

**Council Meeting: July 15, 2008****SUBJECT: Adoption of a Resolution Setting a Public Hearing to Establish the Fiscal Year 2008/2009 Wastewater Charges for Properties Located Outside the City****REPORT IN BRIEF**

The City provides wastewater service to various properties located outside the City limits. Payment for these services is received through Property Tax assessments. In order to comply with legal requirements related to noticing property owners of annual assessments, the City Council needs to adopt a resolution providing for the manner of collection of wastewater service charges for properties outside the City and setting a date for a public hearing.

Staff recommends that the City Council adopt a resolution setting a public hearing on the adoption of the Fiscal Year 2008/2009 wastewater assessment charges for properties outside the City for the meeting of July 22, 2008.

BACKGROUND

In the mid 1950's, an area known as Rancho Rinconada was being developed as a mostly single-family residential area. At the time, this area was in a pocket of the County that had no direct access to a sewer collection system. The City of Sunnyvale entered into a series of agreements with the developers that allowed the Rancho Rinconada sewer system to be tied into a 15 inch City sewer main that was extended 1.7 miles for that purpose. The agreements required developers to construct sewers that met the City's standards and allowed the City to collect fees from the homeowners for the purpose of reimbursing the City for its costs of providing on-going sewer service.

Currently, the area contains 1,862 single family homes, two duplexes, two small apartment buildings and a commercial building. Council considers the adoption of a resolution on a yearly basis to place wastewater service charges on the Property Tax roll for each property connected to and using the system.

EXISTING POLICY

Assessments are made pursuant to Section 5473 of the Health and Safety Code and Section 12.16.020 of the Sunnyvale Municipal Code.

DISCUSSION

Following a public hearing, the City Council adopts a resolution each year providing for the collection of wastewater service charges through tax roll assessments by the County of Santa Clara. The properties which are assessed these charges are outside the City limits. The service area is bounded by Stevens Creek Blvd., Lawrence Expressway, Blaney Avenue and Bollinger Road in the City of Cupertino and by Bollinger Road, Lawrence Expressway, Johnson Avenue and Castle Glen Avenue in the City of San Jose.

The attached resolution sets a hearing to be held on July 22, 2008 to hear comments or receive formal protests from property owners being assessed prior to adoption of the resolution and assessment of the charges.

FISCAL IMPACT

There is no fiscal impact to the City of Sunnyvale as a result of adoption of the resolution establishing the hearing. Upon adoption of the assessments, the City collects these fees as part of the County Tax Roll. The fees go directly into the Wastewater Management Fund and are used to offset the costs of operating the City's wastewater utility. The Fiscal Year 2007/2008 assessments, including administrative fees, totaled \$551,113.35. The Fiscal Year 2008/2009 total assessments, including administrative fees, will equal \$598,223.60.

PUBLIC CONTACT

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall, in the Council Chambers lobby, in the Office of the City Clerk, at the Library, Senior Center, Community Center and Department of Public Safety; posting the agenda and report on the City's Web site; and making the report available at the Library and the Office of the City Clerk.

ALTERNATIVES

1. Adopt the resolution, to set a public hearing for July 22, 2008 to establish the Fiscal Year 2008/2009 wastewater charges for properties located outside the City.
2. Do not adopt the resolution.

RECOMMENDATION

Staff recommends Alternative 1, adopt the resolution, to set a public hearing for July 22, 2008 to establish the Fiscal Year 2008/2009 wastewater charges for properties located outside the City.

Reviewed by:

Mary J. Bradley, Director of Finance
Prepared by: Timothy J. Kirby, Revenue Systems Supervisor

Approved by:

Amy Chan
City Manager

Attachments

A. Proposed Resolution

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SUNNYVALE PROVIDING FOR THE COLLECTION OF WASTEWATER SERVICE CHARGES ON PROPERTY OUTSIDE THE CITY FOR FISCAL YEAR 2008/2009

WHEREAS, the City of Sunnyvale elects, pursuant to Section 5473 of the Health and Safety Code and Section 12.16.020 of the Sunnyvale Municipal Code, to have the sewer service charges for premises outside the City limits for fiscal year 2008/2009 collected on the tax roll of the County of Santa Clara, State of California, in the manner provided pursuant to Sections 5473 through 5473.11 of the Health and Safety Code; and

WHEREAS, the City Council finds that the City Manager is causing a report to be prepared and filed with the Office of the City Clerk pursuant to Section 5473 of the Health and Safety Code.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SUNNYVALE THAT:

1. A public hearing on the report and for any and all protests to be heard is set for Tuesday, July 22, 2008, at 7:00 p.m., in the Council Chambers, 456 West Olive Avenue, Sunnyvale, California;
2. The proposed sewer service charges for property located outside the City limits shall be at the same rates as for property located within the City limits;
3. If the sewer service charges are unpaid and become delinquent on the dates specified in Sections 2617 and 2718 of the Revenue and Taxation Code, or as amended, the following delinquency penalties shall apply at the same rate and manner and be collected at the same time, as are delinquency penalties on general taxes for the City of Sunnyvale.
4. The City Clerk shall cause notice of the hearing to be published in accord with Government Code Section 6066.

Adopted by the City Council at a regular meeting held on July 15, 2008, by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

Attachment A

ATTEST:

APPROVED:

City Clerk
(SEAL)

Mayor

APPROVED AS TO FORM AND LEGALITY:

David E. Kahn, City Attorney