



BOARD OF SUPERVISORS
AGENDA LETTER

Agenda Number:

A-38

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

2008 APR -3 PM 2:
COUNTY OF SANTA BARBARA
CLERK OF THE BOARD OF SUPERVISORS

Department Name: Public Works
Department No.: 054
For Agenda Of: 4/15/2008
Placement: Administrative
Estimated Tme: 5/6/2008, 30 min,
5/27/2008, 15 min
Continued Item: No
If Yes, date from:
Vote Required: 2/3

06115-11

TO: Board of Directors, Laguna County Sanitation District

APR 15 2008

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

Contact Info: Mark A. Schleich, x3605
Public Works Deputy Director, Resource Recovery & Waste Management Division

MAS

SUBJECT: Laguna County Sanitation District Board Ordinance Adopting Service Charges, Connection Fees, and Trunk Line Fees and Resolution Relative to Collection of Service Charges on the Tax Roll; Fourth and Fifth Supervisorial Districts

County Counsel Concurrence

As to form: Yes

Auditor-Controller Concurrence

As to form: Yes

Other Concurrence:

As to form: N/A

Recommended Actions:

- A. Set a public hearing on the departmental agenda for May 6, 2008 to do the following:
 - 1. Introduce the first reading of an ordinance amending Ordinance No. 3130 to revise service charges, connection fees and other related fees for the Laguna County Sanitation District;
 - 2. Receive and file with the Clerk of the Board a fixed charge report for fiscal year 2008/2009;
 - 3. Accept the notice of exemption pursuant to Section 15273 (a) (1) – (4) of the State Guidelines for Implementation of the California Environmental Quality Act (attached Exhibit 1);
- B. Set a public hearing on the departmental agenda for May 27, 2008 to adopt the following:
 - 1. The attached ordinance (second reading) entitled "An Ordinance Amending Ordinance No. 3130," which revises service charges, connection fees and other related fees for the Laguna County Sanitation District;

2. A resolution relative to the collection of service charges on the tax rolls.

Summary Text:

In order to provide the current level of service and comply with regulatory requirements, staff recommends a revenue increase of 7.0%. An increase of 3.5% based on the construction cost index (CCI) is proposed for developer impact fees pursuant to ordinance 4142 as well as an increase to the Bradley-Solomon trunk line fee of 7.25% based on the prime interest rate pursuant to the developer reimbursement agreement.

Background:

The Laguna County Sanitation District, a County dependent special district, provides sewer service to customers primarily within the Fourth Supervisorial District and is regulated by the Regional Water Quality Control Board (RWQCB) under Waste Discharge Requirements and Master Reclamation Permit Order 01-042. The service area includes the community of Orcutt, unincorporated areas of Santa Maria south and east of the Santa Maria Public Airport District, and a few parcels located within the city of Santa Maria. The District provides tertiary treatment in addition to salt removal and disposal, and discharges recycled water via irrigation. The Laguna County Sanitation District is one of only two agencies within the county that treat all of its effluent to tertiary levels.

This action proposes the rates and fees for next fiscal year as described below and sets two hearing dates to consider the adoption of an ordinance to revise service charges, connection fees and other rules and regulations. Public noticing including a mailer to District customers in compliance with Article 13D of the California Constitution (Proposition 218) and newspaper publication in compliance with Government Code Section 6066 accompany this proposal.

Service Charge

Services provided by the District include the collection, treatment and disposal of wastewater. Service charges fund the District's operation, maintenance, and replacement (OM&R) needs and are collected on the tax rolls. These costs are distributed across the various billing categories based on flow, biological and solids loading as well as by the type of facility being served as described in Section 29-36 of the County Code. The billing categories include single-family residences, multiple-family residences, schools, and commercial establishments.

The proposed budget includes cost increases related salaries, cost allocations, insurance, additional sewer system maintenance, professional services, and minor projects in addition to contributions toward meeting new reserve policy goals. Based on the proposed budget, a revenue increase of 7.0% is recommended. For a single family residence, this equates to an increase of \$2.63 per month. For comparison, the 2007 CPI was 5.6% for the national average of water and sewerage maintenance costs. The proposed rates are shown in the table below:

Dwelling Type	Current Sewer Charge		Proposed Sewer Charge	
	Annual	Monthly	Annual	Monthly
Single Family Residence	\$454.79	\$37.90	\$486.38	\$40.53
Multiple Family/Condo/Mobile	\$408.20	\$34.02	\$437.75	\$36.48
Commercial	Based on type, flow and loading		Based type, flow and loading	
Schools per Staff/Student	\$25.43/capita	\$2.12/capita	\$25.76/capita	\$2.15/capita

Connection Fee

Connection fees are developer wastewater impact mitigation fees. Connection fees generate revenue from new customers to fund plant facility expansions, upgrades and major rehabilitations. These fees are used to ensure that new development pay a fair share of existing facilities as well as additional capacity improvements. In order to compensate for construction industry related escalations, the connection fees are adjusted by the Construction Cost Index (CCI), as published by the *Engineering News Record* for the city of Los Angeles. The increase in the CCI for January of 2008 was 3.5%. Based on that index, the following connection fees are proposed for next fiscal year:

Facility Type	Current Connection Fee	Proposed Connection Fee
Single Family Residence	\$4,398	\$4,552
Multiple Family/Condo/Mobile	\$3,958	\$4,097
Commercial	Factored per type and size	Factored per type and size

Solomon Creek Trunk Line Fees

A trunk line fee is a developer impact mitigation fee pertaining to a specific part of the collection system. The Dutard-Solomon segment of the Solomon Creek trunk line was completed by the District. The fee is assessed to new customers that benefit from its use and replenishes District reserves, which are then available for other capital improvements. This fee is adjusted by the same index as used to adjust connection fees as described above pursuant to Ordinance 4142.

The Bradley-Solomon segment of the Solomon Creek trunk line was constructed by a private party developer. The revenue from this fee reimburses the developer subject to the terms of the reimbursement agreement executed on January 15, 2008. That agreement used the prime interest rate for annual adjustments which was 7.25%. The proposed trunk line fees are shown in the table below:

Trunk Line	Current Trunk Line Fee	Proposed Trunk Line Fee
Dutard (all residential)	\$783	\$810
Dutard (commercial)	Factored per type and size	Factored per type and size
Bradley (all residential)	\$1,691	\$1,814
Bradley (commercial)	Factored per type and size	Factored per type and size

Performance Measure:

This action will establish rates and fees intended to supply adequate revenues for the District's operations and capital expense needs.

Fiscal and Facilities Impacts:

This action proposes the FY 2007/2008 operating budget. The attached amending ordinance will adjust existing service rates and fees as discussed above.

Fiscal Analysis:

Narrative: The revenue sources shown above represent the District's proposed operating budget for next year, which is a 7% increase over last year's proposed revenue. Revenue from fees will depend upon the number of new connections.

Funding Sources	Proposed Funding
General Fund	
State	
Federal	
Fees	
Service Charges	\$ 6,074,720.00
Total	\$ 6,074,720.00

Staffing Impacts:

No new staffing positions are proposed in this budget.

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 April 22 and April 29 for the first hearing and May 13 and May 20 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 May 6, 2007, 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 take public testimony on the proposed ordinance revising service charges and fees and on May 27, 2007, at 9:00 a.m. or shortly thereafter, in the Board of Supervisors Hearing Room California in the Betteravia Government Center at 511 East Lakeside Parkway, Santa Maria, California, to consider adoption the ordinance and resolution regarding the collection of said charges on the tax rolls. A copy of a report with the proposed amounts 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. Following Board approval Clerk of the Board to post the Notice of Exemption and forward a stamped copy to Resource Recovery and Waste Management, Attention Joddi Leipner.
- D. 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:

Notice of Exemption
Ordinance
Resolution
Sewer Charge Fee Report

Authored by:

Martin Wilder, Manager
Laguna County Sanitation District

cc: Rochelle Camozzi, Public Works Department CFO
Mark Paul, Auditor-Controller's Office

ORDINANCE NO. _____

AN ORDINANCE AMENDING ORDINANCE NO. 3130 ADOPTED NOVEMBER 19, 1979, WHICH ESTABLISHED SERVICE CHARGES, CONNECTION CHARGES, AND OTHER RULES AND REGULATIONS FOR THE LAGUNA COUNTY SANITATION DISTRICT, AS AMENDED BY ORDINANCE NO. 4645 ADOPTED May 22, 2007. THIS AMENDING ORDINANCE CHANGES THE ANNUAL SERVICE CHARGE AND CONNECTION FEE FOR SINGLE FAMILY AND DUPLEX DWELLING UNITS, APARTMENTS, CONDOMINIUMS, TRAILER SPACES, MOBILE HOMES AND NON-RESIDENTIAL DEVELOPMENT. THIS AMENDING ORDINANCE ALSO CHANGES THE DUTARD-SOLOMON AND BRADLEY-SOLOMON TRUNK LINE FEES.

The Board of Supervisors of the County of Santa Barbara acting as the Board of Directors of the Laguna County Sanitation District does ordain as follows:

Sec. 2008-1.

Section 1 of Article I of Ordinance No. 4142 as amended by Ordinance No. 4645, is amended to read as follows:

Section 1.

- c. The Dutard-Solomon Trunk Sewer Fee for all residential dwelling units in such area is \$810 for each dwelling. The Dutard-Solomon Trunk Sewer Fee for commercial buildings, hotels, motels, schools, and institutions in such area is \$810 for each equivalent residential unit (RUE) per thousand square feet for each commercial facility as shown on Exhibit A.

- d. The Bradley-Solomon Trunk Sewer Fee for all residential dwelling units in such area is \$1,814 for each dwelling. The Bradley-Solomon Trunk Sewer Fee for commercial buildings, hotels, motels, schools, and institutions in such area is \$1,814 for each equivalent residential unit (RUE) per thousand square feet or classroom for each commercial facility as shown on Exhibit A.

Sec. 2008-2.

Section 2 of Article I of Ordinance No. 3130, as amended by Ordinance No. 4610, is amended to read as follows:

Section 2.

The service charge for each single family dwelling and duplex dwelling unit is \$486.38 per fiscal year (\$40.53 per month). For new dwellings, service charges will be paid prior to occupancy approval from the date of occupancy clearance through the end of the fiscal year. Thereafter, service charges will be collected on the tax roll.

Sec. 2008-3.

Section 3 of Article I of Ordinance No. 3130 as amended by Ordinance No. 4610 is amended to read as follows:

Section 3.

The service charge for each apartment, condominium, trailer space or mobile home dwelling unit is \$437.75 per fiscal year (\$36.48 per month). For new multiple family residential dwellings, service charges will be paid prior to occupancy approval from the date of occupancy clearance through the end of the fiscal year. Thereafter, service charges will be collected on the tax roll.

Sec. 2008-4.

Section 4 of Article I of Ordinance No. 3130, as amended by Ordinance 4645 is amended to read as follows:

Section 4.

- a. The service charge for schools, public and private, is \$25.76 per capita per year, to be computed on the basis of a total person count of students plus teaching, administrative and maintenance staff personnel.
- b. The service charge for all commercial facilities shall be dependent on five-day biochemical oxygen demand and suspended solids loading per commercial facility type in addition to flow volume. The minimum commercial service charge is \$438.00 per fiscal year. For new commercial facilities, service charges will be paid prior to occupancy approval from the date of occupancy clearance through the end of the fiscal year. Thereafter, service charges will be collected on the tax roll.

Sec. 2008-5.

Section 2 of Article II of Ordinance No. 3130, as amended by Ordinance 4645, is amended to read as follows:

Section 2.

The connection charge for each apartment, condominium, trailer space or mobile home dwelling unit is \$4,097.

Sec. 2008-6.

Section 3 of Article II of Ordinance No. 3130, as amended by Ordinance No 4645, is amended to read as follows:

Section 3.

- a. The connection charge for each single family and duplex dwelling unit is \$4,552.

Sec. 2008-7.

Section 4 of Article II of Ordinance No. 3130, as amended by Ordinance No. 4645, is amended to read as follows:

Section 4.

- a. The connection charge for commercial buildings, hotels, motels, institutions, and schools, is \$4,552 multiplied by the appropriate residential unit equivalency factor per thousand square feet or classroom as shown on Exhibit B.
- b. Applicable plan check, permit, inspection, testing and annexation processing fees for sewer connections to District facilities shall be charged prior to District approval as shown below:
 1. Plan check and review fees for multiple parcel, commercial and industrial developments: Hourly staff rate with a \$500 minimum deposit.
 2. Permit fees per application: \$100.00.
 3. Inspection fees per connection: \$100.00.
 4. Inspection fees for industrial facilities per connection: \$150.00.
 5. Sewer line inspection and testing fees: \$200/100 feet.
 6. Annexation processing fees: Hourly staff rate with a \$500 minimum deposit.

Sec. 2008-8.

Section 2 of Article IV of Ordinance No. 3130 as amended by Ordinance No. 4645 is amended to read as follows:

Section 2.

For the purpose of the collection of the service charges on the tax roll, the service charges specified in Article I hereof shall become operative and effective commencing July 1, 2008, for the Fiscal Year 2008/2009 and shall continue in effect and be operative for each fiscal year thereafter.

Sec. 2008-9.

The foregoing charges shall be in effect during the 2008/2009 budget year.

Sec. 2008-10.

Except as herein amended, Ordinance No. 3130 as amended by Ordinance No. 4645, shall remain in full force and effect.

Sec. 2008-11

This Ordinance shall take effect and be in force THIRTY (30) days from the date of its passage; and before the expiration of FIFTEEN (15) days after its passage, it or a summary of

it, shall be published once, with the names of the members of the Board of Directors voting for and against the same, in the Santa Maria Times, a newspaper of general circulation published in the County of Santa Barbara.

PASSED, APPROVED, AND ADOPTED by the Board of Directors of the Laguna County Sanitation District, County of Santa Barbara, State of California, this _____ day of _____ 2008, by the following vote:

- AYES:
- NOES:
- ABSTAIN:
- ABSENT:

Salud Carbajal, Chair, Board of Directors,
Laguna County Sanitation District

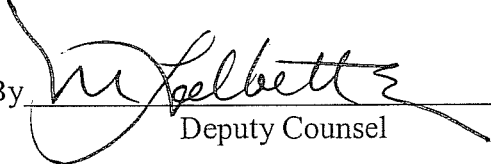
Date: _____


ATTEST:
MICHAEL BROWN
CLERK OF THE BOARD

By _____

APPROVED AS TO FORM:
DANIEL J. WALLACE
County Counsel

APPROVED AS TO ACCOUNTING FORM:
ROBERT W. GEIS, CPA
Auditor-Controller

By  _____
Deputy Counsel

By  _____
Deputy

LAGUNA COUNTY SANITATION DISTRICT

Trunk Line Fee Schedule for FY 2008/2009

Customer Description	Daily Flows or Units of Measure	Residential Unit Equivalency Factors [1]	Dutard- Solomon Fee Per RUE [2]	Bradley- Solomon fee Per RUE [2]
Residential Unit	Unit	1.000	\$810	\$1,814
<u>Non-Residential</u>				
Retail	1,000 SF	0.190	\$154	\$345
Barber/Beauty Salon/Pet Grooming	1,000 SF	0.625	\$506	\$1,134
Lumber yards/Nurseries/Business/Services	1,000 SF	0.191	\$155	\$346
Offices/Financial Institutions	1,000 SF	0.263	\$213	\$477
Medical Offices/Veterinary Clinics	1,000 SF	0.521	\$422	\$945
Restaurants/Fast Food	1,000 SF	3.481	\$2,820	\$6,315
Other Food Services (deli, yogurt shops)	1,000 SF	0.984	\$797	\$1,785
Banquet Facilities/Patio Dining	1,000 SF	0.984	\$797	\$1,785
Bakeries	1,000 SF	3.442	\$2,788	\$6,244
Common Areas	1,000 SF	0.167	\$135	\$303
Auto/Transportation Services	1,000 SF	0.354	\$287	\$642
Car Wash, Non-Recycle	1,000 SF	12.560	\$10,174	\$22,784
Car Wash, Recycle	1,000 SF	2.970	\$2,406	\$5,388
Dry Cleaner without Laundry	1,000 SF	0.208	\$168	\$377
Laundromats	1,000 SF	11.084	\$8,978	\$20,106
Mtg. Halls/Theaters/Entertainment	1,000 SF	0.250	\$203	\$454
Bowling Alleys	1,000 SF	0.271	\$220	\$492
Golf Course/Country Club/Health Club	1,000 SF	0.984	\$797	\$1,785
Warehouse	1,000 SF	0.104	\$84	\$189
Market/Supermarket	1,000 SF	0.469	\$380	\$851
Skilled Nursing	1,000 SF	1.892	\$1,533	\$3,432
Residential Care for the Elderly	1,000 SF	0.797	\$646	\$1,446
Hospitals	1,000 SF	2.390	\$1,936	\$4,335
Hotels/Motels	1,000 SF	0.984	\$797	\$1,785
Churches	1,000 SF	0.208	\$168	\$377
Schools with cafeteria, gym/showers	Classroom	0.737	\$597	\$1,337
Schools with cafeteria, w/o gym/showers	Classroom	0.432	\$350	\$784
Schools w/o cafeteria, with gym/showers	Classroom	0.649	\$526	\$1,177
Schools w/o cafeteria, w/o gym/showers	Classroom	0.360	\$292	\$653

[1] Residential unit equivalency factors for commercial facilities are based on typical flows, 5-day biochemical oxygen demand and suspended solids loading for each specific type of commercial facility. Each commercial facility is related by an equivalency factor to a standard single family residential unit.

[2] Example, retail is the RUE fee per 1,000 SF.

LAGUNA COUNTY SANITATION DISTRICT
Connection Fee Schedule for FY 2008/2009

Customer Description	Daily Flows or Units of Measure	Residential Unit Equivalency Factors [1]	Connection Fee Per RUE [2]
Single Family Residence	205 gpd	1.000	\$4,552
Multiple Family Residence	184 gpd	0.900	\$4,097
<u>Non-Residential</u>			
Retail	1,000 SF	0.190	\$865
Barber/Beauty Salon/Pet Grooming	1,000 SF	0.625	\$2,845
Lumber yards/Nurseries/Business/Services	1,000 SF	0.191	\$869
Offices/Financial Institutions	1,000 SF	0.263	\$1,197
Medical Offices/Veterinary Clinics	1,000 SF	0.521	\$2,372
Restaurants/Fast Food	1,000 SF	3.481	\$15,846
Other Food Services (deli, yogurt shops)	1,000 SF	0.984	\$4,479
Banquet Facilities/Patio Dining	1,000 SF	0.984	\$4,479
Bakeries	1,000 SF	3.442	\$15,668
Common Areas	1,000 SF	0.167	\$760
Auto/Transportation Services	1,000 SF	0.354	\$1,611
Car Wash, Non-Recycle	1,000 SF	12.560	\$57,173
Car Wash, Recycle	1,000 SF	2.970	\$13,519
Dry Cleaner without Laundry	1,000 SF	0.208	\$947
Laundromats	1,000 SF	11.084	\$50,454
Mtg. Halls/Theaters/Entertainment	1,000 SF	0.250	\$1,138
Bowling Alleys	1,000 SF	0.271	\$1,234
Golf Course/Country Club/Health Club	1,000 SF	0.984	\$4,479
Warehouse	1,000 SF	0.104	\$473
Market/Supermarket	1,000 SF	0.469	\$2,135
Skilled Nursing	1,000 SF	1.892	\$8,612
Residential Care for the Elderly	1,000 SF	0.797	\$3,628
Hospitals	1,000 SF	2.390	\$10,879
Hotels/Motels	1,000 SF	0.984	\$4,479
Churches	1,000 SF	0.208	\$947
Schools with cafeteria, gym/showers	Classroom	0.737	\$3,355
Schools with cafeteria, w/o gym/showers	Classroom	0.432	\$1,966
Schools w/o cafeteria, with gym/showers	Classroom	0.649	\$2,954
Schools w/o cafeteria, w/o gym/showers	Classroom	0.360	\$1,639

[1] Residential unit equivalency factors for commercial facilities are based on typical flows, 5-day biochemical oxygen demand and suspended solids loading for each specific type of commercial facility. Each commercial facility is related by an equivalency factor to a standard single family residential unit.

[2] Example, retail is the RUE fee per 1,000 SF.

RESOLUTION OF THE BOARD OF SUPERVISORS OF THE
COUNTY OF SANTA BARBARA,
STATE OF CALIFORNIA
EX-OFFICIO BOARD OF DIRECTORS OF
LAGUNA COUNTY SANITATION DISTRICT

IN THE MATTER OF ADOPTING A REPORT)
LISTING SERVICE AND CONNECTION)
CHARGES IN LAGUNA COUNTY) RESOLUTION NO. _____
SANITATION DISTRICT AND PROVIDING)
FOR COLLECTION ON THE TAX ROLLS)

WHEREAS, a report pursuant to Health and Safety Code Section 5473 was filed with the Clerk of the Board; and

WHEREAS, notice of said hearing has been published pursuant to Government Code Section 6066; and

WHEREAS, it appears to be in the best interest of the public and to the inhabitants of said District that the charges for connections and service within said District be collected on the County Tax Roll; and

WHEREAS, the charges for such connections and service appear to be reasonable and proper.

NOW, THEREFORE, BE IT AND IT IS HEREBY RESOLVED as follows:

1. That the foregoing recitations are true and correct.
2. That the connection and service charges fixed by Ordinance No. _____ and set out in said report, and each of them, be collected at the same time and in the same manner and by the same persons as, together with and not separate from the general taxes, for the Laguna County Sanitation District.
3. That the Clerk be and is hereby authorized and directed to file a copy of said report with the County Auditor-Controller on or before August 10, 2008 with a statement endorsed thereon over his signature that it had been finally adopted by the Board of Directors in accordance with Health and Safety Code Section 5473.4
4. That the Tax Collector be and is hereby authorized and directed to include the amount of said charges on bills for taxes levied against the respective lots and parcels of land in Laguna County Sanitation District.

PASSED AND ADOPTED by the Board of Directors of the Laguna County Sanitation District, State of California, this _____ day of _____, 2008 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Salud Carbajal, Chair, Board of Directors
Laguna County Sanitation District

Date: _____

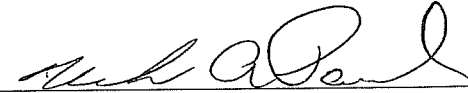
ATTEST:
MICHAEL BROWN
CLERK OF THE BOARD

By _____
Deputy

APPROVED AS TO FORM:
DANIEL J. WALLACE
County Counsel

APPROVED AS TO ACCOUNTING FORM:
ROBERT W. GEIS, CPA
Auditor-Controller

By  _____

By  _____