



## Legislation Text

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**File #:** 18-956, **Version:** 1

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### MEMORANDUM

**TO:** Board of Supervisors

**FROM:** Jan Coppinger, Special Districts Administrator

**DATE:** November 6, 2018

**SUBJECT:** Second Reading - Consideration of an Ordinance imposing a Benefit Assessment for County Service Area #16 - Paradise Valley to Complete the Water System Consolidation with Clearlake Oaks County Water District

#### EXECUTIVE SUMMARY:

County Service Area #16 (CSA #16) has experienced a lack of capacity for over 14 years. The present system does not have sufficient water supply to handle peak demand periods and emergencies that include power outages and firefighting. Two wells were added to the system, but they did not meet the long term needs of the community.

Since 2004, the CSA has been under an urgency ordinance prohibiting new hookups and non-domestic water use. As referenced in the Paradise Cove Area Annexation Hydraulic Capacity Evaluation report dated August, 2015, existing customers will benefit from this consolidation as increased capacity will result in the ability to meet maximum day demand as well as fire suppression needs. Undeveloped parcels will benefit, as lack of capacity and insufficient groundwater will prohibit any new development and the connection moratorium cannot be lifted without the consolidation.

A grant was secured through Proposition 84 Emergency Drought Funding to consolidate CSA #16 with the Clearlake Oaks County Water District (CLOCWD). The grant funding was for \$1,434,499 and was supplemented with \$411,000 in matching funds provided by Dr. Berger who owns undeveloped land within the CSA boundaries. Per the Planning Commission approval for development of Dr. Berger's land, the service area would need to address the lack of capacity and gain the ability to provide sufficient water to the new development.

A water line was installed down highway 20 and a connecting valve is being installed at Harvey Blvd. A water line is being installed up Harvey Blvd. to a new tank site. The new tank will be provided by CLOCWD with grant funds that they will be awarded as a result of the consolidation.

The project scope and requirements have changed throughout the process and as a result of changes and delays, costs have exceeded the funding available. Additional funds are required to complete the project.

Remaining tasks required to complete this project include:

PGE service installed at the new tank site on Harvey Blvd, SCADA controls installed at the existing tank and at the control valve location, new meters installed to be consistent with CLOCWD meters and billing system, abandoning the wells used by CSA #16, recoating the existing storage tank and installing a mixer in the tank.

Recoating the tank and abandoning the wells can only be completed after the consolidation is complete and water is being supplied by CLOCWD. We have an agreement with CLOCWD to provide funds in an escrow account to be used by CLOCWD to complete the tasks after the consolidation is complete. If the cost of these components is less than projected, CLOCWD will place any remaining funds in a reserve designated specifically for the customers of CSA #16. The consolidation agreement requires CSA #16 rate payers to continue paying \$22.00 per month into a Capital Improvement Designation until \$244,000 is reached. When that amount is reached, the \$22.00 per month CIP fee will be removed from the monthly bill. Any remaining money from the escrow account, after the tank recoating and well abandonment is complete will be put towards the required \$244,000 Capital Improvement Designation.

Special Districts is proposing a fee of \$3,110 per parcel for all parcels within the County Service Area #16 boundaries. The assessed amount will be included on the property taxes over a period of two years, resulting in two annual amounts of \$1,555. The money collected will be used to complete the consolidation with Clearlake Oaks County Water System.

**FISCAL IMPACT:** ☒ None ☐ Budgeted ☐ Non-Budgeted

Estimated Cost:

Amount Budgeted:

Additional Requested:

Annual Cost (if planned for future years):

**FISCAL IMPACT (Narrative):** N/A

**STAFFING IMPACT (if applicable):** N/A

**RECOMMENDED ACTION:**

Offer the Ordinance for adoption.