



**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 26, 2018

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"/>
County Counsel Sign-Off	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 2018/2019 Operating Budget for the Seville Water Company

REQUEST(S):
That the Board of Supervisors:

1. Approve the fiscal year 2018/2019 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 \$63,606.

The Seville Water Company provides water to approximately 74 residential connections and the Stone Corral School. The County is about to begin construction of Phase I of the Yettem-Seville water project. Bidding is complete and the contract was awarded June 12, 2018. 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 consists of the Yettem to Seville intertie, well and meters. Construction of Phase I is scheduled to begin in the summer of 2018 and be completed in fiscal year 2018-19. The ultimate goal of the current project is to establish a consolidated, sustainable, and independent Yettem-Seville Community Services District.

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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, 2019.

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 2018/2019 to be effective July 1, 2018. 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.

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

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FISCAL IMPACT/FINANCING:

The operating budget for the Seville Water Company includes a Net County Cost of \$63,606.

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 system abnormal maintenance costs have been necessary. The proposed budget includes a request for adequate budget to respond to emergency events from leaks and electrical issues.

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



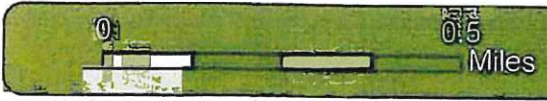
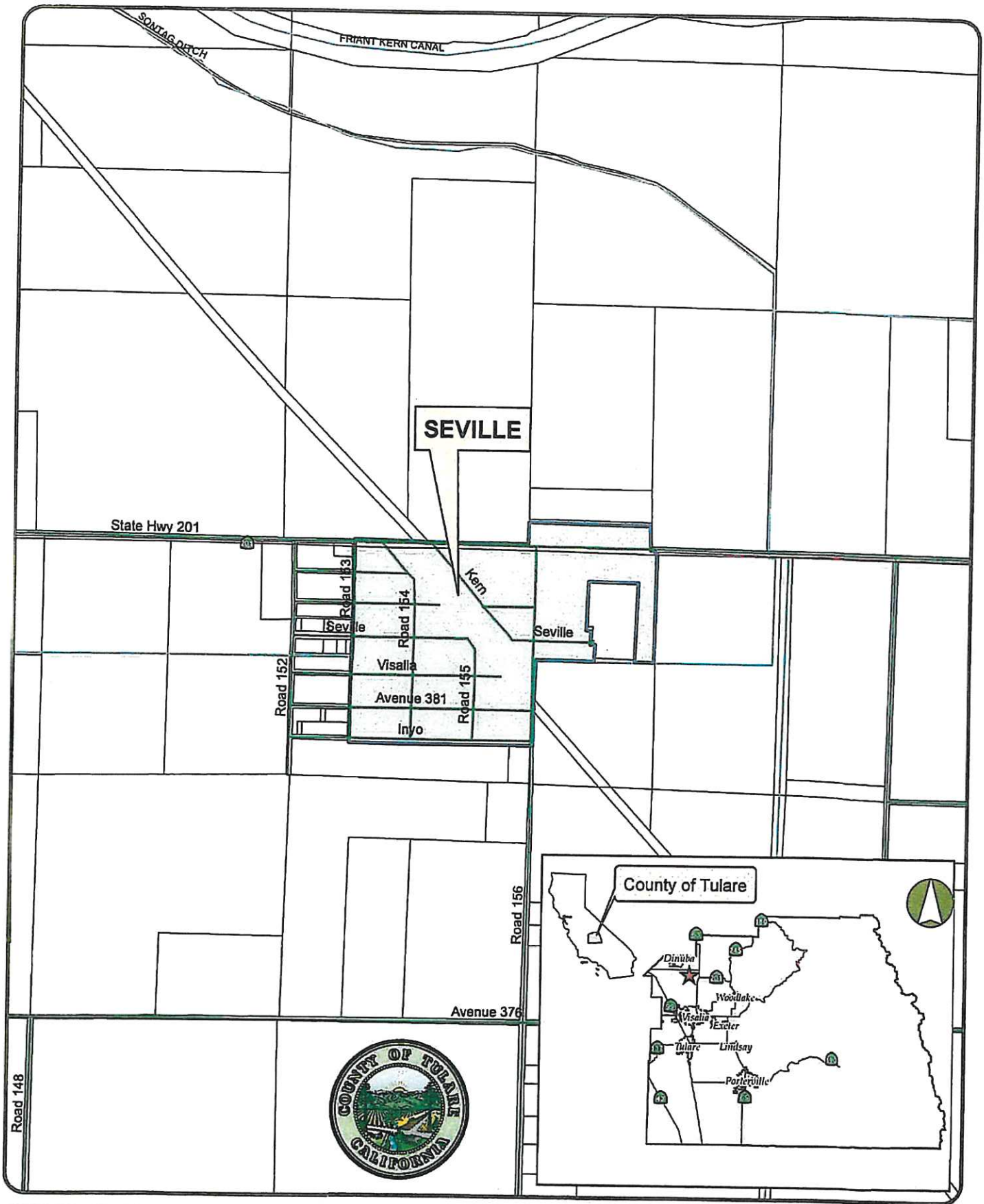
Reed Schenke, P.E.
Director

cc: County Administrative Office

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

ATTACHMENT A

VICINITY MAP



County of Tulare-Seville
Vicinity Map

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ATTACHMENT B

SEVILLE WATER COMPANY BUDGET

AUD 308
BUDGET ADJUSTMENT FORM

AUD-308 - Budget Adjustment Form 9:53 AM

06/26/2018		01/19		2019	
Date		Document ID Number		Budget Fiscal Year	
		RMA		Sherman Dix	
		Agency Name		624-7030	
		Contact Person		Phone	
				Extension	

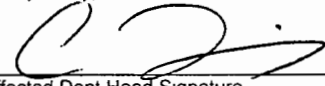
Action** A,C,D	Fund	Dept	Appr #				LEVEL 1 Finish Here	Current Amount	Revised Amount	Inc / Dec Amt
C	798	798	798						4,468,646	4,468,646
Appropriations Total							Need Not Equal Zero	-	4,468,646	4,468,646

Action** A,C,D	Fund	Dept	Appr #	Unit	Object	Rev	LEVEL 2 Start Here	Current Amt	Revised Amount	Inc / Dec Amt
A	798	798	798	2000	7021			-	48,676	48,676
A	798	798	798	2000	7059			-	5,280	5,280
A	798	798	798	2000	7066			-	2,925	2,925
A	798	798	798	2000	7081			-	13,500	13,500
A	798	798	798	2000	7418			-	6,000	6,000
A	798	798	798	2000	9306			-	15,009	15,009
A	798	798	798	2000	9316			-	8,022	8,022
A	798	798	798	2000	9322			-	186	186
A	798	798	798	2000	9327			-	26,000	26,000
A	798	798	798	2000		4001		-	1	(1)
A	798	798	798	2000		4006		-	1	(1)
A	798	798	798	2000		4008		-	1	(1)
A	798	798	798	2000		4009		-	1	(1)
A	798	798	798	2000		4030		-	1	(1)
A	798	798	798	2000		4033		-	1	(1)
A	798	798	798	2000		4056		-	1	(1)
A	798	798	798	2000		4058		-	1	(1)
A	798	798	798	2000		4463		-	1,000	(1,000)
A	798	798	798	2000		4801		-	500	(500)
A	798	798	798	2000		5531		-	60,480	(60,480)
A	798	798	798	2000		5532		-	1	(1)
A	798	798	798	2000		5050		-	1	(1)
A	798	798	798	2000		5851		-	1	(1)
A	798	798	798	2000		5999		-	1	(1)
A	798	798	798	2600	7043			-	42,622	42,622
A	798	798	798	2600	9306			-	1	1
A	798	798	798	2600	9316			-	1	1
A	798	798	798	2600	9327			-	1	1
A	798	798	798	2600		5090		-	42,625	(42,625)
A	798	798	798	2601	7043			-	3,892,379	3,892,379
A	798	798	798	2601	8000			-	41,411	41,411
A	798	798	798	2601	9306			-	17,000	17,000
A	798	798	798	2601	9316			-	4,000	4,000
A	798	798	798	2601	9327			-	124,106	124,106
A	798	798	798	2601		5064		-	4,078,896	(4,078,896)
A	798	798	798	2903	7066			-	210,000	210,000
A	798	798	798	2903	9306			-	7,127	7,127
A	798	798	798	2903	9327			-	4,400	4,400
A	798	798	798	2903		5064		-	221,527	(221,527)

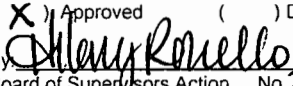
Line Total Must Equal Zero \$ - \$ 8,873,686 \$ 63,606

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

To request Board action for approval of FY 2019 Seville Water Fund Budget: Fund 798, Unit 2000: Seville Water, Unit 2600 Prop 84 Water Feasibility Study, Unit 2601: Seville-Yetterm Water System Construction, Unit 2903: Seville Bottled Water Grant


 Affected Dept Head Signature

 Other Affected Dept Head Signature

Checked By: _____ County Executive Office Action No. _____ Date _____ (X) Approved () Disapproved By:  Board of Supervisors Action No. <u>2018-0534</u> Date: <u>06/26/2018</u>	Entered By: _____ Date: _____ Distribution 1: BOS/CAO/Auditor
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** 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 ISFs
 * 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