



TRIUNFO SANITATION DISTRICT

A PUBLIC AGENCY

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March 25, 2019

Board of Directors
Triunfo Sanitation District
Ventura County, California

FY 2018-19 ADDITIONAL BUDGET APPROPRIATIONS RELATED TO THE TRIUNFO/LAS VIRGENES JPA AND DIRECTION ON A PROCESS FOR FUTURE BUDGET ADJUSTMENTS RELATED TO THE JPA

Summary

The District recently received the FY 2018-19 invoice related to the advance requirements for Triunfo/Las Virgenes JPA activity. This invoice amount exceeds Triunfo's Adopted Budget for this item by approximately \$230,000. The reason for the shortfall is that the Triunfo appropriates funds for JPA activities based on the approved JPA Budget. However, it has recently come to staff's attention that the actual funding needed each year includes supplemental budget appropriations for the prior fiscal year, in addition to the current year's adopted budget.

In FY 2017-18 the JPA Board approved a total of \$1,306,780 in supplemental budget appropriations after the FY 2017-18 JPA Budget was approved (list appropriations included as Attachment 1). As a result of these supplemental appropriations, Triunfo's financial responsibility grew by \$372,528 for FY 2017-18. The JPA however, bills Triunfo in the following fiscal year for all supplemental appropriations in combination with a true-up of prior year actual to budget activity, which resulted in the net budget shortfall of approximately \$230,000.

The allocation and billing process described above may require some significant adjustments each year to the Triunfo budget, depending on the prior year supplemental appropriation activity of the JPA. It is staff's recommendation to implement a budget adjustment process that allows Triunfo to recognize its financial responsibility for JPA activity soon after actions are taken by the JPA's Board that affect Triunfo's financial obligations. This process would entail having the Triunfo Board consider making supplemental appropriations at the next meeting following changes to the JPA budget.

Under the proposed budget adjustment process, the Triunfo Board would also consider amending the FY 2018-19 Adopted Budget for an additional \$943,674 to cover supplemental appropriations already approved by the JPA thus far in the current fiscal year (list appropriations included as Attachment 2). These new appropriations would then

be carried forward to FY 2019-20 and therefore available to cover the costs when invoiced by the JPA, which typically occurs in the fall.

Additionally because of the possibly significant adjustments to the JPA's budgets over the past couple of years, it may be a good idea to revisit the current rate analysis. The review would be done to ensure that the rate structure adopted will provide adequate cashflow to cover the additional funding requirements approved.

If you have any questions or concerns about this item, please contact me by e-mail at TinaRivera@vrsd.com or by telephone at 805-658-4646.

Fiscal Impact

Approval of appropriations recommended would reduce existing cash balance shortly. A review of the rate analysis would be necessary to ensure that future cashflow needs can be met under the current rate structure.


Recommendation

It is recommended that the Board:

- A. Approve a supplemental appropriations of \$230,000;
- B. Direct staff to implement a process that allows the Triunfo Board to adjust the Triunfo budget soon after JPA makes adjustments;
- C. Approve a supplemental appropriation of \$943,674;
- D. Direct staff to revisit the current rate analysis.


ALVERTINA RIVERA - DIRECTOR OF FINANCE

REVIEWED AND APPROVED:


Mark Norris, General Manager

Attachment: 1) List of JPA supplemental appropriations for FY 2017-18
2) List of JPA supplemental appropriations for FY 2018-19

ATTACHMENT #1
JPA Supplemental Appropriations for FY 2017-18

JPA Projects funded by Triunfo Sanitaton District	Total Cost	Percent	Cost Share
RLV Raw Sludge Wet Well Recirculation Modifications	\$ 240,328	29.4%	\$ 70,656.43
Digester #1 Rehabilitation Project	\$ 709,788	29.4%	\$ 208,677.67
Tapia Tanks #4-5 Rehab	\$ (790,000)	29.4%	\$ (232,260.00)
Tapia Sluice Gates&Drv Repl. 17-18	\$ (556,600)	29.4%	\$ (163,640.40)
Tapia Grit&Skimng Pipeline Repl	\$ (202,500)	29.4%	\$ (59,535.00)
Tapia Rehab FY 17-18	\$1,549,100	29.4%	\$ 455,435.40
Hilton Foundation Solar Carport System	\$ 300,000	29.4%	\$ 88,200.00
RLV Raw Sludge Wet Well Recirculation Modifications	\$ 16,987	29.4%	\$ 4,994.18
TOTAL			\$ 372,528.28

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ATTACHMENT #2
JPA Supplemental Appropriations for FY 2018-19

JPA Projects funded by Triunfo Sanitaton District	Total Cost	Percent	Cost Share
10608 RLV Amendment Bin & Conveyance Mods	\$ 381,868	29.4%	\$ 112,269.19
10565 Digester #1 Rehabilitation Project	\$ 77,257	29.4%	\$ 22,713.56
10687 Rancho Lighting Efficiency Upgrade Project	\$ 362,968	29.4%	\$ 106,712.59
10688 Rancho Solar Generation Ph. II	\$ 208,557	29.4%	\$ 61,315.76
10688 Rancho Solar Generation Ph. II	\$ 189,998	29.4%	\$ 55,859.41
10626 Tapia Process Air Improvements Project	\$ 1,989,126	29.4%	\$ 584,803.04
TOTAL			\$ 943,673.56

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