

March 2, 2016

STATEMENT OF PROCEEDINGS

The Minutes of the

***SANITATION DISTRICT
REGULAR MEETING***

COUNTY OF SAN DIEGO

STATEMENT OF PROCEEDINGS
SAN DIEGO COUNTY SANITATION DISTRICT
REGULAR MEETING
MEETING AGENDA
WEDNESDAY, MARCH 02, 2016, 9:00 A.M.
BOARD OF SUPERVISORS NORTH CHAMBER
1600 PACIFIC HIGHWAY, ROOM 310, SAN DIEGO, CALIFORNIA

MORNING SESSION: Meeting was called to order at 9:02 a.m.

PRESENT: Directors Ron Roberts, Chairman; Dianne Jacob, Vice Chairwoman; Greg Cox; Dave Roberts; Bill Horn; also David Hall, Clerk of the Board.

Approval of the Statement of Proceedings/Minutes for the meeting of January 6, 2016.

ACTION:

ON MOTION of Director Horn, seconded by Director Cox, the Board of Directors of the San Diego Sanitation District approved the Statement of Proceedings/Minutes for the meeting of January 6, 2016, on Consent.

AYES: Cox, Jacob, D. Roberts, R. Roberts, Horn

NOTICE: THE BOARD OF SUPERVISORS MAY TAKE ANY ACTION WITH RESPECT TO THE ITEMS INCLUDED ON THIS AGENDA. RECOMMENDATIONS MADE BY COUNTY STAFF DO NOT LIMIT ACTIONS THAT THE BOARD OF SUPERVISORS MAY TAKE. MEMBERS OF THE PUBLIC SHOULD NOT RELY UPON THE RECOMMENDATIONS IN THE BOARD LETTER AS DETERMINATIVE OF THE ACTION THE BOARD OF SUPERVISORS MAY TAKE ON A PARTICULAR MATTER.

Sanitation District Agenda Items

Agenda # Subject

1. APPROVE CHANGES TO BOARD POLICY I-113 AND AMEND ORDINANCES TO ALLOW LIMITED TRANSFER OF SEWER CAPACITY IN JULIAN SERVICE AREA, AUTHORIZE THE CLERK OF THE BOARD TO EXECUTE CERTAIN DOCUMENTS AND MAKE OTHER AMENDMENTS TO REFLECT THE CONSOLIDATION OF SEWER SERVICE (3/2/2016 – APPROVE BOARD POLICY CHANGES AND INTRODUCE ORDINANCES; 3/16/2016 – ADOPTION OF ORDINANCES)

(RELATES TO BOARD OF SUPERVISORS AGENDA NO. 2)

2. COUNTY OF SAN DIEGO TRACT NO. 5394-1: APPROVAL OF FINAL MAP AND APPROVAL OF JOINT SECURED AGREEMENT FOR PUBLIC AND PRIVATE IMPROVEMENTS FOR SOUTH COUNTY COMMERCE CENTER TENTATIVE MAP LOCATED IN THE OTAY SUBREGIONAL PLAN AREA

(RELATES TO BOARD OF SUPERVISORS AGENDA NO. 7)

3. IMPACT FEE DEFERRAL PROGRAM PERMANENT EXTENSION (3/2/2016 – FIRST READING; 3/16/2016 – SECOND READING)

(RELATES TO BOARD OF SUPERVISORS AGENDA NO. 10 AND FLOOD CONTROL DISTRICT AGENDA NO. FL1)

SA1. SUBJECT: APPROVE CHANGES TO BOARD POLICY I-113 AND AMEND ORDINANCES TO ALLOW LIMITED TRANSFER OF SEWER CAPACITY IN JULIAN SERVICE AREA, AUTHORIZE THE CLERK OF THE BOARD TO EXECUTE CERTAIN DOCUMENTS AND MAKE OTHER AMENDMENTS TO REFLECT THE CONSOLIDATION OF SEWER SERVICE (3/2/2016 – APPROVE BOARD POLICY CHANGES AND INTRODUCE ORDINANCES; 3/16/2016 – ADOPTION OF ORDINANCES) (DISTRICT: 2)

OVERVIEW:

On November 18, 2015 (SA01), the Board of Supervisors directed the Chief Administrative Officer to draft amendments to Board Policy I-113: Restrictions on Future Sewer Connections in the Julian Sewer Service Area of the San Diego County Sanitation District and applicable ordinances to allow for the transfer of assigned sewer capacity between parcels within the Julian sewer service area of the San Diego County Sanitation District when property owners agree to the transfer and the transfer will not result in total flows to the treatment plant that cause an exceedance of permitted capacity. The Board also requested staff to return with recommendations for addressing the long-term needs of the Julian sewer service area.

A process for allowing the transfer of limited sewer capacity between property owners has been identified, and today's actions would authorize changes to Board Policy I-113, and two San Diego County Sanitation District (District) ordinances (Nos. 9275 and 10386), that would enable capacity transfers to occur in the Julian sewer service area. Additional amendments to District ordinances are sought to better reflect the consolidation of sewer service in the unincorporated county and authorize the Clerk of the Board of Supervisors, acting on behalf of the District, to execute subdivision improvement agreements and accept title to easements. Finally, today's actions would direct staff to conduct an engineering study to further address the long-term needs of the Julian service area once funds in the amount of \$50,000 for the study are included in a future Operational Plan. It is anticipated funds will be available in the San Diego County Sanitation District Operational Plan in Fiscal Year 2019-2020.

FISCAL IMPACT:

Funds received from the proposed new administrative fee for processing capacity transfer applications would be unanticipated revenue that is not included in the Fiscal Year 2015-2016 Operational Plan for the San Diego County Sanitation District. If approved, this request would result in estimated total annual revenue of \$720 in Fiscal Year 2015-2016, and estimated total annual revenue of \$1,440 in Fiscal Year 2016-2017.

Additionally, costs of \$50,000 are not included in the Fiscal Year 2015-16 Operational Plan for the development of a long term needs assessment study. Funding for a master plan is anticipated to be available in the Fiscal Year 2019-2020 timeframe. A request for the establishment of appropriation will be included in a future Operational Plan. There will be no change in net General Fund cost and no additional staff years.

BUSINESS IMPACT STATEMENT:

Proposed actions would enable limited transfer of assigned sewer capacity between parcels in the Julian sewer service area. Additional amendments to San Diego County Sanitation District ordinances would delegate authority to the Clerk of the Board of Supervisors, acting on behalf of the District, to execute subdivision improvement agreements and accept title to easements. The actions related to transfer of capacity rights may stimulate improvements in the Julian commercial district that could result in a slight increase in business activity and continued local tourism. The delegation of authority could help reduce processing time and cost for subdivision projects approved by the Board of Supervisors.

RECOMMENDATION:

CHIEF ADMINISTRATIVE OFFICER

Acting as the San Diego County Sanitation District Board of Directors on March 2, 2016:

1. Find that the proposed actions are exempt from review under the California Environmental Quality Act (CEQA) pursuant to Sections 15301, 15273, and 15262 of the CEQA Guidelines because they involve no expansion of existing public facilities, and consist of the adoption of general policies or procedures.
2. Approve introduction (first reading), read title and waive further reading of Ordinance: SAN DIEGO COUNTY SANITATION DISTRICT FEES AND CHARGES FOR THE PROVISION OF SEWER SERVICE.
3. Approve introduction (first reading), read title and waive further reading of Ordinance: SAN DIEGO COUNTY SANITATION DISTRICT ESTABLISHING PROVISIONS FOR THE USE OF DISTRICT SEWERAGE FACILITIES.
4. Direct the San Diego County Sanitation District to conduct an engineering study after \$50,000 in funding is identified, anticipated to be available in FY 2019-20, to evaluate the feasibility of treatment plant modifications that would reduce the risk of exceeding permitted discharge limits, and provide the Board of Supervisors with an executive summary of the report as well as intended actions within 30 days following completion of the study.

Acting as the San Diego County Board of Supervisors on March 2, 2016:

5. Approve changes to Board of Supervisors Policy I-113, Restrictions on Future Sewer Connections in the Julian Sewer Service Area of the San Diego County Sanitation District, to allow transfer of limited sewer capacity among existing customers and parcels with previously purchased sewer capacity commitments (Attachment C).

If on March 2, 2016, the San Diego County Sanitation District Board of Directors takes the actions recommended in Items 1-4 above and the San Diego County Board of Supervisors takes the action recommended in Item 5 above, then on March 16, 2016, acting as the San Diego County Sanitation District Board of Directors:

1. Submit for consideration and adoption (second reading) the Ordinance entitled: SAN DIEGO COUNTY SANITATION DISTRICT FEES AND CHARGES FOR THE PROVISION OF SEWER SERVICE.
2. Submit for consideration and adoption (second reading) the Ordinance entitled: AN ORDINANCE OF THE SAN DIEGO COUNTY SANITATION DISTRICT ESTABLISHING PROVISIONS FOR USE OF DISTRICT SEWERAGE FACILITIES.

(Relates to Board of Supervisors Agenda No. 2)

ACTION:

ON MOTION of Director Horn, seconded by Director Cox, the Board of Directors of the Sanitation District took action as recommended, on Consent, introducing the Ordinances for further Board consideration and adoption on March 16, 2016.

AYES: Cox, Jacob, D. Roberts, R. Roberts, Horn

SA2. SUBJECT: COUNTY OF SAN DIEGO TRACT NO. 5394-1: APPROVAL OF FINAL MAP AND APPROVAL OF JOINT SECURED AGREEMENT FOR PUBLIC AND PRIVATE IMPROVEMENTS FOR SOUTH COUNTY COMMERCE CENTER TENTATIVE MAP LOCATED IN THE OTAY SUBREGIONAL PLAN AREA (DISTRICT: 1)

OVERVIEW:

This item is a request for the Board of Supervisors (Board) to review and approve the Final Map for County of San Diego Tract No. 5394-1, reject the related easements at this time while reserving the right to accept those easements in the future, and approve, authorize and execute the Joint Agreement to Improve Major Subdivision (Agreement) for public and private improvements.

This project, known as South County Commerce Center Tentative Map (TM), is a subdivision consisting of 10 industrial lots on 64.84 acres. The South County Commerce Center TM is located within the Otay Subregional Plan area at the southwest corner of Otay Mesa Road and Enrico Fermi Drive (2009 Thomas Guide, Page 1352, B-2).

FISCAL IMPACT:

N/A

BUSINESS IMPACT STATEMENT:

N/A

**RECOMMENDATION:
CHIEF ADMINISTRATIVE OFFICER**

Acting as the Board of Directors of the San Diego County Sanitation District:
Approve and authorize the Clerk of the Board of Supervisors, acting on behalf of the Sanitation District, to execute the Agreement, which includes street improvements, drainage facilities, sewer and water facilities and final monumentation (Attachment B), the Joint Lien Contract (Attachment C) and Holding Agreement No. 1082-0329-00 (Attachment D).

(Relates to Board of Supervisors Agenda No. 7)

ACTION:

ON MOTION of Director Horn, seconded by Director Cox, the Board of Directors of the Sanitation District took action as recommended, on Consent.

AYES: Cox, Jacob, D. Roberts, R. Roberts, Horn

SA3. SUBJECT: IMPACT FEE DEFERRAL PROGRAM PERMANENT EXTENSION (3/2/2016 – FIRST READING; 3/16/2016 – SECOND READING) (DISTRICTS: ALL)

OVERVIEW:

In 2008, the State of California approved Assembly Bill 2604, which allows local governments to defer impact fees for land development projects as opposed to collecting the fees when the building permit is issued. The intent of the legislation was to promote economic stimulus by deferring the payment and collection of impact fees.

On December 10, 2008 (14), the Board of Supervisors (Board) directed the Chief Administrative Officer to draft ordinance amendments to defer impact fees for residential tracts and commercial building permits until final inspection or certificate of occupancy. The Board directed that the impact fee deferrals include Transportation Impact Fee (TIF), Park Lands Dedication Ordinance (PLDO) Fee, drainage fees, sanitation district fees, sewer fees, as well as a sunset date for the deferral program. On March 4, 2009 (2), the Board adopted the Impact Fee Deferral Program, which included ordinance amendments to authorize a two-year deferral of certain impact fees in accordance with Assembly Bill 2604. On July 13, 2011 (7), December 4, 2013 (4), and December 16, 2015 (1) the Board authorized three separate two-year extensions of the Impact Fee Deferral Program. On December 16, 2015 (1), the Board also directed staff to return with a permanent Impact Fee Deferral Program extension.

Today's request is that the Board authorize making the Impact Fee Deferral Program permanent.

FISCAL IMPACT:

If approved, the Ordinances will result in the permanent extension for deferral of applicant payment and County collection of the Transportation Impact Fee (TIF),

Park Lands Dedication Ordinance Fee, drainage fees, sewer, and sanitation district fees. This deferral will result in a loss of revenue that would otherwise be generated by interest on the fees if they were collected earlier in the process. The previously adopted administration fee of \$170 ensures full cost recovery for additional staff time to administer the program, will remain unchanged. This administration fee will be charged for each commercial permit issued and for each grouped phase of homes for tract developments. Administration of the program will be accomplished with existing staff. Based on data from April 2009 – January 2016, customers were able to defer approximately \$5.7 million in impact fees, with an average deferral period of 138 days. There will be no change in net General Fund cost and no additional staff years.

BUSINESS IMPACT STATEMENT:

Under Assembly Bill 2604, the proposed Impact Fee Deferral Program is designed to provide an economic stimulus for the region through the deferral of payment and collection of impact fees. The Building Industry Association (BIA) supports the extension of the impact fee deferral concept as a means to continue to stimulate development, job growth and the local economy.

RECOMMENDATION:

CHIEF ADMINISTRATIVE OFFICER

Acting as Board of Directors of the San Diego County Sanitation District:

On March 2, 2016:

1. Find that the proposed project is exempt from CEQA as specified in Section 15273 of the State CEQA Guidelines for the reasons detailed in the Notice of Exemption dated March 2, 2016, on file with PDS; and approve the findings in Attachment G pursuant to the CEQA Guidelines Section 15273(c).
2. Approve the introduction of an Ordinance (first reading), read title and waive further reading of the Ordinance (Attachment F), titled:
AN ORDINANCE AMENDING THE UNIFORM SEWER
ORDINANCE RELATED TO THE DEFERRAL OF
DEVELOPMENT IMPACT FEES

If on March 2, 2016, the Board takes action as recommended, then on March 16, 2016:

Consider and adopt the Ordinance (second reading):

AN ORDINANCE AMENDING THE UNIFORM SEWER
ORDINANCE RELATED TO THE DEFERRAL OF
DEVELOPMENT IMPACT FEES

(Relates to Board of Supervisors Agenda No. 10 and Flood Control District Agenda No. FL1)

ACTION:

ON MOTION of Director Horn, seconded by Director Cox, the Board of Directors of the Sanitation District took action as recommended, on Consent, introducing the Ordinance for further Board consideration and adoption on March 16, 2016.

AYES: Cox, Jacob, D. Roberts, R. Roberts, Horn

There being no further business, the Board of Directors of the San Diego County Sanitation District adjourned at 9:23 a.m.

DAVID HALL
Clerk of the Board of Directors
of Sanitation District

Notes By: Miller

NOTE: This Statement of Proceedings sets forth all actions taken by the County of San Diego Board Directors of Sanitation District on the matters stated, but not necessarily the chronological sequence in which the matters were taken up.

Approved by the Board of Directors, on Wednesday, March 16, 2016.



RON ROBERTS
Chairman

Attest:



DAVID HALL
Clerk of the Board