

CITY OF SANTA ROSA
CITY COUNCIL

TO: MAYOR AND CITY COUNCIL
FROM: ANDREW ALLEN, SUPERVISING ENGINEER
WATER DEPARTMENT
SUBJECT: APPROVAL OF A FEE DEFERRAL AND AGREEMENT TO PAY
WATER DEMAND FEES BETWEEN EL CRYSTAL MOBILE
HOME PARK AND THE CITY OF SANTA ROSA

AGENDA ACTION: RESOLUTION

RECOMMENDATION

It is recommended by the Board of Public Utilities and the Water Department that the Council, by resolution, approve a Fee Deferral and Agreement to Pay Water Demand Fees with El Crystal Mobile Home Park, LLC and authorize the Director of the Water Department to sign the Fee Deferral and Agreement to Pay Water Demand Fees.

EXECUTIVE SUMMARY

El Crystal Mobile Home Park (El Crystal MHP) is in need of an emergency connection to the City's water system due to contamination of the existing water wells on the real property located at 3280 Santa Rosa Avenue, Santa Rosa, California, Assessor's Parcel Number 044-101-012 (the "Property"). The State Water Resources Control Board's Division of Drinking Water formally requested assistance from the City and is coordinating with Water Department staff to issue grant funds and facilitate the necessary improvements for a permanent water connection to the Property owned by El Crystal MHP. Deferral of the water demand fees will reduce the up-front cost for El Crystal MHP to make the connection, and the fees are anticipated to be paid within the five (5) year deferral period by the state grant funds.

This item is consistent with the City Council's "Housing and Affordable Housing" Goals by facilitating the Property, owned by El Crystal MHP, connection to City water.

BACKGROUND

Effective June 24, 2015, Senate Bill 88 (Statutes 2015, Chapter 27) added sections 116680-116684 to the California Health and Safety Code, authorizing the State Water Resources Control Board (State Water Board) to require certain water systems that

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consistently fail to provide safe drinking water to consolidate with, or receive an extension of service from, another public water system.

El Crystal MHP is part of the Assistance Request (AR) No. 5705 Project (Project), which is anticipated to provide state grant funds for the permanent connection of nine independent community water systems in Santa Rosa that are failing to meet drinking water standards. Provided funds are intended to fund the consolidation with the City water system and will cover the cost of any connection fees and construction costs. The State Water Resources Control Board's Division of Drinking Water has been working with City staff to facilitate the connection to these nine systems. While in the process of designing the current Project, *Escherichia coli* (E. Coli) contamination was discovered in the El Crystal MHP wells. The water is no longer safe for consumption, and the residents are currently being provided with bottled water for their drinking and cooking needs. Due to this immediate concern, the State is now providing emergency funding to temporarily connect El Crystal MHP to the City's water system; with a permanent connection and improvements to be also initiated concurrently as part of the larger consolidation effort under AR 5705.

The El Crystal MHP Property is outside the current Santa Rosa City Limits thus necessitating the granting of a Utilities Certificate for the Property before connecting to the City's water system. El Crystal MHP was granted a Utilities Certificate by the City of Santa Rosa on dated July 27, 2020.

Due to the urgency of the need for water to serve the El Crystal MHP Property prior to the Project being completed, the Water Department has agreed to allow a temporary emergency connection to proceed, and is recommending the deferral of water demand fees for a period of up to five (5) years to facilitate this immediate connection to City water service. Section 21-01.030 of the City Code establishes the time of collection of certain City fees and charges which are imposed and collected as a condition for connection of new or additional uses to the City Water System. The City Council has the authority to authorize the deferral of fees.

PRIOR CITY COUNCIL REVIEW

Not applicable.

ANALYSIS

El Crystal MHP is part of the AR No. 5705 Santa Rosa Consolidation Project, which is anticipated to provide state grant funds for the permanent connection to City water within five (5) years. El Crystal MHP is in need of an immediate connection to the City's water system due to E.Coli contamination of the existing water wells. The residents are currently relying on bottled water.

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Deferral of the water demand fees will reduce the up-front cost for El Crystal MHP to make the connection prior to completion of the Project and receipt of state grant funds that will cover the cost of connection fees and Project construction. Staff is proposing approval of a *Fee Deferral and Agreement to Pay Water Demand Fees with El Crystal MHP, LLC* to facilitate the immediate connect to City water services due to contamination in the existing well currently serving the Property. The agreement will be recorded against the Property and will require that the fees be paid within five years. The demand fees are anticipated to be paid within the five year deferral period by state grant funds. If for some reason state grant funds are not provided for the Project, the property owner will be required to pay the connection fees.

FISCAL IMPACT

The agreement will defer payment of Water Demand Fees of \$147,459.00 for up to five (5) years.

ENVIRONMENTAL IMPACT

The proposed project complies with the provisions of the California Environmental Quality Act (CEQA).

Pursuant to CEQA Guidelines Section 15269(b), the proposed project, which includes the agreement to defer connection fees and the connection of the Property to City water service, is statutorily exempt because it involves emergency repairs to a private facility that is necessary to maintain water service which is essential to public health, safety and welfare.

Pursuant to CEQA Guidelines Section 15183, the project qualifies for streamlined processing because it is consistent with the General Plan for which an Environment Impact Report was certified by Council in 2009. There are no peculiar circumstances for this site or the proposed project that would trigger additional environmental review pursuant to Section 15183.

Pursuant to CEQA Guidelines Section 15303(d), the project is categorically exempt from CEQA because it involves the installation of a water line.

BOARD/COMMISSION/COMMITTEE REVIEW AND RECOMMENDATIONS

On September 17, 2020, the Board of Public Utilities, by Resolution No. 1235, recommended that the Council approve a Fee Deferral and Agreement to Pay Water Demand Fees with El Crystal MHP, LLC.

NOTIFICATION

Not applicable.

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ATTACHMENTS

- Attachment 1 – Fee Deferral and Agreement to Pay Water Demand Fees
- Attachment 2 – El Crystal MHP Utilities Certificate
- Attachment 3 – Notice of Exemption
- Attachment 4 – BPU Resolution No. 1235
- Resolution/Exhibit A

CONTACT

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