



Board Agenda Item 39

DATE: January 31, 2017

TO: Board of Supervisors

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

SUBJECT: CSA 34 Budget Resolution

RECOMMENDED ACTION(S):

Adopt Budget Resolution increasing the FY 2016-17 appropriations and estimated revenues for County Service Area 34-Millerton Org 9174 in the amount of \$127,180 (4/5 vote)

The Board's approval of the recommended action will increase the FY 2016-17 appropriations and estimated revenues by \$127,180 in the County Service Area 34-Millerton Org 9174 to account for expenditures for the repair of an electrical failure to the Motor Control Center that services the Millerton Lake pumping system that occurred on August 22, 2016, using funds received from an insurance claim reimbursement for the repair completed on September 8, 2016.

ALTERNATIVE ACTION(S):

Staff has not identified any viable alternative. If the recommended action is not approved, CSA 34 will lack the needed appropriations to pay outstanding obligations.

FISCAL IMPACT:

There is no Net County Cost associated with the recommended action. Approval of the recommended action will increase the FY 2016-17 appropriations and estimated revenues by \$127,180 in the County Service Area 34-Millerton Org 9174 to fund costs related to the electrical failure in the Millerton Lake pumping system, using funds received from an insurance claim reimbursement. All CSA 34 activities for the Millerton Lake pump ready-to-serve maintenance services are funded through assessments and interest earned on cash reserves for that special district.

DISCUSSION:

CSA 34 was formed in 1988 to provide various community services for the development of "Millerton New Town," which consists of 1,420 acres lying on the north and south sides of Millerton Road, to the south of Millerton Lake (see Exhibit A Map). Zone A of CSA 34 (CSA 34A) was formed in 1989 to provide community water and wastewater, street sweeping and street lighting services for the development of "Brighton Crest," which consists of 442 acres lying on the south side of Millerton Road. Zone C of CSA 34 (CSA 34C) was formed in 2004 to provide community water and wastewater, road maintenance, street lighting, common area landscaping and open space maintenance services for the development of "Bella Vista," which consists of approximately 49 acres lying on the south side of Millerton Road.

On August 22, 2016, CSA 34 experienced a catastrophic electrical failure to the electrical system that powers the Millerton Lake pumping system through the Motor Control Center. Electric Motor Shop (EMS) was called to

come out and assess the damage and found that two conductors faulted. EMS completed the repairs on September 8, 2016, for a total cost of \$96,749. During the repairs, 98% of the potable water provided to the residents was supplied by the CSA 34 backup well. The Eagle Mountain Golf Course was without water for four days until August 26, 2016, when CSA 34 rented a generator to provide raw water to the golf course. The total cost for the generator rental and fuel to run the generator during the repair was \$30,431.

The insurance claim was filed on September 27, 2016 and determined valid for reimbursement on November 9, 2016, in the amount of \$105,006, which includes a portion of lost revenue recovery that CSA 34 Zone A Org 9181 was unable to collect in raw water fees during the four days that CSA 34 was unable to provide water to the golf course. The lost revenue was based on an analysis of the last three years of golf course raw water usage in the month of August. The insurance paid out \$8,257 toward the lost revenue and shall be deposited into CSA 34 Zone A Org 9181. On December 7, 2016, the insurance approved the reimbursement of the emergency generator cost of \$30,431 for a total insurance reimbursement of \$135,437.

For the reasons cited above, FY 2016-17 appropriations for CSA 34 Org 9174 are requested to be increased. If the proposed budget resolution is approved, the FY 2016-17 appropriations for CSA 34-Millerton Org 9174 will increase in the amount of \$127,180, (\$96,749) for the total repair expense and (\$30,431) for the emergency generator rental, and estimated revenues will increase in the amount of \$127,180 for the total reimbursement received from the insurance claim for the repair and emergency generator rental.

ATTACHMENTS INCLUDED AND/OR ON FILE:

Exhibit A

On file with Clerk - Budget Resolution

CAO ANALYST:

John Hays