



Board Agenda Item 56

DATE: September 13, 2016

TO: Board of Supervisors

SUBMITTED BY: Steven E. White, Director
Department of Public Works & Planning

SUBJECT: Budget Resolution for Waterworks District 40 - Shaver Springs

RECOMMENDED ACTION(S):

Adopt a Budget Resolution increasing the FY 2016-17 appropriations and estimated revenues in the amount of \$89,235 for Enterprise Fund, Waterworks District 40, Organization 9360. (4/5 vote)

The recommended action will increase Waterworks District 40, Shaver Springs (WWD 40) FY 2016-17 appropriations and estimated revenues to pay for the costs associated with a water system improvement project.

ALTERNATIVE ACTION(S):

Staff has not identified a viable alternative action. Declining to approve the recommended action will temporarily halt the current water system improvement project due to a lack of appropriated funds for Safe Drinking Water State Revolving Fund (SDWSRF) loan repayment.

FISCAL IMPACT:

There is no Net County Cost associated with the recommended action as all WWD 40 activities are funded through bi-monthly water fees, assessments, and interest earned on cash reserves. The costs associated with this action will be funded by revenue that will be received this fiscal year from assessments levied on the benefitting properties within WWD 40. Approval of the recommended action will increase the FY 2016-17 adopted appropriations and estimated revenues by \$89,235 in the Waterworks District 40 Org 9360 to pay for costs associated with the ongoing water system improvement project.

DISCUSSION:

WWD 40 was formed on July 27, 1971 to provide community water and wastewater service for the Shaver Springs subdivision (Tract 2282). WWD 40 is located approximately five miles southwest of Shaver Lake on Tollhouse Road (Exhibit A). The current water system is served entirely by three wells. Well 6 (Hancock Well) is the primary well, while the second well (Well 5) which was obtained prior to the Hancock Well, serves as a backup supply for the system. Beginning in August, 2004, both wells began to experience low output and were unable to produce the quantity of water necessary to supply WWD 40. In 2014 WWD 40 began purchasing water from a privately owned well. Additionally, the wells, including the private well, began experiencing radiological contamination and arsenic levels that exceed the maximum contaminant levels.

On May 20, 2014, in accordance with Proposition 218, your Board conducted a protest hearing concerning the levying of an assessment on properties within WWD 40 to secure Safe Drinking Water State Revolving Fund (SDWSRF) loans for both planning and construction financing. No majority protest was presented at the hearing

and your Board adopted a resolution imposing an assessment on properties within WWD 40 for the purpose of securing repayment of SDWSRF loans. The assessment adopted on May 20, 2014 secured both a SDWSRF planning loan and a SDWSRF construction loan.

As a condition of funding, on June 3, 2014, your Board adopted Resolution 14-203 dedicating a portion of the revenues gained from the assessment levied on benefitting properties within WWD 40 to the payment of any and all SDWSRF financing used in the planning of improvements to the potable water supply and distribution system.

The additional assessment revenue approved through the Proposition 218 process was inadvertently left out of the WWD 40 FY 2016-17 adopted budget. For the reasons cited above, the WWD 40 estimated revenues and appropriations are requested to be increased.

REFERENCE MATERIAL:

BAI #17 - May 20, 2014 - Resolution 14-195

BAI #38 - June 3, 2014 - Resolution 14-203

ATTACHMENTS INCLUDED AND/OR ON FILE:

Exhibit A

On file with the Clerk - Budget Resolution

CAO ANALYST:

John Hays