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

LOS OLIVOS COMMUNITY SERVICES DISTRICT **Posted: 6-7-2026**
REGULAR MEETING
June 10, 2026, 6PM (Pacific)
Los Olivos Grange Hall
2374 Alamo Pintado Ave, Los Olivos CA 93441
Please observe decorum and instructions from the President

Note: The following Directors will be participating remotely. The public may join them at the addresses indicated.
Director Palmer - 3523 Koso St, Davis CA 95618
Director Nelson - 6421 SW Airport Road, Faxon OK 73540

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

On Zoom:
https://us06web.zoom.us/j/85195290804?pwd=rO5nrKISaewJAVMeY3MbZ7mtLlxudn.1
By Phone:
Meeting ID: 851 9529 0804 Passcode: 473619
One tap: +14086380968,,85195290804#,,,,*473619# US (San Jose)

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MEETING AGENDA

1. **CALL TO ORDER**
   President Kennedy called the meeting to order at: 6:03 PM

2. **ROLL CALL**
   Present: President Kennedy, Director Fayram, Director Parks
   Present (via Zoom): Director Palmer
   Absent: Vice President Nelson

3. **PLEDGE OF ALLEGIANCE**

4. **PUBLIC COMMENT**
   Members of the public may address the Board of Directors on any items of interest within the subject matter and jurisdiction of the Board that is not on the agenda today (Gov. Code - 54954.3). The public may also suggest future agenda topics at this time. Speakers are limited to a maximum of 3 minutes. Due to the requirements of the Ralph M. Brown Act, the Board of Directors cannot take action today on any matter not on the agenda, but a matter raised during Public Comments can be referred to District staff for discussion and possible action at a future meeting.
   President Kennedy opens the floor to public comment.
   Michelle de Werd, Kathryn Rohrer, Matt Louden, Sam Marmostein, and Anne Marie Gott speak.

5. **PUBLIC HEARING: CONSIDERATION OF THE PROPOSED FISCAL YEAR 2026-27 BUDGET**

Per Board direction in April 2026, the General Manager has developed a proposed budget for Board's consideration. The District's fiscal year runs from July 1, 2026 through June 30, 2027. The budget for Fiscal Year 2026-27 (FY 2026-27) can be found online at:
https://www.losolivoscsd.com/district-budgets

The Board will:

- Receive the report of the General Manager
- Open Public Hearing to receive Public Comment
- Close the Public Hearing
- Deliberate on the General Manager's Proposed Budget Recommendation
- Adopt a Budget for Fiscal Year 2026-27

General Manager's recommendation: Adopt the FY 2026-27 budget for the LOCSD.

The Board and public receive an overview of the FY 2026-27 budget from GM Savage.

President Kennedy opens the Public Hearing to receive Public Comment at 6:18PM.
Michelle de Werd, Matt Louden, and Jeannie Hollingsworth speak.
President Kennedy closes the Public Hearing to 6:28PM.

Director Fayram speaks to notification of the CCRWQCB and the need to make choices is difficult. Director Parks notes that he supports the budget as proposed. President Kennedy concurs with using other funds, possibly reserves, to fund groundwater testing. She ties her thinking to the design. Director Palmer ask about speaking to the County and CCRWQCB about how much funding is needed for monitoring. She notes that the Board could also consider suspend budgeting a reserve.
Motion to adopt the FY 2026-27 budget as proposed by the General Manager.
Motion by: Director Fayram, second: Director Parks
Roll Call vote: 4-0

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

6. **GENERAL MANAGER'S BRIEF DISTRICT STATUS REPORT**
   GM Savage comments that it is a full agenda tonight and that apart from the agenda, he does not have anything to report.

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

7. **CONSENT AGENDA**
   A. **APPROVAL FISCAL YEAR 2024-25 AUDIT**
   The District contracted with Moss, Levy, Hartzheim (MLH) to conduct an audit of District finances for fiscal year 2024-25, which ran from July 1, 2024 to June 30, 2025. The final audit is attached.
   B. **APPROVAL OF MEETING MINUTES**
   Regular Meeting minutes of April 8, 2026.
   C. **APPROVAL PAYMENT OF INVOICES RECEIVED ON OR BEFORE JUNE 4, 2026.**

Note: the actual amount of the Padre invoice was $2,418.53

No.	Invoice Date	Invoice #	Provider	Amount
1	2026-03-30	2026-564	Padre – Environmental Services	1,000.00
2	2026-03-31	21123	Regional Gov't Services – Communications Services	528.00
3	2026-04-03	1086	Civic Sol – Accounting Services	100.00
4	2026-04-15	93543	MNS-BKF – Engineering Services	185.00
5	2026-04-20	67733	Wallace Group – 30% design, 30-year lifecycle costs	52,730.25
6	2026-04-21	104897	Aleshire & Wynder – Legal Services	530.20

7	2026-04-30	202604	GWS – General Management Services	6,926.96
8	2026-04-30	21237	Regional Gov't Services – Communications Services	137.80
9	2026-05-05	105705	Aleshire & Wynder – Legal Services	674.80
10	2026-05-05	1096	Civic Sol – Accounting Services	$387.50
11	2026-05-08	93937	MNS – Engineering Services	462.50
12	2026-05-20	67966	Wallace Group – 30% design, 30-year lifecycle costs	17,951.50
13	2026-05-31	202605	GWS – General Management Services	4,003.72
14	2026-06-02	R22-00959	Padre – Environmental Services	355.00

Project	Vendor	To Date (including current invoices)	Total Authorization
Phase 1 - 90% Design / 30-year cost of ownership	Wallace Group	$ 281,003.80	$ 403,000.00
Environmental Review	Padre	$ 15,440.00	$ 57,383.00
Proposition 218 Communications	RGS	$ 1,993.60	$ 28,300.00

GM Savage notes that as there was no May meeting there is a larger than usual number of invoices. He adds that individual finance subcommittee members may have reviewed them in detail, but there is no recommendation from the subcommittee. GM Savage adds that the consent agenda includes a receive and file of the FY 2024-25 audit. He says that it would be his recommendation that the Board shift to a new vendor. Based on prior experience he requests that the Board provide direction in this area.

President Kennedy opens the floor to public comment.
No requests speak.

Motion to approve the consent agenda with the stipulation we consider changing auditors.
Motion by: Director Parks, second: Director Fayram
Roll call vote: 4-0

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

8. **DISCUSSION REGARDING JUNE 3, 2026 COMMUNITY WORKSHOP ON COLLECTION AND CONVEYANCE, CONSIDERATION OF APPROACH TO COLLECTION AND CONVEYANCE OF WASTEWATER, AND CONSIDERATION OF FINANCING FOR CONTINUED ENGINEERING EFFORTS RELATED TO THE COLLECTION OF CONVEYANCE OF WASTEWATER**

On June 3, 2026 the Board of Directors held a Community Workshop related to the Collection and Conveyance of wastewater. Prior workshops with the community and decisions by the Board of Directors determined that the City of Solvang would provide for treatment and disposal of treated wastewater. The workshop was designed to educate the public on the two community collection options under consideration: gravity fed and septic tank effluent pumping (STEP), and to discuss and describe conveyance options for a dedicated pipeline from the District to a connection point with the City of Solvang. At the meeting and following introductions and an overview, Ms. Kari Wagner from the Wallace Group provided an overview of the Wallace Group's 30% design and 30-year life cycle costing reports. The Wallace Group documents can be found at: https://www.losolivoscsd.com/technical-studies-and-reports.
Public comment, question and answers, and general discussion followed Ms. Wagner's presentation. Workshop materials, including a post workshop survey, presentation materials, handouts, and links to the Wallace Group reports can be found at: https://www.losolivoscsd.com/2026-06-03-special-community-workshop.
Video from the workshop can be found at: https://youtu.be/ImJMBLfhtLc.

As there has been comment about whether or not the project is even required, a copy of a recent "no project" memo from the Central Coast Regional Water Quality Control Board (CCRWQCB), which was discussed at the workshop, can be found at: https://www.losolivoscsd.com/files/0f6e4540f/2026-5-19+Reiteration+on+a+Zero+Project+Path+-+CCRWQCB.pdf.

The Wallace Group's contract provides for 30, 60, and 90% design efforts. The 30% design is now complete. Given current financing, the Wallace Group's efforts have effectively been put on hold until additional funding can be identified. Recent attempts to obtain Clean Water State Revolving Fund (CWSRF) grants have, as previously discussed in public meetings, resulted in a low score for the District's application. Given the low score, the District

should not anticipate receiving CWSRF at this time. Details of the scoring can be found at: https://www.waterboards.ca.gov/water_issues/programs/grants_loans/srf/.
As has been previously stated, the District does not score well against the Water Board's established criteria. This is due to many factors; key among them is that the District is: (1) still in the planning stage (as opposed to construction), (2) not a financially disadvantaged community, and (3) not including a reused component in its efforts since the City of Solvang does not currently recycle treated wastewater. The District is continuing its discussions with others, such as the County of Santa Barbara, to identify the funding required to complete the Wallace Group design efforts.
General Manager's recommendation: Discuss the workshop and workshop materials including the CCRWQCB "no-project" memo, consider selection of a community collection approach (gravity or STEP), discuss next steps regarding the Wallace Group efforts, consider financing options, and provide direction to staff as appropriate.
GM Savage walks through a prepared presentation. Following his presentation, Director Parks notes that he is not ready to make a decision on collection or conveyance. He then talks about the County memo. Director Parks then comments on equalization tanks. He then comments on dewatering and whether it is needed if horizontal boring is used. Director Parks closes his comments by mentioning POLO's efforts on potential alternatives. Director Palmer asks about dewatering, with DE Pike responding. She then notes concerns about equalization tanks, creek discharge, bridge crossing, whether STEP estimates included for easements, and POLO report. Director Fayram says he disagrees with not moving forward, he would see the District move towards a vote, through the democratic process. GM Savage responds to Director Palmer, with Ms. Wagner from Wallace Group confirming that $5,000 was included for easements. President Kennedy asks about pump / lift stations. Ms. Wagner responds that the memo from the County was what she expects. It addresses what is allowed or not allowed within the public right of way (ROW). The only things allowed are the collection/conveyance/laterals and related. Tamara Anderson (CCRWQCB) responds Director Palmer's question about permitting requirements. She notes NPDES, low and high threat, and other permits depending on the quality of the water that would be discharged. At permit time the water makeup (what is in the water from a constituents perspective) would drive what permits are required. Director Parks asks follow-up with commentary about our monitoring well samples.

President Kennedy opens the floor to public comment.
Matt Louden, Jeannie Hollingsworth, Anne Marie Gott, Sam Marmostein, and Brian Carroll speak.

Director Fayram speaks to the cost of waiting ($1.5M per year), water quality, septic systems, basin plan, and costs. He talks about the issues that come up as you design a system, the POLO design, and practicalities to what will and won't work. He reemphasizes that he thinks we need to move forward. With Kari responding to the commentary about use of right of way, but out of the road path. Director Fayram summarizes his thoughts by saying that the District has had conversations and held workshops, and needs to move forward. Director Parks restates that he is not ready to make a decision yet. Director Palmer overall agrees with Director Fayram that the community is ready to move forward with gravity. She agrees with Director Parks on potholing and septic system identification. He speaks to how things would be different if we had outside funding to help pay for the construction. Director Fayram comments again that the Board owes the public a path forward. Directors Parks and Fayram then talk about equalization tanks and the need for them. President Kennedy talks about walking in the community every morning and, particularly when it is cold and wet, smelling septic tanks. She comments about property owners who have a septic tanks that are on life support. She comments that she too wants to move things forward. She favors having the GM work with Solvang to determine the need for equalization,

Motion to direct the GM to bring back to our July meeting a resolution amending our prior project description that focus on a gravity collection system with prospects related to equalization.
Motion by: Director Fayram
Motion dies for lack of a second.

Direction is given to the GM to bring back information about equalization; County public works related to handing conveyance lines on bridges.

The Board discusses the funding options offered by the County. Counsel clarifies whether the item needs to be continued to next month or agendize it "new" for next month in response to a question from Director Palmer.

President Kennedy asks if people will be ready to make a decision in July. Director Palmer says she will be ready. Discussion then shifts to applying for County funding. Counsel Koczanowicz clarifies that putting something on the agenda for next month is not a vote to approve what it put on the agenda, just to agendize it.
Motion to bring back the project description with gravity as the selected option for collection along with clarity regarding Solvang equalization approach to July meeting.
Motion by: Director Palmer, second: Director Fayram.
Roll Call vote:
Ayes: Director Palmer, Director Fayram, President Kennedy
Nays: Director Parks

The board then discusses the County memo regarding rights-of-way and the possible grants and loans from the County. Copies were available in the room and can be found on the District website. Link: https://www.losolivoscsd.com/files/121adade3/Memo+from+County+of+Santa+Barbara+regarding+use+of+rights-of-way+2026.6.9.pdf

Motion to bring back for consideration to the July meeting the funding options outlined by General Manager Savage in his presentation ($250k in grant, $750k in loan).
Motion by: Director Fayram, second: President Kennedy.
Roll Call vote: 4-0

Direction to staff to authorize Wallace group to move forward with Septic System Location and Potholing.
Direction to staff to work with CCRWQCB to determine water quality issues related to discharge into the creek.

Following item 8:
Counsel Koczanowicz speaks to potentially adding an urgency item to the agenda at this time. The item concerns a Coalition - Prop 4: DAC vs VDP letter. Counsel outlines the process necessary to add an "urgent" item at this point to the evening's agenda. The item would be heard after Item 9.
Motion to add urgent item as detailed by General Counsel.
Motion by: Director Fayram, second by: Director Parks
Roll Call vote: 4-0

9. **CONSIDERATION OF RESOLUTIONS 26-02 AND 26-03 REGARDING LOCSD BOARD OF DIRECTOR ELECTIONS ON NOVEMBER 3, 2026**
The Board will consider two resolutions and related materials required to properly engage the County of Santa Barbara for election services for the upcoming General Election to be held on November 3, 2026. Resolution 26-02 ensures that the District pursue a consolidate election process with the County of Santa Barbara. Consolidation essentially allows the County to perform all work on behalf of the District, thereby significantly lowering the cost for the election. Resolution 26-03 is required by the County and addresses Candidate Qualifications and places the cost burden of any statement of qualifications of filing on candidates for LOCSD Board of Directors openings. The positions currently held by Directors Kennedy, Palmer, and Parks are up for election.
General Manager's recommendation: Adopt Resolutions 26-02 and 26-03 and direct the General Manager, acting in his capacity as Board Secretary when necessary, to file 2026 elections related materials with the County of Santa Barbara as required.
GM Savage walks through a prepared presentation (see website for a copy).

President Kennedy opens the floor to public comment.
No requests speak.

Motion to Adopt Resolutions 26-02 and 26-03 and direct the General Manager, acting in his capacity as Board Secretary when necessary, to file 2026 elections related materials with the County of Santa Barbara as required.
Motion by: Director Fayram, second: Director Parks
Roll Call vote: 4-0

Added item Dam Safety and Climate Resilience Local Assistance Program Letter:
President Kennedy opens the floor to public comment.
Anne Marie Gott speaks.

GM Savage shows the requested letter of support regarding the program to the public and Board.
Motion to authorize the General Manager to submit the template letter, customize it, and authorize the GM to execute it on behalf of the District.
Motion by: Director Palmer, second by: Director Fayram
Roll Call vote: 4-0

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

10. REPORTS

A. SUBCOMMITTEE REPORTS

Finance Subcommittee (President Kennedy Chair) – did not meet
Grants Subcommittee (Vice President Palmer Chair) – did not meet
Project Management Subcommittee (Vice President Palmer Chair) – did not meet, last met April 2025
Technical Subcommittee (Director Fayram Chair) – did not meet
Prop 218 Ad hoc – met to work on workshop related flyer

B. GENERAL MANAGER AND DISTRICT ENGINEER COMMENTS

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

Notable upcoming meeting items:
July – Gann Limit, Tax Assessment Authorization

11. DIRECTORS COMMENTS

Directors will give reports on any meetings that they attended on behalf of the Board and/or choose to comment on various District-related activities. Directors may also request future agenda topics at this time.
Director Fayram – Responds to public comment. He has been working with Assemblymember Hart and Senator Limone regarding funding from the State level.
Director Parks - Nothing
Director Palmer – Nothing
President Kennedy – Comments that the District will continue to push for funding.

12. ADJOURNMENT

Motion to adjourn at: 8:40PM
Motion by: Director Fayram, second: Director Parks
Voice vote: 4-0

Respectfully submitted:

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

Approved:

President (Director) Julie Kennedy