



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: 1/15/2008
Placement: Administrative
Estimated Tme: 2/12/2008, 15 min
3/4/2008, 15 min
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Directors, Laguna County Sanitation District

FROM: Department Scott McGolpin, Director, x3010
Director(s) Public Works Department

Contact Info: Mark Schleich, Deputy Director, x3600
Public Works Department

SUBJECT: Reimbursement Agreement for the Bradley-Solomon Trunk Line and Amendment to Fee Ordinance Regarding Trunk Line Fees Fourth Supervisorial District

County Counsel Concurrence

As to form: Yes

Auditor-Controller Concurrence

As to form: Yes

Other Concurrence: Select_Other

As to form: N/A

Recommended Actions:

- A. Approve and execute the reimbursement agreement between the Laguna County Sanitation District and Di-Mac Development, Inc.
- B. Set a public hearing on the departmental agenda for February 12, 2008 to introduce the first reading of an ordinance amending Ordinance No. 3130 to revise the Bradley-Solomon trunk line fee.
- C. Set a public hearing on the departmental agenda for March 4, 2008 as the second reading to adopt the attached ordinance entitled 'An Ordinance Amending Ordinance No. 3130,' that revises the Bradley-Solomon trunk line fee.

Summary Text:

The Bradley-Solomon trunk sewer line was constructed by private developer interests to initially serve Key Site 5 (Tract 14,429). This trunk line, however, will also serve proposed development in the Orcutt area generally located east of Bradley Road to US Highway 101. This action establishes a mechanism in which other benefiting development will pay the initial developer for their use of the trunk sewer line.

Background:

The Laguna County Sanitation District's collection system consists of approximately 111 miles of sewer system of which approximately 20 miles are larger diameter trunk lines that collect wastewater from main lines and convey it to the reclamation plant. Because trunk lines serve multiple developments, capital outlay costs are spread across those developments that benefit from it. However, trunk lines are generally constructed at a time when only a portion of the total development will use it. This results in full expenditure of capital costs for only a portion of the users. Therefore, recapturing the costs from the remaining users is accomplished through trunk line fees.

Master planning documents in 1959 as well as the Orcutt Community Plan (OCP) identified various trunk line infrastructure needs. In 1993, the Board considered funding mechanisms for this trunk line as well as two others (the Dutard-Solomon trunk line and the Elkhorn trunk line). At that time both the Dutard-Solomon and Bradley-Solomon trunk lines were expected to be funded from district reserves with repayment by developers to the district. The Elkhorn trunk line was constructed by private developer interests in 1988. In 1994, the Board adopted Ordinance 4142 that included a fee structure for the three trunk lines. The ordinance included a fee adjustment per a construction cost index for the Dutard-Solomon and Bradley-Solomon trunk lines while the Elkhorn trunk line fee structure was addressed in a developer reimbursement agreement adopted by the Board in 1990. The Elkhorn trunk line reimbursement agreement expired in 2000. The current Dutard-Solomon trunk line fee is based on actual costs expended by the district for the project completed in 2002. However, because there were insufficient reserves available, the Bradley-Solomon trunk line was constructed by Di-Mac Development, Inc. in order to develop Key Site 5 (Tract 14,429). The current Bradley-Solomon trunk line fee is based on estimated costs but is more appropriately subject to actual costs expended by the developer. Based on final costs expended by Di-Mac Development, Inc. of \$681,450.45 and estimated build out of 403 units using data from the OCP, a revised Bradley-Solomon trunk line fee is \$1,691 per unit. The unit fee is currently \$1,940 (inflated from 1993 dollars) for 287 lots (estimated prior to the OCP) based on an estimated cost of \$556,667.17 (inflated from 1993 dollars).

Performance Measure:

The Bradley-Solomon trunk line is 1.13 miles in length and is intended to serve approximately 403 housing units.

Fiscal and Facilities Impacts:

There is no fiscal impact to the district with this action. The Laguna County Sanitation will be a pass through for the funds collected by benefiting development to Di-Mac Development, Inc. pursuant to the terms and conditions of the reimbursement agreement.

Fiscal Analysis:

The actual total cost to construct the trunk line expended by Di-Mac Development, Inc. was \$681,450.45. Reimbursement to Di-Mac Development, Inc. in fiscal year 2007/2008 will be based on \$1,691 per residential unit equivalent. The per unit rate will be adjusted annually by the Prime Interest Rate and the reimbursement will terminate after payment has been received for 403 single family equivalent units or after 25 years. All Bradley-Solomon trunk fees collected to date (\$182,620 for 112 housing units) less \$21,234.85 (representing the amount owed under the Cooperative Agreement for right of way acquisition for the trunk line) will be forwarded to Di-Mac Development, Inc. upon execution of the Reimbursement Agreement. The first disbursement to Di-Mac Development, Inc. will

therefore be in the amount of \$161,385.15 with future disbursements as described in the Reimbursement Agreement.

Staffing Impacts:

There are no new staffing impacts associated with this action.

Special Instructions:

A. Government Code § 6066 Publication:

Clerk of the Board to publish notice of the hearings, as set forth below in item B, in the Santa Maria Times once per week for the two weeks prior to each hearing with at least five days between the notices for each hearing in compliance with Section 6066 of the Government Code. Recommended publication dates are January 29 and February 5 for the first hearing and February 19 and February 26 for the second hearing.

B. Notice to be published:

BOARD OF DIRECTORS OF THE LAGUNA COUNTY SANITATION DISTRICT
COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA
NOTICE OF FIRST AND SECOND PUBLIC HEARINGS

Notice is hereby given that public hearings will be held by the Board of Directors of the Laguna County Sanitation District, County of Santa Barbara, State of California, on February 12, 2008, at 9:00 a.m. or shortly thereafter, in the Board of Supervisors Hearing Room in the Betteravia Government Center at 511 East Lakeside Parkway, Santa Maria, California to take public testimony on the proposed ordinance revising the Bradley-Solomon trunk line fee and on March 4, 2008, at 9:00 a.m. or shortly thereafter, in the Board of Supervisors Hearing Room on the fourth floor of the County Administration Building at 105 East Anapamu Street, Santa Barbara, California, to consider adoption the ordinance. A copy of the ordinance can be seen during business hours at the Santa Maria Office of the Santa Barbara County Public Works Department, 620 West Foster Road, Santa Maria, California.

Any objections or protests to the adoption of the proposed ordinance may be filed with the Clerk of the Board of Directors before the public hearings. The address of the Clerk of the Board is: County of Santa Barbara Administration Building, 105 East Anapamu Street, Santa Barbara, California 93101. The objections or protests may also be filed at the second hearing.

- C.
1. Clerk of the Board to forward two of the three original agreements to: Martin Wilder, Laguna County Sanitation District, Resource Recovery & Waste Management Division, Public Works Department.
 2. Clerk of the Board to forward a certified copy of the amended ordinance and the resolution to: Martin Wilder, Laguna County Sanitation District, Resource Recovery & Waste Management Division, Public Works Department.

Attachments:

Reimbursement agreement
Ordinance

Authored by:

Martin Wilder, Manager, x8750
Public Works Department

cc:

Rochelle Camozzi, PW CFO
Mark Paul, Auditor-Controller's Office
Mary McMaster, County Counsel
Marie LaSala, County Counsel
File: Bradley-Solomon trunk line file