

AGENDA ITEM NO. 1 A
COUNCIL MEETING: 2/25/2010
APPROVED BY _____

DEPARTMENT DIRECTOR _____
CITY MANAGER _____

February 25, 2010

FROM: RENE A. RAMIREZ, Director 
Department of Public Utilities

BY: LON M. MARTIN, Assistant Director
Department of Public Utilities - Administration

SUBJECT: A RESOLUTION OF THE COUNCIL OF THE CITY OF FRESNO ADOPTING THE 54th AMENDMENT TO THE ANNUAL APPROPRIATION RESOLUTION NO. 2009-149 APPROPRIATING \$294,200 IN URBAN GROWTH MANAGEMENT (UGM) 101S 1994 BOND DEBT SERVICE FEE FOR REIMBURSEMENT TO VARIOUS DEVELOPERS IN THE COPPER RIVER RANCH DEVELOPMENT

RECOMMENDATION

Staff recommends that Council adopt the 54th Amendment to the Annual Appropriation Resolution No. 2009-149 to appropriate \$294,170 in the UGM 101s 1994 bond debt service fee for reimbursement to various developers in the Copper River Ranch development.

EXECUTIVE SUMMARY

Upon annexation of the Copper River Ranch Development into the City of Fresno, the City and Developer intended to expand the UGM 101s area. As development occurred fees were paid in advance to the official boundary and analysis being conducted. Last year, the Department of Public Utilities initiated a fee study to expand the area and adjust the fees. After thorough review of the water supply plan developed for Copper River Ranch that identified a self sustaining water supply using ground water recharge and reclaimed recycled water; it was determined that the UGM system for water supply infrastructure was not needed. As development takes place the developer has been and will continue to be required to construct the appropriate infrastructure as identified in their water supply plan. The UGM system did not require expansion, therefore the developer should not be required to pay the 1994 bond debt service fee as a result they will not be reimbursed for any water supply infrastructure they construct.

BACKGROUND

The UGM process, codified in the Fresno Municipal Code, is intended to sustain the orderly development of land and infrastructure in the growth areas of the City. It has been a long-standing City policy that growth should pay for the necessary public utilities required for development, and existing rate payers are not to subsidize these facilities. Prior to Copper River Ranch (CCR) being annexed a detailed water supply plan was required. This region is known for its limited groundwater supply. A comprehensive water supply plan was conducted incorporating ground water recharge and use of reclaimed recycled water to offset their groundwater demand to ensure the area does not overdraft the groundwater.

Originally it was assumed that the UGM 101s area would be expanded to include CCR and assumed that when the City's sphere was changed that the UGM 101s boundary changed simultaneously. Therefore, CCR

paid the appropriate UGM 101s fees upon entitlement of their projects. Upon consultation with the Planning and Development Department it was determined that a separate Council approval was required to change the UGM 101s boundary.

Bartle Wells Associates was brought on board to evaluate the costs for new infrastructure to supply CCR development plus the infrastructure needed to supply the remaining portions of the UGM 101s area. During the development of the nexus analysis, the CCR water supply plan was referenced. Based on the CCR water supply plan, the water supply infrastructure needed for CCR did not provide any additional benefit to area outside CCR or other portions of the City. Based on this logic there is no reason to expand the UGM system for water infrastructure.

As a result of this determination CCR developments will not be required to pay the UGM Water Supply fee(s) or the 1994 Bond Debt Service fee. Additionally, they will be required to construct the water supply infrastructure according to the water supply plan and will not be reimbursed for any water supply infrastructure they construct. Therefore, the amendment to the appropriations resolution allows the City to reimburse CCR developers for the 1994 Bond Debt Service fee's they have paid.

FISCAL IMPACT

There will be no impact to the General Fund or the Water Enterprise Fund. The City is reimbursing fees that were collected and now not deemed necessary.

RESOLUTION NO. _____

A RESOLUTION OF THE COUNCIL OF THE CITY OF FRESNO ADOPTING THE 54th AMENDMENT TO THE ANNUAL APPROPRIATION RESOLUTION NO. 2009-149 APPROPRIATING \$294,200 FOR REIMBURSEMENT OF UGM 101-S 1994 BOND DEBT SERVICE FEES TO DEVELOPERS IN THE COPPER RIVER RANCH DEVELOPMENT

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF FRESNO:

THAT PART III of the Annual Appropriation Resolution No. 2009-149 be and is hereby amended as follows:

	<u>Increase/(Decrease)</u>
TO: PUBLIC WORKS DEPARTMENT	
UGM Bond Debt Service Area 101-S	\$ 294,200

THAT account titles and numbers requiring adjustment by this Resolution are as follows:

Water Enterprise

Retained Earnings:

Account: 25300 Unreserved/Undesignated	\$ <u>294,200</u>
Fund: 40101	
Org Unit: 411001	

Total Retained Earnings	\$ <u>294,200</u>
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Revenues:

Account: 44910 Transfer To Other Fund	\$ <u>(294,200)</u>
Fund: 40101	
Org Unit: 411001	

Total Revenues	\$ <u>(294,200)</u>
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UGM-Bond Debt Serv Area 101-S

Revenues:

Account: 43910 Transfers From Other Fund	\$ <u>294,200</u>
Fund: 40148	
Org Unit: 185001	

Total Revenues	\$ <u>294,200</u>
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Appropriations:

Account: **58018** Refunds & Claims

\$ 294,200

Fund: **40148**

Org Unit: **185001**

Project: **PW00261**

CS: **SQ002**

Total Appropriations

\$ 294,200

THAT the purpose is to appropriate \$294,200 for the reimbursement of UGM 101s 1994 Bond Debt Service fees to developers in the Copper River Ranch Development.

CLERK'S CERTIFICATION

STATE OF CALIFORNIA }
COUNTY OF FRESNO } ss.
CITY OF FRESNO }

I, REBECCA E. KLISCH, City Clerk of the City of Fresno, certify that the foregoing Resolution was adopted by the Council of the City of Fresno, California, at a regular meeting thereof, held on the _____ Day of _____, 2010

AYES:

NOES:

ABSENT:

ABSTAIN:

Mayor Approval: _____, 2010
Mayor Approval/No Return: _____, 2010
Mayor Veto: _____, 2010
Council Override Veto: _____, 2010

REBECCA E. KLISCH
City Clerk
