

San José-Santa Clara Treatment Plant Capital Fund

Fund 512

PURPOSE OF THE FUND:

The San José-Santa Clara Treatment Plant Capital Fund accounts for capital projects related to the San José-Santa Clara Water Pollution Control Plant (WPCP), including the South Bay Water Recycling System, and is governed by the March 30, 1959 Treatment Plant Master Agreement between the City of San José and the City of Santa Clara and Master Agreements with each of the Plant tributary agencies. The moneys deposited in this fund shall be used to pay the costs and expenses incurred in connection with the acquisition, construction or development of any future capital assets at the WPCP, including the South Bay Water Recycling System. Furthermore, the funding/fund balance of this fund is based on each participating agency's proportional share of the budget for capital costs for the WPCP as apportioned to treatment parameters and as recommended by the Treatment Plant Advisory Committee (TPAC) and approved by the City of San José, the administering agency.

AUTHORITY FOR THE FUND:

This fund is required under the 1959 Treatment Plant Master Agreement and tributary agency Master Agreements. Revenue and expenditure estimates are budgeted via City Council funding sources resolution and appropriation ordinance, respectively.

SOURCE OF FUNDS:

- Transfers from Fund 541, Sewer Service and Use Charge Fund
- Contributions from other participating tributary agencies
- Interest earnings
- Transfers from other funds
- Grants
- Bond proceeds

FUND RESTRICTIONS:

Fee increases and changes to the usage of Sewer Service and Use Charge revenue that is transferred to the Treatment Plant Capital Fund are subject to Proposition 218 requirements.

Funds in the San José-Santa Clara Treatment Plant Operating Fund are subject to the restrictions stated in the 1959 Treatment Plant Master Agreement and tributary agency Master Agreements.

LEAD RESPONSIBILITY:

Environmental Services Department

**San José-Santa Clara Treatment
Plant Capital Fund****Fund 512****FINANCIAL INFORMATION AND LOCATION:****Comprehensive Annual Financial Report (CAFR) Designation:**

Proprietary Fund-Enterprise

Budget Location:

Adopted Capital Budget and Capital Improvement Program (Water Pollution Control Capital Program)

Funding Sources Resolution and Appropriation Ordinance Location:

Section 3.02

NOTES:

This fund also contains a reserve for renewal and replacement of equipment as legally required by the Bond Covenant for the current outstanding bonds. This money may not be used for future capital costs.

The following funds are memo funds to the San Jose- Santa Clara Treatment Plant Capital Fund:

- South Bay Water Recycling Fund (Fund 530)
- Treatment Plant Renewal and Replacement Reserve Fund (Fund 531)
- South Bay Water Recycling Project Grant Fund (534)
- ARRA-Water Program/SJ Area Water Reclamation & Reuse Fund (561)