

RESOLUTION NO. 1254

RESOLUTION OF THE BOARD OF PUBLIC UTILITIES APPROVING THE ACQUISITION OF 7700-7750 LAKEVILLE HWY FOR BIOSOLID LAND APPLICATION AND LEASE BACK OF 13.6 ACRES TO SELLER, DELEGATING SIGNING AUTHORITY TO THE ASSISTANT CITY MANAGER OVER THE OPERATIONS PORTFOLIO AND ADOPTING A MITIGATION MONITORING PROGRAM

WHEREAS, on August 6, 2020, in closed session, the Board of Public Utilities (BPU) gave staff direction on price and terms for the purchase of property located at 7700-7750 Lakeville Hwy. (the "Property"), for biosolids land application and for the negotiation around the lease back of the house area or purchase of less than the whole parcel with adjusted price; and

WHEREAS, staff has negotiated a purchase agreement with the owner of the Property of the entire Property within the approved price and terms provided by BPU and seeks BPU approvals necessary for the acquisition; and

WHEREAS, staff has negotiated a lease back to the seller of 13.6 acres more or less of the purchased property within the direction of BPU and seeks BPU approvals necessary for the lease; and

WHEREAS, the lease is for an initial term of five years at \$1,000 per month (with one two-year extension option upon mutual agreement for \$2,000 per month) and covers the 13.6 acre portion of the Property containing the existing residence/office, garage, metal and fiberglass storage building and metal barn; and

WHEREAS, the lease includes an option to terminate with sixty days' advance written notice by either party and allows the seller to sublease the leased property to the existing tenant, with all responsibility for the condition and repair of the leased property, payment of possessory use taxes and utilities costs to be the seller's responsibility, as tenant; and

WHEREAS, the BPU finds that subsequent to the Board's approval, the purchase agreement, lease, extensions of the lease term and any subleases will be efficiently administered by the Assistant City Manager over the Operations Portfolio, pursuant to a delegation of authority to approve and execute the purchase agreement and any documents associated therewith, as well as authority to approve and execute the lease agreement, lease extensions currently allowed for in the proposed lease and any subleases thereunder; and

WHEREAS, the project has been found in compliance with the California Environmental Quality Act (CEQA). Pursuant to CEQA Guidelines Section 15162, because a Mitigated Negative Declaration (MND) for the application of biosolids at 7700 and 7750 Lakeville Hwy., Petaluma, was adopted by the Sonoma County Board of Supervisors for a Conditional Use Permit (file number PLP 97-0002) on December 9, 1997, for biosolid application on 3,042 acres of land along Lakeville Highway, Petaluma; which included the properties at 7700 and 7750 Lakeville Highway and there have been no changes in the approved use analyzed in the MND, which is ongoing, no subsequent environmental review is required; and

WHEREAS, as a Responsible Agency under CEQA, the City may rely on the previously adopted Mitigated Negative Declaration, so long as it considers the environmental effects of the project identified in the document, makes findings, and adopts a Mitigation Monitoring Program for the project. The City has added mitigation measures so that the continued application of

biosolids will be consistent with other City biosolid application sites in South Sonoma County; and

WHEREAS, the biosolid application pursuant to the County Conditional Use Permit, which was analyzed in the previously adopted MND, has continued to this day, and the Conditional Use permit has no sunset date and is still in effect.

NOW, THEREFORE, BE IT RESOLVED that the Board of Public Utilities:

1. Has considered the environmental effects of the project as shown in the Mitigated Negative Declaration (attached hereto as Exhibit A) and finds that the project will not have a significant effect on the environment.

2. Based on the foregoing Mitigated Negative Declaration, adopts an Updated Mitigation and Monitoring Program with the addition of certain mitigations consistent with the City's biosolid application on other sites in southern Sonoma County (attached hereto as Exhibit B).

3. Hereby approves the acquisition of the Property, subject to resolution of any remaining due diligence items as approved by the Assistant City Manager over the Operations Portfolio, and authorizes the Assistant City Manager over the Operations Portfolio to execute all documents necessary to complete the acquisition of the Property and close escrow.

4. Hereby approves the Lease Agreement for the Property in substantially the form attached hereto as Exhibit C, and hereby delegates authority to the Assistant City Manager over the Operations Portfolio to execute the Lease Agreement, lease extensions and any subleases thereunder.

5. Specifies that the City of Santa Rosa Water Department located at 35 Stony Point Road, Santa Rosa, CA, will be the custodian of the documents and other materials which constitute the record of the Board of Public Utilities proceedings regarding the project and which record will be kept at the Water Department Office.

