

February 26, 2020

STATEMENT OF PROCEEDINGS

The Minutes of the

***SANITATION DISTRICT
REGULAR MEETING***

COUNTY OF SAN DIEGO

STATEMENT OF PROCEEDINGS
COUNTY OF SAN DIEGO SANITATION DISTRICT
REGULAR MEETING
MEETING AGENDA
WEDNESDAY, FEBRUARY 26, 2020, 9:00 AM
BOARD OF SUPERVISORS NORTH CHAMBER
1600 PACIFIC HIGHWAY ROOM 310
SAN DIEGO, CA 92101

A. REGULAR SESSION: Meeting was called to order at 9:00 a.m.

PRESENT: Directors Greg Cox, Chairman; Jim Desmond, Vice-Chairman; Dianne Jacob; Kristin Gaspar; Nathan Fletcher; also, Erin Demorest, Assistant Clerk of the Board of Supervisors.

B. Public Communication: No Speakers

C. Approval of the Statement of Proceedings/Minutes for the meeting of December 11, 2019.

ACTION:

ON MOTION of Director Jacob, seconded by Director Gaspar, the Board of Directors of the San Diego County Sanitation District approved the Statement of Proceedings/Minutes for the meeting of December 11, 2019, on Consent.

AYES: Cox, Jacob, Gaspar, Fletcher, Desmond

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.

Agenda Items

- | Agenda # | Subject |
|-----------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. | NOTICED PUBLIC HEARING:
REIMBURSEMENT AGREEMENT BETWEEN SAN DIEGO COUNTY
SANITATION DISTRICT AND ERRECA ASSOCIATES LLC
[FUNDING SOURCE: FEES PAID BY PROPERTY OWNERS THAT CHOOSE TO
CONNECT TO THE PUBLIC SEWER IMPROVEMENTS THAT HAVE BEEN
CONSTRUCTED BY ERRECA ASSOCIATES] |
| 2. | GENERAL SERVICES - QUITCLAIM A PORTION OF A SEWER EASEMENT
DEDICATED ON MAP NO. 16097, IN THE EAST OTAY MESA AREA (VACATION
NO. 2019-0206)
[FUNDING SOURCE: DEPOSIT FROM THE APPLICANT] |

1. **SUBJECT: NOTICED PUBLIC HEARING:
REIMBURSEMENT AGREEMENT BETWEEN SAN DIEGO COUNTY
SANITATION DISTRICT AND ERRECA ASSOCIATES LLC
(DISTRICT: 2)**

OVERVIEW

On May 5, 2008, the San Diego Local Agency Formation Commission (SD LAFCO) approved the annexation of 23 acres of property along Slaughterhouse Canyon Road owned by Erreca Associates, LLC (Erreca Associates) to the Lakeside Sanitation District with the intent of obtaining sewer service to the property through future extension of the public sewer. In 2010 the Lakeside Sanitation District was incorporated into the San Diego County Sanitation District (Sanitation District).

On September 29, 2017, the County of San Diego's (County) Department of Public Works approved plans for the construction of approximately 7,000 linear feet of sewer pipeline that would extend Sanitation District service to properties located along Moreno Avenue, Vigilante Road, and Slaughterhouse Canyon Road in the unincorporated community of Lakeside (Attachment A). Erreca Associates owns a parcel along Slaughterhouse Canyon Road and built sewer lines to service their project, which sits at the northwest portion of the sewer extension. The sewer extension, which consists of two separate segments of sewer was built with the capacity to serve the future development of 78 adjacent parcels. The sewer was designed and constructed by Erreca Associates and accepted as public improvements by the Sanitation District on June 20, 2019. Total cost of the construction was \$2,923,872.

Erreca Associates has requested that the Sanitation District enter into a reimbursement agreement to collect fair-share contributions toward the cost of constructing the regional sewer improvements. County Ordinance No. 10475, adopted April 12, 2017 (SA1), allows the Sanitation District to repay Erreca Associates by charging a fee to any new development that would connect and utilize the sewer facilities that Erreca Associates constructed. An engineering study entitled *Moreno Avenue Sewer - Reimbursement Analysis* dated December 11, 2019 was prepared by Mission Consulting Services to set reimbursement fee amounts for properties connecting to either of the two sewer segments installed by Erreca Associates.

Parcels that choose to connect to the sewer system, either directly or indirectly, will be assessed a fee. Fees for connecting to segments of the sewer are assessed based on Equivalent Dwelling Unit (EDU) - a unit of measurement that is based on the flow characteristics of an average single-family residence in terms of sewage quantity and constituent quality.

The reimbursable sewer improvements consist of Segment 1, which extends 3,540 feet north along Moreno Avenue from the intersection of San Vicente Avenue and Segment 2 which extends 3,454 feet east along Slaughterhouse Canyon Road to Vigilante Road. The recommended reimbursement fees are \$1,372 per EDU for sewer Segment 1, and \$3,329 per EDU for sewer Segment 2. Since parcels connecting to Segment 2 will also use Segment 1, those parcels will also pay the Segment 1 reimbursement fee for a total fee of \$4,701. Fees for connection also incur interest of 2.4 percent per annum from the effective date of the Agreement. The fee will be a one-time charge collected prior to issuance of a building permit. The reimbursement fees for the two segments differ due to the relative cost of construction and the number of future connections to each sewer segment. Only properties that voluntarily connect to the sewer and establish sewer service through the Sanitation District are subject to the reimbursement fee. Parcels that choose not to connect to the sewer will not pay the fee.

The actions requested today will establish the proposed reimbursement fee in the Sanitation District Fee Ordinance. In addition, several administrative changes are proposed to County Ordinance No. 10475 to remove fees that are no longer valid. These changes include:

- 1) Deletion of fees and charges for Harmony Grove service area. These fees were initially implemented on May 13, 2015 (SA1) for the purpose of collecting fees to operate and maintain a wastewater treatment plant and assessment of annual sewer service charge for each parcel in the service area. Since this service area detached from the San Diego County Sanitation District and annexed into the Rincon del Diablo Water District effective July 1, 2019, the fee is no longer needed.
- 2) Deletion of the Lane Reimbursement Fee, which expired on December 11, 2017. The reimbursement fee was initially implemented on December 11, 2002(SA1) for the purpose of collecting a fee for connecting to the associated sewer segment. Since the 15-year term has been met, this fee has expired and is no longer assessed.

The action to amend the fee ordinance will require two hearings. On February 26, 2020 the Board of Directors will consider approving the agreement and introduce an amendment to the Sanitation District Fee Ordinance to 1) establish the Erreca Associates, LLC Sewer Reimbursement Fee; 2) delete fees and charges for sewer service in the Harmony Grove service area and; 3) delete the Lane Reimbursement Fee. If the Board approves the recommendations on February 26, 2020, then on March 11, 2020 the Board will consider adopting the Ordinance amendment.

**RECOMMENDATION(S)
CHIEF ADMINISTRATIVE OFFICER**

On February 26, 2020:

1. Find, in accordance with Section 15273 of the California Environment Quality Act (CEQA) Guidelines, that the establishment of a reimbursement connection fee is exempt from CEQA review and adopt the findings made pursuant to Section 15273(c) of the State CEQA Guidelines.
2. Approve and authorize the Director, Department of Public Works, to execute the Reimbursement Agreement Between San Diego County Sanitation District and Erreca Associations LLC for Cost of Construction of Sewers.
3. 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**

If, on February 26, 2020, the Board takes action as recommended, then on March 11, 2020:

4. Consider and adopt the following Ordinance:
SAN DIEGO COUNTY SANITATION DISTRICT FEES AND CHARGES FOR THE PROVISION OF SEWER SERVICE

FISCAL IMPACT

There is no fiscal impact associated with these recommendations. There will be no change in net General Fund cost and no additional staff years. This Agreement allows for collection of fair share costs by the Sanitation District on behalf of Erreca Associates from future property owners that connect to public sewer improvements that have been constructed by Erreca Associates. It

establishes a connection fee of \$1,372 per Equivalent Dwelling Unit (EDU) plus interest for properties that connect, either directly or indirectly, to sewer Segment 1, and a connection fee of \$3,329 per EDU plus interest for properties that connect, either directly or indirectly, to sewer Segment 2. Since parcels connecting to Segment 2 will also use Segment 1, those property owners will also pay the Segment 1 reimbursement fee for a total fee of \$4,701 plus interest. The Term of Agreement is 20 years, during which Erreca Associates will receive a maximum of \$2,923,872 plus 2.4% simple interest per annum in reimbursement. The funding source is fees paid by property owners that choose to connect to the public sewer improvements that have been constructed by Erreca Associates.

BUSINESS IMPACT STATEMENT

This agreement facilitates future development in the Lakeside Planning Area by providing an equitable funding mechanism for essential regional sanitary sewer infrastructure.

ACTION:

ON MOTION of Director Jacob, seconded by Director Gaspar, the Board of Directors of the San Diego County Sanitation District took action as recommended, on Consent, introducing an Ordinance for further Board consideration and adoption on March 11, 2020.

AYES: Cox, Jacob, Gaspar, Fletcher, Desmond

2. **SUBJECT: GENERAL SERVICES - QUITCLAIM A PORTION OF A SEWER EASEMENT DEDICATED ON MAP NO. 16097, IN THE EAST OTAY MESA AREA (VACATION NO. 2019-0206) (DISTRICT: 1)**

OVERVIEW

The Department of General Services, Real Estate Services Division is processing a request to quitclaim a portion of a sewer easement offered for dedication and accepted by the San Diego County Sanitation District (District) that encumbers Lot 4 of Map No. 16097. The sewer easement is located in an unincorporated area of the County in the East Otay Mesa area and is within the Otay Community Plan Area (Attachment A). Quitclaiming a sewer easement may be requested by the public if the sewer easement is found to no longer be required for District purposes. In many cases the quitclaiming a sewer easement can be a public benefit through improved use of the land made available by the quitclaim.

If authorized by the Board of Directors of the District, the Director of the Department of General Services, or an authorized designee, will execute and record a deed to quitclaim any and all of the District's interest in the portion of the sewer easement described and depicted in Attachment B.

RECOMMENDATION(S)

CHIEF ADMINISTRATIVE OFFICER

1. Find that the environmental impact report (EIR) dated July 27, 1994 on file with the Department of Planning and Development Services as Environmental Review Log Number 93-19-6 was completed in compliance with the California Environmental Quality Act (CEQA) and the State and County CEQA Guidelines and that the Director has reviewed and considered the information contained therein and the Addendum thereto dated January 18, 2019 on file with the Department of Planning and Development Services as Environmental Review Number PDS2018-ER-93-19-006ZZH before approving the project; and

Find that there are no changes in the project or in the circumstances under which the project is undertaken that involve significant new environmental impacts that were not considered in the previously certified EIR dated July 27, 1994, that there is no substantial increase in the severity of previously identified significant effects, and that no new information of substantial importance has become available since the EIR was certified as explained in the Environmental Review Update Checklist dated January 18, 2019.

2. Find that the portion of sewer easement is no longer required for District purposes.
3. Approve and authorize the Director, Department of General Services, or authorized designee, to execute and record a quitclaim deed for the portion of sewer easement described in Attachment B.

FISCAL IMPACT

Funds for this request are included in the Fiscal Year 2019-20 Operational Plan in the Department of General Services. If approved, this request will result in estimated costs and revenue of \$3,000 to process the proposed quitclaim. The funding source is a deposit from the applicant. There will be no change in net General Fund cost and no additional staff years.

BUSINESS IMPACT STATEMENT

N/A

ACTION:

ON MOTION of Director Jacob, seconded by Director Gaspar, the Board of Directors of the San Diego County Sanitation District took action as recommended, on Consent.

AYES: Cox, Jacob, Gaspar, Fletcher, Desmond

There being no further business, the Board of Directors of the San Diego County Sanitation District adjourned at 11:09 a.m.

ANDREW POTTER
Clerk of the Board of Directors of Sanitation District

Notes By: Santiago

NOTE: This Statement of Proceedings sets forth all actions taken by the County of San Diego Board of Directors of the 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 11, 2020.



GREG COX
Chairman

Attest:



ANDREW POTTER
Clerk of the Board