



**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: 4/9/2019
Placement: Set hearing
Estimated Time: Admin 5/21/2019
15 minutes on 6/4/2019

Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors

FROM: Department Director(s) Scott D. McGolpin, P.E., Director, 805-568-3010
Contact Info: Leslie Wells, Deputy Director, 805-882-3605

SUBJECT: County Service Area 12 (Mission Canyon Sewer District), Ordinance Relative to Sewer Connection Charges, Sewer Service Charges and Resolution Relative to Collection of Said Charges on the Tax Roll – First Supervisorial District

County Counsel Concurrence

As to form: Yes

Other Concurrence: N/A

Auditor-Controller Concurrence

As to form: Yes

Recommended Actions:

That the Board of Supervisors:

- a) Set a public hearing on May 21, 2019 on the administrative agenda to:
 - i) Receive and file with the Clerk of the Board a report entitled *County Service Area 12 Fixed Charges Fee Report for Fiscal Year 2019-2020*;
 - ii) Introduce an ordinance to set sewer connection charges and increase sewer service charges for County Service Area 12;
- b. Set a hearing on June 4, 2019 on the departmental agenda (estimated time 15 minutes) to:
 - i) Direct the Clerk to count and report the number of written protests, if no majority protest;
 - ii) Adopt (second reading) an ordinance to set sewer connection charges and increase sewer service charges for County Service Area 12;

- iii) Adopt a resolution relative to the collection of said charges on the tax roll; and
- iv) Adopt the findings in the Notice of Exemption that the proposed action is for the establishment of charges for services provided by County Service Area 12, that no expansion of services or facilities will result, and that any increased 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. Approve and direct staff to file and post the Notice of Exemption on that basis;
- v) If majority protest, take no action and provide direction to staff.

Summary Text:

This item is on the agenda in order to set the sewer service charges and connection charges for fiscal year 2019-2020 for County Service Area 12 (CSA 12), which serves the Mission Canyon area. The service charge is proposed to increase by \$5.48 for a total annual fee of \$312.10 per user (1.79 percent increase). The revenue from this service charge funds annual operating, maintenance, and reserve costs. The connection charge is a one-time fee paid for the use of system capacity by new development, which is proposed to remain at \$5,633 per residential unit.

Background:

CSA 12 was formed pursuant to Resolution 84-72 by the Board on February 21, 1984 in order to alleviate health and safety concerns related to poorly performing septic systems and in response to a state prohibition order on failing septic systems issued in 1983. A project to construct a sewer system serving the more densely developed area of Mission Canyon was completed on December 12, 1986 with connections made the following year. Regulation of the CSA 12 sewer system is through the State Water Resources Control Board (SWRCB) *Statewide General Waste Discharge Requirements for Sanitary Sewer Systems, Order No. 2006-0003*. Owners of homes that originally connected to the sewer system paid for the system construction through a bond, which was retired in 2003. New development pays a connection charge to CSA 12 for use of the community sewer system. The connection charge will remain at \$5,633 per residential unit.

Operationally, CSA 12 provides wastewater collection services (performed by the Public Works Department) and tracks septic system performance (performed by the Public Health Department) for residents in Mission Canyon. Wastewater is further collected, treated and discharged by the City of Santa Barbara pursuant to the Joint Powers Agreement (JPA) executed between the County and the City of Santa Barbara in 2015 (which replaced the 1984 JPA). Operation and maintenance includes sewer system cleaning and video inspections. Based on video inspections, certain capital repairs have been implemented and funded from the fund reserve. In order to cover the operational costs and to replenish the reserve account, it is recommended to increase the per unit sewer service charge from \$306.62 to \$312.10 per year (an increase of \$5.48 or 1.79%). The increase is noticed to land owners pursuant to Article 13D of the California Constitution and may be adopted by the Board if there is less than a majority of written protests. There are 803 assessed parcels.

The sewer service charges are collected on the tax roll as provided by the Government Code.

The attached resolution authorizes the collection of sewer service charges on the tax rolls pursuant to Ordinance No. 3574 adopted by the Board on June 23, 1986 (Chapter 22A of the County Code).

Performance Measure:

This action is intended to establish sewer service charges sufficient to accommodate the fiscal needs of CSA 12 for its operating, capital and reserve costs.

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>
Sewer Charges		\$ 267,500.00	
Total	\$ -	\$ 267,500.00	\$ -

The proposed annual sewer service charge assessed to each residential dwelling will generate \$267,500 from 857.1 residential unit equivalent connections on 803 parcels to fund CSA 12 operation, maintenance and reserve costs. Based on the proposed adjustment, the reserve balance is anticipated to increase from the current level of \$1.44 million to the intended fund balance of \$1.5 million.

Staffing Impacts:

No new staffing positions are proposed in this budget.

Special Instructions:

- A. Request Clerk of the Board to publish notice of this hearing, as set forth in the attached Notice of Public Hearing (Attachment E), in the Santa Barbara News Press, pursuant to Section 6066 of the Government Code. The recommended dates for publication are **May 21** and **May 28, 2019**.
- B. Request the Clerk of the Board to publish a summary of the ordinance in a newspaper of general circulation in Santa Barbara County, and post the full text of the ordinance, at least 5 days prior to the hearing; and publish a summary of the ordinance in a newspaper of general circulation in Santa Barbara County with the names of the board members voting for and against, and post a certified copy of the ordinance with the names of the board members voting for and against, within 15 days of adoption, pursuant to Section 25124(b)(1) of the Government Code.
- C. Following Board approval, the Clerk of the Board to post the Notice of Exemption and forward a stamped copy to the Public Works Department in Santa Maria, attention Angela Arredondo.
- D. Request the Clerk of the Board to forward certified copies of the ordinance and resolution to:
 - Angela Arredondo, Public Works Department, Santa Maria
 - Lucy Perez, Public Works Department, Santa Barbara

Attachments:

Attachment A: Fiscal Charges Fee Report

Attachment B: Ordinance

Attachment C: Resolution

Attachment D: Notice of Exemption

Attachment E: Notice of Public Hearing

Authored by:

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Copy:

Julie Hagen, CPA, Deputy Public Works Director of Finance and Administration