

City of Goleta  
Detachment from  
Goleta West Sanitary  
District

Board of Supervisors

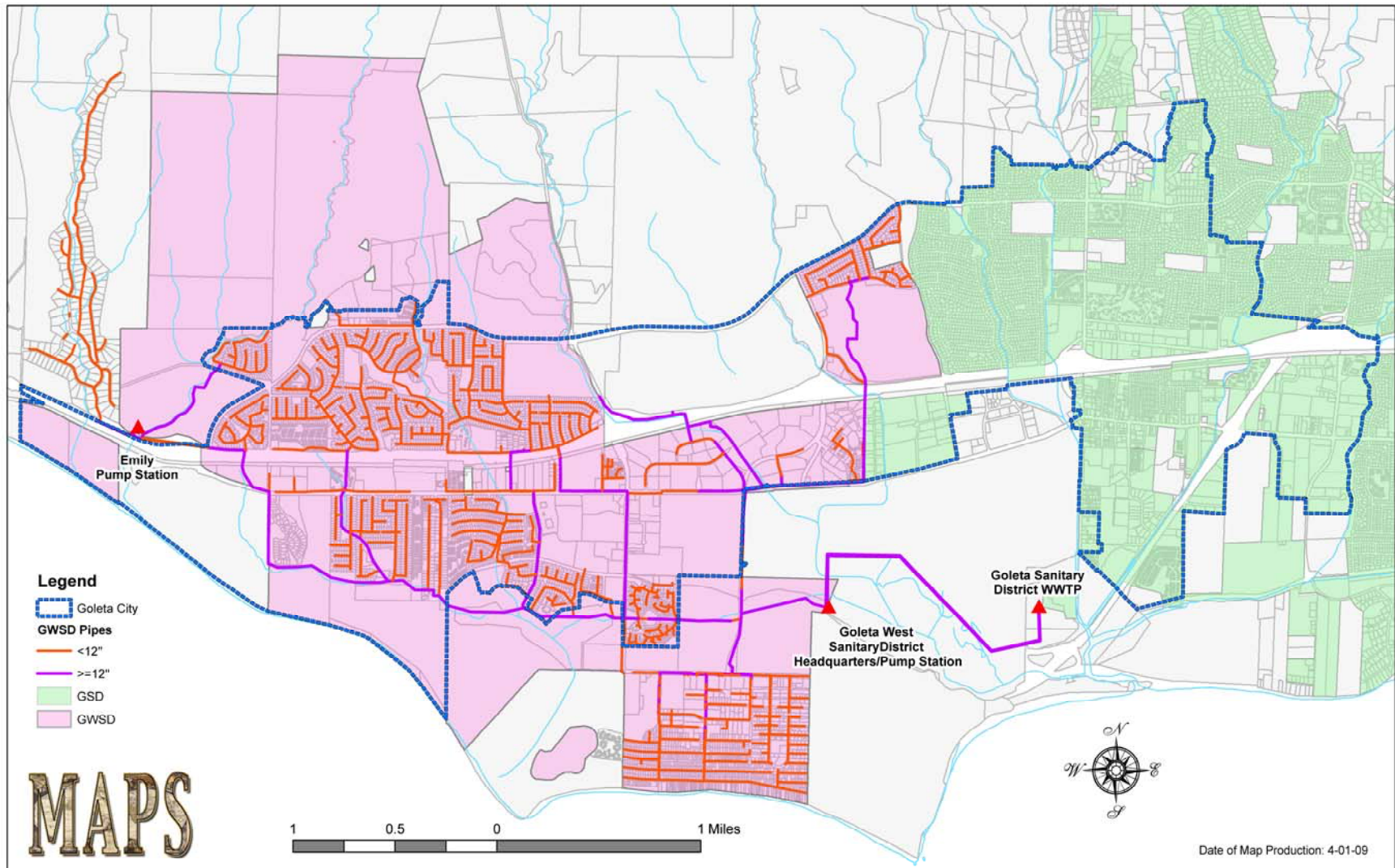
May 5, 2009

# City of Goleta Request

- Reallocation of Property Taxes
- Transfer of Real Property
- Transfer of Physical Assets
- Transfer of Monetary Assets
  - Cash on hand
  - Reserve funds derived from City residents

# Goleta Area Sanitary Services

## GOLETA WEST SANITARY DISTRICT SEWER SYSTEM



# GWSD Services

- Sanitary Sewer Operations
  - Sewer collection maintenance
  - Lift stations
  - Pipeline upgrades (Capital)
  - Plan check/inspection for new service
  - GSD treatment plant payments
- Street sweeping

# Discussion Issues

- Meeting GWSD obligations to GSD
- Amount of property tax reallocation
- Reallocation of property tax reserves
- Meeting EMID maintenance requirements

# Code Requirements

- Board of Supervisors to negotiate jurisdictional change on behalf of District
- Agreement with City only for reallocation of future Property Taxes
- Transfer of other financial resources rests with LAFCO

# City Services With Detachment

- Sanitary sewer operations
  - Collection
  - Maintenance
  - New connections
  - Treatment payments to GSD
  - Capital Improvements
- Street Sweeping

# Property Tax Reallocation

- Current taxes from Goleta to District
  - 78% of \$1.64M = \$1.28M
- Goleta requests all future taxes collected within City boundaries accrue to City



# GWSD Reserve Funds

- General Cash and Operating - \$4.2M
  - Capacity/plant & Devereux - \$5.0M
  - Treatment plant - \$18.05M
  - Property Tax - \$1.2M
  - Equipment/vehicle/building - \$2.0M
- TOTAL \$30.45

# Treatment Plant Upgrade

- Estimate cost \$50M
- Breakdown of participants
  - GSD - 47.87%
  - GWSD - 40.78% (\$20M)
  - UCSB - 7.09%
  - City of Santa Barbara - 2.84%
  - County - 1.42%

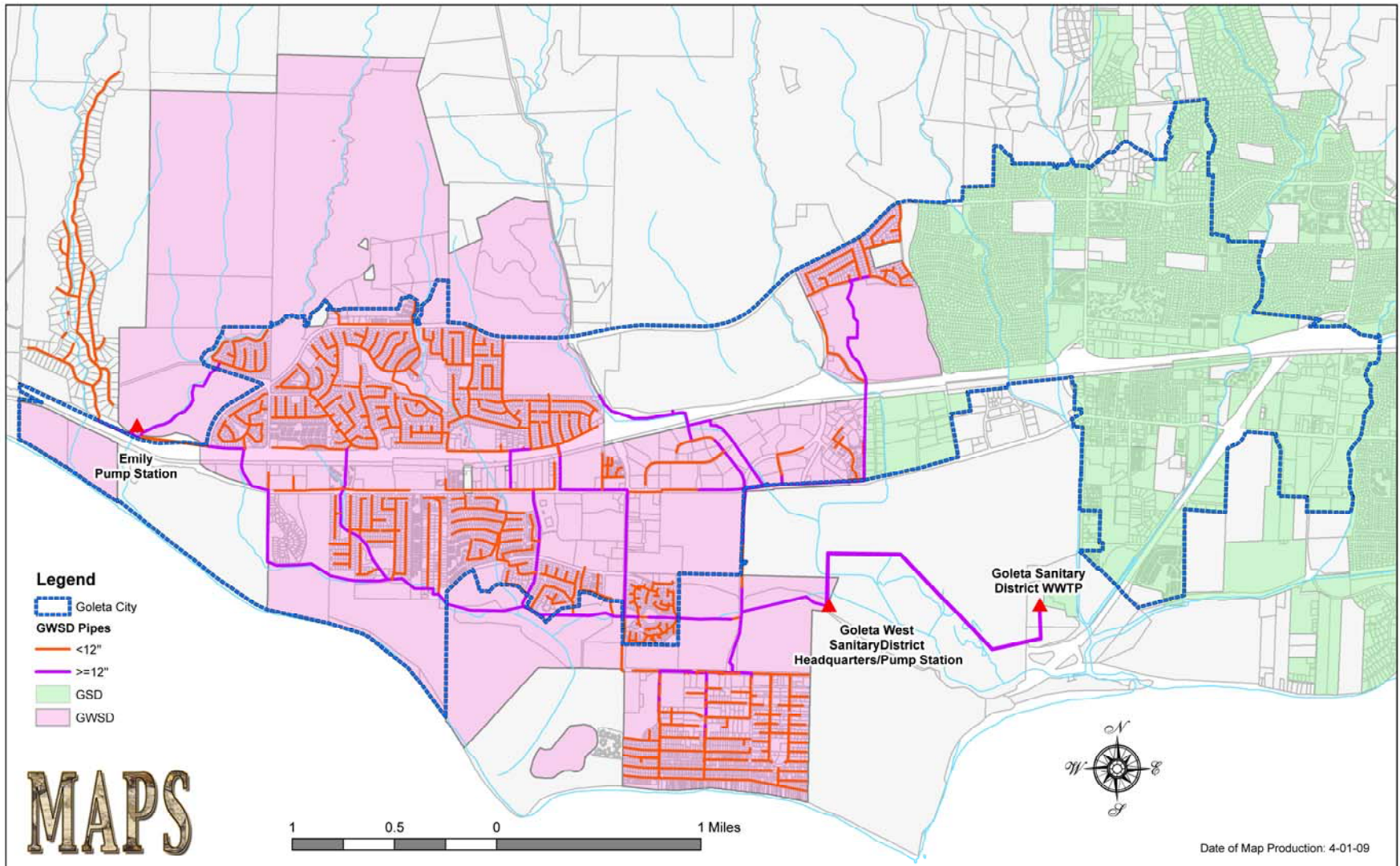
# Rates with Reallocation and Reserve Payment of \$20M

- Current GWSD annual charge - \$168
- With completion of GSD treatment plant - \$360± for City and GWSD ratepayers
- Number of factors will control:
  - Flow rates from each jurisdiction
  - Wheeling charges
  - Use of reserves in the future
  - Lift station charges
  - Future capital charges

# GWSD - City Negotiation Items

- Wheeling charges
- Lift station charges
- Possibly EMID services

# GOLETA WEST SANITARY DISTRICT SEWER SYSTEM



# LAFCO Decisions

- Reallocation of property taxes
- Use of property tax reserves
- Reallocation of other reserves
- EMID service determination

# County Detachment ??

<b>Expenditure Category</b>	<b>Amount</b>	<b>Goleta West (unincorporated)</b>	<b>City of Goleta</b>
Personnel	\$793,400	\$269,800	\$523,600
Treatment	1,076,000	516,500	559,500
Miscellaneous	1,107,600	376,600	731,000
Total	\$2,977,000	\$1,162,900	\$1,814,100

<b>Expenditure Category</b>	<b>Amount</b>	<b>Goleta West (unincorporated)</b>	<b>City of Goleta</b>
Personnel	\$676,800	\$230,100	\$446,700
Treatment	1,076,000	516,500	559,500
Miscellaneous	675,600	229,700	445,900
Total	\$2,248,400	\$976,300	\$1,452,100

# Comparison of County-City Resolutions

- Same except for City Section 5 a & b
- City adds contingencies:
  - GWSD not use resources to oppose the reallocation
  - County commit to modification of section 4.12 of Revenue Neutrality Agreement
- County staff not agree to 5 a & b in City resolution



# Documents for Consideration

- Resolution for reallocation of property taxes between GWSD and City authorizing:
- Property tax allocation agreement

# LAFCO Actions

- Issues certificates of filing
- Notices setting of hearing by Commission
- Executive Officer report & recommendation
- Conduct hearing approve or deny application
- If approved, notice of protest hearing
- Protest hearing for residents and landowners

# LAFCO Protest Process

- 50% of registered voters from detachment area, detachment terminated
- 25% - 50% registered voters, election
- 25% landowners with 25% valuation, election
- Fewer than 25% registered voters or landowners, detachment complete