



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:** 6/16/2015  
**Placement:** Set Hearing  
**Estimated Time:** 7/21/2015, 15 minutes  
**Continued Item:** No  
**If Yes, date from:**  
**Vote Required:** Majority

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**TO:** Board of Supervisors

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

Contact Info: Mark A. Schleich, P.E., Deputy Director, x3605

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

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**County Counsel Concurrence**

As to form: Yes

**Auditor-Controller Concurrence**

As to form: Yes

**Other Concurrence:** N/A

**Recommended Actions:**

- A. Receive report entitled *County Service Area 12 (Mission Canyon Sewer District) Fixed Charges Fee Report for Fiscal Year 2015-2016 Attachment A*.
- B. Set a public hearing on July 21, 2015 on the departmental hearing to:
  1. Adopt an ordinance to set sewer connection fees and sewer service charges for County Service Area 12 (Attachment B);
  2. Adopt a resolution relative to the collection of said charges and fees on the tax roll (Attachment C); and
  3. Adopt the findings in the Notice of Exemption (Attachment D) that the proposed action is for the establishment of rates for services provided by County Service Area 12, that no expansion of services or facilities will result, and that any increased revenues will be used for meeting operating expenses and financial reserve needs and requirements, and that the action is therefore exempt from the California Environmental Quality Act pursuant to 14 CCR Section 15273. Approve and direct staff to file and post the Notice of Exemption on that basis.

**Summary Text:**

This action sets the sewer connection fees and sewer service charges for fiscal year 2015-2016 for County Service Area 12 (CSA12), which serves the Mission Canyon area. Connection fees are a one-time fee paid for the connection of new development while sewer service charges fund annual operating, maintenance, and reserve costs. The connection fee will remain at \$5,633 per residential unit. Historically, the sewer service charge generated revenue to fund services provided by the City of Santa Barbara (approximately 75%) and to fund CSA 12 operations and maintenance. An update to the joint powers agreement (JPA) was recently approved by your Board on May 5, 2015 by the City on June 9, 2015. The rate collected by the County has been revised to collect only revenues needed to fund CSA 12 operations and maintenance. Therefore, the recommended sewer service charge rate on the tax roll will be \$264 per connection – a reduction from last year’s rate of \$810. The City will bill the CSA 12 residents monthly for the use of city sewer service.

**Background:**

CSA 12 was formed pursuant to Resolution 84-72 by the Board on February 21, 1984 in order to alleviate health and safety concerns related to poorly performing septic systems and in response to a state prohibition order on failing septic systems issued in 1983. A project to construct a sewer system serving the more densely developed area of Mission Canyon was completed on December 12, 1986 with connections made the following year. Owners of homes that connected to sewer at that time paid for system construction through a bond, which was retired in 2003. New development pays a connection fee to CSA 12 for use of the sewer system. The connection fee will remain at \$5,633 per residential unit.

CSA 12 provides wastewater collection services (Public Works Department) as well as tracks septic system performance (separate Board action by the Public Health Department) for inhabitants in Mission Canyon. Wastewater is further collected, treated and disposed by the City of Santa Barbara pursuant to Joint Powers Agreement No. 12,554 dated October 2, 1984. This JPA has been superseded by a new JPA (execution by County on May 5, 2015 and City on June 9, 2015). Costs for use of City facilities as well as costs for maintenance of certain CSA 12 sewer lines by City forces historically comprised approximately 75% of the CSA 12 budget. Costs for the use of City facilities will now be billed directly to CSA 12 residents on their City water bill and CSA 12 will perform all of its own operational and maintenance activities.

The sewer service charges are collected on the tax roll as provided by the Government Code. CSA 12 is regulated by State Water Resources Control Board (SWRCB) *Statewide General Waste Discharge Requirements for Sanitary Sewer Systems, Order No. 2006-0003*.

The attached ordinance proposes a change to the current annual sewer service charge from \$810 per connection to \$264 per connection. Rate payers will see a reduction in annual costs for sewer service and could realize additional savings with water conservation since the City sewer bill is based on water use. Any future rate increases would be noticed to land owners pursuant to Article 13D of the California Constitution, which requires a less than majority written protest by land owners to impose.

The attached resolution authorizes the collection of sewer service charges on the tax rolls pursuant to Ordinance No. 3574 adopted by board on June 23, 1986 (Chapter 22A of the County Code).

**Performance Measure:**

This action is intended to establish sewer service rates sufficient to accommodate the fiscal needs of CSA 12 for its operating and capital expenses.

**Fiscal and Facilities Impacts:**

Budgeted: Yes

**Fiscal Analysis:**

<b><u>Funding Sources</u></b>	<b><u>Current FY Cost:</u></b>	<b><u>Annualized On-going Cost:</u></b>	<b><u>Total One-Time Project Cost</u></b>
Sewer Charges		\$ 220,704.00	
Total	\$ -	\$ 220,704.00	\$ -

The proposed annual sewer service charge of \$264 per year per residential dwelling connection will generate \$220,704 from 836 connections to fund CSA 12 operation and maintenance costs. The reserve balance is approximately \$1,500,000.

**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, as set forth in the attached Notice of Public Hearing (Attachment E), in the Santa Barbara News Press, pursuant to Section 6066 of the Government Code. The recommended dates for publication are July 7 and July 14, 2015.
- B. Request the Clerk of the Board publish a summary of the ordinance in a newspaper of general circulation in Santa Barbara County, and post the full text of the ordinance, at least 5 days prior to the hearing; and publish a summary of the ordinance in a newspaper of general circulation in Santa Barbara County 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.
- C. Following Board approval Clerk of the Board to post the Notice of Exemption and forward a stamped copy to the Public Works Department in Santa Maria, attention Christy Angkahan.
- D. Direct the Clerk of the Board to forward certified copies of the ordinance and resolution to:
  - Christy Angkahan, Public Works Dept., Santa Maria
  - Sheila de la Guerra, Public Works Dept., Resource Recovery & Waste Management Division, Santa Barbara

**Attachments:**

- Attachment A, Fiscal Charges Fee Report
- Attachment B, Ordinance
- Attachment C, Resolution
- Attachment D, Notice of Exemption
- Attachment E, Notice of Public Hearing

**Authored by:**

Martin Wilder, Utilities Manager, x8750

**Copy:**

Mark Paul, Deputy Public Works Director of Finance and Administration