



# RESOURCE MANAGEMENT AGENCY COUNTY OF TULARE AGENDA ITEM

## BOARD OF SUPERVISORS

KUYLER CROCKER  
District One

PETE VANDER POEL  
District Two

AMY SHUKLIAN  
District Three

EDDIE VALERO  
District Four

DENNIS TOWNSEND  
District Five

**AGENDA DATE:** June 4, 2019

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 2019/2020 Operating Budget for the Seville Water Company

**REQUEST(S):**

That the Board of Supervisors:

1. Approve the fiscal year 2019/2020 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 \$47,463.

The Seville Water Company provides water to approximately 74 residential connections and the Stone Corral School. The County has begun construction of Phase I of the Yettem-Seville water system improvement project. The Phase I of construction (Seville Distribution System and Tank) is funded with Prop 1b State Funds. The Phase II of construction consists of the Yettem to Seville intertie, a new well and meters in Yettem. Construction of Phase I is scheduled to be complete in the Fall of 2019. Voters approved in November of 2018 the formation of the Yettem-Seville Community Services District (CSD). The County intends to transfer the completed Phase I project to the CSD in FY 2019/20, after certain Tulare County LAFCO conditions have been met, including adoption of new rates.

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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. Approval of an extension of the temporary receivership through June 30, 2021 is being brought before the Board on June 4, 2019 and will be subsequently sent to the Court for their approval.

### **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 2019/2020 to be effective July 1, 2019. 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 July 2016, the County submitted a funding application to the California State Water Resources Control Board (SWRCB) for the construction of the Seville and Yettem Water System Project.
- In April 2019, the County was awarded a grant from the SWRCB for bottled water service for the Community of Seville. The grant provides up to \$110,000 worth of bottled water and administrative costs through May 31, 2020.
- In Fall of 2019, staff intends to apply for a grant through SWRCB to fund the construction of Phase II. If successful, the entire construction costs of Phase II will be grant funded and will be constructed in coordination with the CSD.

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 \$47,463.

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, Resource Management Agency 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.

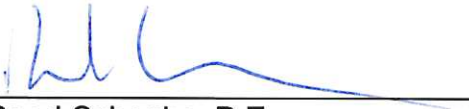
**LINKAGE TO THE COUNTY OF TULARE STRATEGIC BUSINESS PLAN:**

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

IN THE MATTER OF FISCAL YEAR )  
2019/2020 OPERATING BUDGET FOR ) Resolution No. \_\_\_\_\_  
THE SEVILLE WATER COMPANY )

ATTEST: JASON T. BRITT  
COUNTY ADMINISTRATIVE OFFICER/  
CLERK, BOARD OF SUPERVISORS

\* \* \* \* \*

1. Approved the fiscal year 2019/2020 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

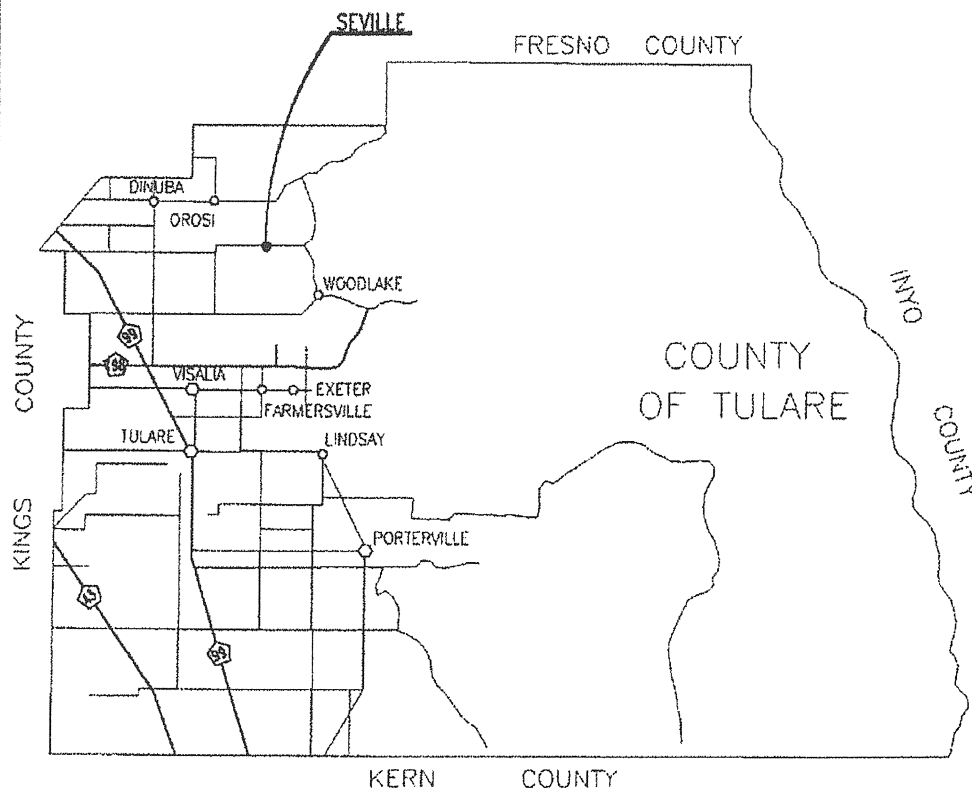
ATTACHMENT A

VICINITY MAP

1

COUNTY OF TULARE

SEVILLE



SITE LOCATION MAP



NOT TO SCALE

ATTACHMENT B

SEVILLE WATER COMPANY BUDGET

AUD 308  
BUDGET ADJUSTMENT FORM



## AUD-308 - Budget Adjustment Form

9:41 AM

06/4/2019							01/20		2020	
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						8,225,067	8,225,067
Appropriations Total							Need Not Equal Zero	-	8,225,067	8,225,067
Action** A,C,D	Fund	Dept	Appr #	Unit	Object	Rev	LEVEL 2 Start Here	Current Amt	Revised Amount	Inc / Dec Amt
C	798	798	798	2000	7021			-	55,276	55,276
C	798	798	798	2000	7059			-	5,280	5,280
C	798	798	798	2000	7066			-	2,925	2,925
C	798	798	798	2000	7073			-	1	1
C	798	798	798	2000	7081			-	13,500	13,500
C	798	798	798	2000	7418			-	5,500	5,500
C	798	798	798	2000	7421			-	1	1
C	798	798	798	2000	9306			-	6,421	6,421
C	798	798	798	2000	9316			-	598	598
C	798	798	798	2000	9322			-	298	298
C	798	798	798	2000	9327			-	20,936	20,936
C	798	798	798	2000		4463		-	1,070	(1,070)
C	798	798	798	2000		4801		-	1,000	(1,000)
C	798	798	798	2000		5531		-	61,200	(61,200)
C	798	798	798	2000		5532		-	1	(1)
C	798	798	798	2000		5851		-	1	(1)
C	798	798	798	2000		5999		-	1	(1)
C	798	798	798	2601	7043			-	3,771,212	3,771,212
C	798	798	798	2601	7066			-	95,450	95,450
C	798	798	798	2601	9306			-	9,286	9,286
C	798	798	798	2601	9327			-	59,607	59,607
C	798	798	798	2601		5090		-	3,895,502	(3,895,502)
C	798	798	798	2601		5999		-	1	(1)
C	798	798	798	2904	7043			-	99,000	99,000
C	798	798	798	2904	7066			-	4,475	4,475
C	798	798	798	2904	9306			-	6,525	6,525
C	798	798	798	2904		5064		-	110,000	(110,000)
										-
Line Total							Must Equal Zero	\$ -	\$ 8,225,067	\$ 87,515

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

To request Board action for approval of FY 2020 Seville Water Fund Budget: Fund 798, Unit 2000: Seville Water, Unit 2601: Tank & Well Site Grant, Unit 2904: 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/CAO/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 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