Agenda Item #7.1 For Board Meeting of: September 17, 2020

# CITY OF SANTA ROSA BOARD OF PUBLIC UTILITIES

TO: BOARD OF PUBLIC UTILITIES FROM: ANDREW ALLEN, SUPERVISING ENGINEER WATER DEPARTMENT

SUBJECT: RECOMMENDATION FOR CITY COUNCIL TO APPROVE A FEE DEFERRAL AND AGREEMENT TO PAY WATER DEMAND FEES BETWEEN EL CRYSTAL MOBILE HOME PARK AND CITY OF SANTA ROSA

AGENDA ACTION: RESOLUTION

#### **RECOMMENDATION**

It is recommended by the Water Department that the Board of Public Utilities, by resolution, recommend that the Santa Rosa City Council approve a Fee Deferral and Agreement to Pay Water Demand Fees with El Crystal Mobile Home Park (MHP), LLC.

#### EXECUTIVE SUMMARY

El Crystal Mobile Home Park (El Crystal MHP) is in need of an immediate 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").

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 state grant funds.

#### BACKGROUND

Effective June 24, 2015, Senate Bill 88 (Statutes 2015, Chapter 27) added sections 116680-116684 to the California Health and Safety Code, allowing the State Water Resources Control Board (State Water Board) to require certain water systems that consistently fail to provide safe drinking water to consolidate with, or receive an extension of service from, another public water system.

RECOMMENDATION FOR COUNCIL APPROVAL OF FEE DEFERRAL AND AGREEMENT TO PAY WATER DEMAND FEES BETWEEN EL CRYSTAL MOBILE HOME PARK AND CITY OF SANTA ROSA PAGE 2 OF 3

El Crystal MHP is part of Assistance Request (AR) No. 5705, which is anticipated to provide state grant funds for the permanent connection of nine community water systems, to the City water system within the next five (5) years and will cover the cost of any connection fees and construction costs (Project).

El Crystal MHP, however, is in need of an immediate connection to the City's water system due to Escherichia coli (E-Coli) contamination of the existing water wells on the Property. The residents are currently relying on bottled water for drinking and cooking.

El Crystal MHP is outside the current Santa Rosa City Limits. Therefore, granting of a Utilities Certificate for the Property was required before connecting to the City's water system. El Crystal MHP has been granted a Utilities Certificate, dated July 27, 2020.

Due to the urgency of the need for water to serve El Crystal MHP 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 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 conditions for connection of new or additional uses to the City Water System within the incorporated area of the City of Santa Rosa. The City Council has the authority to authorize the deferral of fees.

# PRIOR BOARD OF PUBLIC UTILITIES 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.

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 RECOMMENDATION FOR COUNCIL APPROVAL OF FEE DEFERRAL AND AGREEMENT TO PAY WATER DEMAND FEES BETWEEN EL CRYSTAL MOBILE HOME PARK AND CITY OF SANTA ROSA PAGE 3 OF 3

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, if approved by City Council, 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

Not Applicable.

# **ATTACHMENTS**

- Attachment 1 Fee Deferral and Agreement to Pay Water Demand Fees
- Attachment 2 El Crystal MHP Utilities Certificate
- Attachment 3 Notice of Exemption

# <u>CONTACT</u>

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