



BOARD OF SUPERVISORS
AGENDA LETTER

Agenda Number:

A-17

Clerk of the Board of Supervisors
105 E. Anapamu Street, Suite 407
Santa Barbara, CA 93101
(805) 568-2240

Department Name: County Executive
Office
Department No.: 012
For Agenda Of: 4/13/10
Placement: Set hearing
Estimated Time: 30 minutes on 4/20/10
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors
FROM: Department Michael F. Brown, County Executive Officer
Director(s)
Contact Info: Sharon Friedrichsen, Assistant to the CEO, 568.3400
SUBJECT: Goleta West Sanitary District Detachment Proposal

County Counsel Concurrence

As to form: Yes

Auditor-Controller Concurrence

As to form:

Other Concurrence:

As to form:

Recommended Actions:

- (A) Set a hearing to receive an update regarding the City of Goleta's proposal to detach territories located within the City from the Goleta West Sanitary District and provide direction to staff as needed.
- (B) On April 20, 2010, receive an update regarding the City of Goleta's proposal to detach territories located within the City from the Goleta West Sanitary District and provide direction to staff as needed.

Summary Text:

In 2009, the City of Goleta ("City") initiated proceedings to detach territories located within the City from the Goleta West Sanitary District ("GWSD"). During the Board of Supervisors' deliberations regarding the property tax negotiations between GWSD and the City, the Board directed staff to return with additional information, including, but not limited to costs, service delivery, infrastructure and impacts to various jurisdictions such as special districts as it relates to the Goleta West Sanitary District property tax negotiations. Completion of various financial studies authorized by both GWSD and the City has provided some of the information needed to complete this analysis. This item is before the Board to receive an update regarding the City's detachment proposal and provide direction to staff as needed. The Santa Barbara Local Agency Formation Commission has not yet scheduled a hearing on the City's detachment proposal.

Background:

History: The Goleta West Sanitary District was formed in 1954 to provide wastewater collection service to the western Goleta valley. It currently also provides street sweeping services. Contained within its boundary are 6,079 parcels, of which 5,124 are located within the City of Goleta and subject to the City's proposed detachment. In March 2009, the City filed an application with the Local Agency Formation Commission (LAFCO) regarding a proposal to detach territories located within the City from GWSD. During the April 7, 2009 hearing regarding the Goleta West Sanitation District Property Tax Negotiations, the County Board of Supervisors ("Board") considered initiating detachment proceedings for the service areas outside the proposed City detachment. The Board directed County staff to return with additional information pertaining to this detachment, including the costs, service delivery, infrastructure and impacts to special districts. On May 5, 2009, the Board approved a property tax exchange agreement involving GWSD and the City, which enabled the proposed detachment of City territories to move forward to LAFCO for a hearing and consideration.¹

After its application to LAFCO was determined to be "incomplete," the City authorized an independent financial review of the detachment proposal. This review was conducted by Bartle Wells Associates and presented to the City Council on December 1, 2009.² LAFCO has not yet deemed the application complete and scheduled a hearing.

Financial Summary of Proposed Detachment:

Two financial firms were hired by GWSD and the City respectively to conduct a financial analysis of GWSD, which resulted in three financial studies. The first report was completed by Raftelis Financial Consultants, Inc. ("RFC") and presented to GWSD on May 6, 2009.³ Subsequently, as part of its LAFCO application, the City of Goleta hired Bartle Wells Associates ("BWA") to conduct a financial review of the detachment proposal, which is considered to be the second report.⁴ GWSD engaged RFC to review the financial report commissioned by the City. This review, which concluded in January 2010, summarized the different assumptions utilized by the two financial firms, included prospective rate increases for Isla Vista, and is referenced as the third financial report.⁵

While both financial studies examined the potential impact to the residential customers within the City and unincorporated area, namely Isla Vista, neither study considered the impact of the proposed detachment of the City's territories on the entire wastewater system, including commercial entities, Santa Barbara Airport and University of California Santa Barbara (UCSB).⁶

¹ Resolution #09-140 "Resolution of the Board of Supervisors of the County of Santa Barbara Approving the Allocation of Property Tax Revenues Between the City of Goleta and the Goleta West Sanitary District" and "Property Tax Allocation Agreement Between the City of Goleta and County of Santa Barbara Board of Supervisors" adopted by the Board of Supervisors on May 5, 2009 (Attachment 1 of this Board letter)

² Bartle Wells Associates, "DRAFT Goleta West Sanitary District Financial Review," November 18, 2009. Referenced as Attachment 1 of the City of Goleta agenda item Sanitary District Detachment- Financial Analysis Report from the December 1, 2009 City Council meeting (Attachment 3 of this Board letter)

³ Raftelis Financial Consultants, Inc., "Detachment Study Letter Report to the Goleta West Sanitary District", May 6, 2009. Referenced as Attachment H of the Report to the Board of Directors Regarding the City of Goleta Detachment Proposal from the August 4, 2009 Goleta West Sanitary District Board meeting (Attachment 4 of this Board letter)

⁴ Ibid #2

⁵ Raftelis Financial Consultants, Inc., Memo entitled "Goleta West Sanitary District: Financial Outlook for Post-Detachment Operations –Model I: Using City's Assumptions and Model II: Using GWSD's Assumptions," January 12, 2010 and memo entitled "Comments on Goleta West Sanitary District Financial Review Report Submitted by Bartle Wells Associates," January 18, 2010 (Attachment 5 of this Board letter)

⁶ For example, the regional wastewater treatment plant owned by Goleta Sanitary District treats effluent from the County, UCSB, the City of Santa Barbara Airport and GWSD.

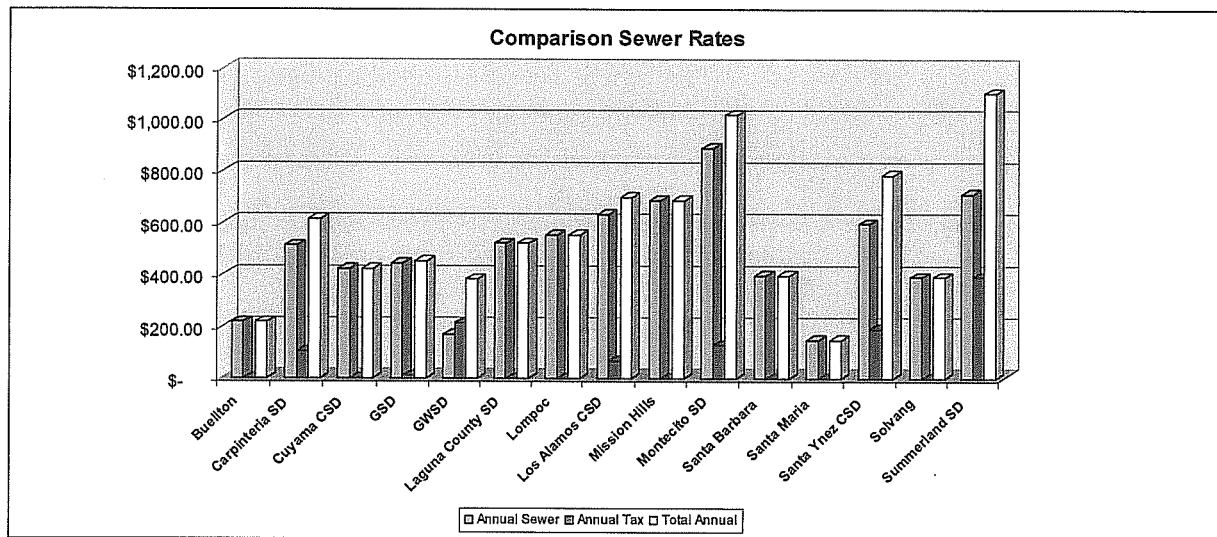
In accordance with Board direction, this Board letter summarizes the potential impacts of the detachment proposal on costs, including projected rates for GWSD customers, service delivery, and impacts to special districts and jurisdictions. A snapshot of the GWSD's infrastructure is also included for informational purposes.

Summary of Proposed Rates:

- Current sewer charge is \$168 a year
- No detachment: Rates increase to either \$189 or \$274
- City territories detach:
 - Future ad valorem taxes from City territories are no longer allocated to GWSD
 - City customers rates either remain at \$168 or increase to \$353
 - Unincorporated customers rates increase to \$309, \$361 or \$459

Comparison with Other Agencies:

Revenues for GWSD are based upon sewer charges and property taxes.⁷ Currently, when factoring in both sewer charges and property taxes, GWSD customers pay \$31.66 a month for sewer services, or \$379.92 a year. If property taxes of \$17.66 a month are excluded, then the monthly charge is \$14.00 or \$168.00 a year per dwelling unit for a GWSD residential customer. In comparison, other agencies' charges range from \$216 to \$890 a year, or \$216 to \$1,102 a year if property taxes are included within the rate.⁸



Using information contained in both the BWA and RFC financial reviews, various charts were created to illustrate the potential change in sewer rates for the properties within the City of Goleta and the unincorporated area under different detachment and non-detachment scenarios.

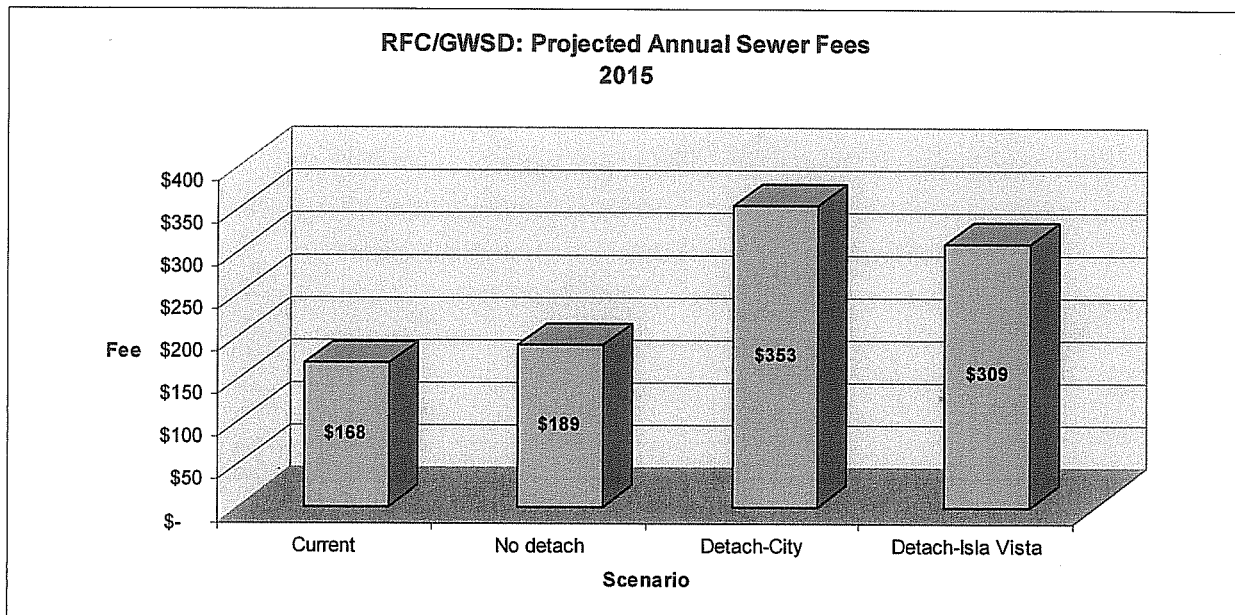
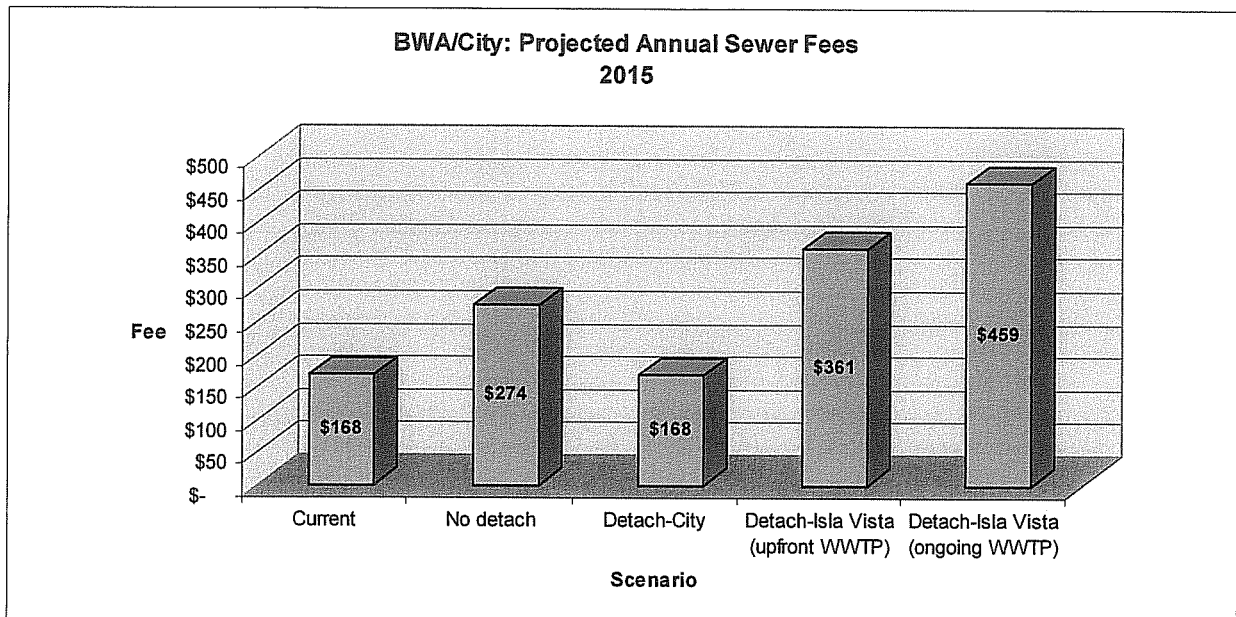
Based on assumptions rendered by BWA, the City's consultant, five years after detachment, City rates would remain at \$168/year for a single family residential customer. Rates for the remaining customers within GWSD would either increase to \$361 or \$459 depending on whether the treatment plant upgrade was paid upfront or over time.⁹ If the proposed detachment of City territories does not occur, BWA predicts that fees would need to increase 13% each year, reaching \$274 by Fiscal Year 2015, in order to eliminate an existing annual operating deficit.¹⁰

⁷ Ibid #3, page 2. Service charges are approximately \$2.3 million a year and property taxes are \$1.6 million a year.

⁸ Sewer Rate Comparisons for Fiscal Year 2009-10 courtesy of County Public Works staff.

⁹ Ibid, #2, pages 5 and 26. GWSD keeps 22% of the property tax revenues while treatment costs remain at 48%.

¹⁰ Ibid, #2, pages 8 and 9



RFC, the consultant for GWSD, originally developed seven scenarios and projected sewer rates for City customers and GWSD in Fiscal Year 2015. Under the scenarios, rates would need to be adjusted to account for the potential loss of property tax revenues for funding capital projects and debt ratios.¹¹ Projected rates for City customers ranged from \$353 to \$506 while rates for remaining GWSD customers ranged from \$214 to \$532.¹² In presenting its comments on the BWA Financial Review, RFC selected scenario #7 from its May 2009 report and projected rates of \$353 for the City and \$309 for the unincorporated area.¹³ Under the non-detachment scenario, rates are projected to be \$189 in 2015.¹⁴

¹¹ Ibid, #3, page 6

¹² Ibid, #3, page 8, Figure 3

¹³ Ibid, #3 pages 10-12 and Ibid #5, pages 1 and 3 of "Comments" memo

¹⁴ Ibid, #3 pages 10-12 and Ibid #5, page 8 of "Model II" memo. Page 8 of "Model II" memo also recalculates projected rate with different assumptions and projects rate of \$397 in 2015 for GWSD customers after detachment.

Service Delivery-Potential Impacts to Existing Street Sweeping Services:

- Without the use of property taxes, service level is likely to be curtailed or eliminated or the cost of service is likely to need to be absorbed by the city or county

Currently GWSD provides street sweeping services to territories located within its boundary with the service funded through property taxes. The City has proposed to provide this service through a contract and projects to achieve \$490,000 in net savings from taking over the street sweeping function.¹⁵ It is assumed that GWSD will continue to provide street sweeping services to the remaining territories within its boundary to the extent possible with its remaining revenues.

Rate implications to GWSD customers and potential impacts to the level of street sweeping services, especially in the unincorporated area, are not clearly outlined within either financial study. However, it is possible to assume that street sweeping services will be significantly curtailed or eliminated in Isla Vista, as well as within the City, due to reversed economies of scale and the reallocation of property taxes that currently fund street sweeping services.¹⁶

The portion of the Fiscal Year 2009-10 GWSD budget allocated to street sweeping is \$190,055, of which 20%, or \$38,011, is allocated to street sweeping in Isla Vista. This operational budget does not include the price to purchase or replace equipment (a sweeper costs \$175,000).

Currently, the County does not provide street sweeping services. It neither owns specialized equipment nor has personnel assigned to this function. There is no designated entity, such as a county service area, currently authorized to perform this function. Should the County consider a change in the current service arrangement, consideration will need to be given to: (1) whether the County would have the revenue necessary to provide this service; (2) the manner in which to provide the service (i.e. in-house or through contracting) and the mechanism (i.e. countywide or through a county service area).

As indicated within the fiscal analysis section of this Board letter, the 2009-10 property tax increment for GWSD attributable to territories located within the unincorporated area, after the Isla Vista Redevelopment Agency's increment transfer, is \$127,444. County Service Area (CSA) #31 is currently authorized to provide streetlighting and open space services to the Isla Vista area. However, it is not authorized to provide street sweeping or sewer-related services. Recent legislation governing county service area law prohibits LAFCO from allowing a CSA to take over substantially similar services in an area already served by another local agency.¹⁷

Service Delivery-Potential Impacts to Existing Sewer Service:

- While rates and providers are likely to change, service levels are not projected to change
- Assumes accumulated reserves of \$20 million allocated to the treatment plant upgrade

As part of its detachment proposal, the City of Goleta proposes to provide sewer services to City territories either in-house or through a contract with Goleta Sanitary District. GWSD would continue to provide sewer services for the remaining territories within the unincorporated area. As previously stated, rates for sewer services for the territories located within the unincorporated area would increase, primarily due to the loss of ongoing property taxes currently set aside for

¹⁵ Ibid #2, page 5

¹⁶ Ibid #3, page 3. GWSD O&M costs for street sweeping will decrease by 81% after detachment; County will incur similar costs as GWSD if it provides service to the unincorporated area and the City's contractual costs will double.

¹⁷ Senate Bill 1458, signed into law in 2008 and effective as of January 1, 2009, amended Government Code pertaining to county service area law. Section 25213.5(b) "Notwithstanding subdivision (a) of Section 56824, the local agency formation commission shall not, after a public hearing called and held for the purpose pursuant to subdivisions (b) and (c) of Section 56824, approve a county service area's proposal to exercise latent power if the local agency formation commission determines that another local agency already provides substantially similar services or facilities to the territory where the county service area proposes to exercise the latent power."

reserves, capital needs and other non-wastewater related services.¹⁸ Should the County consider a change in the current service arrangement, consideration will need to be given to whether the County would have the revenue necessary to assume responsibility for current and future anticipated sewer-related services. Similar to street sweeping, consideration would also need to be given to the manner and mechanism in which to provide sewer services as well as the inherent operational decisions involved in sewer services (i.e. infrastructure improvements, rate increases, monitoring by Regional Water Quality Control Board).

Infrastructure:

- Capital expenditures through FY 2028 are estimated at \$32.9 and \$48.4 million.¹⁹
- The largest capital cost is the upgraded treatment plant, estimated to cost \$50 million, of which \$20 million (41%) is the responsibility of GWSD. Annual O&M costs of the plant once it becomes operational in FY 2014 is estimated at \$1.8 million.²⁰
- Recommendation to LAFCO includes setaside of \$20 million in accumulated reserves for treatment plant; any additional cost of upgrades beyond the reserve funds are to be allocated to the City based on proportional flow (52%). Remaining GWSD territories assume 48%.
- City assumes some responsibility for O&M of collection system within the City and for some portion of administration and treatment after detachment, generally 52% of costs.

Information pertaining to GWSD infrastructure is contained within the Goleta West Sanitary District 2007 Wastewater Master Plan ("Plan").²¹ As noted on page 1, GWSD serves approximately 33,000 people via 5,000 service connections and maintains approximately 62 miles of wastewater collection system pipelines, including gravity lines, manholes, pump and lift stations and force mains (see map in Attachment 6). Pipe sizes vary from 6 to 33-inches as illustrated in the attached map, which shows that the majority of pipes in the Isla Vista area are 8 inches.²² While main sewer lines have been rehabilitated, it is difficult to forecast when and where future sewer replacement may occur. However, the sewer lines within Isla Vista are considered to be the oldest part of the system, with some original lines first constructed when the District was formed in the 1950s.

The collection system includes Pump Station #1, which is located at the main facility on the UCSB campus and used to pump all of GWSD's collected wastewater to Goleta Sanitary District's treatment plant. It also includes the "Emily" field lift station located in the unincorporated area at 8200 Calle Real, which was built to service the Embarcadero Municipal Improvement District. The pump stations are considered to have adequate capacity as noted in the Key findings of the Plan below:

- Pump stations are of adequate capacity to serve the future needs of GWSD.²³
- Majority of pipes not meeting design capacity for future scenarios are due to the Isla Vista scenario, which can be refined as the Isla Vista Master Plan is finalized.²⁴

¹⁸ Ibid #5 page 17 of "Comments" memo. Revenue and expenditures are not reduced in the same proportion after detachment. Property taxes are reduced 78% while capital expenditures are reduced 55-60%. Sewer revenues are reduced by 61% while O&M costs are reduced by 44%.

¹⁹ Ibid #2, pages 12-13, CIP estimate of \$32.9 (BWA) and \$48.4 million (RFC).

²⁰ Ibid #3, page 2

²¹ CDM, "Goleta West Sanitary District 2007 Wastewater Treatment Plant", 2007.

²² Ibid #21, Figure 3-2 Pipe Diameter (Attachment 7 of this Board letter). As noted on page 13 of the "Comments" memo (see footnote #5), pipeline replacement costs are calculated at \$3 per linear foot for each inch of pipeline diameter by BWA and \$11 for the same calculation by RFC. As noted by RFC (footnote #3) on page 2, 68% of the collection system is within the City. Remaining collection area for GWSD ranges from 32-36%.

²³ Ibid #21. Future needs include scenarios related to existing conditions, ten year build out, ultimate build out, further densification, Bishop Ranch development/annexation to GWSD, and Isla Vista Master Plan Alternative 6. As this plan was prepared in 2006-07, it is unknown how the UCSB 2025 LRDP growth fits into these scenarios.

²⁴ Ibid #21

- GWSD has rehabilitated all of the deteriorated main sewer lines pipelines through a re-lining process over the last four years.²⁵
- Recommended hydraulic capital projects are estimated to cost \$4.4 million as illustrated in Table 5-2, with the majority of projects attributable to Isla Vista.²⁶
- Other estimated capital costs needed within the next five to ten years range from \$23-35 million, including treatment plant costs.²⁷

Both financial studies examined potential capital improvement costs. BWA (City consultant) estimated capital costs for the pump station, collection system, street sweeping, administration and treatment from Fiscal Year 2010-2028 at \$32.9 million.²⁸ RFC (GWSD Consultant) also examined capital improvement projects for FY 2011-2029 and noted that a total of \$48.6 million was needed for such items as:

- Treatment plant upgrade (\$20 million),
- Treatment plant replacement and refurbishment (\$11.9 million),
- Collection system (\$11.9 million), and;
- Routine vehicle replacement (\$2.3 million).²⁹

Assumptions within the financial studies and the County's recommendation to LAFCO allocate costs based upon proportional flow. For example, RFC, the consultant for GWSD, originally assumed the City to be responsible for 52% of administration and treatment costs based upon flow; 68% of collections based upon length of pipes and either 52% or 78% of the cost of the treatment plant upgrade based upon flow or assessed value of territories.³⁰ RFC also indicated that, according to BWA, after the detachment of City territories, remaining territories within GWSD will be responsible for 48% of the administration, treatment and pump station costs and 36% of the collection system costs.³¹ Using capital expenses noted by RFC, omitting the treatment plant upgrade and using this formula, GWSD would be responsible for 48% of plant replacement (\$5.7 million) and 36% of collection system (\$4.5 million) costs over 18 years. If the County were to assume responsibility for sewer services, it is likely that it would also assume responsibility for a portion of capital costs, be it the entire remaining balance attributed to GWSD or a proportionate share of GWSD's cost.

In addition to capital, both financial reviews assumed an allocation of the \$3 million annual operations and maintenance ("O&M") costs between the City and GWSD after detachment for administration, collections, pump station, treatment and other activities.³² The projected cost savings of detachment and the allocation of expenses among entities were used to calculate the different sewer rates promulgated by the two firms.

Potential impact on special districts:

- LAFCO needs to determine the provision of services to EMID

In addition to GWSD, the other special districts impacted by the proposed detachment include the Embarcadero Municipal Improvement District (EMID) and Goleta Sanitary District (GSD). EMID serves 155 homes and about 1,100 acres in the western portion of the Goleta Valley by providing such services as refuse collection, street sweeping and wastewater collection and disposal that are primarily funded through property taxes. An agreement exists between EMID

²⁵ Ibid #21

²⁶ Ibid #21, page 48, Table 5-2 (Attachment 8 of this Board letter). Projects #1 and #2 are currently in design phase.

²⁷ Ibid #21, page 50, Table 5-4

²⁸ Ibid #2, page 13

²⁹ Ibid #5, "Comments" memo, page 13, Table 7

³⁰ Ibid #3 page 4

³¹ Ibid #5, "Model II," page 5

³² Ibid #5 "Comments" memo

and GWSD whereby GWSD collects user fees from EMID residents hooked up to EMID's sewer lines and GWSD is responsible for servicing and maintaining the EMID lines and transporting the collected sewage. One decision LAFCO will be required to make as part of the City's detachment proposal is whether GWSD continues to service EMID customers or whether this responsibility is transferred to the City. The City's proposal does not provide for the possibility of servicing EMID. However, BWA suggests that EMID continue its arrangement with GWSD and that the City charge EMID for the portion of EMID's system within the City's limit.³³

Goleta Sanitary District is also impacted as the City proposes to contract with GSD for sewage collection and transmission services previously provided by GWSD. GSD would continue to be responsible for sewage treatment and disposal. Any consideration by the County regarding a change in current service arrangements for sewer-related services would also impact GSD.

Timeline and Other Considerations:

- The Board has several options to consider ranging from taking no action to initiating a reorganization of the two sanitary districts.

The City's detachment application would remove a significant portion of territory from GWSD. If the application is approved by LAFCO, there are questions regarding the impact to the remaining territories located within the unincorporated area. As illustrated within this Board letter, rates for sewer services are projected to increase and the ability to provide street sweeping services is likely to be curtailed. The Board of Supervisors has several options that may be considered at this point in time or in the future regarding the City's pending application and the provision of street sweeping and sewer services to the unincorporated area.

1. The Board may consider taking no action at this time and wait for the outcome of the City's detachment proposal at LAFCO.
2. The Board may consider issuing a letter to LAFCO opposing the City's detachment prior to the proposal being heard by LAFCO.
 - Should LAFCO deny the City's proposal, the unincorporated area is not impacted and services continue to be provided by GWSD.
 - Should LAFCO approve the City's proposal, the unincorporated area would continue to receive services from GWSD (No action required by Board).
 - Should LAFCO approve the City's proposal, the County may consider alternatives for the provision of street sweeping and sewer services in lieu of GWSD. The Board may consider this option either in tandem with the City's proposal or in the future. (Requires Board direction to determine the feasibility of providing services through alternative means, possible initiation of dissolution of GWSD and negotiation of tax exchange with GWSD. Final decision rendered by LAFCO).
3. The Board may consider writing a letter to the Goleta West Sanitary District and the Goleta Sanitary District requesting that the Districts examine the possibility of a consolidation/merger. Such a letter may be written at any time. A merger is voluntarily initiated by the Districts, and the Districts determine the reallocation of future ad valorem property taxes and other fiscal, physical and staffing assets among the Districts.
4. The Board may consider writing a letter to LAFCO requesting LAFCO conduct a study and LAFCO proceed to initiate a reorganization of the sanitary districts.³⁴

³³ Ibid #2, page 19

³⁴ Section 56735 of the Government Code: The commission shall have all of the following powers and duties subject to any limitations upon its jurisdiction set forth in this part: (a) To review and approve or disapprove with or without amendment, wholly, partially, or conditionally, proposals for changes of organization or reorganization, consistent with written policies, procedures, and guidelines adopted by the commission. A commission shall have

5. The Board may consider initiating a reorganization proposal of the current sanitary districts to result in one sanitary collection, transmission, treatment and disposal entity for the Goleta Valley. Under this scenario, the Board of Supervisors would undertake a process through LAFCO to concurrently detach all territories from GWSD and annex most of those territories to GSD. Such a process could (1) occur in tandem with the City (assumes City would withdraw its current pending detachment proposal) and detach all territories or (2) occur independently from the City and propose to detach only the territories located within the unincorporated area. Currently, GWSD charges \$168 while GSD charges \$442. As part of this process, the Board would need to consider such possible scenarios pertaining to the reorganization including, but not limited to:
- Timing (for example a phased time period of three-five years to allow for stabilization of rates),
 - Negotiation of future ad valorem taxes (including the possibility of using property taxes to stabilize rates during an adjustment period), and;
 - Recommendations to LAFCO regarding a negotiated transfer of a proportionate share of GWSD's fiscal, physical and staff assets to GSD.

Fiscal and Facilities Impacts:

Budgeted: No

Fiscal Analysis:

Narrative: The financial studies conducted on behalf of the City and GWSD have included projections regarding the potential impact to GWSD rates if a detachment scenario occurs. Should the Board direct staff to examine additional impacts to the sewer system, direct staff to evaluate other service alternatives or initiate potential changes to the current configuration of the sanitary districts, it is recommended that financial and other technical experts competent in utility analysis be hired to provide assistance on evaluating sewer infrastructure, conducting a review of existing rates and determining potential future rates, including a possible stabilization of rates among the two sanitary districts. The cost of such services, estimated at \$100,000, has not been budgeted.

As part of the City's detachment proposal, the ad valorem taxes attributed to City territories located within GWSD are subject to a negotiated tax exchange and reallocation. Current taxes, after adjusting for the Redevelopment Agencies, total \$1,644,141. Of this amount, \$1,516,697 is associated with the territories located within the City and \$127,444 is associated with territories located within the unincorporated area.³⁵

The reallocation of the estimated \$30 million in GWSD's accumulated funds, including property tax reserves, is a determination rendered by LAFCO. The County's recommendation to LAFCO, as stated within the tax exchange agreement between GWSD and the City, includes: (1) property tax assets of \$20 million be transferred to GWSD for treatment plant upgrades; (2) any plant

the authority to initiate only a (1) consolidation of districts, as defined in Section 56036, (2) dissolution, (3) merger, (4) establishment of a subsidiary district, (5) formation of a new district or districts, or (6) reorganization that includes any of these changes of organization, if that change of organization or reorganization is consistent with a recommendation or conclusion of a study prepared pursuant to Section 56378, 56425, or 56430 and the commission makes the determinations specified in subdivision (b) of Section 56881."

³⁵ Attachment 9 of this Board letter provides a synopsis of the Revenue Neutrality Agreement and its potential impact to property tax reallocation associated with proposals to detach from GWSD.

upgrades beyond District reserve funds (water treatment plant and property tax reserves) be allocated to the City based on the proportional flow of the detached parcels; and (3) any remaining property tax reserve funds are allocated to the City in proportion to the assessed value of the detached parcels.³⁶

Attachments:

Attachment 1- Resolution #09-140 "Resolution of the Board of Supervisors of the County of Santa Barbara Approving the Allocation of Property Tax Revenues Between the City of Goleta and the Goleta West Sanitary District" and Property Tax Allocation Agreement

Attachment 2- Map of Goleta West Sanitary District

Attachment 3- Bartle Wells Associates, "DRAFT Goleta West Sanitary District Financial Review"

Attachment 4- Raftelis Financial Consultants, Inc., "Detachment Study Letter Report to the Goleta West Sanitary District"

Attachment 5- Raftelis Financial Consultants, Inc., "Goleta West Sanitary District: Financial Outlook for Post-Detachment Operations –Model I: Using City's Assumptions and Model II: Using GWSD's Assumptions" and "Comments on Goleta West Sanitary District Financial Review Report Submitted by Bartle Wells Associates"

Attachment 6- Map of Goleta West Sanitary District Sewer System

Attachment 7- Figure 3-2 Map of Pipe Diameters

Attachment 8- Recommended Hydraulic Capital Projects

Attachment 9- Revenue Neutrality Agreement Synopsis

Authored by:

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Mark Nation, General Manager, GWSD

Kamil Azoury, General Manager, GSD

³⁶ Ibid #1