



BOARD OF SUPERVISORS
AGENDA LETTER

Agenda Number:

A-39

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: 4/10/2007
Placement: Administrative
Estimated Time: 5/1/2007 – 15 minutes
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors

FROM: Department Phillip M. Demery, x3010 *PMD*
Director(s) Public Works Director
Contact Info: Mark A. Schleich, x3600
Deputy Public Works Director

SUBJECT: County Service Area 12 (Mission Canyon Sewer District), Resolution Relative to Sewer Connection Fees, Sewer Service Charges and the Collection of Said Charges on the Tax Roll – First Supervisorial District

County Counsel Concurrence

As to form: Yes

Other Concurrence: N/A

Auditor-Controller Concurrence

As to form: Yes

Recommended Actions:

- A. Receive report entitled *Mission Canyon Sewer District Fixed Charges Fee Report for Fiscal Year 2007/2008*.
- B. Approve Notice of exemption pursuant to California Environmental Quality Act (CEQA) Guidelines. (Post).
- C. Set a public hearing for May 1, 2007, in connection with the report entitled "*Mission Canyon Sewer District Fixed Charges*" filed with the Clerk of the Board, April 3, 2007, which proposes a sewer service charge of 2.9% (from \$552 to \$568 per connection per year) for County Service Area 12.
- D. Adopt at the conclusion of the public hearing on May 1, 2007, the attached resolution establishing service charges for County Service Area 12 (Mission Canyon Sewer District) and provide for collection on the Tax Rolls for Fiscal Year 2007/2008.

Summary Text:

This action sets the fiscal year 2007/2008 sewer service rate for the Mission Canyon area. Rates are set based on operating, maintenance, and reserve costs. The majority of the costs are attributable to collection, treatment, and disposal services provided by the City of Santa Barbara.

Background:

The Mission Canyon Sewer District (County Service Area 12) was formed by the Board of Supervisors on February 21, 1984 by Resolution 84-72 and operates pursuant to Ordinance 3574, Mission Canyon Sanitary Disposal Systems (Chapter 22A of the County Code) adopted by the Board on June 23, 1986. CSA 12 provides for wastewater collection in the Mission Canyon area of unincorporated Santa Barbara County and is regulated by Regional Water Quality Control Board (RWQCB) Waste Discharge Requirements Order R3-2004-0123. In addition, CSA 12 functions to assess the performance of existing septic systems within its boundaries. A separate assessment is collected by the Public Health Department to perform this function and is the subject of a separate Board action. The sewer service charge generates revenue to compensate the City of Santa Barbara for treatment and disposal services pursuant to Joint Powers Agreement No. 12,554 dated October 2, 1984 as well as to finance annual system maintenance, repairs, equipment depreciation, capital and operating reserves and administration.

The portion of the sewer assessment attributable to costs associated with services provided by the City of Santa Barbara is subject to increases planned by the City of Santa Barbara based on a 10-year financial plan for their wastewater operations. The plan identified shortfalls in operating costs, the need for additional capital improvements, increases in regulatory requirements and reduced interest earnings. The City in addressing these shortfalls approved rate increases as follows: Fiscal year 2001/2002, 10%, fiscal year 2002/2003, 4%, fiscal year 2003/2004, no increase, 2004/2005, 16%, and 4% minimum increases thereafter (a 6% rate increase is proposed for fiscal year 2007/2008).

Annual CSA 12 sewer service charges had been \$276 per connection since 1989/1990. Until fiscal year 2001/2002 sewer service rates were sufficient to accommodate expenditures. However, due to the City increases noted above, CSA 12 had deficits in fiscal years 2001/2002 through 2003/2004. Rate adjustments since fiscal year 2004/2005 have been adopted to address revenues and expenses. This action further accounts for the City's 6% annual increase as well as replenishment of the capital and operating reserves. The proposed CSA 12 rate increase is 2.9% (from \$552 to \$568 per connection per year). Future increases of similar amount are expected to account for the City's annual rate adjustments and reserve balance replenishment.

The proposed resolution also authorizes the collection of sewer service charges on the tax rolls pursuant to Ordinance No. 3574 adopted by board on June 23, 1986. Article IV, Section 22A-35 states "all charges for annual costs of providing public sewer service and septic tank maintenance not recovered through connection charges may be collected on the tax roll, in the same manner and at the same time as the county general ad-valorem property taxes are collected." Section 22-A36 of the County Code states in part that "the Board of Supervisors shall cause to prepare a written report which shall contain a description of each parcel of real property in the public sewer service area which is receiving public sewer service and the amount of any charge for each parcel for each year." Section 22A-37 states in part that "upon the filing of such report, the county clerk-recorder shall fix a time, date, and place for a

hearing on the report and for filing objections or protests hereto. The county clerk-recorder shall publish notice of such hearing as provided in Government Code Section 6066 prior to the date of the hearing.”

Performance Measure:

This action is intended to establish sewer service rates sufficient to accommodate the fiscal needs of the District for its operating and capital expenses.

Fiscal and Facilities Impacts:

This action proposes the fiscal year 2007/2008 budget for the Mission Canyon Sewer District.

Fiscal Analysis:

<u>Funding Sources</u>	<u>Current FY Cost:</u>	<u>Total One-Time Project Cost</u>
General Fund		
State		
Federal		
Service Fees	\$ 458,376.00	\$ 458,376.00
Penalty Fees		\$ -
Other:		
Total	\$ 458,376.00	\$ 458,376.00

An increase to the current annual sewer service charge to \$568.00 per residential dwelling connection will generate the amount of revenue required to match proposed City costs for fiscal year 2007/2008 and provide the minimum operating and maintenance reserve balance.

Staffing Impacts:

No new staffing positions are proposed in this budget.

Special Instructions:

- A. Request Clerk of the Board to publish notice of this hearing, per the copy attached, in the Santa Barbara News Press, as provided in Section 6066 of the Government Code. Section 6066 states that:

“Publication of notice to this section shall be once a week for two successive weeks. Two publications in a newspaper published once a week or oftener, with at least five days intervening between the respective publication dates not counting such publication dates, are sufficient. The period of notice commences upon the first day of publication and terminates at the end of the fourteenth day, including therein the first day.” The recommended dates for publication are April 17, 2007, and April 24, 2007.

B. Notice to be published:

**BOARD OF SUPERVISORS OF THE COUNTY OF SANTA BARBARA
STATE OF CALIFORNIA
NOTICE OF PUBLIC HEARING**

Notice is hereby given that a public hearing will be held by the Board of Supervisors of the County of Santa Barbara, State of California, on May 1, 2007 at 9:00 a.m. or shortly thereafter, in the Board of Supervisors Hearing Room, Fourth Floor, 105 East Anapamu Street, Santa Barbara California, to take public testimony on the written report for proposed County Service Area 12 (Mission Canyon Sewer District) Fixed Charges Fee Report 2007/2008. Copy of the said written report with the proposed amount set out therein can be seen during business hours at the Santa Barbara Office of the Santa Barbara County Public Works Department, Resource Recovery & Waste Management Division, 130 East Victoria Street, Suite 100, Santa Barbara, California. The proposed amount of each parcel can be obtained during business hours by a telephone call to the County Department of Public Works, Resource Recovery & Waste Management Division, (805) 739-8750.

The public hearing to be held on May 1, 2007 is for the purpose of considering all objections or protests to the adoption of the proposed benefit assessment charges as set forth in said report or as modified by the Board of Supervisors on April 3, 2007.

Any objections or protests to the adoption of the proposed benefit assessment charges may be filed with the Clerk of the Board of Supervisors before the public hearing scheduled for 9:00 a.m., May 1, 2006. The address of the Clerk of the Board is: 105 East Anapamu Street, Santa Barbara, California 93101. Objections or protests may also be filed at the meeting on April 10, 2007.

- 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. Direct the Clerk of the Board to forward a certified copy of the resolution to Christy Angkahan, Public Works Department, Resource Recovery & Waste Management Division, Santa Maria; Georgia Navarro, Public Works Department, Resource Recovery & Waste Management Division, Santa Barbara; and Rochelle Camozzi; Public Works Department, Santa Barbara.

Attachments:

Notice of Exemption
Resolution
Fiscal Charges Fee Report

Authored by:

Martin Wilder, Civil Engineer Manager, x8750
Christy Angkahan, Departmental Assistant, x8757
Public Works Department, Resource Recovery & Waste Management Division
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CC: Rochelle Camozzi
Mark Paul, Auditor-Controller's Office
John Jayasinghe, County Executive Office

