

Tom Fayram, President  
Lisa Palmer, Vice President  
Julie Kennedy, Secretary  
Mike Arme, Director  
Brian O'Neill, Director



**LOS OLIVOS COMMUNITY SERVICES DISTRICT**  
**Board of Directors Meeting, December 12, 2018, 6:00 p.m.**  
**Los Olivos School, Room 602**  
**2540 Alamo Pintado Avenue, Los Olivos, CA 93441**

**REGULAR MEETING MINUTES**

**1. CALL TO ORDER**

Meeting called to order at 6:00pm

**2. ROLL CALL**

Directors Fayram, Palmer, O'Neill and Kennedy were in attendance. Director Arme was absent. Also present were IGM Doug Pike, and Legal Counsel Ross Trindle.

**3. PLEDGE OF ALLEGIANCE**

**4. APPROVAL OF 11-14-18 MEETING MINUTES**

**Action:** Approve 11-14-18 Meeting Minutes

**Motion:** . Director Palmer   **Second:** Director Kennedy

**Vote:** Motion passed 4-0

**5. 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.

Director O'Neill – nothing to report

Director Palmer – nothing to report

Director Kennedy – nothing to report

Director Fayram – attended the LAFCO hearing where CSD received an extension for an additional year.

LAFCO would like an update from CSD in spring 2019. Also spoke with Larry Faye regarding EHS

(Environmental Health Services) promises regarding future CSD issues, he said no promises were being

made to residents. Mr. Faye said there were state funds available and we need to put in a request. Other

discussion items:

- Advanced system vs. sewer hook-up for outlying parcels and need for Regional Water Board approval.
- Director Fayram. Director O'Neill and IGM Pike will meet with Howard Kolb on Dec. 14 to discuss funding and assistance.
- Invite the Deputy Director of Long Range Planning of the SYV Plan to a future board meeting (February 2019) for an update so the Board can consider possible implications for Los Olivos.
- Contact Regional Water Board for assistance with interim solutions for Los Olivos residents who may have a septic or leach field failure
- Regarding funding options, IGM Pike will gather information on possible resources

**6. 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.

Resident Kelly Grey asked about cost analysis of CSD viability

Resident Mary Hayden requested board consider starting meeting at 6:30pm. Also inquired about budget availability and tax relief consideration for residents with advanced treatment systems.

Resident Merrill Bowman inquired about tax-exempt status submitted at last meeting.

Resident Winston Craven inquired about a 27-item checklist for wastewater.

## 7. INTERIM GENERAL MANAGER REPORT

Interim General Manager Report on current assignments and general District business.

IGM Pike reported on the following:

- FIN System access still unavailable due to new requirement of W-9 for all entities that will receive payment from CSD. He will escalate the issue if we are still without access by 12-14-18.
- An update for LAFCO will be prepared and presented by late spring/early summer. Will also verify if LAFCO requires quarterly reports
- Interim General Counsel contract expires at end of year. Will present a new contract for Board consideration at January 2019 meeting.
- Met with Cal Water, a privately owned water purveyor, who expressed interest in building the infrastructure at 7% interest rate. As a privately financed operation, they would not have to use prevailing wages resulting in a potential 25% savings. They would own and operate the plant for the community. IGM Pike will include this as a funding option for consideration.
- The Technical Committee will meet on January 17, 2019 to establish the project scope and needs analysis.

## 8. BUSINESS ITEMS

**A.** Discuss and approve a policy outlining Board options and actions regarding requests for exemption or reduction of the Special Tax Assessment. Several requests have been submitted which fall into several categories:

- a.** Request to reduce or exempt parcels that have installed LAMP compliant advanced septic systems and leach field

Discussion: Parcels with recently installed advanced systems are certified as LAMP-compliant and residents will not receive direct, immediate benefit; benefit will be at community level as opposed to individual level. Possible solution might include option for residents to stay with their system or tie-into sewer or avail themselves to management services all depending on the final solution approved by voters. Board members felt these residents should receive some relief whether it be the special assessment now or future assessments of the voter approved solution.

**Motion:** No special tax assessment exemption for parcels with newly installed, LAMP-compliant treatment systems for 2018-19 fiscal year.

**First:** Director Kennedy **Second:** Director Palmer

**Vote Roll Call:** Ayes – Fayram, Kennedy Noes – Palmer, O’Neill 2-2 Motion not passed

Further discussion by the board of how to fairly accommodate residents with advanced on-site treatment systems with respect to the current special tax assessment. In order to qualify for the special tax assessment reduction, residents would need to notify the CSD before June 30 of the newly installed, or scheduled installation to be completed within the year.

**Motion:** Residents with newly installed LAMP-compliant treatment systems will receive a 20% reduction from the special tax assessment. This would include residents in the interim period, whose systems may fail and are required by the County to install a LAMP-compliant, advanced on-site treatment system.

**First:** Director O’Neill **Second:** Palmer

**Vote Roll Call:** Ayes – Fayram, Palmer, Kennedy, O’Neill Noes – None 4-0 Motion passed

- b. Request to reduce or exempt parcels that are unbuildable, that will not generate wastewater.

Discussion: What constitutes an “unbuildable lot” could be based on the SB County Development Code, which contains specifications and determinations of a buildable or non-buildable lot. Legal Counsel recommended amending the policy language from “unbuildable” to that used by the County’s code and that qualification of such would also be based on whether or not the lot use has the ability to generate wastewater. Also discussed was the possible need for minimum application standards.

**Motion:** Allow an exemption from the tax assessment for parcels that are not buildable per the Santa Barbara County Development Code and unable to generate wastewater.

**First:** Director Palmer **Second:** Director Kennedy

**Vote Roll Call:** Ayes – Fayram, Palmer, Kennedy, O’Neill Noes – none Motion passed

- c. Request to reduce or exempt parcels due to hardship.

Discussion: Director Fayram and IGM Pike noted other districts do not offer any such exemption. Legal Counsel offered a perspective of considering a fee reduction based on hardship on delivery of services, similar to utility company policy. Mr. Trindle also noted it is exceedingly uncommon to offer a hardship exemption on parcel taxes. The Board directed IGM Pike to note a future policy would be needed to address hardship issues once the voters approve a wastewater treatment solution.

**Motion:** Strike any reference to hardship exemption and/or reduction from policy.

**First:** Director O’Neill **Second:** Director Palmer

**Vote Roll Call:** Ayes – Fayram, Palmer, Kennedy, O’Neill Noes – none Motion passed

**B. Discuss and Approve, *or modify and approve, or continue to develop and bring back in January to the Board*, RESOLUTION NO. 18-08 RESOLUTION OF THE BOARD OF DIRECTORS OF THE LOS OLIVOS COMMUNITY SERVICES DISTRICT ADOPTING A POLICY TO EXEMPT OR REDUCE CERTAIN PROPERTIES FROM THE DISTRICT’S SPECIAL TAX.**

**C. Discussion and Action in Development of a Draft Work Plan.** Discussion on draft outline of the “Master Implementation Plan” with focus on a “First year Plan”. Review of Milestones.

Discussion: IGM Pike will have more information once the Technical Committee has met. A concept needs to be defined by end of March. Director Fayram reiterated EHS funding options available beginning in January. Director Palmer asked that timeline considerations for the Prop. 218 process be factored into the plan and the need to establish workshop dates as soon as possible. Mr. Trindle said he would forward information on the Prop 218 process and timeline to IGM Pike. IGM Pike added the possibility of an EHS funded water quality monitoring program. Director O’Neil added the State and County both already have a water quality-monitoring program that might be another option.

**D. Discussion and Action on Draft Financial Plan.** Discuss progress on Development of funding options and strategy. Board Direction to continue funding options research and begin preparation of funding applications.

- a. Board request to County Environmental Health for funding for an updated cost study on the 2013 report that includes the collection systems, and per parcel on-site advanced treatment.

Discussion: IGM Pike working on establishing milestones to ensure we have cash on hand in order to avoid delays. The Technical Committee will provide options and overlay of cost flow projections. Director Fayram expressed concerns regarding construction claims, unplanned obstacles, etc. and asked that the financial plan consider the need for excess capital to cover the District in these circumstances. Director Fayram added the District will need to establish a reserve based on the life of the plant to cover costs for repairs and maintenance. Director Palmer asked to have a column added to the plan showing possible availability/use of public funds and/or grant sources. Director Fayram suggested meeting with Larry Faye either before or after their meeting with Howard Kolb to discuss funding and other possible support from EHS.

**Motion:** Create a Draft Financial Plan with milestones and funding requirements that aligns to the overall project plan.

**First:** Director Palmer    **Second:** Director Kennedy

**Vote:** 4-0 Motion passed

**E. Committee Business Summary and Action.** Act on Finance Subcommittee recommendation to pay the following Invoices:

- a. Aleshire & Wynder, LLP Invoice 49140 dated 12/5/1/2018 in the amount of \$1,944.00
- b. MNS Engineers, Inc. IGM Services Invoice 71470 dated 9/30/2018 in the amount of \$4,262.50

**Motion:** Pay invoices approved by Finance Committee at December 7, 2018 meeting.

**First:** Director Palmer    **Second:** Kennedy

**Vote:** 4-0 Motion passed

**9. Next Meeting:**

Wednesday, January 12, 2019, 6:00 p.m.

Los Olivos School, Room 602

2540 Alamo Pintado Avenue, Los Olivos, CA 93441

Discussion: Add agenda item for discussion regarding a 6:30pm starting time for regular board meetings

**10. ADJOURNMENT**

**Motion:** Adjourn meeting at 8:15pm

**First:** Director Palmer    **Second:** Director Kennedy

**Vote:** 4-0 Motion passed

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APPROVED



Tom Fayram, President

ATTEST



Julie Kennedy, Secretary