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DISTRICT UPDATE – 2nd QUARTER 2026

The Los Olivos Community Services District (LOCS D) focused this quarter on securing funding and advancing engineering designs for wastewater collection and conveyance to the City of Solvang.

A public workshop was held on June 3, 2026 to explain the solution options and discuss the remaining decisions regarding wastewater collection. In July, the Board of Directors will consider voting on the preferred collection approach and authorize advancement to 60% design.

Another round of groundwater sampling was conducted at the District's monitoring wells in June. The data continues to show that all five monitoring wells exceed basin targets, and two of the five wells are at or above the maximum contaminant level for nitrates in groundwater, reinforcing the need to address long-term wastewater management within the community.

Financing the District's engineering efforts has been challenging given that the District has annual revenues of approximately \$275,000 while engineering efforts are expected to exceed \$1M. The County of Santa Barbara is offering a \$250,000 grant and a no-to-low interest loan in the amount of \$750,000 to fund design and engineering related efforts. A vote is expected in July for both funding sources.

As noted in prior updates, any final wastewater collection, treatment, and disposal solution will be the result of significant community input and environmental review and then put to a vote by District property owners in accordance with Proposition 218. We are currently targeting early 2027 for the property owner vote.

Wallace Group Design and Cost Efforts

The LOCS D signed a contract with the Wallace Group to provide design and cost estimating services for our project. The Wallace Group contract includes several key elements, including:

- Reconciling gravity and effluent collection system designs previously prepared by Stantec and REGEN by advancing both to a consistent 30% design level and standardizing cost estimates
- Preparing 30-year lifecycle cost analyses for wastewater collection, conveyance, and treatment
- Advancing a single collection approach to 60% and 90% design and costing

The 30% design and the 30-year lifecycle costs can be found on our website at:

<https://www.losolivoscscsd.com/technical-studies-and-reports>

The Board of Directors will consider making a final decision regarding how to collect wastewater within the District at its July 8 meeting. Key to the discussion is considering how much each parcel owner will have to pay for out of their pocket for activities such as abandoning existing septic systems, installing sewer laterals and other equipment when compared to the amounts that will be financed and paid over time on each property owner's tax bill.

Community Workshop and Discussion

Approximately 60 community members attended the June 3, 2026 workshop. It included a walkthrough by Ms. Kari Wagner of the Wallace Group’s 30% design and 30-year cost of ownership. Following a public question and answer session, attendees had the opportunity to speak one-on-one with representatives from: Congressman Carbajal’s office, Supervisor Joan Hartmann, Central Coast Regional Water Quality Control Board, County of Santa Barbara Public Works and Environmental Health Services, City of Solvang, Santa Ynez River Water Conservation District (ID1), and others. There have been over 200 views of the meeting video. The video, like videos of all public meetings and workshops, can be found on the District’s YouTube channel, at: <https://www.youtube.com/@LosOlivosCSD>

Our Wastewater Solution Project – Collect and Convey to the City of Solvang

All wastewater solutions involve three components: collection, treatment, and disposal. It doesn’t matter if you are thinking about your septic tank or the largest systems in Los Angeles; all wastewater solutions collect, treat, and dispose of wastewater.

The District’s proposed solution consists of gravity and/or effluent collection coupled with conveyance to the City of Solvang for treatment and disposal. The City of Solvang approach was selected primarily due to lower construction and long-term operations and maintenance costs when compared with building and operating a treatment facility within or near the District. As part of its exploration of feasible solutions, the District considered alternatives such as building a treatment plant at Dunn School and dispersed treatment (multiple “mini” treatment facilities). Based on available engineering and cost analyses, these approaches were determined to be more expensive and/or potentially more disruptive to the community. Community feedback also identified concerns with these alternatives related to siting a local facility, including potential odors and visual impacts. Conveyance and treatment at the City of Solvang effectively address these concerns in a cost-efficient manner.

Questions regarding potential growth have also been raised, particularly related to the conveyance pipeline along Alamo Pintado Road. Legal counsel for both LOCS D and the County of Santa Barbara has independently concluded that properties along this corridor do not have an inherent right to connect to a District-owned pipeline. As a result, neither the State, the County, nor regulatory agencies can require the District to allow additional connections. In addition, the County has agreed to a process that requires that the District issue a “can and will” serve letter to any new construction projects within our boundaries. The can and will serve process will help ensure that we have a say in any future projects.

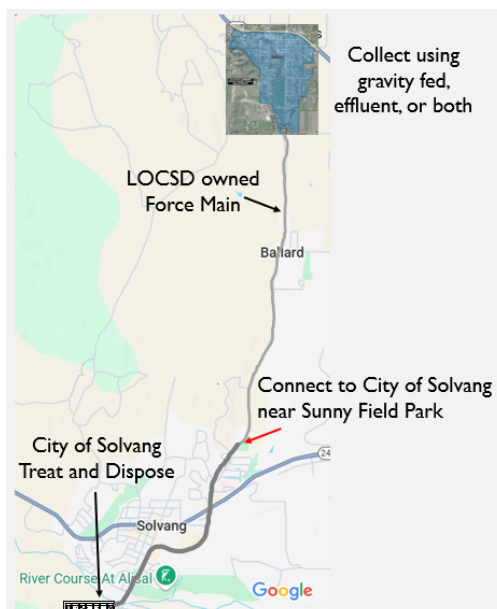


Figure 1: Our Project - Collect and Convey to the City of Solvang for Treatment and Disposal

Project Funding

The District cannot complete final design and proceed to a property owner (Proposition 218) vote without additional funding. The County of Santa Barbara is stepping up to help the District by offering grants in the amount of \$250,000 and a no-to-low interest loan of up to \$750,000. With these funds, the District should be able to complete 90% design and costing efforts and bring the solution to a property owner vote in early 2027.

Groundwater Monitoring

Earlier this month, the District completed another round of Groundwater Monitoring. The results show that all five District monitoring wells are over basin plan targets and two of the wells continue to be at or above the maximum contaminant level. Details can be found on our [groundwater monitoring page](#).

Parcel Assessments and Proposition 218 Vote for Construction

The Board has established a general framework for parcel assessments based on a combination of parcel size and zoning/use. Under this approach, larger parcels and non-residential properties will pay a greater share of construction costs based on the benefit they will receive.

As required under Proposition 218, voting weight is tied to the proportional benefit assigned to each property. Property owners who receive a greater benefit will have proportionally greater voting influence. [Examples illustrating this methodology](#) were presented at the January 2026 Board meeting and are available on the District's website. As shown in the examples on page 15 of the presentation, the commercial property owner of parcel 5 would pay \$2,000 for every \$230 paid by the parcel 1 residential property owner. Thus, the sample commercial property owner would receive nearly 10 times the benefit from a sewer, pay nearly 10 times as much as the sample residential property owner and have a commensurately more heavily weighted vote.

Have Questions? Coffee with a District Board Member – 1st & 3rd Fridays at Lefty's Coffee Co.

A Board Member is regularly available for an hour of "open table" discussion with community members the **1st and 3rd Friday of each month beginning between 8:30 and 9:00am, depending on Board Member availability**. Lefty's Coffee Co. in Los Olivos continues to generously allow us to use a table for these informal conversations. No appointment necessary.

What's Next?

Key milestones anticipated over the next several months include:

- Board consideration of the preferred wastewater collection approach on July 8, 2026
- Consideration of County grant and loan funding
- Advancement of the selected collection approach to 60% design
- Continued groundwater monitoring and environmental review activities
- Preparation for a Proposition 218 property owner vote, currently anticipated in early 2027

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 a local wastewater management solution and to provide a funding mechanism for the construction and operation of the facilities needed to collect, treat, and dispose of wastewater in Los Olivos.

STAY INFORMED: [Attend our monthly meetings](#) in person or virtually to stay current with our efforts to determine the best wastewater 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 usually post video of meetings on YouTube within 48 hours. <https://www.youtube.com/@LosOlivosCSD>.

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.

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