



**SAN BENITO COUNTY
AGENDA ITEM
TRANSMITTAL FORM**

Dom Zanger
District No. 1

Kollin Kosmicki
District No. 2

Mindy Sotelo
District No. 3
Vice-Chair

Angela Curro
District No. 4
Chair

Bea Gonzales
District No. 5

Item Number: 2.3

MEETING DATE: 06/18/2024

DEPARTMENT: RESOURCE MANAGEMENT AGENCY

AGENDA ITEM PREPARER: Linda Young

DEPT HEAD/DIRECTOR: Steve Loupe

SUBJECT:

RESOURCE MANAGEMENT AGENCY- S. LOUPE, PUBLIC WORKS ADMINISTRATOR

Adopt Resolution to divest County Service Area No.22 (Cielo Vista Estates) the authority to provide sanitary sewer service to the residents of Cielo Vista Estates, after LAFCO approval pursuant to Government Code section 25213.6(c)(3), and to approve Sunnyslope County Water District (SSCWD) to assume the responsibility for the management and provision of the sanitary sewer services as the successor public agency, with the exception of the existing wastewater treatment plant (WWTP), to occur when the new sanitary sewer system is operational. Responsibility for the WWTP will remain with County Service Area No.22, and the fate of the WWTP, and the parcel on which it resides, will be coordinated between the County and the residents of Cielo Vista Estates.

SBC FILE NUMBER: 105.3

RESOLUTION NO: 2024-77

AGENDA SECTION:

REGULAR AGENDA

BACKGROUND/SUMMARY:

During its meeting on December 14, 2023, The City of Hollister submitted an application to San Benito LAFCO for an out-of-agency services agreement with Sunnyslope County Water District for the provision of sanitary sewer services to the Cielo Vista Subdivision, and the Gavilan College, Fairview Corners, and Lands of Lee projects, all of which are located in unincorporated San Benito County and within Sunnyslope County Water District's boundaries.

All four subject areas are also located within the Hollister Urban Area Water and Wastewater Master Plan ("HUAWWMP"). On October 31, 2019, consistent with the HUAWWMP and existing agreements between Hollister and Sunnyslope, the City of Hollister issued "Will Serve" letters for wastewater services to the Gavilan College and Fairview Corners projects. The Lands of Lee project received a "Will Serve" letter on October 30, 2019.

The Cielo Vista subdivision is currently located within the City of Hollister's Sphere of Influence (SOI). The City may expand its limits and annex areas that are located within the SOI. During the annexation process, property owners are provided the option to contest the annexation as those property owners typically have not yet been provided services by the City. Consequently, per this current proposal from the City of Hollister and Sunnyslope County Water District, the transitioning of service that distributes sewer flows to the City's sewer system will disallow the option of Cielo Vista property owners to protest a future annexation into the City's limits.

LAFCO staff reviewed the documentation provided by the City of Hollister and concluded that the proposal supports a finding that it meets the criteria for an exemption from Commission approval as set forth in Government Code Section 56133(e)(1).

The Cielo Vista Subdivision's existing sewer treatment plant is failing, thus the out of jurisdiction service request for this project seeks to provide sanitary service connection ahead of complete failure of the existing facilities for the area. Treatment Plants have an average lifespan of 40-50 years and this facility is 37 years old. In lieu of constructing a new WWTP, Sunnyslope County Water District has coordinated with the City of Hollister to offer sanitary sewer service to the Cielo Vista subdivision. Sunnyslope County Water District also currently provides water service to Cielo Vista Estates.

Additionally, the California State Water Resources Control Board recommends that sanitary service users discharge their waste to regional treatment plants in lieu of septic fields or smaller treatment facilities. This provides for a more sustainable environment and reduces potential impacts to groundwater.

County staff are recommending that the Board of Supervisors divest County Service Area No. 22 (CSA 22) of authority to provide sanitary sewer service to the residents of Cielo Vista Estates, pursuant to Government Code section 25213.6, and approve the transition of services to the Sunnyslope County Water District, as the successor public agency. The new system will be constructed and installed by the Fairview Corners project in coordination with the Sunnyslope County Water District.

The proposed divestiture is subject to the California Environmental Quality Act (CEQA) but exempt from additional analysis pursuant to CEQA Guidelines Section 15061(b)(3) because it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment. In addition, it is categorically exempt from CEQA, pursuant to CEQA Guidelines Sections 15378(b)(4) and (5), because the proposed action involves government fiscal activities that do not involve any commitment to any specific project that may result in a potentially significant physical impact on the environment and because the proposed action involves organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment, and Section 15320, because the proposed action involves a reorganization of local governmental agencies where the changes do not alter the geographical area in which existing powers are exercised.

At its regularly scheduled meeting of March 26, 2024, the San Benito County Board of Supervisors adopted a Resolution of Intent to consider whether to divest County Service Area No. 22 (CSA 22) of the authority to provide sanitary sewer services for the residents of the Cielo Vista Estates Subdivision, and set a Public Hearing on April 30, 2024, at 1:30 PM (or as soon thereafter as the matter may be heard), pursuant to Government Code section 25213.6(a). The Board of Supervisors held the Public Hearing in the Board Chambers to invite and consider public comment and testimony for or against divesting CSA 22 of the authority to provide sanitary sewer services for the residents of the Cielo Vista Estates

Subdivision, and at the close of the Public Hearing, adopted a Resolution regarding dissolution and referring the matter to LAFCO.

On June 16, 2024, LAFCO approved of the divestiture, pursuant to Government Code section 25213.6(c) (3). Staff is bringing the matter back to the Board of Supervisors for final action, adoption of a Resolution divesting CSA 22 of the authority to provide sanitary sewer services for the residents of the Cielo Vista Estates Subdivision, and approving Sunnyslope County Water District (SSCWD) to assume the responsibility for the management and provision of the sanitary sewer services as the successor public agency, with the exception of the existing wastewater treatment plant (WWTP), to occur when the new sanitary sewer system is operational. The divestiture and transition to Sunnyslope County Water District will occur when the new sanitary sewer system is operational.

RESOLUTION OR ORDINANCE NEEDED FOR THIS ITEM:

Yes

CONTRACT NEEDED FOR THIS ITEM:

No

LAST CONTRACT AMOUNT OR N/A:

N/A

STATE IF THIS IS A NEW CONTRACT/ HOW MANY PAST AMENDED CONTRACTS/ OR N/A:

N/A

STRATEGIC PLAN GOALS: 1. Operational Development & Excellence

No

STRATEGIC PLAN GOALS: 2. Planning And Sustainable Growth

Yes

STRATEGIC PLAN GOALS: 3. Technology

No

STRATEGIC PLAN GOALS: 4. Community Engagement

Yes

STRATEGIC PLAN GOALS: 5. Health & Safe Community

Yes

BUDGETED:

N/A

BUDGET ADJUSTMENT NEEDED:

No

SOURCE OF FUNDING:

Non-general Fund

UNFUNDED MANDATE:

N/A

SBC BUDGET LINE ITEM NUMBER:

240.80.2555.2610

CURRENT FY COST:

\$0

STAFF RECOMMENDATION:

It is recommended that the Board of Supervisors:

1. Adopt Resolution to divest County Service Area No.22 (Cielo Vista Estates) of the authority to provide sanitary sewer service to the residents of Cielo Vista Estates pursuant to Government Code section 25213.6(c)(3) and to approve Sunnyslope County Water District (SSCWD) to assume the responsibility for the management and provision of the sanitary sewer services as the successor public agency, with the exception of the existing wastewater treatment plant (WWTP), to occur when the new sanitary sewer system is operational, and authorize the Board Chair to sign the Resolution.

BOARD ACTION RESULTS:

Adopted Resolution No. 2024-77 per staff recommendation. (5/0 vote)

ATTACHMENTS:

[Board Resolution Approving Divestiture of CSA 22 of Sewer Services](#)
[Resolution No. 2024-38 - Intent to Divest CSA 22 of Authority to Provide Sanitary Sewer Services](#)
[Resolution - No. 2024-52 Consideration of Divestiture CSA 22](#)
[Fully Executed Resolution - No. 2024-77 Divestiture CSA 22 Cielo Vista](#)