

**MEMORANDUM
DEPARTMENT OF FACILITY SERVICES
COUNTY OF PLACER**

To: **BOARD OF SUPERVISORS**

Date: **JUNE 12, 2007**

From: **JAMES DURFEE / WILL DICKINSON** *(signature)*

Subject: *JD* **CSA REVOLVING FUND LOANS FOR SMD 3, CSA 28 ZONE 6-SHERIDAN,
AND ZONE 24-APPLEGATE**

ACTION REQUESTED/RECOMMENDATION: It is recommended that your Board:

1. Adopt a Resolution authorizing loans from the General Fund to the County Service Area (CSA) Revolving Fund for the following districts: Sewer Maintenance District No. 3 (SMD 3, Auburn Folsom Road area) - \$210,000; CSA No. 28, Zone No. 6 (Sheridan Sewer and Water) - \$400,000; CSA No. 28, Zone No. 24 (Applegate Sewer) - \$40,000.
2. Approve the attached Budget Revision appropriating loan proceeds for each of the three districts, plus \$60,000 of additional revenue for SMD 3, in FY 2006/2007.

BACKGROUND:

SMD 3: SMD 3 serves the Auburn Folsom Road area providing sewer collection and treatment for approximately 630 connections. SMD 3 will overspend appropriations by approximately \$270,000 due to unexpectedly lengthy negotiations with the California Regional Water Quality Control Board (RWQCB) regarding a new discharge permit. Excess revenue in the amount of \$60,000 will be used to offset a portion of the shortfall, resulting in the need for a loan of \$210,000 to balance the budget for SMD No. 3.

Sheridan Sewer & Water: CSA 28, Zone 6, Sheridan Sewer & Water, provides the community of Sheridan with sewer collection and treatment, domestic water, and street light services for approximately 200 connections. The Sheridan CSA will overspend appropriations by up to \$400,000 this fiscal year. This is primarily due to consultant and staff time devoted to the spray field project, which was necessitated by new regulatory requirements. Some of this shortfall will be recovered through grant payments; however it is unclear if the reimbursement will take place this fiscal year.

Applegate Sewer: CSA 28, Zone 24, Applegate Sewer, provides the community of Applegate with sewer collection and treatment for approximately 32 connections. It appears that the Applegate CSA will exceed its appropriations by \$40,000. This is primarily due to additional costs incurred as a result of the settlement of the Administrative Civil Liability Complaint issued by the RWQCB.

ENVIRONMENTAL CLEARANCE: Approval of these actions is not a project as defined in the California Environmental Quality Act.

BOARD OF SUPERVISORS
LOANS; SMD NO. 3, CSA 28 ZONE 24 AND ZONE 6
JUNE 12, 2007

FISCAL IMPACT: The recommended loans from the CSA Revolving Fund total \$650,000. The General Fund will provide funding by transferring monies to the CSA Revolving Fund.

Over the last four years, your Board has approved similar loans from the CSA Revolving Fund (Fund). This is the first Fund loan to SMD No. 3. The Fund has previously loaned the Sheridan Sewer and Water CSA a total of \$1,230,000; with the new loan, total outstanding loans will increase to \$1,630,000. The Fund has previously loaned the Applegate Sewer CSA a total of \$608,000; with the new loan, total outstanding loans will increase to \$648,000.

Staff anticipates that additional loans totaling in excess of \$1,000,000 will be needed for these districts in FY 2007-08.

JD/WD:kk

ATTACHMENTS: RESOLUTION
BUDGET REVISION

cc: COUNTY EXECUTIVE OFFICE

T:\fbsmemo2007\SD CSA RF Loans 06-07.doc

Before the Board of Supervisors County of Placer, State of California

In the matter of: A RESOLUTION AUTHORIZING
LOANS FROM THE GENERAL FUND TO THE CSA
REVOLVING FUND FOR SMD NO. 3, CSA 28 ZONE 6
AND CSA 28 ZONE 24

Res. No. _____

The following RESOLUTION was duly passed by the Board of Supervisors of the County of Placer at a regular meeting held _____, by the following vote on roll call:

Ayes:

Noes:

Absent:

Signed and approved by me after its passage.

Attest:
Clerk of said Board

Chairman, Board of Supervisors

WHEREAS, Sewer Maintenance District No. 3, CSA No. 28, Zone 6 (CSA 6, Sheridan Sewer and Water) and CSA No. 28, Zone No. 24 (CSA 24, Applegate Sewer) are sewer districts serving customers in unincorporated Placer County; and,

WHEREAS, new State and Federal water quality requirements have resulted in extraordinary expenses related to compliance projects in each of these districts; and,

WHEREAS, funding is not available in the district budgets to comply with these new requirements; and,

WHEREAS, these three districts require loans to continue providing valuable public services; and

WHEREAS, the CSA Revolving Loan Fund exists to provide loans to districts with funding problems; and

WHEREAS, Government Code Section 25210.9C.(a) requires that the method and term of the loan not exceed 10 years and that interest be charged on the loan at the rate earned by the Treasury, and that SMD No. 3, CSA 28, Zone No. 24 and CSA 28, Zone 6 will both begin repayment as monies become available,

NOW, THEREFORE, BE IT RESOLVED

1. The Placer County Board of Supervisors does hereby authorize a loan from the General Fund to the CSA Revolving Fund in the amount of \$210,000 for SMD No. 3 for FY 2006/2007, and
2. The Placer County Board of Supervisors does hereby authorize a loan from the General Fund to the CSA Revolving Fund in the amount of \$400,000 for CSA No. 28, Zone No. 6 for FY 2006/2007, and
3. The Placer County Board of Supervisors does hereby authorize a loan from the General Fund to the CSA Revolving Fund in the amount of \$40,000 for CSA No. 28, Zone No. 24 for FY 2006/2007.

BUDGET REVISION

Cash Transfer Required

Reserve Cancellation Required

Establish Reserve Required

Auditor-Controller

County Executive

Board of Supervisors

POST DATE:

DEPT NO.	DOC TYPE	Total \$ Amount	TOTAL LINES
12 BR		770,000.00	10

ESTIMATED REVENUE ADJUSTMENT										APPROPRIATION ADJUSTMENT									
DEPT NO.	T/C	Rev Fund	Sub Fund	OCA	FCA	OBJ 3	PROJ.	PROJ. DTL	AMOUNT	DEPT NO.	T/C	Rev Fund	Sub Fund	OCA	FCA	OBJ 3	PROJ.	PROJ. DTL	AMOUNT
12	006	503	3	990732	90732	6100			50,000.00	12	014	503	3	990732	90732	2405			35,000.00
12	006	503	3	990732	90732	8239			10,000.00	12	014	503	3	990732	90732	2555			105,000.00
										12	014	503	3	990732	90732	2970			130,000.00
										12	014	502	24	996824	96824	2555			15,000.00
										12	014	502	24	996824	96824	2556			10,000.00
										12	014	502	24	996824	96824	2970			15,000.00
										12	014	502	6	996806	96806	2555			200,000.00
										12	014	502	6	996806	96806	2970			200,000.00
TOTAL										TOTAL									
60,000.00										710,000.00									

REASON FOR REVISION: TO APPROPRIATE REALIZED REVENUE AND LOAN FROM CSA REVOLVING FUND TO SMD #3, APPLGATE SEWER,

AND SHERIDAN SEWER PER BOARD MEMO DATED 6/12/07.

Prepared by *Volunteer* Ext 6803

Department Head _____ Date: 6/12/07
Board of Supervisors _____ Page: _____

2007 MAY 30 PM 1:25
Placer County Auditor-Controller

Budget Revision # _____ FOR INDIVIDUAL DEPT USE

231

