

SANTA YNEZ COMMUNITY SERVICES DISTRICT

MEMORANDUM

TO: Board of Directors
FROM: John D'Ornellas, Interim General Manager
DATE: July 22, 2020
SUBJECT: Horizon Drive Project Updates; Easements Status

Recommendation

Review Horizon Line project updates including easement status and loan options. Provide staff direction on the proposed project.

Policy Implications

Your Board directed staff to begin the easement process for the Horizon Drive project once the Golden Inn easements were completed.

Fiscal Implications

The February 4, 2020, right of way acquisition (easement) services by Hamner, Jewell & Associates has a not to exceed amount of \$23,500. This is a time and material consulting agreement. This cost does not include the actual cost of the easements.

Alternatives Considered

The only alternative to the three easements is to find another alignment for the Horizon Drive pipeline or simply not pursue any mainline project.

Discussion

The item today provides your Board with an update of the Horizon Drive project with a focus on the easement status:

- 1. Loan Application:** Item 6C of this agenda will initiate the Clean Water State Revolving Fund (CWSRF) application for the project. This initial submittal will include general information on the project, community details, and the financial specifics of the District. A technical package must be submitted once a Project Report is completed by an engineer.
- 2. Environmental:** A California Environmental Quality Act (CEQA) review must be completed for the project. Since the project is a sewage pipeline of less than ½ mile in length it should be categorically exempt under CEQA. This formal determination must be made and processed under CEQA guidelines. There is also a federal environmental review that must be completed since the CWSRF program is a federal-state partnership. Your Board approved a contract with Terra Verde Environmental Consulting at the February 19, 2020, meeting to assist staff with the environmental work if needed.

3. Easements: Hamner Jewell have restarted the easement process. This work originally began in 2016 and then put on hold in 2017. A new contract was approved by your Board on February 20, 2020. Some of the prior work can still be used but most must be updated. There are three parcels (Larson, Hart, Lee) that we need easements from to connect the sewer main on Highway 246 to Horizon Drive. Hamner Jewell met with and corresponded with all these property owners in 2016/17. The District Engineer has updated Hamner Jewell on the location of the mainline in relation to the easement location. Not much has changed here since 2016 except on the Lee (Sanja Cota) property. All of the property acquisitions will include both a permanent easement for the sewer line and a temporary construction easement to allow for access and working room during the project. Hamner Jewell spoke with and corresponded with all the property owners again to restart the easement acquisition process. Summarized below is a very brief description of the size and location of the easements that we are pursuing:

- a. Lee: A 10' wide permanent sewer easement along the western property line totaling 3,000 SF and a 5' wide temporary construction easement along the eastern edge of the permanent easement.
- b. Hart: A 10' wide permanent sewer easement along the western property line totaling 2,917 SF and a 5' wide temporary construction easement along the eastern edge of the permanent easement.
- c. Larson: A 10' wide permanent sewer easement along the western property line totaling 2,992 SF and a 5' wide temporary construction easement along the eastern edge of the permanent easement.

Pipeline easements are often challenging for private landowners to accept. Landowners are often concerned with the loss of use of their property, the valuation of their property, and potential damage to existing structures or landscaping on their property. Many of these concerns can be overcome. Based on their work in 2016/17 Hamner Jewell will conduct an internal appraisal for the Hart and Larson properties and hire an independent appraiser to perform the appraisal for the Lee property.

The Lee property will take until the end of August for the appraisal since a third party is doing the work. The others will be appraised with valuations done by Hamner Jewell. Once the data is collected, offer packages will be prepared with the values and submitted to the District for review. Once we approve the offers, they are submitted to the property owners for their approval and hopefully signature that day. In many cases property owners may take a week or two to review the agreement and deed (and valuation). Some may also have their attorney review the offer.

If anyone disagrees with the compensation offered, they have the right to get their own independent appraisal. We would need to reach an agreement on compensation in lieu of the expense and the time of getting another appraisal. This disagreement on valuation could add another month or two to the process. If there is no possible settlement option, then the District would need to start the condemnation process or find another route for the Horizon Drive pipeline.

Condemnation would take another 6 months to wind through the court system. Hamner Jewell's goal is to get quick settlement and be very communicative with the owners in order to keep them

engaged in the process and willing to sell the easement rights. One of the property owners was reluctant in 2016/17 to provide an easement and remains that way today. Compensation is usually the solution to overcome any unwillingness to provide an easement.

The only way to speed this process up is for your Board to appoint staff/legal counsel to review the valuations, set the Just Compensation (based on the valuations) and approve the offer packages so the turn-around time to the property owners is shortened. Otherwise, the valuations and any recommendation from Hamner Jewell must be placed on the agenda for our monthly meetings. Offer packages can also be pre-reviewed by staff/legal counsel now, so we are ready to go when the appraisal reports are completed.

