



Legislation Text

File #: 2019-0362, **Version:** 1

To: Board of Directors, Sonoma County Water Agency
Department or Agency Name(s): Sonoma County Water Agency
Staff Name and Phone Number: Michael Thompson, 521-1863
Vote Requirement: Majority
Supervisory District(s): Fourth District

Title:

Airport-Larkfield-Wikiup Sanitation Zone Larkfield Estates Collection System Project Sanitation Commitment Date Extension

Recommended Actions:

Approve changing the deadline for Larkfield Estates residents to commit to participation in the Airport-Larkfield-Wikiup Sanitation Zone Larkfield Estates Collection System Project to September 16, 2019. Extending the deadline will allow property owners to know the full cost of constructing the sewer project before committing to participate in the program.

Executive Summary:

The Sonoma Complex Fires, a series of fires that swept Sonoma County beginning on Sunday, October 8, 2017, caused widespread damage. In June 2018 the Board authorized the Sonoma County Water Agency (Sonoma Water) to enter into an agreement for sewer collection system design in the Larkfield Estates community and directed staff to develop a Sewer Collection System Financing Program. In February 2019, the Board approved the Airport-Larkfield-Wikiup Sanitation Zone Larkfield Estates Collection System Project. In the February 2019 action, the Board set the date of March 31, 2019 as the date for residents to commit to participate in the Project. Upon further consideration of feedback from the community, staff is requesting the Board revise the date to September 16, 2019.

Discussion:

Sonoma Water is proposing to construct the sewer system and offer low-cost financing to property owners in the fire-impacted area. The Water Agency has worked closely with County Counsel and the County Auditor-Controller-Treasurer-Tax Collector's office to develop a financial program that represents a responsible use of public funds while also providing assistance to property owners who have lost their homes. While the current estimated sewer construction costs are meant to be conservative, meaning they are higher than anticipated, this program carries the risk of construction costs being even higher than these estimates. These actual Project costs will be allocated to the properties in the newly served areas, and again, while they may be lower than the current estimates, they could be higher. Payment of the allocation costs will be required of property owners who connect to the sewer system. The loans will be secured by a lien against the property and shall be repaid over a period not to exceed 30 years for the construction and design costs, and 20 years for the connection fees. The lien will run with the property and will be transferrable to new property owners.

In February 2019, the Board approved the Airport-Larkfield-Wikiup Sanitation Zone Larkfield Estates Collection

System Project. This approval included: agreements to acquire the property rights needed for construction; Resolution Authorizing the Financing Program for sewer construction costs and sewer connection fees; Approve the financing documents for the Financing Program; Authorize the General Manager to execute agreements providing a 30-year sewer construction cost loan; Approve the financing documents for the Financing Program ; Authorize the General Manager to execute agreements with each applicant providing a 20-year loan to finance the Sewer Connection Fees; and Approve the Commitment Letter and set a date for commitment letters to be received in order to participate in the Project. Sonoma Water had requested the Board set the date of March 31, 2019, in order to receive commitment letters from residents who wish to participate in the Project.

Based upon community input and upon further examination, Sonoma Water Staff have determined that extending the date to receive commitment letters from residents wishing to participate in the Project to September 16, 2019 will increase participation in the project by removing the uncertainty for property owners of committing to the project without knowing the final cost. Extending the date to September 16, 2019 will allow property owners to know the full cost of constructing the sewer project before committing to signing up. Sonoma Water will allow residents to sign a commitment letter now, if they choose to do so.

Prior Board Actions:

2/26/2019: Board approved the Airport-Larkfield-Wikiup Sanitation Zone Larkfield Estates Collection System Project

6/05/2018: Board authorized the Sonoma County Water Agency's General Manager to enter into an agreement for sewer collection system design (not to exceed \$600,000) in the Larkfield Estates community and directed the Sonoma County Water Agency staff to develop a Sewer Collection System Financing Program.

10/10/2017: Board adopted Resolution No. 17-0389 ratifying the County Administrator's proclamation of the existence of a local emergency with the Sonoma County Operation Area.

FISCAL SUMMARY

Expenditures	FY 18-19 Adopted	FY19-20 Projected	FY 20-21 Projected
Budgeted Expenses			
Additional Appropriation Requested			
Total Expenditures			
Funding Sources			
General Fund/WA GF			
State/Federal			
Fees/Other			
Use of Fund Balance			
Contingencies			
Total Sources			

Narrative Explanation of Fiscal Impacts:

N/A

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

Narrative Explanation of Staffing Impacts (If Required):

N/A

Attachments:

None.

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

None.