



**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 Health
Department No.: 041
For Agenda Of: January 5, 2010
Placement: Administrative
Estimated Tme: N/A
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors

FROM: Department Michele Mickiewicz, MPH, Interim Director
Director Public Health Department
Contact Info: Rick Merrifield, Director of Environmental Health, 681-4900

SUBJECT: Disbursement of State Budget Allocation Funds to the Carpinteria Sanitary District - First Supervisorial District

County Counsel Concurrence

As to form: N/A

Auditor-Controller Concurrence

As to form: N/A

Other Concurrence: N/A

As to form: N/A

Recommended Actions:

That the Board of Supervisors:

Consider recommendations regarding funds for the Carpinteria Sanitary District, as follows:

- a) Find that disbursement of \$67,000 to the Carpinteria Sanitary District from the Onsite Wastewater Treatment System Remediation Program fund is consistent with the 2001 Board of Supervisors action intended to reimburse the District for unrecoverable costs incurred during the Rincon Point assessment district formation process.
- b) Direct the Public Health Department to transfer funds in the amount of \$67,000 from the Public Health Department Onsite Wastewater Treatment System Remediation Program Fund to the Carpinteria Sanitary District.

Summary Text:

This recommendation is intended to reimburse the Carpinteria Sanitary District (District) for \$67,000 in costs incurred for engineering studies, initial environmental review and a Phase 1 archeological study in support of an effort to extend public sewer service to Rincon Point. Because the proposed service area was located outside the sanitary district boundaries, the District was precluded from spending district funds to cover these expenses. Because the specific conditions set forth by your Board were not met, a determination by the Board is needed to authorize any transfer of funds.

Background:

In FY 2000-01, the State Water Resources Control Board allocated \$2,000,000 to the Public Health Department to be used for “onsite sewage disposal incentives” in Santa Barbara County. Two projects were developed for use of the funds: a county-wide Septic System Sanitary Survey (\$250,000) and an Onsite Sewage Disposal Remediation Project (\$1,750,000). The sanitary survey was completed in 2003. Rincon Point was identified as a High Priority Area due to the proximity of the septic systems to the ocean, the poor soils and the very shallow groundwater. The remediation project has funded several engineering feasibility studies.

In May 2001, the Board of Supervisors directed Public Health Department staff to allocate \$67,000 of these funds in order to reimburse the Carpinteria Sanitary District for expenses incurred for out-of-district work related to extension of public sewer service to Rincon Point (Reference No. 01-00536). The minute order for that action stated “The intent of the Board is to guarantee \$67,000 in costs identified by the Carpinteria Sanitary District pending an election to create an assessment district and tax of property owners at Rincon Point. Should said election fail, the \$67,000 shall be paid to the Carpinteria Sanitary District. Should said election pass, the County shall retain the \$67,000.”

An assessment district was formed in 2000 but was subsequently abandoned after a legal challenge from a small group of property owners that opposed the sewer extension. Those legal issues have now been resolved and a new assessment district formed. However, the District’s bond counsel advised the District that, because the prior district was abandoned, it would be difficult to make a finding that costs associated with the abandoned district are incidental to the current sewer project. Based on this opinion, the subsequent assessment district election did not include the \$67,000 of expenses related to the first attempt. The result is that the election ultimately passed, but did not include the \$67,000 in expended funds for the abandoned district.

Based on the language in the May 2001 minute order, it could be interpreted that the District is not eligible for reimbursement since the election was successful. However, the language also supports the view that the intent of the Board was to reimburse the \$67,000 in costs for out-of-district work if the District was unable to obtain such reimbursement through the assessment district process. Consequently, the District has requested assistance from the County to remedy this situation. The Public Health Department is in support of the request and the funds have been set aside for this purpose.

Fiscal and Facilities Impacts:

Budgeted: Yes

Fiscal Analysis:

As of 6/30/2009, \$1,337,322 of the original balance of the \$2,000,000 State budget allocation, including the \$67,000 set-aside, is remaining and designated in the Public Health Department Special Revenue Fund. Upon receipt of an invoice from the Carpinteria Sanitary District, \$67,000 will be released from the designation for the reimbursement of their costs. This release was budgeted as part of the Fiscal Year 2009-10 Adopted Budget and can be found on page D-204 of the County’s Operating Plan document in the Environmental Health Services Cost Center. There would be no other fiscal or staffing impacts.

Staffing Impacts:

Legal Positions:
0

FTEs:
0

Special Instructions:

Please email an electronic copy of the Minute Order to PHD Contracts Unit at:
PHDRES.contractsunit@sbcphd.org.

Attachments:

Request letter from Carpinteria Sanitary District dated February 9, 2007
Letter from Jones Hall, Carpinteria Sanitary District bond counsel, dated January 8, 2007
Minute Order Reference No. 01-00536

Authored by:

Rick Merrifield, Environmental Health Services Director, x4934