencies can feasibly provide the proposed services in a more efficient and accountable manner. The plan for service and feasibility analysis may inform terms and conditions as may be applied to the proposed special district.⁴

While LAFCo staff are responsible for the plan for service and related feasibility analysis, it is common practice for a financial consultant to be hired either by the applicant or LAFCo to prepare the plan for service and feasibility analysis pursuant to CKH Law specifications and any additional specifications from the LAFCo Executive Officer.

The preparation of this plan for services and feasibility analysis has included ongoing coordination and cooperation between the applicant, EPS, and the applicant's legal counsel, and LAFCo and other County staff, to assure that LAFCo has the information necessary to make required determinations and set terms and conditions as required by the CKH Act.

If, following the necessary procedures and holding a public hearing, LAFCo approves the proposed CSD, an election will be held involving registered voters within the proposed CSD boundary, requiring 50 percent plus one voter support. As proposed, the formation of the CSD will also be dependent upon property owner adoption of a special parcel tax measure requiring two-thirds voter support.

Plan for Service Findings

1. The proposed CSD offers the opportunity to sustain and improve park and recreation services and enhance landscape maintenance and street lighting services in Lost Hills while establishing local control and financial responsibility.

The existing Lost Hills Park and related recreation services provided in Lost Hills are currently operated by LHCF, LLC, which is supported financially through the Lost Hills Community Fund and donated staff time from employees of The Wonderful Company. It is unlikely that the current level of improvements, operations, and programming at Lost Hills Park would have been similarly provided by the County Parks & Recreation

³ California Government Code Section 56881.

⁴ California Government Code Section 56885 et seq.

Department. Establishing local control and recurring sources of public funding assures that existing Lost Hills Park improvements and recreation services can be maintained and expanded. In addition, other community-focused improvements such as enhanced street lighting and landscape maintenance can be best provided through the local control facilitated by the formation of a CSD.

2. The proposed plan of service would allow the opportunity for the CSD to provide enhanced road maintenance service levels in an efficient manner comparable to existing providers with greater local accountability.

The proposed authorized services include enhancing County roadways and maintenance activities, subject to appropriate agreements with the County and other agencies and availability of funding resources. These services would align with road maintenance enhancements that have already been completed in the Lost Hills community through cooperation between the County, the State, and The Wonderful Company, including the pedestrian bridge recently constructed over State Route 46.

3. No other existing agency or special district can perform the services proposed for the CSD in an efficient and effective manner.

As a part of the plan for service and feasibility analysis, the ability of existing agencies to provide the services proposed for the new CSD has been considered. Regarding the status quo—continued operations by LHCF, LLC and financial support from the Lost Hills Community Fund—it has been concluded that it is not desirable nor sustainable for the community to depend on a private or non-profit entity for long-term provision of public services. In addition, should operations of the Lost Hills Park facilities revert back to the County Parks & Recreation Department, it is unlikely that the County will have the operational resources to provide comparable levels of parks and recreation investment or service as those currently being provided for the community through charitable donations. Regarding other options for service provision from existing special districts—the existing Lost Hills Utility District, which provides water and wastewater treatment services to the community, does not have the financial or operational capacity for assuming responsibility for park and recreation services; and existing adjacent recreation and parks districts in western Kern County serve communities that are distant from Lost Hills and are unlikely to have the resources or interest to expand their service areas.

4. Costs associated with the proposed Plan for Service are estimated to initially equal approximately \$1 million per year at the time of formation. These costs will generally increase due to general price inflation and as the CSD pursues new or increased levels of service.

As part of preparing this feasibility study, a thorough assessment of the existing park and recreation services currently provided in Lost Hills was conducted. In addition, the operating budgets of nearby park and recreation districts in Kern County were obtained and evaluated. Other costs, including street lighting maintenance, were derived from data provided by County agencies. The CSD may decide to provide selected services through contracts with current providers, or through competitive bidding to private contractors.

5. Revenue for the proposed CSD would be derived primarily from an exchange of property taxes with Kern County and a special parcel tax created concurrently with CSD formation.

Funding the costs of CSD-provided services will require a combination of public revenue sources, including a portion of the existing property taxes paid by local property owners in the proposed District and a special parcel tax on properties within the proposed District established at the time of formation. The property tax exchange is estimated to initially generate approximately \$630,000 annually in the first year of collection (projected to be Fiscal Year 2025-2026), and the special parcel tax is estimated to initially generate approximately \$530,000 annually in the first year of collection. The analysis shows these revenues growing annually, proportional to increases in assessed valuation and an inflator included in the special tax measure.

Funding to cover District start-up costs during the first year of operation, prior to property tax and parcel tax revenues being available, will be provided through a Resnick Foundation gift (see **Appendix E**) and pursuit of grant funding.

6. The proposed special parcel tax will require a local ballot measure and a two-thirds majority vote of parcel owners.

The special parcel tax election will be held concurrently with the ballot measure to create the proposed CSD. The election regarding formation of the proposed CSD needs to receive majority voter approval to create the proposed CSD, while the measure regarding the special parcel tax needs to receive two-thirds voter approval to be adopted. Both measures must pass in order for either measure to go into effect.⁵

7. As shown on Table 1, the estimated costs of providing the proposed services, in addition to other operating costs, will be matched by the proposed revenues and funding commitments, indicating that the proposed CSD is financially feasible on a sustained basis.

A conservative approach was taken in estimating District costs, and the two key revenue sources, as established, are likely to be consistent with the forecast provided. However, given the timing of collection of the tax revenue sources, the analysis anticipates that these taxes will not be available to fund CSD operations in the first fiscal year after District formation. The initial year funding need will be filled through a contingency funding agreement with the Resnick Foundation (see **Appendix E**). Other potential funding sources for first year operations will be reviewed and applied for that could offset the need for pledged private funds, including regional, State, and Federal grants.

While a five-year forecast is provided to evaluate revenues and costs, actual costs and revenues will be determined by a variety of factors including the decisions and terms established by LAFCo, the newly elected Board of Directors, and the residents of Lost Hills. In order to respond to contingencies, it is assumed a budget reserve fund will be established at the time of formation and maintained over time. In

⁵ California Government Code Section 61014(c).

addition, the agreement with the Resnick Foundation includes the commitment to provide contingency funding for the District in an amount up to \$250,000/year during the first five years after formation (in addition to the initial year funding).

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Table 1: CSD Budget Forecast (Constant 2022\$)

Cost and Revenue Items	Forecast Year				
	Year 1	Year 2	Year 3	Year 4	Year 5
	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29
Administration	\$324,250	\$338,600	\$343,840	\$349,211	\$354,716
Salaries	\$187,250	\$209,600	\$214,840	\$220,211	\$225,716
Professional Services	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
Other Operating Costs	\$87,000	\$79,000	\$79,000	\$79,000	\$79,000
Park and Landscape Maintenance	\$499,200	\$510,044	\$515,670	\$521,437	\$527,348
Recreation Programs	\$237,000	\$264,594	\$268,534	\$272,572	\$276,711
Street Lighting	\$956	\$956	\$956	\$956	\$956
Contingency and Reserve [1]	\$14,207	\$55,710	\$56,450	\$57,209	\$57,987
Total Costs	\$1,075,613	\$1,169,903	\$1,185,449	\$1,201,384	\$1,217,717
Exchanged Revenues					
Ad Valorem Property Tax [2]	\$0	\$632,650	\$664,283	\$697,497	\$732,372
Special Taxes and Assessments					
Parcel Tax	\$0	\$532,620	\$533,885	\$534,537	\$535,202
Lighting & Landscape Maintenance	\$613	\$706	\$706	\$706	\$706
User Charges and Fees	\$25,000	\$30,000	\$35,000	\$35,000	\$35,000
Corporate Donations [3]	\$1,050,000	\$0	\$0	\$0	\$0
Total Revenues	\$1,075,613	\$1,195,976	\$1,233,874	\$1,267,740	\$1,303,280
Annual Fiscal Balance	\$0	\$26,073	\$48,425	\$66,356	\$85,562

[1] The contingency budget target is five percent of operating costs. In years where the budget surplus is projected at less than five percent of operating costs, the contingency budget is equivalent to that projected surplus.

[2] Assumes that property tax will not start accruing to CSD until second year of operation. Assumes 5% growth in property tax annually (including 2% per Prop 13 and 3% real growth in overall assessed value).

[3] This analysis conservatively assumes that a gift from the Resnick Foundation will fund all revenue shortfall in Year 1. The CSD may seek other funding sources as needed, including grant funding, funds collected through the Lost Hills EOA, and committed continued support of up to \$250,000/year from the Resnick Foundation during the first five years of District operation.

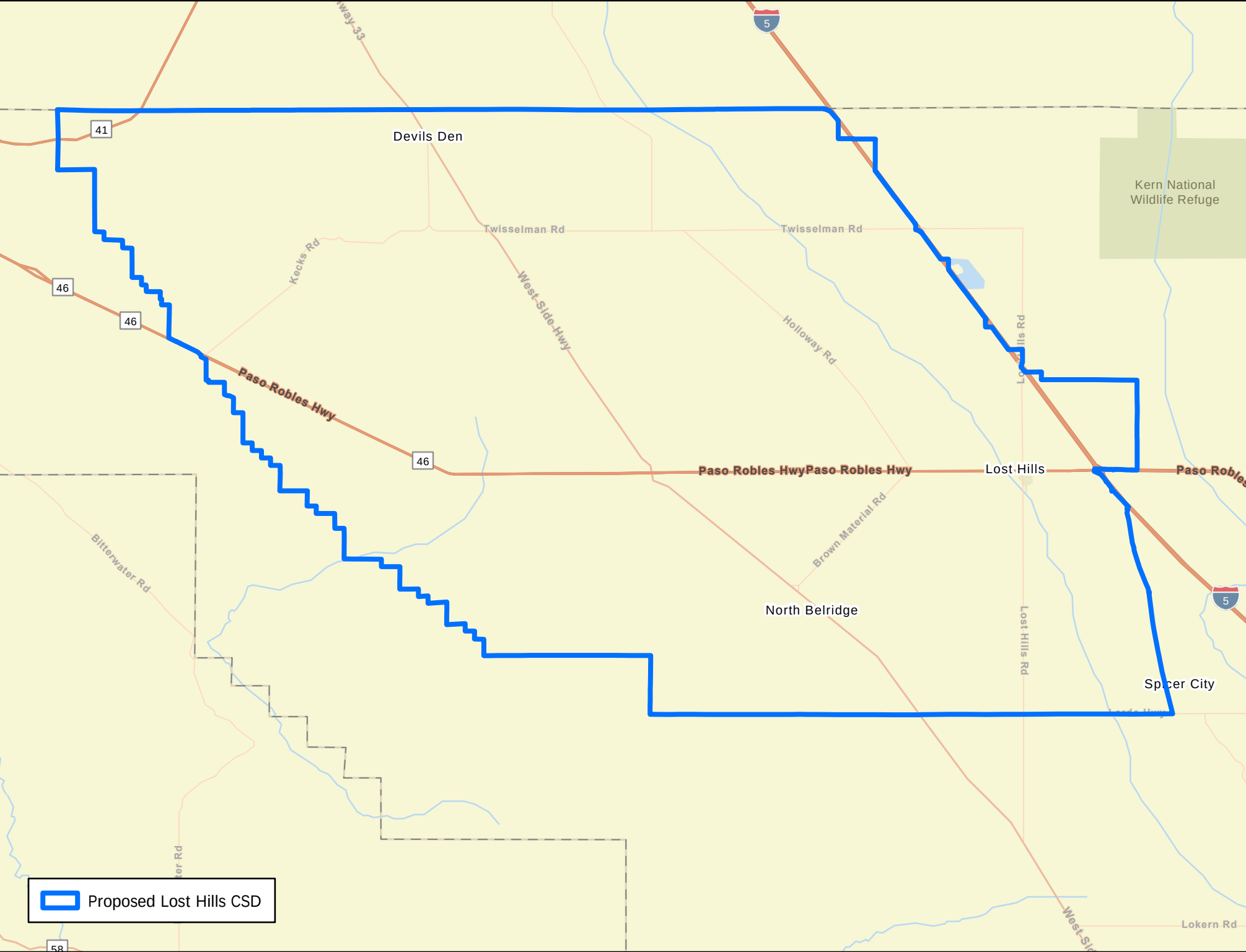
2. Proposed CSD Service Area & Sphere of Influence

The selection of a proposed service area boundary for the CSD involved consideration of a variety of factors including existing land use patterns, County General Plan land use designations and zoning districts, existing special district boundaries, the road network, and natural features. A map of the proposed boundary is shown in **Figure 1** below. A legal map and description for the proposed boundaries are provided in a separately-submitted engineering report from Quad Knopf, Inc.

It is proposed that the Service Area boundary also serve as the CSD Sphere of Influence (SOI). For a variety of reasons there is little chance that the CSD Boundary will be expanded in the future so there is no need to define a larger area.

There are 15 special districts that overlap with the proposed CSD boundary, described further in Chapter 3. Of these special districts, one would be specifically affected by formation - County Service Area 91 (CSA-91). CSA-91 provides street lighting services in an area covering 50 parcels over approximately 13 acres along King Street and Woodward Street and is entirely within the proposed CSD boundary. It is proposed that CSA-91 would be reorganized, with its territory assumed by the proposed CSD upon its formation and constitute a special service zone within the larger CSD. A map of CSA-91 is provided in **Appendix A**.

Figure 1: Proposed CSD Boundaries



12/19/2022
Note: Legal map of proposed CSD boundaries is provided in separately-submitted engineer's report.

Existing Land Uses

The new CSD's Service Area would include the Lost Hills Census Designated Place (CDP), which is predominantly residential with some retail and service commercial uses. Most of the housing units in the Service Area are single-family homes. The remaining areas of the CSD Service Area primarily include agricultural, mining, and oil and gas uses. A breakdown of parcels and acreages by land use is included in **Table 2**.

Table 2: Lost Hills CSD Service Area Land Uses

Land Use Categories	Parcels	Acres
Residential Uses	371	247
Commercial Uses	76	354
Industrial Uses	33	3,777
Agriculture/Mining/Oil & Gas Production Uses	2,653	265,495
Other Uses	817	31,852

Existing Demographics

In 2021, there were approximately 2,068 people living in the boundaries of the proposed Lost Hills CSD, including 1,768 within the boundaries of the Lost Hills Census Designated Place (CDP). The population of the proposed CSD represents about 0.3 percent of Kern County's population. The population is largely employed in the local agricultural and oil industry business. The proposed District is located within a State-designated Disadvantaged Communities area, as well as a Disadvantaged Unincorporated Area as defined by the CKH Act, Section 56033.5. This State designation would allow the District to apply for State grants under State Bill (SB) 535 and be eligible for a range of other State and federal grant programs.

According to data from the 2021 American Community Survey, residents living within the Lost Hills CDP have a median annual household income of approximately \$39,600. The average household size is 3.5 persons, and the average age of residents is 24 years old. The CDP has approximately 500 housing units, which are primarily renter-occupied. Data from ESRI Business Analyst, a demographic mapping software tool, suggests that there are approximately 150

additional housing units located within the boundaries of the proposed CSD but outside of the boundaries of the CDP.

Potential Future Development

The proposed boundary includes vacant land that may be developed for urban uses in the future including new housing and commercial development, consistent with adopted Kern County General Plan and existing zoning regulations. Such future growth will be managed by Kern County Planning Department. At the present time several development projects are proposed or under construction, including:

- Twenty-one three-bedroom for-sale homes currently under development.
- A 50-unit for-sale home development waiting for plan approval at the County Planning Office.

Additionally, records indicate other commercial and industrial projects in the planning approval stage at this time. Such 'buildout' of existing commercial development capacity is likely to continue in the coming years as Lost Hills, with its location at the intersection of Interstate 5 and State Route 46, and surrounded with a vital agricultural production area, is well-positioned fulfill County General Plan policy. While some population growth may accompany this buildout, current plans or proposals for new housing in the proposed District will primarily serve to improve the quality of housing options for the households currently residing within the proposed boundaries.

3. Current Service Providers

Similar to other unincorporated communities in California counties, the primary service providers to the Lost Hills community are Kern County departments that provide both 'regional' (Countywide) and municipal (local community-serving) services. The following section details the current service providers and identifies the key services that could become the responsibility of, or augmented by, the new CSD, pending approval by LAFCo. **Table 3** provides a summary of regional and municipal service providers in the vicinity of Lost Hills, including how each of these service providers may relate to the proposed CSD.

Municipal Services

County of Kern

Kern County agencies currently provide a range of municipal services to the Lost Hills community. These services, as described below, will continue in the future at current levels of service as may change over time given County Budget priorities and other factors.

Law Enforcement

Kern County's Sheriff's Department provides law enforcement, court security, and detention services. Sheriff's Department deputies patrol unincorporated areas of the community, including the Lost Hills area. Currently, the department has over 1,200 employees to serve the unincorporated areas of Kern County with a population of approximately 305,500 and an area of over 7,600 square miles. Lost Hills is part of the North Area substation. The County does not provide traffic enforcement and investigation; this is the responsibility of the California Highway Patrol.

Law enforcement services provided by the County Sheriff will continue, unchanged by the CSD formation.

Fire Protection

The Kern County Fire Department provides fire protection and emergency services. The Department provides fire protection services to over 500,000 residents living in unincorporated areas of Kern County, and also has mutual aid agreements with 14 other fire suppression organizations in the County to supplement emergency services. Over 500 uniformed firefighters serve an area of over 8,000 square miles from 47 substations. Lost Hills is served by Fire Station 26, which is located on County-owned property adjacent to the Lost Hills Park. It is anticipated that the fire station property will remain under County ownership after district formation.

Fire protection and emergency services provided by the County Fire Department will continue, unchanged by the CSD formation.

Ambulance

The Kern County Public Health Services Department currently contracts with private companies to provide ambulance services to unincorporated areas of the County. Lost Hills is located in the County's Emergency Operating Area One and is served by Hall Ambulance Services. Ambulance services provided by Hall Ambulance, under contract with the County, will continue, unchanged by the CSD formation.

Land Use Planning and Building Regulation

The Kern County Planning and Natural Resources Department is responsible for land use planning and community development programs throughout the County. These responsibilities include administering the County and Metropolitan General Plans and the County Zoning and Land Division ordinances. Kern County Public Works is responsible for building inspection and code compliance services in the County.

These services provided by the Planning Department and Public Works will continue unchanged by the CSD formation. The CSD, representing the community, may take positions on local land use policy changes or proposed projects, as an 'affected agency'.

Economic Development

The Kern Economic Development Corporation (KEDC) has been designated as the County's lead economic development entity. The KEDC is a public-private partnership that coordinates between private businesses, educational institutions, government entities, and non-profit organizations to promote economic growth in the County. The services provided by the KEDC will continue unchanged by the CSD formation. The CSD, representing the community, may wish to coordinate with the KEDC on pursuing or considering economic development opportunities in the Service Area.

In addition, the County Board of Supervisors established the Lost Hills Economic Opportunity Area (EOA) in 2014, as a means of directing incremental property tax revenues towards projects and programs that will support economic reinvestment and revitalization in the Area. The boundaries of the EOA overlap significantly (although not completely) with the proposed CSD boundaries (see **Appendix A**). Currently, the Lost Hills Community Advisory Board (CAB) has been consulted in identifying projects and programs within the community that can be funded with EOA revenues. The EOA is scheduled to sunset in January 2035. However, following the establishment the CSD, the County is likely to discontinue the diversion of incremental property taxes to the EOA prior to the current sunset date. The Board of Directors of the proposed CSD may communicate with the County Board of Supervisors in the future to request the use of any remaining

EOA funds to finance discrete projects and programs located within the proposed District boundaries.

Parks and Recreation

The County of Kern Parks & Recreation Department is responsible for the operations and maintenance of regional parks and open spaces in unincorporated Kern County. There are eight recreation and park districts within the County formed to provide local parks and recreation services.

Within the proposed Lost Hills CSD boundaries there is one County park, Lost Hills Park, located at the intersection of State Route 46 and Lost Hills Road. The County Parks & Recreation Department lacks the resources to provide the level of investment and services currently provided in Lost Hills. This investment has included the construction of two community centers, soccer fields, sports courts, and a walking/running track at Lost Hills Park, funded through charitable donations. Programming at Lost Hills Park includes fitness and recreation classes (e.g. dance, karate, Zumba), community events (e.g. game nights, craft nights, community dinners), and the opportunity to rent community centers and sports fields for personal, community, and sports league use. Staffing to operate these programs is provided through donated staff time by employees of The Wonderful Company, while funding for contracted park maintenance and program supplies comes from a combination of charitable donations (via the Lost Hills Community Fund) and grants.

The proposed CSD would assume ownership of and responsibility for operations and maintenance of existing park and recreation facilities in the Lost Hills community, and collaborate with County Parks & Recreation Department when opportunities arise to improve services in the community or surrounding area. The CSD will continue to provide community and recreational programming; it is also assumed that local organizations such as LHCF, LLC will rent District facilities to operate programs in the community.

Landscape Maintenance

Kern County's Public Works Department is primarily responsible for landscape maintenance along County roads. Over the past several years, LHCF, LLC has contracted directly with a third-party company to provide landscaping and tree maintenance along seven blocks on three residential streets and a 0.25 mile walking path adjoining Lost Hills Park, as well as streetscaping maintenance along four blocks of Woodward Road. LHCF, LLC also contracts to water and maintain vegetation on four empty lots and all four corners of State Route 46 and Lost Hills Road. The services provided include installation, maintenance, and repair of all the irrigation and electrical systems along the serviced streets.

The County's Public Works Department will continue providing its basic landscape maintenance services along County roads in Lost Hills following CSD formation. It is proposed that the CSD gain the opportunity, through an agreement with the

County Public Works Department, to continue specific areas of landscape maintenance currently provided by the LHCF, LLC. The CSD may choose to further enhance and augment such landscape maintenance in the future as permitted by funding sources and pursuant to agreements with the County Public Works Department.

Street Lighting

The existing street lighting district, CSA-91, is managed by the County Public Works Department and is responsible for the installation and maintenance of streetlights along a short distance on King Street and Woodward Street. The CSA does not perform the maintenance or installation themselves; rather, it contracts with Pacific Gas & Electric (PG&E) for these services. The County is responsible for the management, auditing, and operation of the services. Currently the CSA maintains four streetlamps serving 50 parcels. It is proposed that CSA-91 would be dissolved and the services continued upon the formation of the proposed CSD. The service area will constitute a special service zone within the larger CSD. A map of the CSA-91 boundaries is included in **Appendix A**. If additional street lighting is added as a part of ongoing new development, the boundary of the special service zone would be enlarged to provide a source of funding for powering and maintaining streetlights.

Roadway Improvements and Maintenance

The County Public Works Department is responsible for road construction and maintenance in unincorporated Kern County. The department maintains roughly 3,314 miles of County roads and related facilities. The Pavement Condition Index (PCI) is a standard rating index ranging from 0 to 100, with 100 indicating the roads are in very good condition and 0 indicating the road is in very poor condition. As of 2020, the County had an average weighted PCI of 66. Interstate 5 and State Route 46 extend through the proposed CSD Boundary. These major highways are the responsibility of Caltrans although it is common for Caltrans to cooperate with local agencies regarding their highways particularly related to providing local access, improving safety, and landscaping efforts.

The Public Works Department is responsible for various forms of road maintenance. A minimal level of ongoing maintenance involves patching potholes, sealing cracks, re-establishing drainage, sign and stripe, and vegetation encroachment. A more extensive maintenance routine addresses pavement preservation and involves surface treatments. In some cases, if regular maintenance has not occurred and/or severe conditions exist, road reconstruction may be required in addition to re-surfacing.

The Public Works Department will continue providing road construction and maintenance services in Lost Hills following CSD formation. It is proposed that the CSD gain the opportunity to enhance and augment local road standards, facilities, and maintenance in cooperation and pursuant to agreements with the County and CalTrans, as part of those agencies' capital improvements or maintenance

activities. A recent example of this type of collaboration is the pedestrian bridge over State Route 46, a project in which The Wonderful Company partnered with Caltrans and the County as part of a road widening project along the same corridor, funding construction of the bridge. As part of this effort, the County agreed to provide ongoing maintenance of the bridge.

Solid Waste Management

Kern County issues exclusive licenses to private haulers who are responsible for refuse collection in the unincorporated county. Westside Waste Management is currently responsible for commercial and residential refuse collection in the Lost Hills area.

Refuse collection rates are set annually by the County Board of Supervisors. Each hauling company submits financial records for the Board of Supervisors to review in order to determine a rate index calculation. The rate increase is calculated and adopted by resolution.

Solid waste services provided by Westside Waste Management under contract from the County will continue, unchanged by the CSD formation. There is the possibility that as the Principal Act provides for the service, at some future date the CSD may seek to enhance local services.

Lost Hills Utilities District

Domestic water supply and wastewater collection/treatment/disposal services are provided by the Lost Hills Utilities District (LHUD). A map of the LHUD service area is included in **Appendix A**. The LHUD service area is smaller than the proposed CSD boundaries, serving about 400 residential parcels and 100 commercial parcels. The LHUD obtains water from two ground water wells. The LHUD also operates a water treatment plant, a wastewater treatment plant, two water storage reservoirs, transmission and distribution pipelines and system, and a solar array system.

The LHUD will continue to exist and provide water and wastewater utility services in the areas of the Lost Hills CSD that it currently serves. However, the LHUD lacks the capacity and resources to provide parks and recreation services. It is likely that the LHUD and the proposed Lost Hills CSD will collaborate in providing municipal facilities and services to the Lost Hills community as needed in the future.

Adjacent Recreation and Park Districts

Buttonwillow Recreation and Park District

The Buttonwillow Recreation and Park District provides recreation and parks services to the Buttonwillow community located east/southeast of Lost Hills (see

map in **Appendix A**). The District operates Buttonwillow Park and Buttonwillow Recreation Building, and serves approximately 1,500 residents.

While the two communities are similar in many ways, the Buttonwillow Community Park and Recreation Building are located approximately 20 miles from the Lost Hills CDP, which limits accessibility by Lost Hills residents. While an annexation would be possible given adjacent boundaries, the Buttonwillow District is focused on a different geography and community of interest and does not have the capacity, resources, or interest to expand the provision of parks and recreation services to the Lost Hills community.

West Side Recreation and Park District

The West Side Recreation and Park District covers just over 400 square miles to the south and west of Lost Hills (see **Appendix A**). The District provides recreation and parks services utilized by the City of Taft and nearby communities including McKittrick, Derby Acres, Fellows, Valley Acres, and Ford City. The District operates a community center, recreation center, field complex, two parks, and a skate park within in the City of Taft and surrounding area. The County Parks Department additionally operates several parks and recreation centers in unincorporated areas of the District.

The facilities operated by the West Side Recreation and Parks District are located more than 35 miles from the Lost Hills CDP. While an annexation would be possible given adjacent boundaries, the West Side District is focused on a different geography and community of interest and does not have the capacity, resources, or interest to expand the provision of parks and recreation services to the Lost Hills community.

Regional Special Districts

There are fifteen existing special districts located in western Kern County with boundaries that intersect with the proposed CSD boundary. These regional special districts are authorized to provide specific regional public services to residents, farms, and commercial and industrial business. As indicated in the list below and in **Table 3**, the operation of the majority of these special districts will not be affected in any way by the proposed CSD formation, as their functions do not overlap with the proposed authorized services, as defined by Government Code 61100, subdivisions (e), (f), (g), (l), and (s):

1. *Belridge Water Storage District*: no overlap of authorized services per proposed Principal Act G.C. 61100
2. *Berrenda Mesa Water District*: no overlap of authorized services per proposed Principal Act G.C. 61100
3. *Community Service Area 91*: overlap of services, proposed to be dissolved and annexed into Lost Hills CSD.

4. *Devils Den Water District*: no overlap of authorized services per proposed Principal Act G.C. 61100
5. *Kern County Citrus Pest Control District*: no overlap of authorized services per proposed Principal Act G.C. 61100 (y)
6. *Kern County Water Agency*: no overlap of authorized services per proposed Principal Act G.C. 61100
7. *Kern Mosquito & Vector Abatement District*: no overlap of authorized services per proposed Principal Act G.C. 61100 (h)
8. *Lost Hills Utility District*: no overlap of authorized services per proposed Principal Act G.C. 61100 (b)
9. *Lost Hills Water District*: no overlap of authorized services per proposed Principal Act G.C. 61100
10. *North West Kern Resource Conservation District*: no overlap of authorized services per proposed Principal Act G.C. 61100
11. *Public Cemetery District No. 1*: no overlap of authorized services per proposed Principal Act G.C. 61100 (ab)
12. *San Joaquin Valley Air Pollution Control District*: no overlap of authorized services per proposed Principal Act G.C. 61100
13. *Semitropic Water Storage District*: no overlap of authorized services per proposed Principal Act G.C. 61100
14. *Westside Hospital District*: no overlap of authorized services per proposed Principal Act G.C. 61100
15. *Westside Mosquito & Vector Abatement District*: no overlap of authorized services per proposed Principal Act G.C. 61100 (h)

School Districts

While not considered special districts, and beyond LAFCo oversight, the public school districts serving the Lost Hills community area are important parts of community life and provide opportunities to enhance parks and recreation services through various forms of cooperation. This type of cooperation is common between school districts and other local agencies providing park and recreation services.

The school districts serving the Lost Hills community and adjacent communities include:

Elementary School Districts:

- Belridge Elementary School District
- Buttonwillow Union Elementary School District
- Lost Hills Union Elementary School District
- McKittrick Elementary School District
- Semitropic Elementary School District

High School Districts:

- Kern High School District - Shafter High
- Taft Union High School District
- Wasco Union High School District

Community Colleges:

- Kern Community College District (Bakersfield College)
- West Kern Community College District (Taft College)

Opportunities for Cooperation

The schools located directly within the Lost Hills community represent the greatest potential for cooperation with the proposed CSD to enhance parks and recreation services, through shared facility use agreements and funding initiatives that benefit the school's educational functions and the community's recreation needs. The two schools located within the proposed CSD boundaries include Lost Hills Union Elementary School, which has a current enrollment of 265 students in TK through 8th grade; and Wonderful College Prep Academy-Lost Hills, a charter school with a current enrollment of 503 students in TK through 12th grade. Currently, LHCF, LLC operates the gym at Wonderful College Prep Academy-Lost Hills as a community fitness center after school hours. Discussions with LHCF, LLC suggest that there is interest in continuing this programming after District formation, potentially through a partnership between Wonderful College Prep Academy-Lost Hills and CSD.

Table 3: Regional and Municipal Services Providers in the Vicinity of Lost Hills

Special Districts Serving the Lost Hills Area	Services Provided or Authorized	Service Change or Reorganization related to CSD Formation	Potential Ability to Provide Services Proposed for CSD	Opportunities for Cooperation
Kern County Regional & Municipal Services				
Law Enforcement -- County Sheriff	Law enforcement services. California Highway Patrol	No change	None	CSD as a community-based organization can cooperate with County Sheriff in their community outreach and communication efforts
Fire Protection -- Kern County Fire Department	Structural fire response, Fire Marshall services and Emergency Medical Response	No change	None	CSD as a community-based organization can cooperate with County Fire Department in their community outreach and communication efforts
Ambulance Services -- County Public Health Department	Regional ambulance services provided under contract to County Public Health Department	No change	None	None
Land Use Planning, Resource Management & Building Regulation -- County Planning and Natural Resources Department	Comprehensive and community planning, zoning regulations and code enforcement	No change	None	CSD as a community-based organization can cooperate with County Planning Department in its community outreach and planning efforts
Economic Development -- Kern Economic Development Corporation	Invests in economic development throughout the County including workforce development, industry attraction and cooperation and administering grant programs	No change	None	The CSD will be in position to apply for grants related to community development and can cooperate with the EDC on their economic and community development efforts
Parks and Recreation -- Kern County Parks and Recreation Department	Provides regional parks and community parks (including the Lost Hills Park)	CSD will assume responsibility for improvement, operation, and maintenance of the Lost Hills Park. The County will maintain ownership of the park.	The County could continue in its current ownership position but lacks the resources to improve, operate, or maintain the park at service level currently provided.	The CSD can cooperate with County Parks and Recreation where such cooperation is beneficial to the local community and takes advantage of recreation services offered at the Countywide level
Landscape Maintenance -- Kern County Public Works	Maintenance of landscaping along County roads	CSD will have authority to cooperate with Public Works Department to enhance and upgrade landscaping along County roads	The County will continue its current baseline service provision, but lacks the resources to maintain landscaping at service level currently provided in the community.	CSD will cooperate with Public Works Department to upgrade landscaping along County roads
Road Improvements and Maintenance -- Kern County Public Works	Improvements and maintenance of roads, sidewalks, curbs, and gutters in County right-of-ways.	CSD will have authority to cooperate with Public Works Department to enhance and upgrade road improvements and maintenance along County right-of-way.	The County will continue its current baseline service provision.	CSD will cooperate with Public Works Department to upgrade improvements and maintenance along County roads
Solid Waste Management -- Kern County	Refuse collection and disposal services	No change	None	None
Special Districts Providing Services Within Proposed CSD Boundaries				
Belridge Water Storage District	Water supply and storage	No change	None	None
Berrenda Mesa Water District	Water supply and storage	No change	None	None
Community Service Area 91	Street lighting in portion of central Lost Hills	All of CSA #91 consolidated with CSD	County Public Works could continue providing street lighting services	County Public Works could provide service to CSD under contract.

Special Districts Serving the Lost Hills Area	Services Provided or Authorized	Service Change or Reorganization related to CSD Formation	Potential Ability to Provide Services Proposed for CSD	Opportunities for Cooperation
Devils Den Water District	Water supply and storage	No change	None	None
Kern County Citrus Control Abatement District	Pest control for citrus crops	No change	None	None
Kern County Water Agency	Water supply and storage	No change	None	None
Kern County Mosquito and Vector Control Abatement	Mosquito and rodent control	No change	None	None
Lost Hills Public Utility District	Domestic water and santiation services to an area that encompasses the urbanized portion of Lost Hills	No change	None. PUD Principal Act (Public Utility Code Section 15501 et seq. does not authorize PUDs to provide recreation and parks services)	Inter-district agreements and cooperation related to infrastructure and community engagement are possible.
Lost Hills Water District	Water supply and storage	No change	None	None
Northwest Kern Resource Conservation District	Soil and water conservation programs in northwest portion of Kern County in concert with State and Federal programs	No change	None	None
Public Cemetary District #1	Maintains public cemetary located in Wasco and Shafter	No change	None	Lost Hills residents use the the County's Wasco Memorial Park.
San Joaquin Valley Air Pollution Control District	Air quality management	No change	None	None
Semitropic Water Storage District	Water supply and storage	No change	None	None
West Side Hospital District	Provides health care services to residents of western Kern County	No change	None	The CSD may cooperate with the Health Care District, providing a venue for outreach services and informing residents
West Side Mosquito and Vector Control Abatement	Mosquito and rodent control for western Kern County	No change	None	None
Local Districts Providing Services Adjacent to the Proposed CSD Boundary				
Buttonwillow Recreation and Park District	Provides recreation and park services to the community of Buttonwillow, located south and east of Lost Hills.	No change	Given District boundary is adjacent to proposed CSD boundary an annexation would be possible	None. Buttonwillow Park is located over 20 miles away from Lost Hills, limiting accessibility for Lost Hills residents to district facilities, and is not financially positioned to assume responsibilities for parks and recreation services in Lost Hills.
West Side Recreation and Park District	Provides recreation and park services to the communities on the west side of Kern County, located west and south of Lost Hills	No change	Given District boundary is adjacent to proposed CSD boundary an annexation would be possible	None. District facilities are located more than 25 miles away from Lost Hills, limiting accessibility for Lost Hills residents to district facilities, and is not financially positioned to assume responsibilities for parks and recreation services in Lost Hills.

4. CSD Plan For Service

Proposed CSD Services

This Plan for Service documents the services that are proposed for the Lost Hills CSD. The identification and specification of the proposed services is based on an evaluation of service needs in the community, and addresses the need to provide continuity of services while establishing local governance and leadership and a recurring and publicly directed source of funding. It builds upon the charitably-funded efforts in recent years to renovate the community park, construct a new recreation center, provide enhanced landscaping along streets and vacant lots in the community, and provide staffing and financial support for local recreational services.

As CSDs are enabled by their Principal Act to provide a wide range of municipal services, it is possible that additional services may be sought in the future. Any such expansion of services will require subsequent approval by LAFCo, consistent with the provisions of the CKH Law.

While these services and service levels are consistent with existing services and the expected needs of the Lost Hills community as needed to conduct feasibility analysis, actual services and service levels will be governed over time by the CSD Board of Directors.

Proposed CSD Services include:

- Community Parks Programming and Facility Maintenance
- Recreation Programming and Facility Maintenance
- Street Lighting and Landscape Maintenance
- Enhanced Road Improvements and Maintenance
- Management, Finance, and Administration

Parks and Recreation

The primary service provided by the CSD will be to assume responsibility for landscaping and ground maintenance and operations of the existing Lost Hills Park and connected community centers. It is also assumed that the CSD will take over at least a portion of the related recreation programming (including sports and after school programs) currently provided by LHCF, LLC. This programming includes fitness and recreation classes, community events, and the operation of a community gym at the Wonderful College Prep Academy-Lost Hills. Discussions with representatives from LHCF, LLC suggest that they may continue to operate recreation and community programs at Lost Hills Park, and would rent space for these programs from the District. Additionally, it is assumed that the local sports

leagues that currently rent sports fields at Lost Hills Park would continue to do so after District formation; and that community members would continue to have the opportunity to rent space at the community centers and sports fields as is currently allowed.

Kern County's existing community park land equals 2.5 acres per 1,000 residents just below the State (Quimby Act) standard of 3 acres per 1,000 residents. Applying the existing 2.5-acre standard to the population of the proposed CSD results in roughly 6.7 acres of park land or open space required in the CSD Service Area, based on 2020 population of 2,668. While the existing 7 acres of parkland at Lost Hills Park more than meets this County average, the existing improvements to the parkland and community centers are unlikely to have been developed without charitable donations.

The CSD will coordinate with the entities currently operating Lost Hills Park to continue providing these services until the District can hire staff and is able to operate independently. It is assumed that ownership of the Lost Hills Park property will transfer from the County to the District following formation. In the future, the new CSD may pursue acquisition, construction, and maintenance of additional neighborhood parks or community parks and related recreation services given the needs of the community and given the availability of the funding needed to support these new parks and recreation services.

Street Lighting

Street lighting services include the maintenance and installation of street lights. It is proposed that the existing CSA-91, which provides maintenance of four street lamps serving 50 parcels along King and Woodward Streets, will be dissolved and its territory annexed to the CSD at its formation, transferring service responsibilities, the existing special benefit assessment district, and any accumulated funds to the CSD, as set forth by LAFCo in terms and conditions applied to the CSD formation. The new CSD would continue to contract with PG&E for the energy and maintenance of the street lights, and with the County for the installation of street lights.

The financial feasibility analysis does not assume the addition of any street lamps within the boundaries of the existing CSA. As proposed, the CSD will have the authority to extend lighting services to other areas within its Service Area, as may be required by the County as part of its subsequent development approvals and related conditions. The addition of any street lamps would require an Assessment Protest Proceeding conforming to the requirements of Proposition 218.

Landscape Maintenance

There are existing landscaping and other improvements along the County roads in the area of Lost Hills that require maintenance, as well as opportunity to enhance

landscaping, pedestrian access and safety, bikeways, and other streetscape improvements along residential streets. CSD staff may seek and coordinate various opportunities to cooperate with the County Public Works Department to pursue targeted streetscape and landscape improvements and to provide for an enhanced level of maintenance, similar to the landscape improvements and maintenance on residential streets and vacant lots that have been provided recently by LHCF, LLC.

Roadway Improvements and Maintenance

It is proposed that while the County would maintain responsibility for improvement and maintenance of County roads in the Lost Hills community, the CSD will have the opportunity to collaborate with the County Public Works Department to provide enhanced roadway and pedestrian safety improvements and higher levels of maintenance than the County would otherwise provide where funding is available and subject to a maintenance agreement with the Public Works Department.

Management, Finance, and Administration

As required by State statute, the proposed CSD will be governed by an elected five-member Board of Directors serving at-large, and elected concurrently with the ballot to form the CSD. The CSD will be administered by a General Manager, an administrative team and professionals providing direct services.

In addition to supporting the Board of Directors, the CSD staff will be responsible for financial management including annual budget preparation, required financial reporting, auditing and managing funds and project resources, overseeing capital investment and service provision activities, human resources functions, community outreach and engagement, and establishing and maintaining liaison with existing and continuing municipal service providers in Lost Hills.

The CSD will have the authority and opportunity to apply for public funding through local, State, and Federal programs and grants to fund improvements and/or projects for the community. Given the proposed CSD's location within a State-designated Disadvantaged Community, District directors and staff would be particularly well-positioned to apply for grant funds from the State for a variety of investments.

Service Delivery Options

There are several options for improving the services proposed for the CSD, including:

- 1) Continuing County ownership and operations with enhanced services supported by charitable donations.
- 2) Expanding services of LHUD to provide proposed CSD services.
- 3) Annexing the Lost Hills area to an adjacent Recreation and Park District.
- 4) Creating a CSD with authority to provide recreation and parks and other related services.

The following **Table 4** provides an evaluation of these options based on a series of evaluation criteria. These criteria include:

- Enhanced Local Control and Governance⁶
- Statutory Authority to Provide Services
- Capacity and Willingness to Provide Services
- Assured and Sustained Funding Sources

The creation of a new CSD is the option that best meets all the criteria, as shown in **Table 4** and summarized below:

- Continuation of the status quo, depending on charitable donations, does not assure continuity and long-term sustainability of recreation and park services (and other services), nor does it achieve the goal of providing enhanced local political control of community-focused services to a small, rural community.
- LHUD has not recently expressed interest in seeking to expand its service authority to include recreation and park services, and has recently been resource-challenged in providing its core water and sewer utility services.
- The two recreation and park districts geographically adjacent to the proposed Lost Hills CSD boundary are operationally based 20 to 35 miles from Lost Hills. These districts serve different communities of interest, and lack the capacity or interest to extend recreation programs and park maintenance to the Lost Hills community.

⁶ As stated in CKH Law, while 'single multipurpose government agency' are generally preferred as the best mechanism for establishing community service priorities in urban areas, "nonetheless, the Legislature recognized the critical role of many limited purpose agencies, especially in rural communities".

Table 4: Evaluation of Service Delivery Options

Proposed Service Organizational Options	Evaluation Criteria			
	Enhanced Local Control and Governance	Statutory Authority to Provide Service	Capacity and Willingness to Provide Service	Assured and Sustained Funding Source(s)
1. Continued County Ownership and Private Operations	No.	Yes, County Department of Parks and Recreation has authority to build and operate community parks.	No, County Department focuses on its regional parks and is not staffed to adequately maintain or operate community parks.	Possible, but would require County Board of Supervisor's action to impose special tax and increase property tax-based funding.
2. Expand services provided by LHUD	No.	No. Principal Act does not authorize recreation and park services.	No.	Possible, but would require LHUD action to impose special tax and negotiate for property tax-based funding for recreation and parks.
3. Annex to adjacent Recreation and Park District	No. Annexation would not assure local representation nor enhance community participation in local governance.	Yes.	Uncertain.	Possible, but would require annexing District action to impose an area specific special tax and negotiate for property tax-based funding
4. Create CSD with authority to provide Recreation and Park services	Yes. New District would have locally elected Board of Directors focuses on Lost Hills parks and recreation programs	Yes.	Yes, if approved by LAFCo and as approved by voters, including the special tax measure	Yes, through a mix of a property tax exchange and special tax if approved by voters

5. Financial Feasibility Analysis

The financial feasibility analysis provides documentation that the proposed CSD will have adequate financial resources to pay for the proposed CSD services. The feasibility analysis is based on a detailed five-year forecast of CSD expenditures and revenues. As with any new organization it is important to be 'conservative' in the formulation of cost and revenue assumptions and to establish resiliency for unforeseen trends or events. One aspect of this resiliency will be the funding and maintenance of a reserve fund, following Government Finance Officers Association (GFOA) standards.

As shown on **Table 7**, the feasibility analysis indicates that the CSD will be financially feasible given confidence that the expenditure forecast, building on existing cost experience, is accurate and that two stable and recurring sources of revenue, covering the bulk of CSD costs, will be established at the time of CSD formation. These revenues include an exchange of property taxes with Kern County and a new special parcel tax levied upon parcels in the CSD boundary. In addition, the Resnick Foundation has committed to a financial gift to fund foreseeable shortfalls in tax revenue for the District's start-up and first year of operation costs, and, while not shown to be necessary, providing contingency financial support for the District during the first five years of operation if so requested by the Board of Directors (see **Appendix E**). Additional funding sources may come from property tax revenue previously collected by the County in the Lost Hills Economic Opportunity Area (EOA), subject to approval by the County Board of Supervisors; and from a range of federal, State, and regional grant programs.

Except where indicated, expenditures and revenues are presented in constant 2022 dollars in this section, i.e., not reflecting inflationary cost or revenue increases. This is a standard approach and reflects the uncertainty around future trends in inflation and other factors effecting costs and revenues. In addition, the budget is structured to promote fiscal resiliency, including the building of a reserve fund. It is also expected that the CSD Board and staff will make cuts to projected budget expenditures as needed to respond to changes in costs and revenues. To provide a more robust analysis, however, EPS has included an "inflation-adjusted" version of the District's projected five-year budget in **Appendix D**.

Expenditures

Given that park maintenance and recreation services will be the main focus of the CSD, the proposed CSD expenditure categories are likely to be similar to other special districts providing park and recreation services in Kern County, and expenditure levels are likely to reflect expenditures in those districts as well as

expenditures by LHCF, LLC at Lost Hills Park and in the community. Accordingly, EPS reviewed available operating budgets from nearby Recreation and Parks districts in Kern County, including the McFarland and Wasco Recreation and Parks Districts, to inform budget categories and unit costs (personnel, maintenance, overhead, etc.). LHCF, LLC additionally provided recent budgets detailing expenses associated with its operations in Lost Hills. Where appropriate, this information has also been utilized to types and level of various costs. The consulted budgets are included in **Appendix B**.

The actual costs associated with future operations of the CSD parks will depend on a number of factors including future salary costs and office rents, level and cost of professional services, and magnitude of startup costs and funding available year-to-year. The estimated five-year expenditure forecast for the CSD is provided in **Table 5**.

Start-Up Expenditures

Estimated CSD start-up costs are incorporated into projected expenditures for the district's initial year. These costs include costs to manage initial administrative tasks such as retaining necessary management, administrative, and technical staff (or contractors) setting up a CSD office, and setting up financial records and an accounting system. These start-up costs are estimated to require the equivalent of 0.25 full-time equivalent (FTE) management staff position during the initial year. The estimated cost for this position is included in the administration costs detailed below. It will also be necessary for the CSD to obtain or rent equipment needed for its maintenance activities. It is assumed that any contracted company will provide necessary equipment but that the District may require some dedicated equipment. It is also possible that LHCF, LLC will donate existing equipment currently utilized at Lost Hills Park to the District.

Administration Expenditures

District Administration Salaries and Benefits

The new CSD would require a range of administrative and management services that were previously provided by LHCF, LLC and The Wonderful Company in relation to Lost Hills Park, and by the County in relation to CSA-91. The proposed CSD would have staff and a Board to provide for a higher level of oversight of local services, and to potentially pursue additional services requested by the community.

There would be a number of expenses associated with the administration of the new CSD. Staff time would be required to: (1) negotiate and manage contracts; (2) prepare annual operating budgets; (3) establish and implement a capital improvement program; and (4) conduct other administrative tasks.

Accordingly, the financial administrative figures are based on a General Manager equivalent to one FTE; a clerk or administrative assistant equivalent to 0.5 FTE (except in the initial year, where they would be equivalent to 0.75 FTE to account for start-up costs); and a receptionist equivalent to 0.5 FTE (except in the initial year, where it is assumed the District will not yet have a receptionist on staff). The salaries assumed for these positions are estimated based on salaries for comparable existing positions employed by the existing special districts providing park and recreation services. The analysis assumes all of these positions would be employees of the District, and as such the salary cost is increased by approximately 40 percent to cover benefits. The analysis also assumes that the salary amounts will increase in real dollars by 2.5 percent annually. The estimated salary costs (plus benefits) in the initial year, which includes 1.75 FTE, are approximately **\$187,000**; Year 2 estimates assume 2 FTE with a salary cost (plus benefits) of approximately **\$209,000**. This is generally aligned with the salary and benefits for administration staff (excluding programming staff) reported for Wasco Recreation and Parks District (~\$187,000) and McFarland Recreation and Parks District (~\$263,000).

While some special districts compensate their board of directors and provide a stipend for board activities (e.g. travel, etc.), none of the nearby parks and recreation districts offer such compensation, nor does the Lost Hills Utility District. Therefore, this analysis does not include a budget for compensation or stipend for the CSD Board of Directors.

Legal and Audit Services

In addition to the ongoing services provided by its staff, the new CSD is expected to require certain contract services, including legal and accounting services each year. The cost of these services is estimated at **\$50,000 annually**. By comparison, Wasco Recreation and Parks District reported a budget of approximately \$34,000 for contract services, and McFarland Recreation and Parks District reported a budget of approximately \$47,000.

Insurance

The budget includes costs for the insurance typically carried by public agencies including directors and officer's insurance, municipal liability and property damage insurance which protect the CSD from lawsuits and damage claims. Insurance costs are estimated at **\$20,000** annually. Insurance costs are not reported as a separate line item by Wasco Recreation and Parks District; and McFarland Recreation and Parks District reported an insurance budget of approximately \$19,000.

Office Space and Other Facilities

Additional administrative costs include office and other space rent, supplies, IT needs, and memberships (including annual LAFCo assessments) for the District. The budget estimate of **\$67,000** is based on expenditures by LHCF, LLC on similar costs at Lost Hills Park; information provided by LHCF, LLC staff on typical

rental rates for office space in the community; and information on membership costs reported by the comparable recreation and parks districts.

CSD Operations Expenditures

As noted in the Plan for Service, the proposed CSD will be authorized to provide park and recreation, enhanced streetscape/landscape, street lighting maintenance, and enhanced road maintenance services. The cost estimates for these services are detailed below.

Parks and Landscaping/Streetscaping Maintenance

The CSD would assume operations and maintenance of the existing Lost Hills Park, as well as the landscaping maintenance currently overseen by LHCF, LLC. The costs currently associated with parks maintenance by LHCF, LLC are approximately \$300,000 annually, including contract staffing, supplies, utilities, and equipment maintenance. This analysis combines the costs of park maintenance with the costs of streetscape and landscape maintenance, based on the assumption that the same staff and equipment can be utilized for both services. As with other staffing for the CSD, the salaries for parks and landscaping maintenance staff are assumed to increase in real dollars by 2.5 percent annually. In the initial year, the estimated costs to the CSD for parks and landscaping/streetscaping maintenance is approximately **\$499,000**. By comparison, costs for maintenance staff, supplies, equipment, and utilities for Wasco Recreation and Parks District is reported to be approximately \$463,000, while McFarland Recreation and Parks District reported costs of approximately \$505,000 for similar types of expenditures.

Recreation Programming

The CSD would assume operations and maintenance of the existing recreation facilities at Lost Hills Park. Recent budget estimates provided by LHCF, LLC indicate that the costs associated with recreation programming have been approximately \$200,000 annually for the past two fiscal years. This includes costs for one full-time program staff member, contracted programming staff (who do not receive benefits), and program supplies. This analysis assumes that the costs for programming will include the hiring of one dedicated full-time program director (with benefits), with the remainder of program staffing provided by contract personnel, as is common in many recreation and parks districts and departments. As with other staffing for the CSD, the salaries for recreation programming staff are assumed to increase in real dollars by 2.5 percent annually. This analysis also includes an estimate for utility and maintenance supply costs for the recreation facilities, with the assumption that maintenance labor would be provided by the staff accounted for in the parks/landscaping budget. In the initial year, the costs of recreation programs for the CSD are estimated to be **\$238,500** annually. This is a conservative estimate, as it is likely that LHCF, LLC will continue to run some portion of the existing recreation programming at its own cost.

Lighting Maintenance

For Fiscal Year 2020-2021, CSA-91 has a total expenditure budget of \$1,167 (see **Appendix C**), of which \$200 represents administration costs, and the remaining represents energy and maintenance costs. As the CSD's administrative staff would take over the CSA's existing administration responsibility, the specific costs associated with providing services to properties within the boundaries of the existing CSA are estimated to be approximately \$950 annually (for electricity and lighting fixture maintenance. Given that there are four streetlamps currently maintained in the existing CSA, this represents a cost of approximately \$240 per lamp. Should the CSD choose to extend street lighting services to other parts of the District, it is anticipated that the costs will scale up on a per streetlamp basis. Any such additional assessments would require a Special Assessment Protest Proceeding.

Road Improvements and Maintenance

While the County will continue to have responsibility for road improvements and maintenance in the Lost Hills community, the District may pursue improvements projects or maintenance services, in cooperation with the County Public Works Department, to enhance service levels. These types of expenditures are not anticipated during the first five years of formation and therefore not included in the budget forecast. It is assumed that any such expenditures for enhanced road level of service will be undertaken by the CSD depending on funding availability, including grant funding.

CSD Operations Contingency

As is best practice, the analysis includes an operations contingency budget, with a target equivalent to five percent annually of operations costs. The contingency budget would accrue over time and be available for use in the case of potential revenue shortfalls or unanticipated expenditures. While contingency budget targets vary across districts, five percent of costs is a reasonable target for a new district. In years where the budget surplus is projected to be less than five percent of operating costs, the contingency budget is shown to be equal to the amount of projected surplus. Additionally, the Resnick Foundation has committed to providing additional contingency funding of up to \$250,000 annually for the first five years after district formation upon request from the CSD Board of Directors, as detailed in **Appendix E**.

Table 5: Proposed Municipal Service Expenditure Forecast (Constant 2022\$)

Departmental Costs		Unit Type		Year 1 - FY 24-25		Year 2 - FY 25-26			Year 3 - FY 26-27			Year 4 - FY 27-28			Year 5 - FY 28-29		
				Units	Annual Cost	Units	Real Cost Index	Annual Cost	Units	Real Cost Index	Annual Cost	Units	Real Cost Index	Annual Cost	Units	Real Cost Index	Annual Cost
Administration																	
Salaries																	
General Manager	FTE	1	\$85,000	1	2.5%	\$89,303	1	2.5%	\$91,536	1	2.5%	\$93,824	1	2.5%	\$96,170		
Clerk/Admin Asst.	FTE	0.75	\$48,750	0.5	2.5%	\$34,145	0.5	2.5%	\$34,999	0.5	2.5%	\$35,874	0.5	2.5%	\$36,771		
Receptionist	FTE	0	\$0	0.5	2.5%	\$26,266	0.5	2.5%	\$26,922	0.5	2.5%	\$27,595	0.5	2.5%	\$28,285		
Benefits	% Salary	40%	\$53,500	40%	0.0%	\$59,886	40%	0.0%	\$61,383	40%	0.0%	\$62,917	40%	0.0%	\$64,490		
Contract/Professional Services	Annual	1	\$50,000	1	0.0%	\$50,000	1	0.0%	\$50,000	1	0.0%	\$50,000	1	0.0%	\$50,000		
Insurance	Annual	1	\$20,000	1	0.0%	\$20,000	1	0.0%	\$20,000	1	0.0%	\$20,000	1	0.0%	\$20,000		
Memberships	Annual	1	\$5,000	1	0.0%												
Office Rent	\$/Sq. Ft.	1,000	\$12,000	1,000	0.0%	\$12,000	1,000	0.0%	\$12,000	1,000	0.0%	\$12,000	1,000	0.0%	\$12,000		
Office Supplies	Annual	1	\$35,000	1	0.0%	\$35,000	1.00	0.0%	\$35,000	1.00	0.0%	\$35,000	1.00	0.0%	\$35,000		
IT & Communications	Annual	1	\$15,000	1	0.0%	\$12,000	1	0.0%	\$12,000	1	0.0%	\$12,000	1	0.0%	\$12,000		
Subtotal		\$324,250		\$338,600			\$343,840			\$349,211			\$354,716				
Park and Landscape Maintenance																	
Staff																	
Maintenance Supervisor	FTE	1	\$53,000	1	2.5%	\$55,683	1	2.5%	\$57,075	1	2.5%	\$58,502	1	2.5%	\$59,965		
Maintenance Technician	FTE	2	\$70,000	2	2.5%	\$73,544	2	2.5%	\$75,382	2	2.5%	\$77,267	2	2.5%	\$79,199		
Custodian	FTE	1	\$30,000	1	2.5%	\$31,519	1	2.5%	\$32,307	1	2.5%	\$33,114	1	2.5%	\$33,942		
Benefits	% Salary	40%	\$61,200	40%	0.0%	\$64,298	40%	0.0%	\$65,906	40%	0.0%	\$67,553	40%	0.0%	\$69,242		
Utilities	\$/acre	7	\$105,000	7	0.0%	\$105,000	7	0.0%	\$105,000	7	0.0%	\$105,000	7	0.0%	\$105,000		
Supplies	Annual	1	\$100,000	1	0.0%	\$100,000	1	0.0%	\$100,000	1	0.0%	\$100,000	1	0.0%	\$100,000		
Equipment Maintenance	Annual	1	\$80,000	1	0.0%	\$80,000	1	0.0%	\$80,000	1	0.0%	\$80,000	1	0.0%	\$80,000		
Subtotal		\$499,200		\$510,044			\$515,670			\$521,437			\$527,348				
Recreation Programs																	
Staff																	
Program Director	FTE	1	\$50,000	1	2.5%	\$52,531	1	2.5%	\$53,845	1	2.5%	\$55,191	1	2.5%	\$56,570		
Benefits	% Salary	40%	\$20,000	40%	0.0%	\$21,013	40%	0.0%	\$21,538	40%	0.0%	\$22,076	40%	0.0%	\$22,628		
Program Personnel (Contracted)	FTE	3	\$60,000	4	2.5%	\$84,050	4	2.5%	\$86,151	4	2.5%	\$88,305	4	2.5%	\$90,513		
Utilities	Facility Sq. Ft.	3,500	\$7,000	3,500	0.0%	\$7,000	3,500	0.0%	\$7,000	3,500	0.0%	\$7,000	3,500	0.0%	\$7,000		
Supplies	Annual	1	\$100,000	1	0.0%	\$100,000	1	0.0%	\$100,000	1	0.0%	\$100,000	1	0.0%	\$100,000		
Subtotal		\$237,000		\$264,594			\$268,534			\$272,572			\$276,711				
Street Lighting																	
Contract Services	Annual	1	\$250	1	0.0%	\$250	1	0.0%	\$250	1	0.0%	\$250	1	0.0%	\$250		
Utilities	Lamps	4	\$700	4	0.0%	\$700	4	0.0%	\$700	4	0.0%	\$700	4	0.0%	\$700		
Equipment Maintenance	Lamps	4	\$6	4	0.0%	\$6	4	0.0%	\$6	4	0.0%	\$6	4	0.0%	\$6		
Subtotal		\$956		\$956			\$956			\$956			\$956				
TOTAL		\$1,061,406		\$1,114,193			\$1,128,999			\$1,144,175			\$1,159,731				
Contingency Fund																	
Contingency & Reserve	Annual	5%	\$53,070	\$55,710			\$56,450			\$57,209			\$57,987				
Operating Budget Reserve Fund			\$53,070	\$108,780			\$165,230			\$222,439			\$280,425				
TOTAL with Contingency Fund		\$1,114,476		\$1,169,903			\$1,185,449			\$1,201,384			\$1,217,717				

Revenues

CSDs have broad powers to obtain the necessary funding to support the local municipal services they provide, including receiving a share of local property taxes, levying special taxes, charging fees for utilities and services rendered, creating special benefit assessments (where 'special benefits' can be established), charging connection charges and other impact fees, etc. The revenue estimates for the proposed CSD are primarily derived, in roughly equal measure, from an 'exchange' of a portion of existing property taxes (currently accruing to the County General Fund) and a special parcel tax that would have to be authorized by the voters concurrently with the election to form the CSD. A forecast of CSD revenues is shown on **Table 6**.

The proposed CSD would derive its funding from a number of sources including an exchange (allocation) of a portion of local property taxes currently accruing to Kern County, a special parcel tax established at the time of CSD formation (upon which its formation will be contingent), a variety of user charges and fees typical of recreation and park districts, existing benefit assessment funding from CSA-91 that will be transferred to the CSD, grant funding, and continuing corporate charitable donations.

Property Tax

The County currently levies a one percent local property tax based upon the Constitutional limit established by Proposition 13. Under the provisions of Proposition 13, tax increases are limited to two percent annually (assuming that assessed valuation does not decline) as levied on assessed valuation. Additional increases in property tax over the two percent occur through real estate sales and new construction, which "reset" the assessed value of the property. This analysis, reflecting these variables and related price inflation, assumes that over time and on average property tax revenues within the CSD boundaries will increase by five percent per year. This increase is aligned with the average annual change in assessed value realized within the boundaries of the Lost Hills Economic Opportunity Area (EOA) between 2012 and 2020, as reported by the County.

As a part of developing the CSD proposal, the proponents of the CSD and the Kern County Administrative Office (CAO) have signed a Memorandum of Understanding (MOU) to establish the portion of existing property taxes in the affected area that will be transferred from the County to the local entity. The amount of the property tax transferred is intended to equal the service responsibilities transferred to the new entity following a statutory formula. Per State statute, unlike other types of reorganizations, when a district is proposed to be formed, LAFCo is responsible for setting the property tax to be exchanged between the County and the newly formed district. The MOU between the proponents and the CAO has been separately provided for LAFCo's use in setting

the property tax to exchange. LAFCo will reflect the agreed transfer amount in the formation terms and conditions.

Under the MOU negotiated between the CAO and the CSD proponents, the County would allocate approximately 3.45 percent of the overall 1 percent local property tax levied by the County (and shared with other local agencies) to the CSD. The 3.45 percent allocation was informed by two factors: 1) it is adequate to cover at least 50 percent of estimated CSD costs as initially estimated; and 2) it is a percentage amount similar to that received by the existing nearby park and recreation districts. The tax allocation factor to the CSD will be transferred directly from the current tax allocation factor for the County's General Fund, which is currently approximately 23.2 percent of the overall 1 percent local property tax. As explicitly provided for in the MOU, the property tax transfer will not impact the tax allocation factor of any other local agencies operating in the proposed boundaries and currently sharing in the 1 percent local property tax.

Actual property tax revenues will lag formation of the CSD, if authorized and approved by the voters. Depending on the time of the formation of the CSD, actual property revenues will not be available until a year after formation, and some form of 'bridge' financing will be necessary to fund services in the first year from either public or private sources. This bridge financing is assumed to include committed financial support from The Resnick Foundation (as detailed in **Appendix E**) and pursuit of grant funding.

Special Parcel Tax

State statute provides for the ability for local government, including CSDs, to levy a special parcel tax on real property within their boundaries. A special parcel tax can be used for any general municipal service. It requires approval by a two-third majority vote of registered voters within the CSD boundaries. The special parcel tax does not have a special benefits requirement similar to that required for special benefit assessment proceedings. As part of the CSD formation a vote to approve such a parcel tax is proposed to be held concurrently with the vote for CSD formation.

As a part of developing the CSD proposal, the proponents have developed a proposed special parcel tax measure that would apply a \$60 per year 'flat tax' on all residential units or vacant residential parcels in the proposed boundary, and a \$150 per year 'flat tax' on all non-residential parcels.⁷

At the proposed tax level, the special parcel tax is shown to generate approximately \$530,000 per year in revenue. The special parcel tax would include a provision for annual increases that account for general price inflation over time

⁷ A parcel tax structure to support general services need only be rational and is not limited to the costs of service that apply to Proposition 26 and Proposition 218 cases. Additionally, because it requires 2/3 voter approval, the special parcel tax meets the applicable procedural requirements imposed by Propositions 13 and 218.

and would also increase as additional parcels are created within the CSD boundary. The revenue forecast provided in **Table 6** projects the addition of ten residential units or parcels annually within the boundaries of the CSD.

Special Benefit Assessments

A special benefit assessment is a charge levied on real property or a business within a defined district to finance the construction, reconstruction, acquisition, or maintenance of a public improvement, or to fund services, such as street lighting. An assessment district is not a separate governmental entity, but rather a defined area of land that will benefit from the acquisition, construction, or maintenance of a public improvement or from the services provided to the district. The assessment can only be levied in proportion to the special benefits received from the improvements. Establishing a special benefit assessment requires 50 percent approval by property owners.

Based on the 2020-2021 fiscal year data for CSA-91 (see **Appendix C**), it is estimated that the new CSD would receive assessment revenues of approximately \$600 in the initial year, assuming CSA-91 is dissolved and annexed to the CSD and constitutes a special service zone within the larger CSD. Most of the revenues are generated from assessments charged by the CSA; additional minimal revenues accrue from interest earnings on fund balances. The parcels in the CSA are currently charged approximately \$12 per year for the operation of the CSA.

As described in the expenditures section, the proposed CSD may choose to increase the number of lamps to improve lighting in the CSA. Any such expansion would necessitate additional assessments to cover increase costs, which would require a Special Assessment Protest Proceeding. This analysis does not assume any change in the number of lamps during the first five years after formation.

Fees and Charges for Services

The new CSD could recoup some or all of the cost to provide certain services through user fees and charges, such as fees for recreation programs and charges for facility rentals. While offsetting costs, it is not likely that such fees and charges can cover the full cost of facility maintenance or services provided. The revenue forecast for the CSD assumes that the District will collect approximately \$25,000 in fees and charges in the initial year, with an increase realized over time as the District is able to expand its programming. While fees currently collected at Lost Hills Park and its associated facilities are below this level, the estimate is conservative compared to fees collected by other nearby parks and recreation districts. In addition, it is assumed that LHCF, LLC will continue to operate a portion of the programming currently offered at Lost Hills Park and associated facilities, and will pay rental fees to the CSD to run these programs after the District is formed and assumes ownership of the facilities. The Board of Directors will be responsible for establishing a fee schedule for park programming and facilities following district formation.

Economic Opportunity Area (EOA)

Kern County formed the Lost Hills Economic Opportunity Area (EOA) in 2014 encompassing a large geographic area around Lost Hills that includes the area within the proposed CSD Boundary (see map in **Appendix A**). The EOA was formed to provide a source of revenue for local economic development investments in the defined area. The funding for the EOA is derived from an allocation of 'property tax increment' (annual increases in revenues otherwise accruing to the County's property tax allocation). As of this date the EOA has financed one project in the Lost Hills community – a 0.25 mile walking path adjacent to the Lost Hills Park, which LHCF, LLC now maintains. The County invested \$150,000 in EOA funds for this project.

Assuming the MOU between the CSD and County is finalized, the County is likely to discontinue diversion of incremental property tax to the EOA fund prior to its current sunset date of January 2035. Should this occur, any remaining EOA funds will continue to be used for the purposes for which the EOA was established until they are expended. Should the County Board of Supervisors, which is responsible for approving use of the EOA funds, consider the utilization of these remaining funds for any projects within the CSD boundaries, there may be coordination between the CSD Board of Directors and the County Board of Supervisors on such expenditures.

Charitable Donations

At the present time the Resnick Foundation and The Wonderful Company provide financial support for parks and recreation services in Lost Hills, as well as some landscaping maintenance services in the community. A key motivation to form the CSD is to provide the community with the ability to assure continuity of these services by establishing recurring sources of funding including allocation of existing tax revenues, new special taxes, assessments, and other public sources of funding.

While the formation of the CSD will shift financial responsibility for municipal services to the CSD, it is expected that the Resnick Foundation and The Wonderful Company, along with other foundations and corporations involved in the community, will continue to provide financial support through charitable donations.

At a minimum, the Resnick Foundation has committed to providing over \$1 million in financial support for CSD operations in the initial year after formation, when start-up costs will exist and property and special tax revenues will have not yet started accruing to the District. Additionally, the Resnick Foundation has agreed to provide up to \$250,000/year during the first five years after formation for contingency funds as may be requested by the Board of Directors (see **Appendix E**).

Franchise Fees

Franchises are another potential source of revenue for the new CSD. A franchise is a fee paid to a municipality from a franchisee for the use of city streets and rights-of-way. Examples of businesses that are often required by ordinance to pay franchise fees include cable companies, ambulance services, refuse collectors, and towing services.

Franchise fees from state-issued gas, electric, telephone, and oil pipeline franchises are limited to two percent of a franchisee's gross annual receipts arising from the use, operation or possession of the franchise. Cable television is limited to five percent. There is no limit for refuse collection.

While the CSD has the authority to charge franchise fees, they are not anticipated as part of the forecasted CSD budget.

Other Revenues

An additional source of revenue for the new CSD is interest earnings. According to the Fiscal Year 2020-2021 budget, the existing CSA expects to earn about 15 percent of total revenue from interest on pooled cash. Therefore, the new CSD could expect a similar amount of interest revenue, assuming it is able to take over the existing fund balance.

The CSD may also seek to pursue grant funding from a range of regional, State, and Federal sources to finance programs and projects in the District. In particular, as a State-designated Disadvantaged Community, Lost Hills is eligible for funds set aside from the State's Cap-and-Trade program to support public health, quality of life, and economic opportunity investments under SB 535. Other potential grant funding sources include the Community Development Block Grant (CDBG) Program administered by Kern County and regional transportation grants administered by Kern Council of Governments (Kern COG).

Table 6: Proposed Municipal Service Revenue Forecast (Constant 2022\$)

Revenue Source	Year 1 FY 24-25	Year 2 FY 25-26	Year 3 FY 26-27	Year 4 FY 27-28	Year 5 FY 28-29
Exchanged Revenues					
Ad Valorem Property Tax [1]	\$0	\$632,650	\$664,283	\$697,497	\$732,372
Special Taxes and Assessments					
Parcel Tax [2]	\$0	\$532,620	\$533,885	\$534,537	\$535,202
Lighting & Landscape Maintenance	\$613	\$706	\$706	\$706	\$706
User Charges and Fees	\$25,000	\$30,000	\$35,000	\$35,000	\$35,000
Corporate Contributions [3]	\$1,050,000	\$0	\$0	\$0	\$0
TOTAL	\$1,075,613	\$1,195,976	\$1,233,874	\$1,267,740	\$1,303,280

[1] Assumes that property tax will not start accruing to CSD until second year of operation. Assumes 5% growth in property tax annually (including 2% per Prop 13 and 3% real growth in assessed value)

[2] Assumes that parcel tax will not start accruing to CSD until second year of operation. Assumes addition of ten (10) residential parcels annually.

[3] This analysis conservatively assumes that a gift from the Resnick Foundation will fund all revenue shortfall in Year 1. The CSD may seek other funding sources as needed, including grant funding, funds collected through the Lost Hills EOA, and committed continued support of up to \$250,000/year from the Resnick Foundation during the first five years of District operation.

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Table 7: Five Year Budget Forecast (Constant 2022\$)

Cost and Revenue Items	Forecast Year				
	Year 1 FY 24-25	Year 2 FY 25-26	Year 3 FY 26-27	Year 4 FY 27-28	Year 5 FY 28-29
Administration	\$324,250	\$338,600	\$343,840	\$349,211	\$354,716
Salaries	\$187,250	\$209,600	\$214,840	\$220,211	\$225,716
Professional Services	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
Other Operating Costs	\$87,000	\$79,000	\$79,000	\$79,000	\$79,000
Park and Landscape Maintenance	\$499,200	\$510,044	\$515,670	\$521,437	\$527,348
Staff	\$214,200	\$225,044	\$230,670	\$236,437	\$242,348
Other Operating Costs	\$285,000	\$285,000	\$285,000	\$285,000	\$285,000
Recreation Programs	\$237,000	\$264,594	\$268,534	\$272,572	\$276,711
Staff	\$70,000	\$73,544	\$75,382	\$77,267	\$79,199
Program Employees	\$60,000	\$84,050	\$86,151	\$88,305	\$90,513
Other Operating Costs	\$107,000	\$107,000	\$107,000	\$107,000	\$107,000
Street Lighting	\$956	\$956	\$956	\$956	\$956
Contract Services	\$250	\$250	\$250	\$250	\$250
Other Operating Costs	\$706	\$706	\$706	\$706	\$706
Contingency and Reserve [1]	\$14,207	\$55,710	\$56,450	\$57,209	\$57,987
Total Costs	\$1,075,613	\$1,169,903	\$1,185,449	\$1,201,384	\$1,217,717
Exchanged Revenues					
Ad Valorem Property Tax [2]	\$0	\$632,650	\$664,283	\$697,497	\$732,372
Special Taxes and Assessments					
Parcel Tax	\$0	\$532,620	\$533,885	\$534,537	\$535,202
Lighting & Landscape Maintenance	\$613	\$706	\$706	\$706	\$706
User Charges and Fees	\$25,000	\$30,000	\$35,000	\$35,000	\$35,000
Corporate Contributions [3]	\$1,050,000	\$0	\$0	\$0	\$0
Total Revenues	\$1,075,613	\$1,195,976	\$1,233,874	\$1,267,740	\$1,303,280
Annual Fiscal Balance	\$0	\$26,073	\$48,425	\$66,356	\$85,562

[1] The contingency budget target is five percent of operating costs. In years where the budget surplus is projected at less than five percent of operating costs, the contingency budget is equivalent to that projected surplus.

[2] Assumes that property tax will not start accruing to CSD until second year of operation. Assumes 5% growth in property tax annually (including 2% per Prop 13 and 3% real growth in assessed value)

[3] This analysis conservatively assumes that a gift from the Resnick Foundation will fund all revenue shortfall in Year 1. The CSD may seek other funding sources as needed, including grant funding, funds collected through the Lost Hills EOA, and committed continued support of up to \$250,000/year from the Resnick Foundation during the first five years of District operation.

6. Special District Formation Process

This report provides an initial feasibility study reflecting the level and type of additional services desired by the community, and the corresponding level of funding that will be necessary. Further actions, which are not a part of the current study, will be necessary as the process moves forward.

The community's decision regarding desired services enables the CSD proposal to clearly specify the service(s) and sources of funding; LAFCo requires this specificity as part of the application process. Determination of services is also necessary in order for discussions with the County to proceed regarding contract services, transfer (if any) of existing County responsibilities (e.g., street lighting), and possible County authorizations required for the CSD to franchise certain services. Additional legal review may also be needed to confirm the legal basis for any service assumptions and transfers proposed, in advance of the CSD formation and other steps summarized below.

CSD Formation

According to State law the formation of a CSD begins with either a petition signed by no less than 25 percent of the registered voters residing in the district area or the adoption of a resolution of application by the County Board of Supervisors. LAFCo then provides a decision on formation. LAFCo must determine whether 1) a district can carry out its purposes, 2) the district has sufficient revenues to provide named services, and 3) existing agencies can feasibly provide the needed service or services in a more efficient and accountable manner. If the District is formed and, later on, the District board wants to provide services in addition to those authorized at formation, based on the community's needs, it must receive LAFCo approval for those "latent" powers.

Voter approval will be necessary to approve taxes or assessments to assure financial feasibility of the new CSD.

Dissolution/Consolidation of CSA-91

Concurrently with the new CSD formation, the proponents propose to dissolve CSA-91 and annex it to the CSD once formed and constitute a special service zone within the larger CSD. The proposal contemplates that any fund balance attributable to CSA-91 assessment revenue will be transferred to the CSD upon formation and that the CSD shall assume the authority to levy, assess, and collect all authorized landscape and lighting assessments associated within such zone.

Board Election

If LAFCo approves formation of the new CSD, an election for the Board of Directors will be conducted at the same time as the election by registered voters to confirm formation of the CSD. Per State statute, the initial Board of Directors will consist of five members, serving at-large, with staggered four-year terms (in the first year, two members will serve two-year terms).⁸ Following formation, Board may consider district-based elections. Such a reorganization will require voter approval.⁹ Elections for the Board of Directors will be conducted by County Elections. The Board is responsible for establishing policy and directing the activities of the proposed CSD.

Concurrent Special Parcel Tax Election

Formation of the new CSD requires LAFCo approval, and LAFCo needs to make findings that the new CSD would be financially feasible. In order to do this, LAFCo has indicated that it will require that a special parcel tax be approved by the voters to fund authorized services of the new CSD as a condition of approval. Approval of a special tax will require two-thirds voter approval. Since the CSD does not exist, it will fall upon the County to adopt the special parcel tax by ordinance and place the tax measure on the same ballot as the CSD formation measure.

Assembling CSD Staff, Facilities, and Services

It will be necessary for the new CSD to rent office space, purchase or lease office equipment and furnishings, computers, computer software and other supplies. The CSD will need to contract for additional services, including legal, engineering, accounting, payroll, and IT support. As part of this effort, a transition from those entities currently performing these functions will occur.

Future Services and Funding Requirements

The Plan for Service described the specific services that the new CSD will provide. The specific services and related service levels would be determined by the Board of Directors, initially and over time, consistent with the Plan for Service and related terms and conditions imposed by LAFCo. Providing any new services would require LAFCo review and approval to activate such 'latent' services and the means for funding them.

⁸ California Government Code Section 61040 (a) and Section 61042.

⁹ California Government Code Section 61025.

Appendix A: Overlapping and Adjacent District Maps

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Table A- 1: Proposed LHCS D Boundaries and Existing Lost Hills Utility District (LHUD) Boundaries

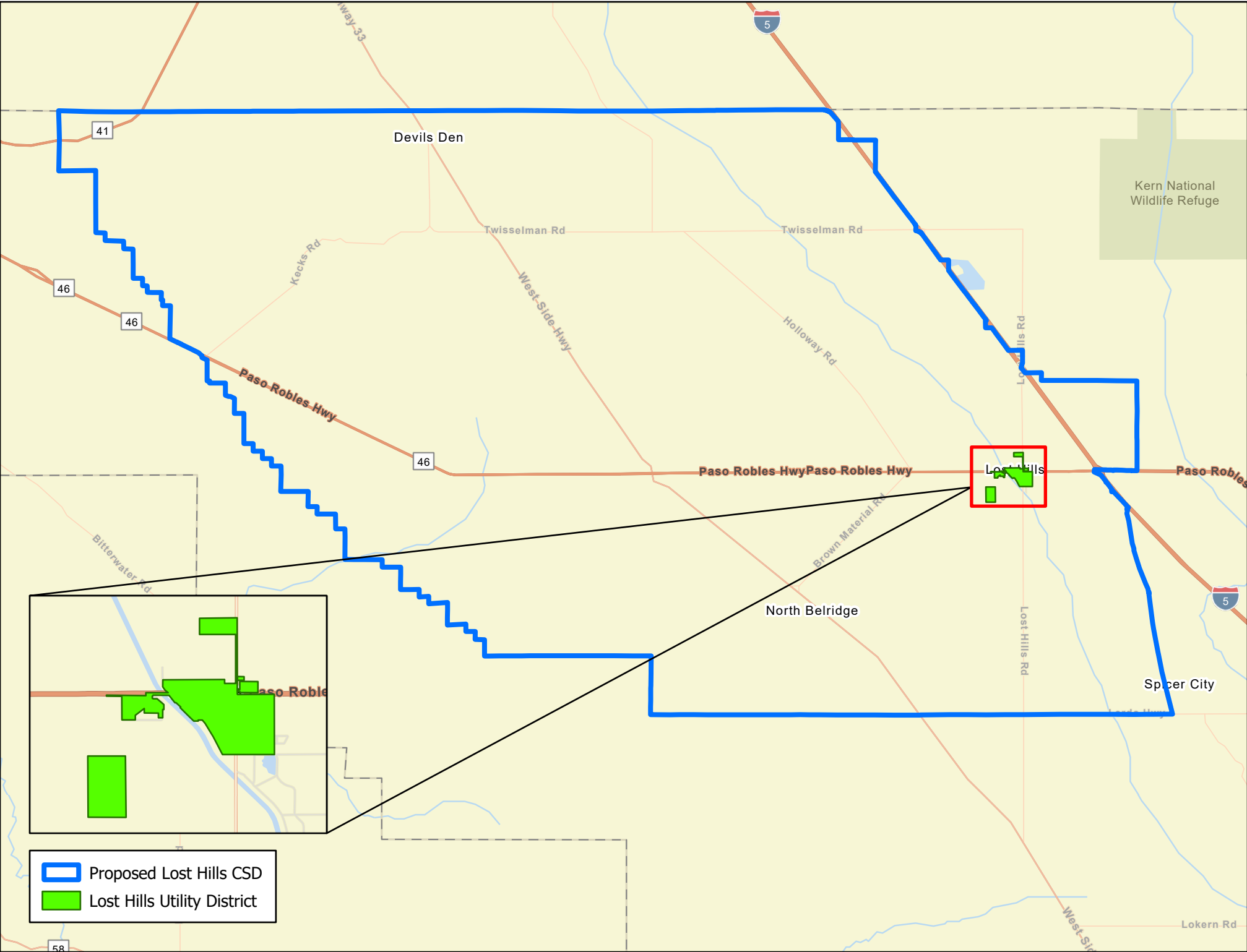
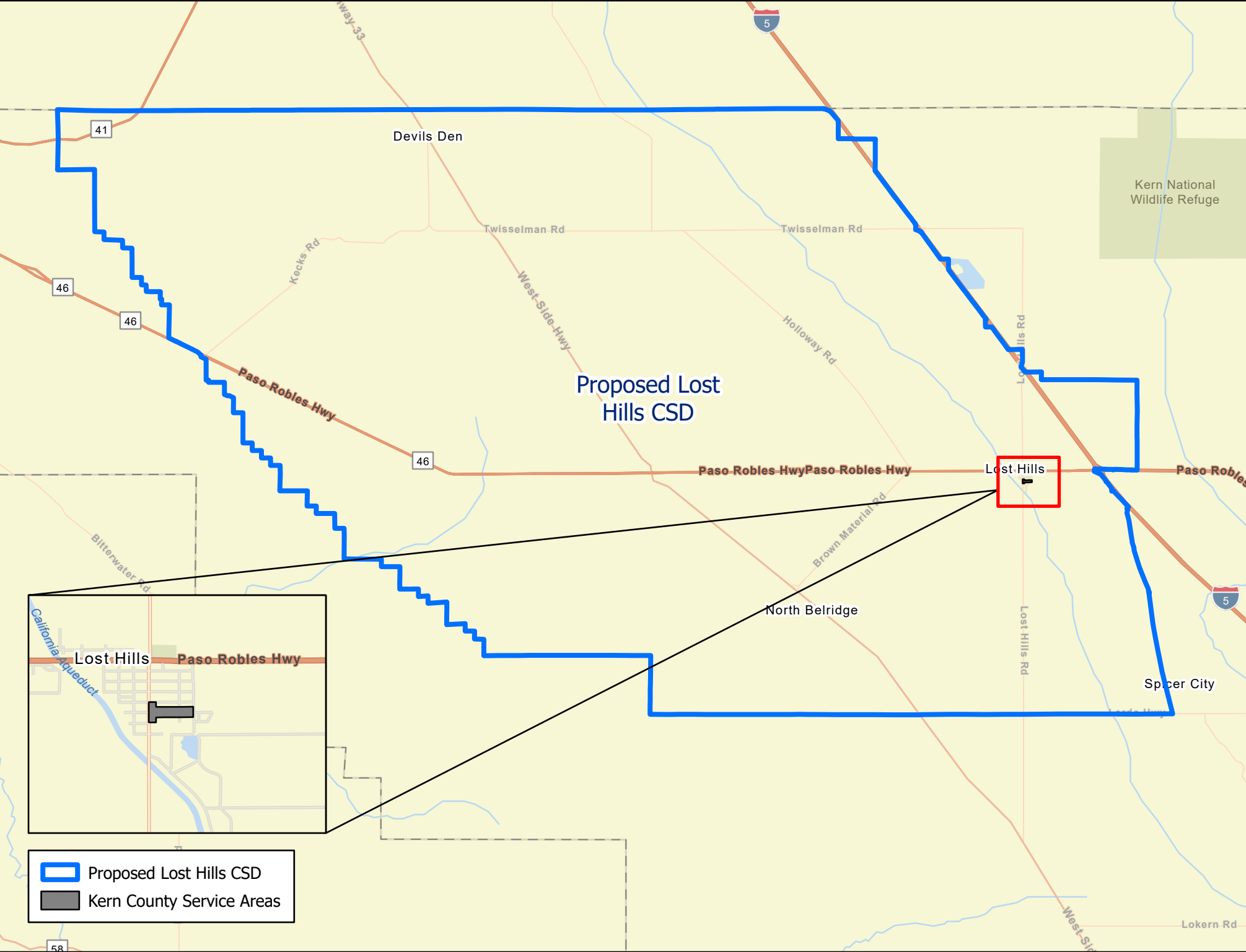


Table A- 2: Proposed LHCS D Boundaries and Existing CSA-91 Boundaries



Note: Legal map of proposed CSD boundaries is provided in separately-submitted engineer's report.

Table A- 3: Proposed LHCS D Boundaries and Existing Lost Hills Economic Opportunity Area (EOA) Boundaries

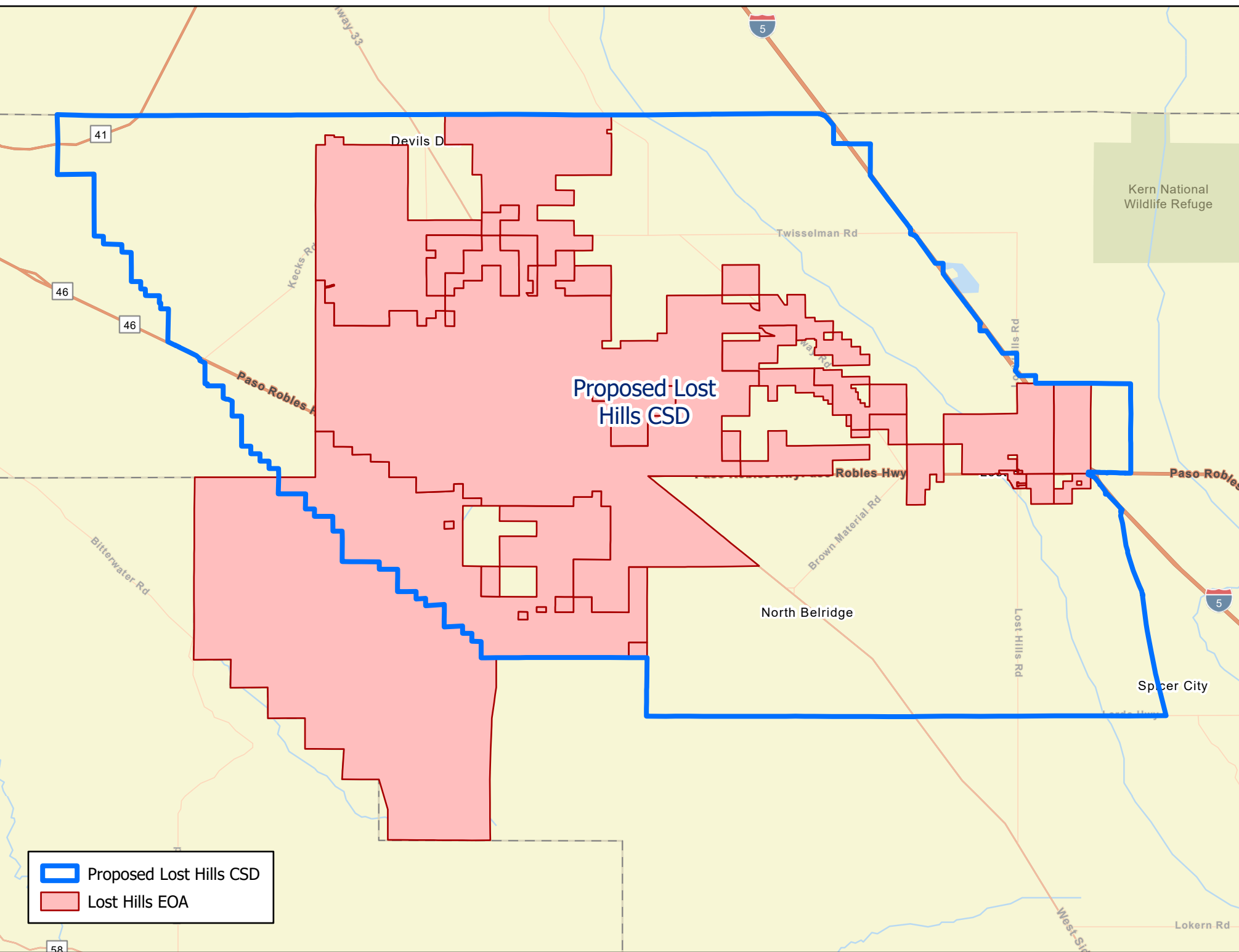
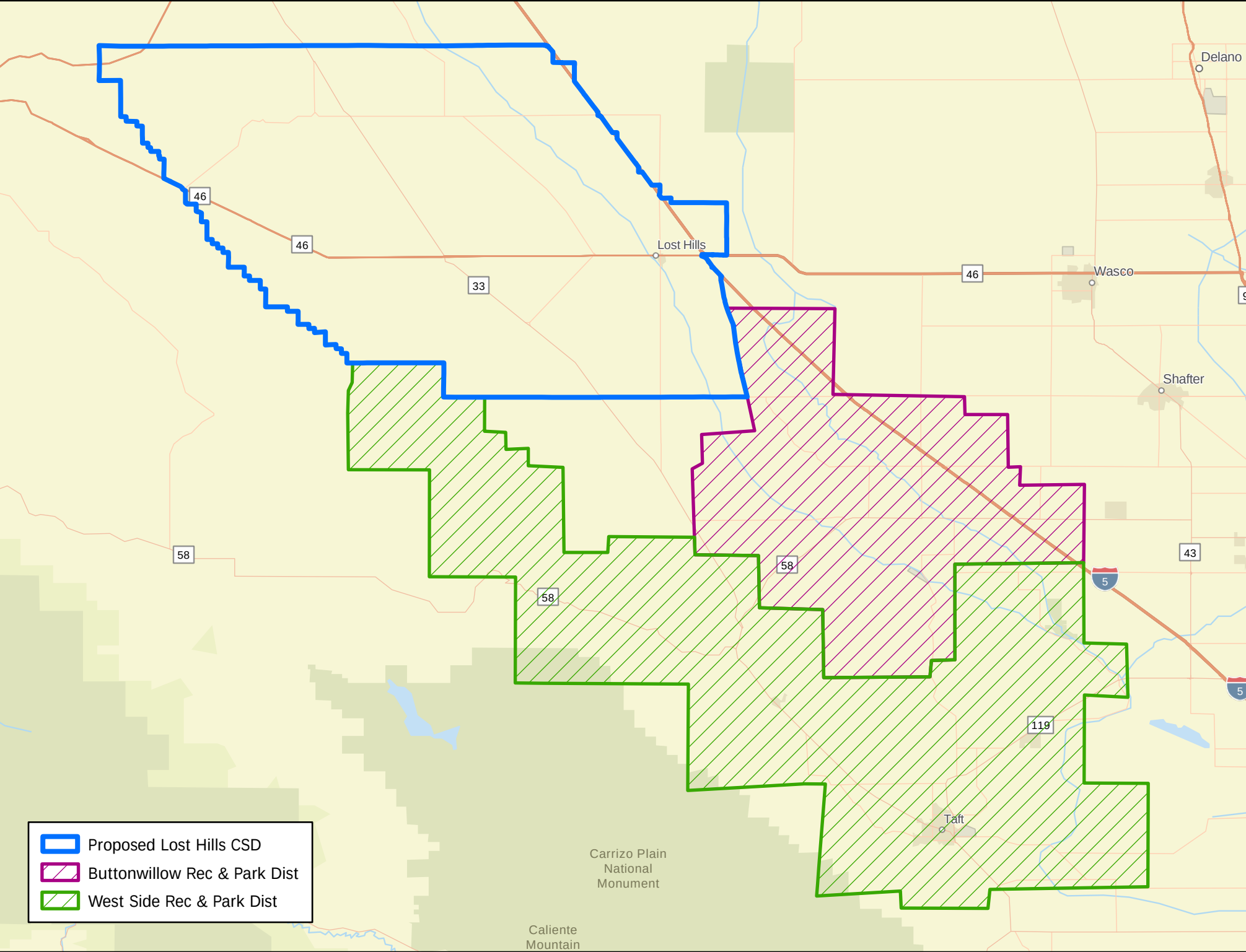


Table A- 4: Proposed LHCD Boundaries and Existing Boundaries of Adjacent Recreation and Parks Districts



Appendix B: Comparable Recreation and Parks District Budgets

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2021/2022 Budget

Resolution 2021-05



CLASS I - SALARIES & EMPLOYEE BENEFITS			
6-1100	ADMINISTRATIVE PERSONNEL		
	6-1110	District Secretary	\$ 52,394.17
	6-1115	District Program Coordinator	\$ 47,250.00
	6-1125	District Manager	\$ 73,932.77
	6-1130	Part Time Secretary	
		Sub-total	\$ 173,576.94
6-1200	PARK MAINTENANCE		
	6-1210	Maintenance Tech Supervisor	\$ 50,347.21
		Irrigation Tech Supervisor	\$ 50,347.21
	6-1215	Maintenance Tech I	\$ 36,073.07
	6-1216	Maintenance Tech II	
	6-1216	Part Time Maintenance	\$ 20,000.00
	6-1220		
	6-1230	1202 Hall open/close	
		Sub-total	\$ 156,767.49
6-1300	RECREATION LEADERSHIP		
	6-1305	Clinics and Charters, Gymnasium	\$ 1,500.00
	6-1310	Officials	\$ 8,000.00
	6-1320	Scorers	\$ 2,000.00
	6-1350	Cordinators	\$ 5,000.00
	6-1370	Summer Camp	\$ 6,000.00
		Sub-total	\$ 22,500.00
6-1400	AQUATICS		
		Sub-Total	\$ 30,000.00
6-1500	BENEFITS		
		TOTAL BENEFITS	\$ 160,000.00
		CLASS I GRAND TOTAL	\$ 542,844.43

6-2000

CLASS II - SERVICES & SUPPLIES

6-2010	Agricultural, Turf Landscape Products	\$	5,000.00
6-2015	Landfill Fees	\$	13,000.00
6-2020	Misc.	\$	500.00
6-2021	Drinking water	\$	1,500.00
6-2025	Memberships	\$	4,500.00
	CSDA - \$		
	C.A.R.P.D. - \$		
	CPRS - \$		
62030	Fireworks	\$	20,000.00
62035	Employee Uniforms	\$	1,500.00
6-2040	Postage	\$	250.00
6-2041	Office Supplies	\$	1,500.00
6-2045	Communication/ IT	\$	5,000.00
6-2050	Publicity, Notices, Advertisement	\$	1,500.00
6-2051	Locksmith	\$	2,500.00
6-2055	Rentals-Equipment	\$	1,500.00
6-2056	Professional Tree Service	\$	10,000.00
6-2060	Small Tools & Instruments	\$	3,000.00
6-2065	Equipment-Replacement/Repair	\$	5,000.00
6-2066	Building Repairs/Improvements	\$	10,000.00
6-2070	Work Release Expense	\$	150.00
6-2080	Household Supplies	\$	200.00
6-2085			
6-2090	Medical/Safety Supplies	\$	1,000.00
6-2095	Gas, Oil & Repairs	\$	15,000.00
	Sub-total	\$	102,600.00

6-2100

Maintenance of Buildings & Grounds			
6-2105	Maintenance Capital Outlay	\$	10,000.00
6-2115	1202 Hall/Maint. & supplies	\$	4,000.00
6-2120	Marking Material	\$	1,000.00
6-2125	Paint	\$	2,000.00
6-2126	Graffiti Remover	\$	1,000.00
6-2127	Restrooms-Portables	\$	2,500.00
6-2130	Sprinkler/Valve Replacement-Repair	\$	6,000.00
6-2135	Cleaning-Paper Supplies	\$	2,000.00
6-2140	Pool Chemicals & Maintenance	\$	38,000.00
6-2145	Improvement and repairs	\$	11,500.00
6-2150	Operational Expense	\$	1,000.00
6-2155	Vehicle Replacement		
6-2156	Lawn Mower Replacement		
6-2157	Utility Vehicle Replacement		
	Sub-total	\$	79,000.00

6-2200

Professional Services			
2210	Audit Fee		\$ 15,000.00
2240	Program licenses and renewals		\$ 13,000.00
2250	Permits/Certificates		\$ 500.00
2260	Fingerprinting		\$ 1,000.00
2270	Consultants/Programs		\$ 5,000.00
Sub-total			\$ 34,500.00

6-3000

Program Expense			
6-3005	Aerobic/Senior programs		\$ 3,000.00
6-3010	Awards		\$ 3,000.00
6-3015	Signs		\$ 500.00
6-3020	Uniforms		\$ 40,000.00
6-3025	Equipment		\$ 5,000.00
6-3026	Field Improvements		\$ 2,500.00
6-3028	Facilities Material Outlay		\$ 10,000.00
6-3030	Community Activities/Summer Camp		\$ 3,000.00
6-3035	Sponsor Recognition		\$ 500.00
6-3040	Adult Activities		\$ 1,000.00
6-3045	Athletic Equipment Outlay		\$ 2,500.00
Sub-total			\$ 71,000.00

6-4100

UTILITIES			
Electricity			
CIP/Quimb			
	Annin Park -install		
4110	Little League Park		\$ 2,000.00
4120	Ballpark		\$ 6,000.00
4130	Cormack Park		\$ 3,000.00
4140	1202 Hall		\$ 7,000.00
4150	Barker Park/Pool		\$ 28,000.00
4160	District Office		\$ 2,000.00
4170	Westside Park		\$ 5,000.00
4180	Irrigation-Ballpark		\$ 3,000.00
Sub-total			\$ 56,000.00

6-4200

Gas			
4210	1202 Hall		\$ 2,000.00
4220	Barker Park/Pool		\$ 7,000.00
4230	District Office		\$ 800.00
Sub-total			\$ 9,800.00

6-4500

Water/Sewer/Landfill			
4510	Cormack Park		\$ 33,000.00
4520	1202 Hall		\$ 4,000.00
4530	Southgate Park		\$ 600.00
4540	Ballpark		\$ 2,500.00

4550	Westside Park		\$ 700.00
4555	Annin Park		\$ 1,000.00
4560	Barker Park/Pool/Office		\$ 5,000.00
4580	SWID		\$ 8,000.00
Sub-total			\$ 54,800.00
CLASS II GRAND TOTAL			\$ 407,700.00

6-5000

CLASS III			
6-5010	Office Equipment		\$ 3,000.00
6-5020	Email and Domain		\$ 800.00
6-5030	Major Park Improvements CIP		\$ 137,189.90
6-5040	Security/Alarm Sys. Cameras		\$ 1,500.00
6-5045	Pest Control		\$ 900.00
6-5151	6-5100 Wages, Salaries, Live Scan		
6-5150	6-5150 IT Services Annual Contract		\$ 3,200.00
	6-5151 Cellular Reimburse		\$ 3,200.00
	6-5152 Training/travel/meetings		\$ 6,000.00
	6-5200 Voucher Expense		\$ 22,000.00
CLASS III GRAND TOTAL			\$ 177,789.90
TOTAL EXPENDITURES			\$ 1,128,334.33

ESTIMATED REVENUE

4-1000	Property Tax Revenue	\$ 880,000.00
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4-2000	POOL	
2010	Admissions	\$ 7,500.00
2020	Pool Rentals	\$ 6,000.00
2030	Instructional Swimming	\$ 8,000.00
Sub-Total		\$ 21,500.00

4-3000	RESERVATIONS	
4-3010	Reservations-Shelter	\$ 6,500.00
4-3020	Reservations-Hall	\$ 24,000.00
Sub-Total		\$ 30,500.00

4-4000	CONTRACTS	
4405	WascoHigh School-	\$ 30,000.00
4410	Bengals	\$ 2,000.00
4420	Little League	
4430	Wasco Rotary -	\$ 2,000.00
4440	Pecos	\$ 5,000.00
4450	Tiger Sharks	\$ 1,500.00
Sub-Total		\$ 40,500.00

4-5000

PROGRAM INCOME			
4-5010			
4-5020	Registration		\$ 64,000.00
4-5025	Community Events		\$ 10,000.00
4-5030	LL Consessions		\$ 2,000.00
4-5035	Summer Camp		\$ 3,000.00
4-5040	Field Rentals		\$ 800.00
4-5045	Aerobics		\$ 2,000.00
	Sub-Total		\$ 81,800.00

4-6000

OTHER INCOME			
4-6005			
4-6010	Light Rentals		\$ 1,000.00
4-6020	Miscellaneous		\$ 500.00
4-6025	Quimby Fee		
4-6030	<i>Sale of Fixed Assets</i>		
4-6040	Compensation Insurance dividend		\$ 2,000.00
4-6050	Interest on Reserves		\$ 30,000.00
4-6060			
4-6070	Baseball/softball rental		\$ 500.00
	Sub-Total		\$ 34,000.00

TOTAL REVENUE	\$ 1,088,300.00
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SUMMARY

2021/2022 Budget



REVENUE

FEES & CHARGES	\$ 203,300.00
TAX REVENUE	\$ 880,000.00
GRANTS	
GRAND TOTAL	\$ 1,088,300.00

EXPENDED FUNDS

CLASS I - SALARIES, WAGES & BENEFITS	\$ 542,844.43
CLASS II - SERVICES & SUPPLIES	\$ 407,700.00
CLASS III - FIXED ASSETS	\$ 177,789.90
GRAND TOTAL	\$ 1,128,334.33

RESERVE FUNDS

County Cash / CIP Allocations	\$ 1,503,501.83
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GAIN (LOSS)	\$ 40,034.33
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McFARLAND RECREATION AND PARK DISTRICT

2020/2021 FISCAL YEAR BUDGET

ACCOUNT CATEGORY		2019 Inc/Exp 12 Months	ADOPTED 2019/2020	2020 Inc/Exp 12 Months	PRELIM 2020/2021	RECOMM 2020/2021	ADOPTED 2020/2021
			BEST		WORST		
1-000 ASSETS							
1-1000	CASH IN COUNTY TREASURY	289,151		142,476			
11020	UNDEPOSITED FUNDS	1,232		-			
1-1125	CASH IN BANK/ACCTS PAYABLE	135,780		191,704			
1-1150	CASH IN BANK/PAYROLL ACCT	10,241		(17,672)			
1-1175	CASH IN BANK/REVOLVING ACCT	497		650			
1-1180	CASH IN BANK/FESTIVAL ACCT	8,010		2,086			
1-1250	PETTY CASH	147		-			
1-1459	GARNISHMENT	(22)		44			
1-1460	CHILD SUPPORT	422		422			
1-1461	EARNING WITHHOLDING	0		0			
1-1470	EARNING WITHHOLDING TAXES	0		0			
1-1600	FIXED ASSETS/EQUIPMENT	0		0			
1-1700	FIXED ASSETS/IMPROVE-	0		0			
1-1800	FIXED ASSETS/IMP OTHER/LAN	0		0			
11900	FIXED ASSETS/BUILDINGS	0		0			
TOTAL ASSETS		445,457	400,000	319,710	300,000	300,000	300,000
2-000 LIABILITIES							
2-2000	ACCOUNTS PAYABLE	26,943		54,050			
2-2100	LOANS PAYABLE	0		0			
2-2150	DEFERRED REVENUE	143,888		28,468			
2-2200	ACCRUED PAYROLL	27,463		44,619			
2-2250	ACCRUED VAC/SICK/CT	0		0			
2-2300	INVESTED IN FIXED ASSETS	0		0			
2-2400	DEDUCTION ACCRUAL	6,917		4,387			
2-2450	FED UNEMPL TAX ACCRUAL			32			
2-2500	FED W/H TAX ACCRUAL	(2,057)		420			
2-2550	FICA W/H EMPLR TAX ACCRUAL	(919)		526			
2-2600	FICA W/H EMPLR TAX ACCRUAL	(17)		515			
2-2650	STATE DISABILITY INSURANCE	(711)		(111)			
2-2660	EMPLR TAX TRAINING (ETT)	17		7			
2-2700	STATE UNEMPL INS ACCRUAL	0		(1,070)			
2-2750	STATE W/H TAX ACCRUAL	1,400		(206)			
2-2800	WORKER'S COMP INSURANCE	0		0			
2-2850	MEDICARE EMPLR/EMPE TAX	472		(246)			
2-2851	AFLAC	(26)		(8)			
2-5000	PAYROLL WITHHOLDINGS	0		0			
TOTAL LIABILITIES		203,369	55,000	131,382	55,000	55,000	55,000
3-000 EQUITY							
3-3050	GENERAL FUND BALANCE						
3-4000	INVESTED IN FIXED ASSETS			0			
3-8000	RETAINED EARNINGS	494,474		339,949			
3-9000	CURRENT EARNINGS	(96,652)		(129,409)			
TOTAL EQUITY (CARRYOVER)		397,822	345,000	210,540	245,000	245,000	245,000

ACCOUNT CATEGORY		2019 Inc/Exp 12 Months	ADOPTED 2019/2020	2020 Inc/Exp 12 Months	PRELIM 2020/2021	RECOMM 2020/2021	ADOPTED 2020/2021
4-000 INCOME							
4-1000 TAXES							
4-1001	CURRENT SECURED	770,613		764,944			
4-1002	CURRENT UNSECURED	83,275		85,546			
4-1003	PRIOR YEAR	(2,627)		415			
4-1004	OTHER (LAND RENTAL)	3,091		0			
4-1005	HOMEOWNERS EXEMPTION	6,261		6,094			
4-1006	BUS INVENTORY PROP TAX	0		0			
4-1007	PENALTIES	(3,925)		547			
4-1008	SUPPLEMENTAL	5,028		18,232			
4-1009	IN-LIEU OF/OTHER	26,329		31,847			
4-1010	E.R.A.F. (AUGMENTATION)	0		0			
TOTAL TAX REVENUE		888,045	840,000	907,625	720,000	720,000	720,000
4-1020 INTEREST							
4-1020	INTEREST (K.C. & BANK)	7,124		4,631			
TOTAL INTEREST		7,124	5,000	4,631	3,000	3,000	3,000
4-3000 PROGRAMS							
4-3100 YOUTH SPORTS							
4-3101	BASEBALL	11,736		0			
4-3102	BASKETBALL	9,250		6,060			
4-3103	SWIM TEAM	0		0			
4-3104	CROSS COUNTRY	2,465		2,676			
4-3105	SOCCER	6,470		720			
4-3106	CHEERLEADING CLINIC	1,365		1,140			
4-3107	GUITAR	410		450			
4-3108	FLAG FOOTBALL	789		285			
4-3110	YOUTH WRESTLING	520		1,473			
4-3111	CHEERLEADING-TACKLE	0		0			
4-3112	PEANUT BASKETBALL	1,708		1,127			
4-3113	VOLLEYBALL	1,570		270			
TOTAL YOUTH SPORTS		36,283	35,000	14,201	0	0	0
4-3200 ADULT SPORTS							
4-3201	SOFTBALL	2,450		1,600			
4-3202	BASKETBALL	0		0			
4-3203	CO-ED VOLLEYBALL	0		0			
4-3205	MEN'S SOCCER	0		0			
TOTAL ADULT SPORTS		2,450	2,000	1,600	0	0	0
4-3300 SPECIAL INTEREST PROGRAMS							
4-3301	FUN SKILLS	20,032		12,304			
4-3303	COUGAR/SUMMER CAMP	12,080		799			
4-3304	DANCE CLASS	1,025		0			
4-3305	ART	(25)		0			
4-3306	MARTIAL ARTS	0		0			
4-3307	CHRISTMAS RUN	1,820		1,049			
4-3308	Winter Break Prog.	200		180			
4-3309	WEIGHT ROOM	17,824		10,688			

4-3311	Fundraiser Events	0		2,667			
4-3312	Archery	0		0			
43314	MEDIA	0		0			
TOTAL SPECIAL INTEREST PROGRAM		52,956	55,000	27,687	0	0	0
ACCOUNT CATEGORY		2019 Inc/Exp 12 Months	RECOMM 2019/2020	2020 Inc/Exp 12 Months	PRELIM 2020/2021	RECOMM 2020/2021	ADOPTED 2020/2021
4-3400	ADULT/YOUTH SPECIAL EVENTS						
4-3401	SENIOR TRIPS	0		0			
4-3402	YOUTH TRIPS	0		0			
4-3404	ADULT TRIPS	0		0			
TOTAL ADULT SPECIAL EVENTS		0	0	0	0	0	0
4-3500	FESTIVAL EVENTS						
4-3501	CINCO DE MAYO EVENT	8,606		0			
4-3502	4TH OF JULY	5,938		2,900			
4-3503	FALL FESTIVAL	0		525			
4-3509	CHRISTMAS FESTIVAL	5,225		0			
TOTAL YOUTH SPECIAL EVENTS		19,769	15,000	3,425	0	0	0
4-3600	SUMMER AQUATICS						
4-3601	PUBLIC SWIMMING	10,696		4,899			
4-3602	CentralValley Lifeguard Olympic	0		0			
4-3603	SWIM & STAY FIT	196		30			
4-3604	MISC POOL INCOME	950		70			
4-3605	SWIM LESSONS	19,523		2,859			
4-3606	WATER AEROBICS	663		372			
TOTAL SUMMER AQUATICS PROGRAMS		32,028	30,000	8,230	0	0	0
4-3700	SENIOR MEALS PROGRAM						
4-3701	MONTHLY REIMBURSEMENT	0		0			
4-3702	DAILY INCOME	0		0			
TOTAL SENIOR MEALS PROGRAM		0	0	0	0	0	0
4-4000	CONCESSIONS						
4-4001	BALL FIELD	3,108		3,405			
4-4002	GYMNASIUM	2,908		1,930			
4-4003	VENDING MACHINES	0		0			
4-4004	TACKLE CONCESSION	0		0			
TOTAL CONCESSIONS		6,016	5,000	5,334	0	0	0
4-5000	FACILITY RENTALS						
4-5001	ATHLETIC FIELDS/LIGHTS	9,529		6,926			
4-5002	MOUSER CENTER	5,549		6,283			
4-5003	GYMNASIUM	11,155		11,196			
4-5004	SWIMMING POOL	9,673		1,615			
4-5005	GAZEBO/SHELTER	395		285			
4-5006	WEIGHT ROOM (MHS)	(1,320)		0			
4-5007	WRESTLING ROOM (MHS)	1,320		2,096			
4-5008	CITY FACILITY RENTAL'S	0		100			
TOTAL FACILITY RENTALS		36,301	35,000	28,500	0	0	0
TOTAL PROGRAM INCOME		185,804	177,000	88,976	0	0	0

ACCOUNT CATEGORY		2019 Inc/Exp 12 Months	RECOMM 2019/2020	2020 Inc/Exp 12 Months	PRELIM 2020/2021	RECOMM 2020/2021	ADOPTED 2020/2021
4-6000 GRANTS/AGREEMENTS							
4-6001	DELANO REDEVELOP AGENCY	0		0			
4-6002	FUN SKILLS AGREE/MUSD	0		11,325			0
4-6003	LOANS PAYABLE - ZION BANK	0	-	0		-	
4-6005	WONDERFULL GRANT	0		0			
4-6007	2002 BOND ACT	0		0			
4-6008	TREE GRANT	0		0			
4-6009	QUIMBY FEES	0		0			
4-6010	DEVELOPER FEES	0	-	2,116		-	0
4-6011	PARK MAINT AGREE/CITY OF MCF	25,558	180,000	135,880	180,000	180,000	180,000
TOTAL GRANTS		25,558	180,000	149,321	180,000	180,000	180,000
4-7000 SALE OF FIXED ASSETS							
4-7001	SALE OF FIXED ASSETS	0	0	0	0	0	
TOTAL SALE OF FIXED ASSETS		0	0	0	0	0	0
4-8000 MISC/DONATIONS							
4-8001	MISC/DONATIONS	633	-	1,131		-	-
TOTAL MISC/DONATIONS		633	0	1,131	0	0	0
4-9000 OVER/UNDER							
4-9001	OVER-UNDER	1	0	68	0	0	
TOTAL OVER/UNDER		1	0	68	0	0	0
TOTAL INCOME		1,504,987	1,547,000	1,362,292	1,148,000	1,148,000	1,148,000
6-0000 EXPENSES:							
CLASS I - SALARIES/BENEFITS							
6-0000 PROGRAM PERSONNEL							
6-1100 OFFICIALS							
6-1101	ADULT SOFTBALL	1,050		750			
6-1102	ADULT BASKETBALL	0		0			
6-1103	YOUTH VOLLEYBALL	0		0			
6-1104	YOUTH BASEBALL	1,785		1,650			
6-1105	YOUTH BASKETBALL	2,880		1,470			
6-1106	YOUTH SOCCER	480		150			
6-1107	YOUTH FLAG FOOTBALL	390		0			
6-1108	ADULT SOCCER REF	0		0			
6-1109	CO-ED VOLLEYBALL	0		0			
6-1110	PEANUT BASKETBALL	0		0			
TOTAL OFFICIALS		6,585	7,000	4,020	0	0	0
6-1200 COACHES*							
6-1201	YOUTH BASKETBALL	1,200		400			
6-1202	YOUTH SOCCER	1,200		0			
6-1203	YOUTH CROSS COUNTRY	0		0			
6-1204	YOUTH VOLLEYBALL	200		0			
6-1205	YOUTH FLAG FOOTBALL	400		0			
6-1206	YOUTH WRESTLING	200		0			
6-1207	CHEERLEADING COACH	0		0			
6-1208	YOUTH BASEBALL COACH	600		1,100			
6-1308	PEANUT BASKETBALL	0		200			
TOTAL COACHES		3,800	4,000	1,700	0	0	0

*[Note: any pmts made from R/A were applied to program"expenses" (vs p/r exp).							
Certain prog exp accts may be up (over) due to this categorization.]							
ACCOUNT CATEGORY		2019 Inc/Exp 12 Months	RECOMM 2019/2020	2020 Inc/Exp 12 Months	PRELIM 2020/2021	RECOMM 2020/2021	ADOPTED 2020/2021
6-1300	SCOREKEEPERS						
6-1301	ADULT SOFTBALL	150		300			
6-1302	ADULT BASKETBALL	0		0			
6-1303	CO-ED VOLLEYBALL	0		0			
6-1304	YOUTH BASEBALL	440		960			
6-1305	YOUTH BASKETBALL	2,440		4,579			
6-1306	YTH VOLLEYBALL	0		0			
6-1307	YTH FLAG FOOTBALL	0		0			
6-1308	PEANUT BASKETBALL	0		0			
TOTAL SCOREKEEPERS		3,030	3,500	5,839	0	0	0
6-1400	SENIOR NUTRITION PROGRAM						
6-1401	NUTRITION COORDINATOR	0		0			
6-1402	NUTRITION DRIVER	0		0			
TOTAL SENIOR NUTRITION PROGRAM		0	0	0	0	0	0
6-1600	SPECIAL INTEREST INSTRUCTORS						
6-1601	FUN SKILLS	17,927		14,447	0		
6-1602	GUITAR INST.	300		810			
6-1603	CHEERLEADING COACH	0		0			
6-1604	ART INST.	0		0			
6-1605	WEIGHT LIFTING	29,038	-	23,235	23,660	-	
6-1606	INDOOR GAMES-SUMMER	0		0			
6-1607	FACILITY SUPERVISOR	7,205		8,725	0		
6-1609	MARTIAL ARTS	0		0			
6-1610	MEDIA	0		0			
6-1611	DANCE CLS INSTRUCTOR	0		0			
6-1612	YOGA	0		0			
6-1613	COUGAR CAMP	8,765		3,629	0		
6-1616	WINTER BREAK COORDINATOR	0		0			
6-1615	VALLEYBALL INSTRUCTOR	0		0			
6-1618	GARDENING PROGRAM	0		0			
TOTAL SPECIAL INTEREST INSTRUCTOR		63,235	84,500	50,845	23,660	23,660	23,660
6-1700	AQUATICS SWIM STAFF						
6-1701	POOL MANAGER	3,535	4,000	4,016	0	0	
6-1702	ASSISTANT POOL MANAGER	0	0	0	0	0	
6-1703	LIFE GUARDS	37,360	45,000	39,264	0	0	
6-1705	AQUATICS SECRETARY	2,423	3,000	1,242	0	0	
TOTAL AQUATICS SWIM STAFF		43,318	52,000	44,523	0	0	0
6-1800	CONCESSION WORKERS/CASHIER						
6-1801	CONCESS WORKER/CASHIER	4,134	4,500	4,200	0	0	
6-1802	CONCESSION SUPERVISOR	275	500	1,019	0	0	
TOTAL CONCESSION WORKERS/CASH		4,409	5,000	5,219	0	0	0
6-1900	SPECIAL EVENT WORKERS						
6-1901	MUSD/CHAMPS PROG. AID	0	14,000	9,411	0	0	
6-1903	MUSD/CHAMPS PROG. LEAD	0	16,000	10,311	0	0	
6-1905	JOURNALISM/FESTIVAL SECRETARY	0	0	800	0	0	
TOTAL SPECIAL EVENT WORKERS		0	30,000	20,522	0	0	0
TOTAL PROGRAM PERSONNEL		124,376	186,000	132,667	23,660	23,660	23,660

6-2000	ADMINISTRATIVE PERSONNEL/P-T/Temp						
6-2001	DISTRICT MANAGER	75,995	84,553	81,531	88,781	88,781	88,781
6-2004	DIST. RECEPTIONIST-SECRETARY	29,772	27,389	30,063	32,917	32,917	32,917
6-2005	PROGRAM COORDINATOR	29,740	30,197	25,897	30,197	27,389	27,389
6-2006	ADMINISTRATIVE ASSISTANT	48,826	55,747	65,749	61,462	61,462	61,462
6-2007	RECEPTIONIST-SECRETARY P/T	7,010	0	0	0	0	0
TOTAL ADMIN & P-T/Temp PERSONNEL		191,342	197,886	203,240	213,357	210,549	210,549
ACCOUNT CATEGORY		2019 Inc/Exp 12 Months	RECOMM 2019/2020	2020 Inc/Exp 12 Months	PRELIM 2020/2021	RECOMM 2020/2021	ADOPTED 2020/2021
6-2150	MAINTENANCE/CUSTODIAL						
6-2151	GROUNDSKEEPER I RM	33,679	36,291	12,822	32,917	32,917	32,917
6-2151	GROUNDSKEEPER I JA	32,555	34,563	34,650	38,106	38,106	38,106
6-2151	GROUNDSKEEPER I	31,495	34,563	21,084	31,350	31,350	31,350
6-2151	GROUNDSKEEPER I ME	29,615	31,350	32,530	32,917	32,917	32,917
6-2153	CUSTODIAN	1,212	2,000	29,072	0	0	0
6-2154	GROUNDSKEEPER II (Weekend)	5,471	6,760	5,856	7,280	7,280	7,280
6-2158	PARK MAINT. SUPERVISOR	51,947	50,821	53,907	53,362	53,362	53,362
TOTAL MAINTENANCE/CUSTODIAL		185,974	196,348	189,921	195,932	195,932	195,932
TOTAL ADMIN-MAINT/CUST/P-T PERSONNEL		377,316	394,234	393,161	409,289	406,481	406,481
6-2250	SALARY RESERVE						
6-2251	SALARY RESERVE	0	30,000	0	0	0	0
TOTAL SALARY RESERVE		0	30,000	0	0	0	0
TOTAL CLASS I - SALARIES		501,692	610,234	525,828	432,949	430,141	430,141
6-2350	RETIREMENT						
6-2351	OASDI	32,953		31,520			
6-2352	MEDICARE	7,144		7,372			
6-2353	PERS	135,496		146,768			
TOTAL RETIREMENT		175,593	185,000	185,660	145,000	145,000	145,000
6-2400	EMPLOYER TAX EXPENSES						
6-2401	EMPLOYER TAX TRAINING/ETT	180		187			
6-2402	UNEMPLOYMENT INS (UI)	9,575		9,048			
TOTAL EMPLOYER TAX EXPENSES		9,755	15,000	9,235	15,000	15,000	15,000
6-2500	GROUP INSURANCE						
6-2501	MEDICAL PREMIUM	86,523		108,852			
6-2502	DENTAL PREMIUM	11,223		10,414			
6-2503	VISION PREMIUM	1,084		996			
6-2504	LIFE INS PREMIUM	1,703		1,217			
6-2505	COPAY/DEDUCTIBLE	0		0			
6-2506	EMPLOYEE REIMB IN-LIEU OF MEDICAL PREMIUM	2,453		1,442			
TOTAL GROUP INSURANCE		102,986	115,000	122,920	135,000	135,000	135,000

		2019 Inc/Exp	RECOMM	2020 Inc/Exp	PRELIM	RECOMM	ADOPTED
	ACCOUNT CATEGORY	12 Months	2019/2020	12 Months	2020/2021	2020/2021	2020/2021
6-2600	WORKER COMPENSATION						
6-2601	WC - CAPRI	29,720		22,065			
	TOTAL WORKER COMPENSATION	29,720	35,000	22,065	35,000	35,000	35,000
	TOTAL CLASS I - BENEFITS	318,053	350,000	339,880	330,000	330,000	330,000
	TOTAL CLASS I	819,746	960,234	865,709	762,949	760,141	760,141
	CLASS II - OPERATING EXPENSES						
6-3000	CLOTHING/PERSONAL						
6-3001	CLOTHING/PERSONAL	1,601		1,186			
	TOTAL CLOTHING/PERSONAL	1,601	2,000	1,186	2,000	2,000	2,000
6-3000	COMMUNICATIONS						
6-3101	TELEPHONE	249		759			
6-3102	POSTAGE	1,102		261			
6-3103	CELL PHONES/COMMUNICATIONS	3,643		3,128			
63104	INTERNET/ WEBSITE	3,633		3,506			
	TOTAL COMMUNICATIONS	8,626	10,000	7,653	10,000	10,000	10,000
6-3200	CONCESSIONS						
6-3202	BASEBALL CONCESSION	3,399		122			
6-3203	TACKEL CONCESSION	0		0			
6-3204	BASKETBALL CONCESSION	1,993		1,217			
	TOTAL CONCESSIONS	5,392	6,000	1,339	0	0	0
6-3300	CUSTODIAL SUPPLIES						
6-3301	CUSTODIAL SUPPLIES	13,867		7,493			
	TOTAL CUSTODIAL SUPPLIES	13,867	15,000	7,493	15,000	15,000	15,000
6-3400	INSURANCE						
6-3401	LIABILITY & PARTICIPANT (CAPRI)	19,053		48,495			
	TOTAL INSURANCE	19,053	25,000	48,495	50,000	50,000	50,000
6-3500	MAINTENANCE EQUIPMENT						
6-3501	CMAX HYBIRD	2,854		441			
6-3502	KIOTI TRACTOR	0		2,316			
6-3503	John Deer Mower 1445 (2009)	1,017		356			
6-3504	SWEeper	0		0			
6-3505	JOHN DEERE MOWER (F935)	0		40			
6-3506	CLUB CAR	257		36			
6-3507	JOHN DEERE TRACTOR (1050)	0		0			
6-3508	GRASS HOPPER	102		184			
6-3509	HAND-POWERED EQUIPMENT	1,361		1,997			
6-3510	MISCELLANEOUS			51			
	ACCOUNT CATEGORY	2019 Inc/Exp	RECOMM	2020 Inc/Exp	PRELIM	RECOMM	ADOPTED
		12 Months	2019/2020	12 Months	2020/2021	2020/2021	2020/2021
6-3511	VANTIAGE CLUB CAR-MIGUEL	2655		0			
6-3512	TRAILER	0		0			
6-3513	PRESSURE WASHER	373		60			
6-3515	MAXI SWEEP POOL VAC	161		0			
6-3516	BRAVO LAWN MOWER	0		19			
6-3517	2015 GRASS HOPPER	992		2675			

6-3518	2000 FORD VAN E350 (12 PASS)	419		164			
6-3519	1998 TOYOTA TACOMA TRUCK	47		471			
6-3520	LANDSCAPE TRAILER	0		0			
6-3521	2014 UTILITY TRAILER	135		0			
6-3522	2000 GATOR	3		0			
6-3523	1999 CHEVY 3500 DUMP TRUCK	540		37			
6-3524	2002 FORD TRUCK	195		1,233			
6-3525	2010 FORD RANGER (MAINT. TECH)	57		117			
6-3526	2005 FORD TRUCK (DANN)	267		311			
6-3527	2007 CHEVY SILVERADO	159		20			
6-3528	LIFT	0		0			
TOTAL MAINTENANCE EQUIPMENT		11,593	15,000	10,528	15,000	15,000	15,000
6-3600	MAINTENANCE OFFICE EQUIPMENT						
6-3601	OFFICE EQUIP/CONTRACTS	1,853		1,901			
TOTAL MAINTENANCE OFFICE EQUIP		1,853	2,000	1,901	2,000	2,000	2,000
6-3700	MAINTENANCE BLDG/GRNDS						
6-3701	PARK GROUNDS	27,957		11,481			
6-3702	MOUSER CENTER	933		1,446			
6-3703	POOL (CHEMICALS)	8,993		1,551			
6-3704	POOL (STRUCTURES)	3,545		505			
6-3705	GYMNASIUM	10,882		7,390			
6-3706	BALL FIELD/MOUSER	391		87			
6-3707	BALL FIELD/B.R.	427		(451)			
6-3708	CUSTODIAL/RENTAL SERVICE	1,890		2,149			
6-3709	RITCHEY PARK	390		-			
6-3710	WEIGHT/WRESTLING ROOM			1,647			
6-3711	CITY OF MCF. AGGRE/MAINT	680		2,123			
TOTAL MAINT BLDG/GROUNDS		56,087	60,000	26,281	20,000	25,000	25,000
6-3800	MEDICAL SUPPLIES						
6-3801	MEDICAL SUPPLIES	0		75			
TOTAL MEDICAL SUPPLIES		0	1,000	75	5,000	5,000	5,000
6-3900	MEMBERSHIPS/PERMITS/DUES						
6-3901	CARPD	1,500		1,500			
6-3902	CAPRI	0		9,261			
6-3903	CPRS	1,110		185			
6-3904	PARDEC	0		0			
6-3905	SCMAF	0		0			
6-3906	COUNTY (HEALTH PERMITS)	811		0			
6-3907	OTHER MEMBERSHIP FEES/DUES	270		84			
6-3908	ADVERTISING/DONATIONS	500		203			
6-3909	LAFCO (LOCAL AGENCY FORM COMM)	603		0			
6-3910	CSDA	0		5,344			
TOTAL MEMBERSHIPS/DUES/PERMITS		4,794	7,000	16,577	20,000	20,000	20,000
ACCOUNT CATEGORY		2019 Inc/Exp 12 Months	RECOMM 2019/2020	2020 Inc/Exp 12 Months	PRELIM 2020/2021	RECOMM 2020/2021	ADOPTED 2020/2021
6-4000	OFFICE EXPENSES						
6-4001	SUPPLIES	3,488		7,948			
6-4003	MISCELLANEOUS EXPENSES	2,347		1,053			

TOTAL OFFICE EXPENSES		5,835	7,000	9,000	7,000	10,000	10,000
6-4100	PROFESSIONAL SERVICES						
6-4101	AUDIT/CONSULTING	9,710		9,414			
6-4102	COUNTY SERVICES	13,823		10,558			
6-4103	CONSULTANT/MISC/FINANCE CHRGS	23,834		13,711			
TOTAL PROFESSIONAL SERVICES		47,367	50,000	33,683	30,000	35,000	35,000
6-4200	PUBLICATIONS/LEGAL NOTICES						
6-4201	PUBLICATIONS/LEGAL NOTICES	490		306			
TOTAL PUBLICATIONS/LEGAL NOTICES		490	1,000	306	1,000	1,000	1,000
6-4300	RENTAL EQUIPMENT						
6-4301	PROGRAM EQUIPMENT	0		0			
6-4302	MAINTENANCE EQUIPMENT	378		358			
6-4303	FACILITY EQUIPMENT	1,643		878			
6-4304	OFFICE EQUIPMENT	2,638		2,687			
TOTAL RENTAL EQUIPMENT		4,659	6,000	3,923	4,000	4,000	4,000
6-4400	SMALL TOOLS						
6-4401	SMALL TOOLS	180		228			
TOTAL SMALL TOOLS		180	1,000	228	1,000	1,000	1,000
6-4500	PROGRAM AWARDS						
6-4501	AWARDS						
6-4502	YOUTH BASEBALL	987		1,060			
6-4503	YOUTH BASKETBALL	542		1,129			
6-4504	YOUTH SOCCER	1,318		0			
6-4505	YOUTH CROSS COUNTRY	1,365		321			
6-4506	DANCE	119		0			
6-4507	ADULT SOFTBALL	0		365			
6-4508	CHEERLEADING CLINIC	51		538			
6-4509	PEANUT BASKETBALL	193		0			
6-4512	YOUTH VOLLEYBALL	288		0			
6-4513	SWIM TEAM	0		0			
6-4514	FLAG FOOTBALL	93		0			
6-4519	YOUTH WRESTLING	0		0			
6-4520	MARTIAL ARTS	0		0			
6-4521	Adult Soccer	0		0			
6-4522	MISC AWARDS	0		416			
TOTAL PROGRAM AWARDS		4,954	5,000	3,829	0	0	0
ACCOUNT CATEGORY		2019 Inc/Exp 12 Months	RECOMM 2019/2020	2020 Inc/Exp 12 Months	PRELIM 2020/2021	RECOMM 2020/2021	ADOPTED 2020/2021
6-4550	PROGRAM EQUIPMENT/SUPPLIES						
6-4551	YOUTH BASEBALL	9,650		115			
6-4552	YOUTH BASKETBALL	3,167		0			
6-4553	YOUTH SOCCER	3,115		323			
6-4554	YOUTH FLAG FOOTBALL	525		158			
6-4555	YOUTH CROSS COUNTRY	1,331		2,713			
6-4556	TRACK & FIELD	0		0			
6-4557	VOLLEYBALL	254		(39)			
6-4558	TACKLE FOOTBALL	0		0			
6-4559	SWIM TEAM	0		0			
6-4560	POOL SUPPLIES	3,564		0			
6-4564	WRESTLING	1,462		508			
6-4565	WINTER BREAK	574		0			

6-5008	DEVELOPER FEES	81,345		34,075			
6-5009	ZION BANK LOAN	47,037		42,081			
6-5010	WONDERFUL GRANT	0		0	0		0
TOTAL IMPROVEMENTS		128,947	130,000	79,960	0	50,000	50,000
6-5100	EQUIPMENT						
6-5101	OFFICE EQUIPMENT	0		149			
6-5102	GROUNDS/MAINT EQUIPMENT	0		0			
TOTAL EQUIPMENT		0	0	149	200	200	200
TOTAL CLASS III		128,947	130,000	80,109	200	50,200	50,200
CLASS IV -- PROGRAM RESERVE							
6-5150	EQUIPMENT/PROGRAM RESERVE						
6-5151	EQUIPMENT/PROGRAM RESERVE	0		0	0		
TOTAL PROGRAM RESERVE		0	10,000	0	0	0	0
TOTAL CLASS IV		0	10,000	0	0	0	0
CLASS V -- GENERAL RESERVE							
6-5175	GENERAL RESERVE						
6-5176	GENERAL RESERVE	0		0	0		
TOTAL GENERAL RESERVE		0	3,766	0	116,213	6,659	6,659
TOTAL CLASS V		0	3,766	0	116,213	6,659	6,659
OTHER INCOME/OTHER EXPENSE							
8-000	OTHER INCOME	0	0	0	0	0	0
9-000	OTHER EXPENSE	0	0	0	0	0	0
TOTAL EXPENSES		1,341,824	1,547,000	1,279,829	1,201,362	1,148,000	1,148,000

Appendix C: CSA-91 Budget

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PROPOSED BUDGET 21/22

CSA #	91	CSA NAME	Lost Hills	SERVICES	St. Lights
SERVICES PROVIDED		SUP.		BUDGET UNIT #	9340
Street Lights	4	DISTRICT	4	FUND #	40914
Fire Hydrants				SERV CHG	
Sewer Monitoring				20/21	12
Drainage & Sumps				SERV CHG	
Other				21/22	12
				# OF PARCELS	50

ACCOUNT TITLE	ACTUAL EXP 19/20	FINAL BUDGET 20/21	EXPENDED 12/31/2020	EST EXP 20/21	ACTUAL EXP 20/21
APPROPRIATION FOR CONT					
6040 Approp for Cont					
TOTAL APPROP	-	-	-	-	-
SERVICES & SUPPLIES					
6841 Comm-Telephone					
6880 Household Expense					
7001 Maint-Struc					
7271 Elec Energy-Sump					
7272 Major Repairs					
7400 Memberships					
7500 Prof & Spec Serv	2.65	10.00	2.90	10.00	10.00
7501 Prof & Spec Serv-I/F					
Interdepartmental					
7546 Salaries	91.32	200.00	502.83	1,019.00	1,019.00
7580 PSS-Agmt/Pub Ent					
PSS-Reimb-PW,					
7582 Planning					

7600	Pub & Legal Notices	0.28	5.00	0.23	5.00	5.00
7690	Small Tools & Instr					
7700	Spec Dept Expense					
7714	SDE/Operating Supplies					
7781	Elec-Energy - St Light	-	700.00			-
7782	Hydrant Stanby Chg					
7783	Elec Energy - WWTP					
7784	Water Charges-WWTP					
TOTAL SERV & SUPPL		94.25	915.00	505.96	1,034.00	1,034.00

OTHER CHARGES

7962	Prof & Spec Serv-I/F	35.16	250.00		48.00	48.00
	County Cost Allocation-					
7971	I/F	(2.00)	2.00	2.00	2.00	2.00
TOTAL OTHER CHARGES		33.16	252.00	2.00	50.00	50.00

TOTAL BUDGET	127.41	1,167.00	507.96	1,084.00	1,084.00
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SOURCE OF FUNDS	ACTUAL 19/20	BUDGET 20/21	REVENUE 12/31/2018	PROJECTED	ACTUAL
Beginning Fund Balance		1,065.00			
Loan Proceeds					
Revenue	536.18	570.00	392.96	577.00	577.00
Interest	106.42	64.00	29.46	110.00	110.00
Special Assessments-Current	(14.00)	(14.00)	(13.00)	(13.00)	(13.00)
Operating Transfers In					
Total Revenue	628.60	620.00	409.42	674.00	674.00

TOTAL FUNDS AVAILABLE	(547.00)	(98.54)	137.00	137.00
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07/01/2120 DESIGNATION BALANCE	4,973.00
ESTIMATE NEW BALANCE @ 9/1/21	4,609.00

Appendix D: Inflation-Adjusted Budget

As described in Chapter 5 above, EPS has developed an “inflation-adjusted” version of the District’s projected five-year budget. The inflation index assumptions are based on EPS experience and the best available data on inflation trends and are intended to reflect one of many potential scenarios regarding future inflation. In addition to the cost and revenue escalations already accounted for in **Table 5** and **Table 6** above, the budget table below incorporates the following assumptions:

- Annual inflation of 4 percent for salaries, professional services, and operating costs;
- Annual escalation of 2.5 percent in user charges and fees; and
- Annual escalation of 4 percent in special parcel tax levy.

For costs and revenues which are assumed to not yet be stabilized in Year 1, no inflation or escalation factor is applied in Year 2.

Appendix C: Five Year Budget Forecast (Inflation-Adjusted)

Cost and Revenue Items	Forecast Year								
	Year 1	Year 2	Year 3		Year 4		Year 5		
	FY 24-25	FY 25-26	FY 26-27		FY 27-28		FY 28-29		
		Inflation Index [5]	Amount	Inflation Index	Amount	Inflation Index	Amount	Inflation Index	Amount
Administration	\$324,250		\$338,600		\$357,593		\$368,545		\$379,852
Salaries [1]	\$187,250		\$209,600	4.00%	\$223,433	4.00%	\$229,019	4.00%	\$234,745
Professional Services	\$50,000		\$50,000	4.00%	\$52,000	4.00%	\$54,080	4.00%	\$56,243
Other Operating Costs	\$87,000		\$79,000	4.00%	\$82,160	4.00%	\$85,446	4.00%	\$88,864
Park and Landscape Maintenance	\$499,200		\$521,444		\$548,153		\$566,480		\$585,451
Staff [1]	\$214,200		\$225,044	4.00%	\$239,897	4.00%	\$245,894	4.00%	\$252,042
Other Operating Costs	\$285,000	4.00%	\$296,400	4.00%	\$308,256	4.00%	\$320,586	4.00%	\$333,410
Recreation Programs	\$237,000		\$268,874		\$283,726		\$292,555		\$301,675
Staff [1]	\$70,000		\$73,544	4.00%	\$78,398	4.00%	\$80,358	4.00%	\$82,367
Program Employees [1]	\$60,000		\$84,050	4.00%	\$89,597	4.00%	\$91,837	4.00%	\$94,133
Other Operating Costs	\$107,000	4.00%	\$111,280	4.00%	\$115,731	4.00%	\$120,360	4.00%	\$125,175
Street Lighting	\$956		\$966		\$1,005		\$1,045		\$1,087
Contract Services	\$250	4.00%	\$260	4.00%	\$270	4.00%	\$281	4.00%	\$292
Other Operating Costs	\$706		\$706	4.00%	\$734	4.00%	\$764	4.00%	\$794
Contingency and Reserve [2]	\$14,207		\$56,494		\$59,524		\$61,431		\$59,567
Total Costs	\$1,075,613		\$1,186,377		\$1,250,001		\$1,290,057		\$1,327,632
Exchanged Revenues									
Ad Valorem Property Tax [3]	\$0		\$632,650		\$664,283		\$697,497		\$732,372
Special Taxes and Assessments									
Parcel Tax	\$0		\$532,620	4.00%	\$555,241	4.00%	\$555,919	4.00%	\$556,610
Lighting & Landscape Maintenance [4]	\$613		\$706		\$734		\$764		\$794
User Charges and Fees	\$25,000		\$30,000		\$35,000	4.00%	\$36,400	4.00%	\$37,856
Corporate Contributions	\$1,050,000		\$0		\$0		\$0		\$0
EOA Contribution	\$0		\$0		\$0		\$0		\$0
Total Revenues	\$1,075,613		\$1,195,976		\$1,255,258		\$1,290,579		\$1,327,632
Annual Fiscal Balance	\$0		\$9,599		\$5,257		\$522		\$0

[1] Staff salaries already incorporate 2.5% annual growth in real costs.

[2] The contingency budget target is five percent of operating costs. In years where the budget surplus is projected at less than five percent of operating costs, the contingency budget is equivalent to that projected surplus.

[3] Property tax revenues already assume 5% annual growth (including 2% per Prop 13 and 3% real growth in assessed value).

[4] LLM assessments are assumed to increase to match maintenance costs.

[5] For costs and revenues that are not considered stabilized in Year 1, no inflation index is factored into Year 2 amounts.

Appendix E: Letter of Commitment of Financial Support for Proposed CSD from The Resnick Foundation

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June 1, 2023

Kern County Local Area Formation Commission
5300 Lennox Avenue, Suite 303
Bakersfield, CA 93309
Attn: Blair Knox, Executive Director

Re: Funding Commitment for the Lost Hills Community Service District

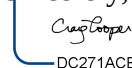
Dear Mr. Knox:

This letter confirms that the Resnick Foundation, or an alternative Wonderful entity (the "Foundation"), commits to donating the following funds to the Lost Hills Community Service District (the "District") after its formation to support the District's mission to provide certain specialized services essential to the health, safety, and wellbeing of the Lost Hills community:

- Up to \$1,050,000 for the District's start-up costs during the first year of operation, prior to property tax and parcel tax revenues being available, based on documented need; and
- Up to \$250,000 per year for any District budget shortfalls in the five years following the first year of operation, with any such amount that is not utilized to roll over and be available for any District budget shortfall in a subsequent year until the sixth year of operation.

Funding is contingent upon voter approval of the formation of the District and proposed parcel tax. Following voter approval, the Foundation will deposit the initial \$1,050,000 in an escrow account for the benefit of the District if required as a condition of the Kern County Local Area Formation Commission's approval of the proposal to form the District. The Foundation will deposit into a second escrow account \$1,250,000 for use by the District in the five years following the first year of operation, limited to a maximum of \$250,000 for any single fiscal year, plus any remaining funding from a prior fiscal year that has not been utilized. Use of such funding will be contingent on a majority of the Board of Directors of the District (the "Board") making findings at a regular meeting of the Board that a budget shortfall necessitates the use of such funding. The District will provide the Foundation with any documentation of the budget shortfall the Foundation reasonably requests.

Sincerely,
DocuSigned by:


DC271ACBF6564F8...

Craig Cooper
Executive Vice President, General Counsel and Secretary

cc: Kern County Administrative Office
1115 Truxtun Avenue, 5th Floor

Bakersfield, CA 93301

Attn: Ryan Alsop, Chief Administrative Officer

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