

RESOLUTION NO 1130

RESOLUTION OF THE BOARD OF PUBLIC UTILITIES RECOMMENDING THAT CITY COUNCIL APPROVE A SANTA ROSA WATER INTERNAL FUND-TO-FUND LOAN FOR FINANCING THE ACQUISITION COSTS OF 7630-7650 LAKEVILLE HWY FOR BIOSOLID LAND APPLICATION

WHEREAS, City staff has negotiated and BPU has approved a purchase agreement for the purchase of 7630-7650 Lakeville Hwy. (the "Property"), subject to City Council approval of a Santa Rosa Water internal fund-to-fund loan; and

WHEREAS, Santa Rosa Water's Local Waste Water Utility available funds are currently invested earning interest in the City's investment fund at an average rate of interest of 0.9%; and

WHEREAS, such available funds are projected to remain available; and

WHEREAS, the Subregional Waste Operations Fund does not have immediate funds available for the purchase of this property and the Subregional System partners have expressed interest in obtaining a fund-to-fund loan from the Local Waste Water Utility Fund; and

WHEREAS, the Subregional System partners have agreed to pay an interest rate of 2.5% per annum, simple interest from the date the funds are received by the Subregional Waste Operations Fund to be amortized over eight (8) years with a monthly payment due beginning July 1, 2017, and with no prepayment penalty; and

WHEREAS, the Local Waste Water Utility Fund benefits from the loan by being able to earn a reasonable interest rate on undesignated funds that is higher than average from the City's investment fund rate; and

WHEREAS, the Subregional Waste Operations Fund benefits from the loan because the funds will allow for the purchase of land for biosolid application; and

WHEREAS, the Sonoma Board of Supervisors adopted a Mitigated Negative Declaration and approved a Conditional Use Permit (file number PLP 97-0002) on December 9, 1997, for biosolid application on 3,042 acres of land along Lakeville Highway, Petaluma; which included property at 7630 and 7650 Lakeville Highway; and

WHEREAS, the biosolid application pursuant to the County Conditional Use Permit has continued to this day, and the Conditional Use permit has no sunset date and is still in effect.

NOW, THEREFORE, BE IT RESOLVED that the Board of Public Utilities:

1. Has considered the environmental effects of the project as shown in the Mitigated Negative Declaration approved in conjunction with approval of the purchase of the Property.
2. Based on the foregoing Mitigated Negative Declaration, has adopts the Mitigation Monitoring Program dated July 1, 2016.

3. Specifies that the City of Santa Rosa Water Department located at 35 Stony Point Road, Santa Rosa, CA, will be the custodian of the documents and other materials which constitute the record of the Board of Public Utilities proceedings regarding the project and which record will be kept at the Water Department Office.

4. Recommends that City Council approve a Santa Rosa Water fund-to-fund loan from the Local Waste Water Utility Fund to the Subregional Waste Operations Fund for up to \$2.1 million to finance the acquisition of the 7630-7650 Lakeville Hwy for biosolid land application on the terms herein set forth.

DULY AND REGULARLY ADOPTED by the City of Santa Rosa Board of Public Utilities this 17th day of November, 2016.

AYES: (6) Galvin, Kaun, Arnone, Dowd, Holt, and Tibbetts

NOES: (0)

ABSENT: (1) Watts

ABSTAIN: (0)

APPROVED:

  
Chairman Daniel J. Galvin, III

ATTEST:

  
Sara Roberts  
Recording Secretary

APPROVED AS TO FORM:

  
City Attorney

Attachments:

Exhibit A: Mitigated Negative Declaration

Exhibit B: Mitigation Monitoring Program