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March 18, 2025

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

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 April 6, 2023, 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 requesting an additional two-year extension. The District is confident that it can complete a Proposition 218 vote during this extension.

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

- Obtaining groundwater monitoring well data on five District installed and managed wells
- Completing a technical examination of existing City of Solvang infrastructure to determine feasibility (and cost) of processing LOCS D wastewater by the City of Solvang
- Engaging engineering firms to complete technical feasibility studies and provide 30% engineering and cost estimates related to connecting the LOCS D to the City of Solvang's existing wastewater treatment infrastructure

For the past several months, the District has been highly focused on evaluating the use of the City of Solvang's wastewater treatment infrastructure as opposed to building its own treatment plant. Use of the City's infrastructure is highly supported by the Central Coast Regional Water Quality Control Board (CCRWQCB) and County of Santa Barbara Environmental Health Services (EHS). The City of Solvang publicly declared "become a regional wastewater facility" as one its primary objectives. We engaged Carollo Engineering, Water Systems Consulting (WSC), and Stantec Engineering to complete various feasibility, engineering, and cost studies related to connecting to City wastewater infrastructure. The different consultants were hired based on City recommendations and/or due to their depth of expertise in different areas.

LOCSD Directors and staff have met several times with the City of Solvang City Manager and Wastewater Management staff as well as attending City of Solvang City Council meetings. The City is currently focused on their CCRWQCB mandated wastewater treatment plant upgrade. On January 13, 2025, the City Council received a report on the upgrade project, including potential future connectivity by LOCSD. The City Council will again be discussing wastewater, including LOCSD connectivity, later this year, once funding for the upgrade project is obtained or clarified. In the meantime, the LOCSD will continue to refine its engineering and cost estimates related to potential connection and work with City staff to draft related agreements.

The LOCSD is diligently working towards a community wastewater solution. Progress has been slower than we had hoped, but we are making steady progress. At each step we have further refined cost estimates and narrowed potential solution options. As previously noted, we are a small district, with only 372 parcels and annual revenues just over \$243,000. Consequently, we must carefully manage our efforts to maximize the limited funding available.

The LOCSD Grants subcommittee is chartered to research and find grant opportunities to help us complete the studies needed. The LOCSD also worked with Congressman Carbajal's office and sought \$4,000,000 in Water Resources Development Act (WRDA) funding to complete engineering and environmental review activities needed prior to completing a Proposition 218 vote. Should the RDA funds effort be unsuccessful, we will continue to accomplish our goals and objectives regardless. However this will increase our need for additional funding; particularly Federal, State, and local grants, to complete the necessary assessment engineering, review, outreach, and other studies required to achieve a successful Proposition 218 assessment vote.

On April 9, the LOCSD Board of Directors will receive the final report from Stantec Engineering on a 30% engineering and cost estimate for a force main to move wastewater from the District to the City of Solvang. A force main, owned and operated by the LOCSD, will help to address growth concerned raised in the Santa Ynez Community Plan of October 2009. Related to the Community Plan, LOCSD Directors and staff have met with several community-based organizations to ensure they are aware of District plans and address their concerns. The District plans to hold a community workshop on May 14 to obtain input on preferences for wastewater treatment approaches. Following the May meeting, the Board of Directors will adopt a "project description" that will serve as the foundation for environmental review and further engineering design and cost estimating refinement. Even without WRDA funding, current estimates suggest that the District has sufficient funding to complete environmental review and an 80% engineering design.

As demonstrated, we continue to make substantial progress toward implementing a community wastewater solution. We still have significant work to do to complete an informed and successful Proposition 218 benefit assessment vote. It is our intent to conduct additional community outreach, define a final project, identify grant opportunities, complete environmental review, finalize our assessment engineers report, and execute a full Proposition 218 process as soon as the required information and available funding allows. 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 Proposition 218 proceedings for an additional two-year extension.

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 direction at Julie.Kennedy.locsd@gmail.com or Guy Savage, General Manager, at (805) 500-4098 or gm.locsd@gmail.com.

Sincerely,



Julie Kennedy
President, Board of Directors LOCSD

Attachment 1: March 2025 District Update

cc: Joan Hartmann, 3rd District Supervisor, County of Santa Barbara
Ryan Lodge, Executive Officer, Central Coast Regional Water Quality Control Board
Lars Siefert, County of Santa Barbara, Public Health Director
Jason Johnson, County of Santa Barbara, Environmental Health Services Director