

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



**LOS OLIVOS COMMUNITY SERVICES DISTRICT
REGULAR MEETING**

Posted: 9-8-2023

September 13, 2023, 6PM (PDT)

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

**Director Kennedy will be attending from a remote location at:
Red Rock Canyon Campground, Site #40
Red Rock Canyon National Conservation Area
Mountain Springs, NV 89161**

**Members of the public may attend at that location as well
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 following location:
St Mark's in the Valley Episcopal Church, Stacy Hall - 2901 Nojoqui Ave, Los Olivos CA 93441
The public will also be able to hear and participate electronically by using the following links:

On Zoom:

<https://us06web.zoom.us/j/82515801920?pwd=VlBQd1VDZUUVueFZXXZEVEdVhzVjhhQT09>

By Phone:

Meeting ID: 825 1580 1920 Passcode: 378600

One tap mobile +16694449171,,82515801920#,,, *378600# US

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MEETING AGENDA

1. CALL TO ORDER

President Fayram calls the meeting to order at 6:00 PM.

2. ROLL CALL

President Fayram requests a roll call.

Present: President Fayram, Vice President Ross, Director Palmer, Director Parks, Director Kennedy attending remotely (see agenda)

Absent: None

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 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 District 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 Fayram opens the floor to public comment.

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losolivoscsd@gmail.com, www.losolivoscsd.com

Sam Marmostein speaks.

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 public comment not received.

5. GENERAL MANAGER'S DISTRICT STATUS REPORT

GM Savage gives a brief overview of the current state of the project.

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 Administrative Agenda will be read only on the request of a member of the Board, in which event the matter may be removed from the Administrative Agenda and considered as a separate item.

6. APPROVALS

A. APPROVAL OF MEETING MINUTES

Regular Meeting Minutes of August 24, 2023.

B. APPROVAL PAYMENT OF INVOICES RECEIVED BY AUGUST 31, 2023.

The invoices below have been reviewed by the Finance Subcommittee and are recommended for approval.

No.	Invoice Date	Invoice #	Provider	Amount
1	7/11/2023	83612	MNS – Engineering and Support Services	\$ 1,982.50
2	8/22/2023	84035	MNS – Engineering and Support Services	\$ 1,562.50
3	8/15/2023	78569	Aleshire and Wynder - Legal Services	\$ 3,371.74
4	8/31/2023	20238	Savage – General Manager Services and supplies	\$ 4,315.37

Project	Vendor	To Date (inc. above)	Remaining Authorization
Audit	Moss, Levy & Hartzheim, LLP	\$ 2,780.00	\$ 7,775.00

GM Savage notes for the record that Moss, Levy, Hartzheim has still not submitted a bill for prior work completed.

President Fayram opens the floor to public comment.

None.

Motion to approve items 6A.

Motion by: Director Palmer, Second: Director Parks

Roll call vote: (4-0-1) with President Fayram abstaining.

Motion to approve items 6B.

Motion by: Director Parks, Second: VP Ross

Roll call vote: 5-0

BUSINESS ITEMS:

7. CONSIDERATION OF A PROPOSAL AND CONTRACT WITH REGEN, LLC FOR DESIGN AND ENGINEERING SERVICES (30% DESIGN) FOR A HYBRID WASTEWATER COLLECTION AND TREATMENT APPROACH

On August 24, 2023, the LOCSD Board of Directors reviewed a Hybrid Collection Solution and Implementation Zone approach developed by the Technical Subcommittee. At that meeting, the Board directed staff to obtain a proposal from REGEN for engineering services related to the hybrid approach. The REGEN effort will start with a basis of design review to ensure consistent assumptions for the effort, will complete a 30% design on the Hybrid Collection Solution, examine existing drinking water lines, provide a utility review and recommendations, complete GIS mapping, provide full 30% design plans, offer value engineering alternatives to the Hybrid Collection Solution, and estimate capital and maintenance costs for the Hybrid Collection Solution (and value engineered alternatives). As part of the design and engineering efforts, REGEN is expected to visit Los Olivos prior to commencing the engineering layout and value engineering efforts outlined in the proposal and/or contract. The Technical

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losolivoscscd@gmail.com, www.losolivoscscd.com

Subcommittee of the Board of Directors reviewed the REGEN proposal on September 7, 2023 and is recommending approval of a contract with REGEN, subject to specific conditions. GM Savage walks through the presentation attached to the agenda. He notes that the Technical Subcommittee met on Thursday, September 7, and they are recommending approval of the contract.

VP Ross comments on the Basis of Design and its relation to monitoring wells. GM Savage responds that it will be early next year before more sample data from wells is obtained. He then comments on and asks questions collection approach and value engineering, with GM Savage providing answers to his questions. VP Ross then comments on needing confirmation that effluent sewer can or cannot be used in zone 1. He then asks about comparing costs - Stantec's design used 3 zones, whereas this approach uses 8 zones. GM Savage responds that some comparison will be possible, but the best comparator will be the total costs.

Director Parks comments that the business item sounded more definitive than what will actually occur as part of the contract. GM Savage responds that Regen will do both the 30% design and value engineering as part of the contract. Director Parks comments that the more information that can be provided to the public, the better. Director Palmer requests that part of the value engineering include recommendations on zones 7 and 8. She comments on the fiber optics inclusion in the contract. She queries staff and Counsel on legal review of the contract.

Director Kennedy asks about cost per homeowner in a 30% versus 60% designs. She asks questions about the impacts to the timeline and community vote (Prop 218). GM Savage responds that the timeline is very close as there was some slack in the original timeline. He adds that Regen will make some assumptions that are generic to homeowners as opposed to looking at each parcel. GM Savage further adds the Assessment Engineer will eventually be contracted to provide cost per parcel.

President Fayram comments that while Regen will make zone 7 and 8 recommendations, the District does need to talk to them. He then makes note of timelines and opines that an early 2024 community vote is not reasonable. He describes potential cost impacts driven by zones and combinations of zones. He finishes by commenting about regulators who will tell us what we are and are not allowed to do (CCRWQCB and County).

President Fayram opens the floor to public comment.

Mike Brady, Tom Nelson, Mark Herthel (on behalf of POLO), Puck Lohnas, Sam Marmorstein and Paul Rohrer speak.

President Fayram comments that the hybrid approach does not preclude multiple treatment solutions. He adds that a look at Solvang for treatment still needs to be reexamined. He describes why he feels that separating collection and treatment makes sense. He comments that the original Assessment Engineers report was known to need more work. As an example he notes that his residential parcel would pay the same amount as the Grand Hotel.

Director Parks comments that there are still some concerns. President Fayram and Director Parks discuss the cost of gravity-fed collection versus effluent sewers. President Fayram then describes his experiences with value engineering (optimization).

President Fayram comments that he believes that the Board should not direct its decisions based on who is giving the District money.

Director Palmer suggests that we should get to the next step (15%) and obtain the information we need to make good decisions. She asks about who can do a treatment analysis, if not Regen. She closes by commenting on process and asks why the contract wasn't reviewed previously by Counsel. Director Kennedy echoes the commentary about getting prior review by Counsel. Both Directors Kennedy and Palmer comment that work needs to be happening in parallel, not sequentially.

President Fayram allows Mark Herthel to respond given comments directed related to inclusion of treatment.
Mark Herthel speaks.

President Fayram speaks to the comparison that the contract would provide.

Motion that the Board conditionally approve the contract with Regen in an amount not to exceed \$70,000 and directs the President and staff to sign a District Counsel reviewed contract, provided that grant funds or donated funds are received to cover the full cost of the contract.

Motion by: President Fayram, Second: Director Palmer

Under discussion Director Parks notes that he does like the contract, it sounds sufficiently flexible.

Roll call vote: 5-0

8. CONSIDERATION OF RESOLUTION 23-06 – ACCEPT A DONATION FROM PRESERVATION OF LOS OLIVOS (POLO)

Preservation of Los Olivos (POLO) was founded in 2003 to protect the rural character of the town of Los Olivos. POLO is a social welfare organization organized under section 501(c)(4) of the Internal Revenue Code. Per its letter to the LOCSD Board of Directors on August 24, 2023, POLO is considering donating \$75,000 to the LOCSD for completion of third-party engineering studies. Specifically, POLO would like to fund the REGEN effort noted in Business Item 7.

GM Savage introduces the item. He notes that the Resolution was shared with POLO representatives who provided updates and changes prior to the Resolution being included in the Agenda Packet. Counsel Lemieux comments that with the Board's prior action, the Board has essentially established how the funds will be spent.

Director Palmer acknowledges her gratitude for POLO for their proposal.

Director Palmer asks whether the funds can be restricted or directed as part of a motion. Counsel responds that the prior Board action provided direction to staff.

Director Kennedy notes she will abstain from this item out of an abundance of caution and her business relationship to Mark Herthel. She notes that she does not work with or for POLO, but wants to be fully transparent and eliminate possibility of conflict of interest.

President Fayram opens the floor to public comment.

Mark Herthel speaks. In response to public comment, VP Ross comments on the potential affordability and cost to complete collection and treatment all at once.

Public comment continues.

Kathryn Rohrer, Paul Rohrer, Sam Marmorstein, and Mike Brady speak.

President Fayram comments about the \$75,000. GM Savage responds that the Resolution uses the phrase "up to \$75,000."

Motion to approve Resolution 23-06 – accepting a donation from Preservation of Los Olivos.

Motion by: Director Palmer, Second: Director Parks

Roll call vote: 4-0-1 with Director Kennedy abstaining.

9. CONSIDERATION OF RESOLUTION 23-07 – GRANT SUBCOMMITTEE AUTHORIZATION TO APPLY FOR GRANTS WITHOUT PRIOR APPROVAL OF A MAJORITY OF THE FULL BOARD OF DIRECTORS

The Grants Subcommittee currently consists of Directors Kennedy and Parks, and GM Savage. The Subcommittee is tasked with seeking grant funding for planning, design, construction, operations, and other activities of the LOCSD. From time-to-time, grants become available with short turn-around timelines between announcement of the grant opportunity and application due dates. Resolution 23-07 would provide the Grants Subcommittee with the authority to apply for grants without prior approval of a majority of the Board of Directors, with the caveat that the Grants Subcommittee would return to the full Board of Directors for concurrence at the next regularly scheduled meeting of the LOCSD.

GM Savage introduces the item. He notes that this type of authority is often provided to grants type committees. As an example of short turn-around, he comments about requests from Representative Salud Carbajal and how the District may have missed out on funding that could have been used for planning or further technical study.

Director Kennedy confirms that any grants will be brought to the Board at the next regular meeting. Director Parks asks if there is a downside to approving it. Counsel notes that you could lose some transparency on the front end of the application.

President Fayram opens the floor to public comment.

Mark Herthel, Kathryn Rohrer, and Paul Rohrer speak.

Under discussion, Directors talk about transparency and the desire to ensure that we move forward quickly.

Motion to pass Resolution 23-07 – giving authority to the Grants Subcommittee.

Motion by: VP Ross, Second: Director Palmer

Roll call vote: 4-0-1, with Director Parks abstaining.

INFORMATIONAL ITEMS:

These items are informational only, no action will be taken, and public comment not received.

10. REPORTS

A. SUBCOMMITTEE REPORTS

Finance Subcommittee (Director Kennedy Chair)

Director Kennedy met September 4, 2023 and recommended invoices for approval.

Grants Subcommittee (Director Kennedy Chair)

Director Kennedy notes that the Grants Subcommittee did not meet.

Project Management Subcommittee (Director Palmer Chair)

Director Palmer notes that the Project Management Subcommittee did not meet.

Technical Subcommittee (President Fayram Chair)

President Fayram notes that the Technical Subcommittee met and reviewed the draft Regen contract that was presented earlier.

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 Budget Reports. See the packet for more details.

DE Pike comments on the State grant continues to move forward. He adds that MNS grant group is always looking at grants. GM Savage notes that there is roughly \$137,000 with approximately \$40,000 of that being our working reserve. He notes that he will be travelling in October, so will be attending meetings remotely. He has worked with DE Pike to ensure that coverage and setup for meetings will occur in a timely manner. He adds that he may need help from the District Engineer or Board to post agendas to meet Brown Act requirements. GM Savage comments that he has a draft version of a Grant application that will be brought to the Grants Subcommittee and back to the full Board in October.

11. 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.

Director Kennedy thanks Director Ross for his time and service, and wishes him the very best.

Director Palmer thanks Director Ross for his service and his commitment.

Director Parks comments that he is optimistic about the Regen contract. He closes with thanks Director Ross for his service.

President Fayram comments that he has seen various plants and will be visiting the Avila plant. Closes with comments of appreciation for Director Ross and his service. He says the District owes him a great debt of gratitude.

Vice President Ross thinks there needs to be a standing item for monitoring wells and Mattei's wastewater treatment. He closes with his hope that the community will successfully move forward. He notes that this is a tough problem that has been around for 50 years, and that progress is being made.

12. ADJOURNMENT

Motion to adjourn at 8:03 PM.

Motion by: Director Palmer, Second: Vice President Ross.

Roll call vote (5-0).

Respectfully submitted:



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losolivoscsd@gmail.com, www.losolivoscsd.com

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

Approved:

A handwritten signature in dark ink, appearing to read 'J. Fayram', written over a horizontal line.

President Fayram
Director – Los Olivos Community Services District

Note: Immediately following the conclusion of the Regular Meeting, the Board of Directors will hold a Special Meeting of the Board to review and potentially select a replacement member for the Board of Directors.