

**COUNTY OF SAN DIEGO
SANITATION DISTRICT
WEDNESDAY, JUNE 25, 2025**

MINUTE ORDER NO. 1

**SUBJECT: NOTICED PUBLIC HEARING:
PUBLIC HEARING TO APPROVE FEES AND CHARGES FOR FISCAL YEAR
2025-26 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 (Sanitation District) and two drinking water systems where customers are billed for services through the tax roll. Today's recommended action is to approve two resolutions to place charges on the Fiscal Year (FY) 2025-26 tax roll for the previously approved rates in 2023 associated with the Sanitation District and two systems.

The Sanitation 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 County of San Diego (County) Board of Supervisors (Board) serves as the Sanitation District's Board of Directors (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 (Live Oak Springs). Live Oak Springs 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 Live Oak Springs are currently collected on the property tax roll. The Board previously approved water charges for the Water District and Live Oak Springs and charges will remain unchanged from FY 2024-25.

On April 6, 2011 (1), the Board of Supervisors approved water rates for the approximately 222 drinking water customers served by the Campo Hills zone of the Water District. Today's recommended action is to place the annual water rate charges on the tax roll for FY 2025-26. This action does not change the previously approved annual water rates for Campo Hills, and the annual water rate for FY 2025-26 will remain unchanged from FY 2024-25 at \$1,320 per year for residential and commercial customers.

On November 18, 2020 (3), the Board of Supervisors approved a three-year water rate package through FY 2023-24 for Live Oak Springs, 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 2025-26. Water charges are comprised of two components, a fixed base charge and a variable consumption charge. The annual water rate for FY 2025-26 will remain unchanged from FY 2024-25. The base charge for FY 2025-26 remains at \$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.

On May 3, 2023 (SA01), the Directors approved a five-year sewer rate package through 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 \$611.40 per equivalent dwelling unit (EDU) which reflects the 5.75% increase approved in 2023. Last year's rate was \$578.15 per 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. In addition, a pass-through charge of \$56.08 for the City of San Diego's Metropolitan Wastewater (Metro) System will be charged per EDU for a combined annual charge of \$667.48. Attachment B contains a complete list of pass-through charges by residential, commercial, industrial, and institutional classifications.

The department continues to look for opportunities to reduce costs through innovations and efficiencies. Collecting sewer and water service charges through the tax roll minimizes administrative costs by eliminating the need for monthly billing and payment collection. These efforts save customers more than \$1 million annually. In addition, cutting-edge technologies to inspect pipelines reduces costly emergency repairs and efficiently allows staff to allocate labor, equipment, and materials to operate and maintain the systems.

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 Sanitation District, Water District, and CSA No. 137 tax roll reports, and to adopt resolutions approving collection of sewer and water service charges on the FY 2025-26 tax rolls. At the hearing, any interested person may appear, and object or protest said reports.

If the Directors and/or Board does not adopt the resolutions, the sewer and water service charges cannot be placed on the tax rolls for FY 2025-26. 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 suspended, 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 placement on the tax roll is deferred, administrative costs to collect funds, set up accounts, and handle past due accounts, 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 2025-26 TO BE COLLECTED ON THE TAX ROLL. (Attachment D)

EQUITY IMPACT STATEMENT

The San Diego County 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 2025-26 to be collected on the tax roll has economic, environmental, and health and well-being sustainability benefits. 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 this request are included in the Fiscal Year (FY) 2025-26 Operational Plan in the Department of Public Works, San Diego County Sanitation District (Sanitation District), Campo Water Maintenance District (Water District), and County Service Area No. 137 - Live Oak Springs Water System (Live Oak Springs). The annual sewer and water service charges from customers will generate approximately \$36.09 million in revenue for the Sanitation District, \$0.3 million for the Water District, and \$0.2 million for Live Oak Springs. Effective July 1, 2025, the sewer rate will reflect the increase approved by the Board of Directors of the Sanitation District on May 3, 2023 (SA#01); the Live Oak Springs water rate will reflect no increase for Live Oak Springs per the Board of Supervisors (Board) adopted ordinance on November 11, 2020 (03); the water rate will reflect no increase for Water District per the Board 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. 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 Directors and/or Board does not adopt the resolutions, the sewer and water service charges cannot be placed on the tax roll for FY 2025-26. 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 suspended. If placement on the tax roll is 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 09)

ACTION:

ON MOTION of Director Lawson- Remer, seconded by Director Montgomery Steppe, the Board of Directors of the San Diego County Sanitation District closed the Hearing and took action as recommended adopting Resolution No. 25-078 entitled: RESOLUTION AUTHORIZING SEWER SERVICE CHARGES FOR FISCAL YEAR 2025-26 TO BE COLLECTED ON THE TAX ROLL.

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

ABSENT: (District 1 Seat Vacant)

State of California)
County of San Diego)

I hereby certify that the foregoing is a full, true and correct copy of the Original entered in the Minutes of the Sanitation District.

ANDREW POTTER
Clerk of the Board of Directors



Signed
by Andrew Potter