WWTP Ad Hoc Committee Meeting Summary Report

Meeting Dates: 29 October 2026

Committee Members Present: Rock Rockenbach, Carter Ohlmann

Staff Present: General Manager Weigold, Stephen, Bryce and Marco

Contractors Present: none

Duration: Approximately 2.0 hours

Submitted by: Carter Ohlmann; 2 November 2026

History

Technical Memo Two (TM2) is the component of the Southland Investment Grade Audit (IGA) that begins to address the potential cost and feasibility of connecting the Montecito Sanitary District to the City of Santa Barbara's El Estero Water Resource Center. The Board approved the Southland contract to include TM2 at the 10 September 2025 meeting.

As the Southland work progressed through Technical Memo One (TM1) and analyses of headworks and solids removal technologies, Technical Memo Two (TM2) came into focus. During May 2026, discussions with Southland and District staff about the proposed scope of TM2 led the Committee to examine whether the work, as currently defined, would provide the Board with sufficient information to make an informed comparison of the two principal long-term alternatives: continuing to treat wastewater locally in Montecito or conveying it to Santa Barbara for treatment at El Estero.

At the 9 September 2026 Board meeting, the Board voted unanimously to direct staff to engage the City of Santa Barbara to determine the most appropriate approach, associated cost, and timeline for obtaining the City of Santa Barbara's flow acceptance parameters, and determine how this information should be incorporated into the analysis of a Santa Barbara connection option. The City's flow acceptance parameters ultimately bare on hydraulics and equalization, and are a necessary first step in understanding the required infrastructure for connection to Santa Barbara, and thus capital costs.

At the 23 September 2026 Board meeting staff reported on their meeting with the City of Santa Barbara regarding connection to El Estero. Staff discussed the triggering of City's $100k charge for City staff time in studying connection. It was reported by MSD Staff that the City wants to take influent from 11pm to 6 am. This requires flow equalization capacity. Santa Barbara staff considered equalizing flow at their plant and suggested 2 (two) 2,500,000 gallon equalization basins are necessary. The City would require two force mains, not a single pipe. It was reported

that Santa Barbara would lead all construction to connect that is not on MSD land – MSD would have to negotiate its role. Presently the City is utilizing roughly 62.5% of its wastewater recycling capacity. While MSD influent could be recycled, there is presently no demand for the recycled water. The City indicated environmental permitting (Coastal Commission would be involved) would be onerous and have a significant effect on timeline. Timeline of 7-8 years was mentioned. A JPA would be set up for services. City staff brought up a hybrid solution where wet weather flows were treated at MSD.

At the 23 September 2026 Board meeting the Board voted unanimously to direct staff to utilize the criteria laid out in the Wastewater Treatment Plant Improvement Project Ad Hoc committee report presented at the 9 September 2026 Regular Meeting as the revised scope of Technical Memorandum #2. The Board also voted unanimously to direct staff to reach out to Carollo Engineers to get an idea of timing, scope, and cost to provide the information requested in the scope of Technical Memorandum #2. It had previously been suggested by several Board members that having Carollo Engineering expand on their 2023 report made good sense for exploration of the Santa Barbara connection option. First, some of the questions have previously been addressed by Carollo. Second, Southland is involved in the existing plant design work and could be perceived as having a conflict when evaluating an alternative that might reduce the need for that work.

At the 14 October 2026 board meeting, the Board received a report from the Montecito Sanitary District Wastewater Treatment Plant Ad Hoc on its meeting of October 8, 2026. The central thesis of the report is that t**he Board should be cautious of letting uncertainty about the long-term treatment option compromise near-term reliability of plant operations.** The Board engaged in a discussion on the topics included in the report. No Board action was taken.

Overview

The discussion emphasized that the District must continue addressing the immediate reliability and stabilization needs of the existing wastewater treatment plant, regardless of whether the ultimate long-term solution is continued local treatment or a connection to the City of Santa Barbara. Evaluating a regional connection does not eliminate the need to maintain and stabilize the existing facility during the transition.

The Southland engineering agreement is part of the broader evaluation process and includes work intended to establish the scope, costs, and requirements associated with improving the existing plant and evaluating alternatives. The discussion recognizes that the City connection option has always been part of the overall evaluation, but that pursuing it requires a clear understanding of the infrastructure, costs, and operational implications. The District should not abandon necessary planning or stabilization work before it has sufficient information to make an informed decision.

A significant part of the discussion focused on how to share Southland's preliminary capital cost estimate for the Santa Barbara connection. Participants emphasized that the full Board needed this

information to understand the potential financial commitment and evaluate whether further negotiations with the City were warranted. At the same time, they expressed concern that releasing Southland's detailed report, methodology, and cost breakdown could compromise its competitive position in a future procurement. The discussion therefore explored ways to provide the Board with the information it needed while protecting Southland's proprietary work, including the possibility of sharing a general cost range publicly without disclosing the underlying details.

The discussion also addresses questions raised about the Ad Hoc Committee's authority and the Southland contract. It reiterates that the Board approved the contract on September 10, 2025, and that the committee's work is intended to inform the full Board rather than make decisions independently. **The broader objective is to ensure that the Board has reliable information, a clear understanding of the alternatives, and the ability to make sound long-term decisions while protecting the District's immediate operational needs.**

Board-Level Summary

1. Purpose and Context

The discussion focused on how the District should proceed with its existing treatment plant improvement planning while simultaneously evaluating the potential connection to the City of Santa Barbara's El Estero wastewater treatment plant. A central theme was that these are related but distinct efforts. **Regardless of the District's eventual decision to continue treating wastewater locally or connect to Santa Barbara, the existing facility must be stabilized and maintained so it can operate reliably during the transition.**

The IGA is intended to provide a roadmap for the improvements needed to stabilize the existing facility, including the scope and estimated cost of that work. The discussion emphasized that this information remains important even if the District ultimately pursues a regional connection. The nature and extent of stabilization work may differ depending on the selected long-term strategy, but the need to address immediate reliability issues does not disappear.

2. Preliminary Capital Cost Estimate for a Santa Barbara Connection

A substantial portion of the discussion concerned preliminary construction cost estimates prepared by Southland for the capital cost of connecting Montecito to Santa Barbara. The estimates were developed to address an important information gap: whether the physical connection would be a relatively modest investment or a major capital project comparable in cost to rebuilding the existing treatment plant.

The estimates were described as a preliminary evaluation of a potential connection to City sewer facilities including preliminary (AACE Class Five) cost opinions, based on assumptions about potential routes, infrastructure, construction requirements, and other project elements. **Total**

program costs of $106M and $126M were given for options that connect to the City's sewer line near Por La Mar Dr and Ninos Dr, and to El Estero WWTP, respectively. The latter estimate is assumed to be most representative because the sewer line at Por La Mar and Ninos (18" at 0.07% slope per public City GIS records) is insufficient to accommodate District flows. Program costs include $6.8M for plant stabilization during the project, estimated to take six years. These numbers should not be interpreted as final project costs, but rather best estimates based upon limited engineering requirements communicated by the City and MSD's flow characteristics.

3. Sharing Southland's Estimate and Protecting Its Competitive Position

The participants spent considerable time discussing how the Southland estimate and supporting report could be shared with the Board. There was broad recognition that the information was valuable and should inform the Board's evaluation of the Santa Barbara alternative. At the same time, Southland expressed concern that releasing its detailed report, estimating methodology, assumptions, and cost breakdown could compromise its competitive position if the District subsequently solicited competitive proposals for the connection project.

The distinction was between giving the Board sufficient information to make informed decisions and publicly disclosing Southland's proprietary estimating work. The discussion did not establish a final disclosure arrangement. It also included a discussion with District counsel about whether the subject could legally be addressed in closed session. The response relayed during the meeting was that the proposed discussion did not appear to qualify for closed session and would need to be handled in open session. The appropriate handling of the report and estimate therefore remained an issue to resolve.

4. Economic Evaluation: Capital Costs, Treatment Costs, and Operating Savings

The discussion emphasized that the capital cost of connecting to Santa Barbara is only one part of the economic comparison. A complete evaluation must also consider the City's treatment charges, ongoing operating and maintenance costs, and any potential economic value associated with the District's wastewater flows.

Participants discussed the possibility that Santa Barbara might recognize some value in receiving Montecito's wastewater, particularly if those flows could support future water recycling or other beneficial uses. However, the City's willingness to provide a financial credit or other consideration for those flows was unknown.

The discussion also raised the importance of understanding the City's proposed governance and operating arrangements. If Montecito connected to El Estero, the District would need to understand how treatment rates would be established, how operating responsibilities would be allocated, and whether a joint powers authority or another governance structure would be appropriate. The

experience of other communities connected to Santa Barbara was mentioned as a useful reference, but no specific governance arrangement had been established.

The participants recognized that the capital cost, treatment charges, operating savings, potential value of wastewater flows, and governance arrangements must ultimately be considered together. A lower operating cost does not necessarily make a regional connection financially advantageous if the initial capital investment is too high.

5. Negotiations with the City and Additional Study Costs

The discussion considered whether the District should begin engaging the City to obtain more reliable information about treatment costs, operating arrangements, and the potential value of Montecito's wastewater flows. Participants suggested that these discussions would likely require experienced professional assistance rather than informal conversations alone.

The estimated cost of beginning this work was discussed as potentially substantial, with references to approximately $100,000 to initiate discussions and a possible total commitment approaching $250,000. These were discussion estimates, not approved expenditures. The central question was whether the Board should authorize those additional costs before having a reasonable understanding of the connection's capital cost.

The approach advocated by some participants was to proceed in stages: first establish whether the capital cost appears reasonable enough to justify further investigation, and then authorize more detailed work on treatment rates, operating costs, and governance. This was intended to avoid spending substantial amounts on operating-cost negotiations if the capital cost ultimately made the connection economically unattractive.

7. Timing and the Long-Term Decision

The discussion identified the expected completion of the IGA and TM2 work in approximately spring 2027 as an important decision point. By that time, the Board should have a better understanding of the improvements required to stabilize the existing plant and their associated costs. The participants also discussed the need to have as much information as possible about the Santa Barbara connection, treatment costs, operating savings, and governance before making the long-term decision.

The timing is important because the stabilization strategy may differ depending on the ultimate choice. If the District continues local treatment, a more comprehensive plant improvement program may be appropriate. If the District connects to Santa Barbara, some improvements may instead be designed to support reliable interim operation, with certain equipment serving as backup rather than being replaced as part of a full plant modernization.

The discussion also highlighted the uncertainty associated with the regional connection schedule. Route selection, easements, railroad crossings, environmental review, other agency approvals, negotiations, and the condition of the existing plant could all affect the timeline and cost. The District therefore cannot assume that a connection to Santa Barbara can be implemented quickly or without significant interim investment in the existing facility.

8. Immediate Plant Reliability and Stabilization

The participants repeatedly returned to the need to address the existing plant's immediate operational risks. Specific equipment and infrastructure concerns were discussed, including the influent metering pipe, influent pump station controls and variable-frequency drives, electrical systems, blowers, and other aging equipment.

The discussion emphasized that the District must identify which components require attention to avoid critical failures during the period before a long-term solution is implemented. Some equipment may need replacement regardless of whether the District ultimately treats locally or connects to Santa Barbara. Other improvements may be designed differently depending on the expected duration of interim operation.

The purpose of the stabilization effort is not necessarily to commit the District to a complete plant rebuild. Rather, it is to identify and implement the improvements necessary to maintain safe, reliable operations while the Board evaluates and implements its long-term strategy.

9. Overall Implications for the Board

The discussion points to several important responsibilities for the Board:

- Obtain and understand the revised TM2 proposals and the work needed to stabilize the existing treatment plant.
- Determine how the Board can receive and use the Southland connection estimate while protecting confidential or proprietary supporting information and preserving a fair competitive procurement process.
- **Decide whether the preliminary capital cost justifies spending additional funds to investigate treatment rates, operating costs, wastewater-flow value, and governance arrangements with Santa Barbara.**
- Ensure that immediate plant reliability needs are addressed regardless of the eventual long-term treatment alternative.
- Assemble comparable information on both alternatives so the Board can make an informed decision based on total cost, risk, timing, operational requirements, and long-term control.

Bottom Line

The 29 October 2026 discussion was not a decision to rebuild the existing plant or to connect to Santa Barbara. It was a discussion about obtaining the information necessary to make that decision responsibly. The preliminary Southland estimate provides an important first indication of the potential capital cost of a regional connection, but it is not a final cost estimate. The Board must weigh that cost against potential long-term operating savings and other benefits while continuing to address the existing plant's immediate reliability needs. The ultimate objective is to preserve the District's options and make a well-informed long-term decision without compromising the operation of the wastewater treatment system in the meantime.

Action Items Taken

None.

Recommendations to Board

None