



CITY OF MARTINEZ

**CITY COUNCIL AGENDA
April 1, 2015**

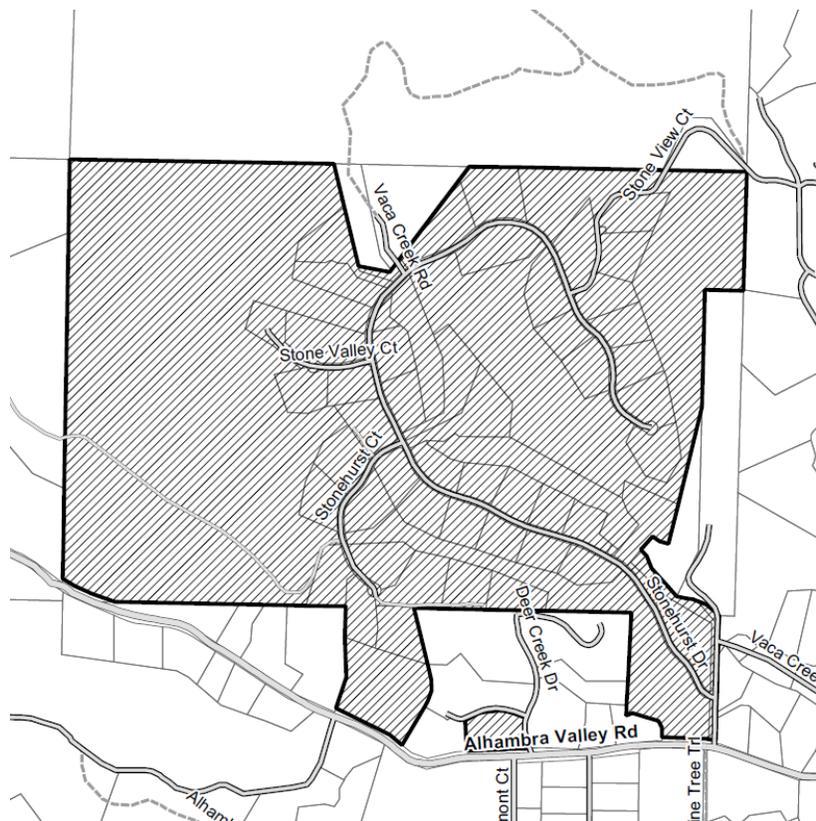
TO: Mayor and City Council
FROM: Tim Tucker, City Engineer
SUBJECT: Contra Costa County Sanitation District - Stonehurst Sewer System
DATE: March 25, 2015

RECOMMENDATION:

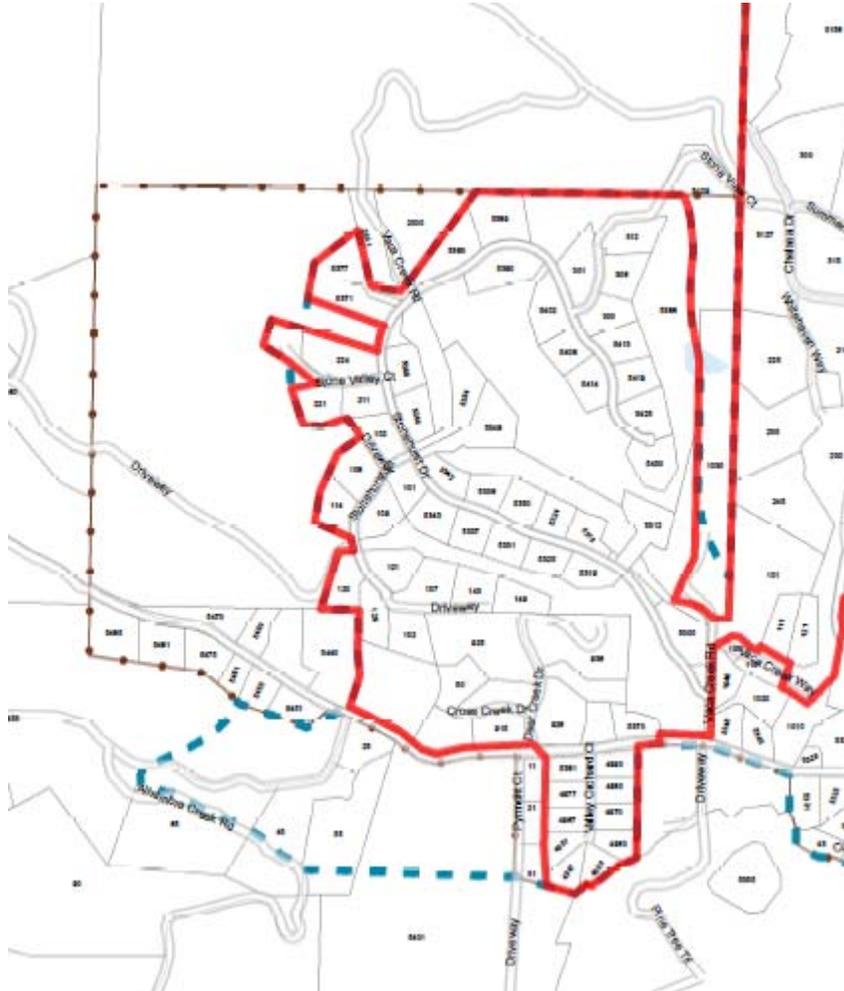
Receive and file report on Contra Costa County Sanitation District No. 6 (SD-6).

BACKGROUND:

Over the past year the County has been pursuing the City to take over the administration and maintenance of Contra Costa County Sanitation District No. 6 (SD-6). SD-6 is a dependent special District that was formed in 1992 to provide wastewater service to the Stonehurst subdivision within the unincorporated area of Alhambra Valley. The District's boundaries encompass approximately 237 acres and 48 parcels.



A portion of the District was annexed by the City in 2012. The sanitation system consists of a pre-treatment leach field. The piping leading to the leach field is outside the Urban Limit Line and was not (could not be) annexed by the City. The 48 parcels and pre-treatment facility are now within the City limits.



On December 2nd the Contra Costa County Board of Supervisors took the following action (not a resolution):

- 1. DECLARE the Board's intent to adopt a resolution designating the Martinez City Council as the board of directors of Contra Costa County Sanitation District No. 6 within 45 days.*
- 2. DIRECT the Public Works Director or designee to work with the County Administrator, County Auditor, and others as necessary to develop and execute a plan for transitioning Contra Costa County Sanitation District No. 6 to a new board of directors and staff, and informing affected residents of the change.*

Health and Safety Code 4730-4735 govern the actions taken by the Board of Supervisors. The County must either form a Sanitation Board of Directors which includes a member of the Board of Supervisors, the Mayor, and one other City Councilmember, or appoint the full City Council as the Sanitation Board of Directors. The latter option would absolve the County of any further responsibility over SD-6.

City staff was not supportive at becoming the sole administrator of SD-6. The District's current assessment level only covers operation and maintenance costs. The County has recently completed Engineer's reports identifying short and long term improvements needed for the system. The study indicates that some of the older and expensive components of the treatment and pumping process will need to be replaced within a five to ten year period. The County anticipates assessment rates need to be increased, or a one-time special assessment will need to be approved to fund the necessary replacement projects. The County has been subsidizing the District maintenance and operations for several years, as expenditures have outpaced revenues. Subsequently, the City may need to subsidize the maintenance and operations of the District as well in order to avoid Water Board violations and potential fines.

DISCUSSION:

In January, City staff, along with the Mayor met with County Supervisor Federal Glover and County staff to discuss SD-6. Supervisor Glover was supportive of the County continuing to be part of the administration of the District. There was also support to including Central Sanitary District as a member (advisory) of the SD-6 Board.

County staff recently met with Supervisor John Gioia, the current Chair of the Board of Supervisors. County Counsel interpreted State code as requiring the Chair of the Board of Supervisor to be the presiding member for the County on a SD-6 Board that would also include the City of Martinez Mayor and one other City Councilmember. County staff indicated that Supervisor Gioia was not interested in being a member of a mixed SD-6 Board. On March 31, 2015, it is anticipated the County will adopt a resolution designating the Martinez City Council as the Board of Directors of SD-6.

FISCAL IMPACT:

Contra Costa County staff has not provided detailed financial reports of SD-6. According to County staff, the current total assessment (47 lots at \$1,950/lot) of \$91,650 covers current operation and routine maintenance costs. County staff also indicated that due to the age and condition of the infrastructure, emergency (overtime) call out of contract maintenance staff has resulted in budget overruns. The County commissioned two studies related to SD-6. Both reports indicate that there are \$70,000 of improvements needed immediately, and another \$144,000 of improvements that could be deferred for five years or more. The report also indicated the assessment rate paid by property owners needs to double to meet the expected expenses over the next five years. Furthermore, the assessment may need to be nearly quadrupled to run the system indefinitely. Proposition 218 requires a vote and majority approval from the parcel owners for any increase in assessments.

It is hoped the District is eventually annexed to Central Contra Costa Sanitary District; however, the current system may need significant upgrades to bring it up to current design standards. Finally, Central Sanitary District's sewer would need to be extended approximately one mile in order to connect to SD-6.

ACTION:

Motion to accept and file report.

APPROVED BY:



Acting City Manager