

STATEMENT OF PROCEEDINGS
COUNTY OF SAN DIEGO SANITATION DISTRICT
REGULAR MEETING
WEDNESDAY, JUNE 26, 2024, 9:00 AM
COUNTY ADMINISTRATION CENTER, ROOM 310
1600 PACIFIC HIGHWAY
SAN DIEGO, CA 92101

A. REGULAR SESSION: Meeting was called to order at 9:39 a.m.

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

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 22, 2024.

ACTION:

ON MOTION of Director Anderson, seconded by Director Montgomery Steppe, the Board of Directors of the San Diego County Sanitation District approved the Statement of Proceedings/Minutes for the meeting of May 22, 2024.

AYES: Vargas, Anderson, Lawson-Remer, Montgomery Steppe, 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.	APPROVE AND EXECUTE FOURTH AMENDMENT TO JOINT EXERCISE OF POWERS AGREEMENT FOR THE METRO WASTEWATER JOINT POWERS AUTHORITY TO AMEND SECTIONS 3.02 AND 3.05 OF THE JOINT POWERS AGREEMENT

2. NOTICED PUBLIC HEARING:
PUBLIC HEARING TO APPROVE FEES AND CHARGES FOR FISCAL YEAR
2024-25 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 ITEM 08)

1. SUBJECT: APPROVE AND EXECUTE FOURTH AMENDMENT TO JOINT EXERCISE OF POWERS AGREEMENT FOR THE METRO WASTEWATER JOINT POWERS AUTHORITY TO AMEND SECTIONS 3.02 AND 3.05 OF THE JOINT POWERS AGREEMENT (DISTRICTS: 1, 2 & 4)

OVERVIEW

The San Diego County Sanitation District (County Sanitation District) provides sewer service to approximately 37,000 customers in the unincorporated areas of San Diego County. Wastewater from the communities of Alpine, East Otay Mesa, Lakeside, Spring Valley, and Winter Gardens are conveyed through a network of sewer pipes and pump stations to the City of San Diego's Point Loma Treatment Plant for treatment and disposal. Wastewater from the communities of Julian, Pine Valley, and Campo is conveyed to nearby County Sanitation District-operated wastewater treatment facilities for treatment and disposal. The County of San Diego (County) Board of Supervisors (Board) serves as the Sanitation District's Board of Directors (Board of Directors).

The County Sanitation District, along with eleven other sewer agencies, is a partner in the Metropolitan Sewerage System (Metro System) to transport and treat the region's wastewater. Collectively twelve agencies are called participating agencies (PAs). The partnership is formed by way of the Regional Wastewater Disposal Agreement (Metro Sewer Agreement). The Agreement creates the Metropolitan Wastewater Commission (Metro Commission) and defines the relationship between the PAs and the City of San Diego (City). Each PA has representation on the Metro Commission. The Metro Commission is an advisory commission to the City.

In late 2000, the Metro Joint Powers Authority (Metro JPA) was formed as a legal entity separate and apart from the Metro Commission and included the eight PAs that also were represented on the Metro Commission. On November 15, 2000, the Board of Supervisors (Board) approved the Joint Exercise of Powers Agreement (Metro JPA Agreement) to form the Metro JPA on behalf of the Alpine Sanitation District, the Lakeside Sanitation District, the Spring Valley Sanitation District, and the Winter Gardens Sewer Maintenance District. The Metro JPA Agreement was subsequently amended three times to include Otay Water District and the Cities of National City and Chula Vista. All three amendments were approved by the Board.

Presently, the Metro JPA Board of Directors has decided to make changes in who can serve as officers for the Metro JPA in a fourth amendment to the Metro JPA Agreement. The following two amendments to the Metro JPA Agreement are proposed:

1. Amend section 3.02, pertaining to the Treasurer and Auditor. Currently, the Metro JPA Agreement only allows the finance manager or director of one of the Participating Agencies to be designated as the Treasurer and Auditor. The workload of this position has increased considerably since the Metro JPA started in 2000. This amendment will allow the Metro JPA Board to appoint anyone qualified to be the Treasurer and Auditor without violating California's Joint Exercise of Powers Act. Allowing an external Treasurer and Auditor will decrease the burden on PA's staff.

2. Amend section 3.05 by removing the current requirement that the Metro JPA’s legal advisor must also be a counsel to one of the PAs as it can create a conflict of interest when Metro JPA and the PA are represented by same legal advisor in negotiating an agreement. This amendment will allow the Metro JPA Board to appoint anyone qualified to be legal advisor without violating California’s Joint Exercise of Powers Act. Allowing an external legal counsel will prevent a conflict of interest.

This is a request to approve and execute the Fourth Amendment to the Joint Exercise of Powers Agreement for the Metro Wastewater JPA.

RECOMMENDATION(S)

CHIEF ADMINISTRATIVE OFFICER

Acting as Board of Directors San Diego County Sanitation District

1. Find, pursuant to Section 15060 of the California Environmental Quality Act (CEQA) Guidelines, that the requested action is an amendment to an agreement, is administrative in nature, and not subject to CEQA as it is not a project as defined in CEQA Guidelines Section 15378.
2. Approve and authorize the Clerk of the Board to execute the Fourth Amendment to the Joint Exercise of Powers for Metro Wastewater Joint Powers Authority on behalf of the San Diego County Sanitation District.

EQUITY IMPACT STATEMENT

The San Diego County Sanitation District strives to preserve environmental resources and enhance quality of life for all regional residents and businesses by providing essential sanitation services and implementing programs and projects that improve regional community health and environmental quality while simultaneously complying with mandatory federal, state, and local regulations. The County Sanitation District’s services benefit unincorporated communities by reducing the risk of sewage spills and adverse impacts on water quality.

SUSTAINABILITY IMPACT STATEMENT

Today’s action supports the Metro JPA, whose focus on the safe collection, treatment, and disposal of wastewater contributes to environmental sustainability. The Metro JPA’s function also includes wastewater recycling, creating a local, clean, safe, and drought-proof drinking water supply using state-of-the-art technology to purify recycled water, advancing San Diego County’s sustainability goal of increasing alternative water sources for drinking, landscaping, and agriculture. This action will help maintain a strong and resilient community.

FISCAL IMPACT

There is no fiscal impact to today’s request to approve the Fourth Amendment to the Joint Exercise of Powers Agreement for the Metro Wastewater JPA. 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 Desmond, seconded by Director Montgomery Steppe, the Board of Directors of the San Diego County Sanitation District took action as recommended, on Consent.

AYES: Vargas, Anderson, Lawson-Remer, Montgomery Steppe, Desmond

2. **SUBJECT: NOTICED PUBLIC HEARING:
PUBLIC HEARING TO APPROVE FEES AND CHARGES FOR FISCAL
YEAR 2024-25 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 (District) that provides sewer service to approximately 37,000 customers and two drinking water systems that provide drinking water to approximately 300 customers. Sewer service charges and water service charges are collected along with property taxes on the tax roll to avoid a separate and costly billing process. A public hearing is required annually for preparation of the Districts' tax rolls. The sewer charges described in this report were previously approved by the Board of Directors of the San Diego County Sanitation District on May 3, 2023 (#SA01) by Ordinance 10840. The water charges were previously approved by the Board of Supervisors on April 6, 2011 (1) by Ordinance No. 10139.

The 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 District operates and maintains an extensive sewer network of over 430 miles of pipelines and pumpstations, as well as three local wastewater treatment plants. In addition to a preventative maintenance program, District staff conduct ongoing system-wide pipeline inspections and manage a long-term capital rehabilitation and replacement program to ensure the system is effectively treating sewage to prevent backup, overflow, runoff, and flooding. Field crews are on call 24 hours a day, 7 days a week to respond to any emergencies and ensure the protection of public health, property, and the environment. The District's priority is to provide a well-maintained sewer system that protects the health and well-being of the community, protects water quality, and the environment. 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.

Campo Water Maintenance District

On April 6, 2011 (1), the Board 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 2024-25. This action does not change the previously approved annual water rates for Campo Hills, and the annual water rate for FY 2024-25 will remain unchanged from FY 2023-24 at \$1,320 per year for residential and commercial customers.

Live Oak Springs Water System (CSA 137)

On November 18, 2020 (3), the Board 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 2024-25. Water charges are comprised of two components, a fixed base charge and a variable consumption charge. The base charge for FY 2024-25 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 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 2024-25 will remain unchanged from FY 2023-24.

Sewer Service Charges

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 \$578.15 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 2023-24.

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 CSA 137 tax roll reports, and to adopt resolutions approving collection of sewer and water service charges on the FY 2024-25 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 2024-25. 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 2024-25 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 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 2024-25 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 2024-25 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 \$31.10 million in revenue for the Sanitation District, \$0.29 million for the Campo Water Maintenance District, and \$0.17 million for Live Oak Springs Water System-CSA 137. Effective July 1, 2024, 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 2024-25. 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 ITEM 08)

ACTION:

ON MOTION of Director Desmond, seconded by Director Vargas, the Board of Directors of the San Diego County Sanitation District closed the Hearing, took action as recommended, and adopted Resolution No. 24-086 entitled: RESOLUTION AUTHORIZING SEWER SERVICE CHARGES FOR FISCAL YEAR 2024-25 TO BE COLLECTED ON THE TAX ROLL.

AYES: Vargas, Anderson, Lawson-Remer, Montgomery Steppe, Desmond

There being no further business, the Board of Directors of the San Diego County Sanitation District adjourned at 10:54 a.m.

ANDREW POTTER
Clerk of the Board of Directors
of Sanitation District

Notes By: Valdivia

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.