



COUNTY OF SONOMA

575 ADMINISTRATION
DRIVE, ROOM 102A
SANTA ROSA, CA 95403

SUMMARY REPORT

Agenda Date: 9/15/2020

To: Board of Supervisors

Department or Agency Name(s): Transportation and Public Works

Staff Name and Phone Number: Johannes J. Hoevertsz 707-565-2231

Vote Requirement: 4/5th

Supervisory District(s): Fifth District

Title:

8:30 A.M. - Freestone Water System Financing.

Recommended Action:

Conduct a public hearing on the annual written report for County Service Area No. 41 Freestone Water System and adopt a Resolution ordering the annual water charge to be collected on the County of Sonoma tax roll, for the total amount of \$14,142.60 for Fiscal Year 2020-21.

(4/5th Vote Requirement) (Fifth District)

Executive Summary:

The Department of Transportation and Public Works (TPW) is requesting the Board hold a public hearing on the annual written report for County Service Area No. 41, Freestone Water System and adopt a Resolution ordering the annual water charge to be collected on the County of Sonoma tax roll. State law and regulations require that an annual public hearing be held by the Board of Supervisors to direct that annual loan repayments be collected on the County of Sonoma tax roll. Staff is recommending that the Board approve a Resolution ordering that the annual repayment charge for one loan used for water system improvements be collected on the County of Sonoma tax roll for the total amount of \$14,142.60 for Fiscal Year 2020-21. There is no change in annual charges from prior years.

Discussion:

On September 13, 2016, the Board of Supervisors executed the 10-year agreement from the Small Water Systems Grant Program to cover the costs of acquiring and installing a replacement filter treatment system within the existing building to provide drinking water to the Freestone Water District. A loan was secured under the terms of the Agreement between the County of Sonoma and the Sonoma County Water Agency that established the Small Water Systems Grant Program in order to assist small water districts that have documented deficiencies in State drinking water standards. The annual charge for repayment of this loan is \$523.80 per equivalent single family dwelling unit. The final payment for this loan will be made in Fiscal Year 2027-28.

The Small Water Systems Loan Assistance Fund Loan Committee, consisting of representatives from Transportation and Public Works, Auditor-Controller-Treasurer-Tax Collector and the County Administrator's

Office, recommended approval of the loan request from the Small Water Systems Loan Assistance Fund (“Loan Fund”) in the amount of \$125,900 to the Freestone Water District to (1) replace the failed treatment system and install a new treatment system in the water treatment facility; (2) pay the then-remaining balance of \$43,159.53 for the \$75,000 loan from the Loan Fund, for the replacement of the water tank lid, approved by the Board during Fiscal Year 2011-12; and (3) reimburse the Loan Fund \$62,741 for FY 2015-16 expenditures associated with the failure of the existing water treatment facility, including hauling water from outside sources to ensure that sufficient potable water was available for human consumption, sanitation and fire protection. All three of these items were addressed and completed.

The total annual charge to be collected on each parcel is detailed in “Attachment 2”. Annual charges were included in the Fiscal Year 2020-21 adopted budget for the Freestone Water District debt service funds.

Notice of a Public Hearing was published on August 31, 2020 and September 10, 2020, once per week for two consecutive weeks, in a newspaper of general circulation whose distribution includes the Freestone Water District.

Prior Board Actions:

9/17/19: Board adopted Resolution 19-0382 ordering the annual water charge to be collected on the County of Sonoma tax roll for the amount of \$14,142.60 during Fiscal Year 2019-20.

9/11/18: Board adopted Resolution 18-0372 ordering the annual water charge to be collected on the County of Sonoma tax roll for the amount of \$14,142.60 during Fiscal Year 2018-19.

9/12/17: Board adopted Resolution 17-0332 ordering the annual water charge to be collected on the County of Sonoma tax roll for the amount of \$14,142.60 during Fiscal Year 2017-18.

9/13/16: Board executed the loan agreement funded by the Small Water Systems Loan Assistance Fund in the amount of \$125,900 for the Freestone Water District to (1) fund maintenance and capital improvements required to continue to provide water service to its residents in a manner that complies with safe drinking water laws, (2) repay the balance of the prior \$75,000 loan from the Small Water Systems Loan Assistance Fund for the water tank lid replacement, and (3) repay the Loan Fund for FY 2015-16 expenditures associated with the failure of the water treatment facility.

FISCAL SUMMARY

Expenditures	FY 20-21 Adopted	FY21-22 Projected	FY 22-23 Projected
Budgeted Expenses	\$14,143	\$14,143	\$14,143
Additional Appropriation Requested			
Total Expenditures	\$14,143	\$14,143	\$14,143
Funding Sources			
General Fund/WA GF			
State/Federal			
Fees/Other	\$14,143	\$14,143	\$14,143

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Use of Fund Balance			
Contingencies			
Total Sources	\$14,143	\$14,143	\$14,143

Narrative Explanation of Fiscal Impacts:

The annual repayment charge for the Small Water Systems Loan Assistance Fund loan used for water system improvements will be collected through the County of Sonoma tax roll for the total amount of \$14,142.60 for FY 2020-21. Appropriations for the revenue and corresponding expenditures were included in the FY 2020-21 Freestone Debt Service adopted budget, and there are no impacts to the General Fund.

Staffing Impacts:			
Position Title (Payroll Classification)	Monthly Salary Range (A-I Step)	Additions (Number)	Deletions (Number)

Narrative Explanation of Staffing Impacts (If Required):

None.

Attachments:

1. Charge Levy Resolution.
2. County Service Area #41 Freestone Zone of Benefit Charge Levy User Inventory ("Written Report").
3. Map of the Freestone Zone of Benefit.

Related Items "On File" with the Clerk of the Board:

None.