

**COUNTY SERVICE AREA NO. 34
REPORT PER COUNTY ORDINANCE NO. 3428
FIXING SEWER SERVICE CHARGES AND SEWER CONNECTION FEES
INSTALLMENT PAYMENTS FOR FY 2024-25**

May 15, 2024

TO: Clerk, Board of Supervisors

FROM: Joseph Pope, Director, Water and Sanitation Department

County Service Area (CSA) No. 34 was formed to construct, operate, and maintain a sewer system for the treatment and disposal of wastewater in the El Rio community of Ventura County.

Effective January 1, 2008, the California Code of Regulations, Title 23, Division 4, Chapter 1, Article 4, Section 3934, prohibits new septic systems and discharges from existing septic systems into the Oxnard Forebay areas.

The estimated project cost for the public sewer system is \$35 million. Approximately \$26 million in County, State, and Federal grants were approved for this project.

In addition to the \$35 million public project costs, the total estimated cost to the residential property owners is \$13.0 million. These costs are for the City of Oxnard (City) sewer connection fees (SCF), CSA No. 34 SCF, construction of sewer lateral to connect to the public sewer system and abandonment of the septic systems.

CSA No. 34 was formed in December 2005 to provide administration, operations, and maintenance of the sewer system as it is constructed in phases. To date, approximately 98.9% of the property owners within CSA No. 34 have connected to the sewer system and have stopped discharging to the septic systems.

CSA No. 34 is dependent upon sewer service charges to finance the operation and maintenance expenses of the El Rio Sewer Collection System. On March 28, 2006, your Board adopted a resolution establishing charges for CSA No. 34. The sewer service charges are currently collected in the same manner as property taxes, according to Ordinance No. 3428, as a convenience and to reduce the cost of collection by avoiding the need for separate billing.

Operations and Maintenance (O&M) services, administration, management, and budgetary functions are accomplished by the County Public Works Agency Water and Sanitation Department staff.

TOTAL SERVICE CHARGES REQUIRED

The proposed sanitation O&M requirements and financing for Fiscal Year 2024-25 are as follows:

REQUIREMENTS

Public Works Charges	\$ 183,000
Operations & Maint.	767,000
Sewage Charges paid to City of Oxnard for Treatment Disposal	500,000
Loan Principal & Interest	457,200
Total Requirement	<u><u>\$ 1,907,200</u></u>

FINANCING

Service Charges	\$ 888,601
Sewer Connection Fee Installment Payments	434,376
Other Revenue	<u>152,500</u>
Subtotal	<u>\$ 1,475,477</u>
Fund Balance	<u>431,723</u>
Total Financing	<u><u>\$ 1,907,200</u></u>

SEWER SERVICE CHARGES FOR FY 2024-25

Sewer service charges for FY 2024-25 vary between individual parcels depending on the number of Equivalent Residential Units (ERU) on each parcel. The total sewer service charges proposed are \$822,181 to be levied at a rate of \$41 per month per ERU, a 2.5% rate increase compared to FY 2023-24.

A General Fund loan was approved to assist Strickland Tract homeowners pay their City of Oxnard sewer connection fees in monthly installments. All customers have paid the installment plan in full. On September 30, 2009, CSA No. 34 was awarded an American Recovery & Reinvestment Act grant and a State Revolving Fund (SRF) loan to complete Phases 5B, 5C, and 5D of the El Rio Sewer Project. The first loan repayment was made in FY 2011-12. Property owners were given the option to finance both the City of Oxnard and CSA No. 34 sewer connection fees through the SRF loan agreement. It is also proposed that sewer connection fee installment payments of \$434,376 be generated based on the rates outlined in Exhibit 4A.

The amount of the sewer service charge and sewer connection fee installment payments are indicated in the attached "Summary of Sewer Service Charges and Sewer Connection Fee Installment Payments for FY 2024-25" (Exhibit 4A). All parcels benefiting from the sewer system are identified and listed by the Assessor's parcel number on the attached "Schedule of Sewer Service Charges and Sewer Connection Fee Installment Payments for FY 2024-25" (Exhibit 4B). Said parcels are also depicted on a set of maps on file in the County Surveyor's Office.

Exhibit 4A - Summary of Sewer Service Charges and Sewer Connection Fee Installment Payments for FY 2024-25

Exhibit 4B - Schedule of Sewer Service Charges and Sewer Connection Fee Installment Payments for FY 2024-25