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

Posted: 8-6-2026

LOS OLIVOS COMMUNITY SERVICES DISTRICT
REGULAR MEETING
August 12, 2026, 6PM (Pacific)
Los Olivos Grange Hall
2374 Alamo Pintado Ave, Los Olivos CA 93441
Please observe decorum and instructions from the President

This meeting will be held both in-person and electronically via Zoom meetings. In-person the meeting will be held at the address above. The public will also be able to hear and participate electronically by using the following links:

On Zoom:
https://us06web.zoom.us/j/85195290804?pwd=rO5nrKISaewJAVMeY3MbZ7mtLlxudn.1

By Phone:
Meeting ID: 851 9529 0804 Passcode: 473619
One tap: +14086380968,,85195290804#,,,,*473619# US (San Jose)

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MEETING AGENDA

1. **CALL TO ORDER**
   President Kennedy called the meeting to order at: 6:01 PM

2. **ROLL CALL**
   Attending: President Kennedy, Vice President Nelson, Director Fayram, Director Parks
   Absent: Director Palmer

3. **PLEDGE OF ALLEGIANCE**

4. **PUBLIC COMMENT**
   Members of the public may address the Board of Directors on any items of interest within the subject matter and jurisdiction of the Board that is not on the agenda today (Gov. Code - 54954.3). The public may also suggest 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.
   President Kennedy opened the floor to public comment.
   Karen Steinwachs, Mark Herthel, Keith Saarloos, Matt Louden, Mike Brady, Anne Marie Gott, and Lisa Beer speak.

INFORMATIONAL ITEM:
Per public request, a brief report from the General Manager that conveys District status and updates is being added at the beginning of the agenda. This status report may touch on key items in the project plan or schedule. The General Manager will leave other detailed reporting, including budgetary reporting until the end of the meeting.
This item is informational only, no action will be taken, and no public comment will be received.

5. **GENERAL MANAGER'S BRIEF DISTRICT STATUS REPORT**

GM Savage notes that the League of Women's Voters is planning on a LOCSD election forum for October 13, 6pm, St. Mark's Church. He adds that the FY 2025-26 has started. He closes his initial comments by saying that he has been working with the Army Corps of Engineers on the $30 million WRDA funds.

ADMINISTRATIVE ACTION 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 at the request of a member of the Board, in which event the matter may be removed from the Consent Agenda and considered as a separate item. The public may comment on any of the items prior to any action being taken by the Board.

6. **CONSENT AGENDA**

   A. **APPROVAL OF MEETING MINUTES**

   Regular Meeting minutes of June 10, 2026.
   Regular Meeting minutes of July 8, 2026.

   B. **APPROVAL PAYMENT OF INVOICES RECEIVED ON OR BEFORE AUGUST 3, 2026.**

No.	Invoice Date	Invoice #	Provider	Amount
1	4/30/2026	I-12600	MLH – FY 2024-25 Audit	$ 5,000.00
2	7/1/2026	107603	Aleshire and Wynder – Legal Services	$ 2,264.87
3	7/13/2026	26070507	MNS / BKF – Engineering Services	$ 555.00
4	7/22/2026	R22-00959 – 7	Padre – Environmental Services	$ 85.00
5	7/27/2026	68424	Wallace Group – Engineering Services	$ 15,851.85
6	7/31/2026	20267	GWS – General Manager Services	$ 4,844.51
7	8/3/2026	1416	Civic Sol Accounting – Accounts Payable Services	$ 301.25
8				

Project	Vendor	To Date (including current invoices)	Total Authorization
Phase 1 - 30% Design / 30-year cost of ownership	Wallace Group	$ 305,993.65	$ 403,000.00
Environmental Review	Padre	$ 16,943.53	$ 57,383.00
Proposition 218 Communications	RGS	$ 5,443.20	$ 28,300.00
FY 2025-26 Audit	Nigro&Nigro	$ 0.00	$ 9,500.00

GM Savage notes that comments were added to the July 8 minutes to reflect Director Parks' comments related to the June 10 meeting. He adds that he added the FY 2025-26 audit tracking as the effort is well underway.

President Kennedy opened the floor to public comment.
Karen Steinwachs, Mark Herthel, and Kathryn Rohrer speak.

Director Fayram responds to Mr. Herthel's comments regarding community dialog.

Motion to approve the consent agenda.
Motion by: Director Fayram, second: Director Parks
Voice vote: 4-0

BUSINESS ITEMS:

The public may comment on any business item prior to any action being taken by the Board.

7. **AUTHORIZATION FOR THE WALLACE GROUP TO PROCEED WITH DESIGN EFFORTS IN AN AMOUNT NOT TO EXCEED $985,429 AND DESIGNATION OF GENERAL MANAGER SAVAGE AS PROJECT MANAGER OVER WALLACE GROUP EFFORTS**

   At the June 10 Regular Meeting, direction to staff was provided regarding equalization tank(s) and conveyance lines being hung on bridges between the District and the meeting point (manhole) with the City of Solvang. As part of staff's research, further effort by Wallace Group was directed regarding the ability to use gravity conveyance. It was determined that gravity conveyance is possible and that by using gravity conveyance, no lift stations would be required to be built by the District. Instead, wastewater could be collected and conveyed using gravity as its primary basis. Such a collection and conveyance system is estimated to result in construction savings in the hundreds of thousands of dollars ($x00,000) and annual ongoing operations and maintenance savings in the tens

of thousands of dollars ($x0,000). Discussion regarding the need for an equalization tank and to confirm design approaches with the County of Santa Barbara is on-going.
At the July 8, 2026 Regular Board meeting of the LOCSD, your Board adopted Resolution 26-04 – A Project Option which selected gravity collection as its preferred option for collection within the boundaries of the LOCSD and continuing to explore conveyance options (gravity or pressurized) between the LOCSD and nearest manhole owned by the City of Solvang. As noted in the General Manager's recommendations it was intended as part of the motion that the Wallace Group be authorized to begin additional design activities. That recommended action was not included in the motion made during the July 8, 2026 meeting.
The Wallace Group contact calls for completion of 30% (Phase 1) and 60 and 90% (Phase 2) designs and related cost estimating at a cost not to exceed $1,485,435. As part of the original contact signing, your Board selected Option B for the 30% design and 30-year cost estimating (Phase 1) effort at a cost not to exceed $403,000. The Wallace Group has completed the Phase1 - Option B work at a total cost of $305,993.65 ($97,006.35 under budget). Given the cost savings to date, the remaining effort to complete Phase 2 of the Wallace Group's contract (60% and 90% designs) is expected to be less than $985,428.65. The Wallace Group's contract provides for 30, 60, and 90% design efforts. The Wallace Group's 30% design and
30-year cost-of-ownership documents can be found at:
https://www.losolivoscsd.com/technical-studies-and-reports.

As with any project of the magnitude required to produce 60 or 90% design and cost estimates, day-to-day decisions are required to be made regarding project progress and direction. As a general definition, a project manager oversees and coordinates all aspects of a project to ensure it is completed on time, within budget, and to the required quality standards. They manage resources, schedules, budgets, and communication with clients, contractors, and regulatory bodies. Project managers are regularly given authority to provide direction to contractors, shift cost elements between budgeted project items, and resolve project issues to prevent delays or budget overages. An example of a shift between budgeted project items would be as follows. In the existing Wallace Group contract, Potholing is estimated at $303,348 and Geo Technical at $250,000. If, during the normal course of business, it was determined that Geo Technical work was going to exceed its budget by $25,000 (total of $275,000) and Potholing be under budget by $50,000 (total of $253,348), the Project Manager would typically be authorized to make such a shift without returning to the full Board of Directors for authorization. All such shifts would be within the originally designated budget for the project and any request to exceed the adopted budget would be brought back to the Board of Directors for approval.
As part of his on-going duties, the General Manager is requesting that he be designated Project Manager over the Wallace Group's efforts. That designation would authorize him to make day-to-day decisions regarding timelines, expenditures, product quality, and general direction. Decisions made by the General Manager regarding expenditures would continue to be shown in monthly Wallace Group bills. Major decisions would also be reflected in the General Manager's monthly status report.
General Manager's recommendation: Authorize the Wallace Group to begin Phase 2 Design efforts and designate General Manager Savage as Project Manager over all Wallace Group design efforts.
GM Savage notes that given authorization to proceed was not voted on last month there is effectively a one-month slip in schedules. He comments that he confirmed with Counsel that there is nothing "unlawful" in the request to be designated as Project Manager. GM Savage then comments that such a designation is a very typical one across local jurisdictions. He adds that in addition to regular check-ins from Wallace Group, including a contractually required review at the 60% complete stage, the Board will be kept apprised, monthly, of all expenditures and actions. He adds that he spoke with the Wallace Group earlier this week and they are working on an updated schedule and timeline.

President Kennedy opened the floor to public comment.
Matt Louden, Keith Saarloos, Fred Razo, Mark Herthel, Anne Marie Gott, Sam Marmostein, Kathryn Rohrer, and Michelle deWerd speak.

Director Fayram comments on the cost of advanced on-site. He describes the letter from the Regional Water Quality Control Board. Director Fayram then comments on what it takes to run and maintain a plant. He closes with commenting that these decisions are not being done last minute and have been discussed for months. Director Parks comments on having Wallace Group doing more work and getting more information, not just from the Wallace Group, but in general. VP Nelson comments that committee meetings have been a bit stalled because we needed to make some decisions. Last month, decisions were made; now it is time to move forward. He would like to see the committees start up again. He adds that he too would like to see more dialog. He then talks about his personal preference for STEP, but that he heard from the public that they wanted to gravity. He then comments about changing information and the Proposition 218 process. Director Fayram offers to serve on an ad hoc committee related to managing the Wallace Group contract. Counsel Koczanowicz comments that adding an ad hoc committee would need to be agendized at a subsequent meeting. He adds that committees, as organized today, do not have financial authority either as they are only advisory. He adds that having a Project Manager such as proposed is a normal course of business particularly within a defined budget. President Kennedy comments that a Board is supposed to be a policy group, not an operations group. She adds that the Board is responsible for approving invoices and can ask questions if they have them. She comments that we all want to know what this project will cost, adding that 90% design costs will give us the best estimates on what each property owner will pay. She emphasizes that property owners will have the final say. Director Parks comments that there will be a review at 60% and that we can cancel the Wallce Group contract at any point.

Motion to authorize the Wallace Group to begin Phase 2 Design efforts and designate General Manager Savage as Project Manager over all Wallace Group design efforts subject to the availability of County funding to complete the work.
Motion by: Director Fayram, second: Director Nelson
Under discussion, Director Parks asks if a cap can be made on Project Manager authority. President Kennedy asks that a monthly report be made by the Project Manager. Director Fayram notes that the GM and President meet very regularly. The motion remains unchanged.
Voice vote: 4-0

INFORMATIONAL ITEMS:
These items are informational only, no action will be taken, and no public comment will be received.

8. REPORTS

A. SUBCOMMITTEE REPORTS

Finance Subcommittee (President Kennedy Chair) – did not meet
Grants Subcommittee (Director Palmer Chair) – did not meet
Project Management Subcommittee (Director Palmer Chair) – did not meet, last met April 2025
Technical Subcommittee (Director Fayram Chair) – did not meet

Prop 218 Ad hoc – did not meet

President Kennedy opened the floor to public comment.
Karen Steinwachs speaks.

B. GENERAL MANAGER AND DISTRICT ENGINEER COMMENTS

The GM and DE will give reports on any meetings that they attended on behalf of the District, report on various District-related activities and/or provide status on projects. The GM may also review the Budget Reports. See the packet for more details.
GM Savage quickly walks through the attachments to the agenda. He adds that given recent conversations with respondents to the Assessment Engineering RFP, he believes he may be bringing a proposed contract to next month's meeting. He closes his comments by noting that he spoke with the City of Solvang earlier today regarding conveyance and detention/equalization approaches.
DE Pike comments on the years of experience in managing projects, combined with GM Savage, over 70 years worth.

Notable upcoming meeting items:
TBD: If approved, Wallace Group 60% design

9. DIRECTORS COMMENTS

Directors will give reports on any meetings that they attended on behalf of the Board and/or choose to comment on various District-related activities. Directors may also request future agenda topics at this time.
Fayram – Speaks to recent and upcoming interactions with Congressman Carbajal and Hart's offices, funding through the county.
Parks – Comments on making sure things stay on the table and not completely removing options as we move forward.

Vice President Nelson – Acknowledges emotions are often high when discussing topics like a sewer. He comments on changes like sidewalks being built along Alamo Pintado. We believes the LOCS is doing the best it can and we still have to have a direction that can be brought to a vote.
President Kennedy – Comments that we are all in this together.

President Kennedy opened the floor to public comment.
Matt Louden and Mark Herthel speak.

10. ADJOURNMENT
Motion to adjourn at: 7:33PM
Motion by: Director Fayram, second: Vice President Nelson
Voice vote: 4-0

Respectfully submitted:

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

Approved:

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President Julie Kennedy