



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: 9/11/2018
Placement: Set hearing
Estimated Time: 15 minutes on
11/6/2018
Continued Item: No
If Yes, date from:
Vote Required: 4/5

TO: Board of Directors, Laguna County Sanitation District`

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

SUBJECT: Formation of an Improvement Zone within the Laguna County Sanitation District for the Operation and Maintenance of a Sewer Lift Station for the Northern Branch Jail

County Counsel Concurrence

As to form: Yes

Auditor-Controller Concurrence

As to form: Yes

Other Concurrence: Sheriff Department

As to form: Yes

Recommended Actions:

That the Board of Directors:

On September 11, 2018:

- a) Adopt the Resolution of Intent declaring the District's intention to establish Improvement Zone No. 2 for the Northern Branch Jail project;
- b) Set a hearing on November 6, 2018 to consider:
 - i) Adoption of a resolution establishing Improvement Zone No. 2 for the Northern Branch Jail project; and
 - ii) Adoption of an ordinance amending Ordinance No. 3130 and Ordinance No. 5048 to set the benefit assessment for Improvement Zone No. 2 (2/3 vote per HS 5471); and
- c) Find that the proposed action does not constitute a "Project" within the meaning of the California Quality Act, pursuant to 14 CCR 15378(b)(4) and (5), in that it is a government administrative activity and funding mechanism that will not result in direct or indirect changes in the environment.

On November 6, 2018:

- d) Adopt the Resolution establishing Improvement Zone No. 2 for the Northern Branch Jail;
- e) Receive and file the Assessment Engineer's Report for Improvement Zone No. 2;
- f) Adopt an ordinance amending Ordinance No. 3130 and Ordinance No. 5048 to set the benefit assessment for Improvement Zone No. 2; and
- g) Find that the proposed action does not constitute a "Project" within the meaning of the California Quality Act, pursuant to 14 CCR 15378(b)(4) and (5), in that it is a government administrative activity and funding mechanism that will not result in direct or indirect changes in the environment.

Summary Text:

This item is on the agenda in order to consider the creation of an improvement zone and a benefit assessment to fund the operational costs of a wastewater conveyance facility that will serve the Northern Branch Jail (Jail). The Jail is within the Laguna County Sanitation District (District) service territory and is located in the southwest corner of the intersection of Betteravia Road and Black Road. The Jail facility requires the use of a sewer lift station to convey wastewater to the District's wastewater reclamation plant because flow by gravity is not achievable due to land topography. The Jail has opted to have the District own and operate the lift station facility as opposed to self operation. The creation of an improvement zone establishes the mechanism for the Jail to compensate the District for its operation and maintenance.

Background:

The new Northern Branch Jail is currently under construction with anticipated operation in 2019. The Jail property was annexed to the District's service territory on September 4, 2014 to allow the District to provide wastewater services. Utility service planning evaluated how to transport wastewater to the District's reclamation plant. The nearest connect point to the existing sewer system is 6,850 feet south of the Jail site in the Tanglewood housing tract off Black Road, nearly all of which required the use of a 6" pressurized force main in order to overcome topographical elevation differences. A lift station located on the jail site will prescreen the wastewater and pump the wastewater to a point where it will flow by gravity into the existing sewer system. The lift station facility consists of a mechanical bar screen, wet well and channel structure with dual pumps and motors, a valve and meter box, control panel, backup generator, security fencing, and wash down facilities.

Due to the complexity, the District was asked by the County to consider owning and operating the lift station facility as opposed to owning and operating it privately. This is permissible under District development standards provided that a revenue mechanism is created to pay for the operation, maintenance and replacement of the system. Because the lift station serves a limited customer group, namely the Jail, costs to operate the lift station system cannot be shared by the District customer base at large. The standard funding mechanism is the creation of an improvement zone and establishing a special benefit assessment pursuant to Health and Safety Code Section 4850 *et seq.* In the event a new customer uses the lift station, the land benefiting from it would be annexed to the zone to share the operating costs and any capital costs to upgrade the facility would be borne by that party. The costs to

operate the lift station are in addition to the standard sewer charge to operate the reclamation plant and regional collection facilities.

Staff recommends the receipt and filing of the attached Assessment Engineer's report (Attachment A), which details the costs of operation and establishes the initial assessment of \$91,697. This amount is subject to inflationary and replacement costs over time and must be set along with standard sewer charges each year. The prorated amount for the portion of the fiscal year remaining will initially be charged, with complete annual amounts being assessed thereafter.

Further recommended actions include the formation of Improvement Zone No. 2 by declaration and establishing resolutions (Attachments B and C), and creating the benefit assessment by ordinance (Attachment D) in addition to noticing these actions as required.

Performance Measure:

Creating the benefit zone will provide revenue to operate and maintain the new lift station, which will provide sewage collection for the Northern Branch Jail.

Fiscal and Facilities Impacts:

There are no costs associated with this action. Rather, this action is a revenue planning action.

Fiscal Analysis:

Capital costs have been provided by the Northern Branch Jail project to construct the lift station and force main facilities. Total operation, maintenance, and replacement costs have been amortized over the course of equipment useful lives to determine the first year benefit zone assessment, which will be adjusted by the Consumer Price Index. Therefore, \$91,697, or prorated amount thereof, will be assessed in the first fiscal year that the system is put into service with adjusted annual amounts billed by fiscal year thereafter.

Staffing Impacts:

None

Special Instructions:

- A. Direct the Clerk of the Board to publish the notice of hearing, as set forth in Attachment B in the Santa Maria Times once per week for two successive weeks not more than 30 nor less than 10 days prior to the hearing pursuant to Health and Safety Code Section 4853. **Recommended publication dates are October 16 and October 23 2018.**

- B. Direct the Clerk of the Board publish a summary of the ordinance in the Santa Maria Times and post the full text of the ordinance, at least 5 days prior to the hearing; and publish a summary of the ordinance in the Santa Maria Times 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.

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- C. Direct the Clerk of the Board to forward signed and dated copies of the resolutions to the Public Works Department – Resource Recovery & Waste Management Division – Laguna County Sanitation District office, Attention: Martin Wilder; and
- D. Direct the Clerk of the Board to send one fully executed copy of the resolution establishing Improvement Zone No. 2 to the County Assessor pursuant to Health and Safety Code Section 4855.

Attachments:

Attachment A - Assessment Engineer's Report

Attachment B - Resolution of Intent to Establish Improvement Zone No. 2

Attachment C - Resolution Establishing Improvement Zone No. 2

Attachment D – Ordinance Establishing Benefit Assessment

Attachment E - Public Notice

Authored by:

Martin Wilder, Utilities Manager

Copy:

Julie Hagen, Deputy Director – Finance and Administration

Tom Jenkins – Sheriff's Department