

Tom Fayram, President
Julie Kennedy, Director
Lisa Palmer, Director
Greg Parks, Director
Nina Stormo, Director



LOS OLIVOS COMMUNITY SERVICES DISTRICT

Posted: 9-14-2023

GRANTS SUBCOMMITTEE MEETING

September 18, 2023 – 8:30 AM

St Mark's in the Valley Episcopal Church

2901 Nojoqui Ave, Los Olivos CA 93441

Please observe decorum and instructions from the Subcommittee Chair

Subcommittee Members: Director Kennedy, Director Parks, and General Manager Guy Savage

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

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

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

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

MEETING AGENDA

1. CALL TO ORDER

2. ROLL CALL

3. PUBLIC COMMENTS

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

ADMINISTRATIVE ITEMS:

All matters listed hereunder constitute an administrative / consent agenda and will be acted upon by a single vote of the Subcommittee. Matters listed on the Administrative Agenda will be read only on the request of a member of the Subcommittee, in which event the matter may be removed from the Administrative Agenda and considered as a separate item. A single public comment period will be heard for all the matters on the Administrative Agenda.

4. MINUTES APPROVAL

Approval of the minutes from July 20, 2023.

BUSINESS ITEMS:

All matters listed hereunder will be acted upon separately and public comment will be held for each item. As a Subcommittee of the full Board of Directors, Business Items may include one or more recommendations for further discussion or action at a full Board of Directors meeting.

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

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5. CONSIDERATION OF GRANT FUNDING ASSISTANCE REQUEST FROM THE COUNTY OF SANTA BARBARA ENVIRONMENTAL HEALTH SERVICES (EHS) FOR GROUNDWATER MONITORING WELLS

The Subcommittee will discuss a request for funding assistance from the County of Santa Barbara Environmental Health Services to install three (3) new groundwater monitoring wells and testing of the three new wells, plus the two existing wells. Staff has gathered estimates from consultants and put together a total estimated cost, including a small project reserve, of \$121,445.

6. CONSIDERATION OF A ENGAGEMENT LETTER, RESOLUTION, AND/OR CONTRACT WITH WATER FINANCE EXCHANGE (WFX OR WATERFX)

At the August 24, 2023 regular meeting of the full Board of Directors, the Grants Subcommittee was tasked to work with WFX on an engagement letter and resolution and bring them back in September. Given the short turn-around between the August meeting and the September meeting, the Grants Subcommittee was not convened in time to get an item on the regular agenda. After reviewing the engagement letter and resolution provided by WFX, it may be better for the District to enter into a contract with WFX for services.

7. MEDIAN HOUSEHOLD INCOME (MHI) GRANT OPPORTUNITIES

The Subcommittee will discuss and consider making a recommendation related to the gathering of information and potential grant opportunities related to determining the Median Household Income (MHI) within the District's boundaries.

INFORMATIONAL ITEMS:

All matters listed hereunder are informational only, no action will be taken, and public comment not received.

8. SUBCOMMITTEE MEMBER COMMENTS

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

9. ADJOURNMENT

ITEM 4 – MINUTES

MINUTES

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



**LOS OLIVOS COMMUNITY SERVICES DISTRICT
GRANTS SUBCOMMITTEE MEETING**

Posted: 7-17-2023

July 20, 2023 – 9:00 AM

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

Please observe decorum and instructions from the Subcommittee Chair

Subcommittee Members: Director Kennedy, Director Parks, and General Manager Guy Savage

This meeting will be held both in-person and electronically via Zoom Meetings. In-person the meeting will be held at the following locations:
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MEETING AGENDA

1. CALL TO ORDER

General Manager Savage called the meeting to order at: 9:00AM.

2. ROLL CALL

Attending: Director Kennedy, Director Parks, GM Savage

Absent: None

3. PUBLIC COMMENTS

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

General Manager Savage asks if there is any Public Comment.

None

ADMINISTRATIVE ITEMS:

All matters listed hereunder constitute an administrative / consent agenda and will be acted upon by a single vote of the Subcommittee. Matters listed on the Administrative Agenda will be read only on the request of a member of the Subcommittee, in which event the matter may be removed from the Administrative Agenda and considered as a separate item. A single public comment period will be heard for all the matters on the Administrative Agenda.

GM Savage notes that while this is on the agenda, there is nothing in this section of the agenda for this meeting. In the future, this is where minutes approval and similar items will appear.

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BUSINESS ITEMS:

All matters listed hereunder will be acted upon separately and public comment will be held for each item.

4. SELECTION OF A SUBCOMMITTEE CHAIR

The Subcommittee will select a chair who will preside over meetings and lead the reporting on Subcommittee activities at full Board of Directors meetings.

Director Parks asks Director Kennedy if she would serve as subcommittee chair. Director Kennedy indicates she would if nominated.

General Manager Savage asks if there is any Public Comment.

None.

Directors discuss willingness to serve as Chair.

Director Parks nominates Director Kennedy for Subcommittee Chair, Second: GM Savage

Under discussion, GM Savage clarifies what the role of a Subcommittee chair includes: run the meetings, ensure public input, sign meeting minutes when approved, and take the lead when reporting on Subcommittee activities to the full Board of Directors.

Voice vote (3-0)

5. CONSIDERATION OF A REGULAR MEETING DATE AND TIME

The Subcommittee is slated to meet on as as-needed basis. As part of this item, the Subcommittee will discuss the possibility of setting a regular (quarterly?) date and time for its meetings. Final selection of dates and times will be subject to the availability and confirmation of a suitable facility.

GM Savage introduces the item by recommending the Directors consider pairing the Grants Subcommittee with the Finance Subcommittee meetings, on a quarterly basis, to minimize the impacts to Director Kennedy (who sits on the Finance Subcommittee). The Directors talk about what would be a good start time for the Grants meeting. Director Parks points out that additional meetings can be held and that, if necessary, a 9:00AM start time could be adjusted in the future to better fit with the Finance Subcommittee meetings.

Direction is provided to staff to set the regular meetings of the Grants Subcommittee on a quarterly basis for 9:00 AM on the same day as the Finance Subcommittee meetings.

Director Kennedy opens the floor to Public Comment.

None.

6. DISCUSSION OF WATER FX (WFX) PROPOSAL

The Subcommittee will discuss and consider making a recommendation on the attached engagement proposal and resolutions. As part of its submittal to the District, WFX also included a link to a water related video:

<https://youtu.be/I5cH6sm77-I> that may be discussed.

Director Kennedy opens the floor to Public Comment.

None.

General Savage provides an overview of two separate, but related efforts. The first, which might be funded through Water Finance eXchange (WFX or WaterFX) and includes a more regional approach whereby the District would contract with an engineering firm to do a "30% design" related to connecting to Solvang's WWTP. The other effort, which is the next agenda item, would include a contract with an engineering firm to complete a "30% design" on a District specific collection and treatment system. The latter would include a community hybrid collection/treatment system that is connected to a District-owned and operated MBR solution. The former might include initial separation of large waste and grit, and then send "full strength" wastewater to Solvang. Director Parks asks if GM Savage has spoken to Solvang. GM Savage responds that he has not.

Rogelio Rodriguez, WFX, is asked to comment on their proposal. Mr. Rodriguez speaks to a focus on "what is the best option?" He doesn't attempt to define the best option, instead he acknowledges that looking at both possible solutions and providing the information to the Board and public would be a good approach. He notes

that a regional collaboration could be a great opportunity for State funding. Mr. Rodriguez then comments on the MHI evaluation (which they have funded in other jurisdictions) which could help maximize grant opportunities. After prompting by GM Savage, Mr. Rodriguez adds that WFX has a revolving pre-development fund that uses philanthropy funding to provide funds that helps jurisdictions get technical assistance to get started, ultimately resulting in better projects that get done. The funding allows Districts to remove a barrier – funding to complete early engineering studies. From an approach perspective, WFX provides the funding up front; but they like to get it back so the funds can then be used in another jurisdiction. He adds that signing the agreement with WFX essentially demonstrates the District’s commitment to partnering with them to help find funding. He adds that to the District the funding “is essentially a net-net zero.”

GM Savage asks about the amount of pre-development funding that is available. Mr. Rodriguez responds that a traditional cap for engineering / design is \$250,000; but, he isn’t sure what will be needed. He acknowledges that different communities need different levels of funding; adding that flexibility can be important. He notes there are organizations such as RCAC that might be able to bring more funding to the table.

GM Savage asks about the process WFX likes to use. Mr. Rodriguez responds that they will also help with administrative capacity. WFX will seek guidance from the District about who they should talk to and WFX will use those contacts to help define project goals and actual project, plus engineering design costs. For example, a focus on a 30% design. Mr. Rodriguez adds that they can provide financial analysis as a way to help with the decision-making process.

Director Parks asks if we have to wait until August to move this forward. GM Savage responds that we most likely do need to wait. First off, the Subcommittee cannot commit the full Board to a contract such as that presented by WFX. The full Board could schedule a special meeting, but given August vacation schedules, GM Savage says that finding a date and time would be difficult.

Mr. Rodriguez describes the difference between them as a technical assistance provider, which includes supplementing administrative capacity, and the predevelopment grant funds that they can bring to the table. He reemphasizes that they ideally would get reimbursed for those funds.

Director Kennedy reopens the floor to Public Comment.

Kathryn Rohrer speaks.

Motion to recommend to the full Board of Directors that the District enter into an agreement with Water FX, after getting input from Counsel.

Motion by: General Manager Savage

Motion fails due to a lack of second.

Director Parks asks if there are more specific contracts that the Grant Subcommittee could review. Mr. Rodriguez responds that the agendaized documents are it. If the District wants to obtain pre-development funding, there is an additional agreement document.

Director Kennedy asks more questions about the WFX engagement letter. WFX responds that their technical assistance is just that. The agreement covers anything they can help with; and could include the POLO approach. It will be based on the District wants, desires, and direction. They will do financial analysis, help apply for grants, whatever the District wants. Upon further questioning from Director Kennedy, Mr. Rodriguez clarifies that the agreement documents are for their technical assistance. He adds there isn’t really an agreement document for the pre-development funds – but the two are different and separate.

Director Kennedy asks about the revolving pre-development funding, asking what is the downside for District? Mr. Rodriguez responds that they ask that the District pay it back. He adds that the District should not view it as an “all or nothing” – instead they will help us obtain funding.

The subcommittee discusses what might be the best next step to move this forward.

Motion to recommend to the full Board of Directors that the District enter into a technical assistance agreement letter, including the attached resolution, with Water FX, as reviewed legal.

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**Motion by: Director Kennedy, Second: Director Parks.
Voice vote (3-0).**

Director Kennedy reopens the floor to Public Comment.
Kathryn Rohrer speaks.

Voice vote (3-0) on Director Kennedy's motion.

Mr. Rodriguez says they are open to having individual conversations as needed. Their focus is on being open and transparent.

7. PRESERVATION OF LOS OLIVOS (POLO) GRANT OPPORTUNITY

The Subcommittee will discuss and consider making a recommendation on the offer from the Preservation of Los Olivos (POLO). POLO has offered the District up to \$75,000 in gift grant funds (no match required) to help complete a technical study and cost estimate of a hybrid collection system. The system would include a mix of advanced on-site, Septic Tank Effluent Pumping (STEP), gravity-fed collection, and Membrane Bioreactor (MBR) treatment as a wastewater treatment solution.

GM Savage introduces the item. He notes that the POLO approach is primarily focused on a community-based solution, that includes hybrid collection / treatment, with advanced on-site treatment for some parcels. He adds that the POLO approach would include an on-site visit by Regen that would serve as a kick-off to the effort. While Regen is here, they would have meetings with CCRWQCB and County EHS. Part of the effort would provide the flexibility for Regen (or whoever is hired to do the work) to "value engineer" any solution. So, the engineering would start with what is provided by the District (via the Technical Subcommittee), but the firm could recommend changes that might save property owners money or be a better engineering solution without significant additional costs. GM Savage describes the process of how the process would work: POLO would define a scope, POLO would give the District the funding, the District would accept the funding, then the District would contract with the engineering firm to complete the work. The District would provide project oversight throughout to help manage the scope.

Director Kennedy opens the floor to Public Comment.
Kathryn Rohrer speaks.

GM Savage responds to the Public Comment. As part of his commentary, he notes the differences, and some of the overlaps, between the connection to Solvang project and what is being proposed by POLO. He adds that the POLO project would leverage the Stantec work to help get us to an "apples-to-apples" 30% design comparison. He reminds everyone that any wastewater solution includes: collection, treatment, and disposal. Both the Solvang and POLO projects would focus on collection. Since the POLO project would include STEP, some treatment will be included.

Director Kennedy notes additional differences between the two different projects and the process used. She comments that it would be good to get WFX involved in helping to provide analysis on this effort as well.

Director Parks comments on the overlap between the two efforts.

Director Kennedy comments on the costs and wonders aloud if Regen can do the full 30% design outlined for \$75,000. GM Savage responds that he believes Regen can do it for that amount.

Director Parks talks about using someone like Regen to determine what would be the best technical solution. GM Savage responds by noting the rubric that was created earlier in the year and that the District does have a Technical Subcommittee that should be leveraged, coupled with the engineering firm's value engineering efforts to get to the best solution.

Motion to recommend to the full Board of Directors that the District enter into an agreement with POLO to help get to a 30% design on a hybrid solution, as put forward by the Technical Subcommittee and reviewed legal Counsel.

**Motion by: General Manager Savage, Second: Director Kennedy.
Voice vote (3-0).**

8. MEDIAN HOUSEHOLD INCOME (MHI) GRANT OPPORTUNITIES

The Subcommittee will discuss and consider making a recommendation related to the gathering of information and potential grant opportunities related to determining the Median Household Income (MHI) within the District’s boundaries.

Director Kennedy notes her conversation with RCAC. She is still waiting for more specificity from RCAC as she believes they may be treating the Census Tract as the zip code 93441 – which would not help the District from a MHI perspective. She notes that she will continue to push forward to get more data. She notes that perhaps WFX can help in this area as well.

Director Parks adds that he hopes that WFX can help.

Director Kennedy opens the floor to Public Comment.

Kathryn Rohrer speaks.

Director Parks comments on the use of grant funding in the community, such as grants that may be available to help individual property owners replace their septic tank. He adds that we want to leverage grant funds in such a way that it gives the best value. He adds, for example, that it may be better to use grant funds to connect owners to a community solution than it is to help them use grant funds to replace their septic tank.

INFORMATIONAL ITEMS:

All matters listed hereunder are informational only, no action will be taken, and public comment not received.

9. SUBCOMMITTEE MEMBER COMMENTS

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

None.

10. ADJOURNMENT

Motion to adjourn: 10:15 AM.

Motion by: Director Parks, Second: Director Kennedy

Voice vote (3-0)

Respectfully submitted:



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

Approved:

Julie Kennedy
Director – Los Olivos Community Services District
Chair – Grants Subcommittee

**ITEM 5 – GRANT REQUEST FOR GROUNDWATER
MONITORING WELLS**

GRANT REQUEST FOR GROUNDWATER MONITORING WELLS

Tom Fayram, President
Julie Kennedy, Director
Lisa Palmer, Director
Greg Parks, Director
Nina Stormo, Director



October 11, 2023

Jason Johnston
County of Santa Barbara – Environmental Health Services
2125 Centerpointe Parkway, Rm. 333
Santa Maria, CA 93455
Via email: Jason.Johnston@sbcphd.org

Subject: Request for Funding Assistance for the Installation and Testing of Groundwater Monitoring Wells in the Amount of \$121,445

Mr. Johnston,

Per prior discussions between County of Santa Barbara Environmental Health Services (EHS), Central Coast Regional Water Quality Control Board (CCRWQCB) and Los Olivos Community Services District (LOCSD) staff, the LOCSD is requesting funding assistance in the amount of \$121,445 for the installation of three (3) new groundwater monitoring wells, plus one-time testing of the three (3) new wells and two (2) existing wells (five total wells).

Background

The Los Olivos area was designated a Special Problems Area (SPA) in 1974 due to excessive nitrates in the shallow groundwater table, which have the potential to further pollute deeper drinking groundwater tables. One of the key reasons for the excess of nitrates is the concentration of septic tanks in the Los Olivos area.

The LOCSD was formed in 2018 in an effort to design and construct a Wastewater Collection, Treatment and Reclamation Project (Project) in the Los Olivos area. The LOCSD boundaries are smaller than the Los Olivos SPA, but includes the commercial core and small lots believed to be causing the majority of the septic tank discharge issues. Early design has been completed and additional design efforts are underway to realize the Project. The LOCSD is currently expending the majority of its funds on additional design and other required processes to further the Project and begin to alleviate the pollution of the shallow groundwater table while further protecting deeper groundwater. The LOCSD's Project has been endorsed by citizens within the SBLAFCO define boundaries of the district, has undergone numerous public workshops, is supported by the CCRWQCB, and is designed to address the water quality issues within our district boundaries. Successful implementation of the Project will result in significant benefit to the community and advance ongoing efforts to improve long term water quality throughout the Santa Ynez Valley.

The LOCSD installed two groundwater monitoring wells in November of 2022. The two groundwater monitoring wells are located along the northern boundary of the district. Once installed, the wells were

tested. The testing from the well (MW-1) located in the northwest corner of the district suggested a nitrate reading within maximum contaminate levels (MCLs) when it tested at 2.6 (Nitrate as N) out of an MCL of 10. The northeast well (MW-2) tested at 10 (Nitrate as N) or right at MCL. MW-1 is located in a residentially zoned area near Highway 154 and Ballard Canyon Road. MW-2 is located at the northern boundary of the LOCS D commercial area east of Grand Avenue, also near Highway 154.

Hydrology in the Los Olivos area generally flows north-to-south. Consequently, the two existing wells primarily capture contaminate levels of subsurface water entering the district and those parcels surrounding the wells. Since the initial testing, the LOCS D has been in regular conversation with EHS and CCRWQCB staff to determine the next steps. All three agencies agree testing further south within the district would provide test data that will be indicative of what is happening within the district, particularly nitrates being introduced by the commercial area and smaller lots located on the eastern half of the district.

On May 31, 2023, the CCRWQCB directed the LOCS D to install three additional groundwater monitoring wells (see attachment 1). In its June 16, 2023 response letter (see attachment 2), the LOCS D agreed to install the wells if funding could be found to cover the expense, as the LOCS D does not have sufficient funds to install the wells and continue executing engineering and other studies that will lead to the implementation of a project that is intended to solve the groundwater contamination problem. More recently, conversations between the CCRWQCB and LOCS D have led to agreement on the location of the additional three wells (see attachment 3). The additional wells are aligned with the LOCS D’s previously completed Groundwater Monitoring Plan from 2021, which can be found at:

<https://www.losolivoscsd.com/files/61f8f5301/Groundwater+Monitoring+Plan+GSI+3.22.2021.pdf>

Detailed Costs and Schedule

Cost estimates have been gathered from consultants and contractors who will be involved in the implementation of the three new wells, plus testing of all five of the LOCS D’s wells. Copies of the relevant quotes can be found in attachment 4. A summary cost breakdown can be seen in Table 1.

Activity	Entity or Contractor	Cost
Administration and project management	LOCS D	\$ 2,700
Well site location identification and project management	MNS Engineering	\$ 4,225
Encroachment Permits	County of Santa Barbara	\$ 1,200
Safety equipment - road signage and barriers	To be purchased	\$ 1,215
Installation oversight, reporting, coordination	GSI	\$ 33,200
Drilling and installation wells 3-5	BC2	\$ 69,673
Well testing wells 1-5	GSI	\$ 6,150
	Subtotal	\$ 115,662
Project Reserve (5%)		\$ 5,783
	Project Total	\$ 121,445

Table 1 – Groundwater Monitoring Well Installation and Testing Costs

Installation of the three new wells, and the related testing, are anticipated to be completed consistent with the LOCS D’s previously stated timelines, see Diagram 1.

		Month 1				Month 2				Month 3				Month 4				Month 5			
		Week																			
Activity	Duration	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
Finalize locations	2 weeks	X	X																		
Obtain permits from County	5 weeks			X	X	X	X	X													
Obtain bids from drilling firms	2 weeks			X	X																
Contract with drilling firm	3 weeks					X	X	X													
Well drilling and development	2 weeks											X	X								
Obtain samples	1 day												X								
Testing	6 weeks													X	X	X	X	X	X		
Final Test Report	2 weeks																			X	X

Diagram 1 – Anticipated Timeline for New Groundwater Well Installation and Testing


The LOCSO would begin the tasks necessary to construct the wells immediately upon approval of its request for funding assistance. The LOCSO anticipates that various dates may need to be adjusted to accommodate County Board of Supervisors action at a regularly scheduled County BOS meeting. Dates may also need to be adjusted to accommodate contractor availability, particularly the well drilling firm.

Procurement of Consultant / Contractor / Construction Services

The LOCSO understands that any funding would be managed through an agreement between the County and the LOCSO. The LOCSO would, in turn, contract professional or construction services. The LOCSO has adopted a Procurement Policy through its Resolution 19-06, which details the process used in selection and contract of services (see attachment 5).

The LOCSO is very appreciative of any and all support the County can provide related to this request for funding assistance. We are committed to the Community and to working hard to maintain our successful relationship with the County and State throughout this process. If you have any questions, please contact me at gm.locsd@gmail.com or (805) 500-4098, or Tom Fayram, LOCSO Board President, at Tom.Fayram.LOCSD@gmail.com.

Sincerely,



General Manager
Los Olivos Community Services District

Attachments:

1. May 31, 2023 – CCRWQCB Directive to LOCSO letter
2. June 16, 2023 – LOCSO Response to CCRWQCB letter
3. August 29, 2023 – CCRWQCB Concurrence on Well Locations letter
4. Consultant and Construction Quotes
5. LOCSO Resolution 19-06 and Procurement Policy

Cc: (via email)

- Joan Harmann – County of Santa Barbara Supervisor – District 3
- Matt Keeling – Executive Officer – CCRWQCB
- Thea Tryon - Assistant Executive Officer – CCRWQCB
- Lars Seifer – Director – County of Santa Barbara EHS
- LOCSO Board of Directors
- Doug Pike, District Engineer (MNS Engineering) – LOCSO

Central Coast Regional Water Quality Control Board

May 31, 2023

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

via Electronic Mail

Dear Guy Savage:

LOS OLIVOS COMMUNITY SERVICES DISTRICT, LOS OLIVOS, SANTA BARBARA COUNTY – REQUIREMENT TO INSTALL AND SAMPLE GROUNDWATER MONITORING WELLS

The California Regional Water Quality Control Board, Central Coast Region (Central Coast Water Board) appreciates Los Olivos Community Services District's (LOCSD) recent efforts to evaluate impacts to shallow groundwater from septic systems. Central Coast Water Board staff reviewed GSI Water Solutions, Inc.'s (GSI) January 31, 2023 Technical Memorandum that was prepared for LOCSD.¹ The Technical Memorandum summarizes the results from installing and sampling two shallow groundwater monitoring wells in November 2022.² Central Coast Water Board staff agrees with the recommendation to install additional monitoring wells and to conduct quarterly sampling to evaluate shallow groundwater quality in the Los Olivos area.

Central Coast Water Board staff met with you and Tom Fayram, LOCSD president, on May 16, 2023, to discuss the need for the additional groundwater monitoring wells and sampling of those wells to determine the extent of the impacts to groundwater from septic systems. Consistent with the discussion, the Central Coast Water Board requires you to submit a map clearly depicting the locations of the proposed additional wells by June 30, 2023, along with a schedule for installing and sampling the wells and reporting the results. The wells may be installed and sampled in accordance with the March 22, 2021, Los Olivos Groundwater Monitoring Plan.³

¹ See: https://www.losolivoscsd.com/files/23a90eb1c/Well_Construction_TM_MW1_and_MW2.pdf

² See: <https://www.losolivoscsd.com/files/a94323f39/2023.11+MW-1+and+MW-2+Test+Results.pdf>

³ See: <https://www.losolivoscsd.com/files/61f8f5301/Groundwater+Monitoring+Plan+GSI+3.22.2021.pdf>

JANE GRAY, CHAIR | MATTHEW T. KEELING, EXECUTIVE OFFICER

The Central Coast Water Board continues to support the LOCSD efforts to implement a community wastewater treatment system in coordination with Santa Barbara County Public Health Department to help achieve the long overdue objective of protecting the Los Olivos community's water supply and achieving a sustainable water future.

If you have any questions, please contact Thea Tryon at Thea.Tryon@waterboards.ca.gov or (805) 542-4776 or Harvey Packard at Harvey.packard@waterboards.ca.gov or (805) 542-4639.

Sincerely,

Matthew T. Keeling
Executive Officer

cc:

Tom Fayram, President, LOCSD, tom.fayram.locsd@gmail.com
Lars Seifert, Santa Barbara County Environmental Health Services Director,
LSeifert@sbcphd.org
Jason Johnston, Santa Barbara County Environmental Health Services,
JJohnston@sbcphd.org

Central Coast Water Board
Harvey Packard
Jennifer Epp
Cecile DeMartini
James Bishop
RB3-WDR@waterboards.ca.gov

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Tom Fayram, President
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Greg Parks, Director



PO Box 345
Los Olivos, CA 93441
www.losolivoscso.com

Guy Savage, General Manager

June 16, 2023

Matthew Keeling
Executive Officer
Central Coast Regional Water Quality Control Board
895 Aerovista Place, Suite 101
San Luis Obispo, CA 93401
Email: Matt.Keeling@waterboards.ca.gov

via Electronic Mail

Subject: Response to Requirement to Install and Sample Groundwater Monitoring Wells

Dear Mr. Keeling,

The Los Olivos Community Services District (LOCSO) received your letter of May 31, 2023. We very much appreciate the on-going partnership and support of the Central Coast Regional Water Quality Control Board (CCRWQCB) and your efforts to help our community make progress towards a community wastewater collection, treatment, and disposal solution.

Your letter is a follow-up to a meeting LOCSO General Manager Guy Savage and I had with you and your staff on May 16, 2023 where we discussed additional groundwater monitoring wells within the LOCSO's boundaries. The shared belief is that additional groundwater monitoring wells will help increase all interested parties' understanding of the impacts septic systems within the LOCSO are having on local groundwater.

With this letter I am submitting a map (see attachment A), which depicts the three locations that the LOCSO believes best meets our mutual short and long-term goals for increasing our knowledge of what is happening in the shallow groundwater aquifer. Per your request, the proposed locations for monitoring wells three and four (MW-3 and MW-4) have shifted much closer to the downtown core of the LOCSO. In both cases, the new recommendations move the proposed locations over 0.2 miles closer to the commercial businesses. MW-3 is recommended to be on the west side of Santa Barbara Avenue, near the intersection with Olivet Avenue. MW-4 is recommended to be near the intersection of San Marcos Avenue and Olivet Avenue, roughly 400 feet from commercially zoned and operated properties. The recommendation for MW-5 remains at the southern tip of the district, where Grand Avenue intersects with Roblar Avenue and Alamo Pintado Road. Final placement of the wells will depend on underground utilities and concurrence by the County of Santa Barbara.

Your letter also requests a schedule for the installation and sampling of the wells and reporting of the results. At this time, the LOCSO is unable to provide such a schedule. As discussed in our May 16, 2023 meeting, the LOCSO does not have the funds to complete the effort. At this time, the LOCSO estimates that the contractor expenses for installation of three new wells, plus bi-annual testing for all five wells, for five years will cost \$250,000-\$300,000. This estimate is

based on quotes from GSI Water Solutions, Inc. (GSI) and the costs for the drilling of MW-1 and MW-2. The estimate does not include LOCSD staff (General Manager and District Engineer) time and costs to support the installation and sampling.

The LOCSD is currently undertaking efforts to identify and obtain grants funding for planning, engineering, and environmental review efforts that are critical to the district successfully completing a Proposition 218 vote. Those efforts are estimated to cost \$700,000-\$800,000, including Proposition 218 expenses. To put this into perspective, based on our proposed FY 2023-24 budget, the LOCSD has roughly \$125,000 annually to spend on non-operational activities. Consequently, without a significant influx of grant funds the LOCSD will not be able to complete the activities that are critical to implementing a wastewater treatment solution in a timely manner.

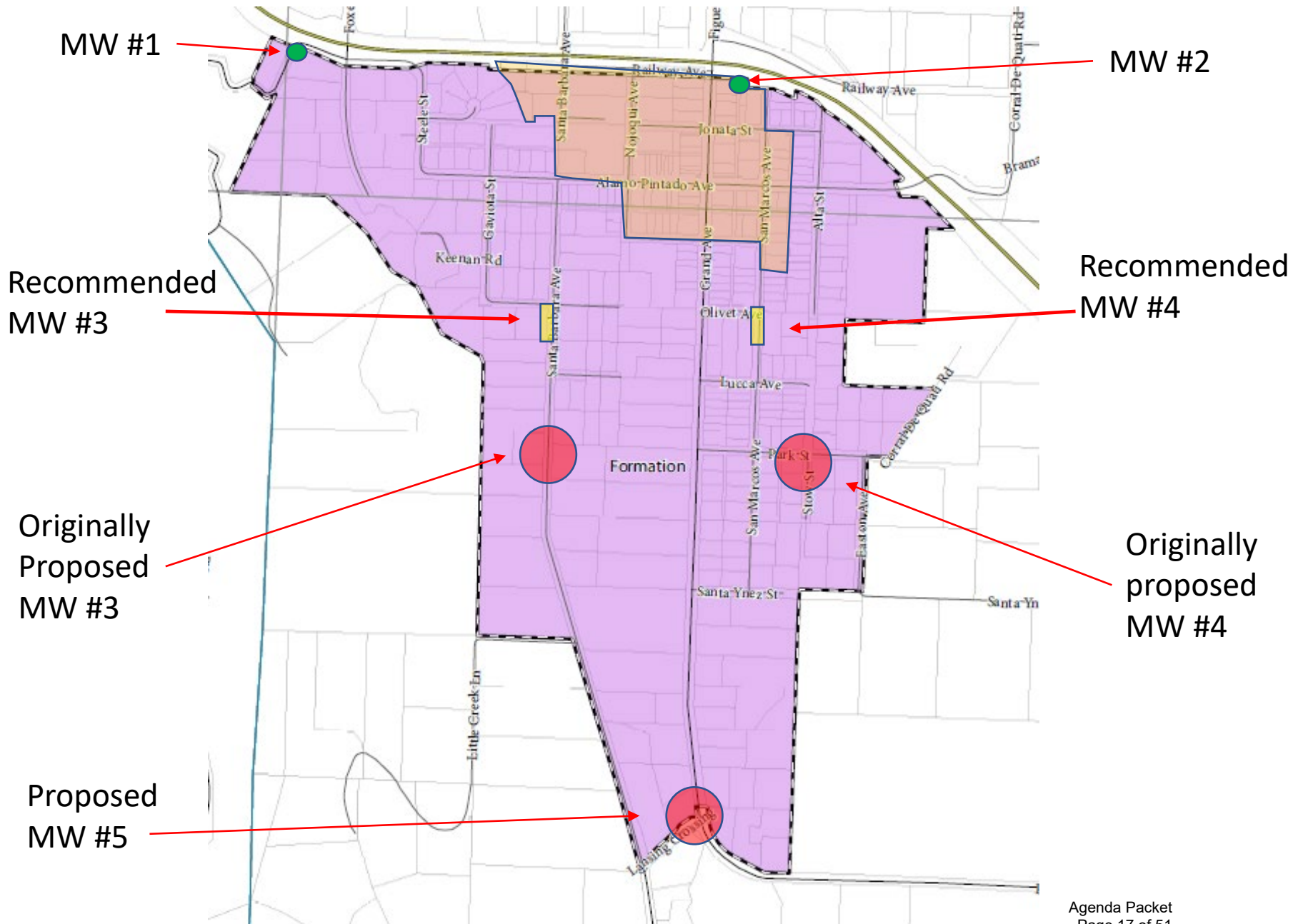
While the LOCSD will be primarily focused on finding grant funds to complete a successful Proposition 218 vote, we will also search for grant funds that could be used to install the previously described monitoring wells. As we have discussed, Environmental Health Services of the County of Santa Barbara may have funds that can only be used to support activities such as the proposed groundwater monitoring wells. As soon as grant funds are identified that can be used for monitoring well installation and monitoring, the LOCSD will reach out to your office to provide a schedule for implementation and monitoring. In the meantime, should your office identify potential funding sources, please do not hesitate to let me or our General Manager know.

I would like to thank you again for your continued support of our efforts to improve our groundwater quality with the implementation of a community wastewater management solution. If you have any questions, please contact me at tom.fayram.locsd@gmail.com or Guy Savage, General Manager, at (805) 500-4098 or gm.locsd@gmail.com.

Sincerely,

Thomas Fayram
President
Board of Directors, LOCSD

cc: Joan Hartmann, 3rd District Supervisor, County of Santa Barbara
Lars Siefert, Environmental Health Services Director, County of Santa Barbara
Thea Tryon, Assistant Executive Officer, CCRWQCB
Board of Directors, LOCSD
Guy Savage, General Manager, LOCSD



MW #1

MW #2

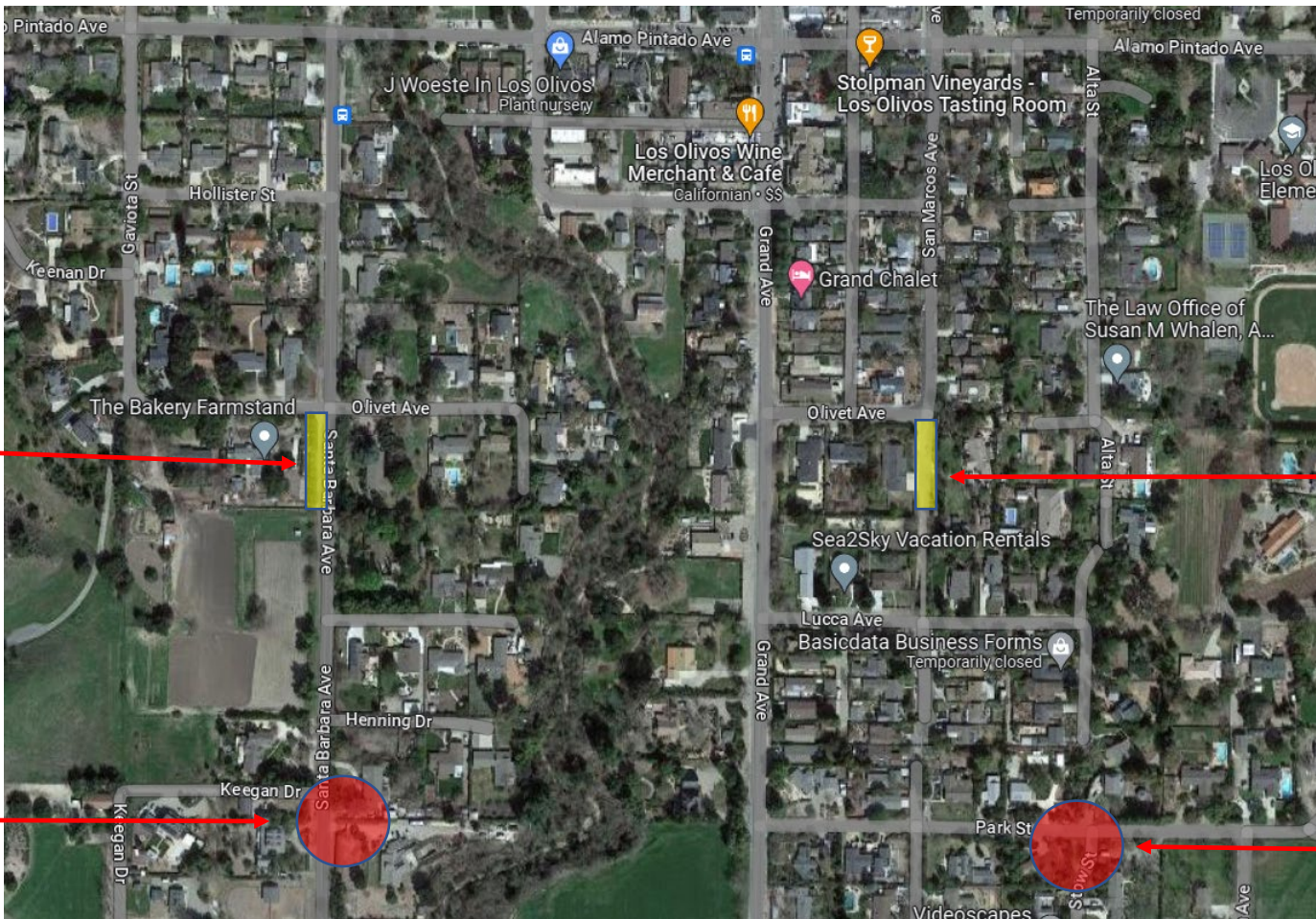
Recommended
MW #3

Recommended
MW #4

Originally
Proposed
MW #3

Originally
proposed
MW #4

Proposed
MW #5



Proposed
MW #4

Proposed
MW #4

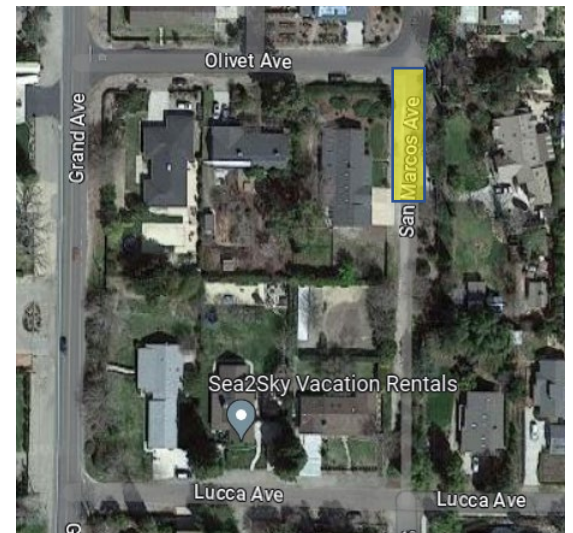
Originally
Proposed
MW #3

Originally
Proposed
MW #4



MW #3
East side of Santa Barbara Ave
(away from power and water lines) avoid
fiber lines

MW #4
Along abandoned(?) portion of
San Marcos Ave between
Olivet Ave and Lucca Ave



Central Coast Regional Water Quality Control Board

August 29, 2023

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

via Electronic Mail

Dear Guy Savage:

LOS OLIVOS COMMUNITY SERVICES DISTRICT, LOS OLIVOS, SANTA BARBARA COUNTY – GROUNDWATER MONITORING WELLS RESPONSE

The California Regional Water Quality Control Board, Central Coast Region (Central Coast Water Board) is in receipt of your June 16, 2023, response to our May 31, 2023, letter regarding “Requirement to Install and Sample Groundwater Monitoring Wells.” Attachment A to your June 16, 2023, letter includes maps depicting three proposed monitoring well locations (i.e., recommended MW #3, recommended MW #4, and proposed MW #5). We concur with the three proposed well locations that are consistent with our conversations with you and Tom Fayram, Los Olivos Community Services District (LOCSD) Board President, on May 16, 2023.

Your June 16, 2023, letter indicated the LOCSD did not have sufficient funding to install and sample the monitoring wells and could not commit to installing and testing additional monitoring wells absent the availability of grant funding. Central Coast Water Board staff discussions with Lars Seifert, Santa Barbara County Environmental Health Services Director, indicate the county is currently able and willing to allocate funding¹ for the installation of these monitoring wells and an initial round of water quality sampling based on reasonable project bid estimates from appropriately qualified contractors. When we met with you on July 26, 2023, to get an update on the LOCSD’s community wastewater system alternatives analysis and monitoring well installation efforts you indicated that you had been in contact with the county regarding grant funding and were planning on submitting the requested scope of work

¹ Contrary to statements reportedly made during the June 14, 2023, LOCSD regular board meeting, the available county funding does not require a 50 percent match.

and associated bid estimate to the county for the installation of the three monitoring wells. Per your June 16, 2023, letter and as confirmed during our conversations, a significant portion of the LOCSD estimated total cost of \$250,000 to \$300,000 is associated with a five-year monitoring plan and associated hydrogeologic analysis, which has not been requested by the Central Coast Water Board at this time.

As noted in our May 31, 2023, letter the wells may be installed and sampled in accordance with the March 22, 2021, Los Olivos Groundwater Monitoring Plan in an effort to realize cost savings associated with the additional monitoring well installation and testing effort.² We will coordinate with you regarding the potential need and associated alternatives for follow-up sampling and hydrogeologic analyses following well installation and initial sampling.

Please proceed in coordination with the county to secure funding and implement the installation of the three monitoring wells at the proposed locations and conduct an initial round of water quality sampling that also includes the two previously installed monitoring wells (MW-1 and MW-2). Please copy us on your correspondence with the county regarding this effort and provide us with monthly implementation updates via email (sent to Thea Tryon and Harvey Packard of our staff) by the last day of the month until the monitoring wells are installed and sampled.

The Central Coast Water Board appreciates the LOCSD's efforts to evaluate impacts to shallow groundwater from septic systems and pursue the implementation of a community wastewater project to address the Los Olivos community's long standing septic system issues dating back almost 50 years. We will continue to coordinate with the LOCSD and Santa Barbara County to help achieve successful wastewater management and water supply resiliency outcomes for the Los Olivos community.

If you have any questions, please contact Thea Tryon at Thea.Tryon@waterboards.ca.gov or (805) 542-4776 or Harvey Packard at Harvey.packard@waterboards.ca.gov or (805) 542-4639.

Sincerely,

Matthew T. Keeling
Executive Officer

² <https://www.losolivoscsd.com/files/61f8f5301/Groundwater+Monitoring+Plan+GSI+3.22.2021.pdf>

cc:

Tom Fayram, President, LOCSD Board of Directors, tom.fayram.locsd@gmail.com

Lars Seifert, Santa Barbara County Environmental Health Services Director,
LSeifert@sbcphd.org

Jason Johnston, Santa Barbara County Environmental Health Services,
JJohnston@sbcphd.org

Joan Hartmann, 3rd District Supervisor, County of Santa Barbara
jhartmann@countyofsb.org

Central Coast Water Board

Harvey Packard

Jennifer Epp

Cecile

DeMartini

James Bishop

RB3-WDR@waterboards.ca.gov

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WWTP\2023\R3_WDR_Los Olivos_MW_response.docx



1150 West Trenton Avenue
 Orange, CA 92867
 Tel (714) 744-2990 Fax (714) 744-2991

Proposal: 23-690
of Pages: 1

Quote for Drilling Services

To: Guy Savage
 Company: Los Olivos Community Services District
 Email: gm.locsd@gmail.com
 Tel: 805-403-5384

From: Tracy Spilotro
 Project: Los Olivos, Ca
 Timing: TBD
 Date: July 26, 2023

Scope: **Drill 3-150ft 2" Well**
 . Drill & sample to 150ft in 5ft intervals
 . Install 2" Sch 40 PVC well with 100ft of screen, 50ft of blank
 . Spread cuttings out on site
 . Development
 . Site access for drilling equipment, crews, support vehicles and required city/ traffic permits - provided by others
 Prevailing wage rates assumed ARE applicable to this project
 Actual costs based on actual units consumed

Item	Description	Unit	Estimated Quantity	Unit Price	Extension
1	Mobilization/Demobilization				
	Mob/Demob Drill Rig & 3 Man Crew	L.S.	1	\$2,500.00	\$2,500.00
	Daily Crew Travel To/From Hotel	Trips	6	\$200.00	\$1,200.00
	Per Diem 3-Man Crew	Day	6	\$600.00	\$3,600.00
2	Drill & Set 3-150ft x 2" Well				
	Drill Rig, Equipment & Crew Onsite	Day	6	\$2,850.00	\$17,100.00
	2" PVC Well Materials	Foot	450	\$11.00	\$4,950.00
	8" Borehole Backfill	Foot	450	\$9.00	\$4,050.00
	6" x 5' Monument Set In 2ft x 2ft Pad	Each	3	\$450.00	\$1,350.00
	Prevailing Wage Per Man Per Hour Portal to Portal Up to 8hrs Per Day	Hour	144	\$75.00	\$10,800.00
	Prevailing Wage Per Man Per Hour Portal to Portal Over 8hrs Per Day	Hour	75	\$115.00	\$8,625.00
3	Development Rig				
	Development Rig Portal to Portal	Hour	32	\$205.00	\$6,560.00
	Development Trailer Rental	Day	3	\$200.00	\$600.00
	Generator and Pump Rental	Day	3	\$350.00	\$1,050.00
	Per diem 1 Man Development Crew	Night	4	\$200.00	\$800.00
	Prevailing Wage Per Man Per Hour Portal to Portal Up to 8hrs Per Day	Hour	32	\$75.00	\$2,400.00
	Prevailing Wage Per Man Per Hour Portal to Portal Over 8hrs Per Day	Hour	15	\$112.50	\$1,687.50
4	Rental Equipment and Miscellaneous				
	Support Trucks	Day	6	\$250.00	\$1,500.00
	Forklift Delivery/Pick-Up	L.S.	-	\$400.00	-
	Forklift Daily Rental	Day	-	\$350.00	-
	Containment Drums (Decon & Development)	Each	12	\$75.00	\$900.00
	Estimated Project Duration Drill Rig				6 - Work Days
	Estimated Project Duration Development Rig				3 - Day
	Estimated Project Total				\$69,672.50

Notes: BC2 assumes that other parties will provide site access, drilling and well permits, useable on-site water supply, and clear the location of utilities on the property. Drill rig hourly rates will be charged for all standby time and for time associated with returning to previously-drilled boreholes. BC2 is not responsible for damage to underground improvements.

Client is responsible for naming BC2 Environmental LLC on USA Dig Alert Ticket as the excavating contractor.



Scope of Work and Fee Estimate

To: Guy Savage, Los Olivos Community Services District

From: Tim Thompson, GSI Water Solutions
Andy Lapostol, GSI Water Solutions

Date: May 24, 2023

RE: Construction of Three New Monitoring Wells

GSI Water Solutions (GSI) is pleased to present the following scope of work and budget for hydrogeologic support services associated with the implementation of Los Olivos Groundwater Monitoring Plan (GWMP). The purpose of this work is to support the installation and initial testing of three (3) new groundwater monitoring wells that will expand the Los Olivos Community Services District's (District) existing groundwater monitoring network.

Task 1 – Installation of Three Monitoring Wells

The general locations for new monitoring wells are identified in the groundwater monitoring plan prepared by GSI in April of 2021. Initially, the District will work with the Regional Water Quality Control Board (RWQCB) to select the preferred locations for the three (3) new monitoring wells. GSI will subsequently coordinate with the District to refine the locations of each well based on site-specific considerations.

GSI will coordinate with BC2 Environmental (the same drilling contractor to install the first two monitoring wells) to obtain quotes, coordinate permitting and establish a drilling schedule for the construction and development of the new monitoring wells.

GSI staff will be onsite for the duration of drilling to log the cuttings, collect soil samples, and oversee installation of the monitoring wells. The wells will be installed to a depth of approximately 50 to 80 feet below ground surface, depending on the materials encountered during drilling. Collection of subsurface lithologic data will be conducted to improve the understanding of aquifer properties of the shallow aquifer sediments. Data that will be collected include water levels, depth-specific chip trays for each borehole, and water quality samples (to be analyzed by a full-service environmental laboratory certified by the state of California).

Unless otherwise directed by the District, GSI will assume that drill cuttings and any water pumped during well development can be disposed on-site.

Task 1 Deliverables

1. Three completed monitoring wells.
2. Technical Memorandum in the form of a well construction report that will document well installation and preliminary water quality testing results for each of the three new wells.

Fee Estimate and Schedule

The proposed fee to complete the work on a time-and-materials basis is \$33,200. You will only be billed for actual time spent on the project, and the budget will not be exceeded without your prior approval. GSI's 2023 Fee Schedule is provided as Attachment A

Laboratory fees for preliminary water quality testing are included in this budget. However, drilling contractor fees, which will include well construction and development, are not included in this budget and will be paid directly to the driller by District.

Every effort will be made to work within this authorized budget. If more budget may be required, we will inform you in advance as soon as possible so that you can decide how you wish to manage our effort. Work can begin upon receipt of authorization to proceed and execution of the professional services agreement.

Sincerely,
GSI Water Solutions, Inc.



Tim Thompson, PG, CHG
Principal Water Resources Consultant



2023 GSI Fee Schedule

Labor Category	Hourly Rate
Technical Professionals	
Principal	\$245 – \$305
Tim Thompson	\$280
Dave O'Rourke	\$250
Supervising	\$180 – \$240
Nate Page	\$180
Brian Franz	\$200
Managing	\$150 – \$190
Andy Lapostol	\$160
Consulting	\$150 – \$180
Project	\$140 – \$160
Trent Sherman	\$150
Staff	\$110 – \$145
Nehuen Fortunelli	\$140
Other Services	
GIS/Graphics/Database	\$140 – \$170
Editor/Documents	\$125 – \$160
Administration	\$90 – \$120

The hourly rate for trial preparation and expert witness testimony is 1.5 times the standard billing rate shown above.

Expenses

- **Mileage:** IRS authorized rate/mile plus 10 percent markup
- **Direct expenses and outside services:** Cost plus 10 percent markup
- **Enterprise GIS:** \$50 per month for the duration of use



Scope of Work and Fee Estimate

To: Guy Savage, Los Olivos Community Services District

From: Tim Thompson, GSI Water Solutions
Andy Lapostol, GSI Water Solutions

Date: August 24, 2023

RE: Biannual Monitoring and Reporting for Existing Groundwater Monitoring Network

GSI Water Solutions (GSI) is pleased to present the following scope of work and budget for hydrogeologic support services associated with the Los Olivos Groundwater Monitoring Plan (GWMP). The objective of this work is to establish and implement a biannual monitoring and reporting program for the Los Olivos Community Services District's (District) existing groundwater monitoring network. Conducting regular monitoring as described in the following sections will allow for GSI and the District to define existing groundwater quality in the shallow alluvial aquifer underlying Los Olivos and monitor future changes in water quality as septic to sewer conversion plans are implemented.

Data developed from the collection of regular water level data and water quality samples will be beneficial to the District's ongoing efforts to meet County of Santa Barbara and Regional Water Quality Control Board requests for improved understanding of the shallow aquifer conditions in the Los Olivos area.

Task 1 – Monitoring and Sampling

The District's monitoring network currently consists of two monitoring wells, installed by GSI in November 2022. GSI proposes to conduct four monitoring and sampling events each year, approximately 6 months apart, beginning with Fall 2023.

During each sampling event, GSI staff will mobilize to Los Olivos to collect water level measurements and water quality samples from each well. Water level measurements will be taken prior to water quality sampling, using a water level sounder with a precision of 0.01 foot and will be recorded to the nearest 0.01 foot.

Then, each well will be purged¹ with a submersible pump to ensure that the samples collected are representative of the surrounding aquifer. Purging volumes and field parameters (e.g., pH, temperature, and electrical conductivity) will be documented on purge logs in addition to the date and time of sampling. Samples will be sent to an accredited laboratory for analysis of the constituents shown in Table 1.

Additional information regarding monitoring and sampling methods may be found in the Los Olivos Groundwater Monitoring Plan, prepared by GSI in April 2021.

¹ Unless otherwise directed by the District, it is assumed that purged will be disposed of directly on site. Total purge volumes for are expected to be minimal, on the order of 10-15 gallons per well.

Table 1. Sampling Parameters

Field Parameters	Laboratory Analyses	
Constituent	Constituent	Method
pH	Nitrate as N	EPA 300
Temperature	Nitrite as N	EPA 353.2
Electrical Conductivity	Total Dissolved Solids	SM 2540C

Task 2 – Reporting

Following a monitoring and sampling event, GSI will prepare a brief report which will be submitted to the District for review and for transmittal to the relevant regulatory agency. These reports will include:

- Hydrographs including water level and water quality measurements
- Documentation of data collected during monitoring and sampling events

Fee Estimate and Schedule

The proposed fee to complete the work on a time-and-materials basis is \$10,800, including all expenses and laboratory analysis fees. You will only be billed for actual time spent on the project, and the budget will not be exceeded without your prior approval. GSI’s 2023 Fee Schedule is provided as Attachment A

It is our understanding that the District is currently working towards expanding the existing monitoring network from two (2) monitoring wells to five (5) monitoring wells in the near future. Should there be five monitoring wells in the network prior to the initiation of this monitoring and reporting program, our proposed fee to complete the work with this larger network is \$12,300 per year.

Every effort will be made to work within this authorized budget. If more budget is required, we will inform you in advance so that you can decide how you wish to manage our effort.

Work can begin upon receipt of authorization to proceed and execution of the professional services agreement.

Sincerely,
GSI Water Solutions



Tim Thompson, PG, CHG
Principal Water Resources Consultant



2023 GSI Fee Schedule

Labor Category	Hourly Rate
Technical Professionals	
Principal	\$275 – \$325
Supervising	\$195 – \$285
Managing	\$165 – \$205
Consulting	\$160 – \$180
Project	\$150 – \$180
Staff	\$120 – \$150
Other Services	
GIS/Graphics/Database	\$140 – \$180
Editor/Documents	\$120 – \$150
Administration	\$80 – \$120

The hourly rate for trial preparation and expert witness testimony is 1.5 times the standard billing rate shown above.

Expenses

- **Mileage:** IRS authorized rate/mile plus 10 percent markup
- **Direct expenses and outside services:** Cost plus 10 percent markup
- **Enterprise GIS:** \$100 per month for the duration of use

RESOLUTION NO. 19-06

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE LOS OLIVOS COMMUNITY SERVICES DISTRICT ADOPTING A PURCHASING AND PROCUREMENT POLICY

WHEREAS, the Los Olivos Community Services District ("District") is committed to openness and transparency regarding the use and expenditures of public funds; and

WHEREAS, the Board of Directors of the District ("District") seek to establish its purchasing policy setting forth the authority and restrictions on the purchase of equipment, materials, supplies, and services by District personnel, in accordance with California law; and

WHEREAS, it is in the best interests of the District and its residents to set and maintain limits, restrictions, and procedures in the form of a purchasing policy.

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

1. The above recitals are true and correct; and
2. The Board of Directors hereby establishes and adopts as its purchasing policy the policy set forth in Exhibit A.
3. The authority, limits, restrictions, and procedures set forth in the purchasing policy shall be subject to any and all applicable annual budgetary amounts and other authorizations as may be imposed by the Board from time to time.
4. As of the effective date of this Resolution, the purchasing policy shall be deemed controlling over, and shall otherwise supersede any and all other purchasing authority policies that may conflict with, or be contrary to, the hereby adopted purchasing policy.
5. If any provision of this Resolution or the attached and incorporated purchasing policy is for any reason held invalid, the validity of the remainder of this Resolution and incorporated purchasing policy shall remain unaffected.
6. This Resolution shall become effective upon the date of adoption as set forth herein.

[SPACE INTENTIONALLY LEFT BLANK]

EXHIBIT A

PURCHASING & PROCUREMENT POLICY

PURPOSE

The purpose of this policy is to provide uniform guidelines and procedures for the purchase of goods and services used for the operation of District programs. These procedures and guidelines enable the District to coordinate purchasing processes and to establish a system of financial controls for the efficient use and expenditure of public funds.

I. POLICY

A. Ethics

District personnel—employees and contractors—must discharge their duties impartially to assure fair competition for District business by responsible vendors. In addition, they shall conduct themselves in a manner that will create confidence in the integrity of the District’s purchasing operations. Personnel are prohibited from accepting any gifts, rebates, kickbacks, personal services, or in any way incurring personal gain from any vendor in exchange for doing business with the District. Personnel shall perform all purchasing responsibilities in a manner intended to obtain goods and services for the District in the most cost effective and ethical manner.

B. Environmentally Preferable Purchasing

The District is committed to the use of recycled products and materials in order to demonstrate compliance with the Waste Management Reduction Act, encourage market development for recycled products, and to promote overall environmentally responsible practices.

1. Preferred products shall include those that minimize environmental impacts, including but not limited to, toxic substances, pollution, and hazards to workers and to community safety to the greatest extent practicable.
2. Preferred products shall include those that include recycled content; are durable and long lasting; conserve energy, water and natural resources; use agricultural products, fibers and residues; reduce greenhouse gas emissions and other pollutants; use unbleached or chlorine free manufacturing processes; and use wood from sustainable harvested forested or other environmentally friendly substitutes.

3. A maximum effort shall be made, whenever possible, to purchase products in the following categories:
 - a. Recycled Materials
 - b. Remanufactured Products
 - c. Non-Toxic Chemicals and Sprays
 - d. Energy and Water Conserving Equipment
 - e. Products with an Energy Star Rating
4. When alternatives are available, a maximum effort shall be made to identify environmentally preferred products in bid specifications and/or provide up to a 5% preference for bids that specify products identified as environmentally preferred in this Policy.

C. Local Vendor Preference

Local vendors may be given an additional ten percent (10%) discount when comparing bids against outside vendors for economic development purposes.

D. Purchases of \$2,500 or Less

1. Purchases of \$2,500 or less do not require a purchase order or competitive bid and do not require prior Board of Director approval. All purchases made at this level of authority require proper documentation and approval at the next regular Board of Directors meeting.

E. Purchase of \$25,000 or Less and Greater than \$2,500

1. Purchases shall require a purchase order. All purchase orders shall require approval of the Board of Directors prior to the purchase.
2. When making purchases of \$25,000 or less and greater than \$2,500, the purchase shall require at least three, and no less than two, bids. Bids may be obtained by phone or by sealed written bids. Telephone

bids shall be documented by submission of a memo to the file for the purchase.

3. A record of all open market orders and bids shall be kept for a period of one (1) year after the submission of bids or the placing of orders, or as otherwise may be required by law. This record is open to public inspection and will normally be maintained as part of any vendor file.
4. Bids shall not be required in the following circumstances.
 - a. When an emergency requires that an order be placed with the nearest available source and/or in an urgent manner;
 - b. When the commodity can be obtained from only one vendor;
 - c. After rejection of all bids;
 - d. When purchases made under a State Department of General Services Purchasing Contract; or
 - e. In other circumstances when a determination is made, in consultant with District Counsel, that dispensing with bids is necessary for the effective and/or cost efficient delivery of District services.
1. In most cases, purchases shall be awarded to the lowest responsive bidder. However, when evaluating bids, price quotes, and proposals, consideration may be given to such things as vendor location, costs of shipping/delivery/pickup, warranty and/or maintenance contracts, retention of the District's share of sales tax, environmentally preferred products, and variations in quality.
2. It shall be the responsibility of the Interim General Manager to ensure sufficient funds are available in the appropriate account(s) prior to any purchase.
3. Any expenses that require a funding allocation require District Board approval.
4. Supplies or equipment received shall be inspected immediately upon receipt to determine conformance with the specifications for the order.

G. Purchases of Supplies or Equipment in Excess of \$25,000

The purchase of supplies and equipment for any one project or activity with an estimated individual or aggregate value greater than \$25,000 shall be by written contract in accordance with the following:

1. Notice Inviting Bids

A notice inviting bids, all final specifications, and bid documents shall be prepared for distribution. The notice shall include a general description of the article(s) to be purchased or constructed, where bid documents and specifications may be secured, the time and place for opening bids, and state if security deposits are required. The notice inviting bids shall be published at least two (2) times at least five (5) days apart, in a newspaper of general local circulation at least ten (10) days before the date of opening of the bid(s).

2. Bidders List

Sealed bids shall be solicited from responsible prospective suppliers whose names are on any established bidders list or who have made written request that their names be added to it.

3. Post Office & Website Listing

Proposed purchases may be advertised additionally via notice posted in the Post Office and/or on the District's website.

4. Bidder's Security

When considered necessary, bidder's security shall be set and a statement of the security shall be included in the notice inviting bids. Each bidder is entitled to a return of the bid security. However, a successful bidder forfeits the bid security if he/she refuses or fails to execute the contract within ten (10) days after the notice of award of contract is mailed. If the successful bidder fails or refuses to execute the contract, the bid may be awarded to the next lowest responsive bidder, the amount of the lowest bidder's security shall be applied to the contract price difference between the lowest bid and the second lowest bid. The surplus, if any, shall be returned to the lowest bidder.

5. Bid Opening

All bids shall be sealed and identified as "Bid No . . ." on the envelope. Bids shall be opened in public at the time and place stated in the public notice. The bids received shall be tabulated and tabulation kept open for public inspection during regular business hours for a period of not less than thirty (30) calendar days after the bid opening.

6. Rejection of Bids

In its discretion, the Board may reject all bids presented and re-advertise for bids. If no bids are received, the District may have the project done without further compliance with this Policy.

7. Performance of Project After Rejection of Bids

After rejecting bids, the Board of Directors may pass a resolution by a four-fifths vote of its members declaring that the project can be performed more economically by day labor, or the materials or supplies furnished at a lower price in the open market. Upon adoption of the resolution, it may have the project done in the manner stated without further complying with the resolution.

8. Award of Contracts

Contracts normally shall be awarded to the lowest responsible and responsive bidder, except that the Board may award a contract to a higher bidder if it specifically determines that the best interests of the District are served by so doing. Such determination must be supported by specific findings.

H. Public Works Projects

The provisions contained in Public Contract Code Section 20160 et seq. establish the contract procedures the District shall normally follow regarding public works projects.

I. Professional Services

1. Professional services are those activities to be performed by specially trained persons or firms who provide services in connection with financial, economic, accounting, engineering, administrative or other matters involving specialized expertise or unique skills. Contracts for professional services need not necessarily be awarded to the lowest bidder since the person or firm is selected based on their qualifications. The price, however, must be reasonable and within budgeted funding amounts.

2. All consultants shall execute an agreement with the District. Any professional service agreement submitted to the Board of Directors for approval must provide sufficient background analysis to support the recommendation. The Interim General Manager is authorized to approve agreements for professional services up to \$25,000 when funding is budgeted. Any agreements for services above \$25,000 or those where a funding appropriation is necessary requires Board of Directors approval.

3. A Request for Proposals (RFP) and/or Request for Qualifications (RFQ) shall be prepared for professional services and distributed to a minimum of three firms and/or individuals. The RFP/RFQ shall include the purpose, background, scope of work, proposal format instructions, submittal instructions, deadline and selection process.
Proposals
4. An RFP/RFQ may not be required for services that will not exceed \$7,500 and involve standard work where a specialized description of how the consultant will approach the scope of work is not necessary.
5. When proposals and/or qualifications are received, the proposals shall be reviewed based upon impartial criteria established. For large projects, a review panel should be formed and finalists should be interviewed, if practicable. When a recommendation is agreed upon, a standard professional services agreement shall be prepared and submitted to the Interim General Manager or Board of Directors for approval.
6. For agreements for engineering and architecture services, RFPs shall request that costs be submitted in a separate envelope. The costs shall be opened and only considered after the proposals are reviewed and qualified applicants are determined.
7. The Interim General Manager shall be responsible for verifying that required insurance is submitted by the consultant prior to execution of the agreement and verified by the District Counsel.
8. An on-call list of consultants for specialized services may be established through the process outlined above. In such case, agreements for more than one consultant may be executed for a not-to-exceed amount for services that are needed on a periodic basis. The consultants may then be utilized when the need arises on an alternating basis or based upon availability.
9. If it is determined that it is in the best interests of the District for services to be provided by a specific consultant—with contract terms, scope of work, and compensation to be determined based on direct negotiations—commonly referred to as “sole source” services/contract, a recommendation for shall be made by the Interim General Manager for designee thereof to the Board of Directors and a contract award shall be subject to Board approval by a majority vote.

J. Payment Process

1. When invoices are received, all receipts shall be attached and submit to the Finance Committee for payment, along with an invoice cover form, which shall include a description and justification of the purchase.
2. The Finance Committee shall review receipts and invoices prior to recommending approval for payment by the Board of Directors. Any irregularities or issues identified shall be submitted to the District Counsel for potential investigation.
3. Payments shall be issued by authorized personnel of the Distrct. Checks shall be issued with electronic signatures.
4. All payments shall be made within the time period agreed to with the vendor.
5. The Board of Directors shall receive a monthly check register for review and formal acceptance.

**ITEM 6 – WFX ENGAGEMENT, RESOLUTION, AND/OR
CONTRACT**

WFX ENGAGEMENT, RESOLUTION, AND/OR CONTRACT

Los Olivos Community Services District

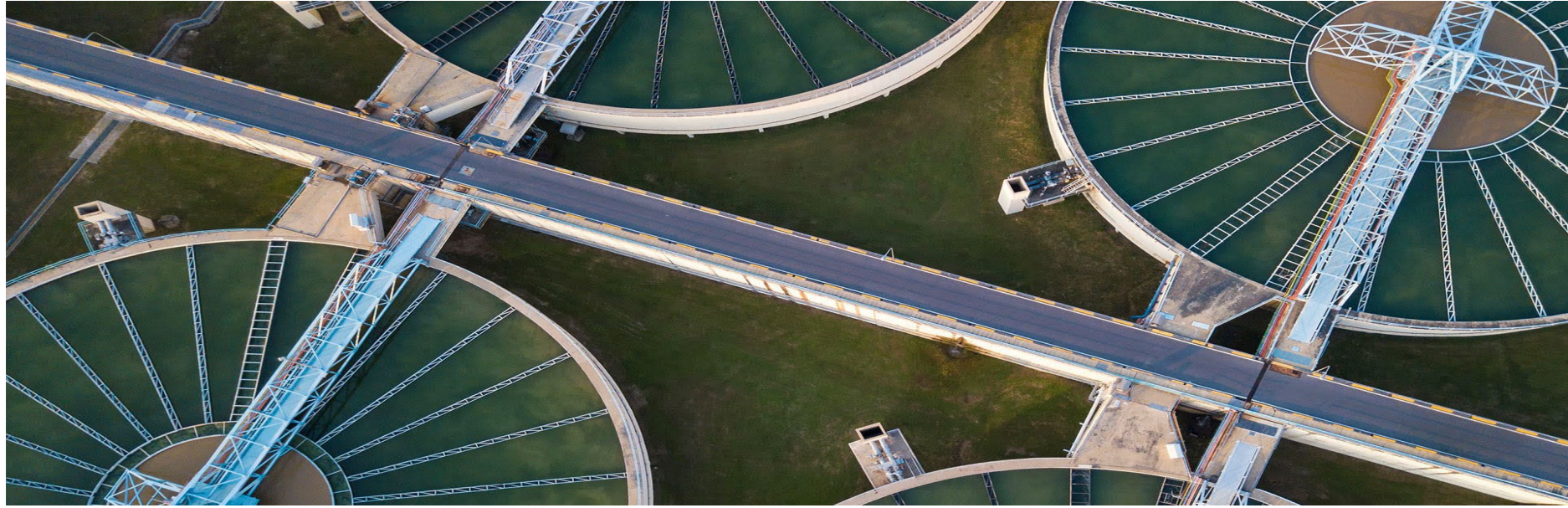
Organize ■ Plan ■ Prioritize ■ Fund ■ Impact

Rogelio Rodriguez
Director, Infrastructure Fund
210-843-3900
rrodriguez@waterfx.org



G-17 Disclaimer:

Water Finance Exchange is not a municipal advisor, financial advisor or fiduciary to the municipality or any other person or entity in connection with the issuance of municipal securities by the municipality. The information provided is not intended to be and should not be construed as “advice” within the meaning of Section 15B of the Securities Exchange Act of 1934. The municipality should consult with its own financial and/or municipal, legal, accounting, tax and other advisors, as applicable, to the extent it deems appropriate. If the municipality would like a municipal advisor in this transaction that has legal fiduciary duties to the municipality, then the municipality is free to engage a municipal advisor to serve in that capacity.



- The Water Finance Exchange (WFX) is a 501(c)(3) organization. As an impartial conflict free organization, our vision is to demonstrate funding solutions and governance structures that can enable communities to develop sustainable and safe drinking water and wastewater systems.
- WFX possesses a nationwide network of experts, a revolving Pre-Development Fund, and a unique knowledge base, each used to connect communities to the best funding and expertise in the public, private, and philanthropic sectors.
- We work hand-in-hand with communities to build scalable solutions, one community at a time.
- WFX believes (and philanthropy supports our effort) that with good technical assistance through experts and financial analysis throughout the process more communities can realize affordable infrastructure projects to provide a healthy long-lasting utility.

- Adds administrative capacity with expertise in operations, funding, regulations and finance
- Capital planning (for today and tomorrow), needs, economic development, resilience, sustainability
- Financial assessment, rates, capacity, affordability metrics
- Assist with procurement to ensure funding compliance
- Innovative funding, pre-development funding, bridge lending
- Funding opportunities, California SRF programs, USDA, Dept. of Interior, Public-Private Partnerships and Public-Public Partnerships
- Elevate communication and visibility, local, state, federal
- Operational analysis
- National view of models and systems that work, brings innovative approaches that have proven successful
- Collaborates with partner organizations to fulfill community long term goals.

The Pre-Development Loan Fund (PDLF) is a revolving low-interest "repayable investment" available to water systems for pre-development costs, in amounts of up to \$250,000, with a loan amortization that is mutually agreed upon by WFX and the community.

.Pre-Development Funds are available to communities to assist in the following ways and in the following manner:

- Funds may be used for pre-development expenses related to water system improvements and development in rural areas;
- Pre-development expenses include feasibility and market studies; environmental and engineering work; preliminary cost estimates; preparation of funding and loan applications; preparation of cash flow projections; rate studies; appraisals, etc.;
- PDLF recipient organizations must follow their Board-approved procurement policies before hiring outside consultants and vendors who perform pre-development work;
- Disbursements are managed through submission of available financial reports and supporting documentation for expenses matching approved line item budgets;
- Borrowers are asked to submit annual and/or final narrative reports on funded projects and their impact;
- Requests for partial or full loan forgiveness are reviewed by the Pre-Development Fund Committee, and granted under certain circumstances, such as project infeasibility, environmental issues or inability to access critical funding, such as USDA, SRF, grant resources, etc.
- PDLF can also be satisfied through the technical assistance allocation under certain funding opportunities such as state revolving funds, USDA loans, etc.

For pre-development technical assistance support WFX does not focus on profit but seeks to partner with communities in an expense neutral way to add needed resources, therefore we ask that communities assist WFX in securing technical assistance funds to offset the cost of expenses

WFX Core Project Team

<p>Hank Habicht <i>Managing Co-Founder</i></p> <p>Resource Allocation, Federal Resources, Regulatory, Philanthropic Funding</p>	<p>Brent Fewell <i>Co-Founder General Counsel</i></p> <p>Resource Allocation, Federal Resources, Regulatory, Philanthropic Funding</p>	<p>Rogelio Rodriguez <i>Director WFX Infrastructure Fund</i></p> <p>Organizing, Project Mobilization, Capital and Project Planning, Affordability and Rate Analysis</p>	<p>Walter “Buzz” Pishkur <i>Senior Advisor</i></p> <p>Operational Analysis, Management Analysis, Rate Structuring</p>
<p>Carlos Rubinstein <i>Senior Advisor</i></p> <p>Regulatory Assistance, Compliance Analysis, Federal and State Advocacy</p>	<p>Josh Clement <i>Senior Program Manager</i></p> <p>Project Coordination, Funding Match, Project Coordination, Application Support</p>	<p>Jackson Parr <i>Project Coordinator</i></p> <p>Application Support, GIS, Marketing, Project Support, Project Coordination</p>	<p>Emily Barnett</p> <p>Research and Project Support</p>

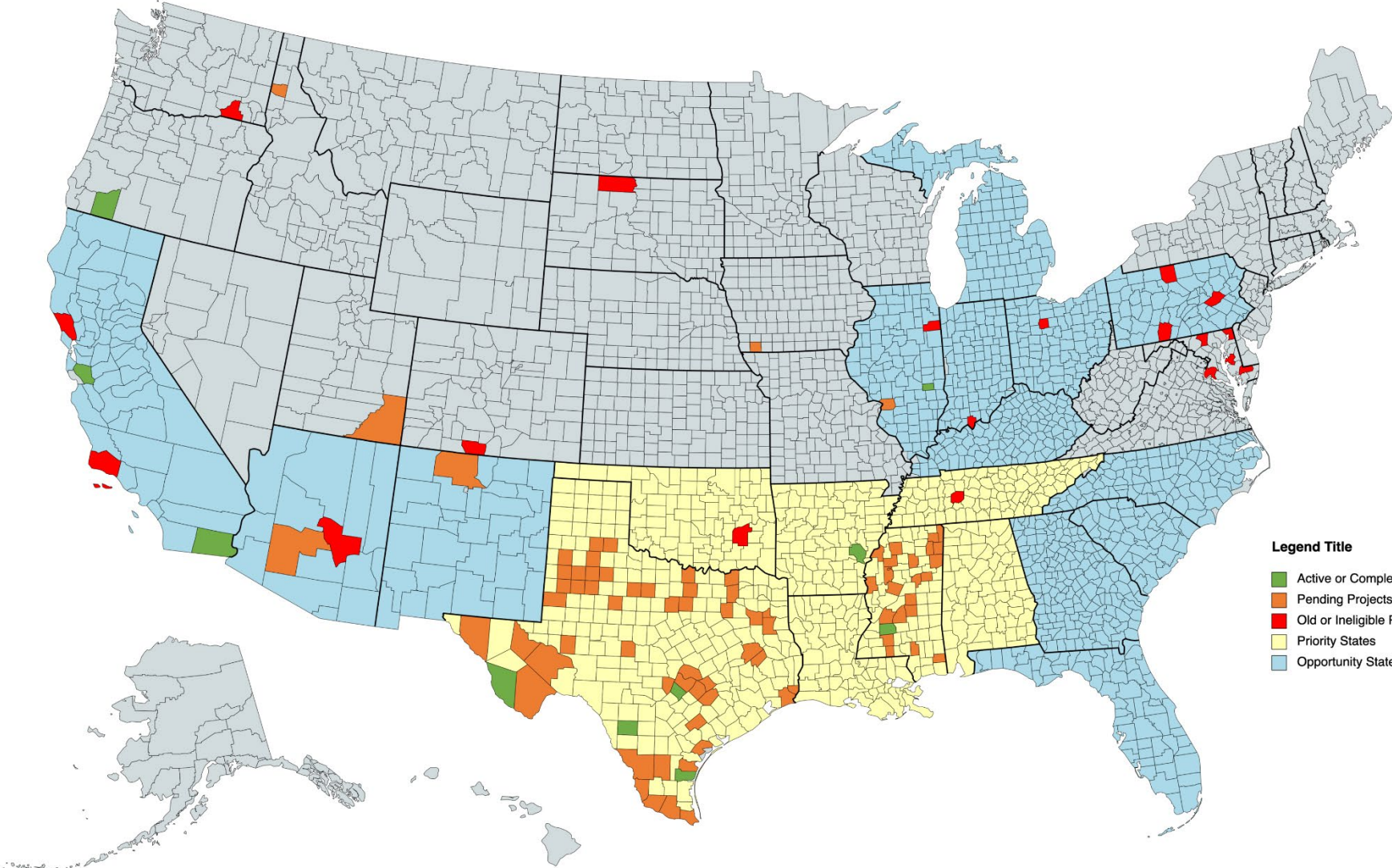
GOVERNING BOARD

- Hank Habicht, Managing Co-Founder, WFX (non-voting)
- Adam Krantz, Executive Director, National Association of Clean Water Agencies
- Jennifer Kurz, Strategy Lead, Water Funder Initiative and Senior Strategist, Susan Bell & Associates
- Laura Huffman, Founder and CEO, Civisol
- Monica Ellis, CEO Global Water Challenge
- Bill Teichmiller, CEO, EJ Water Cooperative, Inc.
- Brent Fewell, Co-Founder, General Counsel, WFX (non-voting)

ADVISORY COUNCIL

- Brian Oakley, Executive Vice President, Summit LLC; Advisor, U.S. EPA’s WIFIA
- Carlos Rubinstein, Former Chair, Texas Water Development Board
- Walter (Buzz) Pishkur, Former CEO, Arlington Texas Water Utility
- George Hawkins, CEO, Moonshot Missions, LLC
- Felicia Marcus, Former Chair, California Water Resources Board
- Michael Curley, Former Visiting Scholar, Environmental Law Institute
- Jim Good, Former Director, Pittsburgh Water and Sewer Authority
- Deirdre Finn, Executive Director, Council of Infrastructure Financing
- Eric Letsinger, CEO, Quantified Ventures
- Debra Coy, Executive in Residence, XPV Partners
- Chuck Chaitovitz, Vice President, Environmental Affairs and Sustainability, U.S. Chamber of Commerce
- Ellen Gilinsky, Former Associate Deputy Administrator for Water, U.S. EPA

WFX Community Map – December 2022



Legend Title

- Active or Completed Projects
- Pending Projects
- Old or Ineligible Projects
- Priority States
- Opportunity States

Contact



visit www.waterfx.org or Contact us at info@waterfx.org.

WFX is made possible through the financial contributions of:





July 12, 2023

Mr. Tom Fayram
President of the Board
Los Olivos CSD
P.O. Box 345
Los Olivos, CA 93441

Re: Engagement with Los Olivos Community Services District to Support Wastewater Infrastructure

Dear President Fayram:

The Water Finance Exchange (“WFX”) is pleased to support Los Olivos CSD as it pursues funding for a wastewater infrastructure project. This engagement letter sets forth our agreement for the provision of consulting services, which will involve working with the Los Olivos CSD and any engineering firm(s) it may hire to assess sources of funding and financial options associated with this project including the implementation of a step system or the tie into the system at Santa Ynez - Solvang (the Scope). We would be happy to discuss expanding the scope of services at any time should Los Olivos CSD desire.


The WFX project team will be led by Rogelio Rodriguez and supported by other WFX professionals on an as needed basis. Mr. Rodriguez will serve as your primary contact. We understand that Los Olivos CSD is working in partnership with other organizations and, as such, Los Olivos CSD authorizes WFX and its representatives to communicate and coordinate directly with each of them as needed.

As mentioned previously, WFX’s services being extended to Los Olivos CSD are supported in part by our philanthropic funders. As a 501(c)(3), non-profit organization, WFX is also eligible under various state and federal funding programs, e.g., the State Revolving Funds, to receive technical assistance (TA) funding to support our efforts to help communities with their water and wastewater infrastructure needs. As such, we would request Los Olivos CSD work collaboratively with WFX to identify and seek potential TA funding to help offset our expenses. WFX agrees that Los Olivos CSD will not be directly responsible for any fees or costs associated with our services and that any such fees or costs would be paid solely through grants or loans for which Los Olivos CSD would qualify.

Los Olivos CSD or WFX may terminate this engagement upon 14 days written notice to the other. WFX often includes success stories of its clients in its marketing materials and, as such, we would ask Los Olivos CSD to authorize WFX to reference our work with Los Olivos CSD, including identifying Los Olivos CSD as its client, in WFX’s marketing materials intended to be provided to WFX funders and the general public for the purpose of describing the WFX’s role in supporting Los Olivos CSD.

We are very excited to be working with you on this matter. If the terms of this engagement letter are acceptable to you, please sign below and return to me.

Sincerely,



Rogelio Rodriguez

Agreed:

Los Olivos CSD

Mr. Tom Fayram

Date: _____

Cc: Hank Habicht, WFX
Brent Fewell, WFX
Mark Cubbon, RCAC
Charles "Drew" Lester, RCAC
Ari Neumann, RCAC

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Whereas, access to water and wastewater systems are vital to healthy communities, and

Whereas, one of our central tasks as Los Olivos CSD, California is to ensure a healthy community with access for our citizens to these vital resources, and;

Whereas, communities and our environment depend on clean water and effective wastewater services, and;

Whereas, one of the best ways to ensure this access and service for our community is to incorporate good management practices and resiliency into our existing and future water and wastewater systems, and;

Whereas, collaborating with diverse experts in operations, regulations and finance can provide value in planning, and;

Whereas, good operations, data gathering, testing, and water and wastewater infrastructure can be combined to form a sound approach to sustainable healthy communities, and;

Whereas, we are aware that the billions of dollars currently available for water and wastewater infrastructure under the Federal Infrastructure Investment and Jobs Act through the State Revolving Funds and other funding sources represent a historic and generational opportunity to access low-cost funding that may not soon return, and;

Whereas, we understand that the best chance of obtaining our fair share of this funding is to work together with collaborative partnerships, and;

Whereas, Los Olivos CSD is aware that a willingness to participate with other regional utilities in regional cooperation and collaboration can meet the many water and wastewater needs within our region, and;

Whereas, Los Olivos CSD will enjoy the expert services of Water Finance Exchange and other consultants at no cost, *therefore*;

BE IT HEREBY RESOLVED that Los Olivos CSD officially commits itself to actively participate in the local and regional process, to identify, develop, and pursue water and /or wastewater focused projects and funding for the benefit of all our residents.

PASSED AND APPROVED on _____

ATTEST:

Mr. Tom Fayram
President of the Board
Los Olivos CSD