



Agenda Report

File #: 20-0669

**AGENDA REPORT
REQUEST FOR CITY COUNCIL AND
CORONA UTILITY AUTHORITY ACTION**

DATE: 08/05/2020

TO: Honorable Mayor and City Council Members
Honorable President and Board Members

FROM: Public Works Department
Department of Water and Power

SUBJECT:

City Council and Corona Utility Authority consideration of Resolution No. 2020-112, establishing construction charges to cover the proportionate share of constructing the sewer lines and appurtenances necessary to connect certain private property located on Galloway Lane to the City's public sewerage system.

RECOMMENDED ACTION:

That the:

- a. City Council adopt Resolution No. 2020-112, establishing construction charges to cover the proportionate share of constructing the sewer lines and appurtenances necessary to connect certain private property located on Galloway Lane to the City's public sewerage system.
- b. City Council authorize the establishment of a Capital Improvement Project titled "Galloway Sewer Extension" and authorize an appropriation of \$100,000 in the Water Reclamation Capacity Fund 440.
- c. Corona Utility Authority (CUA) review, ratify, and to the extent necessary, direct the City Council to take the above action.

ANALYSIS:

Jayson Adamson recently purchased an existing single-family home located at 1764 Galloway Lane ("Subject Property") in the Overlook area of the City. The single-family home on the Subject Property is currently connected to a septic system, which, unfortunately, has started to fail. In accordance

with Corona Municipal Code Section 13.12.60, a property owner is not permitted to reconstruct a failed septic system when there is an existing public sewer line within two hundred feet of the property.

The City's sewer system has a sewer main line that ends at a sewer manhole in front of the Subject Property, less than 200 feet away. As such, Mr. Adamson is required to connect the Subject Property to the public sewer system and purchase the required sewer capacity. In order to connect to the City's sewer system, it is necessary to construct an approximately 280-foot extension of the City sewer collection system, consisting of a sewer main line and appurtenances, from the existing terminal manhole in front of the Subject Property westward to the intersection of Galloway Lane and Howe Street ("Galloway Lane Sewer Extension"). The Galloway Lane Sewer Extension will provide a benefit to the Subject Parcel, as well as the four additional single-family residential properties located at 1748 Galloway Lane, 1756 Galloway Lane, 1757 Galloway Lane, and 1765 Galloway Lane, which are currently connected to an individual sewer septic system, but may, in the future, desire or be required to connect to the City's sewer system. The location of the Galloway Lane Sewer Extension, the Subject Property, and the other benefitted parcels are shown on the map attached hereto as Exhibit "A."

Corona Municipal Code section 13.12.100, requires that prior to connecting to the City's sewer collection system, the person requesting such connection shall pay a construction charge to cover the proportionate cost of constructing the public sewer in the amount, manner, and time of payment established by resolution of the City Council. City staff has estimated that the Total Cost (as defined in the attached resolution) for the Galloway Lane Sewer Extension is approximately \$86,299. As indicated above, the Galloway Lane Sewer Extension will benefit a total of five residential properties on Galloway Lane by providing the infrastructure necessary to connect to the City's sewer system. As such, City staff is proposing that the construction charge for the Galloway Lane Sewer Extension be established in an amount equal to the actual Total Cost to construct the Galloway Sewer Lane Extension and that such construction charge be allocated to each benefitted parcel based upon the linear footage of the Galloway Lane Sewer Extension that is located along the property frontage of each benefitted parcel. Resolution No. 2020-112 would establish the construction charge and the fair share percentage allocated to each benefitted parcel in the manner described above.

Mr. Adamson, as well as any other benefitted parcels that connect to the City's sewer system in the future, will also be required to construct a lateral line to connect the benefitted parcel to the sewer main line that will be constructed as part of the Galloway Lane Sewer Extension. Because the lateral line is exclusively for the benefit of each benefitted parcel, the cost to construct the lateral line must be paid entirely by the property owner. The property owner can either construct the lateral line on their own or can request that the City construct it. Resolution No. 2020-112 would also establish a charge to construct the lateral line in an amount equal to the actual total construction costs, in the event that the City constructs the lateral line.

Upon completion of the Galloway Lane Sewer Extension and the lateral line, if applicable, the City will document and determine the actual Total Cost of constructing the Galloway Lane Sewer Extension and the lateral line and then calculate the actual construction charges owed by each benefitted parcel based upon the fair share percentages established in Resolution No. 2020-112.

Corona Municipal Code sections 13.12.100 and 13.14.060 authorize homeowners of single-family residential properties that are converting from septic service to City sewer service to enter into payment plans for the payment of any required construction charges. Resolution No. 2020-112 incorporates a template payment plan agreement to be used for any property owners who are unable to pay the full construction charges up front when connecting to the City's sewer system. The payment plan agreement will allow the property owner to pay off the construction charges in monthly installments at 6% simple interest. The payment plan agreement would be recorded against the property and would constitute a contractual lien until such time that the construction charges and interest are paid in full. This will enable the City to recover the cost of the sewer line construction when all of the benefitted parcels choose, or are required, to connect to the City's sewer system.

COMMITTEE ACTION:

Not applicable.

STRATEGIC PLAN:

Not applicable.

FISCAL IMPACT:

Resolution No. 2020-112, identifies the proportionate share of construction costs attributed to each property based on the ratio of each property's frontage to the total frontage of all properties. Cost estimates will be used to prepare the finance agreement for 1764 Galloway Lane prior to construction. The finance agreement payment schedule and total payment amount will be adjusted after construction has been completed and actual costs have been determined. Approval of the recommended actions will result in an appropriation of \$100,000 to the Galloway Sewer Extension Project in the Water Reclamation Capacity Fund 440.

Fund	07/01/20 Est. Working Capital	Budgeted Revenues/ Sources	Budgeted Expenditures/ Uses	Working Capital Impacts	06/30/21 Est. Working Capital
Water Reclamation Capacity Fund 440	\$8,686,472	\$2,544,681	(\$1,752,767)	Appropriation (\$100,000)	\$9,378,386

The remaining property owners will reimburse the City for their proportionate share of construction costs when the property is sold or conversion from the septic system to the sewer is made, whichever occurs first. Payments received from the current finance agreement and future property owners will be recognized in the Water Reclamation Capacity Fund 440 as reimbursement of the construction costs.

ENVIRONMENTAL ANALYSIS:

Adoption of this Resolution is exempt pursuant to Section 15061(b)(3) of the Guidelines for the California Environmental Quality Act (CEQA), which states that a project is exempt from CEQA if the activity is covered by the common sense rule that CEQA applies only to projects that have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. This Resolution is also exempt pursuant to Section

15303(d), which provides that the construction of water main, sewage, electrical, gas, and other utility extensions of reasonable length to serve an adjacent single-family residence are exempt from CEQA. This Resolution simply establishes construction charges to cover the proportionate share of constructing the sewer lines and appurtenances necessary to connect certain private property located on Galloway Lane to the City's public sewerage system. Therefore, no further environmental analysis is required.

PREPARED BY: VERNON R. WEISMAN, P.E., DISTRICT ENGINEER

REVIEWED BY: TOM KOPER, P.E., ACTING PUBLIC WORKS DIRECTOR

REVIEWED BY: TOM MOODY, GENERAL MANAGER

REVIEWED BY: KIM SITTON, ACTING ADMINISTRATIVE SERVICES DIRECTOR

REVIEWED BY: ROGER BRADLEY, ASSISTANT CITY MANAGER

SUBMITTED BY: JACOB ELLIS, CITY MANAGER & EXECUTIVE DIRECTOR

Attachments:

1. Exhibit A - Location Map
2. Resolution No. 2020-112