

RESOLUTION NO. 1014

RESOLUTION OF THE BOARD OF PUBLIC UTILITIES RECOMMENDING TO THE SANTA ROSA CITY COUNCIL THAT IT: ADOPT THE OAKMONT WASTEWATER TREATMENT PLANT INTERIM OPERATIONS PROJECT MITIGATED NEGATIVE DECLARATION AND THE MITIGATION MONITORING PROGRAM; APPROVE THE PROJECT; APPROVE THE COOPERATIVE SETTLEMENT AND RELEASE AGREEMENT BETWEEN THE CITY OF SANTA ROSA AND THE OAKMONT GOLF CLUB, INC.; APPROVE THE COOPERATIVE SETTLEMENT AND RELEASE AGREEMENT BETWEEN THE OAKMONT VILLAGE ASSOCIATION AND THE CITY OF SANTA ROSA; AND DIRECT CHIEF FINANCIAL OFFICER TO PAY SETTLEMENT FUNDS.

WHEREAS, in 1963, the City of Santa Rosa (City) entered into an agreement with Fairfield Homes, Inc. (developer) regarding the construction and operation of a wastewater treatment plant (Oakmont WWTP) to be constructed by the developer as part of the Oakmont Development (1963 Agreement); and

WHEREAS, the developer was entitled to the use of any reclaimed water from the Oakmont WWTP, without cost, for irrigation; and

WHEREAS, over the 50 years of operation, there have been significant changes in technology and in environmental regulation, including increased regulatory requirements to bring the effluent from the treatment plant to tertiary quality standards resulting in significant capital upgrades made by the City; and

WHEREAS, since the inception of the 1963 Agreement, the City has developed multiple recycled water disposal options including the Geysers Project making operation of the Oakmont WWTP no longer required for the treatment and disposal of wastewater generated by Oakmont; and

WHEREAS, operation of the Oakmont WWTP is no longer cost effective due to the scale and seasonality of its operation; and

WHEREAS, suspension of operation of the Oakmont WWTP would result in approximately 43 million gallons (MG) of recycled water a year not delivered to the Oakmont Golf Club (OGC), equating to 1/3 of OGC's typical season irrigation need; and

WHEREAS, the City recognizes the Oakmont community and the Oakmont golf courses as assets to the City and desires to find a mutually beneficial solution; and

WHEREAS, the City began negotiations with the Oakmont Golf Club and the Oakmont Village Association (OVA) in 2010; and

WHEREAS, during the course of negotiations, the City, OGC and the OVA jointly developed a water conservation, efficiencies-based solution (Project) to reduce the amount of irrigation water needed by the OGC to eliminate the need for recycled water produced from the Oakmont WWTP; and

WHEREAS, the City agrees to fund the Project in exchange for full and complete release of any and all claims the OGC may have against the City of Santa Rosa related to the 1963 Agreement (with the exception of the clause in the 1963 Agreement which states in the event the City shall discontinue to use the site as a sewer plant, the land and improvements shall revert to the Developer, his heirs, and assigns) and for a full and complete release from the OVA of any and all claims the OVA may have against the City related to the 1963 Agreement; and

WHEREAS, the City will provide irrigation water to OGC through the 2014 irrigation season while the Project is being completed; and

WHEREAS, an Initial Study/Proposed Mitigated Negative Declaration was prepared for the Project; and

WHEREAS, the Initial Study/Proposed Mitigated Negative Declaration was circulated to agencies and the public for 36 days starting on November 23, 2011; and

WHEREAS, notices for the proposed Mitigated Negative Declaration were published in the Press Democrat on November 23, 2011; and

WHEREAS, written comments were received prior to the completion of the public review period on December 28, 2011; and

WHEREAS, a final Mitigated Negative Declaration was completed and made available to the public on January 18, 2012 concluding that, with incorporation of recommended mitigation measures, the Project would not cause significant environmental effects.

NOW, THEREFORE, BE IT RESOLVED that the Board of Public Utilities recommends to the Santa Rosa City Council that it;

1. Adopt the Oakmont Wastewater Treatment Plant Interim Operations Project Mitigated Negative Declaration and the Mitigation Monitoring Program;
2. Approve the Project;
3. Approve the Cooperative Settlement and Release Agreement between the City of Santa Rosa and the Oakmont Golf Club, Inc.;
4. Approve the Cooperative Settlement and Release Agreement between the Oakmont Village Association and the City of Santa Rosa; and

BE IT FURTHER RESOLVED that the Board recommends to Council that it authorize the Chief Financial Officer to pay Settlement Funds of \$2,770,000 to Oakmont Golf Course, Inc. from Project Key 70353.

DULY AND REGULARLY ADOPTED by the City of Santa Rosa Board of Public Utilities this 2nd day of February, 2012

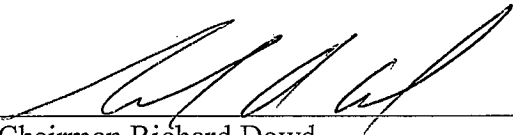
AYES: (5) **DOWD, GALVIN, LOWRY, MEECHAN, AND SWINTH**

NOES: (1) **CARNEY**

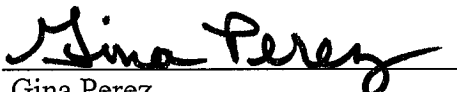
ABSENT: (1) **GALE**

ABSTAIN: (0)

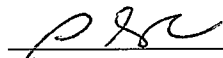
APPROVED:


Chairman Richard Dowd

ATTEST:


Gina Perez
Recording Secretary

APPROVED AS TO FORM:


City Attorney