

CITY OF SANTA ROSA
BOARD OF PUBLIC UTILITIES

TO: CHAIR AND BOARD MEMBERS
FROM: KEVIN BUCHANAN, BUDGET & FINANCIAL ANALYSIS
MANAGER
SANTA ROSA WATER
SUBJECT: APPROPRIATION OF ADDITIONAL CELL TOWER LEASE
REVENUES FOR THE HELP 2 OTHERS PROGRAM

AGENDA ACTION: MOTION

RECOMMENDATION

It is recommended by Santa Rosa Water that the Board of Public Utilities (Board), by motion, recommend that City Council approve the appropriation of additional cell tower lease revenues in the amount of \$406,993.91 from fund balance for expenditure in the Help 2 Others (H2O) program.

EXECUTIVE SUMMARY

Telecommunication companies lease space on some of Santa Rosa Water's storage tanks for their cell towers. The revenues from these lease payments fund Santa Rosa Water's Help 2 Others (H2O) program, which offers water bill assistance to qualifying residential customers in the form of subsidies for the fixed portion of both water and sewer bills. The Water Department is seeking a recommendation from the Board that City Council approve the appropriation of \$406,993.91 of additional cell tower lease revenues which are currently in undesignated fund balance. The appropriation of these funds would go directly to funding water and sewer subsidies for qualifying low income customers.

BACKGROUND

Santa Rosa Water owns several water storage tanks and some of these are in locations that provide advantageous spots for cellular towers. Telecommunication companies enter into lease arrangements with the City of Santa Rosa to mount their towers on Santa Rosa Water's storage tanks. The City's Real Estate group manages and executes these lease contracts with tower owners on behalf of the City, including specifying annual lease amounts as well as the terms of escalating payments due under the leases.

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Because this revenue is not water or sewer rates subject to Proposition 218, the revenue from these cellular tower leases is able to fund the Department's H2O program. Santa Rosa Water developed the H2O program in 2015 to provide financial assistance to low-income customers, partially subsidizing monthly water and sewer bills for those customers who apply and qualify for the program. Currently, the program subsidizes 100% of each of the water and sewer fixed portion of participants' bills. This amounts to an average saving of \$43 per month per household.

PRIOR BOARD OF PUBLIC UTILITIES REVIEW

Not applicable.

ANALYSIS

The H2O program has continued to add people to the program year over year. Each year, the program subsidy increases as water and sewer fixed rates increase. Currently there are 808 households participating in the program.

The \$406,993.91 that is available in fund balance represents previously collected cell tower lease revenue that was never appropriated. These funds are needed for the current fiscal year as the H2O subsidy is anticipated to exhaust available funding before the end of the current year. There are no other non-rate revenue funding sources, meaning that once the H2O program exhausts its funding, the program would have to stop.

The appropriation of the additional funding requested would add directly to the funding available for program subsidies, ensuring that the program continues to support as many households as possible.

FISCAL IMPACT

Appropriation of the requested funds would come from available undesignated fund balance in the Water Administration fund, with no adverse impacts to Santa Rosa Water's other programs, operations or capital budgets.

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 does not have a potential for resulting in either a direct physical change in the environment or a reasonably foreseeable indirect physical change in the environment. In the alternative, the proposed action is exempt from CEQA pursuant to CEQA Guidelines Section 15061(b)(3) because it can be seen with certainty that there is no possibility that the project may have a significant effect on the environment.

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BOARD/COMMISSION/COMMITTEE REVIEW AND RECOMMENDATIONS

Not applicable.

NOTIFICATION

Not applicable.

ATTACHMENTS

Not applicable.

PRESENTER

Kevin Buchanan, Budget & Financial Analysis Manager