



Providing Outstanding Service Since 1963

Board of Directors

Janna Orkney, Chair
Susan Pan, Vice Chair
Leon Shapiro, Director
Raymond Tjulander, Director
James Wall, Director

October 28, 2019

Board of Directors
Triunfo Water & Sanitation District
Ventura County, California

BUDGET ADJUSTMENTS FOR FY 2019-2020

Summary

Staff is requesting the Triunfo Water & Sanitation District (District) Board consider:

- A. Authorizing the transfer of \$46,641 allocated for the Rate Study to cover \$16,297 for Website redesign and \$30,344 for additional costs of the core management team contracts; and
- B. Allocating \$50,000 of Wastewater funds to cover litigation related legal costs.

Analysis

After a thorough review of the recent actions taken by the Board, staff determined that previous cost estimates for the implementation of the core management team were underestimated by \$30,344 (presented as \$17,500, actual of \$47,844 due to a miscalculation of available hours), while the \$2,000 allocation included in the adopted budget for website redesign was short \$16,297 of covering the contract approved.

Staff was able to identify savings in the adopted budget of \$46,641 related to the rate study which was budgeted for \$125,000 and came in at \$78,359 (including VRSD administrative charge).

Additionally, a review of legal fees has identified the need for an additional appropriation of \$50,000 to cover legal expenses.

Lastly, attached to this report (Attachment 1) is a graph depicting legal costs by category over the past 5-years. This information is being provided in response to the request by Director Shapiro. As depicted by the graph, legal fees have increased significantly over the past 5-years and in the current year are expected to exceed the budget allocation of \$63,000. The significant increase in legal fees is primarily associated with a wastewater lawsuit that began in FY 16-17 and continued into FY17-18 and FY18-19 and concluding in the current year.

Since over \$44,000 of the budgeted \$63,000 have already been spent in the current year on unanticipated legal costs, a request for an additional appropriation of \$50,000 is recommended to cover projected legal expenses for the remainder of FY19-20.

Please contact me at 805-658-4646 or email tinarivera@vrsd.com if you have any questions or need additional information.

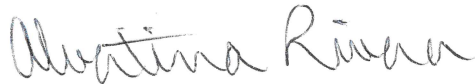
Fiscal Impact

The projected transfers have a zero net impact on the District's adopted budget as a whole, although impact to different enterprises will vary. Future budgets will experience increases of approximately \$47,844 per year should the District extend the core management contracts at similar amounts.

Recommendation

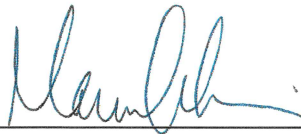
It is recommended that the Board approve:

- A. The transfer of \$46,641 from the Rate Study allocation to cover \$16,297 the Website redesign and \$30,344 core management team contract costs; and
- B. An additional allocation of \$50,000 for legal fees in the Wastewater fund.



ALVERTINA RIVERA – DIRECTOR OF FINANCE

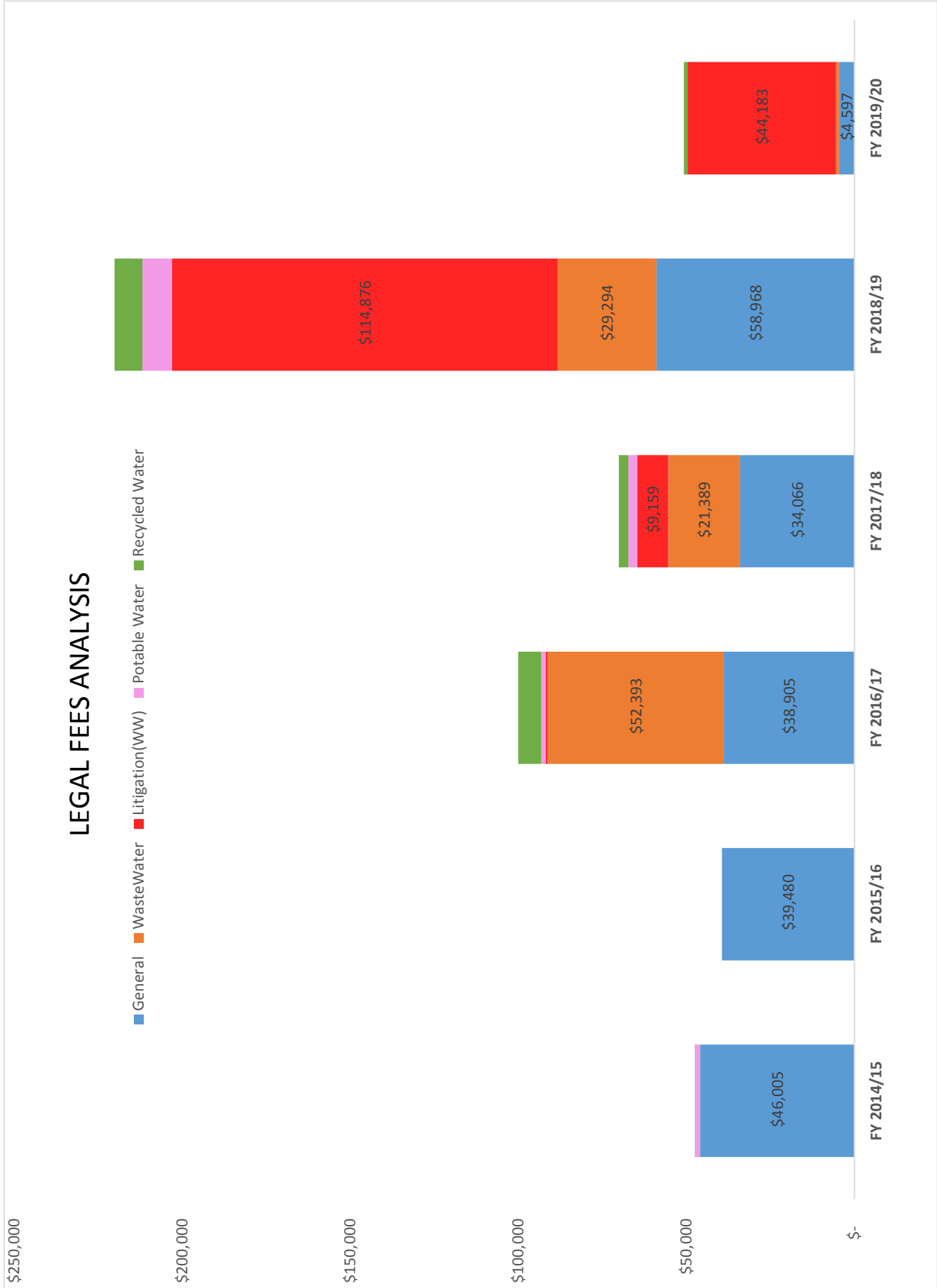
REVIEWED AND APPROVED:



Mark Norris - General Manager

Attachments: 1. Legal Fees Analysis

LEGAL FEES ANALYSIS



This page is intentionally blank