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Agenda Item: ID17-389 (10:15 A.M.#1)

Date: 3/23/17

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## Supplemental Information Packet

Agenda Related Item(s) – ID17-389 (10:15 A.M.#1)

Contents of Supplement: Letter from Wathen Castanos Homes, Lennar Homes and Granville Homes

### Item(s)

Actions pertaining to proposed water capacity fees (Citywide):

1. CONTINUED HEARING regarding the proposed Water Capacity Fees.
2. BILL - (For introduction) - Amending Article 5 of Chapter 6 of the Fresno Municipal Code and Article 4.5 of Chapter 12 to repeal various fees associated with providing water capacity for new and expanded connections to the water system and create a new Water Capacity Fee classification, and to adopt Water Capacity Fees as proposed by and justified in the nexus study prepared by Bartle Wells Associates.
3. \*\*\*RESOLUTION - 530th amendment to the Master Fee Resolution No. 80-420 adopting Water Capacity Fees under the Public Utilities Section.

#### **Supplemental Information:**

Any agenda related public documents received and distributed to a majority of the City Council after the Agenda Packet is printed are included in Supplemental Packets. Supplemental Packets are produced as needed. The Supplemental Packet is available for public inspection in the City Clerk's Office, 2600 Fresno Street, during normal business hours (main location pursuant to the Brown Act, G.C. 54957.5(2)). In addition, Supplemental Packets are available for public review at the City Council meeting in the City Council Chambers, 2600 Fresno Street. Supplemental Packets are also available on-line on the City Clerk's website.

#### **Americans with Disabilities Act (ADA):**

The meeting room is accessible to the physically disabled, and the services of a translator can be made available. Requests for additional accommodations for the disabled, sign language interpreters, assistive listening devices, or translators should be made one week prior to the meeting. Please call City Clerk's Office at 621-7650. Please keep the doorways, aisles and wheelchair seating areas open and accessible. If you need assistance with seating because of a disability, please see Security.

March 15, 2017

Thomas Esqueda, Director  
Department of Public Utilities  
City of Fresno  
2600 Fresno Street  
Fresno, CA 93721

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CITY CLERK, FRESNO CA

Subject: Water Impact Fees

Dear Mr. Esqueda,

We'd like to extend our sincere appreciation for your continued analysis to determine the appropriate Water Development Impact Fees. It has certainly been an arduous process and we are thankful it is near completion.

From the beginning, we whole-heartedly expressed our support for a justified fee increase if and when the appropriate reviews and cost analysis were completed. After several discussions with City staff in regards to the North East Fresno Surface Water Treatment Plant (NEFSWTP), it is clearly evident that the expansion of the facility, and the construction of the associated transmission and plumbing system, have not been properly evaluated under CEQA, nor have the associated costs been justified with cost estimates from experienced contractor(s).

Therefore, taking into consideration the postponement of the fee increase item until the March 23, 2017 Council hearing, we'd like to take the opportunity to propose the following recommendations before the City Council is asked to vote on the fees:

1. City staff should determine, through proper analysis, if a water plant expansion is necessary and required for projected new growth. In addition, staff should identify with specificity the timeframe in which the plant will be needed;
2. If the analysis confirms the need for expansion, then the city should complete a proper CEQA analysis, and determine the exact scope of work for the plant's expansion and related transmission infrastructure improvements;
3. City staff should develop a detailed scope of work, provide such to contractors for bids/estimates, and thereafter determine estimated costs with credible amounts;
4. City staff should develop a mechanism or program guidelines that clearly establishes how developers will be reimbursed for these infrastructure costs;
5. City staff should consult with the development community to review the analysis and proposed fee increases before the new fee structure is introduced to the City Council.

Until the required analysis has been completed and a system is in place that details the application of fee credits to the development community for public infrastructure costs borne by new home buyers *we propose that the Council restrict its action to the adoption of a fee increase that excludes the NEFSWTP and associated infrastructure costs.*

Please let us know if there is anything we can do to assist in addressing these important issues.

Thank you,



Josh Peterson, Owner/President  
Wathen Castanos Homes



Mike Miller, Vice-President  
Lennar Homes



Darius Assemi, President/CEO  
Granville Homes

CC: \_

Mayor Lee Brand

Council President Clint Olivier

Councilmember Esmeralda Soria

Councilmember Steve Brandau

Councilmember Oliver Baines

Councilmember Paul Caprioglio

Councilmember Luis Chavez

Councilmember Garry Bredefeld

City Manager Bruce Rudd