



Meeting Date: 10/07/2008

ACTION	TYPE OF ITEM
<input type="checkbox"/> Approved Recommendation	<input checked="" type="checkbox"/> Info/Consent
<input type="checkbox"/> Ord. No(s). _____	<input type="checkbox"/> Report
<input type="checkbox"/> Res. No(s). _____	<input type="checkbox"/> Public Hearing (Info/consent)
<input type="checkbox"/> Other _____	<input type="checkbox"/> Other _____

Prepared By: Anthony Emmert, Water Resources Manager *ae* Agenda Item No. I-10

Reviewed By: City Manager *[Signature]* City Attorney *[Signature]* Finance *[Signature]* Other (Specify) *[Signature]*

DATE: September 29, 2008

TO: City Council

FROM: Mark Norris, Assistant Public Works Director *[Signature]*
Public Works Department, Utilities Services Branch

SUBJECT: Appropriation of Interest Earnings Revenue for the Construction of the Wastewater Treatment Plant Headworks Project, Redwood Trunk Project and Septic Conversion Project

RECOMMENDATION

That City Council:

1. Approve the appropriation of \$137,474 of interest earnings from the Wastewater Revenue Bonds 2004 Series A and \$12,526 of interest earnings from the Wastewater Revenue Bonds 2004 Series B to the Wastewater Treatment Plant Headworks Project budget.
2. Approve the appropriation of \$25,000 of interest earnings from the Wastewater Revenue Bonds 2004 Series A to the Redwood Trunk Project budget.
3. Approve the appropriation of \$50,386 of interest earnings from the Wastewater Revenue Bonds 2004 Series B to the Septic Conversion Project.

DISCUSSION

The Council-approved Wastewater Treatment Plant Headworks Project consisted of the construction of a new headworks facility and new influent pump station at the existing City of Oxnard Wastewater Treatment Plant, located at 6001 Perkins Road. The Project replaced existing aging plant infrastructure, increased operational efficiency and reliability, and will be able to meet expected future flows. The Headworks Project has been under construction for the past two years and is now nearing completion.

The City is processing two change orders for ARB, the City's general contractor, for the Headworks Project. The value of the change orders will exceed the budget for the project. The first change order is to resolve all outstanding field orders and Requests for Information (RFIs) and to resolve optional bid items. The second change order is to resolve the bond premium for all change orders, per City standard specification. The City is funding the Wastewater Treatment Plant Headworks Project with proceeds from the Wastewater Revenue Bonds 2004 Series A and B, and the Wastewater Revenue Bonds 2006.



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Interest earned on these bonds is appropriate to use to fund the Project. Staff recommends a special budget appropriation of \$150,000 in interest earnings from the Wastewater Revenue Bonds 2004 Series A and B to the project fund to cover the overage.

The City Council-approved Redwood Trunk Sewer Project consisted of the construction of 52,000 feet of new sewer pipeline that delivers wastewater flows to the City's Wastewater Treatment Plant. It will correct existing system deficiencies, address increased sewer capacity needs and meet current and future needs of the community and reduce long-term maintenance and operations costs. The project is nearing completion.

To cover miscellaneous costs necessary to close the Redwood Trunk Sewer Project, staff recommends a special budget appropriation of \$25,000 in interest earnings from the Wastewater Revenue Bonds 2004 Series A to the project fund. The City is funding the Redwood Trunk Sewer Project with proceeds from the Wastewater Revenue Bonds 2004 Series A. Interest earned on this bond is appropriate to use to fund the Project.

The Septic Conversion Project provides a way for property owners to comply with the California State Water Resources Control Board order to abandon private septic systems, by constructing extensions of the City wastewater collection system into the affected neighborhoods, and constructing laterals to each property. In 1999, the California Regional Water Quality Control Board (RWQCB), Los Angeles Region, issued Resolution No. 99-13, which prohibited the installation of new septic systems in the Forebay Basin and requires the removal of approximately 1,600 existing septic systems, in order to reduce nitrate contamination of drinking water groundwater aquifers. City neighborhoods directly affected by this resolution are the El Rio West Neighborhood and the College Park Neighborhood. The unincorporated El Rio and Strickland Acres neighborhoods are also affected by the resolution. In addition to the septic systems in the Forebay Basin, the McMillan Manor Tract in the Blackstock North Neighborhood and the Smith Tract in the Pleasant Valley Estates Neighborhood also utilize private septic systems for wastewater disposal. Removal of all the septic systems is of critical importance to all water users in the City, as it will eliminate a major source of contamination to the groundwater.

The Septic Conversion Project needs additional funding to install a sewer collection system in a remaining section of College Park. The City is funding the Septic Conversion Project with proceeds from the Wastewater Revenue Bonds 2004 Series B. Interest earned on this bond is appropriate to use to fund the Project. Staff recommends a special budget appropriation of \$50,386 in interest earnings from the Wastewater Revenue Bonds 2004 Series B to fund the final phase of construction.

FINANCIAL IMPACT

The proposed Special Budget Appropriation will appropriate interest revenue from Wastewater Revenue Bonds 2004 Series A and B earned in prior years as follows:

- \$150,000 to Wastewater Treatment Plant Headworks Project No. 046201 (621-6733-822-8605)
- \$25,000 to Redwood Trunk Sewer Project No. 916102 (611-6613-822-8605)
- \$50,386 to Septic Conversion Project No. 056101 (611-6620-822-8604)

AAE/JOH

Attachment #1 – Special Budget Appropriation

000082

CITY OF OXNARD

REQUEST FOR SPECIAL BUDGET APPROPRIATION

To the City Manager:

October 7, 2008

Request is hereby made for an appropriation of total

\$ 225,386

Reason for appropriation: To fund construction of the Headworks, Redwood Trunk and Septic Conversion Projects

<u>FUND</u>	<u>DESCRIPTION/ACCOUNT</u>	<u>AMOUNT</u>
Wastewater Operating (621)	WWTP - Headworks 621-6733 (046201) 822-8605 - Imp Not Bldg - Major Repair	<u>150,000</u>
Net Prior-Year Interest Earnings Estimated Change to Wastewater Fund Balance		<u>(150,000)</u>
Wastewater Operating (611)	Redwood Trunk 611-6613 (916102) 822-8605 - Imp Not Bldg - Major Repair	<u>25,000</u>
	Septic Conversion Project 611-6620 (056101) 822-8604 - Improve Not Bldg-New	<u>50,386</u>
Net Prior-Year Interest Earnings Estimated Change to Wastewater Fund Balance		<u>(75,386)</u>

[Signature]

 Manager

REQUIRES CITY COUNCIL APPROVAL

DIRECTOR OF FINANCE

[Signature]

Disposition	Approved _____
Transfer by Journal Voucher _____	Rejected _____
	_____ City Manager

