

June 14, 2023

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
WEDNESDAY, JUNE 14, 2023, 9:00 AM
COUNTY ADMINISTRATION CENTER, ROOM 310
1600 PACIFIC HIGHWAY
SAN DIEGO, CA 92101

A. **REGULAR SESSION:** Meeting was called to order at 9:01 a.m.

PRESENT: Directors Nora Vargas, Chair; Terra Lawson-Remer, Vice-Chair; Joel Anderson; Jim Desmond; also, Ryan Sharp, Assistant Clerk of the Board of Directors.

ABSENT: (District 4 Seat Vacant)

- B. Statement (just cause) and/or Consideration of a Request to Participate Remotely (emergency circumstances) by a Director, if applicable.
- C. Non-Agenda Public Communication: Opportunity for members of the public to speak to the Board on any subject matter within the Board's jurisdiction but not an item on today's agenda.
- D. Approval of the Statement of Proceedings/Minutes for the meeting of May 24, 2023.

ACTION:

ON MOTION of Director Anderson, seconded by Director Desmond, the Board of Directors of the San Diego County Sanitation District approved the Statement of Proceedings/Minutes for the meeting of May 24, 2023.

AYES: Vargas, Anderson, Lawson-Remer, Desmond

ABSENT: (District 4 Seat Vacant)

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 Item

- | Agenda # | Subject |
|-----------------|--|
| 1. | NOTICED PUBLIC HEARING:
PUBLIC HEARING TO APPROVE FEES AND CHARGES FOR FISCAL YEAR 2023-24 TAX ROLL OF SAN DIEGO COUNTY SANITATION DISTRICT, CAMPO WATER MAINTENANCE DISTRICT, AND COUNTY SERVICE AREA NO. 137 - LIVE OAK SPRINGS WATER SYSTEM AND RELATED CEQA EXEMPTION
[FUNDING SOURCE: ASSESSMENT CHARGES ON PROPERTY OWNERS WITHIN THE IDENTIFIED DISTRICTS]

(RELATES TO BOARD OF SUPERVISORS AGENDA NO. 08) |

**1. SUBJECT: NOTICED PUBLIC HEARING:
PUBLIC HEARING TO APPROVE FEES AND CHARGES FOR FISCAL
YEAR 2023-24 TAX ROLL OF SAN DIEGO COUNTY SANITATION
DISTRICT, CAMPO WATER MAINTENANCE DISTRICT, AND
COUNTY SERVICE AREA NO. 137 - LIVE OAK SPRINGS WATER
SYSTEM AND RELATED CEQA EXEMPTION (DISTRICTS: 1, 2, & 4)**

OVERVIEW

The County of San Diego (County) operates one sewer system through the San Diego County Sanitation District and two drinking water systems where customers are billed for services through the tax roll. Today's recommended action is to approve two resolutions to place charges on the FY 2023-24 tax roll.

The San Diego County Sanitation District (Sanitation District) provides sanitary sewer service to several unincorporated communities including Spring Valley, Lakeside, Alpine, Winter Gardens, East Otay Mesa, Campo, Julian, and Pine Valley. The County of San Diego (County) Board of Supervisors (Board) serves as the Sanitation District's Board of Directors (Board of Directors). Sanitation District annual sewer service charges are collected on the property tax roll.

The County also operates the Campo Water Maintenance District (Water District), which provides water service to a portion of the unincorporated community of Campo, and County Service Area No. 137 - Live Oak Springs Water System (CSA 137). CSA 137 is a special district where the County provides water service to portions of the unincorporated community of Boulevard. Annual water service charges for both the Campo Hills zone of the Water District and CSA 137 are currently collected on the property tax roll.

On April 6, 2011 (1), the Board of Supervisors approved water rates for the approximately 222 drinking water customers served by the Campo Hills zone of the Campo Water District. Today's recommended action is to place the annual water rate charges on the tax roll for FY 2023-24. This action does not change the previously approved annual water rates for Campo Hills, and the annual water rate for FY 2023-24 will remain unchanged from FY 2022-23 at \$1,320 per year for residential and commercial customers.

On November 18, 2020 (3), the Board of Supervisors approved a three-year water rate package through FY 2022-23 for the Live Oak Springs Water System (CSA 137), which serves approximately 90 residential and commercial customers. Today's recommended action is to place the annual water rate charges on the tax roll for FY 2023-24. Water charges are comprised of two components, a fixed base charge and a variable consumption charge. The base charge for FY 2023-24 is \$99.86 per month. The variable consumption charge includes a two-tiered rate structure based on the amount of water a customer uses measured in hundred cubic feet (HCF). Tier 1 represents typical indoor water usage for a household with two occupants at a rate of \$11.01 per HCF. For Tier 2, it represents a higher water usage for a household that may include more than two occupants and landscape irrigation demand the rate is \$13.70 per HCF. The annual water rate for FY 2023-24 will remain unchanged from FY 2022-23.

On May 3, 2023 (#SA01), the Board of Directors approved a five-year sewer rate package through Fiscal Year (FY) 2027-28. Single-family residential customers, which make up 87% of the Sanitation District's approximately 37,000 customers, will be assessed an annual sewer

charge of \$546.72 per equivalent dwelling unit (EDU). An EDU is a standard unit of measure based on the average volume of wastewater flow generated by a typical single-family residential dwelling. For commercial entities, the amount each parcel is charged is determined by the type of commercial use and the estimated discharge volume to the sewer as shown in Attachment B.

Collecting sewer and water service charges through the tax roll minimizes administrative costs by eliminating the need for monthly billing and payment collection. These savings are passed along to the customers when the annual fee is established. Today's action does not approve or revise the associated charges and fees for water or sewer which have been established through separate actions of the Board of Directors and the Board. The Board of Directors approved the sewer rates for FY 2023/24 on May 3, 2023. The Board previously approved water charges for the Water District and CSA 137 and charges will remain unchanged from FY 2022-23.

A public hearing on these tax roll reports will be held at today's meeting to allow the public an opportunity to comment on sewer and water service charges on the property tax roll. Today's action also includes a request to conduct a public hearing on the San Diego County Sanitation District, Campo Water Maintenance District, and County Service Area No. 137 - Live Oak Springs Water System tax roll reports, and to adopt resolutions approving collection of sewer and water service charges on the FY 2023-24 tax rolls. At the hearing, any interested person may appear and object or protest said reports.

If the Board of Directors and/or Board of Supervisors does not adopt the resolutions, the sewer and water service charges cannot be placed on the tax rolls for FY 2023-24. Without the funds generated by the assessments, services for sewer and water would be greatly reduced. This would include, but not be limited to: repair capabilities, preventative maintenance of system pipes and infrastructure, and other factors to maintain safe and reliable water and sewer. In addition, capital improvements would be deferred increasing the likelihood of major and costly failures that could have consequences of pipe failure impacting streams or rivers, underserved communities, roadways, or structures. If deferred, administrative costs to collect funds, set up accounts, and handle arrearages would be incurred and passed on to ratepayers.

RECOMMENDATION(S)

CHIEF ADMINISTRATIVE OFFICER

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

Adopt a Resolution titled: RESOLUTION AUTHORIZING SEWER SERVICE CHARGES FOR FISCAL YEAR 2023-24 TO BE COLLECTED ON THE TAX ROLL (Attachment D).

EQUITY IMPACT STATEMENT

The San Diego County Sanitation District (Sanitation District), Campo Water Maintenance District, and County Service Area No. 137-Live Oak Springs Water System strive to implement programs and projects that preserve, enhance, and promote quality of life, health and safety, sustainability, equity, and environmental resources while simultaneously complying with mandatory federal, state, and local regulations. The Department of Public Works evaluated the Healthy Places Index (3.0) (HPI) of each sewer and water service area. The HPI combines 25 community characteristics, like access to health care, housing, education, and more, into a single indexed HPI score. The healthier a community, the higher the HPI score. HPI scores for the

communities served by the Sanitation District are as follows: Alpine - 64.3 percentile, Campo - 15.6 percentile; East Otay Mesa - 34.3 percentile; Julian - 12.9 percentile, Pine Valley 55.6 percentile; Spring Valley - 56.4 percentile, Lakeside - 48.5 percentile, and Winter Gardens - 48.5 percentile.

In addition, the District evaluated the average CalEnviroScreen 4.0 percentile score of each sewer and water service areas. A higher score represents a community that is disproportionately burdened by multiple sources of pollution. CalEnviroScreen 4.0 scores for communities in each sewer and water sewer service area are as follows: Alpine - 10, Campo - 63; East Otay Mesa - 57; Julian - 22, Pine Valley - 13; Spring Valley - 36; Lakeside - 31, and Winter Gardens - 38.

The services, maintenance, and infrastructure enhancements realized from the revenues generated by approved fee ordinances will benefit unincorporated communities by ensuring safe drinking water and reducing the risk of sewage spills and adverse impacts on water quality.

SUSTAINABILITY IMPACT STATEMENT

Implementation of a resolution authorizing sewer and water tax service charges for Fiscal Years 2023-24 to be collected on the tax roll has economic, environmental, and resiliency benefits as it relates to sustainability. Today's action will provide for essential sewer and water system operation, maintenance, and capital improvement, which contribute to the County's sustainability goals, including aligning the County's available resources with services to maintain fiscal stability and ensure long-term solvency; cultivating a natural environment for residents, visitors and future generations to enjoy; and ensuring the capability to respond and recover to immediate needs for individuals, families, and the region. A well-maintained sewer and water system protects the health and well-being of the communities served and help protect water quality, which are both key County sustainability goals.

FISCAL IMPACT

Funds for the proposed action are included in the Fiscal Year 2023-24 CAO Recommended Operational Plan in the Department of Public Works, San Diego County Sanitation District (Sanitation District), Campo Water Maintenance District, and County Service Area No. 137 - Live Oak Springs Water System (CSA 137). The annual sewer and water service charges from customers will generate approximately \$29.62 million in revenue for the Sanitation District, \$0.3 million for the Campo Water Maintenance District, and \$0.2 million for Live Oak Springs Water System-CSA 137. Effective July 1, 2023, the sewer rate will reflect the increase approved by the Board of Directors of the Sanitation District on May 3, 2023 (SA#01); the CSA 137 water rate will reflect no increase for CSA 137 Live Oak Springs per the Board of Supervisors adopted ordinance on November 11, 2020 (03); the water rate will reflect no increase for Campo Water Maintenance District per the Board of Supervisors adopted ordinance on April 6, 2011 (01). There will be no change in net General Fund cost and no additional staff years.

The proposed charges are evaluated annually in an amount sufficient to recover the full cost as required by Board Policy B-29: *Fees, Grants, Revenue Contracts - Department Responsibility for Cost Recovery*. Accordingly, there is no projected unrecovered cost, and a waiver of Board Policy B-29 is not needed. The funding source is assessment charges on property owners within the identified districts.

If the Board of Directors and/or Board of Supervisors does not adopt the resolutions, the sewer and water service charges cannot be placed on the tax roll for FY 2023-24. If service charges are not placed on the tax roll, services for sewer and water would be greatly reduced, and capital improvements and maintenance would be deferred. If deferred, administrative costs to collect funds, set up accounts, and handle arrearages would be incurred and passed on to ratepayers.

BUSINESS IMPACT STATEMENT

N/A

(RELATES TO BOARD OF SUPERVISORS AGENDA NO. 08)

ACTION:

ON MOTION of Director Anderson, seconded by Director Lawson-Remer, the Board of Directors of the San Diego County Sanitation District closed the Hearing and took action as recommended, adopting Resolution No. 23-065, entitled: RESOLUTION AUTHORIZING SEWER SERVICE CHARGES FOR FISCAL YEAR 2023-24 TO BE COLLECTED ON THE TAX ROLL.

AYES: Vargas, Anderson, Lawson-Remer, Desmond

ABSENT: (District 4 Seat Vacant)

There being no further business, the Board of Directors of the San Diego County Sanitation District adjourned at 10:12 a.m.

ANDREW POTTER
Clerk of the Board of Directors
of Sanitation District

Notes By: Perez

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 Tuesday, June 27, 2023.



NORA VARGAS
Chair

Attest:



ANDREW POTTER
Clerk of the Board