

# LAFCO MEMORANDUM

## *SANTA BARBARA LOCAL AGENCY FORMATION COMMISSION*

105 East Anapamu Street • Santa Barbara CA 93101 • (805) 568-3391 + Fax (805) 568-2249

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April 7, 2022 (Agenda)

TO: Each Member of the Commission

FROM: Mike Prater  
Executive Officer

SUBJECT: Report on Los Olivos Community Services District

*This is an Informational Report. No Action is Necessary*

### DISCUSSION

At the June 3, 2021 meeting, the Commission granted a request from the Los Olivos Community Services District for a Two-Year Extension from the Effective Date of Formation, which will run through April 6, 2023 to complete the Proposition 218 assessment district process.

The condition of formation is set forth in Paragraph B(vii) is 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.**"

The District's letter and agenda packet explains the Board of Directors has continued to work diligently to complete the Proposition 218 assessment process. The District states they are on schedule to complete the election in summer of 2022.

As a condition of the time extension, the Commission requested periodic updates from the District on the update process. The District's Interim General Manager has submitted two most recent updates provided to the residents that summaries the accomplishments.

### Attachments

Attachment A – Los Olivos CSD Update Letter and April 7, 2022 Presentation

Please contact the LAFCO office if you have any questions.

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



Po Box 345, Los Olivos Ca 93441  
Telephone (805) 500-4098  
[www.losolivoscsl.com](http://www.losolivoscsl.com)

March 23, 2022

**Local Agency Formation Commission**

Attention: Mike Prater, Executive Officer  
County of Santa Barbara  
105 East Anapamu Street, Rm 407  
Santa Barbara, CA 93101

**SUBJECT: Los Olivos Community Services District Quarterly Progress Report**

Dear Commissioners:

The District continues to diligently pursue the design, construction and operation of a community wastewater collection and reclamation system. On June 3, 2021 this Commission granted a 2-year extension, until August 6, 2023, for the District to conduct its Proposition 218 benefit assessment election to fund the completion and operation of the wastewater collection and treatment system.

This quarterly update documents the District's progress on its efforts to complete the Prop 218 assessment election. Attached are the two most recent updates provided to the residents of the Los Olivos CSD. They present a summary of accomplishments since the June 2021 meeting with the Commission.

Also submitted with this letter is a summary of accomplishments which we will present at the April 7, 2022 LAFCO Regular Meeting.

Thank you for your continued support of the District and our efforts to improve groundwater quality through implementing a community wastewater management and reclamation solution for Los Olivos. If you have any questions, please contact me at (805) 331-3553 (or [dpik@mnsengineers.com](mailto:dpik@mnsengineers.com)). Our Board President is also available for questions and can be contacted at (805) 680-2336 (or [lisa@lpalmerconsulting.com](mailto:lisa@lpalmerconsulting.com)).

Sincerely,  
Los Olivos CSD

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Douglas Pike  
Interim General Manager

cc: Joan Hartmann, 3rd District Supervisor  
James Bishop, Central Coast Regional Water Quality Control Board  
Lars Siefert, Santa Barbara County EHS

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



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February 10, 2022

Dear Los Olivos Resident:

We hope 2022 is off to a good start for you. Your CSD Board continues to make progress in our efforts to implement the voters' decision to convert the community's individual septic systems to a community wastewater reclamation system that will improve and protect our groundwater quality.

**\$150,000 State Matching Grant Agreement Finalized in January:** At its January meeting, the Board signed our final \$150,000 matching grant agreement with the State; this grant allows us to move forward with much of the planning and design efforts outlined below.

**Wastewater Collection and Reclamation Project Update:** In October, the District Board authorized Stantec Engineering to move forward with the concept and preliminary design of the project. On February 2<sup>nd</sup>, Stantec provided the Board with the Basis of Design report, which is the first step in the preliminary design process for the project. Once approved by the Board, the Basis of Design will provide an outline to guide the project design and development. In March, the Board will receive an updated Basis of Design report from Stantec which should be sufficient to provide the public with a first look at what the treatment and collection system will look like, along with an estimated cost estimate.

**Siting Study:** The District continues to pursue information on potential wastewater treatment package plant siting locations so that an accurate Assessment Engineer's Report and Financial Plan can be prepared (see more about the Assessment Engineer's purpose and report below). The initial site evaluation process is intended to determine a realistic range of expected costs for budgeting purposes, and to see if there are any potential "acquisition opportunities of convenience", meaning potential sites that may include excess right-of-way, or private land that may be offered for sale. To that end, you may recall that the District secured an easement agreement with the County of Santa Barbara in 2019 for a .25-acre parcel located adjacent to the southern border of Mattei's Tavern that could potentially be used in the overall system design and siting process.

To further refine our siting study efforts, last fall the Board directed Stantec Engineering to perform a 3<sup>rd</sup> party assessment of the 18 potential package plant sites first identified in the June 2021 Urban Planning Concepts' Desktop Siting Analysis. Stantec has developed a matrix to rate the sites based on a technical, engineering, and environmental perspective that works best for system operations and the community. The results of the study were provided to the Board at its February 2<sup>nd</sup> meeting and can be found online in the February meeting packet. These efforts will assist in developing estimated acquisition costs for inclusion in the Assessment Engineer's Report as well as identifying the scope for the environmental review and public hearing processes.

**Selection of The Assessment Engineer:** The District anticipates completing the selection of an Assessment Engineer in March. The Assessment Engineer will develop a financial model that will be used to develop estimates for annual property tax assessments for all costs associated with the development and operation of the Wastewater Collection and Reclamation system. The estimates will be based on the Board's efforts

to develop a mix of grant and financing options focused on reducing costs to the District's property owners. Later this year, the Assessment Engineer will detail financing and benefit assessment information in an Engineer's Assessment Report that will be shared with the public prior to the property owner benefit assessment vote required by Proposition 218.

**District Aggressively Seeking Grant Funding:** As mentioned above, the Board President recently executed the funding agreements for the State Grant which will provide up to \$150,000 in matching funds for the preliminary design of the septic to sewer conversion project. The Board has also retained grant expert Greg Jaquez from MNS Engineering to identify and apply for grant funds the District is eligible to receive. Mr. Jaquez and his group have extensive experience in finding grants to fund critical infrastructure projects and have identified a number of prospects including the Clean Water State Revolving Loan Fund, Small Community Drought Relief Program, Sustainable Groundwater Management Program and the recently approved Federal Infrastructure Program. We are also working with Santa Barbara County and are beneficiaries of a \$180,000 funding for preliminary studies. We are working with others, including the Integrated Regional Water Management (IRWM) group, and non-profit Heal the Ocean to develop funding partnerships.

**Return to In-Person Meetings:** After several months of virtual meetings, the District has returned to in-person meetings. Board meetings are held at St Mark's Episcopal Church, 2901 Nojoqui Ave, Los Olivos, CA 93441, in Stacy Hall at 6:00PM on the second Wednesday of the month (with a couple exceptions). Thank you to St. Mark's for welcoming the District to hold our meetings where residents can easily participate. The following 2022 meeting calendar was adopted by the Board:

February 2	March 9	April 13	May 11
June 15	July 13	August 10	September 14
October 12	November 14	December 14	

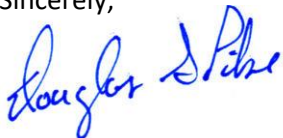
Covid masking and distancing protocols will be followed. Please check the District's Website for Meeting Agendas and materials at [losolivoscscsd.com](https://www.losolivoscscsd.com) or phone us at 805-946-0431.

**Updates are going paperless.** The District is committed to going paperless to the greatest extent possible to save ratepayer funds and paper. This will be the last hard copy update sent to District residents via the U.S. Postal Service due to rising production costs.

If you haven't done so already, please email [losolivoscscsd@gmail.com](mailto:losolivoscscsd@gmail.com) or go to <https://www.losolivoscscsd.com/subscribe> to sign up for email updates. Please encourage your neighbors and other interested community members to sign up as well. Updates will also be available on the District website.

If you have any questions or comments about our District's work, please contact me at [dpike@mnsengineers.com](mailto:dpike@mnsengineers.com) or (805) 500-4098.

Sincerely,



Douglas Pike  
Interim General Manager

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



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October 6, 2021

Dear Los Olivos Resident,

We are moving forward with the public process of converting the community's individual septic systems to a community sewer system – the single purpose for which the district was formed by voters in 2018. The conversion process includes the design, approval, financing, and construction of a community wastewater collection system. A compact, pre-manufactured “package” plant will process the collected wastewater; the reclaimed water will be reinjected to replenish our groundwater and/or reused.

**[State Water Recycling \\$150,000 Matching Grant Funds](#) Approved; District Authorizes Engineering Contractor to Begin Preliminary Design of the Community Wastewater Collection and Treatment System.**

The District hit a big milestone last week with the “green light” from the State to begin using [matching grant funds](#) for the design and planning of our community septic to sewer conversion project. This \$150,000 in state matching funds will assist the district with preliminary design costs on a reimbursement basis. At a [Monday, October 4 special meeting](#), the Board authorized design contractor [Stantec](#) to begin preliminary design of our community system.

As part of its action, the Board also directed Stantec to further evaluate the entire list of 18 potential package plant locations provided in the [June 2021 Urban Planning Concepts \(UPC\) Siting Study](#), in conjunction with the District's geotechnical contractor [GSI Engineering](#), in order to develop recommendations for collection system layout options and potential package plant site or sites based on additional geotechnical, engineering, environmental and economic study and data.

With more design technical facts and information from Stantec, which we expect to have in December 2021, the District Board and property owners can then have an informed discussion about the various design options, ensuring that the ultimate system design and final package plant site selection makes the best sense for the project and the community from an environmental and economic standpoint.

Once the preliminary design is complete, the District can then develop accurate project cost estimates to use in developing the benefit assessment for each property, which will in turn be voted on by property owners sometime in Summer 2022.

**Septic to Sewer Conversion Progress Update.** As required, in September [the district submitted a quarterly update](#) to the [Santa Barbara County Local Agency Formation Commission](#) summarizing the district's progress toward its septic-to-sewer conversion goals, including holding a property owner benefit assessment vote in Summer 2022 to approve the project and its financing.

**Potential Wastewater Package Plant Contractor [Cloacina](#) to Hold Open House First Week of November**

Arroyo Grande-based [Cloacina](#), manufacturer of state-of-the-art stainless steel package wastewater treatment plants and a contractor who will submit a bid to provide services for Los Olivos, is holding

both a virtual and in-person open house November 1 – 5. To learn more about these compact community systems and find out more about the open house see <https://www.cloacina.com/openhouse>.

### **Why Septic to Sewer Conversion?**

- Eliminate costly repairs and maintenance of individual septic systems
- Ease property improvement restrictions imposed by the County due to individual septic system limits
- Increase property values by providing a publicly owned and managed wastewater system which will lead to removal of our Special Problems Area designation
- A locally developed, community-based wastewater solution will be less expensive than a state-imposed solution
- Improve overall groundwater quality

**Go paperless.** If you haven't done so already, please email [losolivoscsd@gmail.com](mailto:losolivoscsd@gmail.com) or go to <https://www.losolivoscsd.com/subscribe> to sign up for email updates. Please encourage your neighbors and other interested community members to sign up as well.

Questions or comments? Please contact me at [robertjerrault51@gmail.com](mailto:robertjerrault51@gmail.com) or (805) 946-0431.

Sincerely,



Bob Perrault  
General Manager

# LAFCO Update: Los Olivos CSD



April 7, 2022

# Steps and Progress to Prop 218 Assessment Vote

## Steps Complete:

- Community Organizing and Outreach
- 2018 District Formation
- Structure, Policies Accounting
- Establishing Partnerships w/Regulatory Agencies





# Steps and Progress to Prop 218 Assessment Vote

## Steps in Work:

- Public Workshops, Project Description, Project Development
- Pursue Funding, Develop Financial Model and Plan
- Technical Studies, Engineering Criteria
- Regulatory Agency Review
- Project Concept/Preliminary Design and Estimate



New to Report  
Since September  
LAFCO Meeting

# Steps and Progress to Prop 218 Assessment Vote

- Initial Studies - Complete or In Work:
  - Wastewater Loading Study & Concept Flow Model Complete
  - Groundwater Monitoring Program Plan Complete
  - Property Owner Onsite Wastewater Treatment System Maintenance Guidelines Complete
- District Participation in County LAMP Update Process In Work
- Grant Research and Applications In Work
- Preliminary Environmental Assessment & Services In Work
- Financial Model (first task of Assessment Engr Report) In Work



New to Report  
Since September  
LAFCO Meeting

# Steps and Progress to Prop 218 Assessment Vote

- **Initial Studies - Complete or In Work (continued):**
  - Preliminary Geotechnical Investigation In Work
  - Project Basis of Design Report Complete
  - Project 30% Design In Work
  - Effluent Disposal Study In Work
- **Funding Success:**
  - County EHS Grant \$180,000 – \$84,530 expended to-date Ongoing
  - Water Recycling Planning Grant - \$300,000/50% Match Ongoing
    - Contract Executed - \$52,160 expended to-date



New to Report  
Since September  
LAFCO Meeting

# Steps and Progress to Prop 218 Assessment Vote

## Steps Remaining:

- Public Workshops (Design, Funding, Assessment Options)
- Seek Construction Grants - Develop Funding Agreements
- Permitting and CEQA
- Hold Benefit Assessment Vote
- Project Advertisement, Award & Construction
- Ongoing Operations and Maintenance



# Questions & Comments



## Thank You