

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

To: **BOARD OF SUPERVISORS**

Date: **APRIL 29, 2008**

From: **JAMES DURFEE / WILL DICKINSON** *WD*

Subject: **SEWER MAINTENANCE DISTRICT 3 REGIONAL SEWER PROJECT BUDGET**

ACTION REQUESTED / RECOMMENDATION: It is recommended that your Board take the following actions necessary to create and fund a new capital project budget associated with the SMD 3 Regional Sewer Project:

1. Adopt a Resolution authorizing a loan of \$100,000 from the General Fund to the County Service Area (CSA) Revolving Fund for the SMD 3 Regional Sewer Project.
2. Approve the attached Budget Revision appropriating loan proceeds in Sewer Maintenance District 3 and transferring funding to the Capital Projects Fund in FY 2007/2008.
3. Approve re-appropriating for FY 2008/2009 any funds unspent as of June 30, 2008.

BACKGROUND: Sewer Maintenance District 3 provides sewer service to approximately 528 connections in the Horseshoe Bar area. Plant 3, constructed in 1961, uses biological and filtration processes that cannot meet current regulatory standards as defined in a new permit for Plant 3 approved by the Central Valley Regional Water Quality Control Board (RWQCB) in June 2007. Through the terms of this permit and an accompanying Cease and Desist Order, the County must meet specific deadlines for coming into compliance with each new standard. Failure to achieve compliance with the new discharge standards will result in additional enforcement action from the RWQCB, including the assessment of penalties that could total several hundreds of thousands of dollars per year.

On January 8, 2008, your Board authorized the Chairman to sign a letter to the RWQCB indicating that the County intends to pursue regionalization of the Sewer Maintenance District 3 Wastewater Treatment Plant (Plant 3). This would involve abandoning Plant 3 and constructing a pipeline and pump station to convey flows through Sewer Maintenance District 2 to the City of Roseville's wastewater treatment plant. Staff is separately pursuing an interim de-nitrification project to improve compliance in the short term.

To date, funding for the project has come from the SMD 3 Operating Budget. In order to improve our ability to monitor funding and expenditures, staff recommends that your Board establish a separate capital project budget with sufficient funding to continue design and environmental review work. Additional funding will be needed in subsequent years to carry the project to completion.

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

FISCAL IMPACT: Short term funding to establish this budget will come from an existing EPA grant (\$135,000) and a loan of \$100,000 from the CSA Revolving Fund to the SMD 3 Operating Budget. The Operating Budget will fund a newly created capital project budget in the Capital Projects Fund. Long term funding is not yet secure and is under discussion with the Sewer Infrastructure Financing Committee established per your Board's direction. A tentative long term funding plan is attached.

ATTACHMENTS: RESOLUTION
BUDGET REVISION
TENTATIVE FUNDING PLAN

JD:WD:DB

CC: COUNTY EXECUTIVE OFFICE

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

In the matter of: A RESOLUTION AUTHORIZING
A LOAN FROM THE GENERAL FUND TO THE
SMD 3 REGIONAL SEWER PROJECT

Reso. No. _____

The following Resolution was duly passed by the Board of Supervisors of the County of Placer at a regular meeting held _____, 2008 by the following vote on roll call:

Ayes:

Noes:

Absent:

Signed and approved by me after its passage.

Attest:

Chairman, Board of Supervisors

Clerk of said Board

WHEREAS, Sewer Maintenance District 3 provides sewer service to customers in a portion of unincorporated Placer County, and

WHEREAS, the Board of Supervisors has determined the need to establish a capital project budget for the SMD 3 Regional Sewer Project to ensure compliance with State and Federal water quality requirements, and

WHEREAS, funding is not available within the budget of said District to comply with these new requirements, and

WHEREAS, this District requires 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, in accordance with Government Code section 25210.9c(a), the Board of Supervisors has established the method and terms whereby the CSA Revolving Loan Fund is to be reimbursed for loans made by it on behalf of Sewer Maintenance District 3.

NOW, THEREFORE, BE IT RESOLVED: The Board of Supervisors of Placer County does hereby authorize a loan from the General Fund to the CSA Revolving Fund in the amount of \$100,000 to establish a capital project budget known as the SMD 3 Regional Sewer Project.

PAS DOCUMENT NO.

**Facility Services to do JE to transfer cash.

BUDGET REVISION

POST DATE:

DEPT NO.	DOC TYPE	Total \$ Amount	TOTAL LINES
12	BR	805,000.00	5

Cash Transfer Required

Reserve Cancellation Required

Establish Reserve Required

Auditor-Controller

County Executive

Board of Supervisors

ESTIMATED REVENUE ADJUSTMENT										APPROPRIATION ADJUSTMENT											
DEPT NO.	T/C	Rev	Fund	Sub Fund	OCA	PCA	OBJ 3	PROJ.	PROJ. DTL	AMOUNT	DEPT NO.	T/C	Rev	Fund	Sub Fund	OCA	PCA	OBJ 3	PROJ.	PROJ. DTL	AMOUNT
12	006		140		991078	91078	8990			100,000.00	12	014		140		991078	04824	4151			235,000.00
12	006		140		991078	91078	7249			135,000.00	12	034		140		991078	04824	4151	704824	010000	235,000.00
											12	014		503	3	990732	90732	3778			100,000.00
TOTAL										235,000.00	TOTAL										570,000.00

REASON FOR REVISION: To appropriate General Fund loan and EPA grant revenue for the SMD#3 Regional Sewer project in the Capital Projects Fund.

Prepared by Valerie Bayne Ext 6803

Department Head _____

Date: 4/29/08

Board of Supervisors _____

Page: _____

Budget Revision # _____ FOR INDIVIDUAL DEPT USE

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**SMD 3 REGIONAL SEWER PROJECT
FUNDING PLAN**

	Budget	yearly total	Projected 2007-08	Projected 2008-09	Projected 2009-10	Projected 2010-11	Projected 2011-12	Projected 2012-13
Funding Sources								
EPA grant	630,335	630,335	135,000	140,250	140,250	167,750	47,085	
ACOE grant	3,400,000	3,400,000	-				2,400,000	1,000,000
CSA Revolving Fund	100,000	100,000	100,000					
other	10,848,827	10,848,827				550,000	5,298,827	5,000,000
unidentified source	200,000	200,000		200,000				
total	15,179,162	15,179,162	235,000	340,250	140,250	717,750	7,745,912	6,000,000
Expenditures								
County Labor	154,162	154,162	32,395	39,224	39,755	42,788	-	-
Consultant Services	1,425,000	1,425,000	202,605	301,026	100,495	210,874	305,000	305,000
construction costs	10,800,000	10,800,000					4,900,000	5,900,000
other	2,800,000	2,800,000						2,800,000
total	15,179,162	15,179,162	235,000	340,250	140,250	253,662	5,205,000	9,005,000
account balance	(0)	(0)	(0)	(0)	(0)	464,088	3,005,000	(0)

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