

CITY OF SANTA ROSA
CITY COUNCIL

TO: MAYOR AND CITY COUNCIL
FROM: KIMBERLY ZUNINO, DEPUTY DIRECTOR - ADMINISTRATION
SANTA ROSA WATER
SUBJECT: APPROPRIATION OF WATER BUDGET FOR PREVIOUSLY
APPROVED REFUND OF OVERPAID WATER DEMAND FEE TO
IDENTIFIED MULTI-FAMILY PROPERTIES

AGENDA ACTION: RESOLUTION

RECOMMENDATION

It is recommended by Santa Rosa Water that the City Council, by resolution, appropriate \$545,674.80 from the Water Enterprise Fund to the Water Demand Fee Refund key (1615-55797) for refunds previously approved by City Council on November 10, 2020 of overpaid irrigation demand fees.

EXECUTIVE SUMMARY

On November 10, 2020, City Council adopted Resolution No. RES-2020-0189 approving refunds for identified multi-family properties where developers paid both an irrigation demand fee for a dedicated irrigation meter as well as a multi-family water demand fee that incorporated irrigation demand in the per unit fee. While working with these developers on the request for refund, it was determined that budget must be appropriated by City Council to allow for funds to be released to the appropriate recipient. The original approval by City Council identified Fund 1615 as the source of funds for the refunds but did not appropriate budget for those refunds. It is required by Council Policy that fees collected in prior fiscal years must have budget appropriated by City Council in the current fiscal year in order to allow these funds to be refunded. This item appropriates funding necessary to allow the Chief Financial Officer to pay the Council approved refunds.

BACKGROUND

On November 10, 2020, City Council approved, by resolution, refunds for identified multi-family properties where developers paid both an irrigation demand fee for a dedicated irrigation meter as well as a multi-family water demand fee that incorporated

APPROPRIATION OF WATER BUDGET FOR PREVIOUSLY APPROVED REFUND
OF OVERPAID WATER DEMAND FEE TO IDENTIFIED MULTI-FAMILY
PROPERTIES
PAGE 2 OF 3

irrigation demand in the per unit fee due to an error in the adopted Water demand fee schedule.

Santa Rosa Water (SRW) identified 14 developers/individuals under 42 separate permits that overpaid water demand fees based on irrigation needs of landscaping. The identified developments paid irrigation demand that was incorporated in the multi-family per unit fee, and additional water demand for irrigation for dedicated irrigation meters based on the irrigation needs of the property landscaping. SRW calculated the difference between the amount that was paid and that which should have been paid by the identified developments and determined the appropriate refund for each of these properties. The total refund amount to all identified multi-family properties meeting the outlined criteria is \$545,674.80.

The original approval identified Fund 1615 as the source of funds but did not appropriate budget for the refunds. This item appropriates funding necessary to allow the Chief Financial Officer to pay these refunds.

PRIOR CITY COUNCIL REVIEW

On August 26, 2014, the Santa Rosa City Council approved the Water and Wastewater Demand Fee Study Final Report (Report) produced by the Reed Group, Inc. and adopted Resolution No. 28547, thereby establishing the City's Schedule of Water Demand Fees for Properties to be Serviced by Connection to the City Water System (Fee Schedule) in accordance with the recommendations of the Report.

On November 10, 2020, the Santa Rosa City Council adopted Resolution No. RES-2020-189 approving refunds for properties where developers overpaid irrigation demand fees.

ANALYSIS

The appropriation will provide budget for processing the refunds to the appropriate recipients.

FISCAL IMPACT

The water demand fee fund reserve has adequate funding to cover the refund to identified properties. The fiscal impact is a reduction in the water demand fee fund of \$545,674.80. Approval of this action does not have a fiscal impact on the General Fund.

ENVIRONMENTAL IMPACT

This action is exempt from the California Environmental Quality Act (CEQA) because it is not a project which has a potential for resulting in either a direct physical change in

APPROPRIATION OF WATER BUDGET FOR PREVIOUSLY APPROVED REFUND
OF OVERPAID WATER DEMAND FEE TO IDENTIFIED MULTI-FAMILY
PROPERTIES
PAGE 3 OF 3

the environment, or a reasonably foreseeable indirect physical change in the environment, pursuant to CEQA Guideline section 15378.

BOARD/COMMISSION/COMMITTEE REVIEW AND RECOMMENDATIONS

On November 5, 2020, the Board of Public Utilities, by resolution, recommended that the City Council approve a refund for water demand fees collected for multi-family units for which an additional demand fee for separate irrigation demand was paid.

ATTACHMENTS

- Attachment 1 - Resolution No. RES-2020-189
- Resolution

CONTACT

Kimberly Zunino, Deputy Director - Administration
(707) 543-3960
kzunino@srcity.org