

CITY OF SANTA ROSA  
BOARD OF PUBLIC UTILITIES

TO: CHAIR AND BOARD MEMBERS  
FROM: CANDACE MICHAEL, ASSOCIATE CIVIL ENGINEER, ASSET  
MANAGEMENT  
SUBJECT: RESOLUTION OF THE BOARD OF PUBLIC UTILITIES  
APPROVING THE REIMBURSEMENT AGREEMENT BETWEEN  
THE CITY OF SANTA ROSA AND THE SOUTH PARK COUNTY  
SANITATION DISTRICT FOR SEWER ASSET REPLACEMENTS  
FOR THE MCMINN AVE AND HUGHES AVE SEWER, WATER,  
AND STORM DRAIN IMPROVEMENTS PROJECT AND  
DELEGATING AUTHORITY TO THE DIRECTOR OF SANTA  
ROSA WATER TO EXECUTE FUTURE REIMBURSEMENT  
AGREEMENTS FOR CAPITAL IMPROVEMENT PROJECTS  
NECESSARY UNDER THE TRANSFER AGREEMENT

AGENDA ACTION: RESOLUTION

---

---

RECOMMENDATION

It is recommended by Santa Rosa Water that the Board of Public Utilities, by resolution, approve the Reimbursement Agreement between the City of Santa Rosa and the South Park County Sanitation District for Sewer Asset Replacements for the McMinn Ave and Hughes Ave Sewer, Water, and Storm Drain Improvements project and delegate authority to the Director of Santa Rosa Water to execute future Reimbursement Agreements for capital improvement projects necessary under the Transfer Agreement.

---

---

EXECUTIVE SUMMARY

The City of Santa Rosa (City) and the South Park County Sanitation District (District), by Resolution 22586 (Attachment 2), dated February 20, 1996, entered into the Agreement for Dissolution of the South Park County Sanitation District and Transfer to the City of Santa Rosa (Transfer Agreement). Since the approval of the Resolution, the District has been responsible for the replacement of sewer mains that are near or have reached the end of their service life. When projects overlap, coordination between the City and District is necessary and Reimbursement Agreements must be approved by Resolution at the Board of Public Utilities.

RESOLUTION OF THE BOARD OF PUBLIC UTILITIES APPROVING THE AGREEMENT BETWEEN THE CITY OF SANTA ROSA AND THE SOUTH PARK COUNTY SANITATION DISTRICT FOR SEWER ASSET REPLACEMENTS FOR THE MCMINN AVE AND HUGHES AVE SEWER, WATER, AND STORM DRAIN IMPROVEMENTS PROJECT AND DELEGATING AUTHORITY TO THE DIRECTOR OF SANTA ROSA WATER TO EXECUTE FUTURE REIMBURSEMENT AGREEMENTS FOR CAPITAL IMPROVEMENT PROJECTS NECESSARY UNDER THE TRANSFER AGREEMENT

PAGE 2 OF 4

Approximately one-third of the sewer mains in the district boundaries are near term or have reached the end of their useful life. Sewer main age is demonstrated on Attachment 1 where the red and yellow mains are greater than 40 years of age. This translates to many more Capital Improvement Projects that will require coordination and Reimbursement Agreements between the City and the District. This Resolution will approve the Reimbursement Agreement for the McMinn Ave and Hughes Ave Sewer, Water, and Storm Drain Improvements project (Project) and give authority to the Director of Santa Rosa Water to enter into future Reimbursement Agreements with the District that fall under the Transfer Agreement. Approval of this Resolution will reduce City staff hours preparing Resolutions for each individual project. These projects will still be presented to the Board of Public Utilities and/or City Council when contracts for design and construction need approval.

#### BACKGROUND

The City has current and future projects that overlap with the boundaries of the District. When Santa Rosa Water completes water and sewer main replacements within these boundaries, the District has the responsibility to reimburse Santa Rosa Water for costs associated with the replacement of assets under the District's ownership, outlined in section 5 of the Transfer Agreement, see Exhibit A. Additionally, when the District manages and completes projects within these boundaries, the City has the responsibility to reimburse the District for costs associated with the replacement of assets under the City's ownership.

Each time the City has a project that overlaps with the District, City Staff must present a new Resolution to the Board of Public Utilities that allows the Director of Santa Rosa Water to enter into Reimbursement Agreements with the District. The proposed Resolution would delegate authority to the Director of Santa Rosa Water to enter into a Reimbursement Agreement for the upcoming Project and to enter into similar future reimbursement agreements that fall under the Transfer Agreement. This Resolution would save hours of staff time by streamlining the process of entering into these cooperative agreements between the City and District.

#### PRIOR BOARD OF PUBLIC UTILITIES REVIEW

On February 20, 1996, by Resolution 22586, the District and the City entered into the "Agreement for Dissolution of the South Park County Sanitation District and Transfer to the City of Santa Rosa" (Attachment 2).

On June 26, 2012, by Resolution 28112, the District and the City entered into the

RESOLUTION OF THE BOARD OF PUBLIC UTILITIES APPROVING THE AGREEMENT BETWEEN THE CITY OF SANTA ROSA AND THE SOUTH PARK COUNTY SANITATION DISTRICT FOR SEWER ASSET REPLACEMENTS FOR THE MCMINN AVE AND HUGHES AVE SEWER, WATER, AND STORM DRAIN IMPROVEMENTS PROJECT AND DELEGATING AUTHORITY TO THE DIRECTOR OF SANTA ROSA WATER TO EXECUTE FUTURE REIMBURSEMENT AGREEMENTS FOR CAPITAL IMPROVEMENT PROJECTS NECESSARY UNDER THE TRANSFER AGREEMENT

PAGE 3 OF 4

"Amended and Restated Agreement Regarding District Operations and Transfer to the City of Santa Rosa" ("Transfer Agreement") to address the eventual dissolution of the District, provide for ongoing maintenance operations by the City, address current and any future debt payment obligations, define required infrastructure improvements, and set forth District's obligations under Clean Up and Abatement Order No. R1- 2007- 0040 (Attachment 3).

On October 24<sup>th</sup>, 2017, the City, by Resolution No. 2017-211, approved the First Amendment to the Transfer Agreement defining the responsibilities of the District for future improvements before dissolution, including, upon agreement between City and District, reimbursement for City performed work within the District (Attachment 4).

### ANALYSIS

There are more than 96,000 linear feet of sewer mains in the district boundaries that are currently owned by the District. Approximately two-thirds of these sewer mains have been replaced within the last 40 years and do not require replacement. The remaining one-third of the sewer mains in the District are at the end of their service life and will need to be replaced under the Transfer Agreement. Attachment 1 shows the District boundaries and the age of sewer mains within those boundaries.

The McMinn Ave and Hughes Ave Sewer, Water, and Storm Drain Improvements project will replace 2,533 feet of aging sewer main, 10 manholes, 3 cleanouts, and 65 sewer laterals. The District Assets to be replaced by this project are 3 lengths or 1,140 feet of sewer mains, 3 manholes, and approximately 30 sewer laterals. The forty-percent design costs that are reimbursable for the replacement of the forementioned District Assets is \$979,000, These costs include design, construction, contingency, construction management and inspection, and City administration of the Project. After the Project is completed more sections of sewer main will still need to be replaced. Additional project coordination and reimbursement agreements will be necessary to replace all the District owned sewer mains that are aged out.

### FISCAL IMPACT

Approval of this Resolution has no fiscal impact for the McMinn Avenue and Hughes Avenue Sewer, Water, and Storm Drain Improvement Project. The District will reimburse the City for the replacement costs of District assets. Fiscal impacts for future projects will depend on whether the City or the District is the project lead. Projects managed by the City will have no fiscal impact, as the District will reimburse the City for

RESOLUTION OF THE BOARD OF PUBLIC UTILITIES APPROVING THE AGREEMENT BETWEEN THE CITY OF SANTA ROSA AND THE SOUTH PARK COUNTY SANITATION DISTRICT FOR SEWER ASSET REPLACEMENTS FOR THE MCMINN AVE AND HUGHES AVE SEWER, WATER, AND STORM DRAIN IMPROVEMENTS PROJECT AND DELEGATING AUTHORITY TO THE DIRECTOR OF SANTA ROSA WATER TO EXECUTE FUTURE REIMBURSEMENT AGREEMENTS FOR CAPITAL IMPROVEMENT PROJECTS NECESSARY UNDER THE TRANSFER AGREEMENT

PAGE 4 OF 4

costs associated with replacing District-owned assets. Projects managed by the District will have a fiscal impact, as the City will be responsible for reimbursing the District for costs associated with replacing City-owned assets. Future fiscal impacts will be determined prior to the approval and execution of each Reimbursement Agreement.

ENVIRONMENTAL IMPACT

Pursuant to CEQA Guidelines Section 15378, the proposed action is not a “project” subject to the California Environmental Quality Act (CEQA) because it involves administrative authorization for reimbursement agreements and does not have the potential to result in a direct or reasonably foreseeable indirect physical change in the environment. Approval of this Resolution does not authorize any specific construction activities. Environmental review will be conducted, as appropriate, for each individual project in accordance with CEQA.

BOARD/COMMISSION/COMMITTEE REVIEW AND RECOMMENDATIONS

Not applicable.

NOTIFICATION

Not applicable.

ATTACHMENTS

- Attachment 1 – SPCSD Sewer Main Age
- Attachment 2 – Resolution 22586
- Attachment 3 – Resolution 28112
- Attachment 4 – Resolution RES-2017-211
- Resolution
- Exhibit A – Agreement between the City of Santa Rosa and the South Park County Sanitation District for Sewer Asset Replacements for the McMinn Ave and Hughes Ave Sewer, Water and Storm Drain Improvements Project

PRESENTER

Candace Michael, Associate Civil Engineer