

**March 16, 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 16, 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 9:04 a.m.

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

ABSENT: Director Ron Roberts, Chairman.

Approval of the Statement of Proceedings/Minutes for the meeting of March 2, 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 March 2, 2016, on Consent.

AYES: Cox, Jacob, D. Roberts, Horn

ABSENT: R. Roberts

**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.        ESTABLISH APPROPRIATIONS, ADVERTISE AND AWARD A CONSTRUCTION CONTRACT FOR FLINN SPRINGS INTERCEPTOR SEWER IMPROVEMENTS PROJECT, MANHOLES 600-639 IN LAKESIDE  
[FUNDING SOURCE: AVAILABLE PRIOR YEAR SAN DIEGO COUNTY SANITATION DISTRICT FUND BALANCE]  
(4 VOTES)

2. ADMINISTRATIVE ITEM:  
SECOND CONSIDERATION AND ADOPTION OF ORDINANCES: 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)

3. ADMINISTRATIVE ITEM:  
SECOND CONSIDERATION AND ADOPTION OF ORDINANCE: IMPACT FEE DEFERRAL PROGRAM PERMANENT EXTENSION (3/2/2016 – FIRST READING; 3/16/2016 – SECOND READING)

(RELATES TO BOARD OF SUPERVISORS AGENDA NO. 6 AND FLOOD CONTROL DISTRICT AGENDA NO. FL1)

**SA1. SUBJECT: ESTABLISH APPROPRIATIONS, ADVERTISE AND AWARD A CONSTRUCTION CONTRACT FOR FLINN SPRINGS INTERCEPTOR SEWER IMPROVEMENTS PROJECT, MANHOLES 600-639 IN LAKESIDE (DISTRICT: 2)**

**OVERVIEW:**

The Flinn Springs Interceptor Sewer line was originally constructed in the early 1970s to transport sewage from Alpine through Lakeside for treatment in the Point Loma Wastewater Treatment Plant. This project will replace 4,665 feet of sewer pipeline with larger pipe in Old Highway 80 from west of Soldin Lane to west of Flinn Springs Road (57th Edition Thomas Guide, Page 1232 H-4, H-5, and J-4). Replacing existing sewer pipelines with larger diameter pipe allows for more efficient transport of current wastewater flows, minimizes the chance of sewer spills, and ensures compliance with current pipe flow standards.

This is a request to establish appropriations and to approve advertisement and subsequent construction contract award to the lowest responsive and responsible bidder for the Flinn Springs Interceptor Sewer Improvements project. The estimated construction cost is \$2,500,000, including contingency. Upon Board approval, the Director, Department of Purchasing and Contracting will advertise and subsequently award a contract for construction, which is scheduled to begin in spring 2016 and be completed in winter 2017.

**FISCAL IMPACT:**

Funds for this request are partially included in the Fiscal Year 2015-16 Operational Plan for the San Diego County Sanitation District. If approved, this request will establish an additional \$500,000 for a total current year construction cost of \$2,500,000, including contingency. The current bidding environment suggests adding additional funding to ensure adequate appropriations to award this sewer project the prudent course of action. The funding source is available prior year San Diego County Sanitation District fund balance. There will be no change in net General Fund cost and no additional staff years.

**BUSINESS IMPACT STATEMENT:**

Sanitation District construction contracts are competitively bid and help stimulate the local economy.

**RECOMMENDATION:**

**CHIEF ADMINISTRATIVE OFFICER**

1. Find that the proposed project is exempt from the California Environmental Quality Act (CEQA) as specified under Section 15302 of the CEQA Guidelines because it consists of the replacement or reconstruction of existing facilities involving the negligible expansion of capacity.
2. Establish appropriations of \$500,000 in the San Diego County Sanitation District for Flinn Springs Interceptor Sewer Improvements, Manholes 600-639 construction based on available prior year San Diego County Sanitation District fund balance. **(4 VOTES)**

3. Authorize the Director, Department of Purchasing and Contracting, to take any action necessary to advertise and award a contract and to take other actions authorized by Section 401, et seq. of the Administrative Code with respect to contracting for the construction of the Flinn Springs Interceptor Sewer Improvements, Manholes 600-639 Improvements project.
4. Designate the Director, Department of Public Works, as the County Officer responsible for administering the construction contract, in accordance with Board Policy F-41, Public Works Construction Contracts.

**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, Horn

ABSENT: R. Roberts

**SA2. SUBJECT: ADMINISTRATIVE ITEM:  
SECOND CONSIDERATION AND ADOPTION OF  
ORDINANCES: 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 March 2, 2016 (SA1), the Board introduced the Ordinances for further consideration and adoption on March 16, 2016.

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:

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.

**ACTION:**

ON MOTION of Director Horn, seconded by Director Cox, the Board of Directors of the Sanitation District took action as recommended, on Consent, adopting Ordinance No. 10422 (N.S.), entitled: SAN DIEGO COUNTY SANITATION DISTRICT FEES AND CHARGES FOR THE PROVISION OF SEWER SERVICE; and Ordinance No. 10423 (N.S.), entitled: AN ORDINANCE OF THE SAN DIEGO COUNTY SANITATION DISTRICT ESTABLISHING PROVISIONS FOR USE OF DISTRICT SEWERAGE FACILITIES.

AYES: Cox, Jacob, D. Roberts, Horn

ABSENT: R. Roberts

**SA3.**

**SUBJECT: ADMINISTRATIVE ITEM:  
SECOND CONSIDERATION AND ADOPTION OF  
ORDINANCE: IMPACT FEE DEFERRAL PROGRAM  
PERMANENT EXTENSION (3/2/2016 – FIRST READING;  
3/16/2016 – SECOND READING) (DISTRICTS: ALL)**

**OVERVIEW:**

On March 2, 2016 (SA3), the Board introduced the Ordinance for further consideration and adoption on March 16, 2016.

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:  
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. 6 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, adopting Ordinance No. 10424 (N.S.), entitled: AN ORDINANCE AMENDING THE UNIFORM SEWER ORDINANCE RELATED TO THE DEFERRAL OF DEVELOPMENT IMPACT FEES.

AYES: Cox, Jacob, D. Roberts, Horn

ABSENT: R. Roberts

There being no further business, the Board of Directors of the San Diego County Sanitation District adjourned at 11:37 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 Tuesday, May 3, 2016.



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RON ROBERTS  
Chairman

Attest:



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DAVID HALL  
Clerk of the Board