

**SANTA YNEZ COMMUNITY SERVICES DISTRICT**  
**MEMORANDUM**

**TO:** Board of Directors  
**FROM:** Loch Dreizler, General Manager  
**DATE:** April 19, 2023  
**SUBJECT:** Adopt Resolution 23-419 – approving installment payment plan for 1265 Calzada and collecting the Installment Payments on the tax roll.

**Proposed Motion / Recommendation**

Adopt Resolution 23-419 – approving installment payment plan for 1265 Calzada and collecting the Installment Payments on the tax roll.

**Policy Implications**

On September 16, 2020, the Board of Directors of the Santa Ynez Community Services District (“District”) adopted Resolution No. 20-10, repealing Resolution No. 17- 01 and adopting a revised policy for approving installment payment plans (“Installment Plans”) for capacity fees and related costs for new connections to District’s public sewer system, as permitted by Health and Safety Code Sections 5463 et seq.

**Fiscal Implications**

Sewer fees account for 65% of the District’s annual income. Placing the sewer fees and related charges on the tax roll gives the District a lump sum revenue in December and April and guarantees the District will receive the revenue when the property taxes are paid.

**Alternatives Considered**

None

**Discussion**

The Administrative Assistant and the property owner reviewed the payment process steps and estimated costs in August 2022. The cost with interest is \$68,465.25 and will be placed on the property tax rolls to be billed annually.

Attachment(s):

1. Resolution 23-410 for 1265 Calzada
2. Public Notice

**RESOLUTION NO. 23-419**

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE SANTA YNEZ COMMUNITY SERVICES DISTRICT APPROVING INSTALLMENT PAYMENT PLAN FOR 1265 CALZADA**

**WHEREAS**, on September 16, 2020, the Board of Directors of the Santa Ynez Community Services District (“District”) adopted Resolution No. 20-10, repealing Resolution No. 17-01 and adopting a revised policy for approving installment payment plans (“Installment Plans”) for capacity fees and related costs for new connections to District’s public sewer system, as permitted by Health and Safety Code Sections 5463 et seq.

**WHEREAS**, Lonny Joseph Maniscalco (“Owner”) has signed an Installment Payment Plan Agreement dated January 19, 2023 (the “Owner Agreement”) relating to an Installment Plan for the property owned by them at 1265 Calzada, Santa Ynez, California, designated as Assessor’s Parcel Number 141-170-068 (the “Property”). The District’s Board of Directors approved the Owner Agreement on January 18, 2023, and the Owner Agreement has been signed by District’s President and Board Secretary on behalf of the District.

**WHEREAS**, according to the Owner Agreement, Owners have consented to and waived the right to protest or object to (i) the imposition of a lien against the property to secure the Installment Payments (as defined below) payable under the Installment Plan, (ii) the collection of the Installment Payments on the tax roll, and (iii) the recording of a lien certificate with the Santa Barbara County Recorder to secure the payment of all costs that are covered under the Installment Plan, together with interest thereon.

**WHEREAS** the District desires to approve an Installment Plan for the property on the terms and conditions set forth herein.

**NOW, THEREFORE**, the Board of Directors of the Santa Ynez Community Services District does hereby resolve as follows:

**1. Approval of Installment Plan.** The Board of Directors hereby approves an Installment Plan for the property on the terms and conditions set forth herein.

**2. Approved Costs.** The following costs are hereby approved to be covered under the Installment Plan for the property (collectively, the “Approved Costs”):

**(b)** Capacity fees for a single-family dwelling as outlined in Exhibit A to District’s Sewer Service Code, in the total amount of **\$9,995.56**, and **\$7396.71** for a detached Accessory Dwelling Unit.

**(b)** Inspection fees and plan check fees of **\$290**

**(c)** Costs for District staff time and materials associated with the connection of the property to the District’s public sewer system (e.g., saddle or tap costs) for **\$365**

(d) Horizon Drive capacity fees to cover the property's share of a prior District collection system expansion project in the amount are **Not Applicable**.

(e) Highway 246 Undercrossing fees to cover the property's share of a prior District collection system expansion project for **\$654.00**.

(f) The time of District staff and legal counsel associated with the preparation of the Owner Agreement, the preparation and adoption of this Resolution, and the preparation and recording of the Lien Certificate (as defined below) for **\$0.00**.

(g) Noticing, publication, and recording costs of **\$0.00**.

(f) Annexation fees and admin charge of **\$1,639.85**

3. **Terms for Installment Payments**. The terms for the repayment of the Approved Costs, which total **\$68,465.25**, shall be as follows:

(a) The term for repayment shall be twenty (20) years ("Repayment Term"). Notwithstanding the foregoing, if the property, any part of it, or interest in it is sold, conveyed, transferred, or alienated in any other manner, by operation of law or otherwise, all Installment Payments, including accrued interest, regardless of the due date, at the option of District, and without demand or Notice, will immediately become due and payable.

(b) Interest shall accrue on the Approved Costs at the rate of eight and a half percent (8.5%) per annum commencing upon the property's connection to the District's public sewer system.

(c) The Approved Costs shall be fully amortized over the (20) year period of the Repayment Term, with equal installments of principal and interest being due and payable two (2) times per year at the time the property tax bills for the property are due (the "Installment Payments"). As of the date that the Installment Payments are added to the County property tax roll, the Owner shall pay to District (i) interest accrued from the date of connection of the property to the District's public sewer system at the rate specified herein, and (ii) any Installment Payments that cannot be added to the property tax roll for the year in question due to the timing of the connection.

(d) Any Installment Payment which is not paid when due shall be subject to (i) a basic penalty of ten percent (10%) for nonpayment of the Installment Payment, and (ii) a penalty of one and one-half percent (1½%) per month for nonpayment of the Installment Payment and basic penalty.

4. **Notice**. The District has given Notice to Owners in substantially the form outlined in the "Notice." The Notice was published once a week for three successive weeks in a newspaper that was regularly published once a week or oftener, with at least five days between the respective publication dates. At least ten (10) days before the hearing on adopting this Resolution, the Notice was mailed to Owners.

5. **Board Action**. The Board has conducted a hearing at which it heard and considered all objections or protests, if any, to the Approved Costs and interest thereon.

Accordingly, the Board hereby (i) approves and makes its final determination with respect to the Approved Costs and interest thereon and (ii) overrules all objections and protests relating thereto. Adopting this Resolution shall require approval by a two-thirds (2/3) vote of the District's Board of Directors.

**6. Collection on Tax Roll.**

(a) On or before the tenth day of August of each year following the adoption of this Resolution and continuing for the Repayment Term, the Board shall certify to the County auditor the amount of the Installment Payments to be entered against the property on the assessment roll.

(b) The County auditor shall enter the amount of the Installment Payments on the current assessment roll and (except as provided in Section 6.c., below), the amount of the Installment Payments shall constitute a lien against the property as of noon on the first Monday in March immediately preceding the date of entry.

(c) The County tax collector shall include the amount of the Installments Payments on the tax bills for the property. After that, all laws applicable to the levy, collection, and enforcement of taxes, including penalties and interest, shall apply to the Installments Payments. However, if the property has been transferred to a bona fide purchaser for value or a lien of a bona fide encumbrancer for value has been created and attached to the property during the year before the date on which the first Installment Payment appears on the assessment roll, then the lien which would otherwise be imposed shall not attach to the property. The Installment Payments will be transferred to the unsecured roll for collection.

**7. Recording of Lien.** According to Health & Safety Code Section 5474.6(b), the principal amount of the Approved Costs and interest thereon shall be secured by recording a lien certificate (the "Lien Certificate") with the Santa Barbara County Recorder immediately following the adoption of this Resolution. From the time of recordation of the Lien Certificate, the amount required to be paid, together with interest and penalties, constitutes a lien upon all real property in Santa Barbara County owned by Owners or afterward, and before the lien expires, acquired by Owners. The lien shall have the force, priority, and effect of a judgment lien and shall continue for ten years. The lien may be extended for successive 10-year periods. According to Section 7 and Health & Safety Code Section 5474.6(b), the District's lien rights shall not be impaired by a transfer to a bona fide purchaser for value or a lien of a bona fide encumbrancer for value as referenced in Section 6.c., above.

**PASSED AND ADOPTED** on April 19, 2023, by the following vote of the Board of Directors of the Santa Ynez Community Services District:

**AYES:**

**NOES:**

**ABSENT:**

**ABSTAIN:**

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Frank Redfern,  
President of the Board of Directors

**ATTEST:**

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Loch Dreizler,  
General Manager

**Santa Ynez Community Services District (SYCSD)**

**Notice of Public Hearing on approval of Installment Payment Plan,  
Election to Have Installment Collected on Tax Roll, and imposition of  
lien to secure payment.  
1265 Calzada Avenue  
Santa Ynez, California  
Assessor's Parcel Number  
141-170-068**

On September 16, 2020, the SYCSD Board of Directors adopted resolution 20-10 for approving installment payment plans for capacity fees and related costs for connections to the District's sewer system as permitted by Health and Safety Code Section 5463. The owners of the property indicated above asked the SYCSD to approve an installment plan for the following approved costs:

|                       |                    |
|-----------------------|--------------------|
| Loan Term:            | 20 years           |
| Annual Interest Rate: | 8.5%               |
| Total Interest:       | \$35,593.13        |
| <u>Loan Amount:</u>   | <u>\$32,872.12</u> |
| Total Cost:           | \$68,465.25        |

Payment Amounts: Beginning in the fiscal year 2022/23, the unpaid principal and interest balance will be amortized over twenty years, with equal installments being due and payable twice per year when the property taxes are owed (40 payments of \$1,711.63).

Installment payments will be collected on the tax roll and constitute a lien against the property. Accordingly, if the property, in any part of or interest, is sold, conveyed, transferred, or alienated in any manner, by operation of law or otherwise, all installment payments, including interest accrued, regardless of the due date, at the option of SYCSD and without demand or notice will immediately become due and payable.

Notice is given that on Wednesday, April 19, 2023, at the hour of 5:30 PM at 1070 Faraday Street, Santa Ynez, California will hear and consider all protests and objections to the installment payments being added to the tax roll and the imposition of a tax lien to secure payment. Oral or written protests and objections may be made at the hearing.

By order of the Santa Ynez Community Services District Board of Directors.