

CITY OF SANTA ROSA
BOARD OF PUBLIC UTILITIES

TO: CHAIR AND BOARD MEMBERS
FROM: JOSE MEDEROS, ASSISTANT ENGINEER, TRANSPORTATION
AND PUBLIC WORKS
SUBJECT: RECOMMENDATION TO CITY COUNCIL TO APPROPRIATE
\$2,683,593 IN EXPEDITED DRINKING WATER GRANT FUNDS
FOR THE PARK ROYAL CONSOLIDATION PROJECT

AGENDA ACTION: MOTION

RECOMMENDATION

It is recommended by Santa Rosa Water and Transportation and Public Works that the Board of Public Utilities, by motion, recommend that the City Council approve the appropriation of Expedited Drinking Water Grant (EDWG) funding from the State Water Resources Control Board ("Water Board") in the amount of \$2,683,593.00 for the Park Royal Consolidation Project, Contract No. C02534.

EXECUTIVE SUMMARY

The proposed motion will recommend that the City Council approve the appropriation in the amount of \$2,683,593 for the EDWG Funding Agreement No. D2502061 ("Agreement") for use on the Park Royal Consolidation Project, Contract No. C02534 ("Project"). The appropriation is necessary to continue the design and to construct the water system improvements.

BACKGROUND

The Park Royal Mutual Water Company (PRMWC) is a small private water system that provides potable water for 27 single-family parcels in unincorporated Sonoma County. The system consists of two groundwater supply wells, water storage tanks, and distribution infrastructure, and is regulated by the Water Board.

The Water Board has issued compliance orders to PRMWC following reported water quality testing that identified arsenic concentrations exceeding the State's maximum contaminant level (MCL) for arsenic. The PRMWC submitted an application requesting technical assistance through the Water Board's Drinking Water State Revolving Fund (DWSRF) program to determine a best path forward by either enhancing the well's treatment systems or by consolidating with the City of Santa Rosa's water distribution

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system. The technical assistance evaluation determined that consolidation with the City was the most feasible option for addressing the identified water-quality issues. Through the technical assistance program, the engineering firm GHD was procured and has provided engineering design services and advanced the Project to the 90-percent design stage.

The PRMWC was previously able to obtain separate grant funding through the California Department of Water Resources (DWR) Drought Funding Program to replace the entire neighborhood distribution system prior to connecting to City water. The new distribution system is currently capped, unused, and protected from contamination until the Project to extend the water main down Hall Road is complete. The connection point to the existing water main will be established at the intersection of Hall Road and Park Royal Avenue. Potable water meters will be installed to connect each of the 27 single-family residential parcels currently served by PRMWC. Upon completion of the project, the existing water supply wells and redundant distribution infrastructure will be either removed or permanently abandoned in place. The PRMWC distribution system will then be operated and maintained as part of the City's infrastructure, through a Utility Certificate.

Project implementation requires coordination, review, and permitting from the City of Santa Rosa Fire Department, the Sonoma County Fire Department, Sonoma Public Infrastructure, Permit Sonoma, and the California Department of Housing and Community Development. The total estimated cost of the project is \$2,683,593, which will be fully funded through the Water Board's EDWG program.

PRIOR BOARD OF PUBLIC UTILITIES REVIEW

On November 20, 2025, the Board of Public Utilities approved resolution RES-2025-012 (Attachment 3) authorizing Santa Rosa Water to enter into a Financial Assistance Agreement with the State Water Resources Control Board and authorizing and designating representatives for the Park Royal Consolidation Project.

ANALYSIS

Santa Rosa Water has secured Water Board grant funding through the EDWG program to consolidate the PRMWC water system with the City's water system. The primary objective of this project is to provide a reliable supply of safe drinking water to 27 single-family parcels that are currently not connected to the City's public water system. These properties currently rely on local groundwater sources that exceed the State's MCL for arsenic. Consolidating the PRMWC water system with the City's water system will eliminate reliance on contaminated groundwater sources and provide a long-term drinking water supply that complies with state public health standards.

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Santa Rosa Water and Transportation and Public Works are recommending that the Board of Public Utilities, by motion, recommend that the City Council authorize the funding appropriation for the Agreement. All water distribution system improvement costs for the Project will be reimbursed by the Water Board through the EDWG program.

FISCAL IMPACT

Approval of the recommended action would have no impact on the General Fund or Water Enterprise Fund. All eligible Project costs will be reimbursed by the Water Board pursuant to the Funding Agreement.

ENVIRONMENTAL IMPACT

The City issued a Notice of Exemption (NOE) for the Project under the California Environmental Quality Act (CEQA) on March 23, 2026. The NOE cited the following CEQA exemptions: CEQA Guidelines Section 15282(k), Public Resources Code Section 21080.21, and Public Resources Code Section 21080.47 (SB 131). The NOE was filed with and posted by the County Clerk on March 23, 2026, and was published on the State Clearinghouse's CEQAnet database on March 24, 2026. The Project as now being implemented is consistent with and does not materially differ from the Project described in the March 23, 2026, Notice of Exemption.

In the alternative, pursuant to CEQA Guidelines Section 15378(b)(4), the recommended action is not a "project" subject to CEQA because it consists of a governmental fiscal activity that does not commit the City to construction or any other physical activity that may result in a potentially significant effect on the environment, and pursuant to CEQA Guidelines Section 15061(b)(3) the project is exempt because it can be seen with certainty that recommending the funding appropriation will not have a significant effect on the environment.

BOARD/COMMISSION/COMMITTEE REVIEW AND RECOMMENDATIONS

Not applicable.

NOTIFICATION

Not applicable.

ATTACHMENTS

- Attachment 1 – Project Location Map
- Attachment 2 – Exhibit A (Agreement)
- Attachment 3 – Board of Public Utilities Resolution No. RES-2025-012

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PRESENTER

Jose Mederos, Assistant Engineer, Transportation and Public Works