



## County of Santa Cruz Board of Supervisors

### Agenda Item Submittal

**From:** Health Services Agency

**Subject:** Public Hearing on CSA 12 Fiscal Year 2025-26 Charges

**Meeting Date:** June 10, 2025

**Formal Title:** Hold public hearing to consider resolution confirming proposed Fiscal Year 2025-26 assessment/service charge reports for County Service Area 12, Wastewater Management, and take related actions

### Recommended Actions

1. Open a public hearing, hear support, objections, or protests, if any, to proposed Fiscal Year 2025-26 assessment/service charge reports for County Service Area 12 Wastewater Management; and
2. Close the public hearing and adopt a resolution confirming the proposed Fiscal Year 2025-26 assessment/service charge reports for County Service Area 12 Wastewater Management.

### Executive Summary

The Health Services Agency (HSA) requests that the Board hold a public hearing and adopt a resolution confirming the proposed Fiscal Year (FY) 2025-26 assessment/service charge reports for County Service Area 12 Wastewater Management (CSA 12). CSA 12 funds various services to promote the proper use of onsite sewage disposal systems in the County. The FY 2025-26 CSA 12 and CSA 12A rates represent an increase of 4.0% over FY 2024-25. The CSA 12N rates remain the same as the prior FY 2024-25.

### Discussion

On May 6, 2025, the Board adopted resolutions confirming the established benefit assessments/service charges for CSA 12 for FY 2025-26 annual service charges for parcels with septic systems, now called onsite wastewater treatment systems (OWTS). The CSA 12 and CSA 12A FY 2025-26 rates are 4.0% higher than the prior FY 2024-25 rates, as shown in Table 1. The CSA 12N FY 2025-26 rates remain the same as the prior FY 2024-25 rates, also shown in Table 1.

Table 1: Description of Charges and FY 2023-24 versus FY 2024-25 Rates Reflecting Increase

	Estimated Number of Parcels on 1.20.2025	Current FY 24/25 Rates	FY 24/25 Estimated Revenue	Proposed FY 25/26 Rates	FY 25/26 Estimated Total Revenue	FY 25/26 Estimated Addl Revenue from	Amount of Increase per Parcel	Comments
CSA 12	22,790	\$34.19	\$777,719.93	\$35.56	\$810,357.70	\$32,637.77	\$1.37	
CSA 12 A	12,870	\$23.74	\$305,163.75	\$24.69	\$317,755.15	\$12,591.40	\$0.95	
CSA 12 N								
Nonconforming	99	\$339.61	\$32,942.17	\$339.61	\$33,621.39	\$679.22	\$0.00	Slight increase in revenue due to the increase in total number of parcels, per Land Use Manager.
Alternative Treatment with OSSP	925	\$171.34	\$147,181.06	\$171.34	\$158,489.50	\$11,308.44	\$0.00	Slight increase in revenue due to the increase in total number of parcels, per Land Use Manager.
Alternative Treatment Out of Compliance for an OSSP	29	\$1,360.48	\$47,616.80	\$1,360.48	\$39,453.92	-\$8,162.88	\$0.00	Decrease in revenue due to Alternative Treatment systems obtaining compliance status, per Land Use Manager.
<b>Additional Revenue due to 4% increases to CSA 12 and CSA 12A for FY</b>						<b>\$49,053.95</b>		

On May 6<sup>th</sup>, the Board also set Tuesday, June 10, 2025, after 9:00 a.m., as the date and time for a public hearing on the proposed FY 2025-26 benefit assessment/service charge reports. The service charge reports have been made available from the Clerk of the Board since May 27, 2025.

In order to complete FY 2025-26 benefit assessment/service charge proceedings, it is necessary for the Board to: open the public hearing; take testimony and consider objections and protests, if any, to the proposed reports; close the public hearing; and consider adoption of the resolution confirming the benefit assessment/service charge reports (attached resolution). As required by law, the CSA 12 service charge reports must be approved by the Board and forwarded to the Auditor-Controller by August 10, 2025. Staff may make some minor adjustments to the parcel information as needed once the tax roll is finalized.

**Financial Impact**

The CSA 12 assessments/service charges are expected to generate approximately \$1,359,678 of annual funding under three accounts including: 133607/41862 (CSA 12); 133608/41862 (CSA 12A); and 133607/41671 (CSA 12N).

**Strategic Initiatives**

Operational Plan - Sustainable Environment

**Submitted By:**

Jennifer Herrera, Interim Director of Health Services

**Recommended By:**

Carlos J. Palacios, County Executive Officer

**Artificial Intelligence Acknowledgment:**

Artificial Intelligence (AI) did not significantly contribute to the development of this agenda item.