

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



**LOS OLIVOS COMMUNITY SERVICES DISTRICT
FINANCE SUBCOMMITTEE MEETING
May 10, 2024 – 8:30 AM**

Posted: 5-6-2024

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

Please observe decorum and instructions from the Subcommittee Chair

Finance Committee: President Julie Kennedy (Chair), Vice President Lisa Palmer 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=SWpSUORYZFJjZTBLNGphZG41TGs4dz09>
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

Chair Kennedy calls the meeting to order at: 8:32 AM

2. ROLL CALL

Present: Chair Kennedy, Director Palmer, General Manager Savage

Absent: None

3. PUBLIC COMMENTS

Members of the public may address the Board of Directors on any items of interest within the subject matter and jurisdiction of the Board 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 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.

Chair Kennedy opens the floor to public comment. No public in attendance.

No requests to speak.

ADMINISTRATIVE 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 on the request of a member of the Subcommittee, in which event the matter may be removed from the Consent Agenda and considered as a separate item. Public may comment on any of the items prior to the vote being taken by the Subcommittee.

4. CONSENT AGENDA

A. MINUTES APPROVAL

Approval of the minutes from April 5, 2024.

Chair Kennedy opens the floor to public comment.

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No requests to speak.

Motion to approve the consent agenda.

Motion by: Director Palmer; Second: Director Kennedy

Voice vote: 3-0

BUSINESS ITEMS:

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

5. INVOICE REVIEW AND RECOMMENDATION

The Subcommittee will review and recommend to the full Board of Directors, payment of those unpaid invoices that were received on or before May 1, 2024.

No.	Invoice Date	Invoice #	Provider	Amount
1	4/2/2024	1308	REGEN – 30% Engineering – Hybrid Models	\$ 13,300.00
2	4/4/2024	85656	Aleshire & Wynder – Legal Services	\$ 684.00
3	4/16/2024	86112	MNS Engineering – Engineering and Support Svcs.	\$ 1,420.00
4	4/11/2024	00876.004 - 3	GSI – Groundwater Monitoring Wells (Grant Reimbursable)	\$ 11,252.50
5	5/1/2024	20244	Savage – GM Services (Portions Grant Reimbursable)	\$ 4,423.23
6	5/1/2024	1321	REGEN – 30% Engineering – Hybrid Models	\$ 11,250.00

Project	Vendor	To Date (inc. above)	Remaining Authorization
Audit (Pre 2023)	Moss, Levy & Hartzheim, LLP	\$ 2,780.00	\$ 4,995.00
Audit (2023)	Moss, Levy & Hartzheim, LLP	\$ 0.00	\$ 2,900.00
30% Hybrid Design	REGEN, LLC.	\$ 71,856.59	\$ 3,143.41
Groundwater Wells	Various	\$ 97,335.36	\$ 24,109.64

GM Savage briefly introduces the item, noting that there was a corrected agenda posted related to invoice #6. He adds that the attachments were correct. He further adds that this is essentially a “pre-billing” by REGEN. They have completed the work, but it has not been presented to the Board of Directors yet as was stated in the contract. Director Palmer suggests that the Subcommittee hold invoice #6 until the June meeting.

Chair Kennedy opens the floor to public comment.

No requests to speak.

Director Palmer asks about the GSI bill with GM Savage responding that this bill closes out the original scope of work.

Motion to recommend approval of invoices 1-5 and that invoice number 6 be deferred to June, as presented in the amended (corrected) agenda.

Motion by: Director Palmer; Second: Director Kennedy

Voice vote: 3-0

6. BUDGET REPORTS

The General Manager will review the most recent budget reports (attached) and comment on changes to financial systems.

GM Savage walks through the provided budget reports.

Chair Kennedy opens the floor to public comment.

No requests to speak.

7. FISCAL YEAR 2024-25 (FY 2024-25) BUDGET

The General Manager will present his draft budget for the Fiscal Year 2024-25. The District’s Fiscal Year runs from July 1, 2024 to June 30, 2025.

GM Savage introduces the Proposed Budget for FY 2024-25. He notes that the attached is essentially the same as the one the Subcommittee saw at its April meeting. GM Savage walks through both the timeline of activities as well as the details of the proposed budget.

Chair Kennedy opens the floor to public comment.

No requests to speak.

Based on commentary from Chair Kennedy, the Subcommittee discusses the budget impact on potentially drilling a well north of Highway 154. GM Savage responds with the state of the EHS grant and related efforts. He comments that in his discussions with the CCRWQCB, they commented that they heard public commentary at the last meeting about the desire for a well north of Highway 154. They noted that they are not recommending a new well at this time; but, instead is echoed by comments from GSI about additional wells, get true location data for each well including elevation. Second, they recommend testing for additional constituents so you can have a better understanding of what is from a septic tank (human byproducts) as opposed to what may be coming from other sources. He gives the example of what happened during the peak of COVID-19. Many jurisdictions were testing waste streams to understand how much COVID-19 was active in the community. GM Savage then talks about the offered (private) well north of Highway 154. He notes that the costs of new wells would likely need to be borne by the District as the regulators have indicated that while they will pay for additional testing of wells, they likely would not pay for an additional well at this time. He comments that if a new well is drilled outside of the district, there would be additional on-going costs for monitoring. GM Savage concludes his comments by saying that the cost of a new well is likely more than is remaining in the grant anyway and that timing would not allow a new well to be drilled before the grant window ends in June. Director Palmer expresses her frustration with the overall approach to testing being driven by the CCRWQCB. The subcommittee comments that it does make sense to use the entire EHS grant.

Discussion then shifts to what is included in the Professional and Special Services line item. Director Palmer leads a discussions about the cost and deliverables of a 60% design and how it impacts the FY 2024-25 budget. Director Palmer asks about impacts of activities such as an EIR and 60% design. Chair Kennedy asks about what goes into the 60% design, with GM Savage answering her questions. He comments, for example, that a 60% design further flushes out the impacts to each of the parcels. He notes that 60% is a further refinement of what the Board received at the 30% design. GM Savage notes that there were several parcels that Stantec noted as needing further examination, adding that a 60% design would dig into the identified parcels and determine what is required to connect them to a gravity collection system.

The subcommittee then discusses recommending that some amount of funds be explicitly included in the FY 2024-25 budget for moving the overall project forward, regardless of what type of collection of treatment location are chosen. The subcommittee agrees to recommend \$160,000 in project related activities (\$60k for connecting to the City of Solvang and \$100k towards a 60% design).

Motion to recommend the adjusted Proposed FY 2024-25 budget to the full Board of Directors.

Motion by: Director Palmer; Second: Director Kennedy

Voice vote: 3-0

INFORMATIONAL ITEMS:

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

8. 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.

Chair Kennedy – none

Director Palmer – none

GM Savage – none

9. ADJOURNMENT

Motion to adjourn at 9:18 AM.

Motion by: Director Palmer; Second: Director Kennedy

Voice vote: 3-0

Respectfully submitted:



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

Approved:



President Julie Kennedy