

VRSD FY 2017 Adopted Budget

July 1, 2016 – June 30, 2017



Ventura Regional Sanitation District

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Ventura, CA 93003-0704

Website: www.vrsd.com

**Chris Theisen
General Manager**

**Presented
August 18, 2016**

Ventura Regional Sanitation District



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Executive Summary1



August 12, 2016

Honorable Board of Directors
Ventura Regional Sanitation District
Ventura County, California

Members of the Board of Directors:

I am pleased to submit the Ventura Regional Sanitation District (District) Fiscal Year 2016-2017 (FY2017) Operations and Capital Plan Budget. The FY2017 Budget has been prepared to meet the needs of the District while at the same time complying with the District's mission, goals & objectives, and financial policies. The budget is the District's financial work plan and serves as the spending plan supported by revenues for the upcoming fiscal year. The budget contains estimated expenses for the fiscal year and the proposed means of financing those expenses.

This executive summary provides a high-level overview of the District's Budget, Budget Highlights and Goals & Objectives. The District's Operating Budget and Capital Plan are adaptable documents and may change based on unforeseen and/or unanticipated events during the fiscal year by Board of Directors' approval.

BUDGET HIGHLIGHTS

- The total tonnage is expected to be approximately 390,400 tons of refuse.
- An average of 6.5 percent increase in the District's hourly rates for Central Administration and Operations employees is effective July 1, 2016.
- Biosolids uniformed rate decrease from \$62.50 to \$50.00 per ton.
- Anticipated \$150,000 revenue increase in Microturbine Electrical Generation
- The District's capital plan includes vehicles, equipment, and capital improvements. Appropriations for the capital plan total \$4,083,420. The three major capital expenses are Toland Road Landfill Master Planning and Phase 4 Project (\$1,193,000), Gas Collection (\$1,656,000), and purchase of vehicles and heavy equipment (\$788,000).
- The District anticipates meeting the 1.25x debt service coverage target to comply with the loan agreements.

BUDGET OVERVIEW

The FY2017 Operating Budget has a net decrease of \$2,476,006. This includes operating revenue, operating expenses, and non-operating revenue and expenses.

OPERATING REVENUES

The operating revenues for FY2017 is estimated at \$21,902,815, which is approximately \$1,870,800 more than FY2016. The increase in operating revenues is mainly due to the anticipated increase in solid waste

tonnage, biosolids tonnage, and the sale of self-generated electricity to the grid. The most notable revenues of the District include the Biosolids and Electric Generation Project, Toland Road Landfill municipal solid waste and Water & Wastewater contract services.

Biosolids and Electric Generation Facility

This is the seventh year of operation for the District's Biosolids and Microturbine Electrical Generation facility.

Biosolids

The District continues to receive biosolids from Oxnard, Ventura, Santa Paula, and Fillmore. FY2017 Biosolids revenue is estimated at \$2,300,000, or 46,000 tons. The District is in the process of lowering the biosolids rate to \$50.00 per ton to all its customers.

Electrical Generation Project

The Electric Generation Project consists of six low emission microturbines that use compressed landfill gas and have the ability to produce up to 2.32 megawatts of electricity. The electricity produced by the microturbines is delivered to the local power grid. The estimated FY2017 revenue is anticipated in the amount of \$400,000.

Toland Road Landfill

The projected landfill disposal revenue for FY2017 is estimated to be \$12,051,800, with annual tonnage of approximately 390,400. In addition, we expect revenue of \$321,508 from City of Oxnard (River Ridge Golf Course) Environmental Program Group (\$147,058), wood waste (\$80,000), Pyramid Flowers lease (\$60,000) and the Millenium Grove (\$26,100).

Water & Wastewater

The District's Water & Wastewater Division (WWW) is currently providing water and wastewater services to more than fifteen cities and special districts in Ventura County. These services include collection system cleaning, engineering and permitting support, repair and protective coatings, industrial source control, groundwater sampling, and monitoring. There is a close correlation between WWW revenue and expenses. FY2017 revenue is estimated at \$5,578,200. The FY2017 Proposed Budget includes an average of 6.5 percent increase in hourly rates effective July 1, 2016. Revenue is generated by charging external customers billable rates for the services provided to them. Labor is charged at an hourly billable rate developed for each classification or job title. In addition, materials, supplies and other charges are billed at cost plus fifteen percent (15%). For more information, please see page 4-3 of the FY2017 Proposed Budget.

OPERATING EXPENSES

The total operating expense is estimated at \$23,620,000, including depreciation. There are three main expense line items that contribute to the bottom line amount of the operating expenses. They are Salaries & Employee Benefits, other operating expenses, and depreciation.

Salaries & Employee Benefits: Salaries & Employee Benefits increased by approximately \$165,000, or 2%. The net increase is primarily due to the recent classification and compensation study. For more information, please see Pages 10-11 and 11-6 of the FY2017 Budget.

Other Operating Expenses: Other operating expenses increased by approximately \$317,000 which include costs associated with management and administration, materials and supplies, contract services expenses, professional services, facility maintenance, permits, and fees. The net increase is mainly attributable to

the permits and fees due to increased solid waste and biosolids tonnage (\$144,400) and facility maintenance (\$110,800) which includes utilities, rents and leases for equipment and office building, and equipment maintenance. Despite the continued upward costs of doing business, staff continues to reassess the District's budget needs, identify potential efficiencies, and delay projects whenever possible.

Depreciation: Depreciation increased by \$696,800. This increase is based on recently purchased equipment and completed capital projects that are added in the District's list of assets to be depreciated.

NON-OPERATING REVENUES & EXPENSES

Net non-operating revenues and expenses (before transfers in/out) increased by \$71,200 compared to the FY2016 Adopted Budget. This is mainly due to the anticipated decrease in interest and investment earnings.

The increase (\$315,000) in Transfers In/Out is attributable to the closure/post closure funds for the Toland Road Landfill because of the additional tonnage expected this fiscal year.

CAPITAL PROJECTS

Capital projects are usually multi-year processes and expenditures are determined by what phase the project is in. The capital spending detail in FY2017 is included in Section 9 of the FY2017 Budget.

GOALS & OBJECTIVES

In February 2016, the District Board conducted a Goals and Objectives setting session with staff as follows:

- 1) New Board resolution regarding post-closure financial assurances to Cal Recycle
- 2) Application for landfill permit time extension
- 3) Revision to Solid Waste rates
- 4) Evaluate gas-to-energy options.

SUMMARY

The District continues to face financial challenges posed by stagnant revenue growth and continued cost increases of doing business. The District has been committed to establishing and maintaining good fiscal health and will continue to look at different alternatives in cutting costs and generating revenue.

I appreciate the Board of Directors' support in providing the vision and resources necessary to respond to the challenges and improve the District's financial outlook in the years ahead. I also want to thank the members of the Personnel & Finance Committee for their enormous efforts in assessing the District's financial needs, reviewing the various financial policies, and making a series of recommendations to the District Board. Their recommendations serve as a critical component of this budget and the District's rates and fees.

District Board. Their recommendations serve as a critical component of this budget and the District's rates and fees.

Finally, I want to recognize staff's dedication and hard work in assessing their budgetary needs, continuing to identify opportunities for efficiencies, and for supporting the restructuring of resources to where they are most needed. Although the District is faced with various and difficult challenges, I believe, with the excellent and committed staff, we are well prepared to take on these challenges and any other issues that may come in the future.

Respectfully submitted,



Chris Theisen
General Manager

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Enterprise Fund2

Fiscal Year 2017 Budget Summary..... 2-1

VENTURA REGIONAL SANITATION DISTRICT
FISCAL YEAR 2017 BUDGET SUMMARY
ENTERPRISE FUND

Description	Actual FY 2014 Yearend	Actual FY 2015 Yearend	Adopted FY 2016 Budget	Estimated FY 2016 Yearend	Proposed FY 2017 Budget	FY16 vs. FY17 Budget Inc/(Dec)
Operating revenues:						
Revenue - sales	\$ 19,428,644	\$ 21,415,729	\$ 19,659,808	\$ 21,089,430	\$ 21,321,289	8%
Revenue - other	607,696	456,575	372,226	345,337	581,526	56%
Reimb from outside agencies	-	-	-	-	-	0%
Total operating revenues	20,036,340	21,872,303	20,032,034	21,434,767	21,902,815	9% [1]
Operating expenses:						
Salaries and employee benefits	7,838,223	7,983,187	9,048,016	7,821,811	9,213,244	2% [2]
General administrative	415,343	495,050	480,874	412,559	572,423	19% [3]
Operating materials and supplies	3,806,463	3,680,851	3,100,182	3,209,339	3,158,713	2% [4]
Contract services - labor	187,737	395,707	255,800	523,340	318,000	24% [5]
Professional services	1,418,687	1,581,407	2,773,486	2,583,186	2,622,932	-5% [6]
Facility maintenance	1,209,466	1,851,291	1,627,779	1,321,136	1,738,622	7% [7]
Permit, fees & other	1,794,183	1,407,009	1,362,418	1,692,356	1,506,813	11% [8]
Total operating expenses	16,670,101	17,394,502	18,648,556	17,563,728	19,130,747	3%
Operating income(loss) before depreciation	3,366,239	4,477,801	1,383,478	3,871,039	2,772,068	100%
Depreciation and amortization	3,529,371	3,776,744	3,792,422	3,706,555	4,489,216	18%
Operating income(loss)	(163,132)	701,057	(2,408,944)	164,484	(1,717,148)	-29%
Non-operating revenues(expenses):						
Interest and investment earnings	360,061	367,628	472,500	351,444	306,700	-35%
Gain(loss) on sales and/or disposals of assets	4,832	(12,552)	-	63,658	-	0%
Debt service interest expense	(1,045,024)	(922,435)	(845,751)	(1,463,011)	(690,788)	-18%
Grant revenue	-	-	-	-	-	0%
Other, net	107,325	94,792	164,425	78,743	104,078	-37%
Total non-operating revenues(expenses) before transfers	(572,807)	(472,568)	(208,826)	(969,166)	(280,010)	34%
Overhead cost allocation - Central Administration	2,400,000	2,437,387	2,934,159	2,934,156	2,919,268	-1% [9]
ISF fleet use	2,118,485	2,185,256	2,310,625	2,306,123	2,117,204	-8%
Intra-department labor transfer	662,364	516,864	150,873	458,823	166,146	10%
Landfill processing fee transfer	152,251	171,776	98,840	145,376	150,880	53%
Contra-post closure expenses	996,724	805,553	1,164,967	1,316,054	952,544	-18%
Total transfers in	6,329,824	6,116,836	6,659,464	7,160,532	6,306,042	-5%
Overhead cost allocation - Central Administration	(2,400,000)	(2,437,387)	(2,934,159)	(2,944,160)	(2,919,268)	-1% [9]
ISF fleet use	(2,118,485)	(2,185,256)	(2,310,625)	(2,306,123)	(2,117,204)	-8%
Intra-department labor transfer	(662,364)	(516,864)	(150,873)	(458,823)	(166,146)	10%
Landfill processing fee transfer	(152,251)	(171,776)	(98,840)	(145,376)	(150,880)	53%
Provision for landfill closure/postclosure	(1,274,891)	(1,407,536)	(1,328,840)	(1,442,183)	(1,431,392)	8% [10]
Total transfers out	(6,607,991)	(6,718,819)	(6,823,336)	(7,296,666)	(6,784,890)	-1%
Net transfers	(278,167)	(601,983)	(163,873)	(136,133)	(478,848)	192%
Total non-operating revenues(expenses), net	(850,974)	(1,074,551)	(372,699)	(1,105,299)	(758,858)	104%
Change in net assets	\$ (1,014,106)	\$ (373,494)	\$ (2,781,643)	\$ (940,814)	\$ (2,476,006)	-11%

VENTURA REGIONAL SANITATION DISTRICT
FISCAL YEAR 2017 BUDGET SUMMARY
ENTERPRISE FUND

COMMENTS

- [1] Anticipated operating revenues for FY 2017 are \$1,870,780, or approximately 9%, more than the FY 2016 budget. This is primarily attributable to increases in solid waste tonnage, biosolids tonnage, billable hours, billable rates, and microturbine electrical generation.
- [2] Salaries & Employee Benefits increased by approximately \$165K, or 2%. The Proposed FY 2017 Budget includes 20.97 FTE in Central Administration, 30.41 FTE in the Water Wastewater Division, 23 FTE in the Solid Waste Division, and 2 FTE in Vehicles & Heavy Equipment Internal Service Fund.
- [3] General administrative expenses include Board fees and reimbursements of travel expenses, as well as seminar and travel expenses associated with District employees.
- [4] FY2017 Operating Materials and Supplies increases and decreases, by segment, are as follows: a \$3.7K decrease in Central Administration, a \$27.3K increase in Water/Wastewater, a \$121.8K increase in the Biosolids & Microturbines Electrical Generation Facility, a \$26.4K increase in Solid Waste, a \$114.3K decrease in Post Closed Landfill Maintenance, and a \$1.1K increase in Vehicles & Heavy Equipment.
- [5] FY2017 includes a \$76.3K decrease in Central Administration, \$2.5K decrease in the Biosolids & Microturbine Electrical Generation Facility, \$15K increase in Post Closed Landfill Maintenance, and \$126K increase in the Solid Waste Division.
- [6] Professional Services are primarily comprised of legal (\$513.5K), engineering consultants (\$413K), contractor construction (\$305.2K), environmental consultants (\$301.1K), IT services (\$237.8K), safety consultants (\$110.5K), FLEX Energy (\$100K), and accounting services (\$36K).
- [7] The \$110.8K increase for FY2017 includes a \$158.5K decrease in the Biosolids & Microturbines Electrical Generation Facility, \$198.7K increase in Post Closed Landfill Maintenance, a \$33.5K increase in Solid Waste, a \$27.2K increase in Central Administration, and a \$10K increase in Vehicles & Heavy Equipment.
- [8] Permits and fees have increased primarily due to increased solid waste and biosolids tonnage, landfill operations six days per week, and IT maintenance agreements.
- [9] The allocation of Central Administrative overhead costs are primarily allocated to the Solid Waste Division (56.4%) and Water Wastewater Division (41.3%) based on percentage of total operating revenue. The allocation may fluctuate from year to year as the operating revenue between divisions changes.
- [10] The provision for landfill closure/postclosure has increased by approximately \$102.6K to reflect the calculated per ton rate needed to reach the required closure/postclosure reserves needed upon closure of the Toland landfill in 2027.

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Central Administration3

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VENTURA REGIONAL SANITATION DISTRICT
FISCAL YEAR 2017 BUDGET SUMMARY
CENTRAL ADMINISTRATION

Description	Actual FY 2014 Yearend	Actual FY 2015 Yearend	Adopted FY 2016 Budget	Estimated FY 2016 Yearend	Proposed FY 2017 Budget	FY16 vs. FY17 Budget Inc/(Dec)
Operating revenues:						
Revenue - sales	\$ 978,881	\$ 989,614	\$ 983,152	\$ 1,216,120	\$ 1,272,445	29% [1]
Revenue - other	4,043	8,484	-	11,078	-	0%
Reimb from outside agencies	-	-	-	-	-	0%
Total operating revenues	982,924	998,098	983,152	1,227,198	1,272,445	29%
Operating expenses:						
Salaries and employee benefits	1,999,755	1,872,854	2,245,866	1,885,532	2,545,975	13% [2]
General administrative	199,735	257,562	200,866	204,476	162,430	-19% [3]
Operating materials and supplies	43,784	50,644	102,069	19,750	98,394	-4%
Contract services - labor	-	155,590	76,300	184,010	-	-100% [4]
Professional services	732,373	829,007	866,994	919,883	824,898	-5% [5]
Facility maintenance	170,474	199,615	204,939	201,690	232,132	13% [6]
Permit, fees & other	88,680	98,308	128,186	103,657	149,142	16% [7]
Total operating expenses	3,234,801	3,463,580	3,825,219	3,518,998	4,012,971	5%
Operating income(loss) before depreciation	(2,251,877)	(2,465,481)	(2,842,067)	(2,291,800)	(2,740,526)	-4%
Depreciation and amortization	87,895	97,748	93,744	89,185	99,079	6%
Operating income(loss)	(2,339,772)	(2,563,229)	(2,935,811)	(2,380,985)	(2,839,605)	-3%
Non-operating revenues(expenses):						
Interest and investment earnings	1,498	11,767	3,000	12,891	700	-77%
Gain(loss) on sales and/or disposals of assets	-	-	-	-	-	0%
Debt service interest expense	-	-	-	-	-	0%
Grant revenue	-	-	-	-	-	0%
Other, net	388	-	(3,288)	-	(3,288)	0%
Total non-operating revenues(expenses) before transfers	1,886	11,767	(288)	12,891	(2,588)	799%
Overhead cost allocation - Central Administration	2,400,000	2,437,387	2,934,159	2,934,156	2,919,268	-1% [8]
ISF fleet use	5,564	5,190	5,680	2,850	5,680	0%
Intra-department labor transfer	35,438	40,895	-	36,043	-	0%
Landfill processing fee transfer	-	-	-	-	-	0%
Contra-post closure expenses	-	-	-	-	-	0%
Total transfers in	2,441,002	2,483,471	2,939,839	2,973,049	2,924,948	-1%
Overhead cost allocation - Central Administration	-	-	-	-	-	0%
ISF fleet use	(9,296)	(8,092)	(3,740)	(5,568)	(6,672)	78%
Intra-department labor transfer	(19,510)	-	-	(7,931)	-	100%
Landfill processing fee transfer	-	-	-	-	-	100%
Provision for landfill closure/postclosure	-	-	-	-	-	0%
Total transfers out	(28,805)	(8,092)	(3,740)	(13,499)	(6,672)	78%
Net transfers	2,412,197	2,475,379	2,936,099	2,959,550	2,918,276	-1%
Total non-operating revenues(expenses), net	2,414,083	2,487,146	2,935,811	2,972,441	2,915,688	-1%
Change in net assets *	\$ 74,311	\$ (76,083)	\$ (0)	\$ 591,456	\$ 76,083	NA

* Recoupment of FY2015 decrease in change in net assets in FY2017 Budget.

VENTURA REGIONAL SANITATION DISTRICT
FISCAL YEAR 2017 BUDGET SUMMARY
CENTRAL ADMINISTRATION

COMMENTS

The Central Administration Budget Segment includes the activities of 20.97 FTEs responsible for administrative and finance activities of the Ventura Regional Sanitation District (VRSD). This budget segment also includes VRSD Board of Director expenses.

- [1] Revenue shown in this segment is attributed to administrative contract services provided to: a) Saticoy Sanitary District; b) Triunfo Sanitation District; and c) Ventura County Regional Energy Alliance. Services provided include accounting, financial management, customer service, management, utility billing, potable water system customer service and support.
- [2] The Salaries and Employee Benefits increase for FY2017 is primarily due to the increase in Central Administration staffing level and implementation of a Class & Compensation Study completed during FY2016. The Proposed FY2017 Budget includes 20.97 FTE assigned to Central Administration.
- [3] General administrative expenses include Board fees and reimbursements of travel expenses, as well as seminar and travel expenses associated with District employees.
- [4] Central Administration does not expect to utilize any temporary labor during FY2017.
- [5] Decrease during FY2017 is primarily due to the inclusion of an Executive Search Firm for General Manager recruitment during FY2016.
- [6] Includes increase in lease for Central Administration building, computers, and standup desks.
- [7] Includes an increase in IT maintenance agreements.
- [8] Central Administration Overhead Cost Allocation to the operating segments (Solid Waste, Water Wastewater, and Biosolids). Additionally, this total is increased or decreased to offset the Change in Net Assets to offset the last known year's (FY2015) actual Change in Net Assets (-\$76,083).

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Water Wastewater4

Fiscal Year 2017 Budget Summary..... 4-1

Revenue by Customer..... 4-3

Malibu Bay Club Fiscal Year 2017 Budget Summary..... 4-4

VENTURA REGIONAL SANITATION DISTRICT
FISCAL YEAR 2017 BUDGET SUMMARY
WATER WASTEWATER

Description	Actual FY 2014 Yearend	Actual FY 2015 Yearend	Adopted FY 2016 Budget	Estimated FY 2016 Yearend	Proposed FY 2017 Budget	FY16 vs. FY17 Budget Inc/(Dec)
Operating revenues:						
Revenue - sales	\$ 4,576,494	\$ 5,057,994	\$ 5,181,977	\$ 4,847,516	\$ 5,567,586	7% [1]
Revenue - other	17,910	11,189	10,626	11,352	10,626	0%
Reimb from outside agencies	-	-	-	-	-	0%
Total operating revenues	4,594,404	5,069,183	5,192,603	4,858,868	5,578,212	7%
Operating expenses:						
Salaries and employee benefits	2,816,646	2,903,726	3,355,105	3,021,765	3,337,522	-1% [2]
General administrative	53,876	33,932	64,672	29,178	70,872	10%
Operating materials and supplies	778,738	862,804	686,009	843,535	713,283	4% [3]
Contract services - labor	946	35,187	2,000	7,441	2,000	0%
Professional services	82,295	93,862	244,500	38,490	272,884	12% [4]
Facility maintenance	88,043	108,829	42,180	96,167	42,180	0%
Permit, fees & other	48,380	40,315	14,950	42,211	15,150	1%
Total operating expenses	3,868,924	4,078,655	4,409,416	4,078,787	4,453,891	1%
Operating income(loss) before depreciation	725,480	990,528	783,187	780,081	1,124,321	44%
Depreciation and amortization	155,851	155,379	155,376	155,379	155,379	0%
Operating income(loss)	569,629	835,149	627,811	624,702	968,942	54%
Non-operating revenues(expenses):						
Interest and investment earnings	7,492	2,323	12,500	2,574	3,400	-73%
Gain(loss) on sales and/or disposals of assets	1,000	-	-	-	-	0%
Debt service interest expense	(97,995)	(92,692)	(88,495)	(94,473)	(37,353)	-58%
Grant revenue	-	-	-	-	-	0%
Other, net	98,224	94,691	167,713	78,685	107,366	-36%
Total non-operating revenues(expenses) before transfers	8,722	4,321	91,718	(13,213)	73,413	-20%
Overhead cost allocation - Central Administration	-	-	-	-	-	0%
ISF fleet use	40,005	26,974	8,618	34,780	8,618	0%
Intra-department labor transfer	297,727	313,021	115,153	292,071	130,166	13% [5]
Landfill processing fee transfer	-	-	-	-	-	0%
Contra-post closure expenses	-	-	(10,004)	(10,004)	(10,004)	0% [6]
Total transfers in	337,731	339,996	113,767	316,847	128,780	13%
Overhead cost allocation - Central Administration	(605,075)	(686,047)	(807,649)	(807,648)	(1,206,655)	49% [7]
ISF fleet use	(409,213)	(425,142)	(443,487)	(442,615)	(377,677)	-15%
Intra-department labor transfer	(57,472)	(54,565)	-	(11,875)	-	0%
Landfill processing fee transfer	-	-	-	-	-	0%
Provision for landfill closure/postclosure	-	-	-	-	-	0%
Total transfers out	(1,071,760)	(1,165,753)	(1,251,136)	(1,262,138)	(1,584,332)	27%
Net transfers	(734,029)	(825,758)	(1,137,369)	(945,291)	(1,455,552)	28%
Total non-operating revenues(expenses), net	(725,307)	(821,437)	(1,045,651)	(958,504)	(1,382,139)	32%
Change in net assets	\$ (155,678)	\$ 13,712	\$ (417,840)	\$ (333,802)	\$ (413,197)	-1%

VENTURA REGIONAL SANITATION DISTRICT
FISCAL YEAR 2017 BUDGET SUMMARY
WATER WASTEWATER

COMMENTS

VRSD Water and Wastewater Division employees provide a wide range of contract services to member agencies and external customers in the following service areas:

- Potable water system operations;
- Wastewater treatment plant operations;
- Wastewater treatment plant and collection system maintenance;
- Contract potable water service operation, maintenance, and customer service;
- Recycled water system operations and maintenance;
- Environmental monitoring;
- Painting & industrial coatings

Revenue is generated by charging the District's customers time and materials for services provided. Labor is charged based on the published billable rates. A list of the District's Hourly Labor Rates by employee classification is found on Page 10-6. Materials, supplies, and other charges, are billed at cost plus 15%. A list of the District's Equipment & Supply (Consumable) Rates can be found on Pages 10-7 through 10-8.

The division is also responsible for operating the Malibu Bay Club, a VRSD owned onsite wastewater treatment system (OWWTS). The facility is located at the Ventura County line and serves 136 condominium units. Fees paid by Malibu Bay Club residents include 1913 Act Assessment Fees of \$134.62 per month and monthly sewer fees of \$153.73 (FY2017). The special assessment fees pay the capital portion of the project while the monthly sewer fees fund maintenance and operation activities and establish a reserve. Of the FY2017 monthly sewer fee, \$110.83 will pay for maintenance and operations, \$36.77 will pay back a portion of the deficit accumulated prior to FY2016, and \$6.13 will establish a Reserve Fund. The special assessment and the monthly sewer fees are collected on the Ventura County property tax rolls.

[1] FY2017 includes \$472,710 designated as Anticipated Reimbursable, which is District staff time not currently assigned to a contract, but available when existing or new clients request additional services.

[2] The Proposed FY2017 Budget includes 30.41 FTE assigned to the Water Wastewater Division.

[3] \$601.9K of the Operating Materials & Supplies expenses budgeted during FY2017 are billable to Water/Wastewater Division customers.

[4] \$142.9K of the Professional Services expenses budgeted during FY2017 are billable to Water/Wastewater Division customers.

[5] Water Wastewater staff supporting both Solid Waste and ISF operations.

[6] \$10,004 in represents a Malibu Bay Club Reserve Fund. Each unit will contribute \$6.13 per month toward this Reserve Fund.

[7] The \$399K increase is attributable to an increase in Central Administration expenses and a decrease in the percentage of those allocated to the Biosolids & Microturbine Electrical Generation Facility and Solid Waste Division as a result of increasing Water Wastewater Division revenue.

WATER WASTEWATER REVENUE BY CUSTOMER

	Budget FY 2017	Forecast [a] FY 2016	Adjusted Budget FY 2016	Budget FY 2016	Actual FY 2015	Actual FY 2014
Anticipated Reimbursable	472,410	-	374,854	374,854	-	-
Anterra Corporation	-	-	-	-	13,090	-
AR Pipeline, Inc.	-	25,177	-	-	-	-
Cabrillo Economic Development Corporation	6,187	6,102	5,935	5,935	4,341	14,593
City of Camarillo	-	-	-	-	8,664	42,769
Camrosa Water District	147,685	109,066	140,395	140,395	128,704	123,155
Cate School	183,718	204,719	175,944	175,944	182,856	209,740
Channel Islands Beach CSD	-	582	-	-	4,381	789
City of Oxnard	-	-	-	-	607	61,433
<i>City of Oxnard</i>	-	-	-	-	53,613	-
<i>City of Oxnard - Solid Waste</i>	129,457	81,546	75,051	75,051	-	-
City of Oxnard Total	129,457	81,546	75,051	75,051	54,221	61,433
City of Santa Paula	-	-	-	-	-	7,379
<i>City of Santa Paula</i>	-	570	-	-	-	-
<i>City of Santa Paula - Central Administration</i>	-	-	-	-	687	-
City of Santa Paula Total	-	570	-	-	687	7,379
City of Ventura	-	6,480	-	-	4,252	5,215
CSU, Channel Islands	15,453	23,511	14,805	14,805	-	13,041
KB Camarillo	-	3,176	-	-	4,926	-
Malibu Bay Club	180,875	179,797	179,797	179,797	169,269	144,747
Montalvo Community Services District	-	31,345	-	-	8,743	10,478
Ojai Valley Sanitary	78,435	40,778	75,444	75,444	118,280	120,008
Ojai Valley School	62,413	62,059	61,479	61,479	61,427	49,554
Sam Hill and Sons, Inc.	-	223	-	-	4,807	-
Saticoy Sanitary District	-	-	-	-	-	-
<i>Saticoy Sanitary District</i>	289,225	277,923	283,662	283,662	455,587	391,274
<i>Saticoy Sanitary District - Central Administration</i>	64,991	63,833	54,545	54,545	67,823	49,527
Saticoy Sanitary District Total	354,216	341,756	338,207	338,207	523,410	440,801
Shadow Ridge	-	-	-	-	16,633	5,049
Summerland Sanitary District	-	-	-	-	4,401	4,281
Thacher School	88,277	85,610	85,012	85,012	83,609	84,560
Thomas Aquinas College	233,855	262,397	196,280	196,280	278,904	222,333
City of Thousand Oaks	-	-	-	-	-	-
<i>City of Thousand Oaks</i>	6,156	7,385	5,841	5,841	6,615	3,979
City of Thousand Oaks Total	6,156	7,385	5,841	5,841	6,615	3,979
Top O'Topanga Community Association	161,114	148,613	156,720	156,720	142,057	151,752
Triunfo Sanitation District	-	-	-	-	-	-
<i>Triunfo Sanitation District</i>	3,003,978	2,647,663	2,788,412	2,788,412	2,848,387	2,368,884
<i>Triunfo Sanitation District - Central Administration</i>	1,199,725	1,149,272	1,093,288	920,788	913,787	910,725
Triunfo Sanitation District Total	4,203,703	3,796,935	3,881,700	3,709,200	3,762,175	3,279,609
County of Ventura	-	-	-	-	-	-
<i>Moorpark</i>	172,914	204,257	163,398	163,398	55,077	161,794
<i>NorthCoast</i>	398,455	412,560	382,210	382,210	375,886	337,482
<i>Piru</i>	30,124	70,323	28,689	28,689	39,986	734
<i>County of Ventura - Special Projects</i>	36,314	26,192	110,505	63,102	35,776	41,908
County of Ventura Total	637,806	713,331	684,801	637,398	506,726	541,918
Ventura County Regional Energy Alliance	7,729	3,014	7,819	7,819	2,892	2,868
Miscellaneous Customers	-	11,010	-	-	5,154	15,325
Customer Total	6,969,489	6,145,182	6,460,083	6,240,180	6,101,222	5,555,375
Excluding Central Administration Revenue Sales	(1,272,445)	(1,216,120)	(1,155,652)	(983,152)	(989,614)	(978,881)
Excluding Solid Waste Revenue Sales	(129,457)	(81,546)	(75,051)	(75,051)	(53,613)	-
Total Water Wastewater Revenue Sales	\$ 5,567,586	\$ 4,847,516	\$ 5,229,380	\$ 5,181,977	\$ 5,057,994	\$ 4,576,494

[a] Estimate through June 30th; based on preliminary June year-to-date actuals.

VENTURA REGIONAL SANITATION DISTRICT
FISCAL YEAR 2017 BUDGET SUMMARY
MALIBU BAY CLUB

Description	Maintenance	Maintenance - Collection System	Operations	Environmental Monitoring	Total Budget
<u>Expense</u>					
Labor	40,047	1,458	57,772	11,084	110,361
Operating supplies	3,450	-	9,430	575	13,455
Lab testing	-	-	-	12,075	12,075
Sludge disposal	13,800	-	-	-	13,800
Utilities	-	-	1,200	-	1,200
Permits, licenses, fees	-	-	4,083	4,025	8,108
ISF equipment and mileage	4,230	725	7,500	500	12,955
Property insurance	-	-	7,644	-	7,644
Legal	-	-	1,150	-	1,150
Total Expenses	\$ 61,527	\$ 2,183	\$ 88,779	\$ 28,259	\$ 180,748

Annual sewer service fee [1] 180,875

Annual surplus/(deficit) 127

	<u>Reserve Fund</u>	<u>Reimbursement of Advance</u>
Beginning Balance	10,004	239,991
FY 2017 - Tax Roll Apportionment	10,004	(60,009)
Surplus - FY 2017	-	(127)
Ending Balance	\$ 20,008	\$ 179,856

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Solid Waste5

Fiscal Year 2017 Budget Summary..... 5-1

VENTURA REGIONAL SANITATION DISTRICT

FISCAL YEAR 2017 BUDGET SUMMARY

SOLID WASTE

Description	Actual FY 2014 Yearend	Actual FY 2015 Yearend	Adopted FY 2016 Budget	Estimated FY 2016 Yearend	Proposed FY 2017 Budget	FY16 vs. FY17 Budget Inc/(Dec)
Operating revenues:						
Revenue - sales	\$ 10,618,088	\$ 11,745,287	\$ 11,571,117	\$ 12,412,112	\$ 12,181,257	5% [1]
Revenue - other	275,773	175,845	111,600	174,450	170,900	53% [2]
Reimb from outside agencies	-	-	-	-	-	0%
Total operating revenues	10,893,861	11,921,133	11,682,717	12,586,562	12,352,157	6%
Operating expenses:						
Salaries and employee benefits	2,379,075	2,466,772	2,994,834	2,671,344	2,956,352	-1% [3]
General administrative	19,392	43,398	19,050	30,094	192,200	909% [4]
Operating materials and supplies	765,906	853,472	837,873	1,004,559	864,265	3% [5]
Contract services - labor	180,573	167,018	175,000	280,633	301,000	72% [6]
Professional services	341,327	412,514	626,388	673,193	892,595	42% [7]
Facility maintenance	252,524	322,475	383,810	390,037	417,310	9% [8]
Permit, fees & other	1,001,556	1,062,496	1,069,550	1,246,978	1,158,963	8% [9]
Total operating expenses	4,940,353	5,328,145	6,106,506	6,296,838	6,782,685	11%
Operating income(loss) before depreciation	5,953,509	6,592,988	5,576,211	6,289,724	5,569,472	0%
Depreciation and amortization	1,992,712	2,019,720	2,007,098	1,945,066	2,675,977	33%
Operating income(loss)	3,960,796	4,573,268	3,569,112	4,344,658	2,893,495	-19%
Non-operating revenues(expenses):						
Interest and investment earnings	88,294	127,702	152,000	102,168	99,000	-35%
Gain(loss) on sales and/or disposals of assets	-	-	-	-	-	0%
Debt service interest expense	(421,424)	(346,890)	(315,241)	(727,428)	(451,530)	43%
Grant revenue	-	-	-	-	-	0%
Other, net	7,203	84	-	58	-	0%
Total non-operating revenues(expenses) before transfers	(325,926)	(219,104)	(163,241)	(625,202)	(352,530)	116%
Overhead cost allocation - Central Administration	-	-	-	-	-	0%
ISF fleet use	3,773	5,186	2,560	2,260	2,560	0%
Intra-department labor transfer	280,797	126,759	19,320	120,150	19,980	3% [10]
Landfill processing fee transfer	152,251	171,776	98,840	145,376	150,880	53% [11]
Contra-post closure expenses	-	-	-	-	-	0%
Total transfers in	436,821	303,721	120,720	267,785	173,420	44%
Overhead cost allocation - Central Administration	(1,299,203)	(1,331,185)	(1,792,935)	(1,820,730)	(1,646,494)	-8% [12]
ISF fleet use	(1,576,822)	(1,639,401)	(1,738,980)	(1,762,239)	(1,623,783)	-7%
Intra-department labor transfer	(206,768)	(104,263)	(54,849)	(216,990)	(68,788)	25%
Landfill processing fee transfer	-	-	-	-	-	0%
Provision for landfill closure/postclosure	(1,274,891)	(1,407,536)	(1,328,840)	(1,442,183)	(1,431,392)	8% [13]
Total transfers out	(4,357,684)	(4,482,385)	(4,915,604)	(5,242,143)	(4,770,457)	-3%
Net transfers	(3,920,863)	(4,178,664)	(4,794,884)	(4,974,357)	(4,597,037)	-4%
Total non-operating revenues(expenses), net	(4,246,789)	(4,397,768)	(4,958,125)	(5,599,559)	(4,949,567)	0%
Change in net assets	\$ (285,993)	\$ 175,499	\$ (1,389,013)	\$ (1,254,902)	\$ (2,056,072)	48%

VENTURA REGIONAL SANITATION DISTRICT

FISCAL YEAR 2017 BUDGET SUMMARY

SOLID WASTE

COMMENTS

The Solid Waste Division includes revenues and expenditures related to the active solid waste facility owned and managed by the Ventura Regional Sanitation District. Active landfill operational and administrative revenues and expenses are associated with the Toland Road Landfill.

- [1] Landfill disposal revenue is projected to be \$12,051,800, based on the disposal of 390,400 tons of refuse. For FY2017, this line also includes \$147,058 from the City of Oxnard for EPG at River Ridge. That revenue is included in *Revenue-Other* prior to FY2016 and is included in the Solid Waste Division because the project is managed and performed by members of the Solid Waste Division.
- [2] Revenue increase is reflective of a slight decrease in ADC revenue, with increases in in Millenium Grove, Pyramid Flowers, and Lange Well, revenue during FY2017. For FY2014 and FY2015, City of Oxnard (River Ridge) EPG is included in *Revenue-Other*.
- [3] Salaries & Employee Benefits decrease is primarily due to the budgeting of an Equipment Mechanic in ISF for FY2017 while also implementing a Classification and Compensation Study. The Proposed FY2017 Budget includes 23 FTE assigned to the Solid Waste Division.
- [4] General Administrative expenses include \$7.5K for conferences, seminars, and training; \$5.2K for education reimbursements; \$29K for other general administrative expenses; and \$150K for workers' compensation related costs.
- [5] Operating Materials and Supplies are primarily comprised of wastewater transportation and disposal (\$26K), sand (\$25K), lab services and supplies (\$80.4K), rock (\$100K), tarps (\$60K), H2S control media (\$52K), LFG system support (\$20K), piping (\$50K), flare painting (\$40K), SCADA support (\$40K), street sweeping (\$25K), uniforms (\$22K), chemical supplies and disposal (\$15K), and sandbags (\$15K).
- [6] This includes a \$125K increase in temporary labor at Toland Road Landfill.
- [7] Professional Services are primarily comprised of \$295K in legal, \$286K in engineering consultants, \$178.1K in environmental consultants, \$66.5K in contractor construction, and \$55.5K in safety consulting.
- [8] Facility Maintenance is primarily comprised of electricity (\$154.7K), equipment rental/lease (\$152K), flare burners and thermocouple replacement (\$50K), communications utilities (\$18K), and camera maintenance (\$10K).
- [9] Permits and fees have increased primarily due to additional tonnage and operating the landfill six days per week.
- [10] Intra-department Labor Transfer In is reflective of Solid Waste Division staff supporting operations in other divisions.
- [11] Landfill Processing Fee Transfer In is reflective of closure/postclosure fees transferred from the Biosolids & Microturbine Electrical Generation Facility to the Solid Waste Division when biosolids are buried in the landfill.
- [12] The decrease is attributable to an increase in the percentage of Central Administration Overhead allocated to the Water Wastewater Division, as a result of increasing Water Wastewater Division revenue. The Central Administration Overhead Cost Allocation is allocated to the Solid Waste Division, Water Wastewater Division, and Biosolids & Microturbines Electrical Generation Facility.
- [13] The provision for landfill closure/postclosure has increased by approximately \$102.6K to reflect increased tonnage and the calculated per ton rate needed to reach the required closure/postclosure reserves necessary upon closure of the Toland landfill in 2027.

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Post Closed Landfill Maintenance.....6

Fiscal Year 2017 Budget Summary..... 6-1

VENTURA REGIONAL SANITATION DISTRICT
FISCAL YEAR 2017 BUDGET SUMMARY
POST CLOSED LANDFILL MAINTENANCE

Description	Actual FY 2014 Yearend	Actual FY 2015 Yearend	Adopted FY 2016 Budget	Estimated FY 2016 Yearend	Proposed FY 2017 Budget	FY16 vs. FY17 Budget Inc/(Dec)
Operating revenues:						
Revenue - sales	\$ -	\$ -	\$ -	\$ -	\$ -	0%
Revenue - other	2,440	-	-	-	-	0%
Reimb from outside agencies	-	-	-	-	-	0%
Total operating revenues	2,440	-	-	-	-	0%
Operating expenses:						
Salaries and employee benefits	-	-	113,172	-	107,155	-5%
General administrative	673	1,929	1,500	1,558	500	-67%
Operating materials and supplies	224,115	218,566	264,500	408,756	150,175	-43% [1]
Contract services - labor	4,972	37,912	-	51,255	15,000	0% [2]
Professional services	136,267	166,196	898,654	630,051	505,804	-44% [3]
Facility maintenance	56,182	77,042	65,000	141,778	263,650	306% [4]
Permit, fees & other	357,682	59,174	66,300	61,714	65,100	-2%
Total operating expenses	779,891	560,819	1,409,126	1,295,113	1,107,384	-21%
Operating income(loss) before depreciation	(777,451)	(560,819)	(1,409,126)	(1,295,113)	(1,107,384)	-21%
Depreciation and amortization	30,551	32,366	30,852	30,502	17,046	-45%
Operating income(loss)	(808,003)	(593,185)	(1,439,978)	(1,325,616)	(1,124,430)	-22%
Non-operating revenues(expenses):						
Interest and investment earnings	254,381	222,852	287,700	230,987	200,000	-30%
Gain(loss) on sales and/or disposals of assets	-	-	-	-	-	0%
Debt service interest expense	-	-	-	-	-	0%
Grant revenue	-	-	-	-	-	0%
Other, net	-	-	-	-	-	0%
Total non-operating revenues(expenses) before transfers	254,381	222,852	287,700	230,987	200,000	-30%
Overhead cost allocation - Central Administration	-	-	-	-	-	0%
ISF fleet use	-	-	-	-	-	0%
Intra-department labor transfer	-	-	-	-	-	0%
Landfill processing fee transfer	-	-	-	-	-	0%
Contra-post closure expenses	996,724	805,553	1,174,971	1,316,054	962,548	-18%
Total transfers in	996,724	805,553	1,174,971	1,316,054	962,548	-18%
Overhead cost allocation - Central Administration	-	-	-	-	-	0%
ISF fleet use	(10,294)	(7,724)	(6,642)	(4,158)	(6,642)	0%
Intra-department labor transfer	(179,203)	(205,341)	(16,051)	(100,832)	(31,476)	96%
Landfill processing fee transfer	-	-	-	-	-	0%
Provision for landfill closure/postclosure	-	-	-	-	-	0%
Total transfers out	(189,497)	(213,066)	(22,693)	(104,989)	(38,118)	68%
Net transfers	807,227	592,487	1,152,278	1,211,065	924,430	-20%
Total non-operating revenues(expenses), net	1,061,609	815,339	1,439,978	1,442,052	1,124,430	-22%
Change in net assets	\$ 253,606	\$ 222,154	\$ (0)	\$ 116,436	\$ (0)	0%

VENTURA REGIONAL SANITATION DISTRICT
FISCAL YEAR 2017 BUDGET SUMMARY
POST CLOSED LANDFILL MAINTENANCE

COMMENTS

Budgeted activities for closed landfill relate to the Coastal landfill (closed 1995), Bailard landfill (closed 1997), Ozena landfill (closed 1987) and the Tierra Rejada landfill (closed 1972). VRSD expenses related to closed landfills are offset by investment earnings and Postclosure reserves designated specifically for ongoing maintenance and environmental monitoring activities.

[1] FY2017 includes \$66.5K for groundwater and stormwater services and supplies, \$10K for flap gate and drainage maintenance.

[2] This is reflective of an estimated \$15K in temporary labor during FY2017.

[3] FY2017 Professional Services include contractor construction (\$235.3), environmental consultants (\$123K), engineering consultants (\$110K), legal services (\$13K), and accounting & auditing (\$10.5K).

[4] Facility Maintenance is comprised of fence replacement (\$120K), flare parts and maintenance (\$90K), utilities (\$28.2K), and equipment rental/lease (\$25.5K).

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Biosolids & Microturbine

Electrical Generation Facility7

Fiscal Year 2017 Budget Summary..... 7-1

VENTURA REGIONAL SANITATION DISTRICT
FISCAL YEAR 2017 BUDGET SUMMARY
BIOSOLIDS & MICROTURBINE ELECTRICAL GENERATION FACILITY

Description	Actual FY 2014 Yearend	Actual FY 2015 Yearend	Adopted FY 2016 Budget	Estimated FY 2016 Yearend	Proposed FY 2017 Budget	FY16 vs. FY17 Budget Inc/(Dec)
Operating revenues:						
Revenue - sales	\$ 3,255,181	\$ 3,622,834	\$ 1,923,562	\$ 2,613,682	\$ 2,300,000	20% [1]
Revenue - other	306,906	260,700	250,000	148,284	400,000	60% [2]
Reimb from outside agencies	-	-	-	-	-	0%
Total operating revenues	3,562,087	3,883,534	2,173,562	2,761,966	2,700,000	24%
Operating expenses:						
Salaries and employee benefits	492,391	575,282	189,279	87,282	-	-100% [3]
General administrative	54,087	72,888	106,134	51,926	57,769	-46% [4]
Operating materials and supplies	1,483,299	1,235,026	550,210	557,682	672,000	22% [5]
Contract services - labor	1,246	-	2,500	-	-	-100%
Professional services	125,832	78,160	135,950	321,569	125,750	-8%
Facility maintenance	132,187	495,661	275,500	36,821	117,000	-58% [6]
Permit, fees & other	295,102	144,734	83,194	235,627	118,220	42% [7]
Total operating expenses	2,584,145	2,601,751	1,342,767	1,290,907	1,090,739	-19%
Operating income(loss) before depreciation	977,942	1,281,783	830,794	1,471,059	1,609,261	94%
Depreciation and amortization	852,757	986,134	1,000,020	1,000,019	1,009,556	1%
Operating income(loss)	125,185	295,649	(169,226)	471,040	599,705	-454%
Non-operating revenues(expenses):						
Interest and investment earnings	5,282	2,120	11,000	1,602	2,000	-82%
Gain(loss) on sales and/or disposals of assets	-	-	-	-	-	0%
Debt service interest expense	(525,606)	(482,853)	(442,015)	(641,110)	(201,905)	-54%
Grant revenue	-	-	-	-	-	0%
Other, net	945	-	-	-	-	0%
Total non-operating revenues(expenses) before transfers	(519,379)	(480,733)	(431,015)	(639,509)	(199,905)	-54%
Overhead cost allocation - Central Administration	-	-	-	-	-	0%
ISF fleet use	-	-	-	-	-	0%
Intra-department labor transfer	18,654	36,190	-	10,560	-	0%
Landfill processing fee transfer	-	-	-	-	-	0%
Contra-post closure expenses	-	-	-	-	-	0%
Total transfers in	18,654	36,190	-	10,560	-	0%
Overhead cost allocation - Central Administration	(495,722)	(420,155)	(333,575)	(305,778)	(66,119)	-80% [8]
ISF fleet use	(112,221)	(104,840)	(117,776)	(91,534)	(102,430)	-13%
Intra-department labor transfer	(114,248)	(70,223)	(19,320)	(53,292)	(33,774)	75%
Landfill processing fee transfer	(152,251)	(171,776)	(98,840)	(145,376)	(150,880)	53% [9]
Provision for landfill closure/postclosure	-	-	-	-	-	0%
Total transfers out	(874,443)	(766,994)	(569,511)	(595,979)	(353,203)	-38%
Net transfers	(855,789)	(730,804)	(569,511)	(585,419)	(353,203)	-38%
Total non-operating revenues(expenses), net	(1,375,168)	(1,211,537)	(1,000,526)	(1,224,928)	(553,108)	-45%
Change in net assets	\$ (1,249,983)	\$ (915,888)	\$ (1,169,751)	\$ (753,888)	\$ 46,597	-104%

VENTURA REGIONAL SANITATION DISTRICT
FISCAL YEAR 2017 BUDGET SUMMARY
BIOSOLIDS & MICROTURBINE ELECTRICAL GENERATION FACILITY

COMMENTS

Fiscal Year 2016-2017 (FY2017) is the seventh year of operations for the District's Biosolids & Microturbine Electrical Generation facility. Revenues for this budget division include fees for receiving biosolids (\$2.3M) and sale of self-generated electricity to the grid (\$400K).

[1] The following biosolids customers and deliveries are expected in the FY2017 budget:

- Oxnard: 29,550 Tons
- Ventura: 11,600 Tons
- Santa Paula: 2,900 Tons
- Fillmore: 1,750 Tons
- Piru: 150 Tons
- Misc: 50 Tons

This proposed budget does not reflect a biosolids rate increase for FY2017.

[2] Microturbine revenue is expected to increase for FY2017 due to rebuilds and maintenance completed during FY2016.

[3] The Proposed FY2017 Budget includes no Biosolids & Microturbine Electrical Generation Facility specific employees.

[4] This decrease is primarily due to the elimination of budgeting \$50K for an insurance claim deductible, as the biosolids portion of the facility is currently in a non-operative status.

[5] The \$122K increase in Operating Materials and Supplies includes the additional \$120K budgeted to transport 16,000 Tons of biosolids that were not budgeted during FY2016.

[6] The Facility Maintenance decrease is reflective of the rebuilds and maintenance of the microturbines during FY2016 and non-operative status of the biosolids portion of the facility.

[7] This \$35K increase includes \$40.8K for regulatory fees as a result of the budgeted increase in biosolids tonnage.

[8] The \$267.5K decrease is reflective of a decrease in the amount of Central Administrative labor required by the Biosolids & Microturbine Electrical Generation Facility while the biosolids portion of the facility is a non-operative status. The Central Administration Overhead Cost Allocation is allocated to the Solid Waste Division, Water Wastewater Division, and Biosolids & Microturbines Electrical Generation Facility.

[9] Landfill Processing Fee Transfer Out is reflective of closure/postclosure fees transferred from the Biosolids & Microturbine Electrical Generation Facility to the Solid Waste Division when biosolids are buried in the landfill. This is calculated using the per ton rate needed to reach the required closure/postclosure reserves necessary upon closure of the Toland landfill in 2027.

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Vehicles & Heavy Equipment - ISF8

Fiscal Year 2017 Budget Summary..... 8-1

VENTURA REGIONAL SANITATION DISTRICT
FISCAL YEAR 2017 BUDGET SUMMARY
VEHICLES & HEAVY EQUIPMENT - ISF

Description	Actual FY 2014 Yearend	Actual FY 2015 Yearend	Adopted FY 2016 Budget	Estimated FY 2016 Yearend	Proposed FY 2017 Budget	FY16 vs. FY17 Budget Inc/(Dec)
Operating revenues:						
Revenue - sales	\$ -	\$ -	\$ -	\$ -	\$ -	0%
Revenue - other	623	356	-	173	-	0%
Reimb from outside agencies	-	-	-	-	-	0%
Total operating revenues	623	356	-	173	-	0%
Operating expenses:						
Salaries and employee benefits	150,356	164,553	149,760	155,889	266,240	78% ^[1]
General administrative	87,580	85,341	88,652	95,326	88,652	0%
Operating materials and supplies	510,620	460,339	659,521	375,058	660,596	0%
Contract services - labor	-	-	-	-	-	0%
Professional services	592	1,667	1,000	-	1,000	0%
Facility maintenance	510,056	647,669	656,350	454,643	666,350	2% ^[2]
Permit, fees & other	2,783	1,983	238	2,169	238	0%
Total operating expenses	1,261,987	1,361,552	1,555,521	1,083,084	1,683,076	8%
Operating income(loss) before depreciation	(1,261,363)	(1,361,196)	(1,555,521)	(1,082,911)	(1,683,076)	8%
Depreciation and amortization	409,605	485,397	505,332	486,402	532,179	5%
Operating income(loss)	(1,670,968)	(1,846,594)	(2,060,853)	(1,569,314)	(2,215,255)	7%
Non-operating revenues(expenses):						
Interest and investment earnings	3,113	864	6,300	1,222	1,600	-75%
Gain(loss) on sales and/or disposals of assets	3,832	(12,552)	-	63,658	-	0%
Debt service interest expense	-	-	-	-	-	0%
Grant revenue	-	-	-	-	-	0%
Other, net	565	17	-	-	-	0%
Total non-operating revenues(expenses) before transfers	7,510	(11,671)	6,300	64,880	1,600	-75%
Overhead cost allocation - Central Administration	-	-	-	-	-	0%
ISF fleet use	2,069,144	2,147,906	2,293,767	2,266,233	2,100,346	-8%
Intra-department labor transfer	29,748	-	16,400	-	16,000	-2%
Landfill processing fee transfer	-	-	-	-	-	0%
Contra-post closure expenses	-	-	-	-	-	0%
Total transfers in	2,098,892	2,147,906	2,310,167	2,266,233	2,116,346	-8%
Overhead cost allocation - Central Administration	-	-	-	-	-	0%
ISF fleet use	(639)	(56)	-	(10)	-	0%
Intra-department labor transfer	(85,164)	(82,473)	(60,653)	(67,904)	(32,108)	-47%
Landfill processing fee transfer	-	-	-	-	-	0%
Provision for landfill closure/postclosure	-	-	-	-	-	0%
Total transfers out	(85,803)	(82,529)	(60,653)	(67,914)	(32,108)	-47%
Net transfers	2,013,089	2,065,377	2,249,514	2,198,319	2,084,238	-7%
Total non-operating revenues(expenses), net	2,020,599	2,053,707	2,255,814	2,263,199	2,085,838	-8%
Change in net assets	\$ 349,631	\$ 207,113	\$ 194,961	\$ 693,886	\$ (129,417)	-166%

VENTURA REGIONAL SANITATION DISTRICT
FISCAL YEAR 2017 BUDGET SUMMARY
VEHICLES & HEAVY EQUIPMENT - ISF

COMMENTS

All VRSD on-road equipment, landfill heavy equipment, and certain pieces of specialized equipment and machinery are purchased and maintained through the Fleet Maintenance budget division. This division is commonly referred to as the VRSD Internal Service Fund (ISF).

ISF activities are funded through internal transfers from VRSD operating divisions (Central Administration, Water & Wastewater, Solid Waste, and Biosolids & Microturbine Electrical Generation Facility). Internal transfers are not considered operating revenue. Activity between the divisions is identified in the non-operating revenue/expense sections of the budget summary pages.

Expenses for the Fleet Maintenance Division include Salaries and employee benefits for the Fleet Maintenance Supervisor, as well as support from operating divisions for routine maintenance activities. Operating materials and supplies includes fuel, oil and lubricants, operating supplies, and other operating services. Facility maintenance includes heavy equipment repair and equipment rental.

[1] The Proposed FY2017 Budget includes salary and benefits for 1 Fleet Mechanic & Maintenance Supervisor and 1 Solid Waste Equipment Mechanic. The Solid Waste Equipment Mechanic was budgeted in Solid Waste during FY2016.

[2] The \$10K increase budgeted during FY2017 is reflective of expenses related to the repurposing of a truck used in Water/Wastewater during FY2016 to be used by Solid Waste during FY2017.

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Capital Plan9

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Detail by Division 9-3

Five-Year Capital Improvement Program 9-6

VENTURA REGIONAL SANITATION DISTRICT

FISCAL YEAR 2017 BUDGET SUMMARY

CAPITAL PLAN

Description	Actual FY 2014 Yearend	Actual FY 2015 Yearend	Adopted FY 2016 Budget	Estimated FY 2016 Yearend	Proposed FY 2017 Budget	FY16 vs. FY17 Budget Inc/(Dec)
Capital expenditures:						
Salaries and employee benefits	48,445	-	-	-	-	0%
General administrative	-	-	-	59	-	0%
Operating materials and supplies	107,728	211,532	1,053,000	66,190	269,500	-74%
Contract services - labor	-	-	-	-	-	0%
Information technology services	33,274	57,551	15,048	13,464	18,420	22%
Engineering services	41,842	464,529	388,000	729,811	519,500	34%
Environmental services	187,771	217,437	35,000	9,881	15,000	-57%
Professional services	277,745	377,421	50,000	103,427	170,000	240%
Attorney services	-	-	-	5,367	-	0%
Contractor construction	-	699,618	4,078,000	5,036,309	1,800,000	-56%
Structures and improvements	-	-	60,000	-	60,000	0%
Auto and truck fleet	62,358	312,200	375,000	306,661	420,000	12%
Heavy equipment	-	906,904	825,000	833,735	313,000	-62%
Other machinery and equipment	555,115	265,984	1,543,000	173,356	440,000	-71%
Other physical property	-	-	-	-	-	0%
Furniture and fixtures	9,161	-	-	-	13,000	0%
Computer equipment	18,801	62,212	52,099	60,700	45,000	-14%
Facility maintenance	-	-	7,000	5,045	-	-100%
Permit, fees & other	544	138	-	-	-	0%
Total capital expenditures	1,342,785	3,575,527	8,481,147	7,344,005	4,083,420	-52%
Capital expenditures before transfers	(1,342,785)	(3,575,527)	(8,481,147)	(7,344,005)	(4,083,420)	-52%
Overhead cost allocation - Central Administration	-	-	-	-	-	0%
ISF fleet use	-	-	-	-	-	0%
Intra-department labor transfer	-	-	-	-	-	0%
Landfill processing fee transfer	-	-	-	-	-	0%
Contra-post closure expenses	-	-	-	-	-	0%
Total transfers in	-	-	-	-	-	0%
Overhead cost allocation - Central Administration	-	-	-	-	-	0%
ISF fleet use	-	-	-	-	-	0%
Intra-department labor transfer	-	-	-	-	-	0%
Landfill processing fee transfer	-	-	-	-	-	0%
Provision for landfill closure/postclosure	-	-	-	-	-	0%
Total transfers out	-	-	-	-	-	0%
Net transfers	-	-	-	-	-	0%
Capital expenditures before capital expenditures - contra	\$ (1,342,785)	\$ (3,575,527)	\$ (8,481,147)	\$ (7,344,005)	\$ (4,083,420)	-52%
Capital expenditures - contra	(1,342,785)	(3,575,527)	-	-	-	0%
Total capital expenditures	\$ -	\$ -	\$ (8,481,147)	\$ (7,344,005)	\$ (4,083,420)	-52%

VENTURA REGIONAL SANITATION DISTRICT
FISCAL YEAR 2017 BUDGET SUMMARY
CAPITAL PLAN

COMMENTS

A summary of proposed capital improvement projects and expenditures is provided in the following table. Detailed descriptions of each of the proposed items are also included on Pages 9-3 through 9-5.

Funding for Capital expenditures in FY2017 is expected to come from the use of District reserves. Additional discussion of the impact on reserves is included in the Debt and Reserve Analysis included with the Proposed FY2017 Budget.

Project	Amount
VCERA Integration	5,000
VMWare Server to Manage 10 VM Servers	23,420
Central Admin Miscellaneous	13,000
Central Admin GP Upgrade	40,000
Automate Water Wastewater Gates	15,000
Rehab Existing Water Wastewater Building for Storage	10,000
Toland Scalehouse	250,000
Landfill Master Planning	328,000
Phase 4	865,000
Gas Collection	1,656,000
Toland Miscellaneous Shop Upgrades	50,000
Toland IT Equipment Relocation	40,000
ISF - WWW Capital	435,000
ISF - SW Capital	353,000
Total	\$ 4,083,420

VENTURA REGIONAL SANITATION DISTRICT
FISCAL YEAR 2017 BUDGET SUMMARY
CAPITAL PLAN - DETAIL BY DIVISION

Project	Description	Cost
<i>CENTRAL ADMINISTRATION</i>		
VCERA Integration		
90 - 190 - 52080 - 199908	Professional Services	5,000
Project Total		\$ 5,000
VMWare Server to Manager 10 VM Servers		
90 - 190 - 52073 - 199913	IT Labor	3,420
90 - 190 - 52360 - 199913	VMWare vSphere 6.0 Standard	9,000
90 - 190 - 52360 - 199913	VMWare vSphere 6 Essentials Kit	11,000
Project Total		\$ 23,420
Central Administration Miscellaneous		
90 - 190 - 52350 - 199914	Access and Intercom System	13,000
Project Total		\$ 13,000
Central Admin GP Upgrade		
90 - 190 - 52080 - 199915	Microsoft Great Plains Upgrade	40,000
Project Total		\$ 40,000
Total Central Administration Capital Spending		\$ 81,420
 <i>WATER/WASTEWATER</i>		
Automate Gates		
90 - 290 - 52340 - 299901	Other Machinery and Equipment	15,000
Project Total		\$ 15,000
Rehab Existing Building for Storage		
90 - 290 - 52310 - 299903	Structures and Improvements	10,000
Project Total		\$ 10,000
Total Water/Wastewater Capital Spending		\$ 25,000

VENTURA REGIONAL SANITATION DISTRICT
FISCAL YEAR 2017 BUDGET SUMMARY
CAPITAL PLAN - DETAIL BY DIVISION

Project	Description	Cost
SOLID WASTE		
Toland Road Landfill - Scalehouse		
90 - 490 - 52340 - 499901	Scalehouse and Scale Replacement	250,000
	Project Total	\$ 250,000
Landfill Master Planning		
90 - 490 - 52074 - 499914	Toland Landfill Master Planning/Design	125,000
90 - 490 - 52074 - 499914	Liner Engineering Support	78,000
90 - 490 - 52080 - 499914	Toland Landfill Extension Costs	125,000
	Project Total	\$ 328,000
Phase 4		
90 - 490 - 52074 - 499920	Phase 4A -CQA	100,000
90 - 490 - 52079 - 499920	Phase 4A Geology/Paleo	15,000
90 - 490 - 52082 - 499920	Phase 4A Contractor Construction	750,000
	Project Total	\$ 865,000
Gas Collection		
90 - 490 - 52074 - 499921	Toland Well Field Expansion Engineering	100,000
90 - 490 - 52074 - 499921	Toland Well Field Expansion Construction	20,000
90 - 490 - 52074 - 499921	H2S Vessels Engineering (Design, Planning, and Support)	50,000
90 - 490 - 52074 - 499921	H2S Vessels Construction Management	21,500
90 - 490 - 52074 - 499921	LFG Design/Support	25,000
90 - 490 - 52082 - 499921	Toland Well Field Expansion Contractor	650,000
90 - 490 - 52082 - 499921	H2S Vessels - Installation of H2S System	400,000
90 - 490 - 52185 - 499921	H2S Vessels - Product in Vessels	50,000
90 - 490 - 52185 - 499921	LFG Wells Dewatering	112,500
90 - 490 - 52185 - 499921	LFG Wells Infrastructure (Pumps, Compressor, and Air Lines)	100,000
90 - 490 - 52186 - 499921	H2S Vessels - Old Product Removal	7,000
90 - 490 - 52340 - 499921	H2S Vessels	120,000
	Project Total	\$ 1,656,000
Toland Maintenance Shop Upgrades		
90 - 490 - 52310 - 499927	Structures and Improvements	50,000
	Project Total	\$ 50,000
Toland IT Equipment Relocation		
90 - 490 - 52073 - 499928	Labor	15,000
90 - 490 - 52360 - 499928	Computer Equipment	25,000
	Project Total	\$ 40,000
Total Solid Waste Capital Spending		\$ 3,189,000

VENTURA REGIONAL SANITATION DISTRICT
FISCAL YEAR 2017 BUDGET SUMMARY
CAPITAL PLAN - DETAIL BY DIVISION

Project	Description	Cost
<i>VEHICLES & HEAVY EQUIPMENT - ISF</i>		
ISF - WWW Capital		
90 - 590 - 52320 - 599900	Vactor to Replace 2114 (Including \$150,000 Credit)	300,000
90 - 590 - 52320 - 599900	Tool Truck Replacements (3)	120,000
90 - 590 - 52340 - 599900	Misc	15,000
Project Total		\$ 435,000
ISF - SW Capital		
90 - 590 - 52330 - 599901	Loader to Replace 7158	313,000
90 - 590 - 52340 - 599901	Compressor for New Shop	20,000
90 - 590 - 52340 - 599901	New Generator for Scalehouse	20,000
Project Total		\$ 353,000
Total Vehicles & Heavy Equipment - ISF Capital Spending		\$ 788,000
Total District Capital Spending		\$ 4,083,420

VENTURA REGIONAL SANITATION DISTRICT

FIVE-YEAR CAPITAL IMPROVEMENT PLAN (CIP)

Description	FY2017 ¹	FY 2018	FY 2019	FY 2020	FY 2021
<u>Central Administration:</u>					
VCERA Integration	5,000				
Servers	23,420				
Great Plains Upgrade	40,000				
Miscellaneous	13,000	25,000	25,000	25,000	25,000
<u>Water/Wastewater</u>					
Automate Gates	15,000				
Rehab Existing Building for Storage	10,000				
Miscellaneous		7,500	7,500	7,500	7,500
<u>Solid Waste:</u>					
Toland Road Landfill - Scalehouse	250,000				
Landfill Master Planning	328,000	125,000			
Toland Road Landfill Phase 4	865,000	5,245,090	840,375		
Gas Collection	1,656,000	3,500,000	2,500,000	600,000	75,000
Toland Maintenance Shop Upgrades	50,000				
Toland IT Equipment Relocation	40,000				
MP, DE, CQA		600,000	200,000		
MPD				250,000	50,000
<u>Biosolids/Microturbine Electrical Generation:</u>					
Biosolids Capital					
Microturbines Capital					
<u>Vehicles & Heavy Equipment:²</u>					
ISF - Water/Wastewater	435,000	115,000	145,000	180,000	65,000
ISF - Solid Waste	353,000	1,186,750	430,947	528,259	762,601
ISF - Biosolids & Microturbines					
ISF - Central Administration					
Fiscal Year Grand Total:	\$ 4,083,420	\$ 10,804,340	\$ 4,148,822	\$ 1,590,759	\$ 985,101
Running Total:	4,083,420	14,887,760	19,036,582	20,627,341	21,612,442

Notes:

- 1 FY is Fiscal Year, the year shown is the end of the fiscal year (e.g. - FY2017 is July 2016 through June 2017).
- 2 Amounts based on ISF replacement schedule.
- 3 Amounts presented in future dollar value.

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Supplemental Information10

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VENTURA REGIONAL SANITATION DISTRICT
FISCAL YEAR 2017 BUDGET: TEN YEAR FINANCIAL TREND
ENTERPRISE FUND

Description	FY 2012 Actual	FY 2013 Actual	FY 2014 Actual	FY 2015 Actual	FY 2016 Estimated
Operating revenues:					
Revenue - sales	\$ 17,470,978	\$ 17,761,100	\$ 19,428,644	\$ 21,415,729	\$ 21,089,430
Revenue - other	1,120,862	945,210	607,696	456,575	345,337
Reimb from outside agencies	-	-	-	-	-
Total operating revenues	18,591,840	18,706,309	20,036,340	21,872,303	21,434,767
Operating expenses:					
Salaries and employee benefits	7,199,335	7,194,099	7,838,223	7,983,187	7,821,811
General administrative	331,381	488,368	415,343	495,050	412,559
Operating materials and supplies	3,719,109	4,176,587	3,806,463	3,680,851	3,209,339
Contract services - labor	451,451	352,553	187,737	395,707	523,340
Professional services	1,405,717	1,578,825	1,418,687	1,581,407	2,583,186
Facility maintenance	1,605,805	1,203,011	1,209,466	1,851,291	1,321,136
Permit, fees & other	1,126,361	1,157,655	1,794,183	1,407,009	1,692,356
Total operating expenses	15,839,158	16,151,098	16,670,101	17,394,502	17,563,728
Operating income(loss) before depreciation	2,752,682	2,555,212	3,366,239	4,477,801	3,871,039
Depreciation and amortization	3,733,127	3,535,354	3,529,371	3,776,744	3,706,555
Operating income(loss)	(980,444)	(980,143)	(163,132)	701,057	164,484
Non-operating revenues(expenses):					
Interest and investment earnings	590,889	40,182	360,061	367,628	351,444
Gain(loss) on sales and/or disposals of assets	5,022	-	4,832	(12,552)	63,658
Debt service interest expense	(1,155,824)	(1,082,492)	(1,045,024)	(922,435)	(1,463,011)
Grant revenue	975,000	-	-	-	-
Other, net	123,422	81,378	107,325	94,792	78,743
Total non-operating revenues(expenses) before transfers	538,509	(960,932)	(572,807)	(472,568)	(969,166)
Overhead cost allocation - Central Administration	2,300,000	2,400,000	2,400,000	2,437,387	2,934,156
ISF fleet use	2,286,652	2,306,494	2,118,485	2,185,256	2,306,123
Intra-department labor transfer	1,162,261	1,723,951	662,364	516,864	458,823
Landfill processing fee transfer	-	-	152,251	171,776	145,376
Contra-post closure expenses	604,218	627,423	996,724	805,553	1,306,050
Total transfers in	6,353,131	7,057,867	6,329,824	6,116,836	7,150,528
Overhead cost allocation - Central Administration	(2,300,000)	(2,400,000)	(2,400,000)	(2,437,387)	(2,934,156)
ISF fleet use	(2,286,606)	(2,306,494)	(2,118,485)	(2,185,256)	(2,306,123)
Intra-department labor transfer	(1,162,261)	(1,723,951)	(662,364)	(516,864)	(458,823)
Landfill processing fee transfer	-	-	(152,251)	(171,776)	(145,376)
Provision for landfill closure/postclosure	(1,230,208)	(937,265)	(1,274,891)	(1,407,536)	(1,442,183)
Total transfers out	(6,979,074)	(7,367,710)	(6,607,991)	(6,718,819)	(7,286,662)
Net transfers	(625,944)	(309,843)	(278,167)	(601,983)	(136,133)
Total non-operating revenues(expenses), net	(87,435)	(1,270,775)	(850,974)	(1,074,551)	(1,105,299)
Change in net assets	\$ (1,067,879)	\$ (2,250,918)	\$ (1,014,106)	\$ (373,494)	\$ (940,814)

VENTURA REGIONAL SANITATION DISTRICT
FISCAL YEAR 2017 BUDGET: TEN YEAR FINANCIAL TREND
ENTERPRISE FUND

Description	FY 2017 Budget	FY 2018 Forecast	FY 2019 Forecast	FY 2020 Forecast	FY 2021 Forecast	
Operating revenues:						
Revenue - sales	\$ 21,321,289	\$ 22,687,256	\$ 24,154,473	\$ 24,591,563	\$ 25,037,394	
Revenue - other	581,526	592,944	604,590	616,470	628,587	
Reimb from outside agencies	-	-	-	-	-	
Total operating revenues	21,902,815	23,280,200	24,759,064	25,208,032	25,665,981	[1]
Operating expenses:						
Salaries and employee benefits	9,213,244	9,214,007	9,398,287	9,586,253	9,777,978	
General administrative	572,423	583,871	595,549	607,460	619,609	
Operating materials and supplies	3,158,713	3,062,257	3,123,502	3,185,972	3,249,692	
Contract services - labor	318,000	324,360	330,847	337,464	344,213	
Professional services	2,622,932	2,343,890	2,390,768	2,438,583	2,487,355	
Facility maintenance	1,738,622	1,773,395	1,808,863	1,845,040	1,881,941	
Permit, fees & other	1,506,813	1,536,949	1,567,688	1,599,042	1,631,023	
Total operating expenses	19,130,747	18,838,730	19,215,504	19,599,814	19,991,811	[2]
Operating income(loss) before depreciation	2,772,068	4,441,471	5,543,559	5,608,218	5,674,170	
Depreciation and amortization	4,489,216	4,657,398	5,160,208	5,361,389	5,416,002	[3]
Operating income(loss)	(1,717,148)	(215,927)	383,351	246,829	258,168	
Non-operating revenues(expenses):						
Interest and investment earnings	306,700	310,834	315,031	319,291	323,616	[4]
Gain(loss) on sales and/or disposals of assets	-	-	-	-	-	
Debt service interest expense	(690,788)	(629,409)	(555,368)	(479,462)	(401,643)	[5]
Grant revenue	-	-	-	-	-	
Other, net	104,078	114,291	110,265	106,130	31,868	
Total non-operating revenues(expenses) before transfers	(280,010)	(204,284)	(130,072)	(54,041)	(46,158)	
Overhead cost allocation - Central Administration	2,919,268	2,208,375	2,855,065	2,911,451	2,969,018	
ISF fleet use	2,117,204	2,159,548	2,202,739	2,246,794	2,291,730	
Intra-department labor transfer	166,146	169,469	172,858	176,315	179,842	
Landfill processing fee transfer	150,880	153,898	156,976	160,115	163,317	
Contra-post closure expenses	952,544	1,043,711	1,059,263	1,075,048	1,101,074	
Total transfers in	6,306,042	5,735,000	6,446,901	6,569,723	6,704,981	
Overhead cost allocation - Central Administration	(2,919,268)	(2,230,038)	(2,867,638)	(2,924,289)	(2,982,125)	
ISF fleet use	(2,117,204)	(2,157,499)	(2,200,649)	(2,244,662)	(2,289,556)	
Intra-department labor transfer	(166,146)	(169,469)	(172,858)	(176,315)	(179,842)	
Landfill processing fee transfer	(150,880)	(153,898)	(156,976)	(160,115)	(163,317)	
Provision for landfill closure/postclosure	(1,431,392)	(868,137)	(900,481)	(933,829)	(968,213)	
Total transfers out	(6,784,890)	(5,579,041)	(6,298,602)	(6,439,211)	(6,583,053)	
Net transfers	(478,848)	155,959	148,298	130,512	121,928	
Total non-operating revenues(expenses), net	(758,858)	(48,325)	18,227	76,471	75,770	
Change in net assets	\$ (2,476,006)	\$ (264,252)	\$ 401,578	\$ 323,301	\$ 333,938	[6]

[1] Operating revenues increase annually based on the following schedule: Solid Waste - 10%, 2018 and 2019 and 5%, 2020 and 2021; 2% thereafter. Water Wastewater - 5%, 2018 through 2021; 2% thereafter. Central Administration - 2% annually based.

[2] Operating expenses increase annually by 2%.

[3] Depreciation and amortization increases annually based on the Five-year capital plan.

[4] Interest and investment earnings increase annually by 2%.

[5] Debt service is based on the individual loan payment schedules.

[6] Five-year capital plan not included in the change in net assets.

VENTURA REGIONAL SANITATION DISTRICT
FISCAL YEAR 2017 BUDGET SUMMARY
CONSOLIDATED - RESERVE ANALYSIS

Description	Actual FY 2014 Yearend	Actual FY 2015 Yearend	Adopted FY 2016 Budget	Estimated FY 2016 Yearend	Proposed FY 2017 Budget					
RESERVE LEVEL BALANCE:										
Beginning cash, cash equiv. & investments:	\$ 37,393,838	\$ 37,277,422	\$ 37,047,064	\$ 36,073,712	\$ 37,695,689					
Change in net assets on a cash basis ¹	(116,416)	(1,203,709)	757,803	1,621,977	(4,543,763)					
Ending cash, cash equiv. & investments:	<u>\$ 37,277,422</u>	<u>\$ 36,073,712</u>	<u>\$ 37,804,867</u>	<u>\$ 37,695,689</u>	<u>\$ 33,151,926</u>					
RESERVE LEVELS:						RESERVE LEVEL RECAP				
Restricted reserves:						Projected Reserve Level	Reserve Level Policy	Over (Under) Requirement		
Closure/Postclosure financial assurance req.										
Bailard Post Closure	4,927,070	4,927,070	5,115,998	5,050,986	5,162,612	5,162,612	5,162,612	-		
Coastal Post Closure	3,565,334	3,565,334	3,702,047	3,642,291	3,722,786	3,722,786	3,722,786	-		
Toland Road Closure/Post Closure	9,918,961	9,918,961	11,563,297	11,438,005	12,342,580	12,342,580	12,342,580	-		
Closed landfill maintenance/Other reserves	1,085,223	1,085,223	939,572	987,256	919,260	919,260	919,260	-		
Total restricted reserves	19,496,588	19,496,588	21,320,914	21,118,538	22,147,238	22,147,238	22,147,238	-		
Committed reserves:										
Closure and Postclosure Funds										
Bailard Post Closure ²	4,536,701	4,536,701	4,710,661	4,650,799	-	-	4,753,582	(4,753,582)	²	
Coastal Post Closure ²	3,187,157	3,187,157	3,309,369	3,267,314	-	-	3,339,522	(3,339,522)	²	
Toland Road Closure/Post Closure	1,202,697	1,037,842	384,160	-	-	-	-	-		
CERCLA	45,225	45,225	45,225	45,225	-	-	45,225	(45,225)		
Significant future capital projects	-	-	-	-	-	-	-	-		
Future facilities	-	-	-	-	-	-	-	-		
Total committed reserves	8,971,780	8,806,925	8,449,415	7,963,338	-	-	8,138,329	(8,138,329)		
Assigned reserves:										
Replacement fund - FFE	(0)	(0)	0	(0)	0	1,360,727	7,951,603	(6,590,876)	³	
Capital improvement funds	7,770,200	7,770,200	2,085,367	4,083,420	10,804,340	9,858,125	10,779,340	(921,215)	⁴	
Insurance fund	-	-	-	331,481	-	-	331,481	(331,481)		
Operating funds - 6 mos. of operating expenses	(0)	(0)	3,159,933	1,640,630	200,347	(214,165)	9,011,681	(9,225,846)	⁵	
Operating funds - 1 yr. debt service obligation	1,038,854	-	2,789,237	2,558,283	-	-	3,643,190	(3,643,190)	⁵	
Total assigned reserves	8,809,053	7,770,199	8,034,537	8,613,813	11,004,688	11,004,688	31,717,295	(20,712,608)		
Total reserve level	37,277,421	36,073,712	37,804,866	37,695,689	33,151,926	33,151,926	62,002,862	(28,850,937)		
Ending cash, cash equiv. & investments	<u>\$ 37,277,421</u>	<u>\$ 36,073,712</u>	<u>\$ 37,804,867</u>	<u>\$ 37,695,689</u>	<u>\$ 33,151,926</u>	<u>\$ 33,151,926</u>	<u>\$ 33,151,926</u>	<u>\$ -</u>		
Balance over/(under) requirements	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (0)</u>	<u>\$ (0)</u>	<u>\$ (0)</u>	<u>\$ (28,850,937)</u>	<u>\$ (28,850,937)</u>		

NOTES:

[1] Change in net assets on a cash basis reflects adjustments made to exclude non-cash items such as depreciation & amortization expense, as well as to include additional cash outflows such as principal payments on debt service. The District acquired a \$10 million loan in FY 2016, to fund the Toland Landfill Phase 4A capital project.

[2] Committed reserves represent Board approved levels in order to maintain postclosure activity for an additional 15 years; up to 30 years. The official closure date for the two landfills are as follows: Bailard - July 1998 and Coastal - November 1995. Currently, this category is not funded, in order to fund the capital projects anticipated for FY2018.

[3] The replacement fund represents 100% of accumulated depreciation. Currently, this category is not being funded.

[4] Capital improvement reserves needed to fund next fiscal year's capital projects, outlined in the 5-year Capital Improvement Plan table; FY2018 capital projects.

[5] Operating funds represents 100% of the following: six months of the District's operating expenses and one year of debt service obligations. Currently, this category is not being funded.

VENTURA REGIONAL SANITATION DISTRICT
FISCAL YEAR 2017 BUDGET: FIVE-YEAR FORECAST
CONSOLIDATED - RESERVE ANALYSIS

Description	FY 2017 Estimated	FY 2018 Forecast	FY 2019 Forecast	FY 2020 Forecast	FY 2021 Forecast		
<u>RESERVE LEVEL BALANCE:</u>							
Beginning cash, cash equiv. & investments:	\$ 37,695,689	\$ 33,151,926	\$ 34,959,349	\$ 32,132,121	\$ 31,927,228		
Change in net assets on a cash basis	(4,543,763)	1,807,423	(2,827,227)	(204,894)	406,426		
Ending cash, cash equiv. & investments:	\$ 33,151,926	\$ 34,959,349	\$ 32,132,121	\$ 31,927,228	\$ 32,333,654	[1] & [8]	
<u>RESERVE LEVELS:</u>							
Restricted reserves:						FY 2021 Reserve Level Policy	Over (Under) Requirement
Closure/Postclosure financial assurance req.							
Bailard Post Closure	5,162,612	5,276,706	5,393,321	5,512,514	5,634,340	5,634,340	-
Coastal Post Closure	3,722,786	3,805,060	3,889,151	3,975,102	4,062,951	4,062,951	-
Toland Road Closure/Post Closure	12,342,580	13,210,717	14,111,198	15,045,027	16,013,240	16,013,240	-
Closed landfill maintenance/Other reserves	919,260	812,260	822,264	832,268	842,272	842,272	-
Total restricted reserves	22,147,238	23,104,743	24,215,934	25,364,911	26,552,803	26,552,803	-
Committed reserves:							
Closure and Postclosure Funds							
Bailard Post Closure	-	958,781	200,000	-	-	-	-
Coastal Post Closure	-	339,522	49,400	-	-	-	-
Toland Road Closure/Post Closure	-	-	-	-	-	-	-
CERCLA	-	45,225	45,225	45,225	45,225	45,225	-
Significant future capital projects	-	-	-	-	-	-	-
Future facilities	-	-	-	-	-	-	-
Total committed reserves	-	1,343,528	294,625	45,225	45,225	45,225	-
Assigned reserves:							
Replacement fund - FFE [3]	0	0	(0)	0	(0)	(11,999,503)	11,999,503
Capital improvement funds	10,804,340	4,148,822	1,590,759	985,101	3,303,080	3,303,080	-
Insurance fund	-	331,481	331,481	331,481	-	331,481	(331,481)
Operating funds - 6 mos. of operating expenses	200,347	1,384,772	3,117,983	3,558,412	1,286,543	9,454,565	(8,168,022)
Operating funds - 1 yr. debt service obligation	-	4,646,003	2,581,340	1,642,097	1,146,003	4,646,003	(3,500,000)
Total assigned reserves	11,004,688	10,511,078	7,621,562	6,517,092	5,735,626	5,735,626	-
Total reserve level	33,151,926	34,959,349	32,132,121	31,927,228	32,333,654	32,333,654	-
Ending cash, cash equiv. & investments	\$ 33,151,926	\$ 34,959,349	\$ 32,132,121	\$ 31,927,228	\$ 32,333,654	\$ 32,333,654	\$ -
Balance over/(under) requirements	\$ 0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

NOTES:

[1] Change in net assets on a cash basis reflects adjustments made to exclude non-cash items such as depreciation & amortization expense, as well as to include additional cash outflows such as principal payments on debt service. The District will be seeking to acquire a \$12 million loan in FY 2018, to fund the Toland Landfill Phase 4B and 4C capital projects, as well as the Landfill Gas Collection System expansion.

[2] Expenses associated with the postclosure maintenance of Bailard and Coastal exceed the interest earnings on the reserve balance. In addition, funds are expected to be used in order to fund capital projects, as well as continuing operations.

[3] The replacement fund represents 100% of accumulated depreciation however, is not currently being funded.

[4] Deficit shown here in order to fulfill other commitments.

[5] Capital improvement reserves needed to fund next fiscal year's capital projects, outlined in the 5-year Capital Improvement Plan table.

[6] Insurance fund is not expected to be funded in the 5-year projection.

[7] Operating funds represents 100% of the following: six months of the District's operating expenses and one year of debt service obligations. However, the current forecast does not enable the District to set 100% of these reserves aside for FY017 through FY2021.

[8] This forecast assumes the following rate increases: Solid Waste - 10%, 2018 and 2019; 2% thereafter. Water Wastewater - 5%, 2018; 2% thereafter.

VENTURA REGIONAL SANITATION DISTRICT
DEBT SERVICE
FISCAL YEAR 2017

OUTSTANDING DEBT SERVICE SUMMARY

	Biosolids - 1 <i>Loan #07-031</i>	Biosolids - 2 <i>Loan #08-077</i>	Solid Waste <i>Loan #06-080</i>	Water/Wastewater <i>Loan #07-007</i>	Solid Waste <i>Loan #10-017</i>	Solid Waste <i>Loan #16-01</i>	Combined Loan Amount
Original Loan Amount	\$3,980,887	\$6,037,415	\$3,491,504	\$1,825,000	\$3,709,711	\$10,068,000	\$29,112,517
Interest Rate	2.12%	2.27%	1.99%	2.71%	2.87%	2.94%	n/a
Due Dates	Jun and Dec	May and Nov	Jun and Dec	Oct and Apr	Jun and Dec	Jul and Jan	n/a
Lender	[1]	[1]	[1]	[3]	[1]	[1]	
Assignee	[2]	[2]	[2]	[4]	[2]	[2]	
Balance Due as of June 30, 2016	\$3,715,613	\$5,713,429	\$3,216,127	\$1,825,000	\$3,548,252	\$10,068,000	\$28,086,421
Principal Payment through June 30, 2017	\$539,013	\$659,046	\$559,002	\$154,478	\$329,901	\$710,961	\$2,952,401
Interest Payment through June 30, 2017	\$75,929	\$125,976	\$61,234	\$37,353	\$99,484	\$290,812	\$690,788
Balance Due as of June 30, 2017	\$3,176,600	\$5,054,383	\$2,657,125	\$1,670,522	\$3,218,351	\$9,357,039	\$25,134,020

Notes:

[1] Lender: Banc of America Public Capital Corporation

[2] Assignee: not assigned

[3] Lender: BBVA Compass Bank

[4] Assignee: not assigned

Additional Information

<u>Loan #07-031</u>	Description:	Acquire and construct the Biosolids drying facility
	Term:	January 2016 - December 2022
<u>Loan #08-077</u>	Description:	Purchase and construction of microturbines and Biosolids drying facility
	Term:	January 2016 - December 2024
<u>Loan #06-080</u>	Description:	Construction of Toland Road Landfill liner
	Term:	January 2016 - December 2021
<u>Loan #07-007</u>	Description:	Malibu Bay Club Onsite Wastewater Treatment System
	Source of Funding:	Assessment District
	Term:	June 2016 - April 2027
<u>Loan #10-017</u>	Description:	Construction of Toland Road Landfill liner Phase 3B
	Term:	January 2016 - December 2025
<u>Loan #16-01</u>	Description:	Implementation/Construction of Toland Road Landfill liner Phase 4
	Term:	January 2016 - January 2028

VENTURA REGIONAL SANITATION DISTRICT
DRAFT HOURLY RATES
JULY 1, 2016 THROUGH JUNE 30, 2017

		FY 2016		FY 2017	
<u>CENTRAL ADMINISTRATION</u>					
Div.	Title	Hourly	OT	Hourly	OT
CA	Office Assistant	\$53	\$80	\$56	\$84
CA	Administrative Assistant	\$53	\$80	\$56	\$84
CA	Human Resources Technician	n/a	n/a	\$56	\$84
CA	Fiscal Assistant	\$64	\$96	\$67	\$101
CA	Executive Assistant	\$74	n/a	\$78	\$117
CA	Human Resources Analyst	\$85	n/a	\$89	\$134
CA	Human Resources Administrator	n/a	n/a	\$89	\$134
CA	Management Analyst	\$92	n/a	\$97	\$146
CA	Accountant	n/a	n/a	\$97	\$146
CA	Senior Accountant	n/a	n/a	\$97	\$146
CA	Senior Management Analyst	n/a	n/a	\$97	\$146
CA	Director of Finance	n/a	n/a	\$154	\$231
CA	General Manager	\$179	n/a	\$188	\$282
CA	Management Specialist	\$70	n/a	n/a	n/a
CA	Director of Finance & Administration	\$147	n/a	n/a	n/a
<u>OPERATIONS</u>					
Div.	Title	Hourly	OT	Hourly	OT
WWW	Office Assistant	\$53	\$80	\$56	\$84
WWW	Administrative Assistant	\$53	\$80	\$56	\$84
WWW	W/WW Helper	\$51	\$77	\$55	\$83
WWW	W/WW Worker	\$75	\$113	\$81	\$122
WWW	Construction Specialist	\$92	\$138	\$97	\$146
WWW	Electrical/Mechanical Worker	\$99	\$149	\$104	\$156
WWW	WWW Operator in Training	n/a	n/a	\$104	\$156
WWW	W/WW Treatment Operator I	\$99	\$149	\$104	\$156
WWW	W/WW Treatment Operator II	\$99	\$149	\$104	\$156
WWW	W/WW Treatment Operator III	\$99	\$149	\$104	\$156
WWW	W/WW Treatment Operator IV	\$99	\$149	\$104	\$156
WWW	W/WW Treatment Operator V	\$99	\$149	\$104	\$156
WWW	W/WW Treatment Plant Operator	\$110	\$165	\$104	\$156
WWW	Environmental Resource Analyst	\$107	\$161	\$112	\$168
WWW	Instrumentation Technician	\$109	\$164	\$114	\$171
WWW	WWW Operations Supervisor	n/a	n/a	\$116	\$174
WWW	WWW Operations Superintendent	n/a	n/a	\$131	\$197
WWW	Management Specialist	\$70	\$105	n/a	n/a
WWW	W/WW Supervisor	\$110	\$165	n/a	n/a
WWW	W/WW Operations & Maintenance Superintendent	\$125	\$188	n/a	n/a
SW	Solid Waste Worker	\$75	\$113	\$79	\$119
SW	Solid Waste Equipment Operator	\$99	\$149	\$104	\$156
SW	Senior Solid Waste Equipment Operator	\$99	\$149	\$104	\$156
SW	Engineering Technician	\$102	\$153	\$107	\$161
SW	Solid Waste Supervisor	\$108	\$162	\$113	\$170
SW	Senior Engineering Technician	n/a	n/a	\$116	\$174
SW	Director of Operations	n/a	n/a	\$154	\$231
SW	Senior Solid Waste Worker	\$99	\$149	n/a	n/a
SW	Solid Waste Technical Operations Supervisor	\$110	\$165	n/a	n/a

- EMERGENCY CALL OUTS ARE PER PERSON, PORTAL TO PORTAL (3 HOUR MINIMUM).
- OBSERVED VRSD HOLIDAYS WILL BE CHARGED AT DOUBLE TIME (3 HOUR MINIMUM).
- OVERHEAD RATES APPLIED, AS FOLLOWS:

All Other Services: 15%

**VENTURA REGIONAL SANITATION DISTRICT
DRAFT EQUIPMENT & SUPPLY (CONSUMABLE) RATES
JULY 1, 2016 THROUGH JUNE 30, 2017**

EQUIPMENT	CHARGE					
	Mile	Use	Hour	Day	Week	Month
Air Compressor				\$100		
Airless Sprayer Epic 660E				\$35		
Bulldog Nozzle		\$25				
Chlorine Residuals, Field Tests		\$4				
Coatings & Linings - Hand Tools				\$20		
Coatings & Linings - Power Tools (includes Hand Tools rate)				\$50		
Compressor, Air				\$100		
Computer, Laptop				\$50		
Concrete Mixer				\$50		
Confined Space Tripod/Harness System w/air blower				\$50		
Debris Catcher				\$25		
Digital Manometer		\$1				
Epoxy Injection Machine				\$310		
Fleet Vehicle Use (mileage)	\$1					
Fuel Filtering System				\$55		
Gas Analyzer (GEM)						\$228
Gas Scope (meter)		\$20				
Generator - 2kw				\$25		
Generator - 5kw				\$25		
Generator - 70kw				\$100		
Grunfos Control Box		\$15				
Laptop computer				\$50		
Laser Alignment Equipment				\$75		
Lateral Camera (use = each lateral)		\$100				
Load Bank				\$45		
Locator (or metal detector)				\$25		
Manhole Rehab Equipment = \$65/vertical foot		\$65/vft				
Metal Detector (Locator)				\$25		
Meter - Electrical Conductivity		\$5				
Meter - QED Flow Cell Meter		\$20				
Mule (ATV)						\$280
Oil System				\$40		
Peristolic Pump		\$20				
pH, Field Tests		\$5				
Polymixer						\$130
Portable Hydorrodder				\$375		
Portable Welder				\$20		
Pressure Washer			\$5	\$40		
Pressure Washer - High Pressure/Hot Water				\$55		

VENTURA REGIONAL SANITATION DISTRICT
DRAFT EQUIPMENT & SUPPLY (CONSUMABLE) RATES (continued)
JULY 1, 2016 THROUGH JUNE 30, 2017

EQUIPMENT	CHARGE					
	Mile	Use	Hour	Day	Week	Month
Pulse Air System				\$55		
Pump - 3" Pump				\$40		
Pump - 4" Godwin				\$100	\$560	\$2,250
Pump - 4" Trailer-Mounted Pump				\$60	\$336	\$1,350
Pump - Dewatering Pump (Potable)				\$50	\$150	\$400
Pump - Diaphragm Pump				\$100	\$560	\$2,250
Pump - King Pump				\$100	\$560	\$2,250
Pump - Trash Pump, 6"				\$100	\$560	\$2,250
Pumper Trailer				\$50		
Push Camera				\$75		
Root Saw or Chain Scraper				\$25		
Sampler - Automatic (ISCO)		\$30				
Sandblaster				\$45		
Spec. Small Tools & Equip (includes Gas Tech, Fluke meter, etc)				\$30-\$130		
Sprayer, Airless and Manhole				\$100		
Sprayer, Extreme Airless				\$250		
Test Bench, Water (Ford)						\$250
Traffic Control Items (cones/signs)				\$30		
Vactor with Chase Truck (for traffic control) *			\$75	\$550		
Vactor without Chase Truck *			\$62	\$500		
Vacuum Truck *				\$300		
Vehicle - MULE (all terrain vehicle)						\$280
Vehicle - Standby Truck w/crane, pump, & tank		\$25				
Vehicle or Forklift				\$25		
Vehicle #2106 (Assigned to TSD)						\$578
Vehicle #2107 (Assigned to TSD)						\$600
Vehicle #2122 (Assigned to TSD)						\$1,000
Vehicle #2131 (Assigned to TSD)						\$620
Video Inspection Vehicle (TV Van) *				\$300		
Water line depth sounder		\$2				
Water Trailer (250 Tank)				\$60		
Well Control Box (pump controller-QED)		\$10				

* Hourly/Daily rate does not include fuel surcharge.

SUPPLY (CONSUMABLE)	CHARGE					
	Mile	Use	Hour	Day	Week	Month
Bailers & Disposable supplies (filters)		\$15				
Consumables				\$3		
Float Switch		\$53				
Float Weight		\$10				

VENTURA REGIONAL SANITATION DISTRICT
FISCAL YEAR 2017 BUDGET SUMMARY
SEMINARS, LODGING & TRAVEL

Program	Account	Description	Cost
CENTRAL ADMINISTRATION			
Administration	25 - 100 - 52035 - 100100	GFOA Conference & Seminar	1,500
	25 - 100 - 52035 - 100100	CSDA Board Sec'y Clerk Certificate Program placeholder	1,200
		Project Total	\$ 2,700
Administration - Human Resources	25 - 100 - 52035 - 100104	HR Training & Seminars	5,000
	25 - 100 - 52035 - 100104	Textbooks & Tuition; Classes/Seminars	5,250
		Project Total	\$ 10,250
Administration - Triunfo Sanitation District	25 - 110 - 52035 - 121100	District Manager Conference	1,500
		Project Total	\$ 1,500
		Total Central Administration Seminars, Lodging & Travel	\$ 14,450
WATER/WASTEWATER			
Administration - Water Wastewater	20 - 270 - 52035 - 200100	Mileage/Seminar/Travel	8,000
		Project Total	\$ 8,000
Administration - Water Wastewater Training	20 - 270 - 52035 - 200103	Textbook & Tuition; Classes/Seminars; Cert Ed	42,000
	20 - 270 - 52035 - 200103	InduSoft Training in Austin, TX	6,000
		Project Total	\$ 48,000
		Total Water/Wastewater Seminars, Lodging & Travel	\$ 56,000
SOLID WASTE DIVISION			
Safety - Solid Waste	25 - 470 - 52035 - 400100	Conferences, Seminars, Training	7,500
		Project Total	\$ 7,500
		Total Solid Waste Seminars, Lodging & Travel	\$ 7,500
		Total District Seminars, Lodging & Travel	\$ 77,950

VENTURA REGIONAL SANITATION DISTRICT
FISCAL YEAR 2017 BUDGET SUMMARY
BOARD MEMBER FEES & EXPENSES

Program	Account	Description	Cost
<i>CENTRAL ADMINISTRATION</i>			
Board Member Fees			
	25 - 100 - 52000 - 100100	24 Days of Service CASA	4,464
	25 - 100 - 52000 - 100100	9 Members x 12 Committee Meetings	20,088
	25 - 100 - 52000 - 100100	9 Members Regular Meetings	36,828
		Project Total	\$ 61,380
Board Member Expenses			
	25 - 100 - 52001 - 100100	Board Refreshments	286
	25 - 100 - 52001 - 100100	Mileage	5,000
	25 - 100 - 52001 - 100100	Registration (CASA)	9,000
	25 - 100 - 52001 - 100100	Lodging (CASA)	18,225
	25 - 100 - 52001 - 100100	Washington DC CASA (1 board member)	4,000
	25 - 100 - 52001 - 100100	Sacramento CASA (1 board member)	2,000
	25 - 100 - 52001 - 100100	Per Diem	5,000
		Project Total	\$ 43,511
		Total Board Member Fees & Expenses	\$ 104,891

VENTURA REGIONAL SANITATION DISTRICT
FISCAL YEAR 2017 BUDGET SUMMARY
SALARIES AND EMPLOYEE BENEFITS SCHEDULE

Description	Central Admin	Water Wastewater Division	Solid Waste Division [1]	Biosolids Division	Internal Service Fund	District Total
Wages - Regular	\$ 1,485,918	\$ 1,736,381	\$ 1,547,099	\$ -	\$ 132,535	\$ 4,901,933
Wages - Holiday Leave	130,086	167,348	148,824	-	13,568	459,826
Wages - CAL	252,411	304,219	275,636	-	26,512	858,778
Wages - Overtime	-	21,793	143,188	-	-	164,981
Wages - Standby	-	29,328	-	-	-	29,328
Allowance/Incentives	5,625	-	-	-	-	5,625
	1,874,040	2,259,069	2,114,747	-	172,615	6,420,471
FICA/Medicare	133,969	169,050	147,318	-	13,159	463,496
Unemployment Insurance	5,535	7,511	5,957	-	518	19,521
State Disability Insurance	15,123	19,888	16,742	-	1,548	53,301
Worker's Comp Expense	11,280	147,305	153,765	-	20,164	332,514
	165,907	343,754	323,782	-	35,389	868,832
Medical Insurance	114,400	180,495	122,844	-	10,668	428,407
Dental Insurance	-	-	-	-	-	-
Life Insurance	554	774	588	-	51	1,967
Employee Assistance Program	627	875	665	-	58	2,225
CalPers Mandated Medical	32,890	45,949	34,914	-	3,036	116,789
	148,471	228,093	159,011	-	13,813	549,388
VCERA	313,300	336,743	331,139	-	28,813	1,009,995
PARS	89,159	123,914	99,914	-	12,574	325,561
OPEB	32,890	45,949	34,914	-	3,036	116,789
	435,349	506,606	465,967	-	44,423	1,452,345
Workers' Comp Dividend	(60,000)	-	-	-	-	(60,000)
Workers' Comp Retro Adjustment	(17,792)	-	-	-	-	(17,792)
	(77,792)	-	-	-	-	(77,792)
Total Salaries & Employee Benefits	\$ 2,545,975	\$ 3,337,522	\$ 3,063,507	\$ -	\$ 266,240	\$ 9,213,244

[1] Includes \$110,023 in salaries and employee benefits allocated to Post Closed Landfill maintenance.

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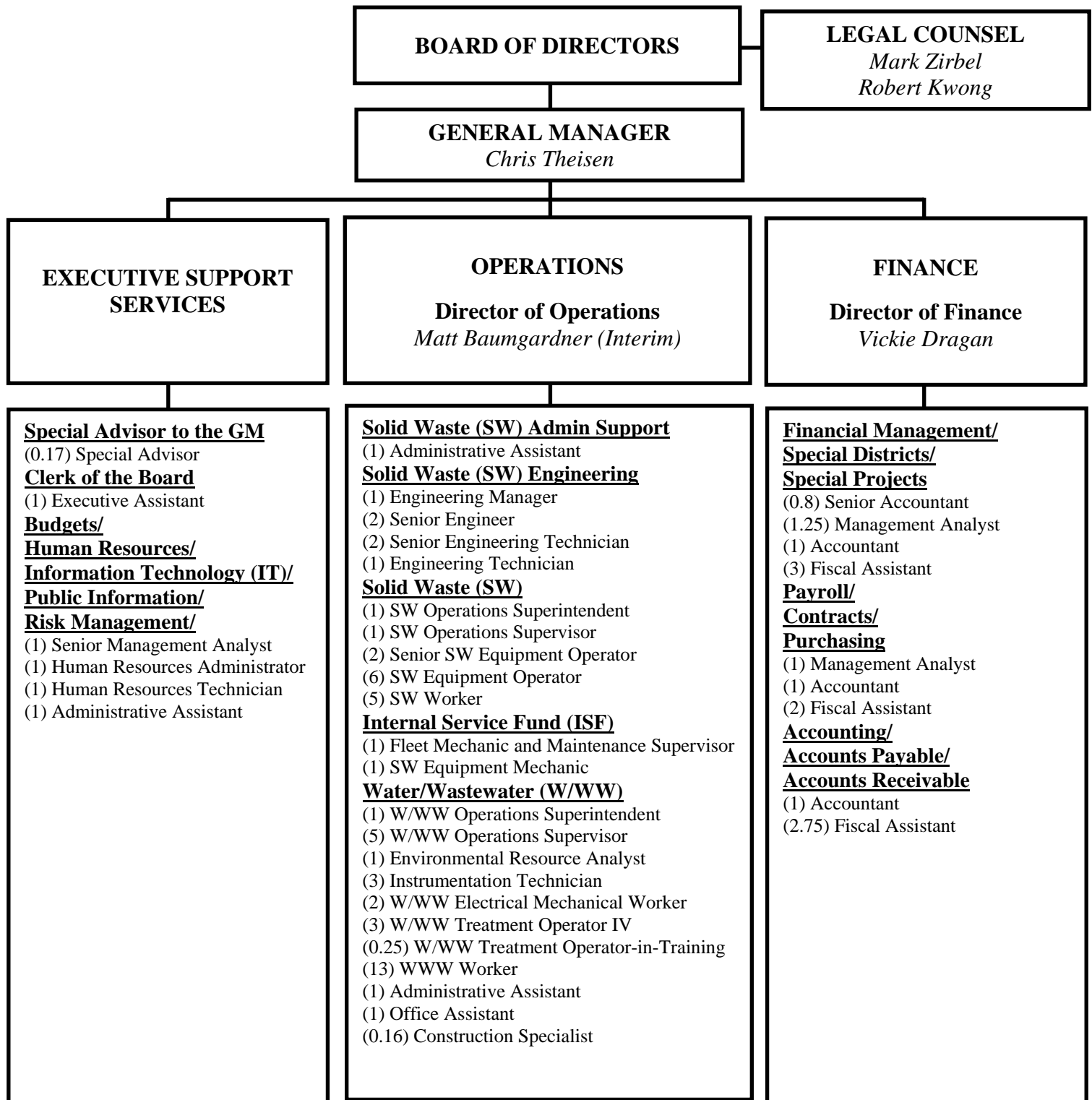
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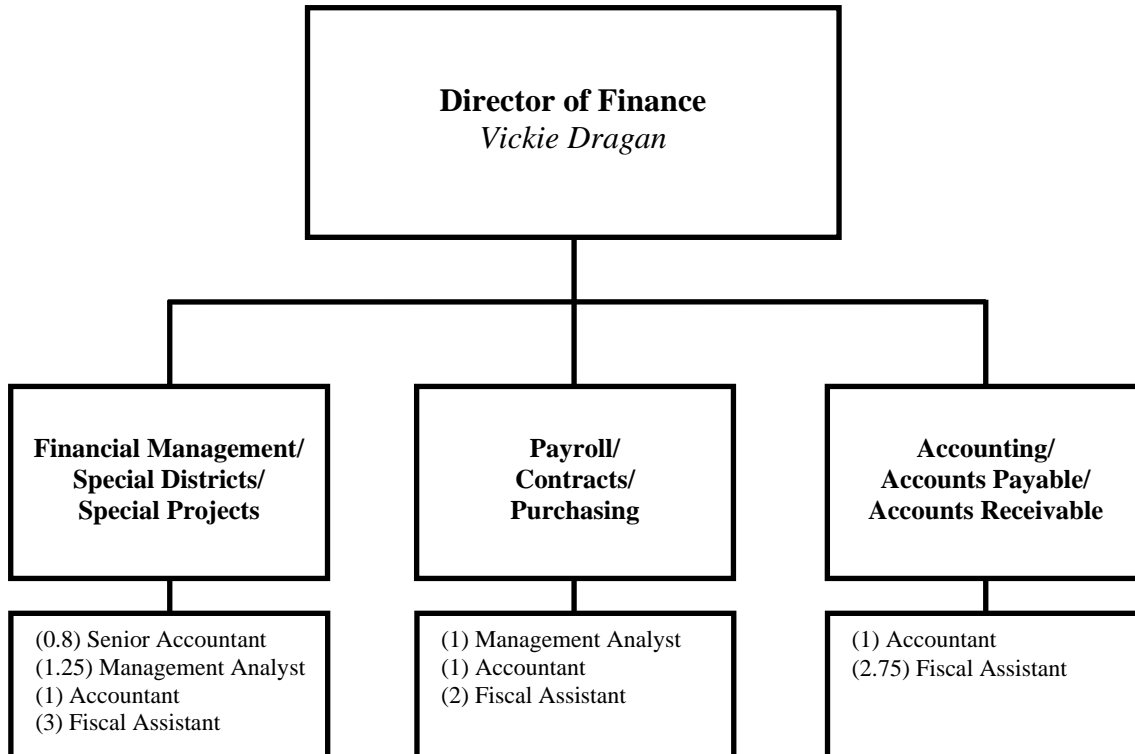
VENTURA REGIONAL SANITATION DISTRICT

Organization Chart



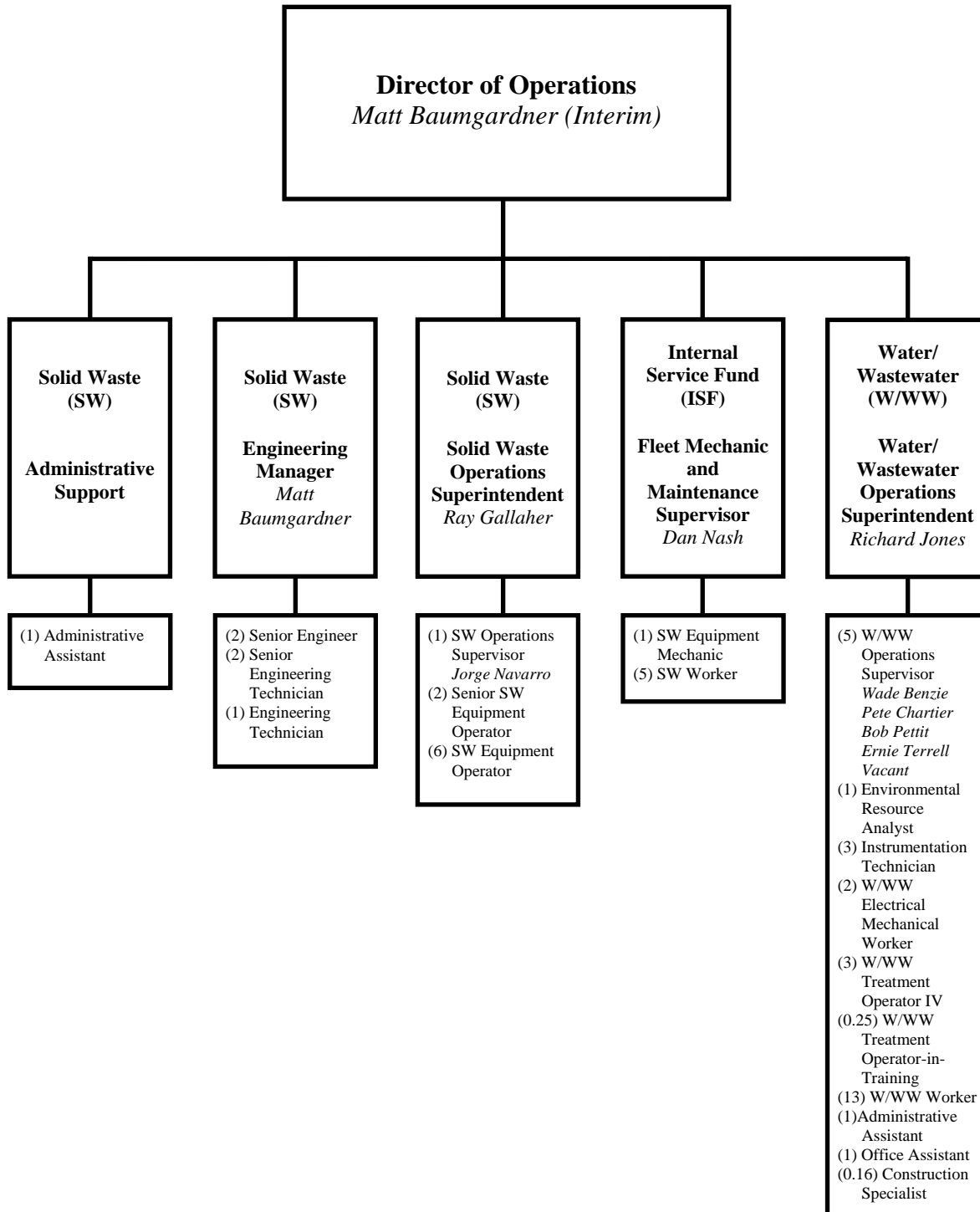
VENTURA REGIONAL SANITATION DISTRICT

Finance Organization Chart



VENTURA REGIONAL SANITATION DISTRICT

Operations Organization Chart



VENTURA REGIONAL SANITATION DISTRICT STAFFING SUMMARY

(Full-Time Equivalent Positions)

	FY 2015-2016				FY 2016-2017	
	Allocations	Mid Year Adjustments	Class & Comp Approved 04/07/2016	Amended	Additions/ Deletions	Allocations
Central Administration						
Accountant	0.00	0.00	3.00	3.00	0.00	3.00
Administrative Assistant	1.00	0.00	0.00	1.00	0.00	1.00
Director of Finance	0.00	0.00	1.00	1.00	0.00	1.00
Director of Finance & Administration	1.00	0.00	-1.00	0.00	0.00	0.00
Executive Assistant	1.00	0.00	0.00	1.00	0.00	1.00
Fiscal Assistant	7.00	0.00	0.75	7.75	0.00	7.75
General Manager	1.00	0.00	0.00	1.00	0.00	1.00
Human Resources Administrator	0.00	0.00	1.00	1.00	0.00	1.00
Human Resources Analyst	1.00	0.00	-1.00	0.00	0.00	0.00
Human Resources Technician	0.00	0.00	1.00	1.00	0.00	1.00
Management Analyst	5.80	0.00	-4.80	1.00	1.25	2.25
Management Specialist	1.75	0.00	-1.75	0.00	0.00	0.00
Senior Accountant	0.00	0.00	0.80	0.80	0.00	0.80
Senior Management Analyst	0.00	0.00	1.00	1.00	0.00	1.00
Special Advisor to the General Manager	0.00	0.00	0.00	0.00	0.17	0.17
TOTAL	19.55	0.00	0.00	19.55	1.42	20.97

	FY 2015-2016				FY 2016-2017	
	Allocations	Mid Year Adjustments	Class & Comp Approved 04/07/2016	Amended	Additions/ Deletions	Allocations
Water Wastewater						
Administrative Assistant	0.00	0.00	1.00	1.00	0.00	1.00
Construction Specialist	0.16	0.00	0.00	0.16	0.00	0.16
Engineering Technician	0.00	0.00	1.00	1.00	-1.00	0.00
Environmental Resource Analyst	2.00	0.00	-1.00	1.00	0.00	1.00
Instrumentation Technician	3.00	0.00	0.00	3.00	0.00	3.00
Office Assistant	2.00	0.00	-1.00	1.00	0.00	1.00
Water/Wastewater Electrical Mechanical Worker	2.00	0.00	0.00	2.00	0.00	2.00
Water/Wastewater Operations Superintendent	1.00	0.00	0.00	1.00	0.00	1.00
Water/Wastewater Operations Supervisor	0.00	0.00	5.00	5.00	0.00	5.00
Water/Wastewater Supervisor	5.00	0.00	-5.00	0.00	0.00	0.00
Water/Wastewater Treatment Operator-in-Training	0.00	0.00	0.00	0.00	0.25	0.25
Water/Wastewater Treatment Operator IV	3.00	0.00	0.00	3.00	0.00	3.00
Water/Wastewater Worker	12.00	0.00	0.00	12.00	1.00	13.00
TOTAL	30.16	0.00	0.00	30.16	0.25	30.41

VENTURA REGIONAL SANITATION DISTRICT STAFFING SUMMARY

(Full-Time Equivalent Positions)

Solid Waste	FY 2015-2016				FY 2016-2017	
	Allocations	Mid Year Adjustments	Class & Comp Approved 04/07/2016	Amended	Additions/ Deletions	Allocations
Administrative Assistant	1.00	0.00	0.00	1.00	0.00	1.00
Director of Operations	1.00	0.00	0.00	1.00	0.00	1.00
Engineering Manager	0.00	0.00	1.00	1.00	0.00	1.00
Engineering Technician	1.00	0.00	0.00	1.00	0.00	1.00
Environmental Resource Analyst	1.00	0.00	-1.00	0.00	0.00	0.00
Project Engineer	2.00	0.00	-2.00	0.00	0.00	0.00
Regulatory Compliance Officer	1.00	0.00	-1.00	0.00	0.00	0.00
Senior Engineer	0.75	0.00	2.00	2.75	-0.75	2.00
Senior Engineering Technician	0.00	0.00	2.00	2.00	0.00	2.00
Senior Solid Waste Equipment Operator	2.00	0.00	0.00	2.00	0.00	2.00
Solid Waste Equipment Mechanic	1.00	0.00	0.00	1.00	-1.00	0.00
Solid Waste Equipment Operator	4.00	1.00	0.00	5.00	1.00	6.00
Solid Waste Operations Superintendent	1.00	0.00	0.00	1.00	0.00	1.00
Solid Waste Operations Supervisor	0.00	0.00	2.00	2.00	-1.00	1.00
Solid Waste Supervisor	2.00	0.00	-2.00	0.00	0.00	0.00
Solid Waste Worker	5.00	0.00	0.00	5.00	0.00	5.00
Technical Operations Supervisor	1.00	0.00	-1.00	0.00	0.00	0.00
TOTAL	23.75	1.00	0.00	24.75	-1.75	23.00

Biosolids	FY 2015-2016				FY 2016-2017	
	Allocations	Mid Year Adjustments	Class & Comp Approved 04/07/2016	Amended	Additions/ Deletions	Allocations
Biosolids Wastewater Treatment Plant Operator	3.00	-3.00	0.00	0.00	0.00	0.00
Instrumentation Technician	0.75	0.00	0.00	0.75	-0.75	0.00
TOTAL	3.75	-3.00	0.00	0.75	-0.75	0.00

ISF	FY 2015-2016				FY 2016-2017	
	Allocations	Mid Year Adjustments	Class & Comp Approved 04/07/2016	Amended	Additions/ Deletions	Allocations
Fleet Maintenance Supervisor	1.00	0.00	-1.00	0.00	0.00	0.00
Fleet Mechanic and Maintenance Supervisor	0.00	0.00	1.00	1.00	0.00	1.00
Solid Waste Equipment Mechanic	0.00	0.00	0.00	0.00	1.00	1.00
TOTAL	1.00	0.00	0.00	1.00	1.00	2.00

FY 2015-2016				FY 2016-2017	
Allocations	Mid Year Adjustments	Class & Comp Approved 04/07/2016	Amended	Additions/ Deletions	Allocations
78.21	-2.00	0.00	76.21	0.17	76.38

VENTURA REGIONAL SANITATION DISTRICT CLASSIFICATION PLAN

Salary ranges and monthly salaries are subject to change due to negotiations.

Position	FY 2015-16				FY 2016-17		Approximate Monthly Salary	
	Allocations	Mid Year Adjustments	Class & Comp Approved 04/07/2016	Amended	Additions/ Deletions	Allocations		
Accountant	0	0	3	3	0	3	\$6,134.27	- \$7,482.80
Administrative Assistant	2	0	1	3	0	3	\$3,733.60	- \$4,555.20
Assistant Accountant	0	0	0	0	0	0	\$5,576.13	- \$6,803.33
Assistant Engineer	0	0	0	0	0	0	\$6,193.20	- \$7,555.60
Assistant Engineering Technician	0	0	0	0	0	0	\$4,409.60	- \$5,380.27
Assistant Environmental Resource Analyst	0	0	0	0	0	0	\$5,576.13	- \$6,803.33
Assistant Fiscal Assistant	0	0	0	0	0	0	\$3,393.87	- \$4,140.93
Assistant Management Analyst	0	0	0	0	0	0	\$5,576.13	- \$6,803.33
Biosolids Wastewater Treatment Facility Operator	3	-3	0	0	0	0	\$3,936.40	- \$6,545.07
Construction Specialist	0.16	0	0	0.16	0	0.16	\$5,115.19	- \$6,241.50
Director of Finance	0	0	1	1	0	1	\$10,259.60	- \$12,516.40
Director of Finance & Administration	1	0	-1	0	0	0	\$10,437.28	- \$12,719.93
Director of Operations	1	0	0	1	0	1	\$10,774.40	- \$13,143.87
Electrical and Instrumentation Control Supervisor	0	0	0	0	0	0	\$6,772.13	- \$8,262.80
Engineer	0	0	0	0	0	0	\$6,812.00	- \$8,311.33
Engineering Manager	0	0	1	1	0	1	\$8,618.13	- \$10,514.40
Engineering Technician	1	0	1	2	-1	1	\$4,849.87	- \$5,917.60
Environmental Resource Analyst	3	0	-2	1	0	1	\$6,134.27	- \$7,482.80
Executive Assistant	1	0	0	1	0	1	\$5,629.87	- \$6,867.47
Fiscal Assistant	7	0	0.75	7.75	0	7.75	\$3,733.60	- \$4,555.20
Fleet Maintenance Supervisor	1	0	-1	0	0	0	\$6,041.70	- \$7,358.95
Fleet Mechanic and Maintenance Supervisor	0	0	1	1	0	1	\$6,772.13	- \$8,262.80
General Manager	1	0	0	1	0	1	\$13,661.20	- \$16,666.67
Human Resources Administrator	0	0	1	1	0	1	\$8,176.13	- \$9,975.33
Human Resources Analyst	1	0	-1	0	0	0	\$6,134.27	- \$7,482.80
Human Resources Technician	0	0	1	1	0	1	\$4,236.27	- \$5,168.80
Instrumentation Technician	3.75	0	0	3.75	-0.75	3	\$5,590.00	- \$7,061.60
Management Analyst	5.8	0	-4.8	1	1.25	2.25	\$6,134.27	- \$7,482.80
Management Specialist	1.75	0	-1.75	0	0	0	\$4,326.62	- \$5,267.26
Mechanic Assistant	0	0	0	0	0	0	\$3,936.40	- \$5,037.07
Office Assistant	2	0	-1	1	0	1	\$3,393.87	- \$4,140.93
Project Engineer	2	0	-2	0	0	0	\$7,406.69	- \$9,146.53
Regulatory Compliance Officer	1	0	-1	0	0	0	\$6,041.70	- \$7,358.95
Senior Accountant	0	0	0.8	0.8	0	0.8	\$7,052.93	- \$8,604.27
Senior Engineer	0.75	0	2	2.75	-0.75	2	\$7,494.93	- \$9,143.33
Senior Engineering Technician	0	0	2	2	0	2	\$5,336.93	- \$6,510.40
Senior Environmental Resource Analyst	0	0	0	0	0	0	\$6,747.87	- \$8,231.60
Senior Fiscal Assistant	0	0	0	0	0	0	\$4,108.00	- \$5,011.07
Senior Grounds Maintenance Worker	0	0	0	0	0	0	\$4,406.13	- \$5,642.00
Senior Instrumentation Technician	0	0	0	0	0	0	\$5,981.73	- \$7,526.13
Senior Management Analyst	0	0	1	1	0	1	\$7,406.53	- \$9,035.87
Senior Solid Waste Equipment Operator	2	0	0	2	0	2	\$5,061.33	- \$6,475.73
Senior Solid Waste Worker	0	0	0	0	0	0	\$4,021.33	- \$5,149.73
Senior Water/Wastewater Worker	0	0	0	0	0	0	\$4,726.80	- \$5,879.47
Solid Waste Equipment Mechanic	1	0	0	1	0	1	\$5,061.33	- \$6,172.40
Solid Waste Equipment Operator	4	1	0	5	1	6	\$4,629.73	- \$5,928.00
Solid Waste Operations Superintendent	1	0	0	1	0	1	\$7,787.87	- \$9,500.40
Solid Waste Operations Supervisor	0	0	2	2	-1	1	\$6,772.13	- \$8,262.80
Solid Waste Supervisor	2	0	-2	0	0	0	\$6,041.70	- \$7,358.95
Solid Waste Worker	5	0	0	5	0	5	\$3,572.40	- \$4,572.53
Special Advisor to the General Manager	0	0	0	0	0.17	0.17	\$12,812.92	- \$15,801.24
Technical Operations Supervisor	1	0	-1	0	0	0	\$6,041.70	- \$7,358.95
Water/Wastewater Electrical Mechanical Worker	2	0	0	2	0	2	\$4,808.27	- \$6,089.20
Water/Wastewater Helper	0	0	0	0	0	0	\$2,731.73	- \$3,575.87
Water/Wastewater Mechanic	0	0	0	0	0	0	\$4,808.27	- \$6,089.20
Water/Wastewater Operations Superintendent	1	0	0	1	0	1	\$7,787.87	- \$9,500.40
Water/Wastewater Operations Supervisor	0	0	5	5	0	5	\$6,772.13	- \$8,262.80
Water/Wastewater Supervisor	5	0	-5	0	0	0	\$6,041.70	- \$7,358.95
Water/Wastewater Treatment Operator-in-Training	0	0	0	0	0.25	0.25	TBD	- TBD
Water/Wastewater Treatment Operator I	0	0	0	0	0	0	\$3,936.40	- \$5,021.47
Water/Wastewater Treatment Operator II	0	0	0	0	0	0	\$4,745.87	- \$6,018.13
Water/Wastewater Treatment Operator III	0	0	0	0	0	0	\$5,158.40	- \$6,534.67
Water/Wastewater Treatment Operator IV	3	0	0	3	0	3	\$5,529.33	- \$6,907.33
Water/Wastewater Treatment Operator V	0	0	0	0	0	0	\$5,655.87	- \$7,033.87
Water/Wastewater Worker	12	0	0	12	1	13	\$3,936.40	- \$5,239.87
TOTAL ALLOCATIONS	78.21	-2.00	0.00	76.21	0.17	76.38		

VENTURA REGIONAL SANITATION DISTRICT

1001 PARTRIDGE DRIVE, SUITE 150 • VENTURA, CA 93003-0704



2.1.02 Investment Policy

Revised: 02/01/07

Affirmed: 12/08/09

Revised: 06/17/10

Reaffirmed: 10/20/11

Revised 07/18/13

Revised 01/28/15

Reaffirmed: 01/28/16

2.1.02 Investment Policy

Policy

It shall be the policy of the Ventura Regional Sanitation District to invest funds in accordance with all statutes governing the investment of the District's funds, and do so in a manner which provides the maximum security while meeting the daily cash flow demands of the District and providing a return in line with the performance benchmark.

Background

The Ventura Regional Sanitation District Bylaws authorize the Finance Officer (current title Director of Finance & Administration) to act as the Treasurer of the District and direct the collection and disbursement of all monies into and out of the District treasury, and make investments as necessary to conduct the business of the District. Opening & closing bank accounts requires prior approval of the Board.

Undesignated funds of the Ventura Regional Sanitation District shall be invested using sound treasury management principles and in accordance with provisions of California Government Code ("CGC") Sections 53600 et seq. and this Investment Policy.

An independent auditor annually reviews internal controls as related to the duties of the Treasurer in accordance with adopted investment policy and reports any conflict or exceptions to the Board of Directors.

The Treasurer of the Ventura Regional Sanitation District shall annually prepare and submit a statement of the District's investment policy, along with any recommended changes to that policy, to the Board of Directors for review and approval at a public meeting.

Ventura County • **CITIES:** Camarillo • Fillmore • Ojai • Oxnard • Port Hueneme • San Buenaventura • Santa Paula • Thousand Oaks
SPECIAL DISTRICTS: Camarillo Sanitary • Camrosa Water • Channel Islands Beach Community Services • Montalvo Municipal Improvement •
 Ojai Valley Sanitary • Saticoy Sanitary • Triunfo Sanitation • Ventura County Waterworks Nos. 1 and 16

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Guidelines

This policy covers all funds and investment activities under the direct authority and control of the District, including moneys resulting from debt issuance. In cases where the legal documents governing the investment of debt proceeds conflict with the District's investment policy, the legal documents shall govern. The specific language recommended to govern the investment of debt proceeds shall be submitted to the Personnel and Finance Committee and then to the Board of Directors for explicit approval. Funds held in trusts, if any, for retiree pension and medical benefits will be governed by the investment policies of the respective trusts.

Prudence

The Treasurer of the Ventura Regional Sanitation District manages pooled cash under the prudent investor standard. This standard states, "When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency."

Objectives

When investing, reinvesting, purchasing, acquiring, exchanging, selling and managing public funds, the primary objectives, in priority order, of the investment activities shall be:

1. Safety: Safety of principal is the foremost objective of the investment program. Investments of the Ventura Regional Sanitation District shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio.
2. Liquidity: The investment portfolio will remain sufficiently liquid to enable the Ventura Regional Sanitation District to meet all operating requirements, which might be reasonably anticipated.
3. Return on Investments: The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and the cash flow characteristics of the portfolio.

Investment Philosophy

The investment program of the District shall be managed in a professional manner that is worthy of public trust. The District's philosophy prohibits speculation, leveraging or borrowing money for the purpose of investment. The District may contract for

investment management services. When such services are acquired, periodic evaluations of performance measured against established benchmarks shall be conducted. There are times when it is necessary to sell a security and realize a loss, such as:

1. When interest rates are rising and the funds can be invested shorter term at higher rates.
2. When swapping opportunities arise that will result in an increase in safety of principal for the District's portfolio.
3. When swapping opportunities arise that will result in an increase in overall interest income to the District.
4. When the District's cash needs are greater than expected.

When any of the above instances occur, an explanation shall be included in the next investment report.

Delegation of Authority

Management responsibility for the investment program is hereby delegated to the Treasurer for a one-year period. In accordance with CGC 53607, subject to review, the Board of Directors may renew the delegation of authority pursuant each year. The Treasurer shall make a monthly report of transactions to the Board of Directors.

The Treasurer shall establish written procedures for the operation of the investment program consistent with this investment policy. Such procedures shall include explicit delegation of authority to certain employees and investment managers approved by the Board, and consultants and banks responsible for investment transactions. No persons or organization may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the Treasurer. The Treasurer shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate staff and organizations. The Treasurer is a trustee and a fiduciary subject to the prudent investor standard.

Ethics and Conflicts of Interest

Officers, employees, consultants, investment managers and banks involved in the investment process shall refrain from personal business activity that could conflict with the proper execution of the investment program, or which could impair their ability to make impartial investment decisions.

Authorized Investments

Where this section specifies a percentage limitation for a particular security type, that percentage is applied on the date of purchase. Credit criteria listed in this section refers to the credit rating at the time the security is purchased. If an investment's credit rating

falls below the minimum rating required at the time of purchase, the Treasurer will perform a timely review and decide whether to sell or hold the investment.

No more than 5 percent of the District's portfolio may be invested in any single issuer regardless of security type excluding U.S. Treasuries, Federal Agencies, Supranationals, and pooled investments such as LAIF, Ventura County Pool, money market funds, and shares of beneficial interest issued by JPAs.

From the eligible securities permitted by CGC Section 53600 et seq., the Treasurer is authorized to use the following:

- U.S. Government — United States Treasury bills, notes, & bonds, or certificates of indebtedness, or those for which the full faith and credit of the United States Government are pledged for the payment of principal and interest.
- U.S. Agencies — Federal agency or United States government senior debt-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises.
- State Municipal Securities — Registered treasury notes or bonds issued by any of the 50 United States, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by a state or by a department, board, agency, or authority of any state. Securities eligible for investment under this paragraph shall be rated in the rating category of at least "AA" or "A-1" (for short-term securities), their respective equivalents, or better by a nationally recognized statistical-rating organization (NRSRO).
- California Local Agency Municipal Securities — Bonds, notes, warrants or other evidence of debt issued by a local agency or municipality located within the State of California, including debt securities issued by the District. Securities eligible for investment under this paragraph shall be rated at least "AA" or "A-1", their respective equivalents, or better by a NRSRO.
- Non-Negotiable Certificates of Deposit (CDs) — Non-negotiable deposits in a state or national bank, savings association or federal association, federal or state credit union in the State of California. In accordance with CGC Section 53635.2, to be eligible to receive District deposits, a financial institution shall have received an overall rating of not less than "satisfactory" in its most recent evaluation by the appropriate federal financial supervisory agency of its record of meeting the credit needs of California's communities. CDs are required to be collateralized as specified under CGC Section 53630 et. seq. The Treasurer, at his/her discretion, may waive the collateralization requirements for any portion that is covered by federal deposit insurance. The District shall have a signed agreement with any depository accepting District funds per CGC Section 53649. No deposits shall be made at any time in CDs issued by a financial institution if a member of the

Board of Directors or the General Manager or Treasurer serves on the board of directors of any committee appointed by the board of directors of the financial institution. In accordance with CGC Section 53638, any deposit shall not exceed that total shareholder's equity of any depository bank, nor shall the deposit exceed the total net worth of any institution. The maturity of CDs may not exceed one year in maturity. A maximum of 20 percent of the portfolio may be invested in CDs.

- **Placement Services for Certificates of Deposit** — The District may invest a portion of its funds in certificates of deposit at a commercial bank, savings bank, savings and loan association, or credit union that uses a private sector entity that assists in the placement of certificates of deposit, provided that the purchases of placement certificates of deposit and negotiable certificates of deposit do not, in total, exceed 30 percent (in combination with negotiable CDs) of the District's funds. The selected depository for placement services must be: a nationally or state chartered, commercial bank, savings bank, savings and loan association, or credit union in California. Further, the selected depository institution may submit the funds to a private sector entity that assists in the placement of certificates of deposit with one or more commercial banks, savings banks, savings and loan associations, or credit unions that are located in the United States, for the District's account. The full amount of the principal and the interest that may be accrued during the maximum term of each certificate of deposit shall at all times be insured by the Federal Deposit Insurance Corporation or the National Credit Union Administration. The selected depository institution shall serve as a custodian for each certificate of deposit that is issued with the placement service for the District's account. The maturity of placement service certificates of deposit may not exceed one year in maturity.
- **State Investment Pool** — California State Treasurer's Local Agency Investment Fund (LAIF) as authorized by CGC Section 16429.1(b).
- **Ventura County Investment Pool** — Ventura County Treasurer's Investment Pool as authorized by CGC Section 53684.
- **Other Pools** — Shares of beneficial interest issued by a joint powers authority organized in the state of California pursuant to Section 6509.7 that invests in the securities and obligations authorized in CGC Section 53601 subdivisions (a) to (o), inclusive. Each share shall represent an equal proportional interest in the underlying pool of securities owned by the joint powers authority. Purchases are limited to those pools that seek to maintain a constant net asset value and are rated in the highest category by a NRSRO. To be eligible under this section, the joint powers authority issuing the shares shall have retained an investment adviser that meets all of the following criteria: (1) The adviser is registered or exempt from registration with the Securities and Exchange Commission; (2) the adviser has not less than five years of experience investing in the securities and obligations authorized in subdivisions (a) to (o), inclusive; and (3) the adviser has assets under management in excess of five hundred million dollars (\$500,000,000).

- **Money Market Funds** — Shares of beneficial interest issued by diversified management companies that are money market funds registered with the Securities and Exchange Commission under the Investment Company Act of 1940 (15 U.S.C. Sec. 80a-1 et seq.). Such funds must carry the highest rating of at least two of the three largest national rating agencies or have retained an investment adviser registered or exempt from registration with the Securities and Exchange Commission with not less than five years' experience managing money market mutual funds with assets under management in excess of five hundred million dollars (\$500,000,000). Not more than 20 percent of funds shall be invested in Money Market Funds. All such investments shall be placed only in money market funds intended to maintain constant net asset value and that invest solely in U.S. Treasuries and Federal Agency obligations and repurchase agreements invested in such obligations.
- **Bankers' Acceptances** — Bills of exchange or time drafts drawn on and accepted by a commercial bank, otherwise known as bankers' acceptances. Purchases of bankers' acceptances may not exceed 180 days' maturity, or 40 percent of the District's portfolio. Eligible bankers' acceptances are restricted to issuing financial institutions with short-term paper rated in the highest category by one NRSRO.
- **Commercial Paper** — Commercial paper of "prime" quality of the highest ranking or of the highest letter and number rating as provided for by a nationally recognized statistical-rating organization (NRSRO). The entity that issues the commercial paper shall meet all of the following conditions in either paragraph (1) or paragraph (2) below:
 1. The entity meets the following criteria: (A) is organized and operating in the United States as a general corporation. (B) has total assets in excess of five hundred million dollars (\$500,000,000). (C) has debt other than commercial paper, if any, that is rated "A" or higher by a NRSRO.
 2. The entity meets the following criteria: (a) is organized within the United States as a special purpose corporation, trust, or limited liability company. (b) Has program wide credit enhancements including, but not limited to, over collateralization, letters of credit, or surety bond. (c) Has commercial paper that is rated "A-1" or higher, or the equivalent, by a NRSRO.

Eligible commercial paper shall have a maximum maturity of 270 days or less. No more than 25 percent of the District's portfolio may be invested in eligible commercial paper, and the District may purchase no more than 10 percent of the outstanding commercial paper of any single issuer.
- **Medium-Term Corporate Notes** — Medium term notes with a maximum maturity of five years issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating

within the United States that are rated at least "A" by a NRSRO. Purchases of medium term notes may not exceed 30 percent of the District's portfolio.

- **Negotiable Certificates of Deposit** – Negotiable CDs issued by a nationally or state-chartered bank or a state or federal savings and loan association, a state or federal credit union, or by a federally- or state-licensed branch of a foreign bank. Purchases of negotiable CDs (in combination with CDs purchased through a deposit placement service) may not exceed 30 percent of the District's portfolio. Negotiable CDs issued with maturities in excess of one year must be rated at least "A" by a NRSRO. Negotiable CDs with maturities under one year must be rated at least "A-1," its equivalent, or better by a NRSRO.
- **Asset-Backed Security** – Any mortgage pass-through security, collateralized mortgage obligation, mortgage-backed or other pay-through bond, equipment lease-back certificate, consumer receivable pass-through certificate, or consumer receivable-backed bond of a maximum of five years maturity. Eligible securities must be rated, by a nationally recognized rating service, as "AA" or higher, and the issuer of the security must have an "A" or higher rating for its debt as provided by a NRSRO. No more than 20 percent of the District's portfolio may be invested in this type of security.
- **Supranational** – United States dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development (IBRD), International Finance Corporation (IFC), or Inter-American Development Bank (IADB), with a maximum remaining maturity of five years or less, and eligible for purchase and sale within the United States. Investments under this subdivision shall be rated at least "AA" by a NRSRO.

Purchases of these securities shall not exceed 30 percent of the District's portfolio. Supranationals will be permitted by California Government Code §53601 (q) and this Policy effective January 1, 2015.

Only the Board of Directors may authorize other types of investments permitted by the CGC.

Prohibited Investments

Under the provisions of CGC Sections 53601.6, the Ventura Regional Sanitation District shall not invest any funds covered by this Investment Policy in inverse floaters, range notes, interest-only strips that are derived from a pool of mortgages, repurchase & reverse repurchase agreements and stocks. The use of derivatives, options, futures or buying on margin is also specifically prohibited.

Maximum Maturities

To the extent possible, the Treasurer will attempt to match investments with anticipated cash flow requirements. Unless matched to a specific cash flow and

explicitly authorized by the Board of Directors no less than three months prior to the investment, investments shall have a maturity no more than five (5) years from the date of purchase.

Safekeeping and Custody

All security transactions entered into by the Ventura Regional Sanitation District shall be conducted on delivery-versus-payment basis. All securities purchased or acquired shall be in the name of the District and be held in safekeeping by a bank or trust company. The only exception to the foregoing shall be depository accounts and securities purchases made with: (i) local government investment pools; (ii) time certificates of deposit, and, (iii) money market mutual funds, since the purchased securities are not deliverable. Evidence of each of these investments will be held by the District.

Distribution of Investment Earnings

Whenever practical, District cash shall be consolidated and invested on a pooled concept basis. Interest earnings shall be allocated according to average monthly balances on a calendar month basis.

Reporting

The Treasurer shall submit to each member of the Board and the General Manager a monthly investment report of all funds held at the end of each month which are directly controlled and managed by the Treasurer including a detailed listing of all investment transactions during the month or, if none, a statement to that effect. As recommended by CGC Section 53646(b)(1), this report shall include a complete description of the portfolio, the type of investments, the issuers, maturity dates, par values, dollar amount invested and the current market values of each component of the portfolio, including funds managed for Ventura Regional Sanitation District by third party contracted managers. This report shall also include the source of the portfolio valuation and an explanation when it is necessary to sell a security and realize a loss. However, for funds invested in the County of Ventura Pool or in the State of California Local Agency Investment Fund, market values need not be reported.

Each investment report shall be submitted within 30 days following the end of the period covered by the report and must also include a certification that (1) all investment actions executed since the last report have been made in full compliance with the Investment Policy or state areas of non-compliance and (2) the Ventura Regional Sanitation District will meet its expenditure obligations for the next six months or state why sufficient money shall, or may, not be available.

Investment Policy Review

The Treasurer shall annually render to the Board a Statement of Investment Policy, which the Board shall consider at a public meeting.

Glossary

Broker-Dealer – a person or a firm who can act as a broker or a dealer depending on the transaction. A broker brings buyers and sellers together for a commission. They do not take a position. A dealer acts as a principal in all transactions, buying and selling for his own account.

Certificate of Deposit (CD) – A time deposit with a specific maturity evidenced by a Certificate. Large-denomination CDs are typically negotiable.

Collateral – Securities, evidence of deposit or other property, which a borrower pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public monies.

Custody – Safekeeping services offered by a bank, financial institution or trust company, referred to as the “custodian.” Service normally includes the holding and reporting of the customer’s securities, the collection and disbursement of income, securities settlement and market values.

Delivery Versus Payment –A type of securities transaction in which the purchaser pays for the securities when they are delivered either to the purchaser or custodian. It ensures that securities are deposited in an eligible financial institution prior to the release of funds. Securities should be held by a third-party custodian as evidenced by safekeeping receipts.

Diversification – Dividing investment funds among a variety of securities offering independent returns.

Federal Agency Obligation – A debt instrument issued by one of the federal agencies. Federal agencies are considered second in credit quality and liquidity only to U.S. Treasuries.

Liquidity – An investment that can be converted easily and rapidly into cash without a substantial loss of value.

Local Agency Investment Fund (LAIF) – The aggregate of all funds from political subdivisions that are placed in the custody of the State Treasurer for investment and reinvestment.

Market Value – The price at which a security is trading and could presumably be purchased or sold on a specific date.

Maturity – The date upon which the principal or stated value of an investment becomes due and payable.

Money Market Fund – a type of safe investment comprising a variety of short-term securities with high quality and high liquidity. The fund provides interest to shareholders and must maintain a stable net asset value (NAV) of \$1 per share.

Portfolio – Collection of securities held by an investor,

Principal – the original cost of a security. It represents the amount of capital or money that the investor pays for the investment.

Prudent Investor Standard – An investment standard that all investments should be made with care, skill, prudence and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency.

U.S. Treasury – Government debt issued by the United States Department of the Treasury through the Bureau of the Public Debt. Treasury securities are the debt financing instruments of the United States federal government, and they are often referred to simply as Treasuries. There are four types of marketable treasury securities: Treasury bills, Treasury notes, Treasury bonds, and Treasury Inflation Protected Securities (TIPS). All of the marketable Treasury securities are very liquid and are heavily traded on the secondary market.

**VENTURA REGIONAL SANITATION DISTRICT
RESOLUTION NO. 89-13**

**PERTAINING TO PURCHASE OF SUPPLIES, EQUIPMENT & SERVICES;
CONSULTANT CONTRACTING PROCEDURE; AND
DISPOSITION OF SURPLUS PERSONAL PROPERTY**

WHEREAS, the Ventura Regional Sanitation District Board of Directors wishes to establish policy pertaining to the purchase of supplies, equipment & services; contracts for consultants; and disposition of surplus personal property; and

WHEREAS, it is necessary for efficiency of critical public health and safety operations to delegate responsibility and authority to the appropriate officials who will carry out these responsibilities on a day-to-day basis;

NOW, THEREFORE, BE IT RESOLVED, DETERMINED AND ORDERED as follows:

PART I - GENERAL

Section 100 - Short Title and Purpose of Resolution

This Resolution shall be known as the VRSD Purchasing Resolution, effective November 9, 1989, and may be cited as such. Its purposes are to establish policy for purchase of supplies, equipment & services at the lowest possible cost commensurate with the quality needed; exercise positive financial control over purchases; clearly define authority for the purchasing function; assure the quality of purchases; establish policy for negotiated procurement of consulting services; and establish policy for disposal of surplus personal property.

Section 101 - Definitions

The definitions given in this section shall be used in the interpretation of this Resolution unless another meaning for the word is apparent from the context.

- (a) "Board" means the Ventura Regional Sanitation District Board of Directors.
- (b) "Consultant" means any specially trained and experienced person, firm or corporation, including but not limited to those providing services in the area of accounting, administrative, economic, engineering, environmental, financial, legal or personnel matters.
- (c) "District" means the Ventura Regional Sanitation District.
- (d) "Emergency" means circumstances or conditions that pose an immediate threat to public health, welfare or safety as determined by the General Manager in which no time exists to seek Board action or approval, if otherwise such action or approval were required.

- (e) "General Manager" means the Ventura Regional Sanitation District General Manager or his/her designee.
- (f) "Impossible" means actual impossibility or extremely and unreasonably difficult or expensive.
- (g) "Impractical" means incapable of being performed by the bid procedure.
- (h) "Incongruous" means not suitable or compatible with the bid procedure.
- (i) "Negotiated Procurement" means any contract awarded as a result of negotiations rather than competitive bids.
- (j) "Purchase" includes rental or lease.
- (k) "Purchasing Agent" means the Ventura Regional Sanitation District Finance Officer or his/her designee.
- (l) "Supplies, equipment & services" means all supplies, equipment & services generally referred to as part of the 200, 300 and 400 series in the District object of expense accounts except contracts for consultants, and equipment generally referred to as part of the 700 series in the District object of expense accounts.

Section 102 - Public Projects

"Public projects" as defined in the Uniform Public Construction Cost Accounting Act, Public Contract Code, Section 22000, et. seq. shall be administered by the General Manager in conformance with said code. This Resolution does not apply to such public projects.

Section 103 - Administrative Rules & Procedures

The General Manager and/or Purchasing Agent shall promulgate and enforce such administrative rules & procedures as required and necessary to carry out the intent and purposes of this Resolution. Among these shall be a prohibition against "splitting" orders to avoid established purchasing or contracting requirements.

Section 104 - Purchasing Agent

The Purchasing Agent shall have authority to:

- (a) Purchase or contract for the supplies, equipment & services required by the District in accordance with the purchasing policies set forth in this Resolution and such administrative rules & procedures as shall be issued from time-to-time;
- (b) Negotiate and recommend the execution of contracts for the purchase of supplies, equipment & services;
- (c) Act to procure the needed quality in supplies, equipment & services at the least overall expense to the District;

- (d) Endeavor to obtain as full and open competition as reasonable on purchases;
- (e) Prepare, update, and implement administrative rules & procedures governing the purchasing of supplies, equipment & services for the District;
- (f) Keep informed of current developments in the field of purchasing as well as prices, market conditions, and new products;
- (g) Prescribe and maintain such records as are reasonably necessary to document compliance with the provisions of this Resolution and other administrative rules & regulations;
- (h) Approve the transfer of surplus or unused supplies & equipment between groups as needed, and dispose of all supplies & equipment which cannot be used by any group or which have become unsuitable for District use; and
- (i) Maintain records needed for efficient operation of the purchasing function.

PART II - AUTHORIZATION TO PURCHASE

Section 200 - Authorization by Board of Directors

The Board of Directors must specifically authorize the purchase of any supplies, equipment &/or services having an estimated value greater than \$25,000. Authorization shall be in the form of an adopted District budget which includes such supplies, equipment &/or services or other specific Board action.

Section 201 - Specific Authorization for District Employees to Purchase

Purchase of any supplies, equipment &/or services having an estimated value of \$25,000 or less may be authorized by the Purchasing Agent. The Purchasing Agent shall require that such purchases or contracts be made in conformity with the policies established by this Resolution, and may further require periodic reports from District employees regarding purchases and contracts made under such authorization.

Section 202 - Encumbrance of Funds

Except in cases of emergency, no contract or purchase order shall be issued for supplies, services or equipment unless there exists an unencumbered appropriation against which the current year's portion of such purchase is to be charged.

PART III - SUPPLIES, EQUIPMENT & SERVICES PURCHASING PROCEDURE

Section 300 - Formal Bidding Procedures

Except as otherwise provided in this Resolution, the following formal bidding procedure shall apply to purchases of supplies, equipment & services having an estimated value greater than \$60,000:

- (a) Notice Inviting Bids. Notices inviting bids shall include a general description of the articles &/or services to be purchased, and state where bid blanks & specifications may be secured and the time & place for opening bids.
 - (1) Published Notices. Notices inviting bids shall be published at least ten (10) days before the date of the bid opening.
 - (2) Bidders List. The Purchasing Agent shall solicit sealed bids from all responsible prospective suppliers whose names are on the bidders list which the Purchasing Agent shall maintain, or who have requested their names to be added thereto.
- (b) Bid Opening Procedure. Sealed bids shall be submitted to the Purchasing Agent and be identified as bids on the envelope. Such bids shall be opened in public at the time and place stated in the public notice. A tabulation of all bids received shall be available for public inspection during regular business hours for a period of not less than fifteen (15) calendar days after the bid opening.
- (c) Rejection of Bids. At its discretion, the Board may reject any and all bids presented and readvertise for bids. The Board may also waive any and all irregularity in any bid.
- (d) Award of Bids. Bids shall be awarded to the lowest responsible bidder provided that the Board may give consideration to factors other than price when such factors are identified in District specifications or are related to availability of merchandise or relevant administrative considerations.
- (e) Tie Bids. If two (2) or more bids received are for the same total amount or unit price, quality and service being equal, and if the public interest will not permit the delay of readvertising for bids, the Board may accept the bid it chooses or accept the lowest bid by negotiation with the bidders at the time of its next regularly-scheduled meeting.
- (f) No Bids. If no bids are received, the Board may authorize the purchase of goods &/or services in compliance with informal bidding procedures.

Section 301 - Informal Bidding Procedures

Except as otherwise provided in this resolution, the following informal bidding procedures shall apply to the purchase of supplies, equipment & services having an estimated value of \$60,000 or less.

- (a) Minimum Number of Bids. Open market purchases shall, wherever possible, be based on at least three (3) bids and shall be awarded to the lowest responsible bidder provided that the Board of Directors (for purchases of more than \$25,000) or the Purchasing Agent (for purchases of \$25,000 or less) may consider factors other than price when such factors are identified in District specifications or are related to availability of merchandise or relevant administrative considerations.
- (b) Notice Inviting Bids. The Purchasing Agent shall solicit bids by written request, telephone or legal advertising.

- (c) Retention of Bids. Informal written bids shall be submitted to the Purchasing Agent who shall keep a record of all open market orders and bids until the affected fiscal year's financial audit is completed. All such records, while so kept, shall be open to public inspection.

Section 302 - Negotiated Procurement

Notwithstanding the provisions of Sections 300 and 301 of this Resolution, supplies, equipment or services may be purchased by negotiated procurement: (1) where competitive bidding would be impossible, impractical or incongruous; (2) in an emergency; (3) when the supply, equipment or service can be obtained from only one vendor or the price is controlled by law; (4) when the amount involved is \$25,000 or less; (5) when the purchase is for provision of landfill cover pursuant to VRSD Resolution No. 88-11; or (6) where compelling economic or administrative considerations warrant employment of alternate purchasing procedures. Such considerations may include circumstances where service has been previously rendered by a supplier who has thereby gained and exhibited unique and/or superior experience and/or expertise in relation to District's operational requirements. Purchases made pursuant to Section 302(6) of this Resolution shall be approved by the Board.

Section 303 - Cooperative Agreements

No provision of this Resolution shall be interpreted or construed to prohibit or prevent the District from purchasing supplies, equipment or services by contracts or arrangements for cooperative purchasing with the State of California, the County of Ventura, or any other public or municipal agency; provided, however, the contract or arrangement for such purchases shall be approved by the Board if such approval would otherwise be required.

Section 304 - Annual Contracts for Supplies, Equipment & Services

No provision of this resolution shall be interpreted or construed to prohibit or prevent the District from contracting with suppliers on an annual basis to provide supplies, equipment or services as needed; provided, however, that normal selection procedures are used in the original supplier selection. A maximum of four annual extensions of such contracts, based on satisfactory performance documented by written evaluation, shall be allowed. Such contracts obligating the District to any payment exceeding \$25,000 per year shall be approved by the Board if such approval would otherwise be required.

PART IV - CONSULTANT CONTRACTING PROCEDURE

Section 400 - Authority to Contract

The Board shall have sole authority to approve and enter into consultant contracts, except that the General Manager shall have authority to enter into consultant contracts that meet all of the following criteria:

- a. The contract does not obligate the District to any payment exceeding \$25,000 per year.
- b. The work and cost has the prior approval of the Board in the form of an adopted District Budget which includes such work or other specific Board action;
- c. The contract is not for legal services or legal consultation; and

- d. The District standard consulting agreement form, preapproved as to form by District legal counsel, is used.

Section 401 - Formal Consultant Selection Procedure

Contracts with consultants having an estimated value greater than \$75,000 shall be made by written agreement pursuant to the following procedure.

- a. Qualification. The General Manager shall encourage consultants generally qualified to undertake the types of work required by the District to submit statements of qualification and performance data. Such statements shall be kept on file and may be utilized to evaluate consultant qualifications. Other evaluation criteria shall include, but not be limited to, prior experience with, personal interview with, or references of prospective consultants.
- b. Selection Committee. A Selection Committee comprised of knowledgeable District and/or outside representatives shall be appointed by the General Manager to select a consultant for each contract. Depending on the size and importance of the work to be performed, the membership of the Committee may vary.
- c. Interview of Consultants. The Selection Committee shall evaluate consultants' abilities relative to the proposed project based on information gained in accordance with Section 401a of this Resolution. The Committee may make requests for proposals to selected consultants. The Committee shall conduct discussions with no less than three (3) consultants whenever possible regarding anticipated concepts and the relative utility of alternative methods of approach for furnishing the required services.
- d. Selection of Consultant. The Selection Committee shall prepare a list in order of preference of the three (3) consultants deemed to be the most qualified to provide the services required based on established criteria. Price shall not be the only determining factor in the selection of a consultant. Other factors such as related experience, professional skills, approach, professional credentials, availability of personnel, understanding of scope of work, quality of response to request for proposal, references, etc., may be considered. The basis of all selection decisions shall be documented in writing.
- e. Contract Negotiations.
 - (1) The General Manager shall negotiate a contract with the best qualified consultant at compensation which the General Manager determines is fair and reasonable.
 - (2) Should the General Manager be unable to negotiate a satisfactory contract with the consultant considered to be most qualified, at a price he determines to be fair and reasonable, negotiations with that consultant shall be formally terminated. The General Manager shall then undertake negotiations with the second most qualified consultant. Failing accord with the second most qualified consultant, the General Manager shall terminate negotiations. The General Manager shall then undertake negotiations with the third most qualified consultant.
 - (3) Should the General Manager be unable to negotiate a satisfactory contract with any of the selected consultants, he shall select additional consultants in order of their competence & qualification and continue negotiations until agreement is reached.

- (4) The General Manager's recommendation shall be forwarded to the Board for approval.

Section 402 - Informal Consultant Selection Procedure

Contracts with consultants having an estimated value of \$75,000 or less shall be made by written agreement pursuant to the following procedure.

- a. Qualification. The General Manager shall encourage firms generally qualified to undertake the types of work required by the District to periodically submit statements of qualifications and performance data. Such statements shall be kept on file and may be utilized to evaluate consultant qualifications. Other evaluation criteria shall include, but not be limited to, prior experience with, personal interview with, or references of prospective consultants.
- b. Selection of Consultant. The General Manager shall determine the most qualified consultant to provide the services required. Price shall not be the only determining factor in the selection of a consultant. Other factors such as related experience, professional skills, approach, professional credentials, availability of personnel, understanding of scope of work, quality of response to request for proposal, references, etc., may be considered. The basis of all selection decisions shall be documented in writing.
- c. Contract Negotiations. The General Manager shall negotiate a contract with the selected consultant at compensation he/she determines is fair and reasonable. His/her recommendation shall be forwarded to the Board for approval if the contract is for more than \$25,000.

Section 403 - Negotiated Procurement

Notwithstanding the provisions of Sections 401 and 402 of this Resolution, consultant contracts may be entered into by negotiated procurement: (1) where the use of standard consultant selection procedures would be impossible, impractical or incongruous; (2) in an emergency; (3) when the amount involved is \$25,000 or less; or (4) where compelling economic or administrative considerations warrant employment of alternate consultant selection procedures. Such considerations may include circumstances where a particular consultant has previously rendered work for the District and has consequently acquired unique and/or superior experience and/or expertise in relation to District's requirements. Consultant contracts entered into pursuant to Section 403(4) shall be approved by the Board.

Section 404 - Annual Contracts

No provision of this Resolution shall be interpreted or construed to prohibit or prevent the District from contracting with consultants on an annual basis to provide services as needed; provided, however, that normal selection procedures are used in the original consultant selection. A maximum of four annual extensions of such contracts, based on satisfactory performance documented by written evaluation (Section 405), shall be allowed where no significant change in quantity or type of work is involved. Such contracts obligating the District to any payment exceeding \$25,000 per year shall be approved by the Board.

Section 405 - Performance Evaluation

The General Manager shall prepare a performance evaluation at the close of each consultant contract, or fiscal year in the case of annual contracts. The evaluation shall address such performance factors as completeness & quality of work product, timeliness, availability of personnel, etc. Such performance evaluation shall be in writing and kept on file with other consultant data for future reference.

PART V - CHANGE ORDERS

Section 500 - Purchasing Agent

The Purchasing Agent shall be authorized to approve change orders to purchase orders provided that sufficient funds have been appropriated for such expenditures. Each change order shall not exceed ten percent of the purchase order, and the aggregate total of all change orders shall not exceed \$25,000.

Section 501 - General Manager

The General Manager shall be authorized to approve change orders to contracts provided that sufficient funds have been appropriated for such expenditures. Each change order shall not exceed ten percent of the contract, and the aggregate total of all change orders shall not exceed \$25,000.

PART VI - DISPOSITION OF SURPLUS PERSONAL PROPERTY

Section 600 - Disposition by Purchasing Agent

Any District-owned personal property, which has a current book value of \$10,000 or less, and (1) which no longer can be used, (2) has not been purchased with grant funds, or (3) which is inoperative, unrepairable, or not economically repairable shall be disposed of by the Purchasing Agent. Reasonable attempts shall be made to maximize the value received from such surplus personal property.

Section 601 - Disposition by Board Approval

Prior to disposing of any salvageable personal property which has a current book value of more than \$10,000, the Purchasing Agent shall inform the Board of the condition of the item proposed for disposition and obtain the Board's determination that such item is obsolete or surplus and approval of the means of disposal before proceeding with disposition.

Section 602 - Exceptions

Sections 600 and 601 of this Resolution shall not apply to any items of District-owned personal property used or to be used in trade or exchange for replacement property of a similar nature.

PART VII - APPLICABILITY

This Resolution supersedes all resolutions and instructions previously adopted or issued concerning the purchase of supplies, equipment & services; consultant contracting procedures; and disposition of surplus personal property. It shall be reviewed for continuing adequacy at least once every three years.

ADOPTED AND APPROVED this ninth day of November 1989.

VENTURA REGIONAL SANITATION DISTRICT


Les Maland, Chairman
Board of Directors

ATTEST:


Sherrill Smith, CPS
Clerk of the Board

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11/8/89

2.1.05 Reserve Level Policy

Date Adopted: 11/06/03

Date Revised: 02/03/11

2.1.05 Reserve Level Policy

PURPOSE

Ventura Regional Sanitation District (District) is an enterprise public waste management agency and recovers the cost of providing service to its customers through fees and charges. The District does not receive any property tax monies and solely relies on revenues derived from fees and charges. Consistent with Title 27 of the California Code of Regulations, and to demonstrate financial assurance to the CalRecycle, the District holds cash reserves for closure, postclosure, corrective action, and operating liability at its closed and operating landfills. In addition, the District requires adequate reserves to ensure the District maintains a prudent level of financial resources to offset cyclical variations in revenues and expenses and to protect against reducing service levels or raising fees because of temporary revenue shortfalls or unexpected one-time expenses. Adequate reserves are essential to the District's financial stability to withstand economic downturns, protect against catastrophic events, unforeseen revenue declines, short-term capital improvements, and operating cash flow needs.

POLICY

It is the policy of the Ventura Regional Sanitation District that all funds held in reserve be designated to specific uses, and to take into consideration the minimum level necessary to maintain the District's credit worthiness and adequately provide for operating reserves, mandated closure and postclosure funding, future debt or capital obligations, cash flow requirements, and legal requirements. This policy is in conformity with Generally Accepted Accounting Practices (GAAP), Government Finance Officers Association (GFOA) and Governmental Accounting Standards Board (GASB) Guidance. Reserve levels will be set as follows:

A. Restricted Reserves

The District will maintain reserves in an amount equal to funds restricted by legal requirements, contractual agreements, and trustee requirements. The District is limited in the means in which it may use restricted cash reserves due to legal requirements and contractual agreements.

2.1.05 Reserve Level Policy

1. **Closure and Postclosure financial assurance requirements**

Consistent with Title 27 of the California Code of Regulations (CCR) for demonstrating financial assurances to CalRecycle, the District holds cash reserves for closure, postclosure, corrective action, and operating liability at its closed and operating landfills as specified by CalRecycle in conjunction with Title 27 of the CCR.

2. **Bond Covenants**

Cash is held as a surety that the annual bond payment and interest will be made. Established and maintained as prescribed by the bond covenants adopted at the time of the issuance of debt.

3. **Closed landfill maintenance reserves**

The District hold funds donated by the Tierra Rejada Consortium to be used specifically for the maintenance of the Tierra Rejada closed landfill.

4. **Conditional Use Permits and other deposits**

The District issued Certificates of Deposit as a requirement from regulatory and/or governmental agencies for conditional use permits and possible interconnection fees tax liability.

B. Committed Reserves

These funds are made available for other uses only by the express authorization of the Board of Directors.

1. **Closure and Postclosure funds**

Funds in excess of the financial assurance requirements specified by CalRecycle in conjunction with Title 27 of the CCR for the closed landfills and active landfill will be maintained in this category.

2. **Comprehensive Environmental Response Compensation & Liability Act (CERCLA)**

The District will set aside funds for possible future legal actions and judgments against closed landfills.

3. **Significant Future Capital Projects**

The District shall establish funds to adequately meet the needed cash flow for significant future capital projects. The funds will be established in the committed reserves based on a schedule of funding which may be adjusted annually by the Board.

For example, for fiscal year 2011, funding for the first component of the Phase 4 Liner project (\$8 Million) shall be:

2.1.05 Reserve Level Policy

<u>Schedule of Funding</u>	<u>Balance shall be:</u>
Year one	10%
Year two	20%
Year three	30%
Year four	40%
Year five	50%
Year six	60%
Year seven	70%
Year eight	80%
Year nine	90%
Year ten	100%

4. Future Facilities

The District shall set aside funds for the development of the next viable facility to replace the Toland Road Landfill or to develop waste-to-energy capital projects that will continue to serve the waste management requirements of the District's service area. The funds will be established in the committed reserves based on a schedule of funding to be adjusted annually by the Board.

C. Assigned Reserves

The District will have available cash reserve to cover operating shortfalls to be used for both short term cash flow and contingency planning for unforeseen situations such as unexpected increases in costs or declines in revenues, legislative or judicial mandates, new or expanded services or programs, natural disaster emergencies, one-time Board approved non-capital expenditures or capital needs, and interruptions in billing process to customers.

1. Replacement Fund for Equipment, Vehicles, Facilities, and Furnishings

The District will maintain reserves for replacement of equipment, computers, furnishings, software, and vehicles equal to 100% of accumulated depreciation to fund replacement of these items when they reach the end of their useful lives. The funds will be established based on the schedule of funding as follows:

<u>Schedule of Funding</u>	<u>Balance shall be:</u>
Year one	50%
Year two	60%
Year three	70%
Year four	80%
Year five	90%
Year six	100%

2.1.05 Reserve Level Policy

2. Capital Improvement Fund

The District shall establish and maintain funds to adequately meet the needed cash flow for the next fiscal year's capital improvement projects outlined in the Five-Year Capital Improvement Plan.

3. Insurance Fund

The District will maintain funds in the insurance fund to cover deductibles, self-insurance retentions and claims not covered by insurance. The target for this fund is one percent (1%) of the total net value of capital assets that are insured less the value of land.

4. Operating Fund

The District will maintain cash in the operating fund at a level equal to six months of its annual operating expenses plus one year's debt service obligations. The funds will be established as follows:

<u>Schedule of Funding</u>	<u>Balance shall be:</u>
Year one	20%
Year two	40%
Year three	60%
Year four	80%
Year five	100%

GUIDELINES

Finance shall perform a reserve analysis to be submitted to the Board of Directors as follows:

- Board of Directors' deliberation of the annual budget;
- midyear budget review; and
- when a major change in conditions threatens the reserve levels established within this policy.

BUDGET GLOSSARY

Appropriation - An authorization made by the Board that permits the District to incur obligations and expend resources.

Accrual Basis - A basis of accounting in which transactions are recognized at the time they are incurred, as opposed to when cash is received or spent.

Audit - Prepared by an independent certified public accountant (CPA), the primary objective of an audit is to determine if the District's Financial Statements present fairly the District's financial position and results of operations in conformity with generally accepted accounting principles. In conjunction with its performance of an audit, the independent auditor is required to issue a Management Letter stating the adequacy of the District's internal controls as well as recommending improvements to the District's financial management practices.

Board of Directors - The District's nine-member governing body (Board), consisting of one council member from each of the eight participating cities and a single elected representative from the participating independent special districts. Each Director has one vote; a majority of the members must be present for action to be taken; and a majority of those present is required to act on any matter (except as otherwise required by law).

Budget - A financial plan adopted by the Board of Directors for a specified period of time that establishes management policies, goals, and objectives for all programs within the District and allocates planned revenues and expenditures to District services.

Budget Adjustment - An amendment or supplement to the budget approved by majority Board vote any time after budget adoption. A budget adjustment may increase or decrease the budget.

Budget Policies – The general and specific guidelines adopted by the Board that govern financial plan preparation and administration.

Budget Review Process - The series of Board meetings and discussions used to provide policy guidance and direction for the program objectives to be accomplished the ensuing year.

Budget Transfer - An action transferring appropriations and revenues from one budget location to another without changing overall totals.

Capital Improvement Plan - A plan to provide for the major modification or replacement of existing public facilities & assets, and for the construction or acquisition of new ones.

Capital Improvement Fund - This fund type is used to accumulate over time financial resources used in the acquisition, construction, development and long-term modification of major capital facilities (see Fund).

Cash Basis - A basis of accounting in which transactions are recognized only when cash is increased or decreased.

Contract Services Fund - This fund type is used when the District provides services to another governmental agency by contractual agreement on a cost reimbursement basis.

Debt Service - A predetermined schedule of payments on debt principal and interest.

Debt Service Fund - A Fund used to account for the accumulation and payment of resources related to general long-term debt principal and interest (see Fund).

Department - A major organizational unit of the District, which has been assigned overall management responsibility for an operation or group of related operations.

Depreciation - An expense based on the expectation that an asset will gradually decline in value or have to be replaced. The cost of the asset is therefore spread (depreciated) out over its estimated useful life. The intent is to charge the Operation over the real time of its useful life.

Designated Retained Earnings - A portion of unreserved retained earnings designated by District policy for a specific future use.

Direct Expense/Revenue - Expense or revenue that is directly attributable to the service being provided. Also sometimes called operating expense/revenue.

District Mission - The District's statement of purpose, updated April 1999: "The Ventura Regional Sanitation District is a non-tax supported public agency providing sanitation services. We offer the highest quality service at the lowest possible cost for our customers and we will provide solutions by involving our staff, our customers and our community."

Eastin Trust Fund - Dedicated funding, required by state law and held by a third party trustee, which provides financial assurance for landfill closure and postclosure maintenance for a 15-year period thereafter. Effective, April 9, 1997, the Eastin requirement for landfill postclosure financial assurance increased to 30 years.

Encumbrance - The reservation of funds to be expended (see Expense).

Enterprise Fund - A Fund used to account for operations that are financed and operated in a manner similar to private sector enterprises where it is the District's intent that costs (including depreciation) of providing services to the general public be financed or recovered primarily through user charges. All operating programs of the District operate as enterprises.

Executive Summary - Included in the opening section of the budget, the Executive Summary provides the Board and public with a general summary of the most important aspects of the budget, changes from previous fiscal years, and the views and recommendations of the District General Manager.

Expense - The outflow or using up of assets for capital purchases, goods & services (see Encumbrance).

Fiscal Year (FY) - An annual period for recording District financial transactions beginning July 1 and ending June 30. Fiscal Year 2010-2011 is abbreviated "FY10-11" or "FY2011".

Fixed Assets - Long-term major assets with a purchase price of \$5,000 or more and a useful life greater than one year, such as land, buildings, machinery, furniture, and other equipment.

Fund - The District accounts for all its operations and activities as an enterprise fund. This fund is comprised of various fund types such as operations, capital projects, internal services and contract services.

GAAP - Generally Accepted Accounting Principles. Uniform minimum standards for financial accounting and recording encompassing the conventions, rules, and procedures that define accepted accounting principles.

Goal - A statement of broad direction, purpose, or intent. Program Goals support District Goals that, in turn, support the District Mission.

Internal Service Fund (ISF) - This fund is used to account for costs of maintenance & operations and acquisition or replacement of all equipment for which a user is charged a fee. Internal Services Funds have been established for wastewater, solid waste, central administration, and the biosolids/microturbine budget divisions.

Inventoried Equipment - Each individual piece of equipment having a purchase price of less than \$5,000 that can be labeled and tracked. This includes equipment such as personal computers, laptop computers, cell phones, pagers, radios, etc.

Line Item Budget - A budget that lists detailed expenditure categories (permit fees, telephone service, travel, etc.) separately, along with the amount budgeted for each specified category. The District uses a program rather than line item budget, although detail line item accounts are maintained and recorded for financial reporting and control purposes.

Operating Budget - A financial plan that pertains to daily operations and maintenance of existing facilities providing basic services.

Other Resources - Revenues other than those collected directly for a specific program, such as overhead charges, equipment charges and other inter-fund transfers.

Overhead - An administrative allocation of indirect costs necessary for the functioning of the organization as a whole, but which cannot be directly assigned to one service. Overhead includes charges for District office space, communications, copy equipment, typewriters and computers. These charges are transferred from each department to the Central Administration Facilities Fund (89). The charge also includes a component for insurance, which is transferred from each department to the Risk Management Fund (86).

Program - A grouping of specific activities organized to accomplish District goals.

Program Budget - The type of budget used by the District, it shows budget amounts by program and category (salaries, supplies, services, etc.) rather than line item. Detail line item accounts are maintained and recorded for financial reporting and control purposes, but are not included in the budget document.

Reserve - An account used either to set aside budgeted revenues that are not required for spending in the current year or to earmark revenues for a specific future purpose.

Retained Earnings - The accumulated net earnings of an Enterprise entity which have been retained and which are not reserved for any specific purpose.

Revenues - Monies received or earned by the District.

Risk Management - An organized attempt to protect District assets against accidental loss in the most cost-effective manner.

Transfers - Charges against one program that are recorded as revenue to others. The most common are facilities charges (including insurance), overhead charges, ISF equipment charges (including vehicles, heavy power equipment, vacuum trucks and various machinery/tools) and in-house laboratory charges.

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FY 2017 Adopted Budget
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