

LAFCO Staff Responses to GWSD letter re application incompleteness

Application lacks “required” map and legal description

GWSD lodged an identical complaint against the application when submitted by the City; the LAFCO staff’s February 18, 2009 response notes:

With regard to one of the issues raised in your letter there is no question of the specific area that is the subject of this proposal. It is the portion of the Goleta West Sanitary District that is located within the boundaries of the City of Goleta. The boundaries of both agencies are established lines, records of which are known to our office, County Surveyor, County Assessor and State Board of Equalization.

The question of whether a description of a proposal is acceptable to our office is based in part on whether the County Assessor and State Board of Equalization find the description is sufficient. If it is determined that a metes and bounds legal description of the proposal is needed we will require it at that time.

(Note: in similar situations such as annexation of the Orcutt Fire Protection District to the Santa Barbara County Fire Protection District, a metes and bounds description was not required since, as with this case, the boundaries of the proposal area already defined.)

The August 17, 2010 letter is written as if the LAFCO staff had never responded to the earlier letter since it ignores the information we provided.

Application Lacks Sufficient Plan for Providing Services

In its February 11, 2009 letter, GWSD objected to the brief description of services to be provided within the City’s application. The City on July 26, 2010 filed an addendum to its application and included a three-page plan for providing services. The plan submitted includes a description for each of the five required items listed in Section 56653(b) and also attached the following:

- Goleta Sanitary District Service Proposal letter
- City of Goleta Proposed Budget
- Property Tax Exchange Agreement
- Bartle Wells Goleta West Sanitary District Financial Review

The staff believes information is sufficient to proceed to hearing. The proposal is essentially a transfer of existing service operations from one agency to another; little if any construction of facilities will be entailed with this change.

Application Oversimplifies Contractual Service Arrangements

The GWSD raises technical issues with the application including:

- Services for properties within the Embarcadero Municipal Improvement District may not be provided by either GWSD or the City of Goleta following the detachment.
- Concerns about services to properties within Isla Vista which will continue to be served by GWSD following the detachment.

While there are contractual relationships and issues to be addressed regarding how territory that is not proposed to be detached will continue to be served, staff feels that sufficient information is available for the Commission to consider the application.

Any issues regarding future contractual agreements or contracts can and should be addressed at the hearing on the merits of the proposal. It may be within the Commission's broad conditioning authority to resolve the contractual questions that may need attention.

A contractual agreement between the City and Isla Vista Recreation and Park District may not be needed. An agreement between the City and Embarcadero Municipal Improvement District (EMID) may be needed since the City will operate the sewage lines that transfer effluent from EMID to the remainder of the system.

Inter-agency contracts will receive scrutiny in the staff's evaluation of the proposal. Should the Commission determine to proceed with the proposed detachment, attention will be given in cooperation with all affected parties to prepare terms and conditions to ensure that no essential contractual issues are left unattended.

Application Lacks Basic Service Information

In addition to the City's application and addendum, staff has reviewed reports prepared by consulting firms that were retained by both the City and GWSD.

We believe these documents when taken together contain sufficient information regarding size and capacity of infrastructure, the portion of service units both within and outside of the City and other information essential to the proposed transfer of existing, and future, service obligations from the District to the City.

Application Lacks Plan to Transfer Wastewater from City Boundary to Treatment Plant

All involved parties know the GWSD collects and transports wastewater to the Goleta Sanitary District's treatment plant. The GSD treats and disposes of the effluent.

The disposition of the sewage line between the City boundary and the wastewater treatment plant deserves and will receive attention with respect to specific terms and conditions the Commission may impose relative to the transfer or use of capital facilities.

If the Commission finds a “wheeling” agreement is needed between the City and GWSD, it may become a considered term and condition at the hearing on the merits of this proposal.

Application Lacks City Capital Improvement Plan

The applicable statute requires the City to provide an indication of improvements or upgrading of structures, roads, sewer or water facilities, or other conditions the local agency would impose or require within the affected territory if the change of organization is completed.

The transfer of assets and service responsibilities may not necessarily require constructing new capital facilities, although facilities may be required in future years if increased development or land use changes necessitate such construction.

With respect to the upgrade of the Goleta Sanitary District’s wastewater treatment plant, should the proposed detachment proceed, terms and conditions can be imposed to specify the allocation of specific resources and reserves for construction of the “GWSD portion” of the upgrade. .

The City’s statement that a capital improvement program will be developed and updated for wastewater facilities does not imply, as Ms. Barnhill’s states, that the City does not intend to carry over the GWSD’s capital improvement program within the City boundaries.

Application Lacks Information about Financing Sewer Services

A question of to what extent sewer services following the detachment will continue to be paid by user fees and to what extent sewer-related expenses will be borne by property taxes is an issue that has received great attention.

If the proposal goes to hearing our staff report will examine the circumstances involved with financing ongoing sewer services, including expansion of the wastewater treatment plant, and its relationship to the Revenue Neutrality Agreement dating from the time of incorporation.

The use of property tax revenues to fund ongoing sewer-related services will receive attention as will questions concerning the other services presently provided by GWSD both within and outside the City, i.e., street sweeping services.

The City’s application is one component in an array of documentation the Commission will need to consider. As stated in our cover letter the application meets the “threshold” for proceeding to a hearing and decision based on the merits of the proposal

Deficient Project Description Frustrates Environmental Analysis

We agree with Ms. Barnhill that the Commission, as lead agency, will make an environmental determination regarding the proposed detachment and whether there is reasonable possibility this governmental change will have a significant adverse environmental impact.

Until the Commission determines the proposal has not “lapsed” and the proposal will go forward to a hearing on its merits, we defer commenting on the CEQA determination. This issue will be addressed in the analysis of the proposal and is another reason the application should be heard.