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May 31, 2016

SANTA BARBARA LAFCO COMMISSION 105 E. Anapamu Street Santa Barbara. CA 93101

RE: June 2, 2016 Agenda - Business Item 3a - Request by Santa Ynez CSD to Include Los Olivos in the District's Sphere of Influence

Dear LAFCO Commissioners:

Heal the Ocean has engaged both Dudek Environmental Engineering and RMC Water, Santa Monica to successfully access Proposition 1 monies for facilities upgrade planning grants and facilities planning grants for various water and wastewater districts in Santa Barbara County. **Attached** is the Dudek letter to HTO describing the eligibility of SYCSD to apply for Prop 1 Funding for a (satellite) wastewater recycling plant for Los Olivos.

It is important to note the word "satellite." This is for a decentralized plant that would be built and operated by SYCSD for Los Olivos - there is no sewer line going from SYCSD up to Los Olivos. What is being discussed for Los Olivos is a "pocket plant."

It is with GREAT chagrin that after all the 17 years of trouble HTO went through to bring the Rincon septic-to-sewer project to fruition, we are now looking at the same mess of problems, only worse. In the case of Rincon, the process was driven by the homeowners, who wanted the project but who had to fight off the detractors. In the case of Los Olivos, the process is being driven by the detractors, who are the minority but who have gained the ear of LAFCO's executive director as well as a County Supervisor whose mandate is to look out for the welfare of her constituents.

The welfare of Los Olivos constituents is at risk because of the following:

- Los Olivos has been defined as a "Special Problems" area for septic system use;
- The Regional Water Quality Control Board has its eye on Los Olivos for regulation;
- As of January 1, the Local Area Management Plant (LAMP) mandates that where any septic system that fails in the Los Olivos Problem Area, the owner is required *REQUIRED* to install an advanced system, which comes with a price tag of \$40,000 and requires annual inspection. (This requirement has been confirmed more than once with County Environmental Health Services (EHS) Director Larry Fay.)

As compared to this hefty \$40K price tag for an advanced septic system, EHS paid for a sewer study in 2013 (AECOM) which estimates the per-property cost for sewer service at

\$25,000. With a Proposition 1 grant, together with low-interest State loan of 2% or less as the "match," the per-property cost would be less than \$20,000.

About 140 Los Olivos citizens have petitioned SYCSD to be annexed into the District, for the purpose of gaining sewer service (Attachment 2), to get them out of the threat of regulation.

In addition, to determine the level of interest of homeowners in switching to public sewer, Heal the Ocean sent out questionnaires to every household, and the returned questionnaires were highly favorable toward moving forward.

Meanwhile, a small group of Los Olivos citizens have formed the "LOS OLIVOS 'WASTEWATER RECLAMATION" STEERING COMMITTEE" for the ostensible reason that Los Olivos does not want to "lose control" of its destiny. Even after copious explanations of citizen protection by the voting procedures required both at LAFCO and by Prop 218, this group has been making demands that do not represent the wishes of the community. Some original members who attended these committee meetings have quit because of misrepresentation.

It is important to note that by whatever name it calls itself, this group is *not a legitimate* steering committee. It is not run by any government agency, there are no noticed agendas or minutes. Neither LAFCO, or EHS, or any County Supervisor should be acting on the demands of this small group of detractors!

To illustrate a legitimate Steering Committee: in the case of the LAMP, EHS called out to members of the community, making sure all factions were represented (realtors, plumbers, environmentalists, etc). It ran regular meetings, disseminated minutes and the group met regularly for at least a year. To refer to the "Wastewater Reclamation Steering Committee" as a responsible citizen's group making responsible input into a responsible process - is wrong.

Your staff letter for this item today states, "For several years, Los Olivos residents and property owners have been proposing a special district..." This is not true.

It also states, "the community of Los Olivos wishes to maintain a separate identity and is looking at forming a community services district...." This is also not true.

LAFCO is now being called upon to consider "a pending proposal to form a Los Olivos Community Services District." Since when did LAFCO consider "pending proposals?" There is not a complete application here for LAFCO to consider. This should not be on the agenda. And the County (i.e. EHS) should not be paying for the process by which this group gets an application on the agenda.

It takes years to form a CSD. Prop 1 funding will be gone by then. Even if a CSD could be formed overnight, it has no credit and the state will not give it funding, nor a low-interest loan. With its actions, this minority group could costs the citizens of Los Olivos a LOT of money, and the septic systems will still be there, exposing the citizens to expensive regulatory action.

Particularly egregious is the fact that EHS has acquiesced to this "Steering Committee" request to pay for a \$54,000 "Focused Feasibility" Study - which is required if they are to proceed with their own CSD. This is a dreadful waste of County money. HTO asked EHS not to agree to the contract, but we were ignored.

We explained to EHS that SYCSD had offered the "Steering Committee" group to take a seat at the Proposition 1 engineering table, for a \$150,000 feasibility study that would have been paid for by the State and by SYCSD (\$75,000 each). SYCSD told the group that the process would include its concerns - everything they wanted in this "Focused Feasibility" study. EHS was told that the State/SYCSD feasibility study would also lead to the Prop 1 application for construction funding (35% of costs, up to \$14 million) - but their answer was NO.

This waste of money and time, at the behest of a few people worried about "control" is reprehensible.

Since the citizens of Los Olivos have not had a decent forum to express their wishes, Heal the Ocean is asking LAFCO to immediately agree to SYCSD's request to include Los Olivos in the District's Sphere of Influence. In this way the following can start:

- o Open and transparent citizens meetings
- o The start of planning and engineering options
- o Economics pinned down

And there is always a VOTE at the end of the process.

Finally, and most importantly: SYCSD has offered to build the plant, get it running, then if/when the Los Olivos CSD gets its CSD together, SYCSD will "turn over the keys." Meaning, Los Olivos can detach from SYCSD through LAFCO vote, and pay SYCSD a sewer fee for running the plant.

It should be noted that when this was explained to the leader of the "Steering Committee," the answer was back in 32 minutes and the answer was No.

This illustrates that the "Steering Committee" is a fancy term for the actions of one individual, perhaps a few. This silliness must stop immediately.

Please approve the SYCSD request to include Los Olivos in the District's Sphere of Influence. The time to act on getting the septic systems out of Los Olivos is NOW.

With very best regards,

Idle of Houser

Hillary Hauser, Executive Director

DUDEK

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March 1, 2016

Hillary Hauser Heal the Ocean 1430 Chapala Street Santa Barbara, CA 93101

SUBJECT:

Feasibility of Grant Funding Support Services and Generation of a Grant Application for a Recycled Water Facilities Planning Grant and Grant Funding Support Services and Generation of a Grant Application for a Recycled Water Facilities Construction Grant

Dear Ms. Hauser:

Thank you for the opportunity to opine on the eligibility of Prop 1 Funding for a (satellite) wastewater recycling plant for Los Olivos that can be accessed by Santa Ynez Community Services District to build the plant. Dudek opines that this is an eligible project for Prop 1 funding. The two programs are outlined in greater detail below.

Facilities Planning Grant Program

The Water Recycling Funding Program (WRFP) provides grants to assist public agencies and tribal entities in funding facilities planning studies to determine the feasibility of using recycled water to offset the use of fresh/ potable water from the state and/ or local supplies. The grant will cover 50 percent of the eligible costs up to a maximum of \$75,000 or \$150,000 for a complete feasibility study including a 50% requisite match. A facilities planning report must include an analysis of all of the essential components of the projects, including:

- A detailed evaluation of the selected alternative for a water recycling project;
- A draft environmental documentation (as applicable);
- A draft Construction financing plan; and
- A preliminary recycled water market assurances.

Disbursement of 50% of the total estimated grant will be made upon approval of a draft facilities plan. A final disbursement will be processed after SWRCB staff approval of the final Facilities Planning report.

Construction Funding Application

In addition to facilities planning, the Water Recycling Funding Program (WRFP) provides grants and low interest loans to public entities and tribal entities to fund recycled water infrastructure and construction

activities. This application is considerably more involved, but is made up of four (4) attachments: the General Attachment, Financial Attachment, Technical Attachment and Environmental Attachment.

It should be noted that the scope of work outlined above would be the actual work completed in the feasibility study and would prepare the Santa Ynez CSD with the requisite components to complete construction and will be used for a construction application.

- Review of all applicable background documentation to support the application and to provide to the SWRCB as applicable; and
- In coordination with appropriate staff, preparation of all entire application and submittal of Application through FAAST.

The following tasks are anticipated up to complete the tasks of preparation and submittal of Attachments for the construction application through FAAST.

- Discussions and liaising with Santa Ynez CSD staff on the scope and contents of the four (4) attachments enumerated above for the selected recycled water construction project(s).
- Review of all applicable background documentation to support the application and to provide to the SWRCB as applicable;
- In coordination with appropriate staff, preparation of all entire application and submittal of Application through FAAST.

ASSUMPTIONS

Based on the tasks above, Dudek anticipates being provided all relevant background material in order to prepare a technically competent and competitive application. Dudek also anticipates review of all materials by Santa Ynez CSD prior to SWRCB submittal.

COST ESTIMATE

Given the scope of work outlined above, we propose that work be billed on a "time-and-materials" up to a maximum and not to exceed budget of \$8,600. If you have any questions regarding this proposal or require additional information, please contact me at (805) 308-8531. I may also be e-mailed at igray@dudek.com. If this letter contract proposal is acceptable to you, please sign below and return a copy of this letter to me at your earliest convenience. I look forward to working with you on this project.

Sincerely,

Regional Planner/Project Manager

AUTHORIZATION Signature of Client or Signature of Authorized Representative: Hillary Hauser Date

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Barbara Sutclyte	Barbara Sutcliffe
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of the Los Olivos Special Problem Area wish to advise LAFCO that we support the Santa Ynez Community Service District's effort to include Los Olivos in it's sphere of influence to provide Los Olivos with wastewater treatment services. WINSTON CRAVEN homas 6. Signature Signature Signat Signature Printed Name Signature Signature Signatur Signature

We the undersigned Residents, Registered Voters and Property Owners

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Signature [+ []]	Printed Name
Signature , ,	VICTOR WELKER Printed Name
Billy	Bonta Welker
Signature	Printed Name
M/ N+	Rosert Jeppesen
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/ Karling Deing	Martine J. Surey
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