



Board Agenda Item 49

DATE: March 1, 2016

TO: Board of Supervisors

SUBMITTED BY: Bernard Jimenez, Interim Director
Department of Public Works & Planning

SUBJECT: Agreement to Temporarily Liquidate Excess Capacity Cost of County
Service Area 34 Wastewater Treatment Plant

RECOMMENDED ACTION(S):

Approve and authorize the Chairman to execute an Agreement with JPJ Incorporated to temporarily liquidate excess capacity operations and maintenance cost of County Service Area 34 wastewater treatment facilities in the amount of \$21.53 per month per connection for two years in County Service Area 34, Zone A (Brighton Crest) and Zone C (Bella Vista).

The recommended action will allow a certain developer owning property in the Millerton New Town (MNT) Plan Area to share in the operation and maintenance costs of the excess capacity in the County Service Area 34 (CSA 34) wastewater treatment plant (WWTP) that serves CSA 34, Zone A (CSA 34A), and CSA 34, Zone C (CSA 34C), in the amount of \$21.53 per connection per month for a period of two years starting July 1, 2016, and ending June 30, 2018. JPJ Incorporated (JPJ) is the only developer responsible for excess capacity cost with no maximum dollar amount as detailed in County Agreement 12-057.

ALTERNATIVE ACTION(S):

The Board may choose not to sign the agreement, or may direct staff to negotiate different terms for the agreement.

FISCAL IMPACT:

There is no net County cost associated with the recommended action. The wastewater treatment facility's operations and maintenance will be fully funded through service fees, assessments, and developer financing agreements, including ongoing contributions by JPJ.

DISCUSSION:

On December 19, 2000, the Board adopted the MNT Infrastructure Plan (Plan) for the MNT Infrastructure Plan Area (Plan Area), which is roughly coextensive with CSA 34. The Plan details the requirements for domestic water, wastewater, drainage, and reclaimed water use, and specifies the systems and facilities to be installed to serve planned developments, within the Plan Area. The Plan also provides implementation procedures for the installation and service of those systems and facilities, and establishes a method to spread the cost to developers owning land within the Plan Area for the construction, installation, and service of those systems and facilities.

The Plan requires the construction of a WWTP. After construction of the WWTP, the developers owning land in the Plan Area requested that the County accept and commission the facility with treatment capacity sufficient for full build-out of the Plan Area. The County accepted and commissioned the facility as the developers requested,

even though full build-out had not yet occurred, with the condition that the developers, or some of them, agreed to be financially responsible for the cost of the WWTP operations and maintenance, including the capacity that exceeds what is required for current build-out, referred to in the proposed agreement as "Excess Capacity Cost."

Currently there is excess capacity in the WWTP, as the developers have not yet built out the planned communities within the Plan Area, and as shown in Exhibit A to Agreement 12-057 (Attachment A), approved by the Board on January 31, 2012. Under the currently proposed agreement, JPJ has sole financial responsibility for the Excess Capacity Cost, with no maximum dollar amount as detailed in County Agreement 12-057, until the developers have built out the planned communities in the Plan Area.

JPJ has agreed to liquidate or specify the Excess Capacity Cost at the amount of \$21.53 per connection per month for a period of two years starting on July 1, 2016, and ending on June 30, 2018. If excess capacity still exists after June 30, 2018, staff will engage the developer in determining solutions to continue to liquidate or specify the Excess Capacity Cost.

JPJ will be billed bi-monthly by the County in the amount of \$21.53 per month per connection, and per the agreement the County will receive payment within 30 days of receipt. If any payment is late, interest will accrue at the amount of 1.5 percent per month. This item is contingent upon the approval of the proposed sewer fees for CSA 34A and CSA 34C.

REFERENCE MATERIAL:

BAI # 25

ATTACHMENTS INCLUDED AND/OR ON FILE:

Attachment A
On file with the Clerk - Agreement

CAO ANALYST:

John Hays