



## **County of Santa Cruz Board of Supervisors**

### **Agenda Item Submittal**

**From:** Community Development and Infrastructure

**Subject:** 2025-26 Sanitation County Service Area Benefit Assessments for CSAs 2, 5, 7, 10, and 20

**Meeting Date:** March 11, 2025

**Formal Title:** Adopt resolution confirming Consumer Price Index increases in sewer benefit assessment rates for County Service Areas (CSAs) 2, 7, 10, 20, and for CSA No. 5 - Sand Dollar (Zone C and S) confirm benefit assessment charges remain unchanged from fiscal year 2024-25, schedule a public hearing on June 10, 2025, at 9:00 am or thereafter, to consider the proposed sewer benefit assessment/service charge reports, and take related actions

### **Recommended Actions**

1. Adopt a resolution confirming previously approved Consumer Price Index increase in benefit assessment charges for CSA No. 2 - Place de Mer, CSA 7 (Zone 1 and 2) – Boulder Creek, CSA No. 10 - Rolling Woods/ Woods Cove, and CSA No. 20 - Trestle Beach, and for CSA No. 5 - Sand Dollar (Zone C and S) benefit assessment charges remain unchanged from fiscal year 2024-25;
2. Schedule a public hearing for Tuesday, June 10, 2025, at 9:00 a.m. or thereafter, to consider the proposed sewer benefit assessment/service charge reports;
3. Approve the Notice of Public Hearing;
4. Direct the Clerk of the Board to publish the Notice of Public Hearing, in a newspaper of general circulation, 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 adequately fund the ongoing operation of the County Service Areas sewer systems, it is necessary to increase the benefit assessment/service charges by the Consumer Price Index (2.4%) for CSAs 2, 7, 10, and 20. No change in benefit assessment / service charges is required for CSA 5. Additionally, it is required that a public hearing be set to consider objections and protests, if any, to the data included in the benefit assessment/service charge reports for the Sanitation CSAs.

### **Discussion**

The costs for goods and services have increased over the past year. Therefore, it is necessary to increase the sewer benefit assessment charge to maintain and operate the sewer systems in CSAs 2, 7, 10, and 20 by 2.4 percent per: [Consumer Price Index, San Francisco Area — December 2024 : Western Information Office : U.S. Bureau of Labor Statistics](#).

CSA No. 5, Sand Dollar's (Zone C and S) operational budgets do not require an increase, and sewer benefit assessment charges will remain the same as fiscal year 2024-25.

The proposed benefit assessment / service charges are proposed as follows:

CSA No.	CSA Name	Supervisor District	Rate Code	2024-25 Rates \$ per year	2025-26 Rates \$ per year
2*	Place de Mer	2	Zone A - Apartments	\$1,411.19	\$1,445.06
			Zone H - Hill	\$119.31	\$122.17
			Zone P - Park	\$1,411.19	\$1,445.06
			Zone T - Townhouse	\$1,517.64	\$1,554.06
5	Sand Dollar	2	Zone C - Canon Del Sol	\$2,069.37	\$2,069.37
			Zone S - Sand Dollar	\$2,109.91	\$2,109.91
7*	Boulder Creek	5	Zone 1 - Condominium	\$2,477.10	\$2,536.55
			Zone 1 - Single Family	\$2,747.51	\$2,813.45
			Zone 1 - Commercial Flat Rate	\$1,895.67	\$1,941.17
			Zone 1 - Commercial per HCF**	\$8.65	\$8.86
			Zone 2 - Single Family (Connected to Sewer)	\$3,728.81	\$3,818.30
			Zone 2 - Fire Station	\$7,457.62	\$7,636.60
			Zone 2 - Stand By (Vacant Buildable Parcel)	\$932.20	\$954.57
10*	Rolling Woods / Woods Cove	5	Rolling Woods	\$323.11	\$330.86
			Woods Cove	\$323.11	\$330.86
			Pasatiempo Golf Course	\$6,069.68	\$6,215.35
20*	Trestle Beach	2	Trestle Beach	\$4,178.67	\$4,278.96

\* 2.4% CPI Increase for FY 2025/26

\*\* HCF - Hundred Cubic Feet

According to Santa Cruz County Code Section 4.26, the Deputy CAO/Director of Community Development and Infrastructure must annually compute the benefit assessment/service charges for County Service Areas (CSAs) and submit a report to the Board of Supervisors describing each parcel of real property receiving the special benefit and the amount of the charge per CSA for each parcel for the upcoming fiscal year.

With the Board's approval, Community Development and Infrastructure will place the sewer service charge reports electronically on file with the Clerk of the Board. These reports detail the Assessor's parcel number, characteristics of the property and the amount of the benefit assessment/service charges. The reports will be available online on or before May 26, 2025, which will allow for public review two weeks before the proposed June 10, 2025, public hearing. The service charge report must be approved by the Board and forwarded to the Auditor-Controller-Treasurer-Tax Collector by August 8, 2025, to be included in the 2025-26 property tax assessment roll.

## Financial Impact

The annual CPI increases for County Service Areas 2, 7, 10, and 20 are necessary to adequately fund the CSA's revenue requirements to operate the sewer systems. County Service Area 5 revenue will remain the same as last fiscal year. Below is a tabulation of the revenue that would be generated at the proposed rates.

	Total Proposed Revenue	Revenue Fund
CSA 2	\$119,560	GL 625143 - 42024
CSA 5	\$384,290	GL 625200 - 41866
CSA 7 Zone 1	\$666,870	GL 625105 - 41866
CSA 7 Zone 2	\$74,460	GL 625106 - 41866
CSA 10	\$57,830	GL 625170 - 41866

**Strategic Initiatives**

Equity Framework - County Facilities & Infrastructure  
Operational Plan - Operational Excellence

**Submitted By:**

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

**Recommended By:**

Carlos J. Palacios, County Administrative Officer

**Artificial Intelligence Acknowledgment:**

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