

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

To: **BOARD OF SUPERVISORS**

Date: **APRIL 29, 2008**

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

Subject: **CSA REVOLVING FUND LOAN FOR SEWER MAINTENANCE DISTRICT 3**

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

1. Adopt a Resolution authorizing a loan of \$535,000 from the General Fund to the County Service Area (CSA) Revolving Fund for Sewer Maintenance District 3 (SMD 3).
2. Approve the attached Budget Revision appropriating loan proceeds in FY 2007/2008.

BACKGROUND: SMD 3 serves the Auburn Folsom Road area, providing sewer collection and treatment for approximately 528 connections. The wastewater treatment plant serving this area (Plant 3) is old, uses outdated technology, does not meet current treatment standards, is expensive to operate and has a very small customer base over which to spread costs. As a consequence, it is difficult to keep the operating budget in a positive standing. In FY 2007/2008, the District must spend \$150,000 on water quality studies and \$80,000 on a Sewer Management Plan in order to comply with new regulations. Significant additional staff time will be needed to manage these professional services contracts and catch up on deferred maintenance. The District was also recently assessed a fine of \$153,000 for water quality violations at Plant 3 going back to the year 2000.

Staff anticipates that the requested loan will cover all shortfalls in the SMD 3 operating budget through FY 2008/2009. By separate memo on your agenda today, staff is requesting loans to establish capital project budgets to provide long term solutions to the problems at Plant 3.

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

FISCAL IMPACT: The recommended loan from the CSA Revolving Fund totals \$535,000. The General Fund will provide funding by transferring monies to the CSA Revolving Fund.

The Fund has previously loaned SMD 3 a total of \$210,000; with the new loan, total outstanding loans will increase to \$745,000.

ATTACHMENTS: RESOLUTION
BUDGET REVISION

JD:WD:DB

CC: COUNTY EXECUTIVE OFFICE

T:\FBSMEMO2008\EE SMD 3 OPERATING LOAN 07-08.DOC

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 CSA
REVOLVING FUND FOR SEWER MAINTENANCE
DISTRICT 3

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, new State and Federal water quality requirements have resulted in extraordinary expenses related to compliance projects in this District, 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 \$535,000 for Sewer Maintenance District 3 for FY 2007/2008.

PAS DOCUMENT NO.

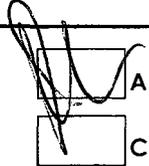
Fund = 100, OCA=107800 GL=1330 Sub GL =260700

BUDGET REVISION

POST DATE:

DEPT NO.	DOC TYPE	Total \$ Amount	TOTAL LINES
12	BR	535,000.00	4

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	014		503	3	990732	90732	2840				153,000.00
											12	014		503	3	990732	90732	2555				230,000.00
											12	014		503	3	990732	90732	2970				95,000.00
											12	014		503	3	990732	90732	2971				57,000.00
TOTAL										0.00	TOTAL										535,000.00	

REASON FOR REVISION: TO APPROPRIATE LOAN FROM CSA REVOLVING FUND TO SEWER MAINTENANCE DISTRICT 3 PER BOARD MEMO DATED 4/29/08.

Prepared by *Bayne* Ext 6803

Department Head _____
 Board of Supervisors _____

Date: 4/29/08
 Page: _____

Budget Revision # _____ FOR INDIVIDUAL DEPT USE

