



**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: 5/1/2018
Placement: Set hearing
Estimated Time: 15 minutes on
6/19/2018
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors

FROM: Department Director(s) Scott D. McGolpin, P.E., Director, 568-3010

Contact Info: Mark A. Schleich, P.E., Deputy Director, 882-3605

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

County Counsel Concurrence

As to form: Yes

Auditor-Controller Concurrence

As to form: Yes

Other Concurrence: N/A

Recommended Actions:

That the Board of Directors:

- a) Receive report entitled *County Service Area 12 Fixed Charges Fee Report for Fiscal Year 2018-2019*).
- b) Set a public hearing on June 19, 2018 on the departmental hearing to:
 - i) Adopt an ordinance to set sewer connection charges and increase sewer service charges for County Service Area 12;
 - ii) Adopt a resolution relative to the collection of said charges and fees on the tax roll; and
 - iii) Adopt the findings in the Notice of Exemption 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 item is on the agenda in order to set the sewer service charges and connection charges for fiscal year 2018-2019 for County Service Area 12 (CSA 12), which serves the Mission Canyon area. The service charge is proposed to increase by \$17.18 for annual fee of \$306.62 per user (5.94 percent increase). The revenue funds annual operating, maintenance, and reserve costs. The connection charge is a one-time fee paid for the connection of new development, which is proposed to remain at \$5,633 per residential unit.

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. Regulation of the CSA 12 sewer system is through State Water Resources Control Board (SWRCB) *Statewide General Waste Discharge Requirements for Sanitary Sewer Systems, Order No. 2006-0003*. Owners of homes that originally connected to sewer 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 charge will remain at \$5,633 per residential unit.

Operationally, CSA 12 provides wastewater collection services (Public Works Department) and tracks septic system performance (Public Health Department) for inhabitants in Mission Canyon. Wastewater is further collected, treated and discharged by the City of Santa Barbara pursuant to the Joint Powers Agreement (JPA) executed with the City of Santa Barbara in 2015 (replaced 1984 JPA). Operation and maintenance includes sewer system cleaning and video inspections. Based on video inspections, certain capital repairs have been implemented and funded from the fund reserve. In order to replenish the reserve account it is recommended to increase the per unit sewer charge from \$289.44 to \$306.62 per year (\$17.18 or 5.94%). The increase is noticed to land owners pursuant to Article 13D of the California Constitution and may be adopted by the Board if there is less than a majority of written protests. There are 802 assessed parcels.

The sewer service charges are collected on the tax roll as provided by the Government Code. 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:

<u>Funding Sources</u>	<u>Current FY Cost:</u>	<u>Annualized On-going Cost:</u>	<u>Total One-Time Project Cost</u>
Sewer Charges		\$ 262,500.00	
Total	\$ -	\$ 262,500.00	\$ -

The proposed annual sewer service charge assessed to each residential dwelling will generate \$262,500 from 856.1 residential unit equivalent connections on 802 parcels to fund CSA 12 operation and maintenance costs. The reserve balance is approximately \$1.28 million, which is slightly below the intended fund balance of \$1.5 million.

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 June 5 and June 12, 2018.
- 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 Angela Arredondo.
- D. Direct the Clerk of the Board to forward certified copies of the ordinance and resolution to:
 - Angela Arredondo, Public Works Department, Santa Maria
 - Sheila de la Guerra, Public Works Department, 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, 739-8750

Copy:

Julie Hagen, Deputy Public Works Director of Finance and Administration