

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



**LOS OLIVOS COMMUNITY SERVICES DISTRICT
GRANTS SUBCOMMITTEE MEETING**

Posted: 7-17-2023

July 20, 2023 – 9:00 AM

**St Mark's in the Valley Episcopal Church
2901 Nojoqui Ave, Los Olivos CA 93441**

Please observe decorum and instructions from the Subcommittee Chair

Subcommittee Members: Director Kennedy, Director Parks, and General Manager Guy Savage

This meeting will be held both in-person and electronically via Zoom Meetings. In-person the meeting will be held at the following locations:
St Mark's in the Valley Episcopal Church, 2901 Nojoqui Ave, Los Olivos CA 93441

The public will also be able to hear and participate electronically via Zoom by using the following links:

Zoom: <https://us06web.zoom.us/j/81937722522?pwd=SWpSU0RYZFliZTBiNGphZG41TGs4dz09>
By Phone: +1 669 900 6833 US (San Jose) Meeting ID: 819 3772 2522 Passcode: 914085
One tap mobile: +14086380968,,81937722522#,,,,*914085# US (San Jose)

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MEETING AGENDA

1. CALL TO ORDER

General Manager Savage called the meeting to order at: 9:00AM.

2. ROLL CALL

Attending: Director Kennedy, Director Parks, GM Savage

Absent: None

3. PUBLIC COMMENTS

Members of the public may address the Subcommittee on any items of interest within the subject matter and jurisdiction of the Subcommittee but not on the agenda today (Gov. Code - 54954.3). The public may also request future agenda topics at this time. 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 may be referred to District staff for discussion and possible action at a future meeting.

General Manager Savage asks if there is any Public Comment.

None

ADMINISTRATIVE ITEMS:

All matters listed hereunder constitute an administrative / consent agenda and will be acted upon by a single vote of the Subcommittee. Matters listed on the Administrative Agenda will be read only on the request of a member of the Subcommittee, in which event the matter may be removed from the Administrative Agenda and considered as a separate item. A single public comment period will be heard for all the matters on the Administrative Agenda. **GM Savage notes that while this is on the agenda, there is nothing in this section of the agenda for this meeting. In the future, this is where minutes approval and similar items will appear.**

Los Olivos Community Services District, P.O. Box 345, Los Olivos, CA 93441, (805) 500-4098
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BUSINESS ITEMS:

All matters listed hereunder will be acted upon separately and public comment will be held for each item.

4. SELECTION OF A SUBCOMMITTEE CHAIR

The Subcommittee will select a chair who will preside over meetings and lead the reporting on Subcommittee activities at full Board of Directors meetings.

Director Parks asks Director Kennedy if she would serve as subcommittee chair. Director Kennedy indicates she would if nominated.

General Manager Savage asks if there is any Public Comment.

None.

Directors discuss willingness to serve as Chair.

Director Parks nominates Director Kennedy for Subcommittee Chair, Second: GM Savage

Under discussion, GM Savage clarifies what the role of a Subcommittee chair includes: run the meetings, ensure public input, sign meeting minutes when approved, and take the lead when reporting on Subcommittee activities to the full Board of Directors.

Voice vote (3-0)

5. CONSIDERATION OF A REGULAR MEETING DATE AND TIME

The Subcommittee is slated to meet on as as-needed basis. As part of this item, the Subcommittee will discuss the possibility of setting a regular (quarterly?) date and time for its meetings. Final selection of dates and times will be subject to the availability and confirmation of a suitable facility.

GM Savage introduces the item by recommending the Directors consider pairing the Grants Subcommittee with the Finance Subcommittee meetings, on a quarterly basis, to minimize the impacts to Director Kennedy (who sits on the Finance Subcommittee). The Directors talk about what would be a good start time for the Grants meeting. Director Parks points out that additional meetings can be held and that, if necessary, a 9:00AM start time could be adjusted in the future to better fit with the Finance Subcommittee meetings.

Direction is provided to staff to set the regular meetings of the Grants Subcommittee on a quarterly basis for 9:00 AM on the same day as the Finance Subcommittee meetings.

Director Kennedy opens the floor to Public Comment.

None.

6. DISCUSSION OF WATER FX (WFX) PROPOSAL

The Subcommittee will discuss and consider making a recommendation on the attached engagement proposal and resolutions. As part of its submittal to the District, WFX also included a link to a water related video:

<https://youtu.be/I5cH6sm77-l> that may be discussed.

Director Kennedy opens the floor to Public Comment.

None.

General Savage provides an overview of two separate, but related efforts. The first, which might be funded through Water Finance eXchange (WFX or WaterFX) and includes a more regional approach whereby the District would contract with an engineering firm to do a "30% design" related to connecting to Solvang's WWTP. The other effort, which is the next agenda item, would include a contract with an engineering firm to complete a "30% design" on a District specific collection and treatment system. The latter would include a community hybrid collection/treatment system that is connected to a District-owned and operated MBR solution. The former might include initial separation of large waste and grit, and then send "full strength" wastewater to Solvang. Director Parks asks if GM Savage has spoken to Solvang. GM Savage responds that he has not.

Rogelio Rodriguez, WFX, is asked to comment on their proposal. Mr. Rodriguez speaks to a focus on "what is the best option?" He doesn't attempt to define the best option, instead he acknowledges that looking at both possible solutions and providing the information to the Board and public would be a good approach. He notes

that a regional collaboration could be a great opportunity for State funding. Mr. Rodriguez then comments on the MHI evaluation (which they have funded in other jurisdictions) which could help maximize grant opportunities. After prompting by GM Savage, Mr. Rodriguez adds that WFX has a revolving pre-development fund that uses philanthropy funding to provide funds that helps jurisdictions get technical assistance to get started, ultimately resulting in better projects that get done. The funding allows Districts to remove a barrier – funding to complete early engineering studies. From an approach perspective, WFX provides the funding up front; but they like to get it back so the funds can then be used in another jurisdiction. He adds that signing the agreement with WFX essentially demonstrates the District’s commitment to partnering with them to help find funding. He adds that to the District the funding “is essentially a net-net zero.”

GM Savage asks about the amount of pre-development funding that is available. Mr. Rodriguez responds that a traditional cap for engineering / design is \$250,000; but, he isn’t sure what will be needed. He acknowledges that different communities need different levels of funding; adding that flexibility can be important. He notes there are organizations such as RCAC that might be able to bring more funding to the table.

GM Savage asks about the process WFX likes to use. Mr. Rodriguez responds that they will also help with administrative capacity. WFX will seek guidance from the District about who they should talk to and WFX will use those contacts to help define project goals and actual project, plus engineering design costs. For example, a focus on a 30% design. Mr. Rodriguez adds that they can provide financial analysis as a way to help with the decision-making process.

Director Parks asks if we have to wait until August to move this forward. GM Savage responds that we most likely do need to wait. First off, the Subcommittee cannot commit the full Board to a contract such as that presented by WFX. The full Board could schedule a special meeting, but given August vacation schedules, GM Savage says that finding a date and time would be difficult.

Mr. Rodriguez describes the difference between them as a technical assistance provider, which includes supplementing administrative capacity, and the predevelopment grant funds that they can bring to the table. He reemphasizes that they ideally would get reimbursed for those funds.

Director Kennedy reopens the floor to Public Comment.

Kathryn Rohrer speaks.

Motion to recommend to the full Board of Directors that the District enter into an agreement with Water FX, after getting input from Counsel.

Motion by: General Manager Savage

Motion fails due to a lack of second.

Director Parks asks if there are more specific contracts that the Grant Subcommittee could review. Mr. Rodriguez responds that the agendaized documents are it. If the District wants to obtain pre-development funding, there is an additional agreement document.

Director Kennedy asks more questions about the WFX engagement letter. WFX responds that their technical assistance is just that. The agreement covers anything they can help with; and could include the POLO approach. It will be based on the District wants, desires, and direction. They will do financial analysis, help apply for grants, whatever the District wants. Upon further questioning from Director Kennedy, Mr. Rodriguez clarifies that the agreement documents are for their technical assistance. He adds there isn’t really an agreement document for the pre-development funds – but the two are different and separate.

Director Kennedy asks about the revolving pre-development funding, asking what is the downside for District? Mr. Rodriguez responds that they ask that the District pay it back. He adds that the District should not view it as an “all or nothing” – instead they will help us obtain funding.

The subcommittee discusses what might be the best next step to move this forward.

Motion to recommend to the full Board of Directors that the District enter into a technical assistance agreement letter, including the attached resolution, with Water FX, as reviewed legal.

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**Motion by: Director Kennedy, Second: Director Parks.
Voice vote (3-0).**

Director Kennedy reopens the floor to Public Comment.
Kathryn Rohrer speaks.

Voice vote (3-0) on Director Kennedy's motion.

Mr. Rodriguez says they are open to having individual conversations as needed. Their focus is on being open and transparent.

7. PRESERVATION OF LOS OLIVOS (POLO) GRANT OPPORTUNITY

The Subcommittee will discuss and consider making a recommendation on the offer from the Preservation of Los Olivos (POLO). POLO has offered the District up to \$75,000 in gift grant funds (no match required) to help complete a technical study and cost estimate of a hybrid collection system. The system would include a mix of advanced on-site, Septic Tank Effluent Pumping (STEP), gravity-fed collection, and Membrane Bioreactor (MBR) treatment as a wastewater treatment solution.

GM Savage introduces the item. He notes that the POLO approach is primarily focused on a community-based solution, that includes hybrid collection / treatment, with advanced on-site treatment for some parcels. He adds that the POLO approach would include an on-site visit by Regen that would serve as a kick-off to the effort. While Regen is here, they would have meetings with CCRWQCB and County EHS. Part of the effort would provide the flexibility for Regen (or whoever is hired to do the work) to "value engineer" any solution. So, the engineering would start with what is provided by the District (via the Technical Subcommittee), but the firm could recommend changes that might save property owners money or be a better engineering solution without significant additional costs. GM Savage describes the process of how the process would work: POLO would define a scope, POLO would give the District the funding, the District would accept the funding, then the District would contract with the engineering firm to complete the work. The District would provide project oversight throughout to help manage the scope.

Director Kennedy opens the floor to Public Comment.
Kathryn Rohrer speaks.

GM Savage responds to the Public Comment. As part of his commentary, he notes the differences, and some of the overlaps, between the connection to Solvang project and what is being proposed by POLO. He adds that the POLO project would leverage the Stantec work to help get us to an "apples-to-apples" 30% design comparison. He reminds everyone that any wastewater solution includes: collection, treatment, and disposal. Both the Solvang and POLO projects would focus on collection. Since the POLO project would include STEP, some treatment will be included.

Director Kennedy notes additional differences between the two different projects and the process used. She comments that it would be good to get WFX involved in helping to provide analysis on this effort as well.

Director Parks comments on the overlap between the two efforts.

Director Kennedy comments on the costs and wonders aloud if Regen can do the full 30% design outlined for \$75,000. GM Savage responds that he believes Regen can do it for that amount.

Director Parks talks about using someone like Regen to determine what would be the best technical solution. GM Savage responds by noting the rubric that was created earlier in the year and that the District does have a Technical Subcommittee that should be leveraged, coupled with the engineering firm's value engineering efforts to get to the best solution.

Motion to recommend to the full Board of Directors that the District enter into an agreement with POLO to help get to a 30% design on a hybrid solution, as put forward by the Technical Subcommittee and reviewed legal Counsel.

**Motion by: General Manager Savage, Second: Director Kennedy.
Voice vote (3-0).**

8. MEDIAN HOUSEHOLD INCOME (MHI) GRANT OPPORTUNITIES

The Subcommittee will discuss and consider making a recommendation related to the gathering of information and potential grant opportunities related to determining the Median Household Income (MHI) within the District’s boundaries.

Director Kennedy notes her conversation with RCAC. She is still waiting for more specificity from RCAC as she believes they may be treating the Census Tract as the zip code 93441 – which would not help the District from a MHI perspective. She notes that she will continue to push forward to get more data. She notes that perhaps WFX can help in this area as well.

Director Parks adds that he hopes that WFX can help.

Director Kennedy opens the floor to Public Comment.

Kathryn Rohrer speaks.

Director Parks comments on the use of grant funding in the community, such as grants that may be available to help individual property owners replace their septic tank. He adds that we want to leverage grant funds in such a way that it gives the best value. He adds, for example, that it may be better to use grant funds to connect owners to a community solution than it is to help them use grant funds to replace their septic tank.

INFORMATIONAL ITEMS:

All matters listed hereunder are informational only, no action will be taken, and public comment not received.

9. SUBCOMMITTEE MEMBER COMMENTS

Subcommittee members will give reports on any meetings that they attended on behalf of the Subcommittee and/or choose to comment on various Subcommittee activities. Subcommittee member requests for future agenda items may also be made at this time.

None.

10. ADJOURNMENT

Motion to adjourn: 10:15 AM.

Motion by: Director Parks, Second: Director Kennedy

Voice vote (3-0)

Respectfully submitted:



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

Approved:

Julie Kennedy
Director – Los Olivos Community Services District
Chair – Grants Subcommittee

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Respectfully submitted:



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

Approved:


Julie Kennedy