

Lisa Palmer, President  
Tom Fayram, Vice President  
Mike Arme, Director  
Brian O'Neill, Director  
Brad Ross, Director



POSTED 6-5-2021

**LOS OLIVOS COMMUNITY SERVICES DISTRICT**  
**Board of Directors Regular Board Meeting June 9, 2021, 6:00 p.m.**

The Meeting will be held electronically via RingCentral Meetings. The public will be able to hear and participate.

Topic: Los Olivos CSD Regular Meeting RingCentral meeting

Time: Jun 9, 2021 06:00 PM Pacific Time (US and Canada)

Join from PC, Mac, or Android: <https://meetings.ringcentral.com/j/1447108480>

For the best audio experience, please use computer audio.

To use Web Browser: <https://meetings.ringcentral.com/join> Meeting ID: 144 710 8480

Or iPhone one-tap : 1(623)4049000,,1447108480#

Or Telephone: 1(623)4049000 Meeting ID: 144 710 8480

**Regular MEETING AGENDA**

**1. CALL TO ORDER**

**2. ROLL CALL**

**3. PLEDGE OF ALLEGIANCE**

**4. DIRECTOR COMMENTS**

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

**5. PUBLIC COMMENTS**

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

**6. ADMINISTRATIVE AGENDA**

All matters listed hereunder constitute a consent agenda and will be acted upon by a single roll call vote of the Board. Matters listed on the Administrative Agenda will be read only on the request of a member of the Board or the public, in which event the matter shall be removed from the Administrative Agenda and considered as a separate item.

**A. MEETING MINUTES**

1. Approve Minutes of 5-12-21 Special Meeting

**B. INVOICE PAYMENT**

Approve Payment of the following Invoices as reviewed and recommended for approval by the Finance Committee:

1. 5-22-2021 MNS invoice #77939 (April services) \$7, 238.75 District Management
2. 5-10-2021 GSI Water Solutions Inc. invoice #0876.001-4 (April services) \$3,970 Groundwater Quality Management Services.

## 7. GENERAL MANAGER REPORT

General Manager Report on current assignments, action items, and general District business.

## 8. BUSINESS ITEMS: Discussion and Action on the following:

### A. 6-3-2021 LAFCO Meeting Prop 218 Proceeding Extension Request - Report and Discussion

1. President Palmer and General Manager Perrault will review action taken at LAFCO meeting. LAFCO Staff report and recommended resolution is attached.

### B. District Pre-Budget Approval Planning

1. Review Finance Committee's recommended proposed Budget review and approval process for FY 2021-22 and direct the General Manager to set the Public Hearing for the July meeting to receive public input and consider Budget Approval.

### C. Adopt a Policy, by Resolution, Required to achieve the Transparency Certification offered by SDRMA

1. Consider Financial Reserve Policy as recommended by Finance Committee ( Resolution 2021-05).

### D. Urban Planning Concepts Siting Study Update

1. Review revised study and accept or provide comments on report.

### E. Project Development

1. Report of Project Management Committee. Committee members and General Manager will report on the following:
  - Update on Santec Propopsal for 60% Design Task.
  - Upate on UPC task Proposal.
  - Update on Local Groundwater Monitoring Program.
2. Recommended language changes to County EHS LAMP relative to District OWTS Policy goals. Board will be asked to modify/approve chnages and provide direction in prpearation for EHS public meeting scheduled for June 21st.
3. Review of Update to Project Description and approval of modified Project Description.

### F. Informational Items

### G. Call for Agenda Items

### H. Next Regular Meeting:

Wednesday, July 14, 2021, 6:00 p.m.

Via RingCentral Meeting Link to be posted in the agenda (at the Post Office Bulletin Board & CSD Website [www.losolivoscsd.com](http://www.losolivoscsd.com))

### I. ADJOURNMENT

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 805.946.0431 or email to [losolivoscsd@gmail.com](mailto:losolivoscsd@gmail.com). Any public records, which are distributed less than 72 hours prior to this meeting to all, or a majority of all, of the District's Board members in connection with any agenda item (other than closed sessions) will be available for public inspection at the time of such distribution at a location to be determined in Los Olivos, California 93441.

**MINUTES TO APPROVE**

**MINUTES TO APPROVE**

Lisa Palmer, President  
Tom Fayram, Vice President  
Mike Arme, Director  
Brian O'Neill, Director  
Brad Ross, Director



Date the notice was  
POSTED 5-10-2021

**LOS OLIVOS COMMUNITY SERVICES DISTRICT**  
**Board of Directors Special Board Meeting, May 12, 2021, 6:00 p.m.**

The Meeting was held electronically via RingCentral Meetings. The public will be able to hear and participate on <https://meetings.ringcentral.com/j/1466017606> ; or via telephone: +1(623)404-9000 **Meeting ID: 146 601 7606**

**SPECIAL MEETING MINUTES**

1. CALL TO ORDER : 6: 05 pm
2. ROLL CALL : Present- Directors Palmer, O'Neill, Ross and Fayram. Absent Arme
3. PLEDGE OF ALLEGIANCE
4. DIRECTOR COMMENTS: None
5. PUBLIC COMMENTS: none

**6. ADMINISTRATIVE AGENDA**

**A. MEETING MINUTES**

1. Approve Minutes of 4-14-2021 Regular Meeting. Motion: Director O'Neil; Second: Director Ross. VOTE: 3-0 Passed, 1 Absent (Arme), 1 Astain ((Fayram)

**B. INVOICE PAYMENT**

Approve Payment of the following Invoices as reviewed and recommended for approval by the Finance Committee:

1. MNS Invoice 77655 (March Services) \$ 7,905 (\$6,225 Dist. Mgt and \$1,680 Eng. Mgt.)
2. 5-7-2021 Aleshire & Wynder Invoice 61894 (April Services) \$2,620

*Administrative agenda items approved . Motion to approve: Director Fayram , Second: Director Ross, Approved 4-0, one Absent.(Arme)*

**7. INTERIM GENERAL MANAGER REPORT- See IGM Report**

**8. BUSINESS ITEMS: Discussion and Action on the following:**

- A. 5-6-2021 LAFCO Meeting Prop 218 Proceeding Extension Request - Report and Discussion:** President Palmer updated the Board on the Commission's conceptual approval of the extension subject to Commission approval of final resolution scheduled for the Commission meeting to be held on 6-3-2021.

**District Pre-Budget Approval Planning**

Board provided initial review of proposed budget and referred to Finance Committee for final review prior to scheduling for public hearing at the July Board meeting.

**B. Adopt Five Policies, by Resolution, Required to achieve the Transparency Certification offered by SDRMA**

*The following resolutions were approved on a motion by Director Fayram, and a Second by Director Ross, Approved 4-0, one absent (Arme).*

1. Policy Related to Brown Act Compliance (Resolution 2021-02)
2. Policy Related to Handling Public Record Act Requests (Resolution 2021-03)
3. Reimbursement Policy for Reimbursement of Actual and Necessary Expenses (Resolution 2021-04)
4. Code of Ethics/Values/Norms or Board Conduct (Resolution 2021-06)

5. Financial Reserves Policy (Resolution 2021-05) was referred back to Finance Committee for modification.

**C. Project Development**

1. Project Description. Discussion was provided (Director Palmer and IGM Pike)
2. Discussion was held relative to IGM's Report on Progress and included referral of LAMP modification to Project Management Committee, update to the Project Description and status of 60% Project Design effort.

**D. General Manager Services – Discussion and Potential Selection**

1. **CLOSED SESSION General Manager Contract Review pursuant to Government Code section 54957(b)(1)**
2. IGM Pike explained Ring Central Closed Session Virtual Meeting Room Logistics and meeting was adjourned to closed session at:
3. The Board returned from Closed Session at: 7:23 pm. District Counsel reported on Board's desire to enter into an agreement with Mr. Robert Perrault as Permanent General Manager for the District.
4. A motion to approve by Director Fayram, and a second by Director Ross, Approved 4-0 one absent (Arme).

**E. Informational Items**

1. District Counsel reported on recent efforts in the Legislature on efforts to modify provisions of the Brown Act to permit the continuation of virtual meetings. He also reported on the expectation that the current requirements to meet remotely due to COVID restrictions will likely be terminated on or about the 15th of June. Board briefly discussed possible locations for future public attended meetings.

**F. Call for Agenda Items**

**9. Next Regular Meeting:**

Wednesday, June 9, 2021, 6:00 p.m.

Via RingCentral Meeting Link to be posted in the agenda (at the Post Office Bulletin Board & CSD Website [www.losolivoscscsd.com](http://www.losolivoscscsd.com))

**10. ADJOURNMENT: The Meeting was adjourned at 7:59 PM.**

**INVOICE PAYMENT**

**INVOICE PAYMENT**



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

ENGINEERING  
PLANNING  
SURVEYING  
CONSTRUCTION MANAGEMENT

May 21, 2021

Project No: LOCSD.180392.00

Invoice No: 77939

Los Olivos Community Services District

P.O. Box 553

Los Olivos, CA 93441

Principal Jeffrey Edwards  
Project Manager Douglas Pike  
Project LOCSD.180392.00 General Manager Services

This Invoice includes:

1. General District Management: \$7,238.75
2. Engineering Tasks
  - a. Stantec Design Contract: \$0.00
  - b. WWTP County Site Easement: \$100
  - c. GSI Geotechnical, GWMP: \$200.00
  - d. Jenzen LAMP Project: \$0.00
  - e. UPC Siting Study: \$0.00
  - f. WRF Grant Management: \$0.00
  - g. Seeking additional Grants: \$180.00

**Professional Services for the Period: April 1, 2021 to April 30, 2021**

Level 2 TASK01 District Management

**Professional Personnel**

	Hours	Rate	Amount	
Project Management				
Project Coordinator	10.75	105.00	1,128.75	
Engineering Technician	15.00	95.00	1,425.00	
District Manager	22.00	200.00	4,400.00	
Project Coordinator	3.00	95.00	285.00	
Totals	50.75		7,238.75	
<b>Total Labor</b>				<b>7,238.75</b>
		<b>Level 2 Subtotal</b>		<b>\$7,238.75</b>

Level 2 TASK02 Engineering Tasks

**Professional Personnel**

	<b>Hours</b>	<b>Rate</b>	<b>Amount</b>	
Project Management				
District Manager	1.50	200.00	300.00	
Fund Development/Grant Applications				
Senior Project Engineer	1.00	180.00	180.00	
Totals	2.50		480.00	
<b>Total Labor</b>				<b>480.00</b>
		<b>Level 2 Subtotal</b>		<b>\$480.00</b>
		<b>Current Invoice Amount</b>		<b>\$7,718.75</b>

**Outstanding Invoices**

<b>Number</b>	<b>Date</b>	<b>Balance</b>
77655-R1	5/19/2021	7,905.00
<b>Total</b>		<b>7,905.00</b>



# Billing Backup

Friday, May 28, 2021

MNS Engineers, Inc.

Invoice 77939 Dated 5/21/2021

10:28:27 AM

Project	LOCS.D.180392.00	General Manager Services
Level 2	TASK01	District Management

## Professional Personnel

		Hours	Rate	Amount
Project Management				
Project Coordinator				
Zepeda, Mary	4/5/2021	.25	105.00	26.25
District correspondence including emails				
Zepeda, Mary	4/12/2021	1.50	105.00	157.50
"District correspondence including emails; Attend Monthly District Transparency Certificate of Excellence and identified new action items to follow-up on within the Basic Requirements Section including new policy development; Update LOCS.D Website - Add Job Announcement Teaser to Front Page; Removed District Updates Teaser from Home Page; Updated In the News Dropdown Menu by adding District Updates Page;				
Zepeda, Mary	4/14/2021	.50	105.00	52.50
Follow-up with Special District Leadership Foundation re questions associated with District Transparency Certificate of Excellence				
Zepeda, Mary	4/19/2021	.25	105.00	26.25
District correspondence including emails				
Zepeda, Mary	4/21/2021	.25	105.00	26.25
Forward Updated List of Pending Meeting Minutes and Resolutions to DP				
Zepeda, Mary	4/23/2021	2.00	105.00	210.00
Begin Processing MNS, A&W, Streamline and SDRMA Invoices for payment via FIN and for submission of Stantec and GIS Invoices to EHS for payment; Update Budget Tracking Log				
Zepeda, Mary	4/26/2021	5.00	105.00	525.00
District correspondence including emails; Forward Invoice Approvals to DP for signature and FIN supporting invoice documentation; Create Single Payment Claims for approved Aleshire & Wynder, MNS, Streamline, GSI Stantec, and SDRMA Invoices and process payment for DP; Submit GSI Invoice #2 and #3; and Stantec Invoice #4 to EHS for fund reimbursement; Update Budget Tracking Log				
Zepeda, Mary	4/27/2021	1.00	105.00	105.00
Attend District Transparency Certificate of Excellence Bimonthly Meeting and to review Basic Requirements (Policies, Training); Follow-up with SDLF re Annual Disclosure Examples for posting Board Member Reimbursements				
Engineering Technician				
Gullikson, Taylor	4/22/2021	.50	95.00	47.50
LOCS.D Special District Policies				
Gullikson, Taylor	4/23/2021	4.00	95.00	380.00
LOCS.D Special District Policies				
Gullikson, Taylor	4/27/2021	3.00	95.00	285.00
LOCS.D Special District Policies				
Gullikson, Taylor	4/28/2021	2.50	95.00	237.50
LOCS.D Special District Policies				

Project	LOCSD.180392.00	General Manager Services			Invoice	77939
Gullikson, Taylor		4/29/2021	2.00	95.00	190.00	
		LOCSD Special District Policies				
Gullikson, Taylor		4/30/2021	3.00	95.00	285.00	
		LOCSD Special District Policies				
		District Manager				
Pike, Douglas		4/5/2021	1.50	200.00	300.00	
		Finance Committee Agenda and Packet				
Pike, Douglas		4/6/2021	1.00	200.00	200.00	
		Complete and transmit Finance Committee agenda packet, Correspondence with Ed Price, County Audit-Controller				
Pike, Douglas		4/9/2021	3.00	200.00	600.00	
		Finance Committee Meeting and follow-up (2)				
		Regular Meeting Agenda & Gm recruitment(1)				
Pike, Douglas		4/12/2021	3.50	200.00	700.00	
		Regular Meeting Agenda Packet				
Pike, Douglas		4/13/2021	1.50	200.00	300.00	
		Site Study Draft (.5)				
Pike, Douglas		4/14/2021	3.00	200.00	600.00	
		Prepare for Board Meeting				
Pike, Douglas		4/20/2021	.75	200.00	150.00	
		Agenda For RWQCB (.25)				
		FIN Budget Accounting updates with Robert W. Geis IV, CPA, Advanced Accounting Division Chief, Santa Barbara County Auditor-Controller (accounting for Election Expenses) (.5)				
Pike, Douglas		4/21/2021	1.50	200.00	300.00	
		RWQCB Agenda and Meeting with Monique Gaido and James Bishop				
Pike, Douglas		4/23/2021	1.50	200.00	300.00	
		Notes on converstaion with Paeter Garcia (ID1 to Dir. Plmer (.5)				
		Draft Los Olivos CSD Roadmap to Prop 218 Vote, & send out for comments (1)				
Pike, Douglas		4/27/2021	2.75	200.00	550.00	
		Correspondence with Jason Johnston re Matteis CUP Reqt's (.25)				
		Correspondence to Board RE: LAFCO & HTO (.5)				
		Correspondence wih James Bisop re: Matteis Permit (.5)				
		Permanent GM hiring process communications with Board (.5)				
		E-mail to Cecile at waterboard (1)				
Pike, Douglas		4/28/2021	1.00	200.00	200.00	
		Special Meeting Agenda and Post RE: GM Interviews				
Pike, Douglas		4/29/2021	.25	200.00	50.00	
		Email to resident Laura Lippencott re: Planned ADU				
Pike, Douglas		4/30/2021	.75	200.00	150.00	

Special Meeting RE: GM Interviews (0.25)

Set up Interview with GM Selection Committee and Bob Perrault (.5)

Project Coordinator					
Zepeda, Mary	4/30/2021	3.00	95.00	285.00	
Prepare and Print Pending Meeting Minutes and Resolutions for Signature					
Totals		50.75		7,238.75	
<b>Total Labor</b>					<b>7,238.75</b>
			<b>Level 2 Subtotal</b>		<b>\$7,238.75</b>

Level 2      TASK02      Engineering Tasks

**Professional Personnel**

		Hours	Rate	Amount	
Project Management					
District Manager					
Pike, Douglas	4/13/2021	1.00	200.00	200.00	
Los Olivos GWMP - First Draft Consultant Review Meeting					
Pike, Douglas	4/28/2021	.50	200.00	100.00	
Communication with Carlo Achdjian RE: Los Olivos CSD; Location of County Bike Path and Los Olivos CSD Requested Area D3 (.5)					
Fund Development/Grant Applications					
Senior Project Engineer					
Jaquez, Gregory	4/7/2021	1.00	180.00	180.00	
Review Federal appropriations procedues through Rep. Carbajal and make recommendation on submitting request.					
Totals		2.50		480.00	
<b>Total Labor</b>					<b>480.00</b>
			<b>Level 2 Subtotal</b>		<b>\$480.00</b>
			<b>Project Total</b>		<b>\$7,718.75</b>
			<b>Total this Report</b>		<b>\$7,718.75</b>



55 SW Yamhill Street, Suite 300  
 Portland, OR 97204  
 P: 503.239.8799  
 accounting@gsiws.com  
 www.gsiws.com

**Water Solutions, Inc.**

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

May 10, 2021  
 Invoice No: 0876.001 - 4

Project 0876.001 Groundwater Quality Management Services

**Professional Services from April 1, 2021 to April 30, 2021**

Task .002 Groundwater Monitoring Plan

**Labor**

	<b>Hours</b>	<b>Rate</b>	<b>Amount</b>	
Principal Consultant				
Thompson, Timothy	7.00	265.00	1,855.00	
Managing Hydrogeologist				
Franz, Brian	2.00	160.00	320.00	
Project Geologist				
Lapostol, Andres	8.25	135.00	1,113.75	
Totals	17.25		3,288.75	
<b>Total Labor</b>				<b>3,288.75</b>
				<b>Total this Task</b>
				<b>\$3,288.75</b>

Task .004 Technical Memorandum and Submittals

**Labor**

	<b>Hours</b>	<b>Rate</b>	<b>Amount</b>	
Managing Hydrogeologist				
Franz, Brian	2.50	160.00	400.00	
Project Geologist				
Lapostol, Andres	1.75	135.00	236.25	
Totals	4.25		636.25	
<b>Total Labor</b>				<b>636.25</b>
				<b>Total this Task</b>
				<b>\$636.25</b>

Task .005 Project Management

**Labor**

	<b>Hours</b>	<b>Rate</b>	<b>Amount</b>	
Administrative Assistant				
D'Auvergne, Andra	.50	90.00	45.00	
Totals	.50		45.00	
<b>Total Labor</b>				<b>45.00</b>
				<b>Total this Task</b>
				<b>\$45.00</b>

<b>Project Summary</b>	<b>Current Period</b>	<b>Prior Periods</b>	<b>Invoiced to Date</b>
Total Billings	3,970.00	24,421.25	28,391.25
Authorized Budget			85,000.00
Budget Remaining			56,608.75

**Total this Invoice** \$3,970.00

**Outstanding Invoices**

<b>Number</b>	<b>Date</b>	<b>Balance</b>
2	3/5/2021	7,142.50
3	4/5/2021	3,867.50
<b>Total</b>		<b>11,010.00</b>



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

Selection Criteria: Fund = 3490

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

Last Updated: 5/28/2021 3:55 PM

Accounting Period: OPEN

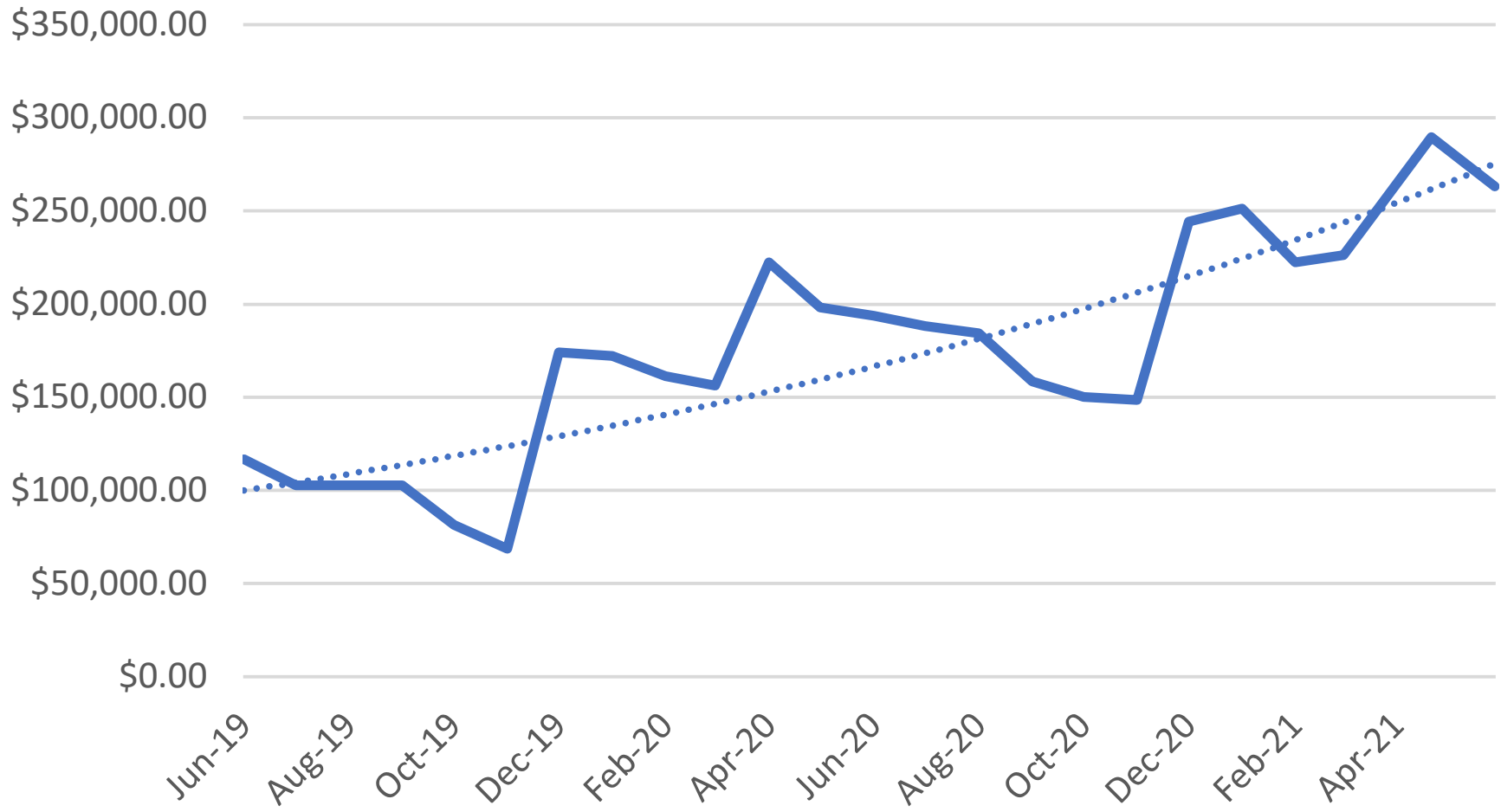
**Fund 3490 -- Los Olivos CSD**

Line Item Account	6/30/2021 Fiscal Year Adjusted Budget	5/28/2021 Year-To-Date Actual	6/30/2021 Fiscal Year Variance	6/30/2021 Fiscal Year Pct of Budget
<b>Revenues</b>				
<b>Taxes</b>				
3066 -- Special Tax Assessment	188,887.00	192,479.77	3,592.77	101.90%
Taxes	0.00	192,479.77	3,592.77	0.00%
<b>Use of Money and Property</b>				
3380 -- Interest Income	0.00	769.49	769.49	--
3381 -- Unrealized Gain/Loss Invstmnts	-1,158.00	-1,157.43	0.57	99.95%
Use of Money and Property	-1,158.00	-387.94	770.06	33.50%
<b>Intergovernmental Revenue-Other</b>				
4840 -- Other Governmental Agencies	180,000.00	41,015.75	-138,984.25	-77.21%
Intergovernmental Revenue-Other	180,000.00	41,015.75	-138,984.25	--
Revenues	367,729.00	233,107.58	-134,621.42	0.63
SBCEHS Reimb. For Special Studies				
<b>Expenditures</b>				
<b>Services and Supplies</b>				
7090 -- Insurance	2,320.00	0.00	-2,320.00	0.00%
7324 -- Audit and Accounting Fees	4,000.00	2,000.00	-2,000.00	50.00%
7325 -- Other Professional Services	8,000.00	0.00	-8,000.00	0.00%
7430 -- Memberships	1,200.00	3,533.46	2,333.46	294.46%
7450 -- Office Expense	2,000.00	0.00	-2,000.00	0.00%
7460 -- Professional & Special Service (Project, Planning & Studies)	193,500.00	54,190.75	-139,309.25	28.01%
7508 -- Legal Fees	27,000.00	17,921.22	-9,078.78	66.37% \$3238.02 from FY 19-20
7510 -- Contractual Services (IGM Contract)	80,400.00	87,303.75	6,903.75	108.59% \$13,333.75 from FY 19-20
7530 -- Publications & Legal Notices	1,000.00	0.00	-1,000.00	0.00%
7732 -- Training	1,500.00	0.00	-1,500.00	0.00%
Services and Supplies	317,920.00	164,949.18	-155,970.82	51.88%
<b>Other Charges</b>				
7894 -- Communication Services	930.00	600.00	330.00	64.52%
Other Charges (County Election Fees)	8,000.00	0.00	0.00	0.00% \$2,000 Charged to 7324
Expenditures	326,850.00	165,549.18	-155,640.82	50.65%

**Cash Balance**

Fund	Beginning Balance	Month-to-date cash receipts	Month-To-Date Treasury Credits (+)	Month-To-Date Treasury Debits (-)	Ending Balance
3490 -- Los Olivos CSD					
6/1/2019 - 6/30/2019 (FY 2018-19)	112,073.98	0.00	189,600.16	184,868.00	\$116,806.14
7/1/2019 - 7/31/2019 (FY 2019-20)	116,806.14	0.00	568.10	14,530.44	\$102,843.80
8/1/2019 - 8/31/2019 (FY 2019-20)	102,843.80	0.00	0.00	0.00	\$102,843.80
9/1/2019 - 9/30/2019 (FY 2019-20)	102,843.80	0.00	0.00	0.00	\$102,843.80
10/1/2019 - 10/31/2019 (FY 2019-20)	102,843.80	0.00	502.03	21,826.18	\$81,519.65
11/1/2019 - 11/30/2019 (FY 2019-20)	81,519.65	0.00	0.00	12,726.68	\$68,792.97
12/1/2019 - 12/31/2019 (FY 2019-20)	68,792.97	0.00	118,021.75	12,772.97	\$174,041.75
1/31/2019 - 1/30/2020 (FY 2019-20)	174,041.75	0.00	0.00	1,799.03	\$172,242.72
2/1/2020 - 2/29/2020 (FY 2019-2020)	172,671.12	0.00	257.75	11,695.00	\$161,233.87
3/1/2020 - 3/31/2020 (FY 2019-2020)	161,233.87	525.00	117,224.70	122,555.77	\$156,472.80
4/1/2020 - 4/30/2020 (FY 2019-2020)	156,427.80	0.00	72,396.85	6,402.60	\$222,422.05
5/1/2020 - 5/31/2020 (FY 2019-2020)	222,422.05	0.00	72,309.08	96,379.70	\$198,351.43
6/1/2020 - 6/30/2020 (FY 2019-2020)	198,351.43	0.00	7,231.00	11,696.49	\$193,885.94
7/1/2020 - 7/31/2020 (FY 2020-21)	193,885.94	0.00	608.94	6,190.00	\$188,304.88
8/1/2020 - 8/31/2020 (FY 2020-21)	188,304.88	0.00	0.00	3,883.02	\$184,421.86
9/1/2020 - 9/02/2020 (FY 2020-21)	184,421.86	0.00	0.00	25,696.25	\$158,453.86
10/1/2020 - 10/31/2020 (FY 2020-21)	158,453.86	0.00	339.47	8,476.50	\$150,316.83
11/1/2020 - 11/30/2020 (FY 2020-21)	150,316.83	0.00	0.00	0.00	\$148,574.58
12/1/2020 - 12/7/2020 (FY 2020-21)	148,574.58	0.00	115,577.07	19,862.00	\$244,289.65
1/1/2021 - 1/31/2021 (FY 2020-21)	244,289.65	0.00	6,838.04	0.00	\$251,127.69
2/1/2021 - 2-28-2021 (FY 2020-21)	251,127.69	0.00	116,459.34	145,180.52	\$222,406.00
3/1/2021 - 3/31/2021 (FY 2020-21)	\$222,406.00	0.00	16,661.75	0.00	\$226,199.51
4/1/2021 - 4/30/2021 (FY 2020-21)	226,199.51	0.00	92,220.41	28,730.21	\$289,689.71
5/1/2021 - 5/28/2021 (FY 2020-21)	289,689.71	0.00	0.00	0.00	\$263,210.71

# Los Olivos CSD Cash Balance History





**Consultant Contract Cost Summary**

STATUS DATE

4/12/2021

	Project	Consultant	SCHEDULE		Contract Value	FY 2019-20	FY 2020-21					FY 2020-21	TOTAL CONTRACT TO-DATE		
			START	FINISH		TOTAL FY 2019-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	TOTAL FY 2020-21			
1	Residential OWTS Requirements & Guidelines	Paul Jenzen	1/31/2020	4/30/2021	\$19,200.00	\$1,960.00	\$1,600.00	\$1,440.00				\$3,040.00	\$5,000.00		
					% Expended									26%	
					% Est Wk Comp										90%
	MNS Project Management						\$905.00	\$500.00	\$400.00	\$300.00	\$200.00		\$1,900.00	\$2,805.00	
	A&W Contract Review/Support				\$0.00						\$0.00	\$0.00			
3	Preliminary Design Services	Stantec	8/20/2020	2/28/2021	\$20,000.00	\$0.00		\$3,250.50	\$4,944.00			\$16,594.50	\$16,594.50		
					% Expended									83%	
					% Est Wk Comp									90%	
	MNS Project Management						\$1,105.00	\$200.00	\$100.00	\$100.00			\$2,100.00	\$3,205.00	
	A&W Contract Review/Support				\$0.00						\$0.00	\$0.00			
4	Preliminary Hydrogeologic/ Geotechnical Services	GSI	12/8/2020	5/21/2021	\$85,000.00	\$0.00			\$7,142.50	\$3,867.50	\$3,970.00	\$14,980.00	\$14,980.00		
					% Expended									18%	
					% Est Wk Comp									15%	
	MNS Project Management						\$1,000.00	\$200.00	\$100.00	\$762.50	\$50.00	\$200.00	\$3,312.50	\$4,312.50	
	A&W Contract Review/Support				\$0.00						\$38.00	\$38.00			
5	Preliminary Environmental Services	TBD	1/13/2020	5/15/2021	\$45,000.00	\$0.00						\$0.00	\$0.00		
	MNS Project Management						\$0.00	\$300.00	\$300.00				\$800.00	\$800.00	
	A&W Contract Review/Support						\$0.00						\$0.00	\$0.00	
6	County Excess ROW Site	County of SB	7/30/2020	2/28/2021	\$5,000.00	\$0.00			\$4,236.00			\$4,236.00	\$4,236.00		
					% Expended									85%	
					% Est Wk Comp									50%	
	MNS Project Management/Engrg.						\$5,725.00	\$300.00	\$300.00	\$200.00		\$100.00	\$3,563.75	\$9,288.75	
	MNS Survey						\$2,240.00	\$0.00	\$495.00				\$2,730.00	\$2,730.00	
	A&W Contract Review/Support				\$0.00						\$0.00	\$0.00			
7	Site ID Study	UPC	2/5/2021	3/15/2021	\$4,800.00	\$0.00				\$2,663.75	\$2,136.25	\$4,800.00	\$4,800.00		
					% Expended									100%	
					% Est Wk Comp									95%	
	MNS Project Management						\$0.00		\$600.00	\$500.00	\$400.00		\$1,500.00	\$1,500.00	
	A&W Contract Review/Support				\$0.00						\$0.00	\$0.00			
8	Assessment Engineer's Report	Water Consulta	12/30/2019	TBD	\$15,280.00	\$9,860.00						\$0.00	\$9,860.00		
					% Expended									65%	
					% Est Wk Comp									45%	
	MNS Project Management						\$855.00						\$0.00	\$855.00	
	A&W Contract Review/Support				\$0.00						\$0.00	\$0.00			
9	Ongoing Grant Support	MNS	2/28/2021	TBD	T&M	\$0.00				\$205.00	\$180.00	\$385.00	\$385.00		
	WRF Grant	MNS					T&M	\$0.00			\$612.50	\$825.00	\$1,437.50	\$1,437.50	
								\$0.00					\$0.00	\$0.00	
<b>TOTAL Contract Costs</b>					<b>\$186,440.00</b>	<b>\$14,535.00</b>						<b>\$67,316.01</b>	<b>\$92,573.62</b>		

**BUSINESS ITEM 8 A. ATTACHMENT**

# LAFCO

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**Santa Barbara Local Agency Formation Commission**  
105 East Anapamu Street ♦ Santa Barbara CA 93101  
805/568-3391 ♦ FAX 805/568-2249  
www.sblafco.org ♦ lafco@sblafco.org

June 3, 2021 (Agenda)

Local Agency Formation Commission  
105 East Anapamu Street  
Santa Barbara CA 93101

**Consider Approval for a Request for Two-Year Time Extension for the Los Olivos Community Services District To Conduct a Proposition 218 Assessment Necessary to Fund a Wastewater Treatment System**

Dear Members of the Commission:

The Commission on May 6 conceptually approved extending the Los Olivos Community Services District's two-year request and directed staff to prepare a resolution proposing findings for adoption at the next meeting.

The proposed resolution is attached for your consideration that reflects the discussion at the last meeting.

RECOMMENDATION:

It is recommended the Commission receive public testimony limited to the resolution and adopt the enclosed resolution approving the two-year extension which will run through April 6, 2023 allowing for the implementation of a Proposition 218 assessment to fund wastewater treatment facilities.

Attachments

Attachment A – RESOLUTION: COMMISSION FINDINGS AND ORDER RE GRANTING A TWO-YEAR TIME EXTENSION TO LOS OLIVOS COMMUNITY SERVICES DISTRICT TO CARRY OUT ASSESSMENT UNDER PROPOSITION 218.

Please contact the LAFCO office if you have any questions.

Sincerely,



Mike Prater  
Executive Officer

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**Commissioners:** Roger Aceves ♦ Cynthia Allen ♦ Jay Freeman ♦ Craig Geyer ♦ Joan Hartmann ♦ Steve Lavagnino  
Holly Sierra ♦ Shane Stark ♦ Etta Waterfield, Chair ♦ Roger Welt, Vice-Chair ♦ Das Williams **Executive Officer:** Mike Prater

LAFCO 21-xx

COMMISSION FINDINGS AND ORDER RE GRANTING A TWO-YEAR TIME  
EXTENSION TO LOS OLIVOS COMMUNITY SERVICES DISTRICT TO CARRY  
OUT ASSESSMENT UNDER PROPOSITION 218.

On May 6, 2021, the Santa Barbara Local Agency Formation Commission heard the request of the Los Olivos Community Services District for an extension of time to conduct a Proposition 218 assessment as necessary to fund the construction and operation of a wastewater treatment system for that community. The Commission held a duly notice public hearing, received a report from staff and public comment both written and verbal. After due consideration, the Commission makes the following recitals and determinations.

WHEREAS, the time extension request relates to the District's compliance with a condition included as part of the Commission's approval of formation of the District, which occurred on April 13, 2017. The Certificate of Completion for that proceeding was recorded on April 18, 2018. The relevant record for the time extension request therefore includes the administrative record from that LAFCO proceeding.

WHEREAS, on April 13, 2017, the Santa Barbara Local Agency Formation Commission adopted Resolution No. 17-03, authorizing the formation of the Los Olivos Community Services District with statutory powers authorized by the Community Services District Law, Government Code section 61000 et. seq.

WHEREAS, pursuant to Government Code section 61100(b), the Commission authorized the newly formed District to collect, treat, and dispose of sewage, wastewater, recycled water, and storm water, in the same manner as a sanitary district, formed pursuant to the Sanitary District Act of 1923, Division 6 (commencing with Sec. 6400) of the Health and Safety Code.

WHEREAS, the formation of the District was proposed by a registered voter petition to the Commission in response to the County of Santa Barbara's Local Agency Management Program ("LAMP") that sets forth plans and requirements for onsite wastewater treatment systems. County's LAMP was adopted in 2014 and revised July 1, 2015.

WHEREAS, the County's LAMP was adopted pursuant to the statewide LAMP program adopted by the State Water Resources Control Board when it adopted the "Water Quality Control Policy for Siting, Design, Operation and Maintenance of Onsite Wastewater Treatment Systems," dated June 19, 2012, also referred to as the "OWTS Policy." The State Water Board's Policy provides a multi-tiered strategy for management of onsite wastewater treatment systems in California.

WHEREAS, the County LAMP was adopted in 2014 and revised on July 21, 2015, entitled “Onsite Wastewater Treatment Systems, Local Agency Management Program.” (“County LAMP.”) For Los Olivos, the County LAMP recommended:

*“Community Wastewater Facility. It is recommended that feasibility and environmental studies be undertaken to develop and implement a community wastewater facility for the town of Los Olivos. The need for a community wastewater solution in Los Olivos stems from the very high density of development in the town, combined with the inherent soil and groundwater conditions that force homeowners and businesses to utilize drywell systems that discharge directly into the groundwater strata in the area. The study of alternatives for the town can and should consider various service area configurations, the possibility of maintaining septic systems in limited areas of town, the possibility of a joint community facility with Ballard, an interceptor sewer connection to the City of Solvang, and various locations and technologies for a community wastewater treatment and disposal facility.”* (County LAMP at p. 24, emphasis added.)

WHEREAS, the Commission approved formation of the District upon two conditions for funding. First, the District was to adopt a special tax that would generate \$200,000 annually in revenue and which may increase annually thereafter by the Consumer Price Index. These monies would be used to fund operation of the District as it prepared the studies and plans necessary to design the wastewater system. Second, the Commission required the District to carry out a Proposition 218 assessment as follows:

*“The District shall implement a Proposition 218 assessment within one year of the effective date as necessary to fund the wastewater treatment facilities for the area, including CEQA and other planning analysis, assessment study and necessary election. Santa Barbara LAFCO may otherwise extend such deadline, or other LAFCO approved arrangements are made for funding such construction.”* (LAFCO Resolution 17-03, Par. B(v)(vii), at p. 2.)

Further, the Commission required that the “District’s authority to tax shall terminate once the District successfully adopts an assessment pursuant to Article XIII D Section 6 of the California Constitution (Proposition 218) to generate revenue sufficient to funds its administrative costs through charges other than the tax.”

WHEREAS, the Executive Officer’s April 13, 2017 Staff Report to the Commission cited a Berkshire Associates Study commissioned by the petitioners as estimating the cost of the wastewater treatment system to be \$29,869,000.

WHEREAS, on February 8, 2018, County Clerk Recorder-Assessor Joseph E. Holland certified the results of the election held on January 30, 2018 that showed of the 363 votes cast, 73.4 percent voted “Yes” and 26.6 percent voted “No” on the formation of the District and the assessment of the special tax.

WHEREAS, District previously requested two time-extensions on December 8, 2018 and March 20, 2020 (the latter request was renewed on August 10, 2020) to carry out the Proposition 218 assessment. In both instances, the District provided detailed information on ongoing efforts to complete studies, work with the Regional Water Quality Control Board and public outreach efforts that would lead to a successful Proposition 218 assessment necessary to fund construction of the wastewater treatment system.

WHEREAS, the District has provided information on the studies completed and ongoing, as well as the grant funding being sought or secured from several sources. The District's letter to the Commission dated March 19, 2021, identified the Project Goals and individual objectives that were underway or completed for each goal. These included:

- Successful securing of a County Environmental Health Services grant of \$180,000 in support of District Goal 3 (implementation of Local Groundwater Monitoring Program) and Goal 4 (Phased Collection and Treatment System Implementation):
- Discussions with County regarding treatment plant siting options.
- Working with County Environmental Health Services and letting a contract for preparation of update to the Los Olivos Local Area Management Plan in accordance with State guidelines that establish appropriate requirements for continued residential onsite wastewater treatment systems ("OWTS").
- Contract with Water Consultancy Inc., for preparation of Engineers Report for preliminary studies, design, and environmental review. This will provide the basis for the Proposition 218 assessment.
- Preparation of a Local Groundwater Monitoring Program.
- Preparation of a preliminary environmental assessment for the project.

WHEREAS, in addition to its March 19, 2021 letter, the District Board of Directors President Lisa Palmer presented oral and written (PowerPoint) testimony to the Commission at the May 6, 2021 hearing on the District's extension request. In her presentation, President Palmer made the following points.

- The District has a reserve balance of \$289,000.
- The District has secured a right-of-way easement from the County the District may use subject to environmental review and project approval.
- District has qualified for a State Water Recycling Planning Grant of \$300,000/50% matching – Agreement estimated in August 2021.
- The District presented its "Progress & Estimated Timeline to Prop 218 Assessment Vote" that shows the District expects to:
  - complete the Alternatives Analysis, Concept and Preliminary Design & Estimates by August 2021 and
  - in an update to the schedule outlined in its March 19 letter, hold an Assessment Vote by June 2022.

WHEREAS, in response to questions from Commissioner Hartman, Board President Palmer testified the District was not pursuing efforts to take itself out of the County LAMP but, rather, was seeking amendments to the County LAMP to tailor it to conditions in Los Olivos and that the District understood County EHS had made similar amendments to the Montecito and Isle Vista portions of the County LAMP.

WHEREAS, the District's presentation to the Commission stated the District's goal is to have a Proposition 218 assessment by June 2022. District General Manager Pike testified this assumes the State Water Board Water Recycling Planning grant comes through on time (projected for August 2021), as these funds will fund preparation of the "60% design" plan essential to producing a quality assessment that will instill public confidence necessary to ensure the assessment is successful. The Commission finds significant General Manager Pike's testimony that if this assessment fails, the project will be back to "square one."

WHEREAS, the District candidly stated in its March 19, 2021 letter:

"Yet we still have significant work to do in order to get to an informed and successful Prop. 218 benefit assessment vote. We therefore respectfully request LAFCO . . . extend the LAFCO Resolution deadline to conduct the District's Prop. 218 proceedings for two years. During this time, we will continue to submit biannual updates to your [Commission]. *We ask for this extension to maximize the probability of a successful Prop. 218 proceeding for the District.*" (emphasis added.)

WHEREAS, Heal the Ocean submitted a letter, dated May 6, 2021, to the Commission advocating that the District should be dissolved and LAFCO should "LET THE COUNTY TAKE OVER THE PROJECT . . ." (emphasis original) through establishment of a county service area, engaging a professional recycled water plant builder or/and having Laguna Sanitation District operate the project.

WHEREAS, if an alternative governance option were pursued, under the Cortese Knox Hertzberg Act, Government Code section 56000 et seq., any "change of organization" as defined in Government Code section 56021, would require LAFCO review and approval. This would include an affected agency's submission of a resolution of application or registered voter or landowner petition (Sec. 56650), application completeness determination (Sec. 56658(c)), payment of fees (Sec. 56383), Commission review at a noticed public hearing (Sec. 56375(a), and, if approved, requisite determinations (Sec. 56880 & 56881) and conditions (Sec. 56885), which shall be followed by a protest hearing (Sec. 57000 & 57050). Further, a protest hearing shall lead to an election if protests are received from more than 25 percent but less than 50 percent of the registered voters or more than 25 percent but less than 50 percent of the landowners

owning at least 25 percent of the assessed value of the area (Sec. 57075). And if 50 percent or more of the registered voters protest, then the “proposed change of organization or reorganization shall be terminated.” (Sec. 57078.)

WHEREAS, whether the project is pursued by the District or another agency, such as the County, any entity chosen would have to propose a funding source to cover the estimated \$29,869,000 cost of the project. This most likely will come predominately from a Proposition 218 assessment, which is precisely the objective the District is now pursuing.

WHEREAS, County Director of Public Works Scott McGolpin submitted a memorandum to the Commission dated May 4, 2021, stating the District’s request for an extension “should be approved.” Mr. McGolpin stated:

“It is the opinion of the County Public Works Department that the motion to extend the time to successfully conduct a Proposition 218 assessment as required by Condition B (vii) in the Resolution 17-03 approving formation on April 13, 2017, should be approved. Public Works believes that significant work has been completed to date by the special district in completing the goal of constructing a community sewer, and changing processes now would break the momentum. It is further the belief that changing to County management at this time would also add time to the process and create new governmental logistical activity that would actually act counter to the goal of gaining a community sewer system as soon as possible.”

NOW, THEREFORE, THE COMMISSION HEREBY ADOPTS THE FOLLOWING FINDINGS:

1. The District has made reasonable and well documented efforts to manage the challenging task of putting together the studies, analysis, funding and public outreach to successfully carry out a Proposition 218 assessment as necessary to fund the wastewater treatment system for Los Olivos, estimated to cost \$29,869,000.

2. The District’s due diligence has been shown by, among other things, the Los Olivos voters approval of formation of the district and imposition of a special tax by a margin of 73.4 percent “Yes” to 23.6 percent “No” vote. The Commission determines this not only shows due diligence, it assures that the interim funding of the District will remain sound based on \$200,000 collected annually in tax revenue. In particular, the District has testified it has a reserve balance of \$289,000.

3. The District has diligently sought and obtained grant funding, engaged consultants, worked proactively with County Environmental Health Services and the Regional Water Quality Control Board (“Regional Board”), and achieved other important



objectives as outlined in its letter of March 19, 2021. Additionally, the District is conducting important public outreach in order ensure the Proposition 218 assessment is successful.

4. The Commission recognizes the urgency of public agencies addressing the environmental and health concerns caused by the use of onsite wastewater treatment systems in the Santa Ynez Valley. The Commission finds that the District's efforts to date are reasonable, even given the delays that have occurred since the District was formed. In context, the Commission notes that the State LAMP program was not adopted by the State Water Resource Board until 2012 and the County adopted its LAMP in 2014 and revised it in 2015. During that time, while the County has been proactive in adopting studies and regulations for this problem, the County did not come forward with any proposed project to address the situation. A Los Olivos citizen group finally came forward with a registered voter petition in 2017 for formation of the District, which was approved by LAFCO and became final on April 18, 2018. As a new district, it had to go through normal "growing pains" as it hired staff and counsel and retained qualified professional consultants to carry out the necessary studies to plan the wastewater system project and carry out an assessment for a \$29,869,000 project. In light of this timeline and the size and expense of the project, the Commission finds that the District has exercised reasonable due diligence in moving forward with the wastewater treatment system for Los Olivos.

5. The Commission has noted the many objections from Heal the Ocean ("HTO") in its letter dated April 22, 2021, ("HTO Letter") regarding the length of time it has taken the District to carry out the assessment and begin construction. The Commission's findings and responses regarding HTO's objections are:

a. **HTO Objection.** The District has failed to find a suitable site for the wastewater treatment plant and not conducted any CEQA analysis or obtained permits.

**Commission Finding:** The District's March 19, 2021 letter states a siting and site procurement study is underway. Additionally, a preliminary environmental assessment is being prepared by Urban Planning Concepts, expected completion June 30, 2021.

The District letter also states it has been in discussions with the County for selection of a treatment plant site. Further, District Board President testified the District has secured a right-of-way easement from the County the District may use subject to environmental review (which would have to look at project alternatives) and project approval. Obtaining permits at this juncture is premature.

b. **HTO Objection.** Communications between the District and LAFCO have been inconsistent about the meaning of this "deadline," raising questions about what these one-year deadlines are for.

**Commission Finding.** The Commission finds that the District has been diligent in submitted reports about its progress. The Commission routinely imposes a funding condition on the formation of any district and such a condition always includes a deadline. In such cases, the Commission reserves the power to itself to extend the deadline as needed given the circumstances. Indeed, language in the condition allowing for extensions shows that such extensions are anticipated and expected. Resolution 17-03 even provides an alternative for “other LAFCO approved arrangements . . . for funding such construction.” The Commission finds that raising funds for large projects, such as a wastewater treatment system costing more than \$29 million, is a daunting task and it is not unexpected that additional time is needed.

c. **HTO Objection.** The “Question of Intent” – the Coastal Onsite Design Services study. HTO argues that the District commissioned a study by Coastal Onsite Design Services. According to HTO, the study was originally proposed to take the form of a Los Olivos-specific LAMP but then would instead be presented to the Regional Board to “argue the Santa Ynez groundwater basin is not subject to LAMP guidelines.” Many other criticisms of the District are made as part of this objection.

**Commission Finding.** The Commission finds no merit in this objection. First, the document identified as the “Scope of Work” by Coastal Onsite Design Services is not on any company letterhead nor is it signed. Assuming it is from Coastal Onsite Design Services and is a proposal to the District, the document states a goal to “Create a Los Olivos Specific LAMP that clarifies and aligns the appropriate State Tier 2 & 3 OWTS requirements for the District, providing detailed guidance to District residents and property owners *while the District continues to develop its wastewater collection and treatment system.*” (HTO Letter, Attachment 14 “Scope of Work,” emphasis added.) On its face, the proposal did not abandon building of a wastewater collection and treatment system; rather, it identified several tasks to be pursued concurrently.

The HTO Letter also acknowledges that Environmental Health Services Director Lars Seifert “counseled the [District] that amending the County LAMP to provide for particular details in the LAMP for septic system maintenance in Los Olivos might be permissible, *depending on lot size*, but that creating a separate LAMP for Los Olivos is not permissible.” This is not inconsistent with the County LAMP which specifically provides:

*“The study of alternatives for the town can and should consider various service area configurations, the possibility of maintaining septic systems in limited areas of town, the possibility of a joint community facility with Ballard, an interceptor sewer connection to the City of Solvang, and various*

locations and technologies for a community wastewater treatment and disposal facility.” (County LAMP at p. 24, emphasis added.)

Indeed, the document that HTO says is the District’s memorandum summarizing the District’s March 3, 2021 meeting with EHS Director Seifert (the Commission notes the document author is unidentified and it is neither signed nor dated), stated that EHS would consider editing of the LAMP for Los Olivos to include appropriate modifications, including consideration of smaller lot. (HTO Letter, Attachment 15.) Assuming the document is authentic and accurate, the Commission finds it indicates the County was willing to work with the District on amendments to the County LAMP as it applied to Los Olivos.

The Commission finds persuasive testimony from District Board President Palmer that the District was not pursuing efforts to take itself out of the County LAMP but, rather, was seeking amendments to the County LAMP to tailor Plan requirements to conditions in Los Olivos.

The Commission finds significant that the District’s goal is to have a Proposition 218 assessment by June 2022. District General Manager Pike testified this assumes the State Water Board Water Recycling Planning grant comes through on time (projected for August 2021), as these funds will allow for preparation of the “60% design” plan essential to producing a quality assessment that will instill public confidence necessary to ensure the assessment is successful. The Commission finds significant General Manager Pike’s testimony that if this assessment fails, the project will be back to “square one.”

The Commission finds that the evidence from HTO is unpersuasive of showing any disingenuous District intent and does not undermine the Commission’s finding that the District has acted with due diligence in pursuing the project.

d. **HTO Objection.** Other governance options should be pursued, in particular the County should take over the project.

**Commission Finding.** First, as stated above, the Commission finds the District has exercised due diligence in pursuing the wastewater collection and treatment system. Therefore, the Commission does not currently see a need to identify another agency to pursue the project. Second, the Commission is concerned about the loss of time that would occur if another agency were to step in to pursue the Los Olivos wastewater treatment project. Even if another agency were prepared to step in, the Commission takes notice of the required statutory processes of the Cortese Knox Hertzberg Act that would certainly apply. These steps are identified in the recitals above.

To date the County has not expressed such an interest. Even if the County did express an interest, such a process would consume significant time, most likely more time than it would take the District to move forward with the Proposition 218 assessment. Additionally, the County would almost certainly have to fund the project through a Proposition 218 assessment that would need to raise over \$29 million. There is no reason to believe this would be an easier task for the County than it has been for the District. The Commission also finds as significant the District's statements that "We ask for this extension to maximize the probability of a *successful* Prop. 218 proceeding for the District." (Emphasis added.) Getting the required support from landowners for a Proposition 218 assessment for a project that will cost more than \$29 million is a daunting challenge.

The Commission finds significant the opinion from the County Public Works Director McGolpin that County "Public Works believes that significant work has been completed to date by the special district in completing the goal of constructing a community sewer, and changing processes now would break the momentum."

Therefore, the Commission finds that pursuing other governance options for the Los Olivos wastewater treatment system are not appropriate at this time.

e. **HTO Objection.** The District has hired consultants who are former County EHS employees who may have a conflict of interest.

**Commission Finding.** The Commission notes that District's counsel responded to this issue in its letter dated April 27, 2021. The Commission finds that no issue has been raised on this matter that affects the Commission's finding that the District has acted with due diligence.

f. **HTO Objection.** The Regional Water Quality Control Board has warned that if local agencies move too slowly to address groundwater conditions documented in the 2003 (Questa) Septic System Sanitary Survey for Santa Barbara, the Regional Board may impose "a set of conditions requiring action and a timeline confirming implementation of those actions."

**Commission Finding.** The Commission recognizes and respects the oversight regulatory role of the Regional Board and its authority to take enforcement action as necessary. Nothing in today's action by the Commission undermines the Regional Board's authority. The Commission's action today is limited to whether the District has exercised due diligence to pursue the project. If the District's efforts are not sufficient to meet the requirements of the Regional Board, that is for the Regional Board to determine and that Board will take appropriate action.

NOW, THEREFORE, THE COMMISSION HEREBY ORDERS THE FOLLOWING:

1. The District is granted a two-year extension in order to carry out a Proposition 218 as assessment necessary to fund the construction and operation of the wastewater treatment system. This extension shall be through to and include April 6, 2023 or, if the Commission does not have a regularly scheduled hearing on that date, the next regularly scheduled Commission hearing after that date.

2. The District shall file quarterly written reports with the Executive Officer on progress it has made on pursuing the project. As deemed appropriate, the Executive Officer will schedule Commission hearings to review and comment on such progress reports.

This Resolution is approved this 3<sup>rd</sup> day of June, 2021, in Santa Barbara County, State of California, by the following vote.

Ayes:

Noes:

Abstain:

LOCAL AGENCY FORMATION  
COMMISSION

\_\_\_\_\_  
Chair Etta Watterfield

Date: June \_\_\_, 2021

ATTEST:

\_\_\_\_\_  
Jacquelyne Bianci Alexander  
Clerk of the Commission

**BUSINESS ITEM 8B. ATTACHMENT**

Los Olivos Community Services District 2021-22 Budget Planning Spreadsheet					
Line Item Account	2020-21 FY Budget	Actual YTD 5/8/2021	Projected Final	PROPOSED 2021-22 FY	NOTES & ASSUMPTIONS
<b>Beginning Balance</b>	\$ 193,885.00	\$ 192,479.00	\$ 192,479.00	\$ 213,370.44	This will be adjusted by this years final. Increase based on Bureau of Labor Statistics CPI calculation for the Los Angeles-Long Beach-Anaheim region for 2020 of .5%
<b>Revenues</b>					
3066 - Special Tax Assessment	\$ 188,887.00	\$ 192,479.00	\$ 192,479.00	\$ 188,887.00	Assume .5% CPI Increase. \$527.91 per parcel, up from \$525.29
Other Revenue	\$ 180,000.00	\$ 41,015.00	\$ 56,000.00	\$ 274,000.00	\$124k Remaining EHS Funds, 150k State Planning Grant
<b>Total Cash &amp; Revenues</b>	\$ 562,772.00	\$ 425,973.00	\$ 440,958.00	\$ 676,257.44	
<b>Expenses</b>					
<b>Salaries and Benefits</b>					
6100 - Regular Salaries	\$ -	\$ -	\$ -	\$ -	
<b>Services and Supplies</b>					
7090 - Insurance	\$ 2,320.00	\$ -	\$ -	\$ 2,500.00	SDRMA Membership-Liability Insurance Coverage
7324 - Audit and Accounting Fees	\$ 4,000.00	\$ 2,000.00	\$ 2,000.00	\$ 4,000.00	FIN Expenses, Audit Expenses
7430 - Memberships	\$ 1,200.00	\$ 3,533.00	\$ 3,533.00	\$ 1,200.00	CSDA
7450 - Office Expense	\$ 2,000.00	\$ -	\$ 1,100.00	\$ 2,000.00	Office Expense - postage, printing, supplies
<b>*7460 - Professional and Special Service (Consultant Expenses)</b>	\$ 193,500.00	\$ 21,575.00	\$ 36,575.00	\$ 439,000	Revenue Sources: \$15k District (Assessment Engineer), \$124k EHS, \$150k State Match & \$150k District)
7508 - Legal Fees	\$ 27,000.00	\$ 15,301.00	\$ 20,000.00	\$ 27,000.00	
<b>*7510 - Contractual Services (GM Contract)</b>	\$ 80,400.00	\$ 79,398.00	\$ 91,400.00	\$ 49,000.00	Change from MNS to Perm. GM. Based on \$135/hr x 30 hrs/Mo. Round up.
<b>Project Management Support (District Engineer Services)</b>	NA	NA	NA	\$ 18,000.00	Based on \$1500/mo
7530 - Publications and Legal Notices	\$ 1,000.00	\$ -	\$ 80.00	\$ 5,000.00	Anticipates additional noticing for Prop. 218
7732 - Training	\$ 1,500.00	\$ -	\$ -	\$ 1,500.00	Based on anticipated activity
7894 - Communication Services	\$ 930.00	\$ 600.00	\$ 900.00	\$ 930.00	Website Hosting, Ring Central
<b>*OTHER - Prop 218 Vote</b>	\$ 8,000.00	\$ -	\$ 2,000.00	\$ 15,000.00	Estimated
New Suggested					
New Suggested					
New Suggested					
<b>Total Expenses</b>	\$ 321,850.00	\$ 122,407.00	\$ 157,588.00	\$ 565,130.00	
<b>Ending Balance</b>	\$ 240,922.00	\$ 303,566.00	\$ 283,370.00	\$ 111,127.44	

**FY 2021/22 Budget Process Review  
(Consistent with 2020 Process Timeline):**

	<b>STEP</b>	<b>DUE</b>	<b>COMPLETE</b>
1	GM prepares recommended Draft Budget for Finance Committee first review	5/8/2021 For 5/10/2021 First Look	
1	Finance Committee prepares and approves recommended Draft Budget to present to Board	6/4/2021	
2	Board Approves a preliminary budget at a Regular Meeting and determines a Hearing Date	6/09/2021	
3	The District will publish a notice stating that the GM has prepared a proposed final budget which is available for inspection on the website; and include the date, time, and place when the Board will meet to adopt the final budget and that any person may appear and be heard regarding any item in the budget or regarding the addition of other items. Publication must be at least 2 weeks before 7/14/2021 meeting in at least one newspaper of general circulation in the district. NOTE: The notice must be PUBLISHED at least two weeks before the hearing, (SY Valley News). It only needs to be published one time. Post Draft Budget on Website.	Publication must be at least 2 weeks before 7/14/2021 meeting	Submitted to SYV News  Published
4	Final budget will be adopted at the Regular Meeting on July 14, 2021.	7/14/2021	
5	Post Final Budget on Website	7/15/2021	



**BUSINESS ITEM 8C. ATTACHMENT**

## Memo

**To:** The Los Olivos Community Service Board of Directors

**From:** Bob Perrault, General Manager

**Subject:** Recommendations to Modify the Proposed Financial Reserve Policy

**Date:** June 9, 2021

During last month's Board meeting, the Board reviewed a draft Financial Reserve Policy. The adoption of the policy is recommended by the District's insurance provider SDRMA as a good management practice. The Policy will require the District to have in place a reserve fund balance in its budget. The purpose of having a funded reserve balance is to ensure that the District has sufficient funds available to accommodate unanticipated or unexpected expenditures.

During the Board review, President Palmer indicated the policy needed to contain a specific rationale for the setting aside a reserve especially during the formative period of the District. As drafted the Reserve Fund is quite complete but several sections of the policy will not be needed until the operations of the District become more complex. In Section "A Project Development and Implementation" paragraphs b and c details the maintaining a \$100,000 reserve. Typically, a reserve is tied to either 10% to 20% of the operational cost referenced in the current year budget. Using a percentage will allow the reserve requirement to increase or decrease with the amount of the operation budget. I would recommend using the 10% formula. In the proposed budget this would require setting up a reserve of approximately \$56,500. This amount should be sufficient for any unanticipated expenditures.

In order to implement this approach to establishing a reserve fund staff would recommend the following changes to paragraphs b and c of Section A:

A (b.) Target Balance current language: The target balance is \$100,000. The current target reserve language is the amount that should be funded at the end of each fiscal year and is reviewed annually.

A (b) **Target Balance recommended language : The target balance is 10% of the current operating budget. The current target reserve fund balance is the amount that should be funded at the beginning of each fiscal year and is reviewed annually.**

A (c) Methodology/ Rationale current language: this amount is a rational amount to hold in reserve at least 4-6 months operating expenses for the District based on current experienced expenses.

A (c) **Methodology/ Rationale recommended language: The amount is a rational amount to hold in reserve to ensure that unforeseen expenses are met based on current and past budget experience.**

The suggested modifications have been incorporated into the recommended policy.

Recommendation: it is recommended the Board adopt the attached resolution adopting a Financial Reserve Policy

**RESOLUTION NO. 2021-05**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE LOS OLIVOS  
COMMUNITY SERVICES DISTRICT ADOPTING A FINANCIAL  
RESERVES POLICY**

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

**WHEREAS**, the Board of Directors of the District ("Board") seek to establish its financial reserves policy setting forth the authority and restrictions on the establishment and use of reserve funds, in accordance with California law; and

**WHEREAS**, it is in the best interests of the District and its residents and landowners to set and maintain limits, restrictions, and procedures in the form of a financial reserves 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 financial reserves policy the policy set forth in Exhibit A.
3. The authority, limits, restrictions, and procedures set forth in the financial reserves 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 financial reserves policy shall be deemed controlling over, and shall otherwise supersede any and all other reserve fund authority policies that may conflict with, or be contrary to, the hereby adopted financial reserves policy.
5. If any provision of this Resolution or the attached and incorporated financial reserves policy is for any reason held invalid, the validity of the remainder of this Resolution and incorporated financial reserves policy shall remain unaffected.
6. This Resolution shall become effective upon the date of adoption as set forth herein.

**[SPACE INTENTIONALLY LEFT BLANK]**

**I HEREBY CERTIFY** that the foregoing Resolution was passed and adopted by the Board of Directors of the Los Olivos Community Services District at a regular meeting held on the 12th day of May 2021, by the following vote:

AYES: \_\_\_\_\_

NOES: \_\_\_\_\_

ABSENT: \_\_\_\_\_

ABSTAIN: \_\_\_\_\_

ATTEST:

\_\_\_\_\_  
**DOUG PIKE**, Interim General Manager  
**LOS OLIVOS COMMUNITY SERVICES DISTRICT**

By: \_\_\_\_\_  
**LISA PALMER**, Board President

APPROVED AS TO FORM:

By:

\_\_\_\_\_  
  
\_\_\_\_\_  
**G. ROSS TRINDLE, III**, District Counsel

I, \_\_\_\_\_, Secretary of the Los Olivos Community Services District, Santa Barbara County, California, DO HEREBY CERTIFY that the foregoing is a true and accurate copy of the Resolution passed and adopted by the Board of Directors of the Los Olivos Community Services District on the date and by the vote indicated herein.

# EXHIBIT A

# LOS OLIVOS COMMUNITY SERVICES DISTRICT

## FINANCIAL RESERVES POLICY

### PURPOSE

The purpose of this policy is to provide policy and direction concerning the District's comprehensive reserve policy.

### I. POLICY

The District reserves policy is a financial policy guided by sound accounting principles of public fund management. The policy establishes several reserve funds to minimize adverse annual budgetary impacts from anticipated and unanticipated District expenses.

The adequacy of the target reserve year-end balance ranges and/or annual contributions will be reviewed annually during the budgeting and rate setting process and may be revised accordingly as necessary. The following District reserve fund categories are established. Policy A shall be implemented upon the adoption date of this policy. Policies B-E will be implemented when the project is operational as determined by the Board of Directors:

#### A. Project Implementation and Development Reserve

- a. Purpose: Fees are collected via property taxes preliminary to an Assessment Vote held in accordance with Proposition 218 requirements for project implementation and development.
- b. Target Balance: The target balance is 10% of the current operating budget. The current target reserve fund balance is the amount that should be funded at the beginning of each fiscal year and is reviewed annually.
- c. Methodology/Rational: This amount is a rational amount to hold in reserve to ensure that unforeseen expenses are met based on current and past budget experience.
- d. Use of Funds: The funds will be used to supplement expenses in the event of unforeseen emergencies, urgent, or critical expenses.
- e. Funding: Annual tax levies are currently based upon the formation analysis of the District. Additionally, interest earnings will be accrued on and added to fund balance, using the District's earnings rate on investment through the County FIN system.

#### B. Capital Replacement Fee Reserve (WWTP, Sewer and Appurtenant Facilities)

- a. Purpose: Fees are collected for the future replacement of existing facilities and major equipment.
- b. Target Balance: The target balance continually fluctuates with the addition and replacement of new facilities and equipment. As new facilities and equipment are built, acquired or purchased, the target balance will increase in order to provide for the ultimate replacement of these facilities at the end of their life-cycle. As such, the current target reserve balance is the amount that should be funded at the end of each fiscal year according to the replacement reserve study, which is reviewed annually.
- c. Methodology/Rational: The District records depreciation using the straight-line method over the estimated useful lives of facilities and equipment. The fee is collected to replace District facilities and equipment as they reach the end of their useful life and also to handle unanticipated repairs during the life-cycle.
- d. Use of Funds: The funds will be used to replace facilities and equipment as necessary to continue District WWTP, sewer and appurtenant services.
- e. Funding: Annual contributions from user fees are currently based upon annual projected requirements in conjunction with the overall budget and replacement reserve study. Additionally, interest earnings will be accrued on and added to fund balance, using the District's earnings rate on investments.

### C. Capital Improvement Fee Reserve

- a. Purpose: To provide funds for the orderly and timely expansion of the District facilities to meet future demand and to maintain and/or improve the District's existing level of service.
- b. Target Balance: AB1600 does not designate a target reserve balance. A Government Code 66000 Compliance Report identifies the proposed capital projects necessary to maintain and/or improve services and the amount needed to fund those capital projects. In accordance with Government Code 66000, the balance shall not exceed the amount specified by that law.
- c. Methodology/Rational: Virtually all development that occurs within the District requires the use of District facilities, plant and equipment for public services. This fee is established to insure the adequacy and reliability of such facilities, plant and equipment as development of undeveloped land occurs.



- d. Use of Funds: The funds generated by the fee will be used to acquire and/or construct various capital facilities, plant and equipment for the provision of WWTP, wastewater, appurtenant services and administrative services.
- e. Funding: Annual contributions from developer fees will depend upon new construction within the District. Additionally, interest earnings will be accrued on and added to fund balance, using the District's earnings rate on investments.

D. Rate Stabilization Fund Reserve (WWTP, Sewer and Appurtenant services)

- a. Purpose: To offset revenue shortages due to economic hardships and/or unforeseen major expenses.
- b. Target Balance: The minimum and maximum balances will be periodically reviewed by the Board and are to be maintained based upon the level of next year's revenue. The minimum level is no less than the percentage increase of the expenditures in each fund. The maximum limit will be no greater than 50 percent of next year's fund revenue.
- c. Methodology/Rational: An economic hardship or unforeseen event could cause a loss of revenue for the District. If such an event occurs, the District could use these funds to stabilize revenues while adjusting rates as necessary to compensate for the fluctuation.
- d. Use of Funds: These funds will be used to supplement differences in revenue projections resulting from economic hardships and unforeseen events.
- e. Funding: Additional contributions will not be required unless future events cause the reserve to fall below the target balance. Additionally, interest earnings will be accrued on and added to fund balance, using the District's earnings rate on investments.

E. Operating Fund (WWTP, Sewer, and Appurtenant services)

- a. Purpose: To ensure cash resources are available to fund daily administration, operations and maintenance of providing WWTP, wastewater, and appurtenant services.
- b. Target Balance: A minimum of six months of cash to fund District expenditures.
- c. Methodology/Rational: The District is required to have sufficient cash flow to meet the next six months of budgeted District expenditures (Government Code Section 53646(b)(3)). The next six months of projected cash revenues can be included as a source of cash flow to

satisfy this requirement. Revenues in excess of reserve contributions and expenditures resulting from expenditure savings or timing differences are also reflected in this fund.

- d. Use of Funds: These funds will be used to pay for expenditures according to budget and expenditure authority.
- e. Funding: Annual contributions will vary, depending upon other reserve requirements and current year expenditure requirements. Additionally, interest earnings will be accrued on and added to fund balance, using the District's earnings rate on investments.

**BUSINESS ITEM 8D ATTACHMENT**

June 6, 2021

Los Olivos Community Services District  
PO BOX 345  
LOS OLIVOS CA 93441

**SUBJECT: Desktop Study – Proposed Wastewater Treatment Plant (WWTP) Siting Study**

UPC, in accordance with our authorized task scope of work, has prepared a Desktop Study – Proposed WWTP Siting Study to consider and rank potential parcels for siting the proposed WWTP.

Background:

Although the District has already spent considerable time considering siting options in an on-going effort to not overlook best opportunities, with a number of optional sites having been identified, this additional effort was commissioned to assure suitable optional sites were not overlooked.

Scope of Work:

Prepare two exhibits:

1. Possible sites within the district Boundary.
2. Possible sites within a one-mile distance of the District.
3. Size criteria: approximately ½ acre with minimum dimensions 150' x 100' wide.

For ranking purposes, most feasible sites could be identified as:

1. Possible road right-of-way that appears to be unused.
2. Vacant lots.
3. Open/Farmland where a portion could be subdivided and purchased.

Keeping Phase 1 of The Project Description in mind, consider:

1. Number of lift stations that may be needed/site.
2. Special challenges for each site.
3. Opportunities for effluent percolation facilities nearby (Injection well, access to creek, potential for underground chambers or surface ponds).
4. Site Advantages: Cost, convenience, physical advantages, etc.

Methodology:

The desktop study was accomplished with the following fundamental steps:

1. Identify all parcels within a 1-mile radius.
2. Prepare a weighted numerical criterion to rank the feasibility and desirability of the lots.
3. Identify the top dozen or so site.
4. Prepare a map exhibit identifying these lots.

Criteria and Weighted Numerical Ranking:

The following Criteria were listed for ranking of Each lot considered:

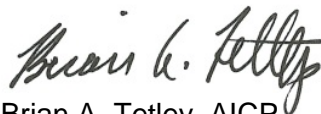
1. Lot Only? (No developed structures on area of site proposed for a WWTP. Cost Consideration)

2. Is this Location "Excess ROW" (Cost and ease of procurement consideration)
3. Size? (.75-1.5 Acre is optimum)
4. Open/farmland where a portion could be subdivided and purchased adj. to ?
5. Elevation Less than Commercial Zone (Phase 1)? (Lift Station and associated cost implication)
6. Elevation Less than Small Lots (Phase 2)? (Lift Station and associated cost implication)
7. Distance from Commercial Zone? (Cost of Collection system phase 1)
8. Proximity to Alamo Pintado Creek? (Goal to have Creek outfall as secondary effluent disposal strategy)
9. Potential for percolation High? (from Geotech) Turns out this cannot be fully evaluated now, yet we also know that the range of location for our considered parcel would have similar chance of success.
10. Unique & Expensive Environ. Challenges? (Cost implications.)
11. Require Bridge Crossing for Pipeline? (Cost Implications.)
12. Easy Access/ Public Access?
13. Proximity to Residential?
14. Challenging Site Physical Constraints? (Cost implications)
15. Is this being offered for District use?

The results have undergone considerable review and revision by The District IGM, the ad hoc committee and individual Board Directors. The attached Scoring Matrix and Map summarizes the results of this "desktop study" effort.

Please let us know if we can make adjustments or corrections in order for the final product to be most useful.

Regards,

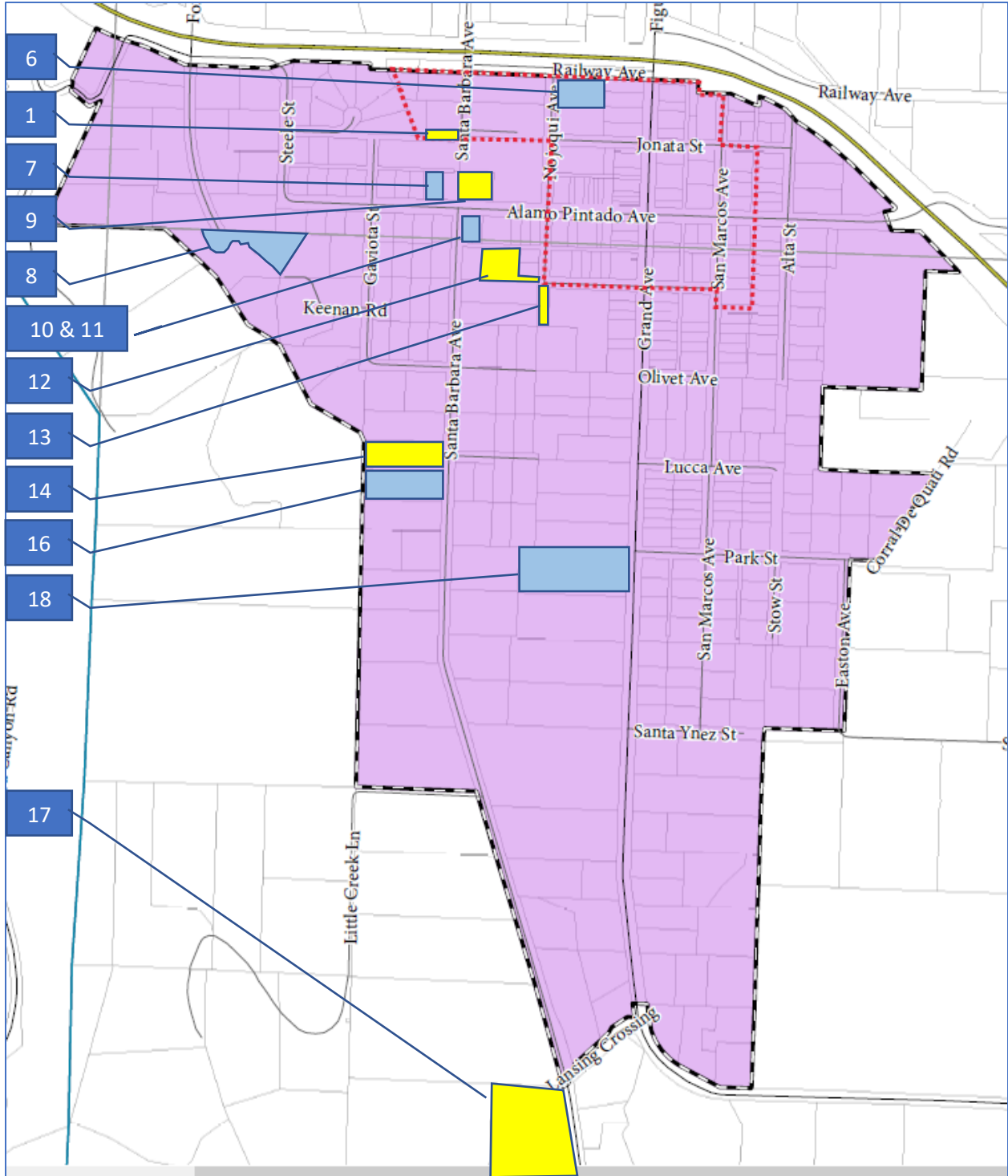


Brian A. Tetley, AICP  
Senior Planner  
2624 Airpark Drive  
Santa Maria, CA 93455  
(805) 934-5760

# WWTP SITING STUDY

## PREFERRED SITES

- Preferred Sites
- Secondary Sites



Note: Sites North of HWY 154 Eliminated from list of secondary sites and not shown

Los Olivos CSD Siting Study Matrix

6/4/2021

						Lot Only?	Excess ROW?	Size?	Open/farm Land where a portion could be subdivided and purchased adj. to ?	Elevation Less than Commercial Zone (Phase 1)?	Elevation Less than Small Lots (Phase 2)?	Distance from Commercial Zone?	Proximity to Alamo Pintado Creek?	Unique & Expensive Environ. Challenges	Require Bridge Crossing for Pipeline?	Easy Access/ Public Access?	Proximity to Residential?	Challenging Site Physical Constraints	Offered for District Purchase by Owner?		Notes
APN	Address	Parcel Size	Zoning	Owner Info	Description	Y (5)-N (1)	Y (10)-N (0)	<.4Acre (0), .475Acre (5), .75-1.5 Acre (2), >1.5 Acre (1)	Y (5)-N (0)	Y(10)-N(1)	Y(10)-N(1)	Within CZ(10), <.5 Mi(5), >.5Mi (1)	Adj.(10), <1000ft.(5), >1000ft(1)	Y (0)-N (5)	Y (0)-N (5)	Y (5)-N (0)	<100ft (1), 100-1000ft(3),>1000ft(5)	Yes (0), No (5)	Y (10)-N (0)	POINT TOTALS	
1	County Road ROW	0.37	20-R-1	County of Santa Barbara	Excess County Jonata Road ROW access from Jonata St @ Nojoqui Ave. .37 Acres. .13 useable Possible purchase of adjacent land?	5	10	0	0	10	10	10	10	5	5	5	1	5	0	76	
2	135030054	4.4	AG-I-10	MONIOT FAMILY TRU (5/28/04)	North of Hwy 154 (Calkins Rd.at North St.) 4.4 Acres	5	0	1	5	1	1	5	5	5	5	5	1	5	0	44	
3	135071006	0.46	RR-5	CHAMBERLIN LOS OLIVOS LLC	North of Hwy 154 (Calkins Rd.at North St.) 0.46 Acres	5	0	5	5	1	1	5	5	5	5	5	1	5	0	48	
4	135030042	8.19	AG-I-5	CHAMBERLIN LOS OLIVOS LLC	North of Hwy 154 (Figueroa Mountain Rd.at North St.) 8.19 Acres	5	0	1	5	1	1	5	1	0	5	5	1	5	0	35	
5	CALTRANS ROW	0.50	ROW	CALTRANS	North of Hwy 154 (Figueroa Mountain Rd.at HWY 154.) 0.5 Acres	5	0	5	5	1	1	5	1	5	0	5	1	5	0	39	
6	135074019	0.85	C-2	STAGE STOP PLAZA	In Commercial Zone (Nojoqui Ave at Railway Ave.) .85 Acres	5	0	2	0	10	10	5	5	0	0	5	1	5	0	48	
7	135082020	0.32	15-R-1	BEREAN BAPTI CHURCH OF LOS OLIVOS	In Commercial Zone (Alimo Pintdo St) .32 Acres	5	0	0	0	10	10	5	5	0	0	5	1	5	0	46	
8	135340012	2213 Keenan	1-E-1	RAISCH ROBERT; GRANGER JENIENE	Vacant Lot Accessible from Keenan Drive	5	0	2	0	10	10	5	1	0	0	5	1	5	0	44	
9	135082022	0.62	15-R-1	BEREAN BAPTI CHURCH OF LOS OLIVOS	In Commercial Zone (Alimo Pintdo St) .62 Acres	5	0	5	0	10	10	5	10	0	5	5	1	5	0	61	
10	135086001	2320 Alamo Pintado	15-R-1	SANTA YNEZ RIVER & WATER CONS DI	ID 1 Parcel (Alamo Pintado Ave. at Santa Barbara Ave.) .16 Acres	1	0	0	0	10	10	5	10	5	0	5	1	5	0	52	
11	135086002	0.16	15-R-1	SANTA YNEZ RIVER & WATER CONS DI	ID 1 Parcel (Alamo Pintado Ave. at Santa Barbara Ave.) .16 Acres	1	0	0	0	10	10	5	10	5	0	5	1	5	0	52	
12	135086009	0.87	7-R-1	CRUTCHER, DANIEL L; CRUTCHER, JULIE B	Vacant Lot W/ access from Hollister St or alley @ Nojoqui .87 A (.4 Usable)	5	0	5	0	10	10	5	10	5	0	5	1	5	0	56	
13	135122031	County Road ROW	20-R-1	County of Santa Barbara	Excess County Road ROW access from Hollister St @ Nojoqui Ave. .28 Acres. .12 useable Possible purchse of adjacent land?	5	10	0	0	10	10	5	10	0	5	5	1	0	10	71	Acquisition in process
14	135110023	1.47	1-E-1	GOTT CHARLES R & PATRICIA A (TRUSTEES); GOTT CHARLES & PATRICIA TRUST	Subdividable Vacant Lot On Santa Barbara Ave. 1.47 Acres	5	0	2	5	10	10	5	5	5	0	5	1	5	0	58	
15	135110024	1.48	1-E-1	GOTT CHARLES R & PATRICIA A (TRUSTEES); GOTT CHARLES & PATRICIA TRUST	Subdividable Lot On Santa Barbara Ave. 1.48 Acres.	1	0	2	5	10	10	5	5	5	5	5	1	5	0	59	
16	135110025	1.47	1-E-1	GOTT CHARLES R & PATRICIA A (TRUSTEES); GOTT CHARLES & PATRICIA TRUST	Subdividable Vacant Lot On Santa Barbara Ave. 1.47 Acres	5	0	2	5	10	10	5	5	0	5	0	1	0	0	48	
17	135230028	10.01		HERTHEL	Vacant Land Offered by the Herthels	5	0	2	5	10	10	1	5	0	0	1	3	5	10	57	Offered by owner, least impact to residential. Located outside District
18	135-180-040	Grand Ave at Park			Open Field On Grand at Park	5	0	1	5	10	10	1	10	5	5	5	3	5	0	65	Has an Attached Subdivision Map

**BUSINESS ITEM 8E 2. ATTACHMENT**



## **Memo**

**TO:** The Los Olivos Community Service District Board of Directors

**From:** Bob Perrault, General Manager

**Subject:** Recommended Language Changes to County EHS LAMP

**Date:** June 9, 2021

Following recent discussions with County EHS staff, the Project Management Committee has undertaken the task of developing draft language modifications to the existing LAMP. The modifications relate to guidance for property owners with on-site Wastewater Treatment System "OWTS" within the Los Olivos CSD. The attached draft modifications were developed by Board member Ross and have been initially reviewed by Board member Palmer. The modifications were based on language used in an Imperial County LAMP dealing with a similar issue. The reference resource was provided to the District by County staff. The consideration of these modifications is timely due to the fact the County will be scheduling a public meeting on June 21<sup>st</sup> to consider these issues.

Staff recommends the Board review the modifications, consider further changes and then consider finalizing the modified guidance statement to the County.

## **Special Provisions for New and Replacement OWTS in Los Olivos Special Problem Area**

The formation of the Los Olivos Community Services District (LOCSD) provides the following options for owners of Onsite Wastewater Treatment Systems (OWTS) located in the special problems area:

- Owners of OWTS that were constructed and operating, or permitted, on or prior to the formation of the LOCSD in 2018 will not be subject to the Advanced Protection treatment standards for OWTS discharges, provided that:
  - The owner has committed by way of a legally recorded document with the County Recorder's Office prior to February 2, 2022 to connect any existing building structures with plumbing to a centralized wastewater collection and treatment system when it becomes available, and
  - The specified date of connection to a centralized community wastewater collection and treatment system is no later than February 22, 2027.
- Owners of existing OWTS will not be subject to the Advanced Protection treatment standards for OWTS discharges until any necessary revisions to the Santa Barbara County EHS LAMP have been incorporated. However, no expansions to the occupancy or building structures will be approved by the County such that the OWTS discharge is increased or available area for a replacement OWTS system is diminished.

Attachment 2, "Water Bodies impaired for pathogens that are subject to Tier 3 as of 2012" of "OWTS POLICY - Water Quality Control Policy for Siting, Design, Operation, and Maintenance of Onsite Wastewater Treatment Systems", dated June 19, 2012 from the California state and regional water control boards cites only Rincon Creek and its entrance into the Pacific Ocean as impaired water bodies in Santa Barbara County. Los Olivos is approximately 45 miles from Rincon Creek, and thus does not contribute to the impairment.

# LAMP Modification Reference Materials

[https://www.icphd.org/media/managed/environmentalhealth/Imperial\\_County\\_Local\\_Agency\\_Management\\_Program.pdf](https://www.icphd.org/media/managed/environmentalhealth/Imperial_County_Local_Agency_Management_Program.pdf)

## Imperial County LAMP:

Reference Section VI starting on page 31, with the specific provisions of relevance on pages 34-35.

The following special provision has been identified for new and replacement OWTS within the geographic areas of the Palo Verde Outfall Drain:

- Within the geographic area extending no more than one (1) mile upstream from the discharge point of the Palo Verde Outfall Drain into the Colorado River, no new or replacement OWTS discharge may be sited **within two hundred (200) feet** of the ordinary high water mark of the **Outfall Drain** unless the discharge meets the performance standard of Treatment Standard 1 established for the Advanced Protection Management Program of this LAMP. This is consistent with the minimum setback of two (200) feet that is currently required for any OWTS discharges along the Colorado River south of the drain in the Riverfront subdivision area.

The impairment designation of the Palo Verde Lagoon has substantially greater economic impacts on the town of Palo Verde, a severely disadvantaged community located directly adjacent or nearby the lagoon. Moreover, due to the presence of rapidly draining sandy soils and small parcel sizes, the water quality protection options for pathogen loading from OWTS discharges are severely limited. Both new and replacement OWTS **within six hundred (600) feet of the lagoon will be subject to the Advanced Protection Management Program**, provided other centralized sewerage options remain unavailable. As discussed in Section VII of this LAMP, the formation of a sewer district for this community may provide an additional option for owners of OWTS subject to the **special provisions** as described below:

- Owners of OWTS that are constructed and operating, or permitted, on or prior to the effective date of the State Policy **will not be subject** to the Advanced Protection treatment standards for OWTS discharges, provided that:
  - The owner has committed by way of a legally recorded document with the County Recorder's Office prior to May 13, 2017 to connect **any existing building structures with plumbing to a centralized wastewater collection and treatment system** regulated through Waste Discharge Requirements issued by the RWQCB; and
  - **The specified date of connection** to a centralized community wastewater collection and treatment system is no later than May 13, 2021.
- Owners of existing OWTS will also not be subject to the Advanced Protection treatment standards for OWTS discharges until such time as the RWQCB adopts a TMDL implementation plan specific to the Palo Verde Lagoon and any necessary revisions to the LAMP have been incorporated. However, no expansions to the occupancy or building structures will be approved by the County such that the OWTS discharge is increased or available area for a replacement OWTS system meeting the minimum setbacks to the Palo Verde Lagoon is diminished.

It should be noted that these special provisions may be implemented by the County following **the formation of a sewer district** for the service area through the Imperial County Local Agency Formation Commission (LAFCO). The permitting and construction timelines for a centralized wastewater collection system would be coordinated with the RWQCB to ensure adequate water

quality protections are implemented prior to May 13, 2021 or to the adoption of specific TMDL implementation policies requiring pathogen load reductions from OWTS discharges, whichever is sooner. In the absence of a sewer district, those existing and new OWTS that are subject to the Advanced Protection Management Programs of this LAMP may need additional financial assistance to comply with the supplemental treatment requirements of the State Policy. Financing options vis-à-vis a low interest loan program administered by the County utilizing Clean Water State Revolving Funds consistent with Section 14.0 of the Policy are discussed further in Section VIII of this LAMP.

[https://www.waterboards.ca.gov/water\\_issues/programs/owts/docs/owts\\_policy.pdf](https://www.waterboards.ca.gov/water_issues/programs/owts/docs/owts_policy.pdf)

**State OWTS Policy:**

Section 10.7 provides guidance

10.7 The requirements contained in Section 10 shall not apply to owners of OWTS that are constructed and operating, or permitted, on or prior to the date that the nearby water body is added to Attachment 2 who commit by way of a legally binding document to connect to a centralized wastewater collection and treatment system regulated through WDRs as specified within the following timeframes:

10.7.1 The owner must sign the document within forty-eight months of the date that the nearby water body is initially listed on Attachment 2.

10.7.2 The specified date for the connection to the centralized community wastewater collection and treatment system shall not extend beyond nine years following the date that the nearby water body is added to Attachment 2.

Attachment 2, showing only central coast water bodies

REGION NO.	REGION NAME	WATERBODY NAME	COUNTIES	TMDL Completion Date
3	Central Coast	Pacific Ocean at Point Rincon (mouth of Rincon Cr, Santa Barbara County)	Santa Barbara	2015
3	Central Coast	Rincon Creek	Santa Barbara, Ventura	2015

Los Olivos is about 45 miles from Rincon Creek

Attachment 2 title: "Water Bodies impaired for pathogens that are subject to Tier 3 as of 2012."

OWTS installations within 600 feet of the water body could contribute to the impairment.

OWTS – Onsite Wastewater Treatment System

WDR – Waste Discharge Requirement – permit for discharge of waste

TMDL – Total Maximum Daily Load – characterizes pollutants causing the impairment of a water body

<https://www.losolivoscsd.com/files/fc8a3461d/CH+EHS+LAMP+Plan+Document++Onsite+WW+T+7-21-2015.pdf>

Santa Barbara County LAMP

**BUSINESS ITEM 8E 3. ATTACHMENT**



8-14-19

# Los Olivos Community Wastewater Program Project Description

## OUR PURPOSE

The Los Olivos Community Services District (District) was formed by voters in 2018 to provide a funding mechanism for the development, building and operation of facilities necessary to collect and treat wastewater in the unincorporated community of Los Olivos.

## PROJECT GOAL

The purpose of the Los Olivos Wastewater Reclamation Program Project Description (Project Description) is to define a strategy to provide economically viable wastewater treatment and reclamation solutions to the residents and property owners within the District that meets public health needs and the regulatory requirements of the Regional Water Quality Board (RWQCB).

The Los Olivos Wastewater Reclamation Program is comprised of four distinct components, each being interdependent and implemented concurrently:

1. Development of Residential Onsite Wastewater Treatment System (OWTS) Requirements
2. Financial Outreach and Assistance for Program Development, Construction and Operation
3. Implementation of a Local Groundwater Monitoring Program; and
4. Phased Collection and Treatment

## DEVELOPMENT OF RESIDENTIAL OWTS REQUIREMENTS

Currently, residential Onsite Wastewater Treatment System (OWTS) in Los Olivos are governed by the Santa Barbara County Public Health Department's (County EHS) Local Area Management Plan (LAMP).

Los Olivos residents who seek County EHS guidance on OWTS-related issues have been repeatedly met with ambiguous and indistinct direction regarding dwelling expansion, system failure, need for installation of an advanced treatment system (ATS), existing system maintenance and other issues and costs associated with requirements for connection to a community collection and treatment system.

To resolve this the District will develop a customized Local Area Management Plan (LAMP) that addresses the conditions specific to the Los Olivos Community Services District Area. This Plan will be similar to the County's LAMP but tailored to Los Olivos. This Plan will include local District standards and policies and provide clear guidance on OWTS matters including operations of conventional systems, routine maintenance, management of existing low and high-risk systems within the community, dwelling expansion, system failure, requirements and need for installation of an advanced treatment system (ATS) and requirements for connection to a community collection and treatment system.

The District's LAMP will endeavor to establish requirements that are equal in nature and application to those required for all County parcels based on existing site conditions.

The District will be charged with the administration of the RWQCB approved Los Olivos LAMP to include the State mandatory reporting requirements. Permitting and enforcement of the LAMP will remain with the County EHS through an agreement approved by the County and the District extending the County EHS authority to within the District.

The creation of a District governed LAMP benefits residents by enabling the District to seek out grants and low interest loans, competitive procurement of select vendors, and consortium-based pricing from service providers.

## FINANCIAL OUTREACH AND ASSISTANCE

Concurrently, the District - having held Public Community Workshops which presented potential project alternatives, a project approach and Project Description - is now able to seek Local, State and Federal funding mechanisms to minimize property owners and business economic impacts associated with implementing the defined Program.

With this well-defined Project Description, the District will pursue available grants and funding for all elements and components of the Program.

Every potential source of funds will be explored to minimize any eventual Fee Assessment that must be established in accordance with State Law (Proposition 218), and as required by the Local Agency Formation Commission (LAFCO).

The District will also seek additional sources to augment these economic impacts that may include but are not limited to public-private partnerships (P3), identifying matching fund opportunities, Program Privatization, and commercial/private financing alternatives.

A public-private partnership (P3) is a cooperative arrangement between two or more public and private sector entities, typically long-term in nature. They are primarily used for infrastructure provision, such as the building and equipping of schools, hospitals, transport systems, water and sewer systems.

## IMPLEMENTATION OF A LOCAL GROUNDWATER MONITORING PROGRAM

The District remains committed to proactively work with the residents of Los Olivos, regulatory community and other stakeholders to develop an economically acceptable, technically feasible and timely solution to the potential impacts OWTS density has in our community.

However, one of the basic tenants to this approach is dependent on the development and implementation of a comprehensive groundwater monitoring program. Historical assessments, plans and feasibility studies developed specifically for Los Olivos validate the need for further groundwater characterization in order to:

- Determine the nature and extent of groundwater impacts associated with OWTS in and around the Community of Los Olivos,
- Investigate known upgradient sources impacting groundwater quality in Los Olivos,
- Provide information to address data gaps associated with site specific conditions and critical modeling considerations including infiltration rates, permeability and other geological, hydrological and geotechnical parameters not currently available, and
- Establish baseline conditions that can be utilized to monitor the effectiveness of treatment and mitigation measures implemented in the Los Olivos Community.

The District will work closely with the Santa Barbara County Environmental Health Services (EHS) and the Regional Water Control Board (RWQCB) to develop and finance a groundwater monitoring work plan that establishes the number, type and locations for monitoring locations, a suite of analytical and geotechnical sampling parameters, along with frequency and reporting requirements.

Once the work plan is approved, installation of monitoring points and ongoing monitoring will occur. The results of the initial and ongoing monitoring will be used to influence subsequent treatment phases, if necessary, within the District.

The analytical and geotechnical data obtained during groundwater monitoring point installation, will also be used to identify and site locations favorable for aquifer recharge and existing contaminant mitigation.

## PHASED COLLECTION AND TREATMENT

Historic documentation establishes the fact that there are a large number of small to very small lots in the Los Olivos Commercial Core, areas of high OWTS density and historic records of system failures. These factors may contribute to groundwater impacts from nitrate migration from OWTS.



This Commercial Core area has been selected as the location for the initial phase (Phase I) under this Program. The Commercial Core has been identified as the area of highest density, use (volume) and nitrate loading and has been recommended for action in multiple reports specific to OWTS impacts in Los Olivos. Subsequent phases into adjacent high-density areas will be determined by the results of groundwater monitoring.

The Commercial Core area is easily defined by Zoning (C-2), easily expanded, centrally located and its topological nature allows for the most expedient, least complex and economically acceptable setting to initiate this Program.

The District will design, site, permit, procure, construct and manage a Los Olivos Wastewater Reclamation Facility to include the associated collection and transport infrastructure required to provide economically viable wastewater treatment and reclamation solution to District residents and property owners. This system will address public health needs while also meeting the regulatory requirements of the RWQCB.

Adjacent properties outside the C-2 zone, will be permitted to connect to the system at their own cost and as capacity allows.

### Treatment Facility

The proposed Treatment Facility will be consistent with the policies and development standards of the Santa Barbara County Comprehensive Plan, including the Santa Ynez Valley Community Plan and the Santa Barbara County Land Use and Development Code.

The system will be designed for potential future expansion and to provide treatment that improves wastewater quality before it is reused, recycled or discharged to the environment. Reclaimed wastewater would be treated to levels compliant with California Code of Regulations (CCR), Title 22 discharge requirements to allow for:

- Beneficial reuse through underground infiltration
- Groundwater recharge
- Strategic flushing of existing nitrate/contaminates
- Local irrigation as site conditions allow

Because the project will generate in excess of 10,000 gallons per day, exceeding the 10,000 gallons per day County EHS limit, it will be under the jurisdiction of the Central Coast Regional Wastewater Quality Control Board, who would be the lead regulator agency, review the system and issue all appropriate permits.

The treatment facility will be comprised of a high-efficiency, low odor, expandable Membrane Bioreactor (MBR) package plant sized to serve Phase I needs and sited to accommodate modular expansion should further study warrant a facility expansion. The facility will be operated by a California licensed and properly trained wastewater treatment plant operator, who will be responsible for ensuring proper operation and maintenance of plant equipment as well as required reporting.

The architectural style will be consistent with the historical architectural details of Los Olivos. Roof materials will consist of earth tone colors and landscaped to blend in locally to reduce visual impacts.

## Collection System

The collection system will include a subsurface wastewater collection structure consisting of gravity pipelines, lift stations as required, and effluent handling facilities returning drinking water quality reclaimed water to customers or the groundwater basin for beneficial reuse.

The collection system “backbone” will consist of underground gravity sewer pipe that will be strategically placed under community streets and alleys to allow for the closest possible connection to parcels in the high-density water use areas of the downtown C-2 Commercial Core and small-lot residential parcels near the downtown core. Maintenance holes and an “end of the line” lift station will be provided, with an associated force-main (pressure main) to move the wastewater to the MBR package plant for treatment, as necessary.

Structures will be connected to the District-owned collection system via privately owned laterals. Existing septic systems and leach fields will be abandoned as required by local codes. Certain laterals may be successfully connected with gravity flow while many may require small private grinder pumps to move the sewage into the collection system.

District participation in lateral, grinder pump and septic abandonment costs would depend on grant and funding sources.

Potential expansion of the collection system, as with the treatment system, will be determined based on results of the groundwater monitoring and in coordination with the RWQCB.

## Operations and Maintenance

The collection and treatment systems will be operated and maintained initially by contract system operators. System costs will be shared in an equitable manner by those connected to and benefitting from the facility. The District will review and consider established formulas for this participation that may include zoning, water-use, fixture unit counts, etc.

Parcels not connected initially will be subject to the District’s LAMP and will contribute to the cost of management, inspection and enforcement of this plan and operating costs of the District.

Ongoing monitoring and reporting will occur in accordance with operating and discharge permits required by the Board.

## Treatment Facility Siting

The District will procure a site for the package plant. Siting factors will include:

- Availability of land,
- Surface and subsurface suitability,

- Economics of procurement,
- Proximity to the collection system and effluent discharge locations, and
- Local, state and federal requirements.

Location and siting of the facility remains under examination. Given the above siting factors, the District prefers that the location be within District boundaries and south of State Route 154. Currently, potential locations include:

- County parcels
- County Right of Ways
- Institutional parcels including churches and schools
- Commercial parcels, and
- Private land

### Construction Implementation and Timing

Construction will generally consist of the following phases:

1. Project planning, preliminary design, environmental documentation preparation and review, and permitting.
2. Preliminary design, budgeting, and initiation of the Proposition 218 assessment process.
3. Final Design, including preparation of plans, specifications and estimates. The package plant will be a “design build” component.
4. Advertising and bidding of the various components. The District will procure professional and construction services in accordance with the State Contracting Code. The package plant will be built offsite, most other components will be built by contractors on-site.
5. Service lateral connections will be coordinated with and completed in conjunction with sewer trunk-main installation.
6. Package plant start-up.
7. System Operation and Maintenance.

Construction timing will be affected by many factors, including funding process, environmental process, and construction duration. Lateral connection is anticipated to require significant property owner participation and cooperation.

The District anticipates a minimum of three years to design, review, permit, finance and construct the complete Phase I project.