



## LOS OLIVOS WATER RECLAMATION

# Santa Barbara LAFCO Los Olivos CSD Formation

April 13, 2017

# Los Olivos - April, 1918



*Flagpole Dedication*



# Community Driven Solution to Wastewater Management Requirements

## Management & Governance Challenge

- RWQCB Water Quality Requirements Compliance
- SB County Planning & Zoning

## Since June 2016 LAFCO Decision

- Complete Governance Administration and System Construction Cost Studies (Berkson, AECOM)
- File CSD Formation Application, Circulate Petition (234 signatures/42% of registered voters)
- 11 LAFCO Meeting Reports/Presentations
- Ongoing Community Meetings, Community Letter & Email Updates



# LAFCO Formation Considerations

- The **need for organized community services**: there is an immediate need for a community wastewater system. A LOCSD will provide an effective, community-based mechanism to address this need.
- Probable effects of the proposal and **of alternatives on the cost and adequacy of services and controls**: cost of a LOCSD is comparable to studied alternatives and provides local control of services to ensure adequacy.
- Conformity** with appropriate city or **county general and specific plans and the sphere of influence of any local agency**: proposal conforms with the County GP and does not overlap with the SOI of any other agency providing wastewater services.
- Creation of islands or corridors of unincorporated territory**: no islands are created, unlike annexation to SYCSD.



# Case for Formation

- ⑩ CSD creation takes same amount of time - or less - than SYCSD annexation
- ⑩ Wastewater system planning and construction will take the same amount of time - or less - than SYCSD annexation since this is the sole responsibility of the LOCSD
- ⑩ LO CSD has same access to public funding to lower overall wastewater costs
- ⑩ No “free” solution - community must pay for operating and capital costs with LOCSD formation or SYCSD annexation
- ⑩ SYV Plan prohibits annexation/extension of sewer lines through rural areas, eliminating the ability to connect to any existing system
- ⑩ LOCSD offers residents greatest accountability for treatment type and cost, and management by local residents creates incentive to minimize costs
- ⑩ LOCSD gives residents elected voice just as other communities enjoy



# Proposed Charges/Assessments to Fund a CSD

## ✦ Phase I: District Start Up/Administrative Tax

- ✦ Approved at the time of LOCSD formation
- ✦ Funds basic CSD admin costs, up to \$200k maximum
- ✦ Paid by all developed and buildable parcels in CSD (except rural & ag parcels)
- ✦ Collected with property taxes, sunsets after construction

## ✦ Phase II: Construction Assessment

- ✦ Approved at a second community vote
- ✦ Requires assessment engineer's report and costs must be spread among parcels based on benefit received
- ✦ May have multiple phases to track construction phases



# Financing Available for Community System

- ✦ Proposition 1/ State Water Board Funding
  - ✦ Planning Grants (\$75k grant requires \$75k match)
  - ✦ Construction Funding Loans (30 yrs @ 2.5 – 3.0%)
  - ✦ Application submitted
- ✦ US Department Of Agriculture Funding
  - ✦ 40 yr. loans for utility construction (2.5 – 3.0%)
  - ✦ Secured by Assessment District
- ✦ Private financing through public/private partnership (design build finance approach)
- ✦ Revenues from local rates and charges
- ✦ Offer mini-loans for individual systems in cooperation with SWRCB



# Approval Paves Way for Local Control Vote

- ⑩ After 100 years, this is Los Olivos' moment in time to give our community a formal voice, protect our groundwater and finally address our wastewater challenges.
- ⑩ A LOCSD offers residents greatest accountability for treatment type and cost, and management by local residents creates incentive to minimize costs.
- ⑩ A LOCSD gives residents elected voice just as other communities enjoy.
- ⑩ By approving our application, LAFCO can pave the way to an historic community vote.



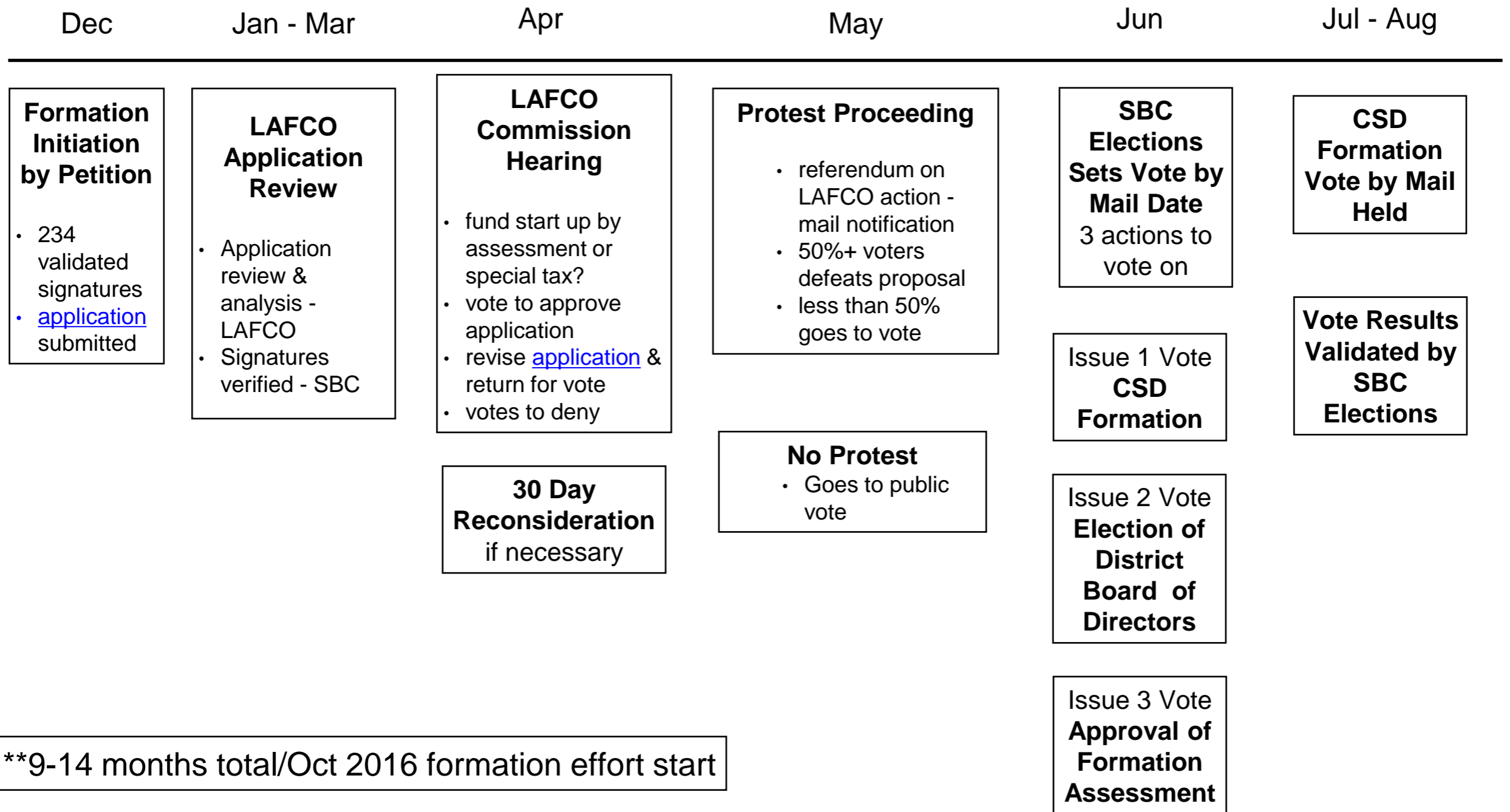




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**Thank You**

# LAFCO/LOCSD Formation Estimated Timeline 2016/17



\*\*9-14 months total/Oct 2016 formation effort start