



County of Santa Cruz Board of Supervisors

Agenda Item Submittal

From: Community Development and Infrastructure

Subject: Public Hearing on 2025-26 Freedom County Sanitation District
Sewer Service Charges

Meeting Date: May 6, 2025

Formal Title: AS THE BOARD OF DIRECTORS OF THE FREEDOM COUNTY SANITATION DISTRICT: Hold a public hearing, adopt a resolution setting 2025-26 sewer service charges, effective July 1, 2025, set a public hearing on June 10, 2025, at 9:00am or thereafter, to adopt a resolution confirming the sewer service charge report, and take related actions

Recommended Actions

1. Open a public hearing and hear objections or protests, if any, to the proposed charges;
2. Close the public hearing, and upon its conclusion;
3. Adopt resolution setting the 2025-26 sewer service charges;
4. Set June 10, 2025, at 9:00 a.m. or thereafter, as the date and time for a public hearing on the service charge reports; and
5. Direct the Clerk of the Board to publish the notice of public hearing once a week for two consecutive weeks prior to the date of the hearing, as required by Government Code Section 6066 and County Code Chapter 4.26.

Executive Summary

To continue with the proceedings to establish sewer service charges for the Freedom County Sanitation District, the Board must open the public hearing on the charges, consider objections or protests, if any, close the public hearing, and consider adoption of the attached resolution establishing the sewer service charges. Additionally, the Board must set a public hearing to consider the service charge reports for the District.

Discussion

On March 11, 2025, the Board set May 6, 2025, at 9:00 a.m. or thereafter, as the date and time of the public hearing to consider the attached resolution establishing changes to the sewer service charges for the Freedom County Sanitation District (District) that will be effective as of July 1, 2025. Further, the Board directed Staff to mail notices of today's public hearing to all affected property owners and directed the Clerk of the Board to publish the notice in a newspaper of general circulation. On the mailed notice, there was a math error in the 'increase' column for the HCF and ADA, which was corrected in a follow-up mailer.

The proposed sewer service charges for FY 2025-26 are as follows:

<u>Type of Customer</u>	<u>Existing 2024/2025 Charges Per year</u>	<u>Proposed 2025/2026 Charges Per year</u>	<u>Proposed 2025/2026 Increase</u>
Single Family Residential	\$882.76	\$908.46	\$2.14/month
Multi-Family/Apartments	\$576.66	\$591.50	\$1.24/month
Mobile Homes	\$890.42	\$916.40	\$2.16/month

Commercial Facility Flat Rate	\$198.92	\$197.62	-\$0.11/month plus
Commercial (Per HCF)	\$7.84	\$8.12	\$0.28/HCF
Schools Flat Rate	\$198.92	\$197.62	-\$0.11/month plus
Schools (Per ADA)	\$18.90	\$19.57	\$0.67/ADA

HCF = Hundred Cubic Feet

ADA = Average Daily Attendance

The proposed service charges for FY 2025-26 reflect an overall increase of 2.9 percent. The largest contributor to this rate increase is the need for manhole and sewer main repairs; \$230,000 will be collected for these upgrades. Additionally, \$100,000 will be collected for reserves, as the District's account was depleted by an emergency repair in FY 2023-24. The District is responsible for a share of the City of Watsonville's treatment costs and capital improvements at the City's wastewater treatment plant which treats the District's wastewater. For FY 2025-26, the District's share is expected to be \$532,369 which is down 4.1 percent from FY 2024-25.

The 2025-26 revenue study is attached for the Board's review, and the service charge reports will be filed with the Clerk of the Board and posted electronically on or before May 23, 2025, on the following website:

<https://cdi.santacruzcountyca.gov/PublicWorks/CSAs/ChargeReports.aspx>.

This report, containing the Assessor's parcel number, a description of each parcel of real property receiving sanitary sewer services, and the amount of the charges allows for public review at least two weeks prior to the June 10, 2025, public hearing. The purpose of the June 10, 2025, hearing is for the Board to hear and consider all objections or protests, if any, to the service charge reports. The service charge reports must be approved by the Board and forwarded to the Auditor-Controller by August 10, 2025, in order to be included on the 2025-26 property tax roll.

Financial Impact

An overall increase in the sewer service charges of 2.9 percent is expected to result in \$1,634,000 of collected charges (GL Key 625130-41866).

Strategic Initiatives

Equity Framework - County Facilities & Infrastructure

Operational Plan - Operational Excellence

Submitted By:

Matt Machado, Deputy CEO / Director of Community Development and Infrastructure

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.