

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



**LOS OLIVOS COMMUNITY SERVICES DISTRICT
REGULAR MEETING**

Posted: 4-3-2026

April 8, 2026, 6PM (Pacific)

Los Olivos Grange Hall

2374 Alamo Pintado Ave, Los Olivos CA 93441

Please observe decorum and instructions from the President

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

On Zoom:

<https://us06web.zoom.us/j/85195290804?pwd=rO5nrKISaewJAVMeY3MbZ7mtLxudn.1>

By Phone:

Meeting ID: 851 9529 0804 Passcode: 473619

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

The Los Olivos Community Services District (LOCS D) is committed to ensuring equal access to meetings. In compliance with the American Disabilities Act (ADA), if you need special assistance to participate in the meeting or need this agenda provided in a disability-related alternative format, please call 805.500.4098 or email to losolivoscsd@gmail.com. Agendas and meeting packets are generally available to the public at the Los Olivos Post Office - 2880 Grand Avenue. Any public records, which are distributed less than 72 hours prior to this meeting to all, or a majority of all, of the District's Board members in connection with any agenda item (other than closed sessions) will be available for public inspection at the time of such distribution at a location to be determined in Los Olivos, California 93441.

MEETING AGENDA

1. CALL TO ORDER

President Kennedy called the meeting to order at: 6:02 PM

2. ROLL CALL

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

Absent: None

3. PLEDGE OF ALLEGIANCE

PUBLIC COMMENT

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

President Kennedy opens the floor to public comment.

Michelle de Werd, Alvie Whitaker, Mike Brady, Steve Trent, Kathryn Rohrer, Anne Marie Gott, Meighan Diethofer speak.

INFORMATIONAL ITEM:

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

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

losolivoscsd@gmail.com, www.losolivoscsd.com

Agenda Packet
Page 15 of 101

4. GENERAL MANAGER'S BRIEF DISTRICT STATUS REPORT

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

President Kennedy opens the floor to public comment.

No requests speak.

ADMINISTRATIVE ACTION ITEMS:

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

5. CONSENT AGENDA

A. APPROVAL OF MEETING MINUTES

Regular Meeting minutes of March 11, 2026.

B. APPROVAL PAYMENT OF INVOICES RECEIVED ON OR BEFORE APRIL 1, 2026.

No.	Invoice Date	Invoice #	Provider	Amount
1	2/28/2026	20943	Regional Gov't Services – Communications Services	\$ 121.70
2	3/9/2026	104242	Aleshire & Wynder – Legal Services	\$ 964.00
3	3/4/2026	2026-318	Padre – Environmental Services	\$ 480.00
4	3/10/2026	93166	MNS – Engineering Services	\$ 555.00
5***	3/28/2026	202603	GWS – General Management Services	\$ 7,585.38
6***	3/31/2026	67502	Wallace Group – 30% design, 30-year lifecycle costs	\$ 47,738.75

Project	Vendor	To Date (including current invoices)	Total Authorization
Phase 1 - 90% Design / 30-year cost of ownership	Wallace Group	\$ 210,322.05	\$ 403,000.00
Environmental Review	Padre	\$ 14,085.00	\$ 57,383.00
Proposition 218 Communications	RGS	\$ 1,206.80	\$ 28,300.00

*** Note that the Wallace Group invoice and an updated invoice for General Manager Services came in after the agenda for the Finance Subcommittee was published. Therefore, only invoices 1-4, as presented, carry a recommendation from the Finance Subcommittee.

GM Savage introduces the item. He notes that the invoices from the Wallace Group and General Manager were either updated or added since the Finance Subcommittee met.

President Kennedy opens the floor to public comment.

No requests speak.

Director Palmer asks about the Wallace Group invoice. Director Fayram asks if the Wallace Group is in budget and on schedule, with GM Savage responding they are.

Motion to approve item 6 in its entirety.

Motion by: Director Fayram, Second: Director Nelson

Voice vote: 5-0

BUSINESS ITEMS:

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

6. DISCUSSION REGARDING JUNE 3, 2026 WORKSHOP

Per direction at the March 11, 2026 Regular Meeting of the Board of Directors, the General Manager has examined Board, staff, Wallace Group, and Grange availability for the months of April, May, and June. Based on his review, June 3, 2026 has preliminarily been identified as the best date for a community workshop related to the 30% design and 30-year life cycle costing efforts (30/30) of the Wallace Group. The Wallace Group documents can be found at: <https://www.losolivoscsd.com/technical-studies-and-reports>

The draft Wallace Group 30/30 documents were reviewed by the Technical Subcommittee on April 1, 2026. Video from that conversation can be found at: <https://youtu.be/OXsEWNZ7zwU>

General Manager's recommendation: *Discuss content, confirm date and timing, and provide direction to staff as appropriate.*

GM Savage introduces the item. He starts by pointing out the report on the Technical Studies and Reports page is draft. The Technical Subcommittee has already provided initial input. Input included some of the broken links, requests to clarify pipe sizes, add information about advanced on-site, and more. GM Savage comments that the Wallace Group will be providing an updated version prior to the June 3 workshop. GM Savage adds that while he may be able to answer simple questions about the report, the June 3 workshop is the opportunity for the public to get more information from Wallace Group. So, if the Board or public has input on the content for June 3, this would be a good time to make comment. GM Savage closes his comments by saying the expectation for June 3 is that he and the Wallace Group will make a presentation on the report, followed by a Q&A period. Recognizing that people might have a very detailed question and that some people do not like asking questions in front of a large group, the meeting will then shift to "expert" tables where people can ask specific questions of the City of Solvang, Wallace Group, County EHS, CCRWQCB, and possibly ID1 and Supervisor Hartmann. He asks the Board if they would like to have GSI (groundwater monitoring) present as well.

President Kennedy opens the floor to public comment.

?? and Anna Marie Gott speak.

Director Fayram asks about timeline for input. GM Savage responds that the next 10 days or so is how much time people have to provide input. Director Palmer asks if the Technical Subcommittee comments will be included. She then asks about STEP costs and notes that administrative costs for obtaining easement costs is not included. She sees those as big ticket items. Director Fayram and Parks comment that the Wallace Group was very responsive. Director Fayram notes that this is a final 30% design document, not a full design. President Kennedy asks that we address our current funding situation at the workshop as well. GM Savage responds to questions and makes comments about content of the workshop.

7. CONSIDERATION OF THE DRAFT PROPOSED FISCAL YEAR 2026-27 BUDGET AND SETTING OF BUDGET HEARING DATE

The General Manager will present his draft proposed budget for Fiscal Year 2026-27 (FY 2026-27). The District's FY 2026-27 budget will run from July 1, 2026 through June 30, 2027. As part of their deliberations, the Board may set the date and time for the FY 2026-27 Budget Hearing. In keeping with the State law, notice of the Hearing must be posted less than two weeks prior to the Hearing being held. Likely dates for the Budget Hearing include May 20, 2026 or June 10, 2026. The FY 2026-27 Proposed Budget can be found at:

<https://www.losolivoscsd.com/files/89ba80cc5/PROPOSED+Budget+FY+2026-27.pdf>

General Manager's recommendation: *Discuss draft budget, provide input to staff, and set a hearing date and direct staff to publish notices as required by State law.*

GM Savage introduces his Proposed FY 2026-27 budget. His comments note that this budget was developed in a similar fashion to prior years. Comments and assumptions can be found at the right of each budget line. Acronyms such as SALY (Same As Last Year) are included and there where a CPI was appropriate, he used 2.5%. GM Savage states that his base assumption was consistent with prior approaches that unless funds are in-hand or guaranteed, the revenues are not included. This in turn leads to an assumption that the District will not be moving forward to 60 and 90% design and instead shift focus towards winding down the District. As noted recent letters to LAFCO and the community update, this would mean giving up local control over any future solution and giving control back to the County for their decision processes and solutions. GM Savage asks the Board if they would consider other revenue approaches beyond grants, the Transient Occupancy Tax (TOT) approach previously discussed, or additional a new 218 to increase the Special Tax or obtaining a loan for the needed \$1.5 million needed for planning. He adds the County is still researching options, including the possibility of a loan. GM Savage adds that key to the Board's discussion and thought process should be whether they want to take baby steps to continue the design effort knowing that full funding for the 60%/90% is not currently available. To that end, as an addendum to the agenda, he had the Wallace Group put together a list of things that may make sense to consider.

President Kennedy opens the floor to public comment.

Jeannie Hollingsworth, Mike Brady, Anna Marie Gott, and Kathryn Rohrer speak.

Director Fayram asks about the SRF loan, with GM Savage responding that more will be known next month and the month after. Director Fayram then comments that keeping a reserve to address usual costs makes sense. He then shifts to the Wallace Group and technical solutions that can be clarified such as whether equalization is needed. He then comments about the CCRWQCB communications and State elected officials.

Director Parks comments about adding additional wells north of the District. He says it should only be done if it were the case that proving would remove any requirements on the District.

VP Nelson comments on studies previously completed. He then shifts to funding sources and trying to address the problem we are faced with. He adds that he is not ready to throw in the towel, but trying to assess ourselves out of the problem is not something he supports.

Director Palmer comments that it is worth pursuing some of the items on the Wallace Group memo – coordinating with the County and City of Solvang. She then shifts to commentary about others, such as the County, helping us with our revenue issue.

President Kennedy adds that the first three items on the Wallace Group list are worth including in the budget. Director Fayram adds that clarifying with the City topics such as equalization would be a good thing to have Wallace Group include.

Motion to set a FY 2026-27 Budget Hearing for June 10, 2026 and post required notices, noting the \$40,000 for Wallace Group.

Motion by: VP Nelson, Second: Director Fayram

Roll Call vote: 5-0

8. CONSIDERATION OF ASSESSMENT ENGINEERING SERVICES CONTRACTS

Per prior direction, the General Manager publicized and received responses to a Request for Proposal (RFP) process for Assessment Engineering services. As part of the RFP, the General Manager reached out to several firms he believed could submit qualified responses. In total, the District received three responses. All three were deemed by the General Manager as meeting requirements and from firms qualified to serve as Assessment Engineer for the District. The responses are attached.

General Manager's recommendation: Discuss Assessment Engineer contract and provide direction to staff as appropriate.

GM Savage introduces the item. He notes that whether to continue with Assessment Engineering is a choice and that it is related to commentary on the FY 2026-27 budget. He closes by stating that an RFP process was concluded on March 13, 2026. The three qualified responses are attached to the agenda.

President Kennedy opens the floor to public comment.

Mike Brady and Kathryn Rohrer speak.

Director Fayram comments that he would be happy to get on the phone with potential candidates to do interviews. He would also be in favor of pushing this off until June. Director Parks thinks Director Fayram's idea is a good one, and he likes the thought of using dta since they are well aligned with Wallace Group. Director Palmer comments that separating Assessment Engineering activities from Prop 218 activities would be helpful, particularly from dta and SCI. She notes that she is open to delaying it as well. President Kennedy comments that it seems like since we are small it shouldn't be too difficult. She notes a leaning towards dta, particularly their tasks 1-4. Focus on being ready for the June 3 workshop.

GM Savage clarifies the direction to staff. Work with

9. CONSIDERATION OF THE FISCAL YEAR 2024-25 AUDIT

The District contracted with Moss, Levy, Hartzheim (MLH) to conduct an audit of District finances for fiscal year 2024-25, which ran from July 1, 2024 to June 30, 2025. The audit was scheduled for review by the Finance Subcommittee, which met on April 3, 2026. However, the audit was not received in time to complete that review or receive a recommendation from the Finance Subcommittee.

General Manager's recommendation: Review and approve the FY 2024-25 audit and direct the President and/or General Manager to sign as appropriate, and direct the General Manager to file the finalized report and any related documents with the State of California as appropriate.

GM Savage introduces the item, noting that MLH was very late in producing the draft audit. So late in fact, that it did not make last Friday's Finance Subcommittee. He adds that the California State Controller has sent the District a memo indicating that reports are required no later than April 30, 2026. He closes his comments by requesting that any motion include a statement that the GM and President should be directed to sign the audit as appropriate and submit any final documents to the State of California as required.

President Kennedy opens the floor to public comment.

No requests speak.

Motion to approve the FY 2024-25 audit as presented, direct the President and/or General Manager to sign as appropriate, and direct the General Manager to file the finalized report and any related documents with the State of California.

Motion by: Director Fayram, Second: Director Palmer

Roll call vote: 5-0

INFORMATIONAL ITEMS:

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

10. REPORTS

A. SUBCOMMITTEE REPORTS

Finance Subcommittee (President Kennedy Chair) – met to review the proposed budget and consider a new audit firm

Grants Subcommittee (Director Palmer Chair) – did not meet

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

Technical Subcommittee (Director Fayram Chair) – met to discuss Wallace Group 30/30 submittal

Prop 218 Ad hoc – met to review Assessment Engineer contracts

B. GENERAL MANAGER AND DISTRICT ENGINEER COMMENTS

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

GM Savage comments that he will be travelling, so any calls or email responses may be delayed until he returns. Beyond that, the attachments tell the story of where things are at currently. He closes by noting the upcoming items and that there may not be a need for a May meeting. DE Pike comments that he has been tracking the Wallace Group design and Assessment Engineer progress. The transition from MNS to BKF is now complete.

Notable upcoming meeting items:

May/June – FY 2026-27 Budget Hearing

June – Public Workshop – Wallace Group 30/30

11. DIRECTORS COMMENTS

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

Director Fayram – nothing.

Director Parks – continue to make progress, just need funding.

Vice President Nelson – agrees with prior comments and adds that he will be heading back to Oklahoma so will be attending remotely (Zoom) for a few meetings.

Director Palmer – none.

President Kennedy – comments on the LAFCO meeting and follow-up activities, and a meeting with RCAC.

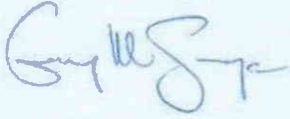
12. ADJOURNMENT

Motion to adjourn at: 7:37 PM.

Motion by: Director Fayram, Second: Director Palmer

Voice vote: 5-0

Respectfully submitted:



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

Approved:


President (Director) Julie Kennedy