Meeting Date: 03/06/2012

ACTION	TYPE OF ITEM
☐ Approved Recommendation	■ Info/Consent
☐ Ord. No(s). _____	☐ Report
☐ Res. No(s). _____	☐ Public Hearing (Info/consent)
☐ Other _____	☐ Other _____

Prepared By: Anthony Emmert, Water Resources Manager _____ Agenda Item No. I-11

Reviewed By: City Manager _____ City Attorney SMF Finance _____ Public Works _____

DATE: February 23, 2012

TO: City Council

FROM: Rob Roshanian, Interim Public Works Director
Public Works Department

SUBJECT: **Appropriation of Wastewater Connection Fees from County of Ventura Service Area Number 34 for New Wastewater Services in El Rio for Debt Service Payments**

RECOMMENDATION

That Council approve a special budget appropriation for Wastewater Connection Fees from County of Ventura Service Area Number 34 in the El Rio area in the amount of $887,115 to Wastewater Collection Connection Fee Fund 613 and $2,361,970.80 to the Wastewater Treatment Connection Fee Fund 623 to be used for debt service payments.

DISCUSSION

The El Rio area is an unincorporated area of the County of Ventura (County) located adjacent to the City of Oxnard and overlaying the Oxnard Plain Forebay Groundwater Basin, which serves as the primary area of groundwater recharge for the Oxnard Plain. The California Regional Water Quality Control Board, Los Angeles Region (CRWQCB) determined that approximately 1,600 septic systems within the El Rio area contributed to groundwater contamination with pathogens and unsafe levels of nitrates and, as a result, prohibited any discharge from septic systems.

In response, the County established Service Area Number 34, for the purpose of designing, constructing, and operating a wastewater collection system to serve the El Rio area and facilitate elimination of the septic systems. In June 2005, the City and County entered into Agreement A-6510, which made provision for the County Service Area Number 34 Wastewater Collection System connection to the City of Oxnard Wastewater System as a regional user. Agreement A-6510 provides for a Wastewater Connection Fee of $3,539 per residential parcel for all parcels having existing septic systems. For all other El Rio area residential, commercial, industrial, and institutional development, the Agreement specified that connection fees would be the prevailing fees at the time connection is sought. The City recently received a connection fees payment from the County in the amount of $3,249,085.80. Staff recommends that the appropriate use of the funds is to make Wastewater debt service payments.

FINANCIAL IMPACT

The allocation of the connection fees for debt service payments per the attached Special Budget Appropriation will improve cash flow and fund balances for the Wastewater funds.

Attachment # 1 – Special Budget Appropriation

REQUEST FOR SPECIAL BUDGET APPROPRIATION

Department: Public Works **Date:** February 23, 2012

Project/Program Manager: Anthony Emmert **Phone:** 8111

Reason for Appropriation:

Recognize wastewater connection fee revenues and allocate to debt service payments

Accounts and Descriptions		AMOUNT
Fund: Wastewater Collection Connection Fee (613)		
Revenues/Transfers In		
Collection of Connection Fees		
613-6105-691.76-69	Connection Fee	887,115
	Sub-total Revenues	887,115
Expenditures/Transfers Out		
Debt Service		
613-6104-848.85-02	Bond Interst Payment	887,115
	Sub-total Expenditures	887,115
	Net Change to Fund Balance	**0**
Fund: Wastewater Treatment Connection Fee (623)		
Revenues/Transfers In		
Collection of Connection Fees		
623-6210-691.76-89	Connection Fee - Treatment	2,361,971
	Sub-total Revenues	2,361,971
Expenditures/Transfers Out		
Debt Service		
623-6206-896.85-01	Bond Principal Payment	2,361,971
	Sub-total Expenditures	2,361,971
	Net Change to Fund Balance	**0**
	Net Appropriation Change	**3,249,086**

Approvals

Department Director _____

Chief Financial Officer James Cameron

City Manager _____

REQUIRES CITY COUNCIL AUTHORIZATION