

SANTA BARBARA COUNTY BOARD AGENDA LETTER



Clerk of the Board of Supervisors
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Agenda Number:
Prepared on: 3/23/06
Department Name: PW/Laguna Sanitation District
Department No.: 054
Agenda Date: 4/11/06
Placement: Administrative
Estimate Time:
Continued Item: NO
If Yes, date from:

TO: Board of Directors
Laguna County Sanitation District

FROM: Phillip M. Demery, Director x3010
Public Works Department

STAFF CONTACT: Mark A. Schleich, Deputy Director x3605
Resource Recovery & Waste Management Division

SUBJECT: Review of Governance Alternatives for Laguna County Sanitation District, Fourth Supervisorial District

Recommendation(s):

That the Board of Directors:

- A. Direct staff to meet with the City of Santa Maria to determine their interest in providing wastewater treatment services for the area currently provided by Laguna County Sanitation District.
- B. Direct staff to meet with Golden State Water Company (formerly California Cities Water Company) to determine interest in evaluating possible improvements to facilities owned by Golden State Water Company that could reduce costs of operations for Laguna County Sanitation District.

Alignment with Board Strategic Plan:

The recommendation(s) are primarily aligned with Goal No. 1. An Efficient Government Able to Respond Effectively to the Needs of the Community and Goal No. 2. A Safe and Healthy Community in Which to Live, Work, and Visit.

Executive Summary and Discussion:

At the conclusion of last year's Laguna County Sanitation District rate hearings, the Board of Directors directed staff to prepare a long-term rate projection model, conduct an operational review of the District's facilities and evaluate alternative governance models. The over arching goal of the studies is to provide the best rate to the customers (rate-payer) of the District.

The District with the assistance of the Auditor/Controller and the County Executive Office have prepared a multiple year rate model, that includes necessary depreciation schedules, timing of capital projects and assumption of new customers based upon approval of Orcutt development. A more detailed presentation of the rate model will be made as part of the Board Hearing to approve customer rates for next year.

The District contracted with R.W. Beck to conduct a review of the plant facilities and operations to develop recommendations that would improve the District's efficiency in the interest of reducing or stabilizing costs to the customers. An administrative draft of the report is complete and is currently under review by District staff, Auditor/Controller and the County Executive Office. The recommendations of the final report will also be presented at the Board Hearing to approve rates for next year.

In the consideration of alternative governance models, staff has identified several options. Two of the options include partnerships with other agencies, namely the city of Santa Maria and Golden State Water Company. Staff and County officials wish to understand these agencies' interest in potential governance alternatives prior to initiating detailed studies. This Board action will direct staff to meet with the city of Santa Maria and Golden State Water Company in order to formally address these agencies level of interest. Based upon their response we will return to the Board of Directors with a list of potential governance alternatives.

Mandates and Service Levels:

There are no changes to service levels with this action.

Fiscal and Facilities Impacts:

There are no changes to fiscal and facilities impacts.

Special Instructions:

Please forward a certified minute order of this action to the Public Works Department, Laguna County Sanitation District, attn: Martin Wilder, at 620 West Foster Road in Santa Maria and retain one (1) original for the Clerk of the Board.

Concurrence:

Auditor-Controller
County Executive Office

Board letter authored by: Martin J. Wilder, Public Works Department x8755
Laguna County Sanitation District Manager