



BOARD OF SUPERVISORS
AGENDA LETTER

Agenda Number:

Clerk of the Board of Supervisors
105 E. Anapamu Street, Suite 407
Santa Barbara, CA 93101
(805) 568-2240

Department Name: Public Works
Department No.: 054
For Agenda Of: 03/01/2011
Placement: Administrative
Estimated Tme:
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Directors, Laguna County Sanitation District

FROM: Department Scott D. McGolpin, P.E., x3010
Director(s) Director, Public Works Department

Contact Info: Mark A. Schleich, P.E., x 3605
Deputy Director, Public Works Department

SUBJECT: Amendment to the August 8, 1977 Agreement between the Laguna County Sanitation District and the City of Santa Maria – 4th and 5th Supervisorial Districts

County Counsel Concurrence

As to form: Yes

Auditor-Controller Concurrence

As to form: Yes

Other Concurrence: N/A

As to form: N/A

Recommended Actions: Approve and authorize the Chair of the Board of Directors to execute the amendment to the August 8, 1977 agreement between the Laguna County Sanitation District and the city of Santa Maria addressing a trade in wastewater services.

Summary Text:

An agreement entered into on August 8, 1977 between the Laguna County Sanitation District (District) and the city of Santa Maria addresses the City's acceptance of wastewater generated by district customers, and conversely, the District's acceptance of wastewater generated by City customers. The party receiving the greater amount of wastewater (the city) is paid for services based on the net flow pursuant to an agreed formula. The amendment modifies the formula for easier billing through the expiration of the agreement at the end of 2017. Staff recommends approval of this action.

Background:

The Santa Maria Public Airport District at one time operated a wastewater treatment plant that was constructed as part of the Santa Maria - Lompoc Air Base. Certain developed areas located easterly of the Airport received wastewater treatment and disposal services from the airport through a sewer collection system managed by the county. In 1974, the Regional Water Quality Control Board (RWQCB) required the airport to either upgrade or abandon the existing treatment plant to come into compliance with new discharge requirements. In 1975, the separate county entities that operated the collection system were dissolved and attached to the Laguna County Sanitation District. By 1977, the airport opted to abandon the treatment plant and entered an agreement with the District and the City to rearrange the sewer system to bypass the existing plant. Modifications to the sewer system resulted in certain District customer areas (generally bounded by Auto Park Road to the west, Waller Lane to the north, College Drive to the east, and Winter Road to the south) flowing to the City and certain City customer areas flowing to the District (southern airport development off Mitchell Street and Blosser Road as well as the county facilities along Foster Road). To address the exchange in wastewater flows, an agreement to accept wastewater by each agency was executed on August 8, 1977.

Since the area is for the most part built out and the net flow is relatively consistent, staff is proposing a revised formula that is easier to administer and from a budget perspective, is more predictable. The annual cost to the District is approximately \$185,000 per year (not including a balancing amount based on year end flow) based on an approximate net flow of 380,000 gallons to the City per day (approximately 470,000 – 90,000). The cost based on the net flow will be escalated by 3% per year.

Upon expiration of the agreement, it is proposed to construct a lift station to convey District customer flow to the District wastewater reclamation facility for various reasons but mainly because any future development will propagate flow capacity limitations where the District's sewer system (15") reduces in size at the city system (8"). The project is described in the Laguna County Sanitation District Facilities and Financial master Plan and is planned for FY 2016-2017.

Staff recommends approval of this action.

Performance Measure:

Approving the amendment to the agreement will set an appropriate cost for services associated with the City's current present worth of its wastewater treatment plant and sets a reasonable cost escalation through termination of the agreement in 2017.

Fiscal and Facilities Impacts:

Budgeted: Yes

Fiscal Analysis:

<u>Funding Sources</u>	<u>Current FY Cost:</u>	<u>Annualized On-going Cost:</u>	<u>Total One-Time Project Cost</u>
General Fund			
State			
Federal			
Fees			
Operating Budget		\$ 200,000.00	\$ -
Total	\$ -	\$ 200,000.00	\$ -

Narrative: The annualized costs for services rendered by the city is funded from the District’s annual operating revenue. The actual annual amount is further subject to adjustments based on estimated and actual flows, interest rates, and price indices. Approximate annual costs for the current year are \$200,000.

Staffing Impacts:

Legal Positions:
None

FTEs:
None

Special Instructions:

Retain one (1) original amendment for Clerk of the Board records and return the other two (2) original amendments to the Laguna County Sanitation District office, attention Martin Wilder.

Attachments:

Three (3) original amendments.

Authored by:

Martin Wilder, x8750
 Utilities Manager, Public Works Department

Copy:

Mark Schleich
 Deputy Director Public Works Department
 Colleen Hankins
 Accountant, Public Work Department