



BOARD OF SUPERVISORS  
AGENDA LETTER

Agenda Number:

A-42

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: 6/7/2011  
Placement: Administrative  
Estimated Tme: 7/12/2011, Dept 15 min,  
8/2/2011, Admin  
Continued Item: No  
If Yes, date from:  
Vote Required: 2/3

**TO:** Board of Directors, Laguna County Sanitation District

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

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

**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:

**Recommended Actions:**

Set hearing on July 12, 2011 on the departmental agenda to consider recommendations regarding an Ordinance Adopting Service Charges, Connection Fees, and Trunk Line Fees, and a Resolution Relative to Collection of Service Charges on the Tax Roll as follows:

- a) Consider the introduction (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;
- b) Receive and file with the Clerk of the Board a fixed charge report for fiscal year 2011/2012;
- c) Accept the Notice of Exemption pursuant to the State Guidelines for Implementation of the California Environmental Quality Act (CCR Section 15273(a)); and
- d) Set hearing on the administrative agenda for August 2, 2011 to consider the following:

- i. Consider adoption (second reading) of An Ordinance Amending Ordinance No. 3130 to revise service charges, connection fees and other related fees for the Laguna County Sanitation District;
- ii. Adopt a resolution relative to the collection of service charges on the tax rolls; and
- iii. Approve the Notice of Exemption pursuant to the State Guidelines for Implementation of the California Environmental Quality Act (CCR Section 15273(a)) - post.

**Summary Text:**

This action sets the rates for service charges, connection fees, and trunk line fees for fiscal year 2011/2012. A rate increase of 7% is recommended to service charges. Adjustments to the connection fee and trunk line fees are recommended based on the appropriate index. These recommendations are consistent with the Board's policies, prior ordinances and agreements, and the long-range fiscal plan for the enterprise fund.

**Background:**

The Laguna County Sanitation District (District), a dependent special district of the County, provides wastewater services to customers primarily located within the Fourth Supervisorial District and is regulated by the Regional Water Quality Control Board (RWQCB) under Waste Discharge Requirements Order 01-042. The recommended actions address service charges, connection fees, and trunk line fees.

Service charges are billed on an annual basis to District customers over single-family residence, multiple-family residence, school, and commercial billing categories. They fund operational, maintenance, and replacement costs (including debt service and depreciation) for collection, treatment, and discharge services. For next year, the following service charge rate structure is proposed:

Dwelling Type	Current Sewer Charge		Proposed Sewer Charge	
	Annual	Monthly	Annual	Monthly
Single Family Residence	\$550.64	\$45.89	\$589.18	\$49.10
Multiple Family/Condo/Mobile	\$494.16	\$41.18	\$530.84	\$44.24
Commercial	Based on type, flow and loading		Based type, flow and loading	
Schools per Staff/Student	\$29.80/capita	\$2.48/capita	\$30.75/capita	\$2.56/capita

As shown, the 7% rate increase will result in an annual increase of \$38.54 (\$3.21 per month). Countywide, the average SFR rate is \$49.83 per month.

Connection fees are developer impact mitigation fees intended to ensure new customers pay a fair share of existing facilities and new capacity improvements. This fee is subject to adjustment by ordinance pursuant to the Los Angeles Construction Cost Index (CCI), which for 2010 was 2.4%. This action recommends increasing the fee from \$4,862 to \$4,979 per residential unit equivalent (RUE).

The Dutard-Solomon trunk line fee is a developer impact mitigation fee for new customers that utilize the Dutard-Solomon segment of the Solomon Creek trunk sewer completed by the District in 2001. Based on an increase in the Los Angeles CCI of 2.4%, the fee for RUE will increase from \$865 to \$886.

The Bradley-Solomon segment of the Solomon Creek trunk line was constructed by a developer in 2006. The revenue from this fee reimburses the developer subject to the terms of the reimbursement agreement executed by the Board on January 15, 2008. That agreement uses the prime interest rate for annual adjustments which was 3.25% for 2010. Therefore, this trunk fee will increase from \$1,934 to \$1,997 per RUE.

**Performance Measure:**

This action will establish rates and fees intended to provide revenues to meet the District's operations and capital expense needs.

**Fiscal and Facilities Impacts:**

The proposed rates and fees are based on the FY 2011/2012 operating budget. The attached amending ordinance will adjust existing service rates and fees as discussed above.

**Fiscal Analysis:**

The proposed service charge revenue represents the District's proposed operating budget for next year. The proposed rate increase will fund the proposed annual budget of \$7,407,500. Revenue from fees will depend upon the number of new connections.

**Staffing Impacts:**

No new staffing positions are proposed in this budget.

**Special Instructions:**

- A. Clerk of the Board to publish notice of the meetings at set forth in the attached Public Notice in the Santa Maria Times pursuant to Government Code § 6066. **Recommended publication dates are June 28 and July 5 for the first hearing and July 19 and July 26 for the second hearing.**

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.

- B. Following Board approval, Clerk of the Board to post the Notice of Exemption and forward a stamped copy to Laguna County Sanitation District, attention Martin Wilder.
- C. Clerk of the Board to forward a certified copy of the amended ordinance and the resolution to:
- Martin Wilder, Laguna County Sanitation District in Santa Maria
  - Shannon Barcelona, Resource Recovery & Waste Management Division in Santa Barbara

**Attachments:**

Ordinance  
Resolution  
Notice of Exemption  
Public Notice  
Report of Fixed Charges

**Authored by:**

Martin Wilder, P.E., Utilities Manager

**Copy:** Mark Schleich, Deputy Public Works Director, Resource Recovery & Waste Management Division  
Mark Paul, Deputy Public Works Director of Finance and Administration  
Colleen Hankins, Resource Recovery & Waste Management Division Accountant