

LAFCO

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

April 6, 2023 (Agenda)

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

Consider Request for Time Extension for the Los Olivos Community Services District to Implement a Proposition 218 Assessment to Fund Wastewater Treatment Facilities

Dear Members of the Commission:

RECOMMENDATION:

That the Commission grant the Los Olivos Community Services District a two-year extension for the implementation of a Proposition 218 assessment to fund wastewater treatment facilities.

DISCUSSION:

The Los Olivos Community Services District has requested that the Commission extend the time limit contained in Commission Resolution 17-04 to implement a Proposition 218 assessment to fund planning and construction work necessary to build a wastewater treatment system for the Los Olivos community. The assessment was due one year after the effective date of the District's Formation. 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 effective date of the District's formation was April 5, 2018; hence the assessment was originally due by April 5, 2019. The District's first request for a one-year extension

Commissioners: Cynthia Allen ♦ Jay Freeman, Vice-Chair ♦ Craig Geyer ♦ Joan Hartmann, Chair ♦ James Kyriaco ♦ Bob Nelson
♦ Jenelle Osborne ♦ Alice Patino ♦ Jim Richardson ♦ Shane Stark ♦ Das Williams **Executive Officer:** Mike Prater

was made on November 14, 2018 and approved by the Commission on December 6, 2018. The District made a second extension request on March 20, 2020 and approved by the Commission on September 3, 2020. The District made a third extension request on March 19, 2021 and approved by the Commission on June 3, 2021. The District has submitted a fourth request in a letter dated March 16, 2023, attached. (**Attachment A.**)

The letter outlines the work done by the District to move forward with the wastewater treatment project. The District is requesting a two-year extension to complete the Proposition 218 assessment process which, if approved, will run through April 5, 2025.

Comment letters have been submitted regarding this two-year time extension request. (**Attachment C.**) The purpose of forming the Los Olivos Community Service District in part was to allow local control to address groundwater quality problems created by septic systems and implement a wastewater management system that would comply with the State Water Board's Water Quality Control Policy. Several governance options were considered before forming the Community Service District, which included but not limited to annexing to the Santa Ynez CSD, forming a new CSA, lastly, annexing into the Santa Ynez River Water Conservation Improvement District No. 1 as alternative options. LOCSD is comprised of 441 acres in the unincorporated area of the County of Santa Barbara within the Santa Ynez Valley. The estimated population is 1,132 people with approximately 346 dwelling units. The LOCSD was formed with 42.5 percent of the registered voters signing the petition to form. The Election vote in 2018 was 73.4% in favor of forming. In light of the District's efforts and goals for the formation to address the area concerns, Staff recommend the request be approved.

Attachments

Attachment A - Request for Two-Year Extension letter from Los Olivos CSD dated 3/16/23

Attachment B – LOCSD March 2023 Status Update Report

Attachment C - Public Comments dated 3/21/23 Central Coast Regional Water Quality Control Board

Please contact the LAFCO office if you have any questions.

Sincerely,

A handwritten signature in blue ink, appearing to read "M Prater".

Mike Prater
Executive Officer

Tom Fayram, President
Brad Ross, Vice-President
Julie Kennedy, Director
Lisa Palmer, Director
Greg Parks, Director

Guy Savage, General Manager



PO Box 345
Los Olivos, CA 93441
www.losolivoscscsd.com

March 16, 2023

Local Agency Formation Commission
Attention: Mike Prater, Executive Officer
105 East Anapamu Street, Room 407
Santa Barbara, CA 93101

SUBJECT: Los Olivos Community Services District - Project Progress and Request for Proposition 218 Extension

Dear Commissioners:

As you may recall, LAFCO officially issued a Certificate of Completion in the formation of the Los Olivos Community Services District (LOCS D) on April 5, 2018, following the successful County certified vote on January 30, 2018. Subsequently, on June 3, 2021, your Commission approved a LOCS D request 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. The LOCS D is returning to your Commission at this time to request an additional extension.

The District continues to make steady progress towards a community wastewater collection and treatment solution. As shown in the attached March 2023 District Update (see Attachment 1), recent LOCS D efforts include:

- Obtaining the First New Los Olivos Groundwater Monitoring Well Data in 30+ Years
- Completing an Effluent Disposal Study
- Holding a Regional Water Quality Control Board and Santa Barbara County Environmental Health Services Community Workshop
- Hosting a Wastewater Solutions Community Workshop
- Engaging an Independent Engineering Firm to Make a Community Wastewater Solution Recommendation

The above efforts come after the LOCS D completed a draft assessment model (fair share assessment) for the district, completed a 30% design for a gravity-fed collection system to a membrane bioreactor treatment facility, and hosted a number of educational workshops for the community. In addition, the LOCS D is engaged in contract conversations with Padre and Associates to perform Environmental Impact Review for our future project.

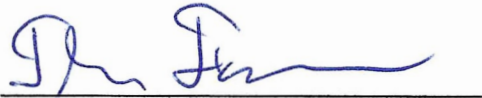
As recent efforts show, the LOCS D is diligently working towards a community wastewater solution. Progress has been slower than we had hoped, but we are making steady progress. We are a small district, with only 391 parcels and annual revenues just over \$200,000 (roughly \$500

per parcel). Consequently, we are carefully managing our efforts to maximize the limited funding available. Moving forward, we anticipate needing more funding, particularly Federal, State, and local grants, to complete the necessary engineering, review, outreach, and research studies required to achieve a successful Proposition 218 assessment vote. To that end, the LOCSD recently formed a Grants/Financing subcommittee to research and find grant opportunities that will help us complete the needed studies. To date, the LOCSD has obtained two grants: County Environmental Health Special Funds - \$180,000 and State Water Board SRF Water Recycling Funding Program \$150,000.

As demonstrated above we continue to make substantial progress toward implementing a community wastewater solution. Yet we still have significant work to do in order to get to an informed and successful Prop. 218 benefit assessment vote. It is our intent to conduct additional community outreach, define a final project, identify construction grant opportunities, complete environmental review, and execute a full Proposition 218 process within the requested extension timeline. We therefore respectfully request that the LAFCO Board of Director's receive this progress report and extend the LAFCO Resolution deadline to conduct the District's Prop 218 proceedings for two years. During the extension, we will continue to submit biannual updates to your Board. We ask for this extension to maximize the probability of a successful Prop 218 proceeding for the District.

Thank you for your consideration and continued support of the Los Olivos CSD and our efforts to improve our groundwater quality with the implementation of a community wastewater management solution. If you have any questions, please contact me at (805) 448-7033 (or tom.fayram.locsd@gmail.com) or Guy Savage, General Manager, at (805) 500-4098 (or gm.locsd@gmail.com.)

Sincerely,



Thomas Fayram
President, Board of Directors LOCSD

cc: Joan Hartmann, 3rd District Supervisor
Matt Keeling, Central Coast Regional Water Quality Control Board
Lars Siefert, County EHS Director

Thomas Fayram, President
Brad Ross, Vice President
Julie Kennedy, Director
Lisa Palmer, Director
Greg Parks, Director



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DISTRICT UPDATE MARCH 2023

The LOCSO continues to diligently gather information and cost estimates for possible wastewater treatment solutions. A few highlights since our November 2022 update:

- First New Los Olivos Groundwater Monitoring Well Data in 30+ Years
- Effluent Disposal Study Completed
- Regional Water Quality Control Board and Santa Barbara County Environmental Health Services December 2022 Community Workshop
- January 2023 Community Workshop to Better Understand Community Priorities
- Engaged Independent Engineering Firm to Make a Community Wastewater Solution Recommendation – Due February 2023
- New Grants Ad Hoc Committee Established

Your Board is steadfast in its commitment to implement a cost-effective wastewater treatment solution that benefits all LOCSO residents, property owners, and our business community. Any final wastewater treatment and water reclamation solution put forth by the Board will be the result of significant community input and is subject to a vote by District property owners in accordance with Proposition 218.

Groundwater Monitoring Well Update

In November, the LOCSO placed two groundwater monitoring wells near the northwest and northeast corners of the LOCSO. The approximate well placements are shown in the image below.



Water quality sample test results from the two groundwater monitoring wells were received in January. The results were as follows:

- Well #1 (MW-1) reported “nitrate as N” at 2.6 mg/L (12 mg/L as N03)
- Well #2 (MW-2) reported “nitrate as N” at 10 mg/L (45 mg/L as N03)

The “nitrate as N” maximum contaminant level (MCL) for drinking water in the State of California is 10 mg/L. This means that MW-1 was below MCL, while MW-2 was right at MCL.

A copy of the hydrologist’s report on the drilling of the wells, including a summary of water quality sample test results can be found at:

https://www.losolivoscscsd.com/files/23a90eb1c/Well_Construction_TM_MW1_and_MW2.pdf

A copy of the LOCS D’s full groundwater monitoring plan can be found at:

<https://www.losolivoscscsd.com/files/61f8f5301/Groundwater+Monitoring+Plan+GSI+3.22.2021.pdf>

With these first water quality sample test results now in hand, your District Board of Directors held a discussion about the timing of additional sampling and potential need for additional wells at its February Regular Board meeting. Your Directors general agreed that quarterly sampling and additional wells are needed. The challenge facing the Board is that additional wells and sampling are expensive propositions, and that without an additional funding source, sampling and drilling of additional wells will have to put behind activities that more directly solve our groundwater problem. The District will pursue funding assistance for continued monitoring work.

Effluent Disposal Study

The term “effluent” has different meanings depending on the context. The effluent disposal study received in December 2022 addressed what should be done with the “treated water” (aka effluent) that will be produced by our sewage treatment plan. The study was completed by a team of consultants from GSI Water Solutions, Inc. and Confluence Engineering Solutions. The study examined, in detail, five alternatives for effluent disposal:

1. Percolation Chambers
2. Percolation Ponds
3. Direct Injection into the Shallow Groundwater Aquifer
4. Alamo Pintado Creek Outfall
5. Reuse (Recycled Water)

As part of their examination, the consultants determined that Reuse (Recycled Water) was not an option that should be considered wholly separate from other potential uses. Instead, they recommended that this approach be coupled with other disposal approaches.

Following their research, the consultants recommended Percolation Chambers or Percolation Ponds, possibly combined with Reuse, as the preferred approaches for effluent disposal for the LOCS D. They recommended these approaches for the following reasons:

- Lowest permitting and effluent quality requirements of the primary alternatives evaluated.
- Visual social impacts of percolation ponds can be mitigated with percolation chambers, if desired.
- Limited construction or operational complexity.
- Lowest capital and operations & maintenance costs of the evaluated alternatives.

December 2022 Regulatory Workshop

Over the past several months, we have held public workshops or meetings to discuss topics such as gravity-fed sewer collection, septic tank effluent pump (STEP) systems, advanced on-site treatment, membrane bioreactor (MBR) treatment plants, plant siting, and associated project costs. Representatives from the [Central Coast Regional Water Quality Control Board](#) and the [County of Santa Barbara Environmental Health Services](#) organizations participated in a LOCS D focused workshop in December. The workshop was part an on-going effort to better educate community members about the regulatory requirements and expectations for any community wastewater solution. Following presentation by each organization, a robust question and answer period was held to help us all better understand the organization’s role(s) in regulating water quality.

January 2023 Public Workshop

The LOCS D held a facilitated community workshop to better understand what is important to you in

January. As part of the workshop, attendees were asked to rank their general preferences related to future wastewater treatment and disposal efforts. Attendees were also asked to rank the importance of each of the topics discussed. Interested parties who could not attend the meeting in person were asked to fill out an on-line Google form survey. The survey is still available should you want to take it and can be found at: <https://forms.gle/aReVraSGufqwHxXZ7>.

The workshop was attended by nearly 60 community members, representing approximately 53 properties in our community. Survey results, including those submitted on-line, were tallied. Based on the survey, the following rank ordering for general interests resulted, where 1 is the highest priority for survey takers:

1. Construction Costs
2. O&M Costs
3. Ownership / Maintenance Responsibility
4. Location
5. Growth Inducement Potential
6. Potential to Generate Odors
7. Treatment Plant Size
8. Impact to Viewshed
9. Innovation in approach
10. Other

Attendees also ranked their preferences related to effluent disposal. Their preferences, in order, were:

1. Percolation Chambers
2. Reuse (Recycled Water)
3. Percolation Ponds
4. Shallow Aquifer Injection
5. Alamo Pintado Creek Outfall

These preferences, coupled with the discussion that followed, suggest that attendees would like the LOCSD to pursue a combination of Percolation Chambers and Reuse.

ABOUT THE DISTRICT: The [Los Olivos CSD](#) was formed by voters in 2018 to give Los Olivos residents and property owners within the district local control over how to provide a funding mechanism for the construction and operation of the facilities needed to collect, treat, and dispose of sewage, wastewater, and recycled water in Los Olivos.

Stay Informed: I hope you are attending our monthly meetings in person or virtually to stay current with our information gathering efforts and future deliberations about the best solution for Los Olivos. This is the most effective way for you to stay informed, to ask questions and get answers, and to ensure your ideas and concerns are heard. We post video of all meetings on our website should you be unable to attend a meeting in person.

Check the District's Website for meeting agendas and materials at losolivoscscd.com or phone us at 805-500-4098. You can also email the General Manager at gm.locsd@gmail.com.

Visit <https://www.losolivoscscd.com/subscribe> to sign up for email updates. Please encourage your neighbors, property owners and other interested community members to sign up as well.

If you have any questions about our District's efforts, please contact Guy Savage, General Manager, at gm.locsd@gmail.com or call him at (805) 500-4098.

From: Hernandez, Christine@Waterboards <Christine.Hernandez@Waterboards.ca.gov>
Sent: Tuesday, March 21, 2023 3:11 PM
To: lafco@sblafco.org
Cc: jHartmann@countyofsb.org; gm.locsd@gmail.com; lars.seifert@sbcphd.org; tom.fayram.locsd@gmail.com; Gray, Jane@Waterboards; Packard, Harvey@Waterboards; Epp, Jennifer@Waterboards; WB-RB3-WDR; Blancarte, Cecile@Waterboards; Keeling, Matt@Waterboards
Subject: Conditional Letter of Support for the Los Olivos Community Services
Attachments: LOCSD LAFCO 218ext rqst.pdf

**Conditional Letter of Support for the Los Olivos Community Services
District's Request for Proposition 218 Extension**

The Central Coast Regional Water Quality Control Board is increasing its efforts to transmit correspondence and other information electronically, reducing the amount of paper used, and increasing the speed of which information is distributed. Therefore, you are receiving the attached correspondence for the subject site from the Central Coast Water Board in a Portable Data Format (PDF) format. If you need help opening this document, please refer to the link below;

<http://www.adobe.com/products/acrobat/readstep2.html>



Central Coast Regional Water Quality Control Board

March 21, 2023

Local Agency Formation Commission
lafco@sblafco.org
Attention: Mike Prater, Executive Officer
105 East Anapamu Street, Room 407
Santa Barbara, CA 93101

SUBJECT: Conditioned Letter of Support for the Los Olivos Community Services District's Request for Proposition 218 Extension

Dear Commissioners:

Please accept this letter as our conditional support of the Los Olivos Community Services District's (District) March 16, 2023, request for a Proposition 218 assessment process extension. As you know, the District is pursuing a community wastewater system alternative to address groundwater nitrate contamination associated septic systems within the Los Olivos Community as originally identified by Santa Barbara County in 1974 when the Los Olivos area was designated as a Special Problems Area for septic systems. The Central Coast Water Board's 1989 Water Quality Control Plan for the Central Coastal Basin (Basin Plan) also identified Los Olivos as an area needing wastewater management planning due to nitrate loading from septic systems. It is the Central Coast Water Board's longstanding position that a community wastewater solution is necessary for the Los Olivos community's benefit and viability, consistent with the County's priority dating back almost 50 years.

This is the District's second Proposition 218 assessment process extension request for the community wastewater system alternative since the District was formed in 2018. Although we appreciate the efforts of the County over the last several decades and that of the District more recently to evaluate the feasibility of a community wastewater system, addressing this significant issue requires expeditious action on behalf of the District and County without further delay. As conditions of the Commission's approval of the extension, we recommend the District be required to 1) develop and provide an assessment process implementation schedule to be completed within the extension period, and 2) provide quarterly updates, instead of biannual updates, documenting implementation of the assessment process towards the objective of realizing a community wastewater system.

The Central Coast Water Board will continue to support the wastewater system evaluation and community engagement process in coordination with the County and

JANE GRAY, CHAIR | MATTHEW T. KEELING, EXECUTIVE OFFICER

District to help achieve the long overdue objective of protecting the Los Olivos community's water supply and achieving a sustainable water future.

For questions regarding this correspondence, please contact Matthew Keeling at matt.keeling@waterboards.ca.gov or (805) 549-3140.

Sincerely,

Matthew T. Keeling
Executive Officer

cc: (electronic mail only)

Tom Fayram, President, LOCSD
Guy Savage, General Manager, LOCSD
Lars Seifert, Santa Barbara County Environmental Health Services Director
Joan Hartmann, Santa Barbara County Third District Supervisor
Jane Gray, Central Coast Water Board Chair
Harvey Packard, Central Coast Water Board
Jennifer Epp, Central Coast Water Board
Cecile DeMartini, Central Coast Water Board
RB3-WDR@waterboards.ca.gov