



# CITY OF SANTA BARBARA

## COUNCIL AGENDA REPORT

**AGENDA DATE:** June 2, 2015

**TO:** Mayor and Councilmembers

**FROM:** Water Resources Division, Public Works Department

**SUBJECT:** Introduction Of Ordinance Approving A Joint Powers Agreement For Wastewater Treatment In The Mission Canyon Area

**RECOMMENDATION:** That Council:

- A. Introduce and subsequently adopt, by reading of title only, An Ordinance of the Council of the City of Santa Barbara Approving the 2015 Joint Powers Agreement for Wastewater Collection, Treatment, and Disposal for County Service Area 12 in the Mission Canyon Area Between the County of Santa Barbara and the City of Santa Barbara; and
- B. Authorize the City Administrator to execute a Joint Powers Agreement for Wastewater Collection, Treatment, and Disposal in the Mission Canyon Area with the County of Santa Barbara.

### **DISCUSSION:**

#### Background

On May 24, 1983, Council granted conceptual approval for the provision of wastewater service in the Santa Barbara County Mission Canyon Area, County Service Area 12 (hereinafter "CSA 12"). Council authorized staff to negotiate with the County Public Works Department to determine appropriate charges for connection and service. In addition, Council directed staff and the Planning Commission to advise Council of the mechanism that would provide for the interests of the City of Santa Barbara (City) while cooperating with the County of Santa Barbara (County) on planning issues. These efforts culminated in the creation of a Joint Powers Agreement (JPA) between the County and the City, which was approved by Council on August 31, 1984.

The JPA established provisions for the CSA 12 properties to connect to and use the City's wastewater system for wastewater collection, treatment, and disposal purposes. The JPA delineated procedures and practices for property buy-in compensation and payment, annual wastewater service charges, City-performed maintenance services provided to CSA 12, and miscellaneous contract terms and conditions. The JPA defines the manner in which the City will be compensated for the maintenance of the CSA 12 collection system.

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While the JPA attempts to assign costs as equitably as possible, it has been an issue of concern for the County residents in CSA 12. The best way to clearly assign costs for CSA 12 is to have the County take responsibility for the maintenance and operation of this system and have CSA 12 residents also pay City sewer fees for collection and treatment.

#### Current Update Process:

In 2013, County staff contacted the City to initiate a process to update the JPA. The County's primary goals in this update process are to:

- Transfer the annual sewer service billing process from the County's semi-annual billing cycle for property tax to the City's monthly water billing cycle, which would eliminate the County from acting as a pass-through agency for collecting CSA 12 property sewer fees owed to the City. This new transfer process allows the City to collect sewer service fees directly from 815 properties that are being served by the City.
- Eliminate existing JPA provisions related to City wastewater collection system maintenance services of the CSA 12 sewer system. The portion of the CSA 12 system which the City maintains consists of about 11 miles of 8-inch diameter sewer mains and two sewer lift stations. The County now seeks to provide these maintenance services directly to CSA 12 residents.
- Update the JPA language to provide for contemporary documentation of inter-agency services and eliminate documentation that no longer serves a useful purpose for either agency.

The draft JPA was developed in 2014 and is now being submitted for both City Council and County Board of Supervisors approvals.

#### **BUDGET/FINANCIAL INFORMATION:**

County CSA 12 ratepayers will pay individual monthly sewer service fees directly to the City through the City's current water billing process, rather than County staff transmitting these fees semi-annually to the City. The City Wastewater revenues will be reduced by approximately \$250,000 annually by no longer performing and billing for sewer and lift station maintenance services for the CSA 12 wastewater collection system. Twenty of the properties are within the City. These properties use a portion of the CSA 12 system to convey their wastewater to the City's mains. These twenty properties have not historically paid any of the costs for maintenance and repair of the CSA 12 system. Under the revised JPA, these properties would be assessed for these costs by the County on their tax roll.

#### **SUSTAINABILITY IMPACT:**

This action will enable City staff to reallocate its time and resources toward increased maintenance of the City's wastewater collection system infrastructure.

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**APPROVED BY:** City Administrator's Office