



**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 9, 2020 – REVISED

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 2020/2021 Operating Budget for the Seville Water Company

REQUEST(S):
That the Board of Supervisors:

1. Approve the fiscal year 2020/2021 operating budget for the Seville Water Company (4/5ths vote required): and
2. Approve the necessary budget adjustments per the attached AUD 308 (4/5ths vote required).

SUMMARY:
The County of Tulare has operated the Seville Water Company, a domestic water system for the Community of Seville, under court appointed receivership since 2009. As such, on an annual basis the County Board of Supervisors, as required, has approved an annual budget to allow continued operation of the system. In 2020 the County completed Phase I of a multi-year grant funded project to build a new water system for the communities of Seville and Yettem, to be transferred to the Yettem-Seville Community Services District (YSCSD), an independent special district. The transfer of the new system to YSCSD will not take place until the beginning of next Fiscal Year (FY), therefore it is necessary for the County to submit a final annual budget to cover the costs of operations that will continue to be the receiverships responsibility in FY 2021 until the transfer occurs. Due to the uncertainty of when the transfer will take place in FY 2021, staff is recommending adopting a budget with the same revenues and expenses as FY 2020 at a Net County Cost of \$47,463.

SUBJECT: Fiscal Year 2020/2021 Operating Budget for the Seville Water Company
DATE: June 9, 2020

Chronology

The Seville Water Company provides water to approximately 74 residential connections and the Stone Corral School.

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 most recently through June 30, 2021.

Voters approved in November of 2018 the formation of the YSCSD. The County intends to transfer the water system, including the completed Phase I project, to the CSD in FY 2020/21, after certain conditions have been met. Prior to transfer, the following conditions must be met:

- The County must approve an (Memorandum of Understanding (MOU) outlining the terms of the transfer
- The Water Board and Local Agency Formation Commission LAFCO must approve the MOU
- The County must file a Notice of Completion for the construction of Phase 1 of the Yettem-Seville Water System Improvement Project (the Project)
- The County must repay any balance owed on outstanding Certificates of Participation with the Yettem Water Zone of Benefit Z91 in County Service Area #1
- YSCSD must have or be able to acquire all permits and licenses necessary to operate the water systems

Staff expects to request your Board to approve the Notice of Completion at the July 7, 2020 meeting. At that time, all other conditions are expected to be met with the possible exception of approval of the MOU by Water Board.

The construction of Phase I of the Project reached substantial completion in 2020. The construction of Phase 1, including a replacement water distribution system in Seville and a fire storage tank, is funded with Prop 1b State Funds. Phase II of the Project consists of the Yettem to Seville intertie, a new well and water meters in Yettem.

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

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

SUBJECT: Fiscal Year 2020/2021 Operating Budget for the Seville Water Company
DATE: June 9, 2020

revenues and expenditures for the operation of the Seville Water Company for fiscal year 2020/2021 to be effective July 1, 2020. With such spending authority, the Water Company may continue to operate without budget constraints.

FISCAL IMPACT/FINANCING:

The FY 2021 operating budget for the Seville Water Company includes a Net County Cost of \$47,463. We anticipate the actual FY 2021 Net County Cost to be much less, but it is dependent upon the length of time it takes to transfer the system to YCSCD. Additionally, costs associated with the closeout of the Phase I grant and Phase II grant application preparation have been budgeted. The grant related costs are fully reimbursable under the current Phase I grant (expiring in August 2020) and retroactively under the Phase II grant (anticipated to be approved in spring of 2021).

The objective of the budget is to operate the Seville Water Company, under receivership, at a minimal Net County Cost to the General Fund. In the past 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.

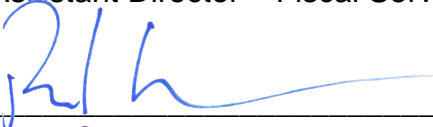
LINKAGE TO THE COUNTY OF TULARE STRATEGIC BUSINESS PLAN:

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

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

IN THE MATTER OF FISCAL YEAR)
 2020/2021 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 9, 2020 , BY THE
 FOLLOWING VOTE:

AYES:
 NOES:
 ABSTAIN:
 ABSENT:

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

BY: _____
 Deputy Clerk

* * * * *

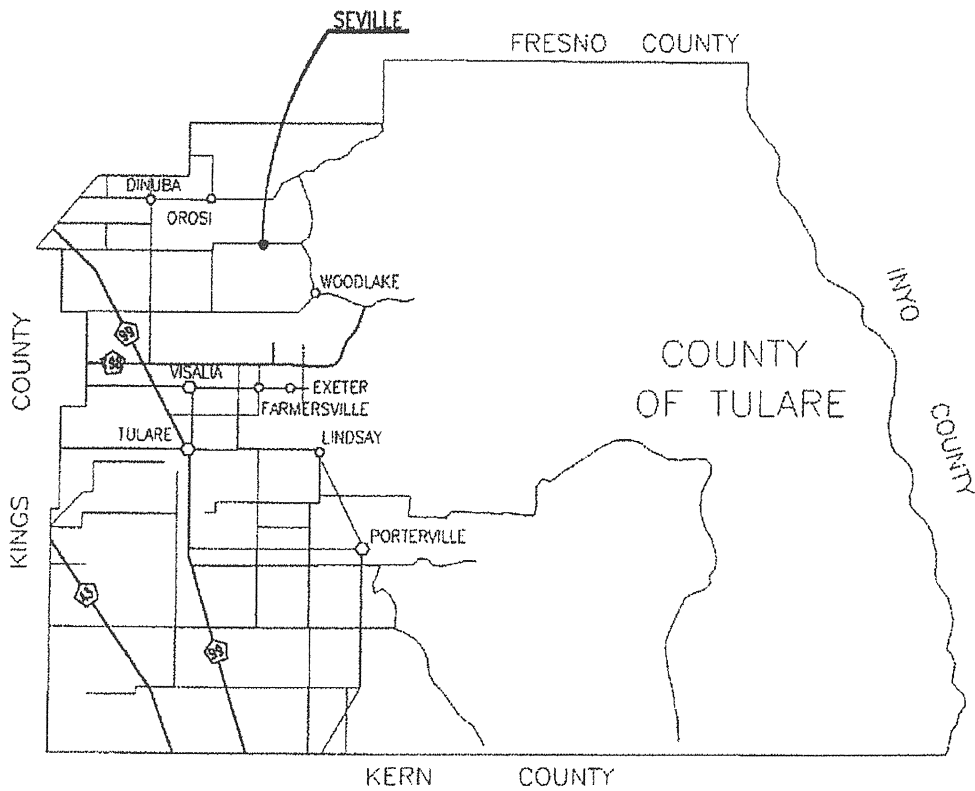
1. Approved the fiscal year 2020/2021 operating budget for the Seville Water Company (4/5ths vote required): and
2. Approved the necessary budget adjustments per the attached AUD 308 (4/5ths vote required).

ATTACHMENT A

VICINITY MAP

COUNTY OF TULARE

SEVILLE



SITE LOCATION MAP



NOT TO SCALE

ATTACHMENT B

AUD 308 Budget Adjustment Form

AUD-308 - Budget Adjustment Form

10:57 AM

06/9/2020				01/21		2021	
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 #				<u>LEVEL 1 Finish Here</u>	Current Amount	Revised Amount	Inc / Dec Amt
A	798	798	798						463,421	463,421
Appropriations Total							<i>Need Not Equal Zero</i>	-	463,421	463,421

Action** A,C,D	Fund	Dept	Appr #	Unit	Object	Rev	<u>LEVEL 2 Start Here</u>	Current Amt	Revised Amount	Inc / Dec Amt
A	798	798	798	2000	7021			-	55,276	55,276
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	7073			-	1	1
A	798	798	798	2000	7081			-	13,500	13,500
A	798	798	798	2000	7418			-	5,500	5,500
A	798	798	798	2000	7421			-	1	1
A	798	798	798	2000	9306			-	6,421	6,421
A	798	798	798	2000	9316			-	598	598
A	798	798	798	2000	9322			-	298	298
A	798	798	798	2000	9327			-	20,936	20,936
A	798	798	798	2000		4463		-	1,070	(1,070)
A	798	798	798	2000		4801		-	1,000	(1,000)
A	798	798	798	2000		5531		-	61,200	(61,200)
A	798	798	798	2000		5532		-	1	(1)
A	798	798	798	2000		5851		-	1	(1)
A	798	798	798	2000		5999		-	1	(1)
A	798	798	798	2601	7043				211,368	211,368
A	798	798	798	2601	7066				16,186	16,186
A	798	798	798	2601	9327				125,131	125,131
A	798	798	798	2601		5064			352,685	(352,685)
Line Total							<i>Must Equal Zero</i>	\$ -	\$ 879,379	\$ 47,463

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

To request Board action for approval of FY 2021 Seville Water Fund Budget: Fund 798, Unit 2000



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