



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: 5/2/2017
Placement: Set hearing
Estimated Time: 6/6/2017 -15 Minutes
Continued Item: No
If Yes, date form:
Vote Required: Majority

TO: Board of Supervisors

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

Contact Info: Mark A. Schleich, P.E., Deputy Director x3605

SUBJECT: Establishing Benefit Assessments for County Service Areas 3, 31, and the North County Lighting District for Fiscal Year 2017-2018, 2nd, 3rd and 4th Supervisorial Districts

County Counsel Concurrence

As to form: Yes

Auditor-Controller Concurrence

As to form: Yes

Other Concurrence: Community Services Dept.

As to form: Yes

Recommended Actions:

- a) Adopt the resolution setting a public hearing on June 6, 2017 to establish benefit assessments for County Service Area 3 and 31 and for the North County Lighting District.
- b) At the hearing on June 6, 2017 consider the following recommendations:
 - i) Receive and file the reports entitled *Benefit Assessment Reports for Fiscal Year 2017-2018 for County Service Area 3, County Service Area 31 and North County Lighting District* with the Clerk of the Board;
 - ii) Adopt the resolutions establishing streetlighting charges for County Service Areas 3 and 31 for fiscal year 2017-2018;
 - iii) Do not establish the benefit assessment in those portions of the North County Lighting District authorized to do so for fiscal year 2017-2018
 - iv) Adopt the findings in the Notice of Exemption that the proposed action is for the establishment of benefit assessment rates for services provided by County Service Areas 3 and 31, that no

expansion of services or facilities will result, that revenues will be used for meeting operating expenses and financial reserve needs and requirements, and that the action is therefore exempt from the California Environmental Quality Act pursuant to 14 CCR Section 15273, and direct staff to file and post the Notice of Exemption on that basis.

Summary Text:

This item is on the agenda in order to establish the benefit assessment rates for streetlighting in County Service Area 3 (unincorporated Goleta and Santa Barbara), County Service Area 31 (Isla Vista), and North County Lighting District (Los Alamos, Casmalia, Orcutt, unincorporated Lompoc and unincorporated Santa Maria) service areas. There are no changes proposed in the rates from last fiscal year.

Background:

Streetlights used in public road rights of way are typically owned and operated by the Pacific Gas & Electric Company (PG&E) in the north county and by the Southern California Edison Company (SCE) in the south county. To provide for the costs of services the County of Santa Barbara uses two streetlighting districts and three county service areas. Of these, County Service Area 3 (unincorporated Goleta and Santa Barbara), County Service Area 31 (Isla Vista), and portions of the North County Lighting District (unincorporated Santa Maria area) generate revenue with a combination of benefit assessments and property tax contributions. Establishing the benefit assessment is required annually pursuant to the Government Code and the Streets and Highways Code.

County Service Area 3 (CSA 3) - 2nd and 3rd Supervisorial Districts

CSA 3 currently provides for 1,355 streetlights. Annual streetlighting operation and administrative costs are approximately \$200,000. The current streetlighting benefit assessment rate of \$24.00 per residential parcel, (factored for other development types) is proposed to remain unchanged for next fiscal year and will generate approximately \$200,000 to cover the streetlighting costs without property tax contributions.

County Service Area 31 (CSA 31) - 3rd Supervisorial District

CSA 31 currently provides for 387 streetlights. Annual streetlighting operation and administrative costs are approximately \$60,000. The current streetlighting benefit assessment rate of \$12.93 per residential parcel (factored for other development types) is proposed to remain unchanged for next fiscal year and will generate approximately \$38,000. Property tax contributions of approximately \$22,000 will provide the supplement to cover the streetlighting costs.

Streetlighting improvements in coordination with SCE have been ongoing since 2013 that involve the conversion of existing high pressure sodium vapor (HPSV) lamps to light emitting diode (LED) lamps. These improvements have been funded by Community Development Block Grants (CDBG), UCSB and the County. To date, all standard lamps (not including decorative lamps) have been upgraded. A final phase consisting of new streetlights in low-lit areas are expected to be completed in 2017.

North County Lighting District (NCLD) - 3rd and 4th Supervisorial Districts

NCLD currently provides for 2,863 streetlights in the Los Alamos, Casmalia, Orcutt, unincorporated Santa Maria, and unincorporated Lompoc areas. PG&E recently switched out HPSV lamps for LED lamps (not including decorative lamps) at their cost as an investment in PG&E facilities. Per lamp costs are expected to increase insignificantly due to lamp sizing corrections.

Annual streetlighting operation and administrative costs are approximately \$521,000. Property tax contributions of approximately \$458,000 and reserves of approximately \$63,000 will be used to cover the costs. The reserve balance for year end is expected to be approximately \$459,000. Staff recommends a minimum reserve of approximately 6 months of operating expenses, or \$260,000, which would be realized in 3 years. Additional revenue through benefit assessments may be assessed in the unincorporated Santa Maria streetlighting benefit zone up to \$14.73 per residential parcel (factored for other development types), which could generate as much as \$140,000 annually. In addition, several newly approved tracts also have benefit assessment zones to be used to address shortfalls. Because the fund balance is sufficient, staff is recommending that zone benefit assessments remain at zero for next fiscal year. It is anticipated that the prior approved assessments, or combination thereof, will be included in 3 years in order to maintain the fund balance.

Performance Measure:

No changes to the streetlighting benefit assessment rates in County Service Area 3, County Service Area 31, or the North County Lighting District are currently anticipated or proposed.

Fiscal and Facilities Impacts:

No fiscal changes are proposed to the County Service Area 3, County Service Area 31, or the North County Lighting District benefit assessment rates. Revenues that fund streetlighting and administrative costs only are summarized in the table below.

<u>CSA, District or Zone</u>	<u>Benefit Assessment Revenue</u>	<u>Property Tax and Other Revenue</u>	<u>Fund Reserve</u>	<u>Total Revenues and Costs</u>
CSA 3	\$200,000		\$0	\$200,000
CSA 31	\$38,000	\$22,000	\$0	\$60,000
NCLD	\$0	\$458,000	\$63,000	\$521,000
Total	\$238,000	\$480,000	\$63,000	\$781,000

Staffing Impacts:

No new staffing positions are proposed in this budget.

Special Instructions:

- A. Request the Clerk of the Board to publish notice of the meeting as set forth in the enclosed notice. Recommended dates are May 23 and May 30, 2017.
- B. Request the Clerk of the Board to forward a certified minute copy of the resolution setting the hearing to the Public Works Dept., Santa Maria, Attention: Angela Arredondo.
- C. After the hearing, request the Clerk of the Board to post the Notice of Exemption and forward a stamped copy to the Public Works Dept., Santa Maria, Attention: Angela Arredondo.
- D. After the hearing, request the Clerk of the Board to forward a certified copy of the rate resolutions (CSA 3 and CSA 31) to the Public Works Dept., Santa Maria, Attention: Angela Arredondo.

Attachments:

- Attachment A: Resolution to set public hearing
- Attachment B: Public hearing notice
- Attachment C: Benefit Assessment Report for CSA 3

Attachment D: Benefit Assessment Report for CSA 31

Attachment E: Benefit Assessment Report for NCLD

Attachment F: Resolution establishing streetlighting benefit assessments for CSA 3

Attachment G: Resolution establishing streetlighting benefit assessments for CSA 31

Attachment H: CEQA Notice of Exemption

Authored by:

Martin Wilder, Utilities Manager, x 8750

Copy:

Julie Hagen, Deputy Public Works Director of Finance and Administration