



**RESOURCE
MANAGEMENT AGENCY
COUNTY OF TULARE
AGENDA ITEM**

BOARD OF SUPERVISORS

KUYLER CROCKER
District One

PETE VANDER POEL
District Two

AMY SHUKLIAN
District Three

J. STEVEN WORTHLEY
District Four

MIKE ENNIS
District Five

AGENDA DATE: June 27, 2017

| | | | | |
|---|-----|-------------------------------------|-----|-------------------------------------|
| Public Hearing Required | Yes | <input type="checkbox"/> | N/A | <input checked="" type="checkbox"/> |
| Scheduled Public Hearing w/Clerk | Yes | <input type="checkbox"/> | N/A | <input checked="" type="checkbox"/> |
| Published Notice Required | Yes | <input type="checkbox"/> | N/A | <input checked="" type="checkbox"/> |
| Advertised Published Notice | Yes | <input type="checkbox"/> | N/A | <input checked="" type="checkbox"/> |
| Meet & Confer Required | Yes | <input type="checkbox"/> | N/A | <input checked="" type="checkbox"/> |
| Electronic file(s) has been sent | Yes | <input checked="" type="checkbox"/> | N/A | <input type="checkbox"/> |
| Budget Transfer (Aud 308) attached | Yes | <input checked="" type="checkbox"/> | N/A | <input type="checkbox"/> |
| Personnel Resolution attached | Yes | <input type="checkbox"/> | N/A | <input checked="" type="checkbox"/> |
| Agreements are attached and signature line for Chairman is marked with tab(s)/flag(s) | Yes | <input type="checkbox"/> | N/A | <input checked="" type="checkbox"/> |

CONTACT PERSON: Celeste Perez PHONE: (559) 624-7010

SUBJECT: Fiscal Year 2017/2018 Operating Budget for the Seville Water Company

REQUEST(S):
That the Board of Supervisors:
1. Approve the fiscal year 2017/2018 operating budget for the Seville Water Company (four-fifths vote required): and
2. Approve the necessary budget adjustments per the attached AUD 308 form.

SUMMARY:
The County of Tulare currently operates the Seville Water Company, a domestic water system for the Community of Seville, under court appointed receivership. As such, the County Board of Supervisors is required to approve the annual budget to allow the continued operation of the system, at a Net County Cost of \$13,291.

The Seville Water Company provides water to approximately 74 residential connections and the Stone Corral School. The County is currently in the process of completing a feasibility study including final engineering design for a new water distribution system in Seville and an associated physical and administrative consolidation with the Yettem water system Zone of Benefit. The project has been split into two phases for construction. The Phase I of construction (Seville Distribution System and Tank) will be funded with Prop 1b State Funds. The Phase II of construction (Yettem to Seville intertie well and meters) in Yettem will be funded with SRF funds. Construction of Phase I is scheduled to begin in the winter of 2017 and completed by the winter of 2018. The construction timeline for Phase II is not yet finalized. The ultimate goal of the current project is to establish a

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consolidated, sustainable, and independent Yettem-Seville Community Services District.

In the interim, the County is responsible for the maintenance and operations of the Seville Water Company system.

Chronology

On April 28, 2009, the Board of Supervisors approved the County of Tulare becoming the temporary receiver of the Seville Water Company located in the community of Seville.

On June 11, 2009, the Tulare County Superior Court of California (Court) approved Tulare County as the temporary receiver of the Seville Water Company.

Through multiple actions, the Court has approved extensions of the temporary receivership through June 30, 2017. The Board of Supervisors approved an extension of the temporary receivership through June 30, 2019, and we expect the Court will approve the extension prior to the expiration of current extension.

Rationale for Proposed Budget Action

The Seville Water Company is not part of the County Service Area; and as such, the Water Company's budget needs to be adopted outside the normal County budget approval and adoption process.

Therefore, the attached AUD 308 identifies the proposed appropriations for revenues and expenditures for the operation of the Seville Water Company for fiscal year 2017/2018 to be effective July 1, 2017. With such spending authority, the Water Company may continue to operate without budget constraints.

Active/Upcoming Grants for Future Action Benefitting the County

Importantly, Tulare County has received various grants related to the Seville Water Company. Two of these grants – that are still active – are identified as follows:

- In 2012, Tulare County received funding from the California Department of Public Health (CDPH) to identify a new source of water and design a new distribution system for the Seville water system. A portion of that grant intends to address alternative forms of governance such as the formation of a Community Service District.
- In 2013, Tulare County received funding from CDPH to prepare a feasibility study for the North Tulare County Regional Surface Water Treatment Plant Project. The 7 communities involved are currently exploring the different options for governance.
- In July 2016, the County submitted a funding application to the California State Water Resources Control Board for the construction of the Seville and Yettem Water System Project.

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The revenues and expenditures associated with these key grants are accounted for in the Seville Water Company budget.

FISCAL IMPACT/FINANCING:

The operating budget for the Seville Water Company includes a Net County Cost of \$13,291.


The objective of the budget is to operate the Seville Water Company, under receivership, at a minimal Net County Cost to the General Fund. Due to the poor condition of the distribution system and higher water pressures from recent upgrades, there were 6 leaks during fiscal year 2016/2017 with 2 causing system depressurization. Electrical issues and excessive water use have also caused various other system depressurization events during fiscal year 2016/2017. The proposed budget includes a request for adequate budget to respond to emergency depressurization events from leaks and electrical issues.

Resource Management Agency (RMA) staff is working with Water Dynamics, the contracted operator, on technical solutions to reduce the frequency of depressurization events. Additionally, RMA staff will be enforcing the watering ordinances to reduce the wasteful use of water by residents and minimize or eliminate system depressurization events caused by excessive use.


LINKAGE TO THE COUNTY OF TULARE STRATEGIC BUSINESS PLAN:

The County's five-year strategic plan includes a Quality of Life initiative to promote public health and improve environmental quality. Infrastructure improvements assist the Seville and Yettem water systems in meeting safe drinking water standards for its domestic water supply and decreases the contamination risk to human health, as well as the environment.

ADMINISTRATIVE SIGN-OFF:



Sherman Dix
Assistant Director – Fiscal Services



Reed Schenke, P.E.
Director

cc: Auditor-Controller
County Counsel
County Administrative Office (2)

Attachment(s): Attachment A – Vicinity Map
Attachment B – AUD 308 Budget Adjustment Form

**BEFORE THE BOARD OF SUPERVISORS
COUNTY OF TULARE, STATE OF CALIFORNIA**

IN THE MATTER OF FISCAL YEAR)
2017/2018 OPERATING BUDGET FOR) Resolution No. _____
THE SEVILLE WATER COMPANY)

UPON MOTION OF SUPERVISOR _____, SECONDED BY
SUPERVISOR _____, THE FOLLOWING WAS ADOPTED BY THE BOARD
OF SUPERVISORS, AT AN OFFICIAL MEETING HELD June 27, 2017, BY THE
FOLLOWING VOTE:

AYES:
NOES:
ABSTAIN:
ABSENT:

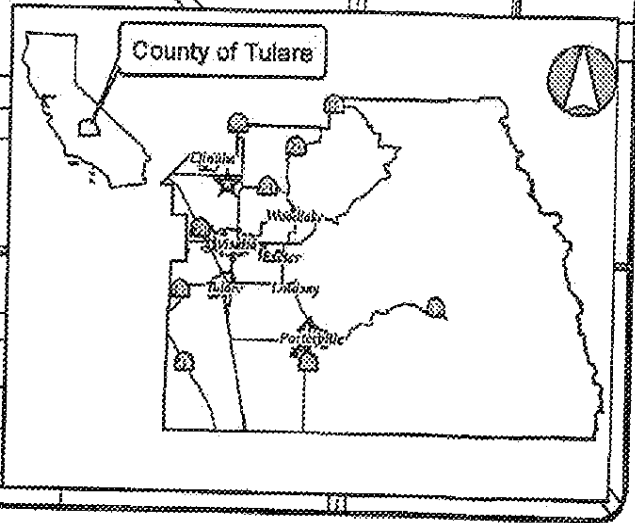
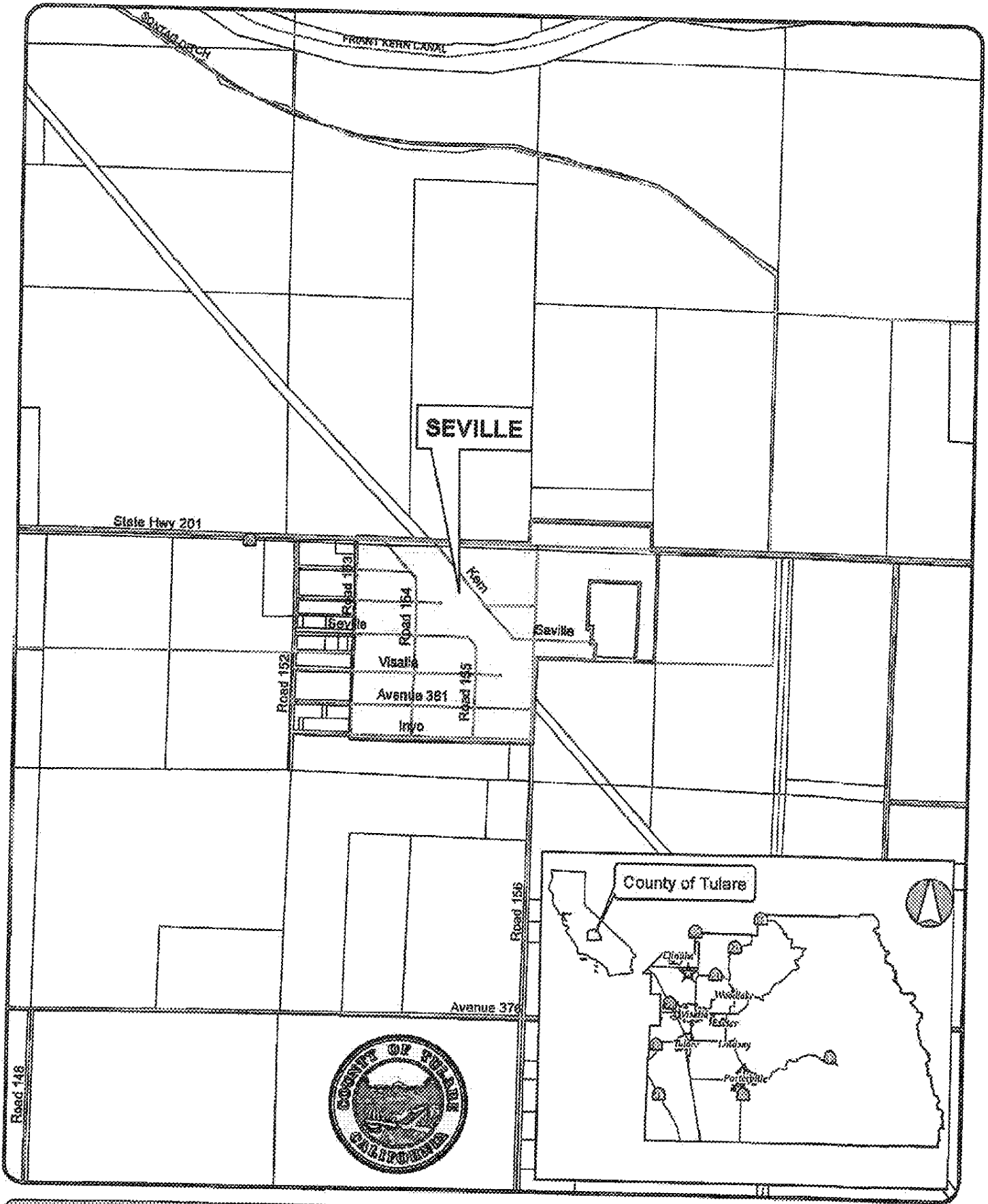
ATTEST: MICHAEL C. SPATA
COUNTY ADMINISTRATIVE OFFICER/
CLERK, BOARD OF SUPERVISORS

BY: _____
Deputy Clerk

1. Approved the fiscal year 2017/2018 operating budget for the Seville Water Company (four-fifths vote required); and
2. Approved the necessary budget adjustments per the attached AUD 308 form.

ATTACHMENT A

VICINITY MAP



ATTACHMENT B

SEVILLE WATER COMPANY BUDGET

AUD 308
BUDGET ADJUSTMENT FORM

AUD-308 - Budget Adjustment Form

10:25 AM

| | | | | | | | |
|------------|--|--------------------|--|-------------------|--|--------------------------------|--|
| 06/27/2017 | | | | 01/18 | | 2018 | |
| Date: | | Document ID Number | | Accounting Period | | Budget Fiscal Year | |
| | | | | RMA | | Sherman Dix 624-7030 | |
| | | | | Agency Name | | Contact Person Phone Extension | |

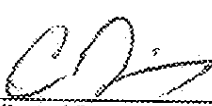
| Action** A,C,D | Fund | Dept | Appr # | LEVEL 1 Finish Here | | | Current Amount | Revised Amount | Inc / Dec Amt |
|-------------------|------|------|--------|---------------------|--|--|----------------|----------------|---------------|
| C | 798 | 798 | 798 | | | | | 1,302,813 | 1,302,813 |

Appropriations Total Need Not Equal Zero

| Action** A,C,D | Fund | Dept | Appr # | Unit | Object | Rev | LEVEL 2 Start Here | | | |
|-------------------|------|------|--------|------|--------|------|--------------------|---------|--------------|-----------|
| C | 798 | 798 | 798 | 2000 | 7021 | | | 41,990 | 41,990 | |
| C | 798 | 798 | 798 | 2000 | 7069 | | | 1,600 | 1,600 | |
| C | 798 | 798 | 798 | 2000 | 7068 | | | 2,925 | 2,925 | |
| C | 798 | 798 | 798 | 2000 | 7081 | | | 13,500 | 13,500 | |
| C | 798 | 798 | 798 | 2000 | 9306 | | | 8,558 | 8,558 | |
| C | 798 | 798 | 798 | 2000 | 9322 | | | 219 | 219 | |
| C | 798 | 798 | 798 | 2000 | | 4463 | | 1,000 | (1,000) | |
| C | 798 | 798 | 798 | 2000 | | 4901 | | 500 | (500) | |
| C | 798 | 798 | 798 | 2000 | | 5531 | | 54,000 | (54,000) | |
| C | 798 | 798 | 798 | 2000 | | 5561 | | 1 | (1) | |
| C | 798 | 798 | 798 | 2600 | 7043 | | | 337,260 | 337,260 | |
| C | 798 | 798 | 798 | 2600 | | 5080 | | 337,260 | (337,260) | |
| C | 798 | 798 | 798 | 2903 | 7065 | | | 239,400 | 239,400 | |
| C | 798 | 798 | 798 | 2903 | 9306 | | | 12,600 | 12,600 | |
| C | 798 | 798 | 798 | 2903 | | 5064 | | 252,000 | (252,000) | |
| Line Total | | | | | | | Must Equal Zero | \$ - | \$ 1,302,813 | \$ 13,291 |

Reason for Adjustment: (To Avoid Correspondence, State Reason in Detail)

To request Board action for approval of FY 2018 Seville Water Fund Budget. Fund 798, Unit 2000: Seville Water, Unit 2600: Prop 84 Water Feasibility Study, Unit 2903, Seville Bottled Water Grant


 Affected Dept Head Signature

Other Affected Dept Head Signature

| | |
|--|--|
| Checked By: _____ County Executive Office Action: No. _____ Date: _____ () Approved () Disapproved | Entered By: _____ Date: _____ Distribution: 1. BOS/CAC/Auditor |
| By: _____ Board of Supervisors Action: No. _____ Date: _____ | |

** Action Codes: A=Add, C=Change, D=Deactivate

* Whenever a 93XX account budget is adjusted, a corresponding 94XX account budget must be adjusted in the billing agency, except for 937s

* Whenever a 95XX account budget is adjusted, a corresponding 96XX account budget must be adjusted in the billing agency, and vice versa

* Whenever a 97XX account budget is adjusted, a corresponding 98XX account budget must be adjusted in the billing agency, and vice versa