

December 08, 2021

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, DECEMBER 8, 2021, 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 Nathan Fletcher, Chair; Nora Vargas, Vice-Chair; Joel Anderson, Terra Lawson-Remer; Jim Desmond; also, Ryan Sharp, Assistant Clerk of the Board of Supervisors.

(Members of the Sanitation District attended the meeting via teleconference and participated in the meeting to the same extent as if they were present, pursuant to Resolution No. 21-176, adopted November 16, 2021)

B. **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.

C. **Approval of the Statement of Proceedings/Minutes for the meeting of November 17, 2021.**

ACTION:

ON MOTION of Director Anderson, seconded by Director Vargas, the Board of Directors of the San Diego County Sanitation District approved the Statement of Proceedings/Minutes for the meeting of November 17, 2021.

AYES: Vargas, Anderson, Lawson-Remer, 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: APPROVE SEWER REIMBURSEMENT AGREEMENT BETWEEN TPO LLC AND SAN DIEGO COUNTY SANITATION DISTRICT AND AMEND FEE ORDINANCE [FUNDING SOURCE: FEES PAID BY PROPERTY OWNERS THAT CHOOSE TO CONNECT TO THE PUBLIC SEWER IMPROVEMENTS THAT HAVE BEEN CONSTRUCTED BY TPO LLC]

**1. SUBJECT: NOTICED PUBLIC HEARING:
APPROVE SEWER REIMBURSEMENT AGREEMENT BETWEEN
TPO LLC AND SAN DIEGO COUNTY SANITATION DISTRICT AND
AMEND FEE ORDINANCE (DISTRICT: 1)**

OVERVIEW

On April 15, 2020, DPW approved plans for the construction of approximately 1,518 feet of sewer pipeline that would extend the San Diego County Sanitation District (Sanitation District) service to properties located along Enrico Fermi Drive in the unincorporated community of East Otay Mesa. The sewer extension is sized to serve future development of three adjacent parcels (benefiting parcels) and was constructed by TPO LLC and conditionally accepted as public improvements by the Sanitation District on July 16, 2021. Total cost of the construction was \$779,481.24.

The Health & Safety Code (sec 4742.3) allows the Sanitation District to reimburse a developer for the cost to install sewers or other facilities that can or will be used for the benefit of property other than that of the developer making the installation and that are dedicated as public improvements to the Sanitation District. Such reimbursement may be facilitated through an agreement between the Sanitation District and the developer making the installation. The Sanitation District shall collect a fee from any developer using the sewer or facility for the benefit of property not owned by the developer making the installation. Furthermore, the Health & Safety Code (Sec 4766) authorizes the Sanitation District to adopt ordinances to collect such reimbursement fees. County Ordinance No. 10475, adopted April 12, 2017 (SA1) establishes reimbursement fees as a means of providing fair share reimbursement for improvements constructed by a developer. Reimbursement fees are set to equitably share the cost of the improvements based on the proportional use of the improvement by each benefiting parcel, as determined by the projected volume of wastewater that will be generated by the proposed land uses for each parcel.

TPO LLC, which owns and developed one of the three benefiting parcels, 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. Presently the property owned by TPO LLC which is APN 648-070-09-00 operates as industrial fleet storage for various clients. County Ordinance No. 10475, allows the Sanitation District to repay TPO LLC by charging a fee to any new development that would connect and utilize the sewer facilities that TPO LLC constructed. A detailed study entitled *Enrico Fermi Drive Public Sewer – Reimbursement Analysis* dated October 20, 2021 was prepared by TPO LLC and reviewed and accepted by DPW to set reimbursement fee amounts for properties connecting to the sewer segments installed along Enrico Fermi Drive. These properties are zoned as Heavy Industrial and Technology Business Park. The other two benefiting parcels are anticipated to be operated as a warehouse and fleet storage by Amazon.

Benefiting parcel(s) 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.

The recommended reimbursement fee is \$1,779.64 per EDU. Fees for connection also incur interest of 1.92% 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. 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.

Approval of the reimbursement agreement will not affect any current or future land use approvals. The sewer extension is a public improvement with adequate capacity to serve properties located adjacent to the infrastructure, and these parcels have the right to connect to the sewer infrastructure regardless of approval of the agreement. The agreement serves solely as a mechanism to provide reimbursement to the property owner who provided upfront funding to build the new sewer.

The actions requested today will establish the proposed reimbursement fee in the Sanitation District Fee Ordinance. The action to amend the fee ordinance will require two hearings. On December 8, 2021 the Board of Directors (Board) will consider approving the agreement and introduce an amendment to the Sanitation District Fee Ordinance to establish the TPO LLC Sewer Reimbursement Fee. If the Board approves the recommendations on December 8, 2021, then on January 12, 2022 the Board will consider adopting the Ordinance amendment.

RECOMMENDATION(S)
CHIEF ADMINISTRATIVE OFFICER

On December 8, 2021:

1. Find, in accordance with Section 15273 of the California Environment Quality Act (CEQA) Guidelines, that approving a reimbursement agreement and establishing a sewer reimbursement fee are 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 TPO LLC For Cost of Construction of Sewers.
3. Approve introduction (first reading), read title and waive further reading of Ordinance: AMENDMENT TO FEE ORDINANCE ESTABLISHING A REIMBURSEMENT FEE FOR ENRICO FERMI DRIVE SEWER SEGMENT CONSTRUCTED BY TPO LLC

If, on December 8, 2021, the Board takes action as recommended, then on January 12, 2022:

4. Consider and adopt the following Ordinance: AMENDMENT TO FEE ORDINANCE ESTABLISHING A REIMBURSEMENT FEE FOR ENRICO FERMI DRIVE SEWER SEGMENT CONSTRUCTED BY TPO LLC

EQUITY IMPACT STATEMENT

The County of San Diego strives to preserve, enhance, and promote quality of life and environmental resources through the implementation of programs and projects that improve regional community health and environmental quality while simultaneously complying with mandatory federal and State regulations governing sewer discharges. The Department of Public Works (DPW) utilizes a variety of tools to build infrastructure improvement projects, including, but not limited to, infrastructure condition assessments, direct community feedback, comprehensive system analysis, and data from the Healthy Places Index and CalEnviroScreen.

The Healthy Places Index (HPI) is a metric used to explore local factors that predict life expectancy and compare community conditions across the State. The HPI score combines 25 community characteristics, such as housing, education, economic, and social factors, and is used to compare community conditions shaping health outcomes for residents. The CalEnviroScreen is a tool that helps identify California communities that are most affected by many sources of pollution; major factors including environment, health, and socioeconomic information are used to develop the tool. The infrastructure enhancements realized through these projects will benefit the well-being of the surrounding communities by improving water quality and reducing the risk of sewer spills. DPW will strive to identify and reduce barriers for community engagement and stakeholder participation throughout implementation of these projects by providing public notices and communications in multiple languages.

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 San Diego County Sanitation District on behalf of TPO LLC from future property owners that connect to public sewer improvements that have been constructed by TPO LLC. It establishes a connection fee of \$1,779.64 per Equivalent Dwelling Unit plus interest for properties that connect, either directly or indirectly, to the sewer on Enrico Fermi Drive. The term of agreement is 20 years, during which TPO LLC will receive a maximum of \$347,029.32 plus 1.92% 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 TPO LLC.

BUSINESS IMPACT STATEMENT

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

ACTION:

Noting for the record that an Errata was submitted; ON MOTION of Director Fletcher, seconded by Director Vargas, the Board of Directors of the San Diego County Sanitation District closed the Hearing and took action as recommended, to further consider and adopt the Ordinance on January 12, 2022.

AYES: Vargas, Anderson, Lawson-Remer, Fletcher, Desmond

There being no further business, the Board of Directors of the San Diego County Sanitation District adjourned at 4:34 p.m.

ANDREW POTTER
Clerk of the Board of Directors
of Sanitation District

Notes By: Ruffier

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, January 12, 2022.



NATHAN FLETCHER
Chair

Attest:



ANDREW POTTER
Clerk of the Board