



Legislation Details (With Text)

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Title: ***RESOLUTION - 51st amendment to the Annual Appropriation Resolution (AAR) No. 2016-118 appropriating \$681,700 in the Water Connection Charge Fund for completion of water system connection projects (Citywide) (Requires 5 affirmative votes)
Sponsors: Department of Public Utilities
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Attachments: 1. 17 51st Complete Water Connect Prjts SAM.pdf

Date	Ver.	Action By	Action	Result
5/11/2017	1	City Council	approved	Pass

REPORT TO THE CITY COUNCIL

May 11, 2017

FROM: THOMAS C. ESQUEDA, Director
Department of Public Utilities

THROUGH: ARTHUR "BUD" TICKEL, Water System Manager
Department of Public Utilities, Water Division

BY: HENRY McLAUGHLIN, Business Manager
Department of Public Utilities - Water Division

SUBJECT

***RESOLUTION - 51st amendment to the Annual Appropriation Resolution (AAR) No. 2016-118 appropriating \$681,700 in the Water Connection Charge Fund for completion of water system connection projects (Citywide) (Requires 5 affirmative votes)

Staff recommends that the City Council adopt the 51st Amendment to the Annual Appropriation Resolution No. 2016-118 to appropriate an additional \$681,700 in the Water Connection Charge Fund to provide for completion of water system connection projects.

EXECUTIVE SUMMARY

The Water Connection Charge Fund has been established to receive and disburse fees for the construction of infrastructure to connect properties to the Water System. As part of the adoption of the FY 2017 Budget, appropriations of \$1,901,200 were included in this fund for connection related projects. These were based on estimates of activity based on prior year averages with a percentage for growth. The actual expenditures have exceeded this amount, which is attributable to increased development activity. Additional funding of \$681,700 for a total of \$2,582,900 in appropriations is needed to complete water system connection projects in FY 2017.

BACKGROUND

The Water Connection Charge Fund, codified in the Fresno Municipal Code, receives revenue obtained from transmission grid main charges, frontage charges and service connection charges that are expended for acquisition, construction and reconstruction of the city water system. During the preparation of the FY 2017 budget, requested appropriations of \$1,901,200 were based on taking an average of prior year expenditures and adding in a percentage for anticipated growth. This request was subsequently approved by the City Council as part of the adoption of the FY 2017 budget. During the fiscal year, expenditures for installing services have exceeded the budgeted amount and are expected to continue at the current rate. This is due to higher than anticipated development activity. Therefore, it is requested that additional funding from retained earnings totaling \$631,700 be appropriated for project charges that have already been incurred, but have yet to be posted and an estimate for additional projects that will be completed before the end of the fiscal year. This funding is from developers and other customers who have previously paid connection fees which were deposited in this fund.

In addition, on December 8, 2016, the City Council adopted Ordinance No. 2016-53 which expanded the water connection loan program to include funding for private service lines and well destruction (in addition to the existing deferral of water connection fees). A total of \$50,000 is requested.

Adoption of this amendment to the AAR will result in total appropriations of \$2,582,900.

ENVIRONMENTAL FINDINGS

This item does not constitute a project pursuant to California Environmental Quality Act (CEQA) Section 15378.

LOCAL PREFERENCE

Local preference is not implicated because this item does not involve the competitive process.

FISCAL IMPACT

This action will not impact the General Fund or the Water Enterprise Fund. The projects in the Water Connection Charge Fund are all fully funded through water connection fees paid by developers and other customers.

Attachment:
51st Amendment to AAR