

PUBLIC HEARING

SUBJECT: SEWER UTILITY DISTRICT AREA 458

SOURCE: Public Works Department - Engineering Division

COMMENT: This is the time and place set forth for the public hearing on the formation of the Area 458 Sewer Utility District. Ballot and information materials were distributed between February 13, 2013, and February 19, 2013, to Area 458 stakeholders. As stated in the ballot information, the official end to the ballot process is at the end of tonight's public hearing. Property owners have until then to submit ballots in support or opposition to the formation of the District and the imposition of the assessment.

Assessments for the District were determined in the Engineering Report and accepted by the City Council on February 5, 2013. Pursuant to the notices provided to the property owners, assessments per lot were determined by lot acreage, lateral cost and a \$200 per lot construction management fee. The City proposes the following:

- 1 If Area 458 Sewer Utility District Fails:
  - a) Sewer main and laterals are installed per plans and specifications.
  - b) Property owners wishing to connect to the City's sewer system shall secure a plumbing permit, abandon existing septic system per County standards and pay all connection fees based on the City's Exhibit "H", "Connection Fees" schedule. Sewer lateral costs shall be per actual construction costs adjusted 3% annually. Payment options include lump sum payment or use of the City's Sewer Revolving Fund Agreement payable over three years at 10% interest.
  
- 2 If Area 458 Sewer Utility District Passes:
  - a) Properties owners receive a one-time assessment calculated using final construction costs payable over 30 years adjusted 3% interest compounded annually and billed through the Tulare County Assessor's Office beginning November 2014.
  - b) At time of connection, property owner secures a plumbing permit and abandons septic system to County standards. Monthly service charge begins at time of connection.
  - c) Property owners who do not want collection of the assessment to occur via the above method have until July 30, 2014, to inform the City of that in writing.

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Property owners shall pay the full assessment at the time of connection of the property, either in full at the time of connection with 3% interest compounded annually starting on May 7, 2013, (effective date of the assessment), or said amount payable over three years with 10% interest compounded annually.

The number of ballots make it infeasible to tabulate and announce whether a Sewer Utility District has been formed or not formed during the public hearing. Staff recommends that the City Council direct the City Clerk to count and tabulate the votes on April 17, 2013, at 1:30 pm in the La Barca Room. The tabulation process is open to the public. The results will be presented at the May 7, 2013, Council meeting. No assessment may be imposed if a "majority protest" exists. A "majority protest" exists if the ballots submitted in opposition exceed the ballots submitted in favor of the assessment.

RECOMMENDATION: That the City Council:

1. Open the Public Hearing and take comments and accept any ballots;
2. Instruct the City Clerk to receive all ballots, count said votes on April 17, 2013, in the La Barca Room at 1:30 pm and report to the Council the outcome of the voting at the May 7, 2013, Council meeting; and
3. If there is a majority favorable vote, the City Council shall consider the Resolution Approving the Formation of the District and the Levying of the Assessment.

ATTACHMENT: Resolution  
Exhibit 'A' – Locator Map

RESOLUTION NO.: \_\_\_\_\_ - 2013

A RESOLUTION OF THE CITY COUNCIL OF THE  
CITY OF PORTERVILLE APPROVING  
THE FORMATION OF A  
AREA 458 SEWER UTILITY DISTRICT, AND  
LEVYING THE ASSESSMENT

WHEREAS, Area 458 was annexed into the City in November 2006; and

WHEREAS, the parcels in this area utilize individual septic tanks that are failing; and

WHEREAS, in accordance with California Streets and Highways Code Section 10000 et seq. and other applicable law, the property owners were provided with notice of the public hearing and assessment ballot proceeding; and

WHEREAS, the public hearing has been held and the ballots from the proceeding have been tabulated; and

WHEREAS, the property owners within the proposed District have approved, via ballots cast at the end of the Public Hearing held April 16, 2013, with tabulation of said ballots continued to April 17, 2013, the imposition of the assessment and the formation of the District.

NOW THEREFORE BE IT RESOLVED,

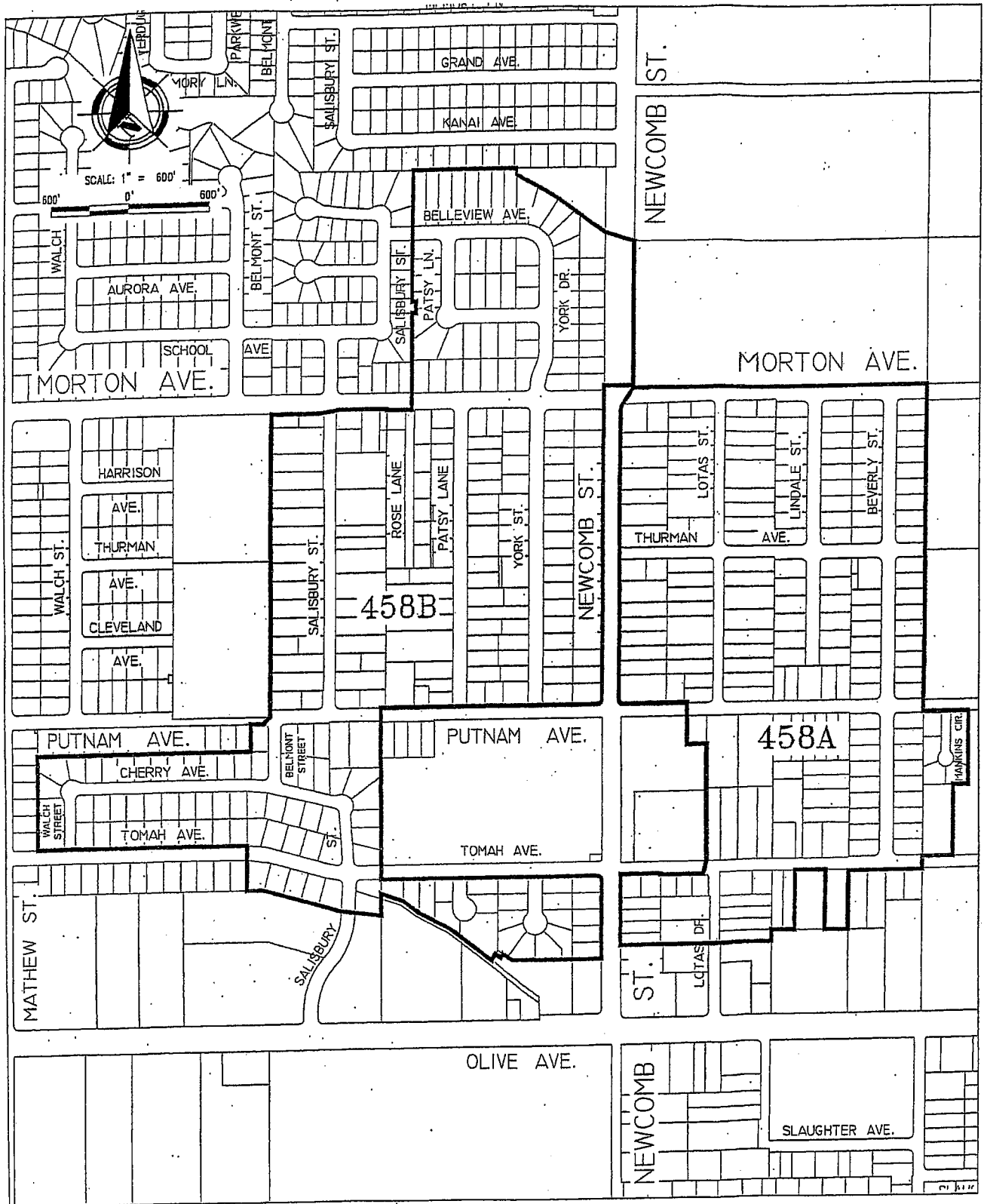
- 1) The City Council of the City of Porterville approves the formation of the Area 458 Sewer Utility District establishing an assessment to pay for the installation of sewer mains and sewer laterals. A diagram of the District setting forth the boundaries and parcels located within the District is attached hereto as Exhibit "A."
- 2) The City Council of the City of Porterville hereby authorizes the levying of the assessment based on the cost of actual construction to install sewer mains, laterals, manholes, trench pavement, etc.
- 3) The City Council of the City of Porterville hereby authorizes the City to permit property owners to pay the one-time assessment over a period of 30 year loan, with 3% interest. The City Council authorizes the execution and transmittal of all documents necessary to effect the payment schedule through the Tulare County Assessor's Office.
- 4) The City Council of the City of Porterville hereby proclaims that property owners may, via an agreement with the City, opt in the alternative to pay the assessment at the time of development but subject to 3% interest compounded annually from the date of imposition of the assessment.

PASSED, APPROVED AND ADOPTED this 7<sup>th</sup> day of May, 2013

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Virginia R. Gurrola, Mayor

ATTEST:  
John D. Lollis, City Clerk

By:\_\_\_\_\_  
Patrice Hildreth, Chief Deputy City Clerk



□ PROJECT BOUNDARIES

# ISLAND ANNEX. 458A-B