



Meeting Date: 11/03/09

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 Agenda Item No. I-5

Reviewed By: [Signature] City Manager [Signature] City Attorney [Signature] Finance [Signature] Public Works [Signature]

DATE: October 26, 2009

TO: City Council

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

SUBJECT: **Appropriation of Interest Earnings and Reallocation of Water Bond Proceeds for Groundwater Recovery Enhancement and Treatment (GREAT) Program Projects**

RECOMMENDATION

That City Council:

1. Approve the appropriation of:
 - (a) \$14,645 of interest earnings from the Water Revenue Project Bonds, Series 2006 to GREAT Program Project.
 - (b) \$51,315 of interest earnings from the Water Revenue Project Bonds, Series 2006 to GREAT Station #1 - Desalter Project.
2. Approve the transfer of \$535,459 of appropriations from the Blending Station Improvements Project to the Chemical Building #3 GREAT Program Project.

DISCUSSION

City Council authorized the sale, issuance, and delivery of two series of City of Oxnard Water Revenue Bonds, Series 2006 to finance the Groundwater Recovery Enhancement and Treatment (GREAT) Program, Automated Meter Reader (AMR) System Retrofit Project, and various other Water Resources Division projects.

Interest from the Water Revenue Project Bonds, Series 2006 is available for appropriation. Staff recommends appropriating \$14,645 to the GREAT Program Project and \$51,315 to the GREAT Station #1 - Desalter Project to cover miscellaneous costs necessary to close the two projects. The City funded the GREAT Program with proceeds from the Water Revenue Bonds; therefore, interest earned on these bonds is appropriate to use to fund the two Projects.

The GREAT Program is an innovative regional water resources project designed to improve the City's water system reliability and to meet its water supply needs through 2020. Chemical Building No. 3 is an essential component of the GREAT Program. The GREAT Program Brackish Water Desalter suite of projects at the City's Water Campus allows the City to produce and treat poor-quality groundwater in lieu of purchasing imported water. Construction of the Chemical Building No. 3 will meet the requirements of the California Department of Public Health, as per the City's November 2008 amended domestic water supply permit, with respect to corrosion control. It will also provide space for the optional future replacement of natural levels of fluoride.

Staff also recommends transferring \$535,459 in appropriations from the Blending Station Improvements Project to the Chemical Building #3 GREAT Program Project. This project was partially funded with Water Revenue Bonds, Series 2006 and transferring these appropriations to the Chemical Building #3 GREAT Program Project is appropriate.

FINANCIAL IMPACT

Interest earnings from the Water Revenue Bonds, Series 2006 in the amount of \$65,960 is recommended for appropriation as follows:

- \$14,645 to GREAT Program Project No. 016002 (601-6531-821-8604)
- \$51,315 to GREAT Station #1 - Desalter Project No. 066009 (601-6552-821-8604)

Staff also recommends the transfer of Water Project Bonds, Series 2006 appropriations in the amount of \$535,459 from the Blending Station Improvements Project No. 066001, Account No. 601-6539-821-8605 to the Chemical Building #3 GREAT Program Project No. 086503, Account No. 601-6584-826-8602.

AAE:joh

Attachment #1 - Special Budget Appropriation

CITY OF OXNARD

REQUEST FOR SPECIAL BUDGET APPROPRIATION

To the City Manager:

October 26, 2009

Request is hereby made for an appropriation of total \$ 601,419

Reason for appropriation: To fund Groundwater Recovery Enhancement and Treatment (GREAT) Program Projects

<u>FUND</u>	<u>DESCRIPTION/ACCOUNT</u>	<u>AMOUNT</u>
Water Operating (601)	GREAT Program 601-6531 (016002) 821-8604 - Improve Not Bldg - New	14,645
Water Operating (601)	GREAT Station #1 - Desalter 601-6552 (066009) 821-8604 - Improve Not Bldg - New	51,315
Net Prior-Year Interest Earnings Estimated Change to Water Fund Balance		65,960
Water Operating (601)	Blending Station Improvements 601-6539 (066001) 821-8605 - Imp Not Bldg - Major Repair	(535,459)
Water Operating (601)	Chemical Building #3 GREAT Program 601-6584 (086503) 826-8602 - Buildings - New	535,459
Net Estimated Change to Water Fund Balance		0



Manager

CHIEF FINANCIAL OFFICER

REQUIRES CITY COUNCIL APPROVAL



Disposition

Approved _____

Rejected _____

Transfer by Journal Voucher

City Manager