

Fiscal Year 2018 Budget

July 1, 2017 – June 30, 2018



Ventura Regional Sanitation District

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Chris Theisen
General Manager

Ventura Regional Sanitation District



FY 2018 Board of Directors

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Robert Kwong – District Legal Counsel – 988-9886
Vickie Dragan – Director of Finance – 658-4646
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Lisa McKinley (Interim) – Clerk of the Board – 658-4642

Table of Contents

Executive Summary.....	1
Enterprise Fund.....	2
Fiscal Year 2018 Budget Summary	2-1
Central Administration.....	3
Fiscal Year 2018 Budget Summary	3-1
Water Wastewater.....	4
Fiscal Year 2018 Budget Summary	4-1
Revenue by Customer	4-3
Malibu Bay Club Fiscal Year 2018 Budget Summary	4-4
Solid Waste.....	5
Fiscal Year 2018 Budget Summary	5-1
Post Closed Landfill Maintenance	6
Fiscal Year 2018 Budget Summary	6-1
Biosolids & Microturbine Electrical Generation Facility.....	7
Fiscal Year 2018 Budget Summary	7-1
Vehicles & Heavy Equipment - ISF	8
Fiscal Year 2018 Budget Summary	8-1
Capital Plan.....	9
Fiscal Year 2018 Budget Summary	9-1
Detail by Division	9-3
Five-Year Capital Improvement Program	9-6
Project Descriptions	9-7
Supplemental Information.....	10
Fiscal Year 2018 Budget: Ten Year Financial Trend – Enterprise Fund	10-1
Reserve Analysis: Consolidated	10-3
Reserve Analysis: Five-Year Forecast.....	10-4
Debt Service.....	10-5
VRSD Fiscal Year 2018 Hourly Rates	10-6
VRSD Equipment & Supply (Consumable) Rates	10-7
Seminars, Lodging & Travel.....	10-9
Board Member Fees & Expenses.....	10-10
Legal Expenses	10-11
Salaries & Employee Benefits Schedule.....	10-12
Addenda.....	11
Organization Charts	11-1
Staffing Summaries.....	11-5
Classification Plan	11-7
Debt Management Policy.....	11-8
Fraud Reporting Policy	11-12
Investment Policy.....	11-16
Purchasing Policy.....	11-26
Reserve Level Policy	11-35
Budget Glossary.....	11-38

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Executive Summary1



June 15, 2017

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 2017-2018 (FY2018) Operating and Capital Improvement Plan Budget. The FY2018 Budget has been prepared to meet the needs of the District while at the same time complying with the District's mission, goals, and policies. The budget is the District's financial work plan and serves as the spending plan supported by revenues for the upcoming fiscal year.

This executive summary provides a high-level overview of the District's Budget, including highlights for the fiscal year. The Budget represents staff's best estimate of spending and revenue at the time of adoption, but it may change during the fiscal year, upon approval by the Board of Directors, based on unforeseen and/or unanticipated events.

BUDGET HIGHLIGHTS

- Approximately 436,400 tons of refuse and biosolids are expected to be placed at the Toland Road Landfill.
- The District's billable hourly rates for Central Administration and Operations employees will rise by an average of two percent, effective July 1, 2017
- The District's Capital Improvement Plan, which includes improvements at the Toland Road Landfill and the purchase of vehicles and equipment, is budgeted at \$4,362,613. The three major components of the Plan are Gas Collection (\$1,750,000), Toland Road Landfill Phase 2C (\$690,000), and the purchase of vehicles and heavy equipment (\$947,513).
- The District anticipates meeting the 1.15x debt service coverage target to comply with the loan agreements.
- An additional 150 tons of refuse is assumed to be received at Toland Road Landfill beginning in FY2019, which will require a CUP modification before it is ever realized. As such, this additional tonnage is somewhat arbitrary, and while it affects the financial statements of the district beginning in FY2019, it is inconsequential for the FY2018 budget.

BUDGET OVERVIEW

OPERATING REVENUES

The operating revenue for FY2018 is estimated at \$21,930,528. The most notable revenues of the District include Toland Road Landfill municipal solid waste, Water & Wastewater contract services, and the Biosolids and Electric Generation Project.

Solid Waste

Toland Road Landfill

The projected landfill refuse disposal revenue for FY2018 is estimated to be \$12,095,140, with annual tonnage of approximately 390,400. In addition, we expect revenue of \$111,800, which includes wood waste (\$80,000) and the Millennium Grove (\$27,000).

Biosolids and Electric Generation Facility

The District continues to receive biosolids from Oxnard, Ventura, Santa Paula, and Fillmore. FY2018 Biosolids revenue is estimated at \$2,300,000, or 46,000 tons. 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, with FY2018 revenue estimated in the amount of \$125,000.

Other

Other Solid Waste revenues include the Pyramid Flowers lease (\$60,000) and monitoring and maintenance services at River Ridge Golf Course for the City of Oxnard (\$124,143).

Water & Wastewater

The District's Water & Wastewater Division (WWW) is currently providing water and wastewater services to more than a dozen clients in Ventura County. These services include collection system cleaning, engineering and permitting support, repair and protective coatings, industrial source control, groundwater sampling, and monitoring. FY2018 revenue is estimated at \$5,747,755. Revenue is generated by charging external customers billable rates developed for each classification or job title. In addition, materials, supplies, and some other charges are billed at cost plus fifteen percent (15%). For more information, please see Page 4-3 of the FY2018 Proposed Budget.

OPERATING EXPENSES

The total operating expense is estimated at \$21,908,594, including depreciation. There are three main expense line items that contribute to the bottom line: salaries & employee benefits, depreciation, and other operating expenses.

Salaries & Employee Benefits: Estimated Salaries & Employee Benefits decreased by \$200,292, or 2.17%. The net decrease is primarily due to holding three positions vacant during FY2018. For more information related to salaries and employee benefits or staffing, please see Pages 10-12 and 11-1 through 11-7 of the FY2018 Budget.

Other Operating Expenses: Other operating expenses decreased by approximately \$1,117,157, which includes costs associated with general administration, materials and supplies, contract services expenses,

professional services, facility maintenance, permits, and fees. The net decrease is mainly attributable to decreases in facility maintenance (\$560,151) and materials & supplies (\$427,955).

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 FY2018 is included in Section 9 of the FY2018 Budget.

SUMMARY

The District will face financial challenges for several years based on current projections. While considerable expense budget savings have been implemented in the last year and in this budget, it is essential for the District to realize additional revenues in the near future to ensure fiscal sustainability. District staff remains steadfast in their goal to continue expense budget reduction and new revenue development wherever possible.

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.

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

Enterprise Fund2

Fiscal Year 2018 Budget Summary..... 2-1

VENTURA REGIONAL SANITATION DISTRICT

FISCAL YEAR 2018 BUDGET SUMMARY

ENTERPRISE FUND

Description	Actual FY 2015 Yearend	Actual FY 2016 Yearend	Adopted FY 2017 Budget	Estimated FY 2017 Yearend	Adopted FY 2018 Budget	FY17 vs. FY18 Budget Inc/(Dec)
Operating revenues:						
Revenue - sales	\$ 21,415,729	\$ 21,149,414	\$ 21,321,289	\$ 20,955,756	\$ 21,623,102	1%
Revenue - other	456,575	346,222	581,526	290,976	307,426	-47%
Reimb from outside agencies	-	-	-	-	-	0%
Total operating revenues	21,872,303	21,495,637	21,902,815	21,246,732	21,930,528	0% [1]
Operating expenses:						
Salaries and employee benefits	8,039,978	7,878,690	9,213,244	8,306,238	9,012,952	-2% [2]
General administrative	495,050	421,978	572,423	1,112,602	603,245	5% [3]
Operating materials and supplies	3,680,851	3,267,255	3,158,713	2,353,146	2,730,758	-14% [4]
Contract services - labor	395,707	566,164	318,000	364,173	374,500	18% [5]
Professional services	1,581,407	2,835,425	2,622,932	1,826,376	2,224,880	-15% [6]
Facility maintenance	1,851,291	1,259,686	1,738,622	879,500	1,178,471	-32% [7]
Permit, fees & other	1,407,009	1,872,692	1,506,813	1,676,243	1,688,492	12% [8]
Total operating expenses	17,451,293	18,101,890	19,130,747	16,518,276	17,813,298	-7%
Operating income(loss) before depreciation	4,421,010	3,393,747	2,772,068	4,728,456	4,117,229	49%
Depreciation and amortization	3,776,744	3,813,051	4,489,216	4,102,857	4,095,296	-9%
Operating income(loss)	644,266	(419,304)	(1,717,148)	625,599	21,933	-101%
Non-operating revenues(expenses):						
Interest and investment earnings	367,628	636,112	306,700	501,236	306,700	0%
Gain(loss) on sales and/or disposals of assets	(12,552)	47,883	-	1,467	-	0%
Debt service interest expense	(922,435)	(1,124,123)	(690,788)	(690,788)	(629,409)	-9%
Grant revenue	-	-	-	-	-	0%
Other, net	94,792	144,738	104,078	39,996	104,078	0%
Total non-operating revenues(expenses) before transfers	(472,568)	(295,389)	(280,010)	(148,090)	(218,631)	-22%
Overhead cost allocation - Central Administration	2,437,387	2,934,156	2,919,268	2,919,276	2,273,864	-22% [9]
ISF fleet use	2,185,256	2,306,178	2,117,204	2,289,662	2,117,704	0%
Intra-department labor transfer	516,864	467,080	166,146	334,868	150,387	-9%
Landfill processing fee transfer	171,776	145,376	150,880	135,972	154,100	2%
Contra-post closure expenses	805,553	1,481,706	952,544	597,682	583,984	-39%
Total transfers in	6,116,836	7,334,495	6,306,042	6,277,460	5,280,039	-16%
Overhead cost allocation - Central Administration	(2,437,387)	(2,934,156)	(2,919,268)	(2,919,276)	(2,273,864)	-22% [9]
ISF fleet use	(2,185,256)	(2,306,178)	(2,117,204)	(2,289,662)	(2,117,704)	0%
Intra-department labor transfer	(516,864)	(467,080)	(166,146)	(334,868)	(150,387)	-9%
Landfill processing fee transfer	(171,776)	(145,376)	(150,880)	(135,972)	(154,100)	2%
Provision for landfill closure/postclosure	(1,407,536)	(1,442,183)	(1,431,392)	(1,447,736)	(1,461,940)	2% [10]
Total transfers out	(6,718,819)	(7,294,973)	(6,784,890)	(7,127,514)	(6,157,995)	-9%
Net transfers	(601,983)	39,522	(478,848)	(850,054)	(877,956)	83%
Total non-operating revenues(expenses), net	(1,074,551)	(255,867)	(758,858)	(998,144)	(1,096,587)	45%
Change in net assets	\$ (430,285)	\$ (675,171)	\$ (2,476,007)	\$ (372,545)	\$ (1,074,654)	-57%

VENTURA REGIONAL SANITATION DISTRICT
FISCAL YEAR 2018 BUDGET SUMMARY
ENTERPRISE FUND

COMMENTS

- [1] Anticipated operating revenues for FY 2018 are \$27,713, or approximately 0.12%, more than the FY 2017 Adopted Budget.
- [2] Budgeted Salaries & Employee Benefits decreased by approximately \$200.3K, or 2.2%. The FY2018 Budget includes 19.3 FTE in Central Administration, 32.5 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 are budgeted to increase by approximately \$30.8K. Board Member fees and reimbursement of travel expenses are included within this expense category.
- [4] An approximately \$428K decrease is budgeted within FY2018 Operating Materials and Supplies. Increases and decreases, by segment, are as follows: \$19.1K decrease in Central Administration, \$6.7K decrease in Water/Wastewater, \$44K decrease in Solid Waste, \$5.3K increase in Closed Landfill Maintenance, \$166K decrease in the Biosolids & Microturbines Electrical Generation Facility, and \$197.6K decrease in Vehicles & Heavy Equipment.
- [5] During FY2018, Contract Labor from temporary staffing agencies is anticipated to increase by \$56.5K. Contract Labor is expected to increase by \$50K in Central Administration, increase by \$7.5K in closed landfills, and decrease by \$1K in Solid Waste.
- [6] Professional Services are budgeted with a decrease of \$398.1K. Professional Services are primarily comprised of Attorney Services (\$424K), Engineering Consultants (\$272K), Environmental Consultants (\$261K), Mark Norris (\$258.7K, billable to clients), various IT Services (\$238.6K), The PRD Group (\$150K, billable to clients), and Contractor Construction (\$118.4K).
- [7] Facility Maintenance is budgeted with a \$560.2K decrease. This includes a \$44.5K decrease in Central Administration, \$0.1K increase in Water/Wastewater, \$107.5K decrease in Solid Waste, a \$131.2K decrease in Closed Landfill Maintenance, a \$64.5K decrease in the Biosolids & Microturbines Electrical Generation Facility, and a \$212.5K decrease in Vehicles & Heavy Equipment Internal Service Fund.
- [8] Permits and Fees are budgeted with an increase of approximately \$181.7K, which includes \$125K for another penalty from Southern California Edison (SCE) for not generating enough electricity to comply with VRSD's agreement to supply electricity to SCE's power grid.
- [9] The allocation of Central Administrative overhead costs are primarily reallocated to the Solid Waste Division (63.2%), Water Wastewater Division (25.4%), and the Biosolids & Microturbines Electrical Generation Facility (11.4%), based on percentage of total operating revenue. These reallocations may fluctuate from year to year as the operating revenue between divisions changes.
- [10] The provision for landfill closure/postclosure has increased by approximately \$30.5K to reflect the calculated per ton rate needed to reach the required closure/postclosure reserves needed upon closure of the Toland Road Landfill.

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Central Administration3

Fiscal Year 2018 Budget Summary..... 3-1

VENTURA REGIONAL SANITATION DISTRICT
FISCAL YEAR 2018 BUDGET SUMMARY
CENTRAL ADMINISTRATION

Description	Actual FY 2015 Yearend	Actual FY 2016 Yearend	Adopted FY 2017 Budget	Estimated FY 2017 Yearend	Adopted FY 2018 Budget	FY17 vs. FY18 Budget Inc/(Dec)
Operating revenues:						
Revenue - sales	\$ 989,614	\$ 1,219,152	\$ 1,272,445	\$ 1,354,806	\$ 1,366,690	7% [1]
Revenue - other	8,484	11,078	-	5,448	-	0%
Reimb from outside agencies	-	-	-	-	-	0%
Total operating revenues	998,098	1,230,230	1,272,445	1,360,254	1,366,690	7%
Operating expenses:						
Salaries and employee benefits	1,885,947	1,898,981	2,545,975	2,311,238	2,382,264	-6% [2]
General administrative	257,562	208,209	162,430	708,316	358,751	121% [3]
Operating materials and supplies	50,644	22,544	98,394	23,935	79,342	-19%
Contract services - labor	155,590	184,010	-	50,869	50,000	0% [4]
Professional services	829,007	1,013,449	824,898	913,069	1,026,676	24% [5]
Facility maintenance	199,615	202,956	232,132	204,827	187,594	-19% [6]
Permit, fees & other	98,308	105,882	149,142	125,290	147,892	-1%
Total operating expenses	3,476,673	3,636,030	4,012,971	4,337,543	4,232,519	5%
Operating income(loss) before depreciation	(2,478,575)	(2,405,800)	(2,740,526)	(2,977,289)	(2,865,830)	5%
Depreciation and amortization	97,748	89,331	99,079	120,587	120,587	22%
Operating income(loss)	(2,576,323)	(2,495,132)	(2,839,605)	(3,097,876)	(2,986,417)	5%
Non-operating revenues(expenses):						
Interest and investment earnings	11,767	2,956	700	3,040	700	0%
Gain(loss) on sales and/or disposals of assets	-	-	-	-	-	0%
Debt service interest expense	-	-	-	-	-	0%
Grant revenue	-	-	-	-	-	0%
Other, net	-	-	(3,288)	267	(3,288)	0%
Total non-operating revenues(expenses) before transfers	11,767	2,956	(2,588)	3,306	(2,588)	0%
Overhead cost allocation - Central Administration	2,437,387	2,934,156	2,919,268	2,919,276	2,273,864	-22% [7]
ISF fleet use	5,190	2,905	5,680	3,119	5,680	0%
Intra-department labor transfer	40,895	42,100	-	123,468	-	0%
Landfill processing fee transfer	-	-	-	-	-	0%
Contra-post closure expenses	-	-	-	-	-	0%
Total transfers in	2,483,471	2,979,160	2,924,948	3,045,863	2,279,544	-22%
Overhead cost allocation - Central Administration	-	-	-	-	-	0%
ISF fleet use	(8,092)	(5,617)	(6,672)	(6,603)	(6,672)	0%
Intra-department labor transfer	-	(7,931)	-	-	-	100%
Landfill processing fee transfer	-	-	-	-	-	100%
Provision for landfill closure/postclosure	-	-	-	-	-	0%
Total transfers out	(8,092)	(13,548)	(6,672)	(6,603)	(6,672)	0%
Net transfers	2,475,379	2,965,613	2,918,276	3,039,260	2,272,872	-22%
Total non-operating revenues(expenses), net	2,487,146	2,968,568	2,915,688	3,042,567	2,270,284	-22%
Change in net assets *	\$ (89,176)	\$ 473,437	\$ 76,083	\$ (55,309)	\$ (716,133)	-1041%

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

VENTURA REGIONAL SANITATION DISTRICT
FISCAL YEAR 2018 BUDGET SUMMARY
CENTRAL ADMINISTRATION

COMMENTS

The Central Administration Budget Segment includes the activities of 19.3 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 and recycled water system customer service, and support.
- [2] The Salaries and Employee Benefits decrease for FY2018 is primarily due to the decrease in Central Administration staffing level. The Proposed FY2018 Budget includes 19.3 FTE assigned to Central Administration. The Human Resource Technician will remain in the budget but will be unfunded for FY2018.
- [3] General administrative expenses include Board fees and reimbursements of travel expenses, as well as seminar and travel expenses associated with District employees.
- [4] During FY2018, Central Administration expects to spend \$50K on labor from temporary staffing agencies during periods of recruitment, as well as extended absences and leaves.
- [5] Budgeted Professional Services during FY2018 are primarily comprised of Mark Norris (\$258.7K), various IT Services (\$231.1K), The PRD Group (\$150K), General Counsel (\$149K), Debra West (\$52K), PARS (\$37.8K), Labor Attorneys (\$35K), and Accounting & Auditing Services (\$29K). Mark Norris, The PRD Group, and Debra West, provide services to Triunfo Sanitation District and Saticoy Sanitation District through VRSD.
- [6] FY2018 Facility Maintenance is primarily comprised of \$119.9K for the District Office building lease and \$57.9K for Utilities.
- [7] Central Administration Overhead Costs are reallocated to the operating segments (Solid Waste, Water Wastewater, and the Biosolids & Microturbine Electrical Generation Facility). Additionally, this total is increased or decreased to offset the Change in Net Assets from the FY2016 CAFR's actual Change in Net Assets (\$546,782).

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Water Wastewater4

Fiscal Year 2018 Budget Summary..... 4-1

Revenue by Customer..... 4-3

Malibu Bay Club Fiscal Year 2018 Budget Summary..... 4-4

VENTURA REGIONAL SANITATION DISTRICT

FISCAL YEAR 2018 BUDGET SUMMARY

WATER WASTEWATER

Description	Actual FY 2015 Yearend	Actual FY 2016 Yearend	Adopted FY 2017 Budget	Estimated FY 2017 Yearend	Adopted FY 2018 Budget	FY17 vs. FY18 Budget Inc/(Dec)
Operating revenues:						
Revenue - sales	\$ 5,057,994	\$ 4,904,469	\$ 5,567,586	\$ 4,769,948	\$ 5,737,129	3% [1]
Revenue - other	11,189	12,237	10,626	27,325	10,626	0%
Reimb from outside agencies	-	-	-	-	-	0%
Total operating revenues	5,069,183	4,916,706	5,578,212	4,797,274	5,747,755	3%
Operating expenses:						
Salaries and employee benefits	2,925,173	3,046,988	3,337,522	3,026,717	3,548,799	6% [2]
General administrative	33,932	31,359	70,872	31,042	72,188	2%
Operating materials and supplies	862,804	845,919	713,283	617,900	706,626	-1% [3]
Contract services - labor	35,187	7,441	2,000	-	2,000	0%
Professional services	93,862	45,663	272,884	41,608	242,384	-11% [4]
Facility maintenance	108,829	98,455	42,180	74,951	42,252	0%
Permit, fees & other	40,315	42,211	15,150	45,212	15,150	0%
Total operating expenses	4,100,101	4,118,036	4,453,891	3,837,430	4,629,399	4%
Operating income(loss) before depreciation	969,081	798,670	1,124,321	959,844	1,118,356	-1%
Depreciation and amortization	155,379	156,267	155,379	156,563	156,563	1%
Operating income(loss)	813,702	642,403	968,942	803,281	961,793	-1%
Non-operating revenues(expenses):						
Interest and investment earnings	2,323	10,529	3,400	10,654	3,400	0%
Gain(loss) on sales and/or disposals of assets	-	-	-	-	-	0%
Debt service interest expense	(92,692)	(152,862)	(37,353)	(37,353)	(44,279)	19%
Grant revenue	-	-	-	-	-	0%
Other, net	94,691	144,681	107,366	39,725	107,366	0%
Total non-operating revenues(expenses) before transfers	4,321	2,348	73,413	13,026	66,487	-9%
Overhead cost allocation - Central Administration	-	-	-	-	-	0%
ISF fleet use	26,974	34,780	8,618	19,956	8,618	0%
Intra-department labor transfer	313,021	290,850	130,166	152,521	109,047	-16% [5]
Landfill processing fee transfer	-	-	-	-	-	0%
Contra-post closure expenses	-	-	(10,004)	(10,004)	(10,004)	0% [6]
Total transfers in	339,996	325,630	128,780	162,473	107,661	-16%
Overhead cost allocation - Central Administration	(686,047)	(807,648)	(1,206,655)	(1,196,656)	(577,307)	-52% 7]
ISF fleet use	(425,142)	(442,621)	(377,677)	(442,072)	(377,677)	0%
Intra-department labor transfer	(54,565)	(15,447)	-	(18,005)	-	0%
Landfill processing fee transfer	-	-	-	-	-	0%
Provision for landfill closure/postclosure	-	-	-	-	-	0%
Total transfers out	(1,165,753)	(1,265,716)	(1,584,332)	(1,656,732)	(954,984)	-40%
Net transfers	(825,758)	(940,086)	(1,455,552)	(1,494,260)	(847,323)	-42%
Total non-operating revenues(expenses), net	(821,437)	(937,738)	(1,382,139)	(1,481,234)	(780,836)	-44%
Change in net assets	\$ (7,735)	\$ (295,335)	\$ (413,197)	\$ (677,953)	\$ 180,956	-144%

VENTURA REGIONAL SANITATION DISTRICT
FISCAL YEAR 2018 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 \$155.39 (FY2018). 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 FY2018 monthly sewer fee, \$112.49 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] FY2018 includes \$304,564 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 FY2018 Budget includes 32.5 FTE assigned to the Water Wastewater Division. The Office Assistant position has been changed from 1 FTE to 0.5 FTE for FY2018.
- [3] \$599.2K of the Operating Materials & Supplies budgeted during FY2018 are billable to Water/Wastewater Division customers (\$608.1K).
- [4] Professional Services includes \$45K for Safety Consulting, \$20K for General Counsel, and \$10K for Labor Attorneys. \$151.9K of the Professional Services expenses budgeted during FY2018 are billable to Water/Wastewater Division customers (\$174.7K).
- [5] Water Wastewater staff supporting both Solid Waste and ISF operations.
- [6] \$10,004 represents a Malibu Bay Club Reserve Fund. Each unit will contribute \$6.13 per month toward this Reserve Fund.
- [7] The \$629.3K decrease is attributable to a decrease in total Central Administration overhead expenses reallocated to other divisions during FY2018, as well as and a decrease in the percentage of those expenses reallocated to Water/Wastewater.

WATER WASTEWATER REVENUE BY CUSTOMER

	Budget FY 2018	Forecast [a] FY 2017	Adjusted Budget FY 2017	Budget FY 2017	Actual FY 2016	Actual FY 2015	Actual FY 2014
Anticipated Reimbursable	304,564	-	472,410	472,410	-	-	-
Anterra Corporation	-	-	-	-	-	13,090	-
AR Pipeline, Inc.	-	-	-	-	25,177	-	-
Cabrillo Economic Development Corporation	6,277	3,428	6,187	6,187	6,102	4,341	14,593
City of Camarillo	-	-	-	-	-	8,664	42,769
Camrosa Water District	150,115	147,180	147,685	147,685	109,066	128,704	123,155
Cate School	208,922	201,005	183,718	183,718	204,719	182,856	209,740
Channel Islands Beach CSD	-	1,335	-	-	582	4,381	789
City of Oxnard							
<i>City of Oxnard</i>	-	-	-	-	-	607	61,433
<i>City of Oxnard - Solid Waste</i>	124,143	82,759	129,457	129,457	81,546	53,613	-
City of Oxnard Total	124,143	82,759	129,457	129,457	81,546	54,221	61,433
City of Santa Paula							
<i>City of Santa Paula</i>	-	-	-	-	570	-	7,379
<i>City of Santa Paula - Central Administration</i>	-	-	-	-	-	687	-
City of Santa Paula Total	-	-	-	-	570	687	7,379
City of Ventura	-	15,304	-	-	6,480	4,252	5,215
CSU, Channel Islands	15,669	20,675	15,453	15,453	23,511	-	13,041
KB Camarillo	-	-	-	-	3,176	4,926	-
Malibu Bay Club	183,584	160,930	180,875	180,875	190,282	169,269	144,747
Montalvo Community Services District	-	-	-	-	31,345	8,743	10,478
Ojai Valley Sanitary	85,089	69,033	78,435	78,435	40,778	118,280	120,008
Ojai Valley School	66,623	39,244	62,413	62,413	62,059	61,427	49,554
Sam Hill and Sons, Inc.	-	-	-	-	223	4,807	-
Saticoy Sanitary District							
<i>Saticoy Sanitary District</i>	317,183	285,613	289,225	289,225	277,923	455,587	391,274
<i>Saticoy Sanitary District - Central Administration</i>	81,348	77,727	64,991	64,991	63,833	67,823	49,527
Saticoy Sanitary District Total	398,531	363,340	354,216	354,216	341,756	523,410	440,801
Shadow Ridge	-	-	-	-	-	16,633	5,049
Summerland Sanitary District	-	-	-	-	-	4,401	4,281
Thacher School	147,457	92,170	88,277	88,277	85,610	83,609	84,560
Thomas Aquinas College	257,353	279,640	233,855	233,855	262,397	278,904	222,333
City of Thousand Oaks							
<i>City of Thousand Oaks</i>	6,264	1,505	6,156	6,156	7,385	6,615	3,979
City of Thousand Oaks Total	6,264	1,505	6,156	6,156	7,385	6,615	3,979
Top O'Topanga Community Association	187,116	167,135	161,114	161,114	148,613	142,057	151,752
Triunfo Sanitation District							
<i>Triunfo Sanitation District</i>	3,223,387	2,486,247	3,003,978	3,003,978	2,697,186	2,848,387	2,368,884
<i>Triunfo Sanitation District - Central Administration</i>	1,277,366	1,273,243	1,199,725	1,199,725	1,149,272	913,787	910,725
Triunfo Sanitation District Total	4,500,753	3,759,490	4,203,703	4,203,703	3,846,458	3,762,175	3,279,609
County of Ventura							
<i>Moorpark</i>	144,386	185,348	172,914	172,914	204,257	55,077	161,794
<i>NorthCoast</i>	391,850	532,516	398,455	398,455	412,560	375,886	337,482
<i>Piru</i>	21,960	28,610	30,124	30,124	70,323	39,986	734
<i>County of Ventura - Special Projects</i>	1,363	51,291	36,314	36,314	23,137	35,776	41,908
County of Ventura Total	559,558	797,765	637,806	637,806	710,276	506,726	541,918
Ventura County Regional Energy Alliance	7,976	3,836	7,729	7,729	3,014	2,892	2,868
Miscellaneous Customers	17,969	1,741	-	-	14,042	5,154	15,325
Customer Total	7,227,962	6,207,513	6,969,489	6,969,489	6,205,167	6,101,222	5,555,375
Excluding Central Administration Revenue Sales	(1,366,690)	(1,354,806)	(1,272,445)	(1,272,445)	(1,219,152)	(989,614)	(978,881)
Excluding Solid Waste Revenue Sales	(124,143)	(82,759)	(129,457)	(129,457)	(81,546)	(53,613)	-
Total Water Wastewater Revenue Sales	\$ 5,737,129	\$ 4,769,948	\$ 5,567,586	\$ 5,567,586	\$ 4,904,469	\$ 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 2018 BUDGET SUMMARY

MALIBU BAY CLUB

Description	Maintenance	Operations	Environmental Monitoring	Total Budget
<u>Expense</u>				
Labor	40,887	59,546	22,686	123,119
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	7,500	500	12,230
Property insurance	-	7,644	-	7,644
Legal	-	11,500	-	11,500
Total Expenses	\$ 62,367	\$ 100,903	\$ 39,861	\$ 203,131
Annual sewer service fee [1]				179,797
Annual surplus/(deficit)				\$ (23,333)

[1] \$112.49 monthly operations and maintenance fee per parcel.

	Reserve Fund	Reimbursement of Advance
Beginning Balance	20,008	179,982
FY 2018 - Tax Roll Apportionment	10,004	(60,009)
Deficit - FY 2018	-	23,333
Ending Balance	\$ 30,012	\$ 143,306

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Solid Waste5

Fiscal Year 2018 Budget Summary..... 5-1

VENTURA REGIONAL SANITATION DISTRICT

FISCAL YEAR 2018 BUDGET SUMMARY

SOLID WASTE

Description	Actual FY 2015 Yearend	Actual FY 2016 Yearend	Adopted FY 2017 Budget	Estimated FY 2017 Yearend	Adopted FY 2018 Budget	FY17 vs. FY18 Budget Inc/(Dec)
Operating revenues:						
Revenue - sales	\$ 11,745,287	\$ 12,412,112	\$ 12,181,257	\$ 12,574,305	\$ 12,219,283	0% [1]
Revenue - other	175,845	174,450	170,900	182,837	171,800	1% [2]
Reimb from outside agencies	-	-	-	-	-	0%
Total operating revenues	11,921,133	12,586,562	12,352,157	12,757,142	12,391,083	0%
Operating expenses:						
Salaries and employee benefits	2,485,226	2,689,489	2,956,352	2,662,572	2,688,807	-9% [3]
General administrative	43,398	36,473	192,200	228,853	31,850	-83% [4]
Operating materials and supplies	853,472	1,045,676	864,265	760,944	820,290	-5% [5]
Contract services - labor	167,018	302,418	301,000	305,298	300,000	0%
Professional services	412,514	759,151	892,595	658,836	656,720	-26% [6]
Facility maintenance	322,475	412,890	417,310	330,300	309,810	-26% [7]
Permit, fees & other	1,062,496	1,265,248	1,158,963	1,158,963	1,202,300	4%
Total operating expenses	5,346,599	6,511,345	6,782,685	6,105,767	6,009,777	-11%
Operating income(loss) before depreciation	6,574,534	6,075,217	5,569,472	6,651,375	6,381,306	15%
Depreciation and amortization	2,019,720	1,948,473	2,675,977	2,270,472	2,270,472	-15%
Operating income(loss)	4,554,814	4,126,744	2,893,495	4,380,903	4,110,834	42%
Non-operating revenues(expenses):						
Interest and investment earnings	127,702	233,657	99,000	170,382	99,000	0%
Gain(loss) on sales and/or disposals of assets	-	-	-	-	-	0%
Debt service interest expense	(346,890)	(416,502)	(451,530)	(451,530)	(409,758)	-9%
Grant revenue	-	-	-	-	-	0%
Other, net	84	58	-	3	-	0%
Total non-operating revenues(expenses) before transfers	(219,104)	(182,787)	(352,530)	(281,145)	(310,758)	-12%
Overhead cost allocation - Central Administration	-	-	-	-	-	0%
ISF fleet use	5,186	2,260	2,560	353	3,060	20%
Intra-department labor transfer	126,759	123,570	19,980	58,879	20,340	2% [8]
Landfill processing fee transfer	171,776	145,376	150,880	135,972	154,100	2% [9]
Contra-post closure expenses	-	-	-	-	-	0%
Total transfers in	303,721	271,206	173,420	195,204	177,500	2%
Overhead cost allocation - Central Administration	(1,331,185)	(1,820,730)	(1,646,494)	(1,646,496)	(1,436,497)	-13% [10]
ISF fleet use	(1,639,401)	(1,762,239)	(1,623,783)	(1,745,627)	(1,624,283)	0%
Intra-department labor transfer	(104,263)	(217,792)	(68,788)	(161,743)	(73,825)	7%
Landfill processing fee transfer	-	-	-	-	-	0%
Provision for landfill closure/postclosure	(1,407,536)	(1,442,183)	(1,431,392)	(1,447,736)	(1,461,940)	2% [11]
Total transfers out	(4,482,385)	(5,242,944)	(4,770,457)	(5,001,603)	(4,596,545)	-4%
Net transfers	(4,178,664)	(4,971,739)	(4,597,037)	(4,806,399)	(4,419,045)	-4%
Total non-operating revenues(expenses), net	(4,397,768)	(5,154,525)	(4,949,567)	(5,087,543)	(4,729,803)	-4%
Change in net assets	\$ 157,045	\$ (1,027,782)	\$ (2,056,072)	\$ (706,640)	\$ (618,969)	-70%

VENTURA REGIONAL SANITATION DISTRICT
FISCAL YEAR 2018 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 \$12,095,140, based on the disposal of 390,400 tons of refuse. This line also includes \$124,143 from the City of Oxnard for EPG at River Ridge.
- [2] Budgeted Revenue increase is reflective of a \$900 increase in Millenium Grove revenue during FY2018.
- [3] Salaries & Employee Benefits decrease is primarily reflective of holding the Director of Operations and one Senior Engineer position vacant for FY2018. The FY2018 Budget includes 23 FTE assigned to the Solid Waste Division. The Director of Operations and one Senior Engineer position will remain in the budget but, unfunded for FY2018.
- [4] Budgeted FY2018 General Administrative expenses include \$15K for Conferences, Seminars, & Training; \$5.3K for Education Reimbursements; and \$11.6K for other general administrative expenses.
- [5] Operating Materials and Supplies include Rock & Sand, Lab Services & Supplies, Safety Supplies, Chemical Supplies & Disposal, Wastewater Transportation & Disposal, and Computer Equipment.
- [6] FY2018 Professional Services are primarily comprised of Engineering Consultants (\$200K), Environmental Consultants (\$167.5K), General Counsel (\$130K), Contractor Construction (\$70K), and Labor Attorneys (\$50K).
- [7] Facility Maintenance includes \$153.7K for Utilities, \$140K for Automotive & Equipment Rental, and \$16.1K for Automotive & Equipment Maintenance & Repair.
- [8] Intra-department Labor Transfer In is reflective of Solid Waste Division staff supporting operations in other divisions.
- [9] Landfill Processing Fee Transfer In is reflective of closure/postclosure fees transfered from the Biosolids & Microturbine Electrical Generation Facility to the Solid Waste Division when biosolids are buried in the landfill.
- [10] This decrease is attributable to a decrease in total Central Administration overhead expenses reallocated to other divisions during FY2018.
- [11] The Provision For Landfill Closure/Postclosure has increased by approximately \$30.5K to reflect the calculated per ton rate needed to reach the required closure/postclosure reserves necessary upon closure of the Toland Road Landfill.

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Post Closed Landfill Maintenance.....6

Fiscal Year 2018 Budget Summary..... 6-1

VENTURA REGIONAL SANITATION DISTRICT
FISCAL YEAR 2018 BUDGET SUMMARY
POST CLOSED LANDFILL MAINTENANCE

Description	Actual FY 2015 Yearend	Actual FY 2016 Yearend	Adopted FY 2017 Budget	Estimated FY 2017 Yearend	Adopted FY 2018 Budget	FY17 vs. FY18 Budget Inc/(Dec)
Operating revenues:						
Revenue - sales	\$ -	\$ -	\$ -	\$ -	\$ -	0%
Revenue - other	-	-	-	-	-	0%
Reimb from outside agencies	-	-	-	-	-	0%
Total operating revenues	-	-	-	-	-	0%
Operating expenses:						
Salaries and employee benefits	-	-	107,155	-	112,284	5%
General administrative	1,929	1,558	500	635	1,054	111%
Operating materials and supplies	218,566	414,987	150,175	173,328	155,500	4%
Contract services - labor	37,912	72,295	15,000	8,006	22,500	50%
Professional services	166,196	644,264	505,804	209,663	247,600	-51% [1]
Facility maintenance	77,042	144,233	263,650	46,621	132,500	-50% [2]
Permit, fees & other	59,174	68,201	65,100	76,979	75,350	16%
Total operating expenses	560,819	1,345,537	1,107,384	515,233	746,788	-33%
Operating income(loss) before depreciation	(560,819)	(1,345,537)	(1,107,384)	(515,233)	(746,788)	-33%
Depreciation and amortization	32,366	30,502	17,046	17,046	17,046	0%
Operating income(loss)	(593,185)	(1,376,040)	(1,124,430)	(532,279)	(763,834)	-32%
Non-operating revenues(expenses):						
Interest and investment earnings	222,852	379,970	200,000	306,670	200,000	0%
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	222,852	379,970	200,000	306,670	200,000	0%
Overhead cost allocation - Central Administration	-	-	-	-	-	0%
ISF fleet use	-	-	-	-	-	0%
Intra-department labor transfer	-	-	-	-	-	0%
Landfill processing fee transfer	-	-	-	-	-	0%
Contra-post closure expenses	805,553	1,481,706	962,548	597,682	593,988	-38%
Total transfers in	805,553	1,481,706	962,548	597,682	593,988	-38%
Overhead cost allocation - Central Administration	-	-	-	-	-	0%
ISF fleet use	(7,724)	(4,158)	(6,642)	(3,987)	(6,642)	0%
Intra-department labor transfer	(205,341)	(102,210)	(31,476)	(63,958)	(23,512)	-25%
Landfill processing fee transfer	-	-	-	-	-	0%
Provision for landfill closure/postclosure	-	-	-	-	-	0%
Total transfers out	(213,066)	(106,367)	(38,118)	(67,945)	(30,154)	-21%
Net transfers	592,487	1,375,338	924,430	529,738	563,834	-39%
Total non-operating revenues(expenses), net	815,339	1,755,308	1,124,430	836,408	763,834	-32%
Change in net assets	\$ 222,154	\$ 379,269	\$ (0)	\$ 304,129	\$ -	0%

VENTURA REGIONAL SANITATION DISTRICT
FISCAL YEAR 2018 BUDGET SUMMARY
POST CLOSED LANDFILL MAINTENANCE

COMMENTS

Budgeted activities for closed landfill relate to Coastal Landfill (closed 1995), Bailard Landfill (closed 1997), Ozena Landfill (closed 1987) and 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] FY2018 Professional Services include Environmental Consultants (\$93.5K), Engineering Consultants (\$55K), Contractor Construction (\$45K), PFM for Investment Services (\$21.6K), and General Counsel (\$10K).

[2] Facility Maintenance includes Equipment Maintenance (\$80K), Equipment Rental (\$26.5K), and Utilities (\$26K).

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Biosolids & Microturbine

Electrical Generation Facility7

Fiscal Year 2018 Budget Summary..... 7-1

VENTURA REGIONAL SANITATION DISTRICT

FISCAL YEAR 2018 BUDGET SUMMARY

BIOSOLIDS & MICROTURBINE ELECTRICAL GENERATION FACILITY

Description	Actual FY 2015 Yearend	Actual FY 2016 Yearend	Adopted FY 2017 Budget	Estimated FY 2017 Yearend	Adopted FY 2018 Budget	FY17 vs. FY18 Budget Inc/(Dec)
Operating revenues:						
Revenue - sales	\$ 3,622,834	\$ 2,613,682	\$ 2,300,000	\$ 2,256,697	\$ 2,300,000	0% [1]
Revenue - other	260,700	148,284	400,000	75,366	125,000	-69% [2]
Reimb from outside agencies	-	-	-	-	-	0%
Total operating revenues	3,883,534	2,761,966	2,700,000	2,332,063	2,425,000	-10%
Operating expenses:						
Salaries and employee benefits	579,080	87,352	-	-	-	0% [3]
General administrative	72,888	49,054	57,769	44,472	50,750	-12% [4]
Operating materials and supplies	1,235,026	563,885	672,000	385,185	506,000	-25% [5]
Contract services - labor	-	-	-	-	-	0%
Professional services	78,160	372,898	125,750	3,200	50,500	-60%
Facility maintenance	495,661	38,400	117,000	33,156	52,500	-55% [6]
Permit, fees & other	144,734	388,980	118,220	268,994	246,500	109% [7]
Total operating expenses	2,605,549	1,500,569	1,090,739	735,007	906,250	-17%
Operating income(loss) before depreciation	1,277,985	1,261,397	1,609,261	1,597,056	1,518,750	-6%
Depreciation and amortization	986,134	1,000,019	1,009,556	1,004,788	1,004,788	0%
Operating income(loss)	291,851	261,378	599,705	592,268	513,962	-14%
Non-operating revenues(expenses):						
Interest and investment earnings	2,120	4,710	2,000	5,393	2,000	0%
Gain(loss) on sales and/or disposals of assets	-	-	-	-	-	0%
Debt service interest expense	(482,853)	(554,759)	(201,905)	(201,905)	(175,372)	-13%
Grant revenue	-	-	-	-	-	0%
Other, net	-	-	-	-	-	0%
Total non-operating revenues(expenses) before transfers	(480,733)	(550,049)	(199,905)	(196,512)	(173,372)	-13%
Overhead cost allocation - Central Administration	-	-	-	-	-	0%
ISF fleet use	-	-	-	-	-	0%
Intra-department labor transfer	36,190	10,560	-	-	-	0%
Landfill processing fee transfer	-	-	-	-	-	0%
Contra-post closure expenses	-	-	-	-	-	0%
Total transfers in	36,190	10,560	-	-	-	0%
Overhead cost allocation - Central Administration	(420,155)	(305,778)	(66,119)	(66,120)	(260,060)	293% [8]
ISF fleet use	(104,840)	(91,534)	(102,430)	(91,373)	(102,430)	0%
Intra-department labor transfer	(70,223)	(54,286)	(33,774)	(12,389)	(20,340)	-40%
Landfill processing fee transfer	(171,776)	(145,376)	(150,880)	(135,972)	(154,100)	2% [9]
Provision for landfill closure/postclosure	-	-	-	-	-	0%
Total transfers out	(766,994)	(596,973)	(353,203)	(305,854)	(536,930)	52%
Net transfers	(730,804)	(586,413)	(353,203)	(305,854)	(536,930)	52%
Total non-operating revenues(expenses), net	(1,211,537)	(1,136,462)	(553,108)	(502,366)	(710,302)	28%
Change in net assets	\$ (919,686)	\$ (875,084)	\$ 46,597	\$ 89,902	\$ (196,340)	-521%

VENTURA REGIONAL SANITATION DISTRICT
FISCAL YEAR 2018 BUDGET SUMMARY
BIOSOLIDS & MICROTURBINE ELECTRICAL GENERATION FACILITY

COMMENTS

Fiscal Year 2017-2018 (FY2018) is the eighth 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 (\$125K).

- [1] The following biosolids customers and deliveries are expected in the FY2018 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 budget does not reflect a biosolids rate increase for FY2018.
- [2] \$125K is budgeted in electrical generation revenue for FY2018 due to historical unreliability of the microturbines.
- [3] The FY2017 and FY2018 Budgets include no Biosolids & Microturbine Electrical Generation Facility specific employees.
- [4] This decrease is reflective of the biosolids portion of the facility remaining in a non-operative status.
- [5] FY2018 Operating Materials & Supplies include \$400K for transportation of biosolids to the landfill and \$105K for materials & supplies necessary to keep the microturbines online.
- [6] The Facility Maintenance decrease is reflective of of the biosolids portion of the facility remaining in a non-operative status. \$25K is budgeted for utilities, \$25K is budgeted for microturbine maintenance, and \$2.5K is budgeted for equipment rental.
- [7] The budgeted increase during FY2018 includes \$125K for another penalty from Southern California Edison (SCE) for not generating enough electricity to comply with VRSD's agreement to supply electricity to SCE's power grid.
- [8] The increase is attributable to an increase in the percentage of the total Central Administration overhead expenses reallocated to the Biosolids & Microturbine Electrical Generation Facility during FY2018.
- [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 Road Landfill.

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Vehicles & Heavy Equipment - ISF8

Fiscal Year 2018 Budget Summary..... 8-1

VENTURA REGIONAL SANITATION DISTRICT
FISCAL YEAR 2018 BUDGET SUMMARY
VEHICLES & HEAVY EQUIPMENT - ISF

Description	Actual FY 2015 Yearend	Actual FY 2016 Yearend	Adopted FY 2017 Budget	Estimated FY 2017 Yearend	Adopted FY 2018 Budget	FY17 vs. FY18 Budget Inc/(Dec)
Operating revenues:						
Revenue - sales	\$ -	\$ -	\$ -	\$ -	\$ -	0%
Revenue - other	356	173	-	-	-	0%
Reimb from outside agencies	-	-	-	-	-	0%
Total operating revenues	356	173	-	-	-	0%
Operating expenses:						
Salaries and employee benefits	164,553	155,880	266,240	305,711	280,798	5% [1]
General administrative	85,341	95,326	88,652	99,283	88,652	0%
Operating materials and supplies	460,339	374,244	660,596	391,854	463,000	-30% [2]
Contract services - labor	-	-	-	-	-	0%
Professional services	1,667	-	1,000	-	1,000	0%
Facility maintenance	647,669	362,752	666,350	189,644	453,815	-32% [3]
Permit, fees & other	1,983	2,169	238	805	1,300	446%
Total operating expenses	1,361,552	990,372	1,683,076	987,297	1,288,565	-23%
Operating income(loss) before depreciation	(1,361,196)	(990,199)	(1,683,076)	(987,297)	(1,288,565)	-23%
Depreciation and amortization	485,397	588,458	532,179	533,401	525,840	-1%
Operating income(loss)	(1,846,594)	(1,578,657)	(2,215,255)	(1,520,698)	(1,814,405)	-18%
Non-operating revenues(expenses):						
Interest and investment earnings	864	4,290	1,600	5,097	1,600	0%
Gain(loss) on sales and/or disposals of assets	(12,552)	47,883	-	1,467	-	0%
Debt service interest expense	-	-	-	-	-	0%
Grant revenue	-	-	-	-	-	0%
Other, net	17	-	-	-	-	0%
Total non-operating revenues(expenses) before transfers	(11,671)	52,173	1,600	6,564	1,600	0%
Overhead cost allocation - Central Administration	-	-	-	-	-	0%
ISF fleet use	2,147,906	2,266,233	2,100,346	2,266,233	2,100,346	0%
Intra-department labor transfer	-	-	16,000	-	21,000	31%
Landfill processing fee transfer	-	-	-	-	-	0%
Contra-post closure expenses	-	-	-	-	-	0%
Total transfers in	2,147,906	2,266,233	2,116,346	2,266,233	2,121,346	0%
Overhead cost allocation - Central Administration	-	-	-	-	-	0%
ISF fleet use	(56)	(10)	-	-	-	0%
Intra-department labor transfer	(82,473)	(69,415)	(32,108)	(78,773)	(32,710)	2%
Landfill processing fee transfer	-	-	-	-	-	0%
Provision for landfill closure/postclosure	-	-	-	-	-	0%
Total transfers out	(82,529)	(69,425)	(32,108)	(78,773)	(32,710)	2%
Net transfers	2,065,377	2,196,808	2,084,238	2,187,461	2,088,636	0%
Total non-operating revenues(expenses), net	2,053,707	2,248,981	2,085,838	2,194,025	2,090,236	0%
Change in net assets	\$ 207,113	\$ 670,324	\$ (129,417)	\$ 673,327	\$ 275,831	-313%

VENTURA REGIONAL SANITATION DISTRICT
FISCAL YEAR 2018 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.

[1] The FY2018 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 prior to FY2017.

[2] Operating Materials and Supplies includes fuel, oil and lubricants, operating supplies, and other operating services.

[3] Facility maintenance includes heavy equipment repair and equipment rental.

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Capital Plan9

Fiscal Year 2018 Budget Summary..... 9-1

Detail by Division 9-3

Five-Year Capital Improvement Program 9-6

Project Descriptions..... 9-7

VENTURA REGIONAL SANITATION DISTRICT
FISCAL YEAR 2018 BUDGET SUMMARY
CAPITAL PLAN

Description	Actual FY 2015 Yearend	Actual FY 2016 Yearend	Adopted FY 2017 Budget	Estimated FY 2017 Yearend	Adopted FY 2018 Budget	FY17 vs. FY18 Budget Inc/(Dec)
Capital expenditures:						
Salaries and employee benefits	-	-	-	-	-	0%
General administrative	-	21	-	-	-	0%
Operating materials and supplies	211,532	66,190	269,500	338,829	1,450,000	438%
Contract services - labor	-	-	-	-	-	0%
Information technology services	57,551	13,464	18,420	11,941	15,000	-19%
Engineering services	464,529	836,058	519,500	616,226	300,000	-42%
Environmental services	217,437	9,881	15,000	16,122	-	-100%
Professional services	377,421	103,427	170,000	174,560	130,000	-24%
Attorney services	-	3,778	-	-	-	0%
Contractor construction	699,618	5,105,802	1,800,000	1,354,331	1,110,000	-38%
Structures and improvements	-	-	60,000	5,328	25,100	-58%
Auto and truck fleet	312,200	306,661	420,000	-	511,058	22%
Heavy equipment	906,904	833,735	313,000	36,379	410,750	31%
Other machinery and equipment	265,984	173,356	440,000	13,156	385,705	-12%
Other physical property	-	-	-	-	-	0%
Furniture and fixtures	-	-	13,000	15,649	-	-100%
Computer equipment	62,212	58,041	45,000	-	25,000	-44%
Facility maintenance	-	5,045	-	-	-	0%
Permit, fees & other	138	-	-	-	-	0%
Total capital expenditures	3,575,527	7,515,459	4,083,420	2,582,520	4,362,613	7%
Capital expenditures before transfers	(3,575,527)	(7,515,459)	(4,083,420)	(2,582,520)	(4,362,613)	7%
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	\$ (3,575,527)	\$ (7,515,459)	\$ (4,083,420)	\$ (2,582,520)	\$ (4,362,613)	7%
Capital expenditures - contra	(3,575,527)	(7,515,459)	-	-	-	0%
Total capital expenditures	\$ -	\$ -	\$ (4,083,420)	\$ (2,582,520)	\$ (4,362,613)	7%

VENTURA REGIONAL SANITATION DISTRICT
FISCAL YEAR 2018 BUDGET SUMMARY
CAPITAL PLAN

COMMENTS

A summary of capital improvement projects and expenditures is provided in the following table. Detailed descriptions of each of the items are also included on Pages 9-7 through 9-27.

Funding for Capital expenditures in FY2018 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 FY2018 Budget.

Project	Amount
Copy Machines	15,000
Central Admin Miscellaneous	25,000
Automate Water Wastewater Gates	15,000
Rehab Existing Water Wastewater Building for Storage	5,100
Water/Wastewater Office Reconfiguration	20,000
Toland Landfill Scalehouse	250,000
Toland Landfill Master Planning	80,000
Toland Phase 2c	690,000
Toland Leachate Treatment System	100,000
Toland Gas Collection	1,750,000
Toland Access Road Upgrades	200,000
Toland IT Equipment Relocation	40,000
Toland Landfill Extension	125,000
Solid Waste Miscellaneous	100,000
ISF - WWW Capital	485,000
ISF - SW Capital	462,513
Total	\$ 4,362,613

VENTURA REGIONAL SANITATION DISTRICT

FISCAL YEAR 2018 BUDGET SUMMARY

CAPITAL PLAN - DETAIL BY DIVISION

Project	Description	Cost
CENTRAL ADMINISTRATION		
Copy Machines		
90 - 190 - 52220 - 199914	Color Printer/Copier/Scanner for GM's Quad	7,500
90 - 190 - 52220 - 199914	Color Printer/Copier/Scanner for Finance Quad	7,500
	Project Total	\$ 15,000
Central Administration Miscellaneous		
90 - 190 - 52065 - 199914	Miscellaneous	25,000
	Project Total	\$ 25,000
Total Central Administration Capital Spending		\$ 40,000
 WATER/WASTEWATER		
Automate Gates		
90 - 290 - 52340 - 299901	Automate 2 Gates and Replace 1 Gate	15,000
	Project Total	\$ 15,000
Rehab Existing Building for Storage		
90 - 290 - 52310 - 299903	Structures and Improvements	5,100
	Project Total	\$ 5,100
Water/Wastewater Office Reconfiguration		
90 - 290 - 52310 - 299905	Structures and Improvements	20,000
	Project Total	\$ 20,000
Total Water/Wastewater Capital Spending		\$ 40,100

VENTURA REGIONAL SANITATION DISTRICT
FISCAL YEAR 2018 BUDGET SUMMARY
CAPITAL PLAN - DETAIL BY DIVISION

Project	Description	Cost
<i>SOLID WASTE</i>		
Toland Landfill Scalehouse		
90 - 490 - 52340 - 499901	Engineering Consultants	250,000
Project Total		\$ 250,000
Toland Landfill Master Planning		
90 - 490 - 52074 - 499914	Engineering Consultants	80,000
Project Total		\$ 80,000
Toland Phase 2c		
90 - 490 - 52074 - 499931	Engineering Consultants	90,000
90 - 490 - 52082 - 499931	Contractor Construction	500,000
90 - 490 - 52185 - 499931	Operating Supplies	100,000
Project Total		\$ 690,000
Toland Leachate Treatment System		
90 - 490 - 52074 - 499930	Engineering Consultants	10,000
90 - 490 - 52082 - 499930	Contractor Construction	50,000
90 - 490 - 52185 - 499930	Operating Supplies	40,000
Project Total		\$ 100,000
Gas Collection		
90 - 490 - 52074 - 499921	Engineering Consultants	100,000
90 - 490 - 52082 - 499921	Contractor Construction	380,000
90 - 490 - 52185 - 499921	Operating Supplies	1,270,000
Project Total		\$ 1,750,000
Toland Access Road Upgrades		
90 - 490 - 52074 - 499900	Engineering Consultants	20,000
90 - 490 - 52082 - 499900	Contractor Construction	180,000
Project Total		\$ 200,000
Toland IT Equipment Relocation		
90 - 490 - 52073 - 499928	Labor	15,000
90 - 490 - 52360 - 499928	Computer Equipment	25,000
Project Total		\$ 40,000
Toland Landfill Extension		
90 - 490 - 52080 - 499914	Professional Services	125,000
Project Total		\$ 125,000
Solid Waste Miscellaneous		
90 - 490 - 52340 - 499902	Survey Equipment	50,000
90 - 490 - 52340 - 499902	Pipe Fusion Machine	50,000
Project Total		\$ 100,000
Total Solid Waste Capital Spending		\$ 3,335,000

VENTURA REGIONAL SANITATION DISTRICT
FISCAL YEAR 2018 BUDGET SUMMARY
CAPITAL PLAN - DETAIL BY DIVISION

Project	Description	Cost
VEHICLES & HEAVY EQUIPMENT - ISF		
ISF - WWW Capital		
90 - 590 - 52080 - 599900	Regeneration Station	5,000
90 - 590 - 52320 - 599900	Tool Truck	40,000
90 - 590 - 52320 - 599900	Light Duty Trucks (3)	75,000
90 - 590 - 52320 - 599900	Vactor (Including \$120,000 Credit)	365,000
Project Total		\$ 485,000
ISF - SW Capital		
90 - 590 - 52320 - 599901	Pickup Truck	31,058
90 - 590 - 52330 - 599901	D6 Dozer (Year 1 of 4 Payments)	177,819
90 - 590 - 52330 - 599901	Fuel/Lube Truck	232,931
90 - 590 - 52340 - 599901	Miscellaneous	20,705
Project Total		\$ 462,513
Total Vehicles & Heavy Equipment - ISF Capital Spending		\$ 947,513
Total District Capital Spending		\$ 4,362,613

VENTURA REGIONAL SANITATION DISTRICT

FIVE-YEAR CAPITAL IMPROVEMENT PLAN (CIP)

Description	FY 2018 ¹	FY 2019	FY 2020	FY 2021	FY 2022
<u>Central Administration:</u>					
Copy Machines	15,000				
Finance System					3,000,000
Miscellaneous	25,000	25,000	25,000	25,000	25,000
<u>Water/Wastewater</u>					
Automate Gates	15,000				
Rehab Existing Building for Storage	5,100				
Office Reconfiguration	20,000				
Miscellaneous		7,500	7,500	7,500	7,500
<u>Solid Waste:</u>					
Toland Landfill Scalehouse	250,000				
Toland Landfill Master Planning	80,000	200,000	100,000		180,000
Toland Landfill Phase 2	690,000				
Toland Leachate Treatment System	100,000				
Toland Landfill Phase 4		6,100,000			
Toland Gas Collection	1,750,000	2,690,000		250,000	
Toland Access Road Upgrades	200,000				
Toland IT Equipment Relocation	40,000				
Toland Landfill Extension	125,000				
Miscellaneous	100,000				
<u>Biosolids/Microturbine Electrical Generation:</u>					
Biosolids Capital					
Microturbines Capital					
<u>Vehicles & Heavy Equipment:</u>²					
ISF - Water/Wastewater	485,000	145,000	180,000	65,000	585,000
ISF - Solid Waste	462,513	1,270,473	429,177	1,682,766	863,680
ISF - Biosolids & Microturbines					
ISF - Central Administration					
Fiscal Year Grand Total:	\$ 4,362,613	\$ 10,437,973	\$ 741,677	\$ 2,030,266	\$ 4,661,180
Running Total:	4,362,613	14,800,586	15,542,263	17,572,529	22,233,709

Notes:

- 1 FY is Fiscal Year, the year shown is the end of the fiscal year (e.g. - FY2018 is July 2017 through June 2018)
- 2 Amounts based on ISF replacement schedule.
- 3 Amounts presented in future dollar value.

Description:

Status:

Budget and Cost Information

*Unexpended balances will be rolled over to the FY 2017-2018 Budget

Finance System

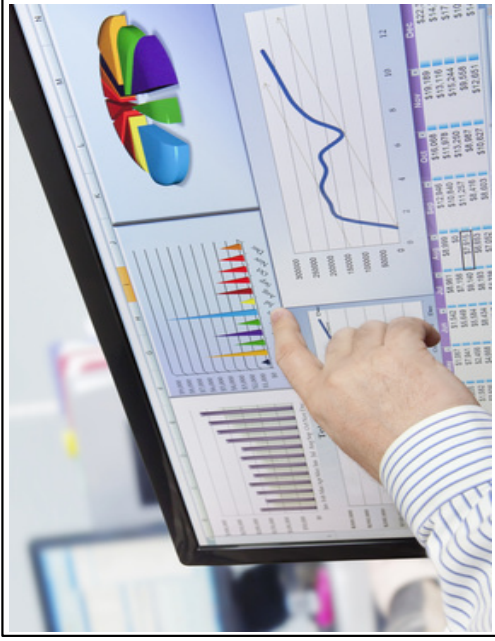
Project Number: TBD
 Department: Central Administration
 Estimated Percent Complete at Beginning of FY 2018: 0%
 Estimated Completion Date: FY2022

Description:

The current financial system, Microsoft Great Plains was implemented in FY2007, the District is planning to replace the current financial system in FY2022.

Status:

New project in FY2022



Budget and Cost Information

Budget and Cost Information										
Fund or Account No.	Actual Costs Prior to FY 2017	FY 2017		FY 2018	Estimated Future Costs			Estimated Total Cost		
		Appropriated	Encumbered*		Unencumbered**	FY 2019	FY 2020		FY 2021	
Consultants										
90-190-1999xx-xxxx				-					3,000,000	3,000,000
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*Unexpended balances will be rolled over to the FY 2017-2018 Budget

**Full unencumbered balance will drop to fund balance.

Description:

Status:

Budget and Cost Information

*Unexpended balances will be rolled over to the FY 2017-2018 Budget

****Full unencumbered balance will drop to fund balance.**

Project Number: 299901
Department: Water/Wastewater
Estimated Percent Complete at Beginning of FY 2018: 0%
Estimated Completion Date: March 2018

This project will add automated openers to the two gates at the Ballard Landfill for Water/Wastewater operations. This will help expedite response time and limit staff's need to unlock and lock multiple gates on after hour call outs.

New Project in FY2018



*Unexpended balances will be rolled over to the FY 2017-2018 Budget

**Full unencumbered balance will drop to fund balance.

Project Number: 299903
Department: Water/Wastewater
Estimated Percent Complete at Beginning of FY 2018: 49%
Estimated Completion Date: September 2017

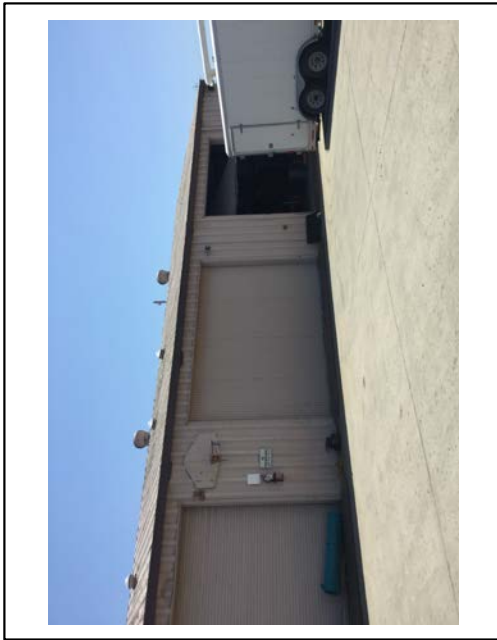
Description:

This project will convert the old maintenance/lab building into a work shop and storage area.

The project is scheduled to be completed in September 2017.

Status:

New over head doors will be installed by June 2017.



Budget and Cost Information

[illegible]

*Unexpended balances will be rolled over to the FY 2017-2018 Budget

****Full unencumbered balance will drop to fund balance.**

Project Number: 299904
Department: Water/Wastewater
Estimated Percent Complete at Beginning of FY 2018: N/A
Estimated Completion Date: N/A

Description:

This project number is for miscellaneous capital purchases that may arise throughout the FY. No purchases are included in FY2018.

Status: N/A



Budget and Cost Information

Fund or Account No.	Actual Costs Prior to FY 2017	FY 2017		Unencumbered**	FY 2018	Estimated Future Costs				
		Appropriated	Encumbered*			FY 2019	FY 2020	FY 2021	FY 2022 and beyond	Estimated Total Cost
Budget and Cost Information:										
Consultants										
90-290-299904-xxxx				-		7,500	7,500	7,500	120,000	142,500
				-						-
				-						-
				-						-
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				-						-
				-						-
				-						-
Subtotal	-	-	-	-	-	7,500	7,500	7,500	120,000	142,500
Construction										
				-						-
		-		-	-	-				-
	-			-	-	-				-
										-
										-
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										-
Subtotal	-		-	-	-	-	-	-	-	-
Project Totals	-	-	-	-	-	7,500	7,500	7,500	120,000	142,500

*Unexpended balances will be rolled over to the FY 2017-2018 Budget

****Full unencumbered balance will drop to fund balance.**

Project Number: 499901
Department: Solid Waste
Estimated Percent Complete at Beginning of FY 2018: 0%
Estimated Completion Date: Summer 2018

Description:

Description: Replacement of old mechanical scale (circa 1967) with new above-ground digital scale. New scale will be longer to adequately support larger truck traffic at the landfill. New, larger scalehouse will also be installed.

Status:

Project to begin in FY2018.



Budget and Cost Information

[illegible]

*Unexpended balances will be rolled over to the FY 2017-2018 Budget

****Full unencumbered balance will drop to fund balance.**

Project Number: 499914
Department: Solid Waste
Estimated Percent Complete at Beginning of FY 2018: 19%
Estimated Completion Date: June 30, 2035

Description:

This project provides for development of long-term phasing of Liner System, fill sequence, all landfill gas collection system modifications, and final closure fill across the site.

The FY2018 portion of the work involves planning for Phase 4B liner, the perimeter landfill gas header system, and designing the new companion flare to handle increased landfill gas flows. FY2019-20 will focus primarily on expansion of the gas header system, as well as placement of gas collection system within Phase 4 footprint.

Status:

Work is ongoing through life of landfill. Work for FY2018 to begin in Summer. 60% of the master planning will be complete by FY2020, with remaining work completed over 15 year period.



Budget and Cost Information

[illegible]

*Unexpended balances will be rolled over to the FY 2017-2018 Budget

****Full unencumbered balance will drop to fund balance.**

Phase 2C - Slope Repair and Partial Closure

Project Number: 499931
Department: Solid Waste
Estimated Percent Complete at Beginning of FY 2018: 0%
Estimated Completion Date: June 30, 2018

Description:

This project includes development of engineering plans, permitting, bidding, and construction work to lay back oversteepened native slopes on the perimeter of the landfill footprint. Material excavated from slopes will be used for closing portions of the site that are filled to maximum allowable grades.

This work will be conducted during the Summer and Fall to address surficial slope failures due to natural gradients of surrounding slopes. Work will be completed prior to the start of the rainy season.

Status:

Phase 2c was originally constructed in the late 1990s. Repair work is in planning stages and set to begin during the Summer.



Budget and Cost Information

[illegible]

*Unexpended balances will be rolled over to the FY 2017-2018 Budget

****Full unencumbered balance will drop to fund balance.**

Description:

This work will be conducted during the Summer and use of the treated leachate for dust control will begin immediately thereafter.

New Project in FY2018



Budget and Cost Information

[illegible]

*Unexpended balances will be rolled over to the FY 2017-2018 Budget

****Full unencumbered balance will drop to fund balance.**

Phase 4 Liner Construction

Project Number: 499920
 Department: Solid Waste
 Estimated Percent Complete at Beginning of FY 2018: 9%
 Estimated Completion Date: June 30, 2029

Description:

This project provides for development of engineering plans, permitting, construction quality assurance, and construction of future Phase 4 lined cells (Phase 4B, 4C, and 4D).



Status:

This is ongoing construction activity to continue over 3 additional phases. Phase 4A was completed in FY2017. Future subphases (B through D) will take place in FY2019, FY2023, and FY2028.

Budget and Cost Information

Fund or Account No.	Actual Costs Prior to FY 2017	FY 2017			FY 2018	Estimated Future Costs			Estimated Total Cost	
		Appropriated	Encumbered*	Unencumbered**		FY 2019	FY 2020	FY 2021		FY 2022 and beyond
Consultants										
90-490-499920-52074	75,000	200,000	200,000	-		500,000			500,000	1,275,000
90-490-499920-52079	15,000	15,000	15,000	-		50,000			50,000	130,000
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*Unexpended balances will be rolled over to the FY 2017-2018 Budget

**Full unencumbered balance will drop to fund balance.

Toland Access Road Upgrades

Project Number: 499900
Department: Solid Waste
Estimated Percent Complete at Beginning of FY 2018: 0%
Estimated Completion Date: Summer 2017 (Phase 1); Summer 2027 (Phase 2)

Description:

This project includes development of plans and specifications for chip/slurry seal of the Toland Access Road and parking lot. Construction and material costs are included.

This work will be conducted during the Summer of 2017. The completed road will provide 10 years of service life. The next phase of upgrade will be conducted in FY2027.

Status:

New Project in FY2018.



Budget and Cost Information

[illegible]

*Unexpended balances will be rolled over to the FY 2017-2018 Budget

****Full unencumbered balance will drop to fund balance.**

Project Number: 499928
Department: Solid Waste
Estimated Percent Complete at Beginning of FY 2018: 0%
Estimated Completion Date: September 2018

Description:

Description: IT project to reroute the signal from the radio pad on ridge above Toland site to the SCADA building. IT consultant (FTI) has already determined that (1) There's a pole with a clear view of the radio pad at the SCADA building (2) There is a fiber run from the SCADA building to the Admin building. (3) There's also a fiber run from the Maintenance shed to the Admin building.

Status:

New Project to begin in FY2018.



Budget and Cost Information

[illegible]

*Unexpended balances will be rolled over to the FY 2017-2018 Budget

****Full unencumbered balance will drop to fund balance.**

Miscellaneous

Project Number: 499902
 Department: Solid Waste
 Estimated Percent Complete at Beginning of FY 2018: N/A
 Estimated Completion Date: N/A

Description:

This project number is for miscellaneous capital purchases that may arise throughout the FY. No items were included in FY2017. During FY2018, survey equipment and a pipe fusion machine will be purchased.

Status:

FY2018 purchases include survey equipment and a pipe fusion machine.



Budget and Cost Information

Fund or Account No.	Actual Costs Prior to FY 2017	Appropriated	FY 2017		FY 2018	FY 2019	FY 2020	FY 2021	FY 2022 and beyond	Estimated Total Cost
			Encumbered*	Unencumbered**						
90-490-99902-52340				-	100,000					100,000
				-						-
				-						-
				-						-
				-						-
				-						-
				-						-
				-						-
Subtotal	-	-	-	-	100,000	-	-	-	-	100,000
Construction										
				-	-					-
				-	-					-
										-
										-
										-
										-
										-
										-
Subtotal	-			-	-					-
Project Totals	-	-	-	-	100,000	-	-	-	-	100,000

*Unexpended balances will be rolled over to the FY 2017-2018 Budget

**Full unencumbered balance will drop to fund balance.

Project Number: 599900
Department: ISF
Estimated Percent Complete at Beginning of FY 2018: N/A
Estimated Completion Date: N/A

Description:

This project includes vehicles and large equipment purchased for use by the Water/Wastewater Department. The FY2017 Budget originally included the purchase of one vector (including a \$150,000 credit), three tool trucks, and \$15,000 for miscellaneous purchases. Updated FY2017 encumbrances include only two tool trucks. During FY2018, budgeted items include one vector (including a \$120,000 credit), one tool truck, three light duty trucks, and the installation of a regeneration station.

Status:

Ongoing



Budget and Cost Information

[illegible]

*Unexpended balances will be rolled over to the FY 2017-2018 Budget

****Full unencumbered balance will drop to fund balance.**

Description:

Status:

Budget and Cost Information

*Unexpended balances will be rolled over to the FY 2017-2018 Budget

**Full unencumbered balance will drop to fund balance.

ISF - Biosolids & Microturbines

Project Number: 599902

Department: ISF

Estimated Percent Complete at Beginning of FY 2018: N/A

Estimated Completion Date: N/A

Description:

This project includes vehicles and large equipment used by the Biosolids & Microtubines Electrical Generation Facility. Currently, there are no ISF items planned for this facility.

Status:

Ongoing



Budget and Cost Information

[illegible]

*Unexpended balances will be rolled over to the FY 2017-2018 Budget

****Full unencumbered balance will drop to fund balance.**

Estimated Completion Date: N/A

This project includes vehicles purchased for use by Central Administration. No vehicles were budgeted or purchased during FY017. The next purchase is scheduled during FY2027.

Ongoing



Budget and Cost Information

[illegible]

****Full unencumbered balance will drop to fund balance.**

Supplemental Information10

Fiscal Year 2018 Budget:

Ten Year Financial Trend– Enterprise Fund.....	10-1
Reserve Analysis: Consolidated.....	10-3
Reserve Analysis: Five-Year Forecast	10-4
Debt Service	10-5
VRSD Fiscal Year 2018 Hourly Rates.....	10-6
VRSD Equipment & Supply (Consumable) Rates.....	10-7
Seminars, Lodging & Travel	10-9
Board Member Fees & Expenses	10-10
Legal Expenses	10-11
Salaries & Employee Benefits Schedule.....	10-12

VENTURA REGIONAL SANITATION DISTRICT
FISCAL YEAR 2018 BUDGET: TEN YEAR FINANCIAL TREND
ENTERPRISE FUND

Description	FY 2013 Actual	FY 2014 Actual	FY 2015 Actual	FY 2016 Actual	FY 2017 Estimated
Operating revenues:					
Revenue - sales	\$ 17,761,100	\$ 19,428,644	\$ 21,415,729	\$ 21,149,414	\$ 20,955,756
Revenue - other	945,210	607,696	456,575	346,222	290,976
Operating Revenue Adjustments	-	-	-	-	-
Total operating revenues	18,706,309	20,036,340	21,872,303	21,495,637	21,246,732
Operating expenses:					
Salaries and employee benefits	7,194,099	7,838,223	8,039,978	7,878,690	8,306,238
General administrative	488,368	415,343	495,050	421,978	1,112,602
Operating materials and supplies	4,176,587	3,806,463	3,680,851	3,267,255	2,353,146
Contract services - labor	352,553	187,737	395,707	566,164	364,173
Professional services	1,578,825	1,418,687	1,581,407	2,835,425	1,826,376
Facility maintenance	1,203,011	1,209,466	1,851,291	1,259,686	879,500
Permit, fees & other	1,157,655	1,794,183	1,407,009	1,872,692	1,676,243
Operating Expense Adjustments	-	-	-	-	-
Total operating expenses	16,151,098	16,670,101	17,451,293	18,101,890	16,518,276
Operating income(loss) before depreciation	2,555,212	3,366,239	4,421,010	3,393,747	4,728,456
Depreciation and amortization	3,535,354	3,529,371	3,776,744	3,813,051	4,102,857
Operating income(loss)	(980,143)	(163,132)	644,266	(419,304)	625,599
Non-operating revenues(expenses):					
Interest and investment earnings	40,182	360,061	367,628	636,112	501,236
Gain(loss) on sales and/or disposals of assets	-	4,832	(12,552)	47,883	1,467
Debt service interest expense	(1,082,492)	(1,045,024)	(922,435)	(1,124,123)	(690,788)
Grant revenue	-	-	-	-	-
Other, net	81,378	107,325	94,792	144,738	39,996
Total non-operating revenues(expenses) before transfers	(960,932)	(572,807)	(472,568)	(295,389)	(148,090)
Overhead cost allocation - Central Administration	2,400,000	2,400,000	2,437,387	2,934,156	2,919,276
ISF fleet use	2,306,494	2,118,485	2,185,256	2,306,178	2,289,662
Intra-department labor transfer	1,723,951	662,364	516,864	467,080	334,868
Landfill processing fee transfer	-	152,251	171,776	145,376	135,972
Contra-post closure expenses	627,423	996,724	805,553	1,481,706	587,678
Total transfers in	7,057,867	6,329,824	6,116,836	7,334,495	6,267,456
Overhead cost allocation - Central Administration	(2,400,000)	(2,400,000)	(2,437,387)	(2,934,156)	(2,909,272)
ISF fleet use	(2,306,494)	(2,118,485)	(2,185,256)	(2,306,178)	(2,289,662)
Intra-department labor transfer	(1,723,951)	(662,364)	(516,864)	(467,080)	(334,868)
Landfill processing fee transfer	-	(152,251)	(171,776)	(145,376)	(135,972)
Provision for landfill closure/postclosure	(937,265)	(1,274,891)	(1,407,536)	(1,442,183)	(1,447,736)
Total transfers out	(7,367,710)	(6,607,991)	(6,718,819)	(7,294,973)	(7,117,510)
Net transfers	(309,843)	(278,167)	(601,983)	39,522	(850,054)
Total non-operating revenues(expenses), net	(1,270,775)	(850,974)	(1,074,551)	(255,867)	(998,144)
Change in net assets	\$ (2,250,918)	\$ (1,014,106)	\$ (430,285)	\$ (675,171)	\$ (372,545)

VENTURA REGIONAL SANITATION DISTRICT
FISCAL YEAR 2018 BUDGET: TEN YEAR FINANCIAL TREND
ENTERPRISE FUND

Description	FY 2018 Budget	FY 2019 Forecast	FY 2020 Forecast	FY 2021 Forecast	FY 2022 Forecast
Operating revenues:					
Revenue - sales	\$ 21,623,102	\$ 21,826,136	\$ 22,216,658	\$ 22,614,991	\$ 23,021,291
Revenue - other	307,426	313,362	319,417	325,593	331,892
Operating Revenue Adjustments	-	1,377,000	1,404,540	1,432,631	1,461,283
Total operating revenues	21,930,528	23,516,498	23,940,615	24,373,215	24,814,467
Operating expenses:					
Salaries and employee benefits	9,012,952	9,078,681	9,260,255	9,445,460	9,634,369
General administrative	603,245	615,310	627,616	640,169	652,972
Operating materials and supplies	2,730,758	2,785,374	2,841,081	2,897,903	2,955,861
Contract services - labor	374,500	381,990	389,630	397,422	405,371
Professional services	2,224,880	2,269,378	2,314,765	2,361,060	2,408,282
Facility maintenance	1,178,471	1,202,040	1,226,081	1,250,602	1,275,614
Permit, fees & other	1,688,492	1,722,262	1,756,707	1,791,841	1,827,678
Operating Expense Adjustments	-	491,687	412,605	420,874	478,559
Total operating expenses	17,813,298	18,546,721	18,828,740	19,205,332	19,638,706
Operating income(loss) before depreciation	4,117,229	4,969,776	5,111,875	5,167,883	5,175,761
Depreciation and amortization	4,095,296	4,268,680	4,746,191	4,756,208	4,775,494
Operating income(loss)	21,933	701,096	365,684	411,675	400,266
Non-operating revenues(expenses):					
Interest and investment earnings	306,700	310,834	315,031	319,291	323,616
Gain(loss) on sales and/or disposals of assets	-	-	-	-	-
Debt service interest expense	(629,409)	(691,868)	(744,878)	(656,693)	(650,232)
Grant revenue	-	-	-	-	-
Other, net	104,078	110,265	106,130	101,881	27,504
Total non-operating revenues(expenses) before transfers	(218,631)	(270,768)	(323,718)	(235,521)	(299,112)
Overhead cost allocation - Central Administration	2,273,864	2,208,375	2,855,065	2,911,451	2,969,018
ISF fleet use	2,117,704	2,160,058	2,203,259	2,247,324	2,292,271
Intra-department labor transfer	150,387	153,395	156,463	159,592	162,784
Landfill processing fee transfer	154,100	157,182	160,326	163,532	166,803
Contra-post closure expenses	583,984	562,904	576,041	589,462	613,175
Total transfers in	5,280,039	5,241,914	5,951,154	6,071,361	6,204,051
Overhead cost allocation - Central Administration	(2,273,864)	(2,459,431)	(3,107,267)	(3,168,701)	(3,231,418)
ISF fleet use	(2,117,704)	(2,158,009)	(2,201,170)	(2,245,193)	(2,290,097)
Intra-department labor transfer	(150,387)	(153,395)	(156,463)	(159,592)	(162,784)
Landfill processing fee transfer	(154,100)	(157,182)	(160,326)	(163,532)	(166,803)
Provision for landfill closure/postclosure	(1,461,940)	(846,825)	(877,886)	(909,904)	(942,910)
Total transfers out	(6,157,995)	(5,774,842)	(6,503,111)	(6,646,923)	(6,794,011)
Net transfers	(877,956)	(532,929)	(551,957)	(575,562)	(589,961)
Total non-operating revenues(expenses), net	(1,096,587)	(803,697)	(875,675)	(811,082)	(889,073)
Change in net assets	\$ (1,074,654)	\$ (102,601)	\$ (509,991)	\$ (399,407)	\$ (488,806)

[1] Operating revenues increase annually based on the following schedule: Solid Waste - 2%, Water Wastewater - 2%. Central Administration - 2%.

[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. It also includes the projected \$10 M debt issuance in FY19 & FY22.

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

[7] Revenue adjustment assumes additional 150 tons/day.

VENTURA REGIONAL SANITATION DISTRICT
FISCAL YEAR 2018 BUDGET SUMMARY
CONSOLIDATED - RESERVE ANALYSIS

Description	Actual FY 2015 Yearend	Actual FY 2016 Yearend	Adopted FY 2017 Budget	Estimated FY 2017 Yearend	Adopted FY 2018 Budget		
RESERVE LEVEL BALANCE:							
Beginning cash, cash equiv. & investments:	\$ 37,277,422	\$ 36,073,711	\$ 37,695,689	\$ 40,681,107	\$ 39,736,557		
Change in net assets on a cash basis ¹	(1,203,711)	4,607,397	(4,543,764)	(944,551)	(3,477,796)		
Ending cash, cash equiv. & investments:	\$ 36,073,711	\$ 40,681,107	\$ 33,151,926	\$ 39,736,557	\$ 36,258,761		
RESERVE LEVELS:							
Restricted reserves:						FY 2018 Minimum Reserve Level Policy	Over (Under) Minimum Requirement
Closure/Postclosure financial assurance req.							
Bailard Post Closure	4,927,070	5,115,998	5,162,612	5,050,986	5,162,612	5,162,612	-
Coastal Post Closure	3,565,334	3,702,047	3,722,786	3,642,291	3,722,786	3,722,786	-
Toland Road Closure/Post Closure	9,918,961	11,563,297	12,342,580	12,342,580	13,042,183	13,042,183	-
Closed landfill maintenance/Other reserves	1,085,223	939,352	919,260	997,260	929,264	929,264	-
Total restricted reserves	19,496,588	21,320,694	22,147,238	22,033,117	22,856,845	22,856,845	-
Committed reserves:							
Closure and Postclosure Funds							
Bailard Post Closure ²	4,536,701	4,710,661	-	894,785	-	-	-
Coastal Post Closure ²	3,187,157	3,309,369	-	645,234	-	-	-
Toland Road Closure/Post Closure	1,202,697	219,305	-	-	-	-	-
CERCLA	45,225	45,225	-	45,225	45,225	45,225	-
Total committed reserves	8,971,780	8,284,560	-	1,585,244	45,225	45,225	-
Assigned reserves:							
Capital improvement funds ³	7,605,342	3,977,000	10,804,340	4,362,613	1,337,973	1,337,973	-
Insurance fund	-	669,144	-	331,481	375,107	375,107	-
Operating funds - operating expenses ⁴	0	3,640,473	200,347	8,001,523	8,000,421	4,266,628	3,733,793
Operating funds - 1 yr. debt service obligation	-	2,789,236	-	3,422,580	3,643,190	3,643,190	-
Total assigned reserves	7,605,342	11,075,853	11,004,688	16,118,196	13,356,691	9,622,898	3,733,793
Total reserve level	36,073,710	40,681,107	33,151,926	39,736,557	36,258,761	32,524,968	3,733,793
Ending cash, cash equiv. & investments	\$ 36,073,710	\$ 40,681,107	\$ 33,151,926	\$ 39,736,557	\$ 36,258,761	\$ 32,524,968	\$ 3,733,793

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 the CERCLA fund. In addition, postclosure reserves are held for both the Bailard and the Coastal landfill in excess of assigned reserves.

[3] Capital improvement reserves needed to fund next fiscal year's capital projects, outlined in the 5-year Capital Improvement Plan table; FY2019 capital projects. The projected amount for FY2019 is approximately \$10.4 million which will be partially funded by a \$9.1 million loan.

[4] Operating funds-operating expenses represents the District's operating obligations; ranging from a minimum of three months to a maximum of six months. Fiscal year 2018 represents six months of operating expenses.

[5] Operating funds-operating expense reserve policy ranges from a minimum three month to a maximum six month requirement. The District is able to fund approximately six months of operating expenses for FY 2018.

VENTURA REGIONAL SANITATION DISTRICT
FISCAL YEAR 2018 BUDGET: FIVE-YEAR FORECAST
CONSOLIDATED - RESERVE ANALYSIS

Description	FY 2018 Estimated	FY 2019 Forecast	FY 2020 Forecast	FY 2021 Forecast	FY 2022 Forecast
<u>RESERVE LEVEL BALANCE:</u>					
Beginning cash, cash equiv. & investments:	\$ 39,736,557	\$ 36,258,761	\$ 35,934,084	\$ 36,042,133	\$ 34,912,309
Change in net assets on a cash basis ¹	(3,477,796)	(324,676)	108,048	(1,129,823)	1,870,496
Ending cash, cash equiv. & investments:	<u>\$ 36,258,761</u>	<u>\$ 35,934,084</u>	<u>\$ 36,042,133</u>	<u>\$ 34,912,309</u>	<u>\$ 36,782,805</u>
<u>RESERVE LEVELS:</u>					
Restricted reserves:					
Closure/Postclosure financial assurance req.					
Bailard Post Closure	5,162,612	5,276,706	5,393,321	5,512,514	5,634,340
Coastal Post Closure	3,722,786	3,805,060	3,889,151	3,975,102	4,062,951
Toland Road Closure/Post Closure	13,042,183	13,889,008	14,766,894	15,676,798	16,619,708
Closed landfill maintenance/Other reserves	929,264	897,264	907,268	917,272	842,272
Total restricted reserves	<u>22,856,845</u>	<u>23,868,038</u>	<u>24,956,634</u>	<u>26,081,686</u>	<u>27,159,271</u>
Committed reserves:					
Closure and Postclosure Funds					
Bailard Post Closure ²	-	-	-	-	-
Coastal Post Closure ²	-	-	-	-	-
Toland Road Closure/Post Closure	-	-	-	-	-
CERCLA	45,225	45,225	45,225	45,225	45,225
Total committed reserves	<u>45,225</u>	<u>45,225</u>	<u>45,225</u>	<u>45,225</u>	<u>45,225</u>
Assigned reserves:					
Capital improvement funds ³	1,337,973	741,677	2,030,266	-	3,180,829
Insurance fund	375,107	465,332	466,657	469,482	501,607
Operating funds - operating expenses ⁴	8,000,421	6,866,436	4,291,789	4,064,354	1,742,962
Operating funds - 1 yr. debt service obligation ⁴	3,643,190	3,947,376	4,251,562	4,251,562	4,152,911
Total assigned reserves	<u>13,356,691</u>	<u>12,020,821</u>	<u>11,040,274</u>	<u>8,785,398</u>	<u>9,578,309</u>
Total reserve level	<u>36,258,761</u>	<u>35,934,084</u>	<u>36,042,133</u>	<u>34,912,309</u>	<u>36,782,805</u>
Ending cash, cash equiv. & investments	<u>\$ 36,258,761</u>	<u>\$ 35,934,084</u>	<u>\$ 36,042,133</u>	<u>\$ 34,912,309</u>	<u>\$ 36,782,805</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 FY2019 and FY2022 Forecast includes a \$9.1 million and \$5.6 million loan, respectively, to fund the Toland Landfill Phase 4B and 4C capital projects, as well as the Landfill Gas Collection System expansion. FY2019 through FY2022 includes 150 additional daily tons.

[2] Committed reserves represent Board approved levels in order to maintain the CERCLA fund. In addition, postclosure reserves are held for both the Bailard and the Coastal landfill in excess of assigned reserves.

[3] Capital improvement reserves needed to fund next fiscal year's capital projects, outlined in the 5-year Capital Improvement Plan table. The projected amount for FY2019 and FY2022 is projected to be funded by a \$9.1 million and \$5.6 million loan, respectively.

[4] Operating funds-operating expenses represents the District's operating obligations; ranging from a minimum of three months to a maximum of six months per current reserve policy. Beginning FY2020 through FY2022 the District is not able to meet the reserve minimum.

VENTURA REGIONAL SANITATION DISTRICT

DEBT SERVICE

FISCAL YEAR 2018

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, 2017	\$3,176,600	\$5,054,383	\$2,657,125	\$1,670,522	\$3,218,351	\$9,357,039	\$25,134,020
Principal Payment through June 30, 2018	\$550,500	\$674,092	\$570,182	\$147,553	\$339,437	\$732,017	\$3,013,781
Interest Payment through June 30, 2018	\$64,442	\$110,931	\$50,054	\$44,278	\$89,948	\$269,756	\$629,409
Balance Due as of June 30, 2018	\$2,626,100	\$4,380,291	\$2,086,943	\$1,522,969	\$2,878,914	\$8,625,022	\$22,120,239

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
HOURLY RATES
JULY 1, 2017 THROUGH JUNE 30, 2018

		FY 2017		FY 2018	
<u>CENTRAL ADMINISTRATION</u>					
Div.	Title	Hourly	OT	Hourly	OT
CA	Office Assistant	\$56	\$84	\$57	\$86
CA	Administrative Assistant	\$56	\$84	\$57	\$86
CA	Human Resources Technician	\$56	\$84	\$57	\$86
CA	Fiscal Assistant	\$67	\$101	\$68	\$103
CA	Executive Assistant	\$78	\$117	\$80	\$119
CA	Human Resources Analyst	\$89	\$134	n/a	n/a
CA	Human Resources Administrator	\$89	\$134	\$91	\$136
CA	Human Resources Manager	n/a	n/a	\$91	\$136
CA	Management Analyst	\$97	\$146	\$99	\$148
CA	Accountant	\$97	\$146	\$99	\$148
CA	Senior Accountant	\$97	\$146	\$99	\$148
CA	Senior Management Analyst	\$97	\$146	\$99	\$148
CA	Director of Finance	\$154	\$231	\$157	\$236
CA	General Manager	\$188	\$282	\$192	\$288
<u>OPERATIONS</u>					
Div.	Title	Hourly	OT	Hourly	OT
WWW	Office Assistant	\$56	\$84	\$57	\$86
WWW	Administrative Assistant	\$56	\$84	\$57	\$86
WWW	W/WW Helper	\$55	\$83	\$56	\$84
WWW	W/WW Worker	\$81	\$122	\$83	\$124
WWW	Construction Specialist	\$97	\$146	\$99	\$148
WWW	Electrical/Mechanical Worker	\$104	\$156	\$106	\$159
WWW	W/WW Operator in Training	\$104	\$156	\$106	\$159
WWW	W/WW Treatment Operator I	\$104	\$156	\$106	\$159
WWW	W/WW Treatment Operator II	\$104	\$156	\$106	\$159
WWW	W/WW Treatment Operator III	\$104	\$156	\$106	\$159
WWW	W/WW Treatment Operator IV	\$104	\$156	\$106	\$159
WWW	W/WW Treatment Operator V	\$104	\$156	\$106	\$159
WWW	W/WW Treatment Plant Operator	\$104	\$156	n/a	n/a
WWW	Environmental Resource Analyst	\$112	\$168	\$114	\$171
WWW	Instrumentation Technician	\$114	\$171	\$116	\$174
WWW	Electrical & Instrumentation Control Supervisor	n/a	n/a	\$118	\$177
WWW	W/WW Operations Supervisor	\$116	\$174	\$118	\$177
WWW	W/WW Operations Superintendent	\$131	\$197	\$134	\$200
SW	Solid Waste Worker	\$79	\$119	\$81	\$121
SW	Solid Waste Equipment Operator	\$104	\$156	\$106	\$159
SW	Senior Solid Waste Equipment Operator	\$104	\$156	\$106	\$159
SW	Engineering Technician	\$107	\$161	\$109	\$164
SW	Solid Waste Operations Supervisor	\$113	\$170	\$115	\$173
SW	Engineer	n/a	n/a	\$118	\$177
SW	Senior Engineer	n/a	n/a	\$118	\$177
SW	Senior Engineering Technician	\$116	\$174	\$118	\$177
SW	Director of Operations	\$154	\$231	\$157	\$236

- 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
EQUIPMENT & SUPPLY (CONSUMABLE) RATES
JULY 1, 2017 THROUGH JUNE 30, 2018**

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
EQUIPMENT & SUPPLY (CONSUMABLE) RATES (continued)
JULY 1, 2017 THROUGH JUNE 30, 2018**

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 2018 BUDGET SUMMARY
SEMINARS, LODGING & TRAVEL

Program	Account	Description	Cost
CENTRAL ADMINISTRATION			
Administration	25 - 100 - 52030 - 100100	Mileage	1,500
	25 - 100 - 52035 - 100100	GFOA Conference & Seminar	1,500
	25 - 100 - 52035 - 100100	CSDA Board Sec'y Clerk Certificate Program	1,200
		Project Total	\$ 4,200
Administration - Human Resources	25 - 100 - 52035 - 100104	HR Training & Seminars	5,100
	25 - 100 - 52035 - 100104	Textbooks & Tuition; Classes/Seminars	5,250
		Project Total	\$ 10,350
Administration - Triunfo Sanitation District	25 - 110 - 52035 - 121100	District Manager Conference	1,500
		Project Total	\$ 1,500
		Total Central Administration Seminars, Lodging & Travel	\$ 16,050
WATER/WASTEWATER			
Administration - Water Wastewater	20 - 270 - 52035 - 200100	Mileage/Seminar/Travel	8,160
		Project Total	\$ 8,160
Administration - Water Wastewater Training	20 - 270 - 52035 - 200103	Textbook & Tuition; Classes/Seminars; Cert Ed	42,840
	20 - 270 - 52035 - 200103	InduSoft Training in Austin, TX	6,120
		Project Total	\$ 48,960
		Total Water/Wastewater Seminars, Lodging & Travel	\$ 57,120
SOLID WASTE DIVISION			
Safety - Solid Waste	25 - 470 - 52030 - 400100	Mileage	250
	25 - 470 - 52035 - 400100	Conferences, Seminars, Training	15,000
		Project Total	\$ 15,250
		Total Solid Waste Seminars, Lodging & Travel	\$ 15,250
		Total District Seminars, Lodging & Travel	\$ 88,420

VENTURA REGIONAL SANITATION DISTRICT
FISCAL YEAR 2018 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 2018 BUDGET SUMMARY

LEGAL

Program	Account	Description	Cost
CENTRAL ADMINISTRATION			
Administration	25 - 100 - 52070 - 100100	General Counsel	144,000
		Project Total	\$ 144,000
Administration - Human Resources	25 - 150 - 52070 - 100104	General Counsel	5,000
	25 - 150 - 52070 - 100104	Labor Attorneys	30,000
	25 - 150 - 52070 - 100104	Labor Attorneys (MOU Issues/Reopener)	5,000
	25 - 150 - 52070 - 100104	Miscellaneous Investigations	20,000
		Project Total	\$ 60,000
Total Central Administration Legal Expenses			\$ 204,000
WATER/WASTEWATER			
Administration - Water Wastewater	25 - 270 - 52070 - 200100	General Counsel	10,000
	25 - 270 - 52070 - 200100	Labor Attorneys	10,000
		Project Total	\$ 20,000
Operations - Malibu Bay Club	25 - 210 - 52070 - 209300	General Counsel	10,000
		Project Total	\$ 10,000
Total Water/Wastewater Legal Expenses			\$ 30,000
SOLID WASTE			
Administration - Solid Waste	25 - 470 - 52070 - 400100	General Counsel	130,000
	25 - 470 - 52070 - 400100	Labor Attorneys	50,000
		Project Total	\$ 180,000
Coastal Landfill Maintenance	25 - 452 - 52070 - 400800	General Counsel	5,000
		Project Total	\$ 5,000
Bailard Landfill Maintenance	25 - 452 - 52070 - 400802	General Counsel	5,000
		Project Total	\$ 5,000
Total Solid Waste Legal Expenses			\$ 190,000
Total District Legal Expenses			\$ 424,000

VENTURA REGIONAL SANITATION DISTRICT
FISCAL YEAR 2018 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	\$ 1,341,481	\$ 1,809,406	\$ 1,356,505	\$ -	\$ 138,681	\$ 4,646,073
Wages - Holiday Leave	120,390	172,434	135,362	-	14,310	442,496
Wages - CAL	236,737	323,175	250,135	-	27,722	837,769
Wages - Overtime	-	20,911	144,930	-	-	165,841
Wages - Standby	-	29,328	-	-	-	29,328
Allowance/Incentives	5,625	-	-	-	-	5,625
	1,704,233	2,355,254	1,886,932	-	180,713	6,127,132
FICA/Medicare	119,508	176,423	131,453	-	13,713	441,097
Unemployment Insurance	4,561	7,400	5,439	-	518	17,918
State Disability Insurance	13,521	20,682	15,226	-	1,613	51,042
Worker's Comp Expense	7,567	115,629	101,051	-	15,582	239,829
	145,157	320,134	253,169	-	31,426	749,886
Medical Insurance	130,188	208,986	150,912	-	14,244	504,330
Dental Insurance	-	-	-	-	-	-
Life Insurance	486	780	537	-	51	1,854
Employee Assistance Program	549	882	607	-	58	2,096
CalPers Mandated Medical	45,144	72,468	49,896	-	4,752	172,260
	176,367	283,116	201,952	-	19,105	680,540
VCERA	315,749	416,101	320,291	-	32,603	1,084,744
PARS	69,024	126,797	106,113	-	13,843	315,777
OPEB	29,526	47,397	32,634	-	3,108	112,665
	414,299	590,295	459,038	-	49,554	1,513,186
Workers' Comp Dividend	(40,000)	-	-	-	-	(40,000)
Workers' Comp Retro Adjustment	(17,792)	-	-	-	-	(17,792)
	(57,792)	-	-	-	-	(57,792)
Total Salaries & Employee Benefits	\$ 2,382,264	\$ 3,548,799	\$ 2,801,091	\$ -	\$ 280,798	\$ 9,012,952

[1] Includes \$112,284 in salaries and employee benefits allocated to Post Closed Landfill maintenance.

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Addenda11

Organization Charts..... 11-1

Staffing Summaries 11-5

Classification Plan 11-7

Debt Management Policy 11-8

Fraud Reporting Policy..... 11-12

Investment Policy 11-16

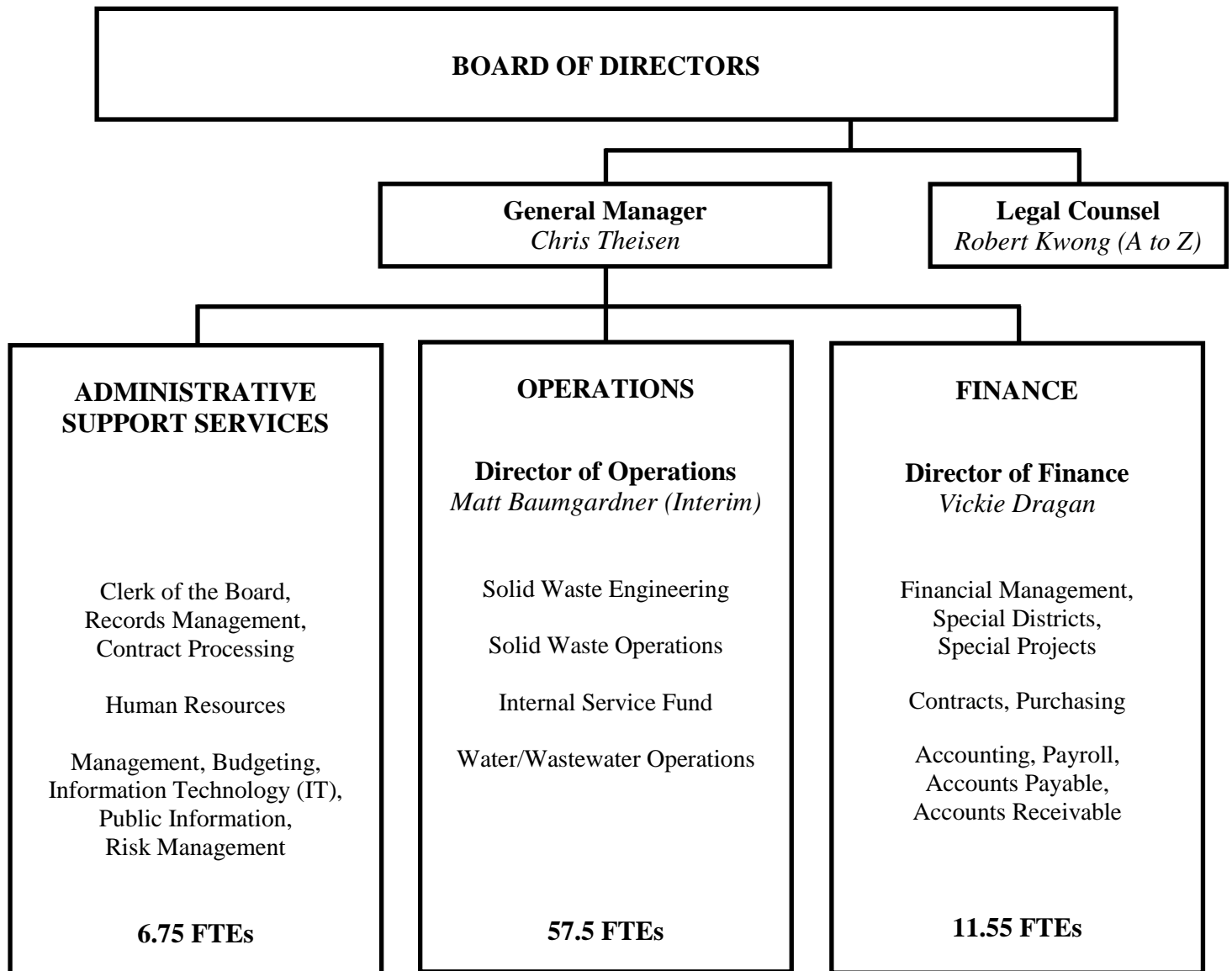
Purchasing Policy 11-26

Reserve Level Policy 11-35

Budget Glossary 11-38

VENTURA REGIONAL SANITATION DISTRICT

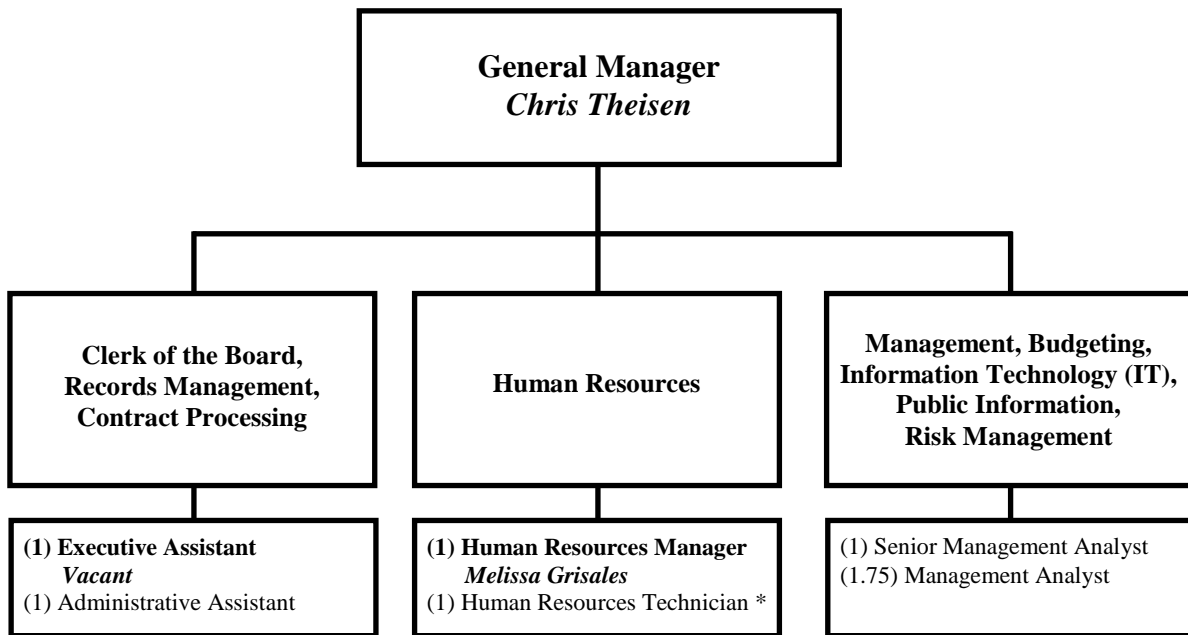
Organization Chart



For detailed Organization Charts within Administrative Support Services,
Operations, and Finance, see Pages 11-2 through 11-4.

VENTURA REGIONAL SANITATION DISTRICT

Administrative Support Services Organization Chart

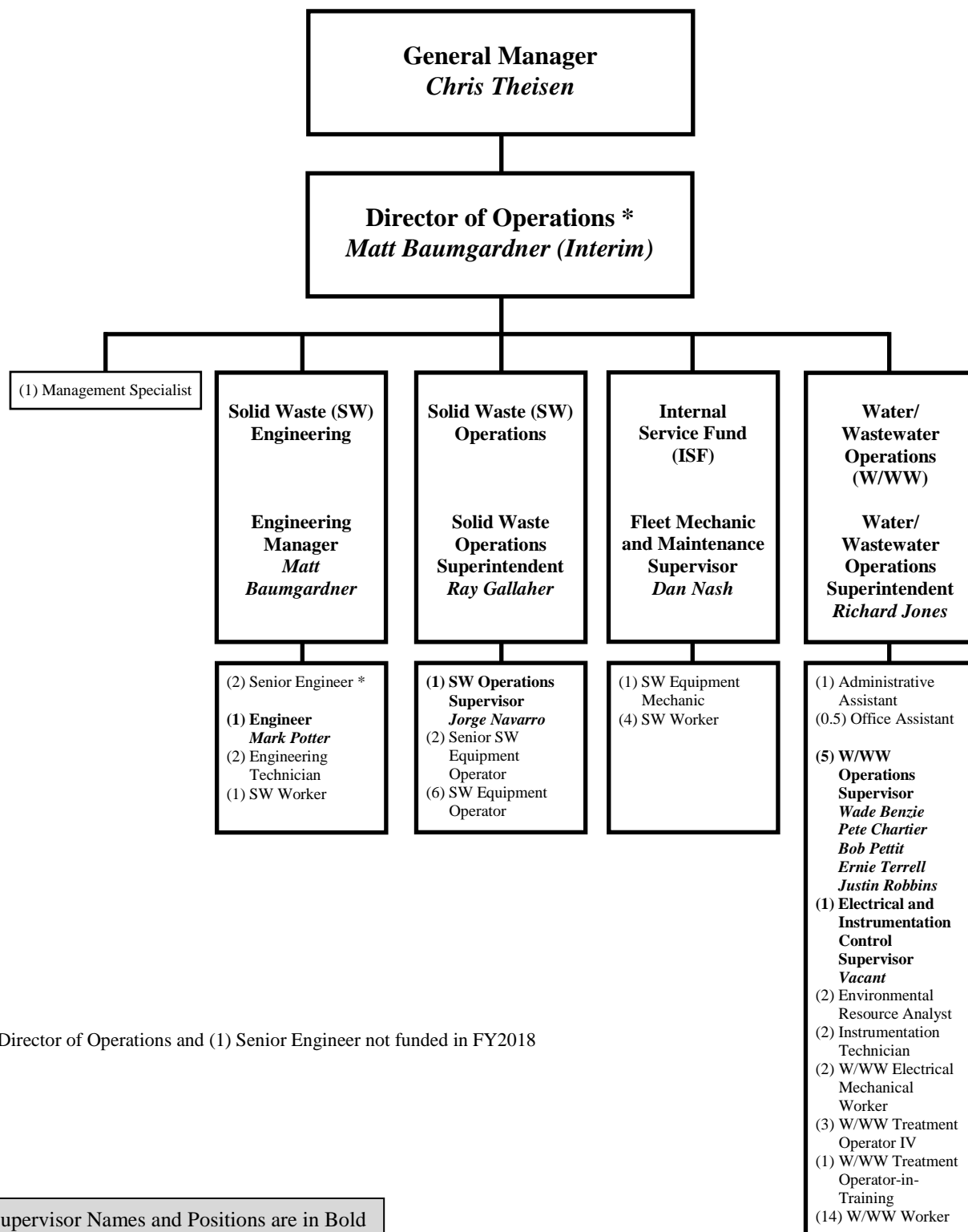


* Human Resources Technician not funded in FY2018

Supervisor Names and Positions are in Bold

VENTURA REGIONAL SANITATION DISTRICT

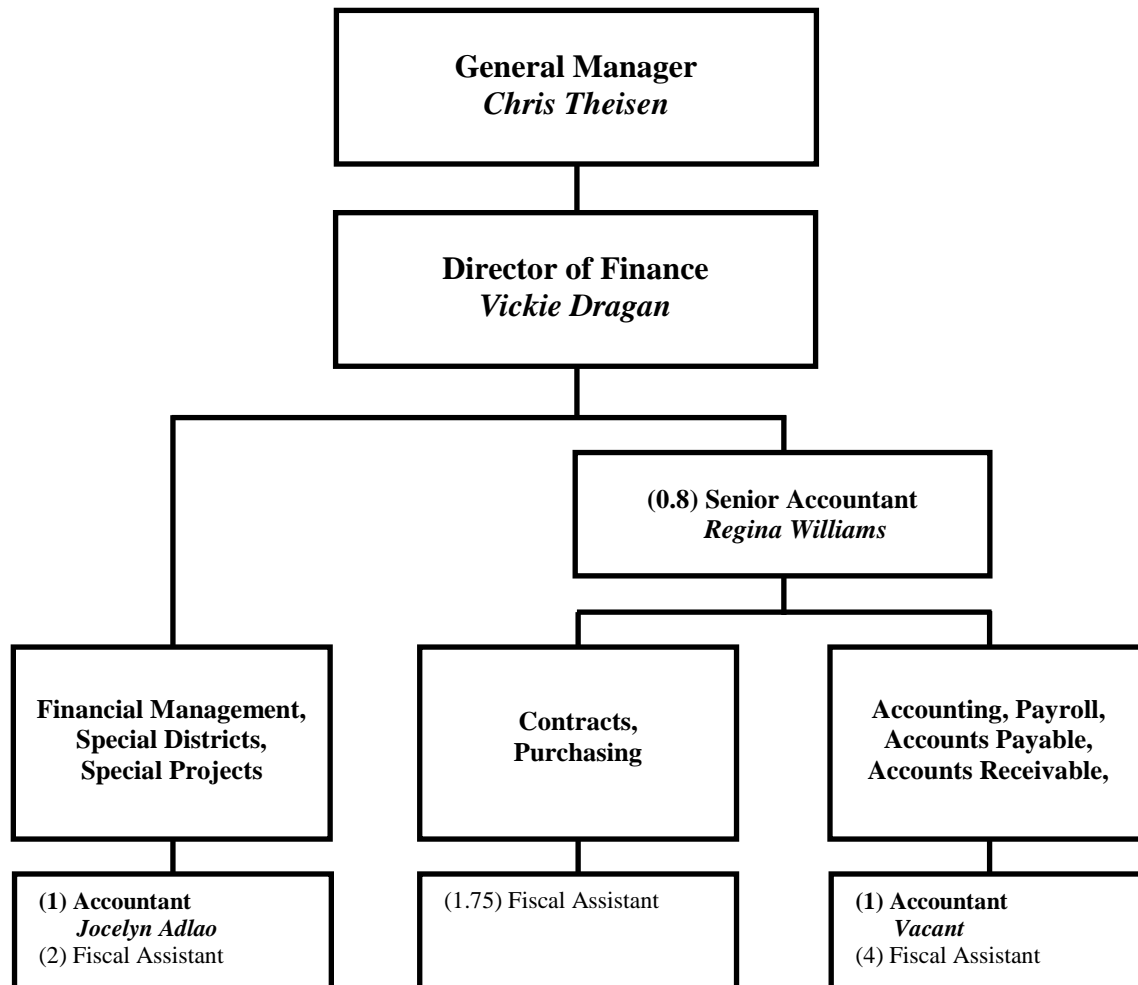
Operations Organization Chart



* Director of Operations and (1) Senior Engineer not funded in FY2018

VENTURA REGIONAL SANITATION DISTRICT

Finance Organization Chart



Supervisor Names and Positions are in Bold

VENTURA REGIONAL SANITATION DISTRICT STAFFING SUMMARY

(Full-Time Equivalent Positions)

Central Administration	FY 2016-2017			FY 2017-2018	
	Allocations	Mid Year Adjustments	Amended	Additions/ Deletions	Allocations
Accountant	3.00	0.00	3.00	-1.00	2.00
Administrative Assistant	1.00	0.00	1.00	0.00	1.00
Director of Finance	1.00	0.00	1.00	0.00	1.00
Executive Assistant	1.00	0.00	1.00	0.00	1.00
Fiscal Assistant	7.75	0.00	7.75	0.00	7.75
General Manager	1.00	0.00	1.00	0.00	1.00
Human Resources Administrator	1.00	-1.00	0.00	0.00	0.00
Human Resources Manager	0.00	1.00	1.00	0.00	1.00
Human Resources Technician	1.00	0.00	1.00	0.00	1.00
Management Analyst	2.25	0.00	2.25	-0.50	1.75
Senior Accountant	0.80	0.00	0.80	0.00	0.80
Senior Management Analyst	1.00	0.00	1.00	0.00	1.00
Special Advisor to the General Manager	0.17	0.00	0.17	-0.17	0.00
TOTAL	20.97	0.00	20.97	-1.67	19.30

Water Wastewater	FY 2016-2017			FY 2017-2018	
	Allocations	Mid Year Adjustments	Amended	Additions/ Deletions	Allocations
Administrative Assistant	1.00	0.00	1.00	0.00	1.00
Construction Specialist	0.16	0.00	0.16	-0.16	0.00
Electrical and Instrumentation Control Supervisor	0.00	0.00	0.00	1.00	1.00
Environmental Resource Analyst	1.00	0.00	1.00	1.00	2.00
Instrumentation Technician	3.00	0.00	3.00	-1.00	2.00
Office Assistant	1.00	0.00	1.00	-0.50	0.50
Water/Wastewater Electrical Mechanical Worker	2.00	0.00	2.00	0.00	2.00
Water/Wastewater Operations Superintendent	1.00	0.00	1.00	0.00	1.00
Water/Wastewater Operations Supervisor	5.00	0.00	5.00	0.00	5.00
Water/Wastewater Treatment Operator-in-Training	0.25	0.00	0.25	0.75	1.00
Water/Wastewater Treatment Operator IV	3.00	0.00	3.00	0.00	3.00
Water/Wastewater Worker	13.00	0.00	13.00	1.00	14.00
TOTAL	30.41	0.00	30.41	2.09	32.50

VENTURA REGIONAL SANITATION DISTRICT STAFFING SUMMARY

(Full-Time Equivalent Positions)

Solid Waste	FY 2016-2017			FY 2017-2018	
	Allocations	Mid Year Adjustments	Amended	Additions/Deletions	Allocations
Administrative Assistant	1.00	-1.00	0.00	0.00	0.00
Director of Operations	1.00	0.00	1.00	0.00	1.00
Engineer	0.00	1.00	1.00	0.00	1.00
Engineering Manager	1.00	0.00	1.00	0.00	1.00
Engineering Technician	1.00	1.00	2.00	0.00	2.00
Management Specialist	0.00	1.00	1.00	0.00	1.00
Senior Engineer	2.00	0.00	2.00	0.00	2.00
Senior Engineering Technician	2.00	-2.00	0.00	0.00	0.00
Senior Solid Waste Equipment Operator	2.00	0.00	2.00	0.00	2.00
Solid Waste Equipment Operator	6.00	0.00	6.00	0.00	6.00
Solid Waste Operations Superintendent	1.00	0.00	1.00	0.00	1.00
Solid Waste Operations Supervisor	1.00	0.00	1.00	0.00	1.00
Solid Waste Worker	5.00	0.00	5.00	0.00	5.00
TOTAL	23.00	0.00	23.00	0.00	23.00

ISF	FY 2016-2017			FY 2017-2018	
	Allocations	Mid Year Adjustments	Amended	Additions/Deletions	Allocations
Fleet Mechanic and Maintenance Supervisor	1.00	0.00	1.00	0.00	1.00
Solid Waste Equipment Mechanic	1.00	0.00	1.00	0.00	1.00
TOTAL	2.00	0.00	2.00	0.00	2.00

FY 2016-2017			FY 2017-2018	
Allocations	Mid Year Adjustments	Amended	Additions/Deletions	Allocations
76.38	0.00	76.38	0.42	76.80

VENTURA REGIONAL SANITATION DISTRICT CLASSIFICATION PLAN

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

Position	FY 2016-2017			Additions/ Deletions	FY 2017-2018	
	Allocations	Mid Year Adjustments	Amended		Allocations	Approximate Annual Salary
Accountant	3	0	3	-1	2	\$74,327.73 - \$90,693.96
Administrative Assistant	3	-1	2	0	2	\$45,244.26 - \$55,206.60
Assistant Accountant	0	0	0	0	0	\$67,573.38 - \$82,452.36
Assistant Engineer	0	0	0	0	0	\$75,052.83 - \$91,578.72
Assistant Engineering Technician	0	0	0	0	0	\$53,438.89 - \$65,205.60
Assistant Environmental Resource Analyst	0	0	0	0	0	\$67,573.38 - \$82,452.36
Assistant Fiscal Assistant	0	0	0	0	0	\$41,132.05 - \$50,188.92
Assistant Management Analyst	0	0	0	0	0	\$67,573.38 - \$82,452.36
Biosolids Wastewater Treatment Facility Operator	0	0	0	0	0	\$47,715.20 - \$79,331.20
Construction Specialist	0.16	0	0.16	-0.16	0	\$61,996.10 - \$75,646.98
Director of Finance	1	0	1	0	1	\$150,413.59 - \$183,533.16
Director of Operations	1	0	1	0	1	\$130,547.83 - \$159,293.16
Electrical and Instrumentation Control Supervisor	0	0	0	1	1	\$82,065.45 - \$100,135.44
Engineer	0	1	1	0	1	\$82,562.09 - \$100,741.44
Engineering Manager	1	0	1	0	1	\$104,444.22 - \$127,441.80
Engineering Technician	1	1	2	0	2	\$58,782.78 - \$71,726.16
Environmental Resource Analyst	1	0	1	1	2	\$74,327.73 - \$90,693.96
Executive Assistant	1	0	1	0	1	\$68,219.01 - \$83,240.16
Fiscal Assistant	7.75	0	7.75	0	7.75	\$45,244.26 - \$55,206.60
Fleet Mechanic and Maintenance Supervisor	1	0	1	0	1	\$82,065.45 - \$100,135.44
General Manager	1	0	1	0	1	Board Contract
Human Resources Administrator	1	-1	0	0	0	\$99,090.40 - \$120,909.12
Human Resources Manager	0	1	1	0	1	\$99,090.40 - \$120,909.12
Human Resources Technician	1	0	1	0	1	\$51,333.12 - \$62,636.16
Instrumentation Technician	3	0	3	-1	2	\$68,785.60 - \$87,068.80
Management Analyst	2.25	0	2.25	-0.5	1.75	\$74,327.73 - \$90,693.96
Management Specialist	0	1	1	0	1	\$52,319.06 - \$63,839.19
Mechanic Assistant	0	0	0	0	0	\$47,236.80 - \$60,444.80
Office Assistant	1	0	1	-0.5	0.5	\$41,132.05 - \$50,188.92
Senior Accountant	0.8	0	0.8	0	0.8	\$85,472.42 - \$104,292.60
Senior Engineer	2	0	2	0	2	\$90,816.31 - \$110,813.16
Senior Engineering Technician	2	-2	0	0	0	\$64,663.04 - \$78,901.20
Senior Environmental Resource Analyst	0	0	0	0	0	\$81,757.53 - \$99,759.72
Senior Fiscal Assistant	0	0	0	0	0	\$49,773.66 - \$60,733.32
Senior Grounds Maintenance Worker	0	0	0	0	0	\$52,873.60 - \$67,704.00
Senior Instrumentation Technician	0	0	0	0	0	\$72,508.80 - \$91,208.00
Senior Management Analyst	1	0	1	0	1	\$89,753.49 - \$109,516.32
Senior Solid Waste Equipment Operator	2	0	2	0	2	\$60,736.00 - \$77,708.80
Senior Solid Waste Worker	0	0	0	0	0	\$48,256.00 - \$61,796.80
Senior Water/Wastewater Worker	0	0	0	0	0	\$57,283.20 - \$71,260.80
Solid Waste Equipment Mechanic	1	0	1	0	1	\$60,736.00 - \$77,708.80
Solid Waste Equipment Operator	6	0	6	0	6	\$55,556.80 - \$71,136.00
Solid Waste Operations Superintendent	1	0	1	0	1	\$94,372.28 - \$115,152.12
Solid Waste Operations Supervisor	1	0	1	0	1	\$82,065.45 - \$100,135.44
Solid Waste Worker	5	0	5	0	5	\$42,868.80 - \$54,870.40
Special Advisor to the General Manager	0.17	0	0.17	-0.17	0	Board Contract
Water/Wastewater Electrical Mechanical Worker	2	0	2	0	2	\$59,571.20 - \$75,712.00
Water/Wastewater Helper	0	0	0	0	0	\$33,113.60 - \$43,347.20
Water/Wastewater Mechanic	0	0	0	0	0	\$58,281.60 - \$73,798.40
Water/Wastewater Operations Superintendent	1	0	1	0	1	\$94,372.28 - \$115,152.12
Water/Wastewater Operations Supervisor	5	0	5	0	5	\$82,065.45 - \$100,135.44
Water/Wastewater Treatment Operator-in-Training	0.25	0	0.25	0.75	1	\$51,355.20 - \$65,811.20
Water/Wastewater Treatment Operator I	0	0	0	0	0	\$53,913.60 - \$69,118.40
Water/Wastewater Treatment Operator II	0	0	0	0	0	\$59,779.20 - \$76,024.00
Water/Wastewater Treatment Operator III	0	0	0	0	0	\$65,977.60 - \$83,636.80
Water/Wastewater Treatment Operator IV	3	0	3	0	3	\$72,716.80 - \$91,998.40
Water/Wastewater Treatment Operator V	0	0	0	0	0	\$74,588.80 - \$94,286.40
Water/Wastewater Worker	13	0	13	1	14	\$47,715.20 - \$63,502.40
TOTAL ALLOCATIONS	76.38	0.00	76.38	0.42	76.80	

VENTURA REGIONAL SANITATION DISTRICT

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2.1.09 Debt Management Policy

Date Adopted: 03/16/17

2.1.09 Debt Management Policy

INTRODUCTION

The purpose of this Debt Management Policy ("Debt Policy") is to organize and formalize debt issuance and management related policies and procedures for the Ventura Regional Sanitation District (District). The debt policies of the District are subject to and limited by applicable provisions of state and federal law and to prudent debt management principles.

When used in this Policy, "debt" refers to all indebtedness and financing lease and installment purchase obligations.

DEBT POLICY OBJECTIVE

The primary objectives of the District's debt and financing related activities are to

- Maintain cost-effective access to the capital markets through prudent fiscal management policies and practices;
- Minimize debt service commitments through effective planning and cash management;
- Ensure the District is in compliance with all applicable federal and state securities laws; and
- Achieve the highest practical credit ratings.

This Debt Policy is intended to comply with SB 1029, specifically Government Code Section 8855(i), and is applicable to the Ventura Regional Sanitation District for which the District Board of Directors acts as legislative body.

BACKGROUND/DISCUSSION

Government Code section 8855(i) requires any issuer of public debt to provide the California Debt and Investment Advisory Commission (CDIAC) no later than 30 days prior to the sale of any debt issue a report of the proposed issuance. Effective January 1, 2017, issuers must certify on the Report of Proposed Debt Issuance that they have adopted local debt policies concerning the use of debt and that the proposed issuance is consistent with those policies. The issuer's local debt policies must include the following:

A. Purposes for Which Debt May Be Used

Long-Term Debt. Long-term debt may be issued to finance the construction, acquisition, and rehabilitation of capital improvements and facilities, equipment and land to be owned and operated by the District.

- a) Long-term debt financings are appropriate when the following conditions exist:
 - When the project to be financed is necessary to provide basic services.
 - When the project to be financed will provide benefit to constituents over multiple years.
 - When total debt does not constitute an unreasonable burden to the District's investment policies as they relate to the investment of bond proceeds and its taxpayers and ratepayers.
 - When the debt is used to refinance outstanding debt in order to produce debt service savings or to realize the benefits of a debt restructuring.
- b) Long-term debt financings will not generally be considered appropriate for current operating expenses and routine maintenance expenses.
- c) The District may use long-term debt financings subject to the following conditions:
 - The project to be financed must be approved by the District Board.
 - The weighted average maturity of the debt (or the portion of the debt allocated to the project) will not exceed the average useful life of the project to be financed by more than 20%.
 - The District estimates that sufficient revenues will be available to service the debt through its maturity.
 - The District determines that the issuance of the debt will comply with the applicable state and federal law.

Short-term debt. Short-term debt may be issued to provide financing for the District's operational cash flows in order to maintain a steady and even cash flow balance. Short-term debt may also be used to finance short-lived capital projects; for example, the District may undertake lease-purchase financing for equipment.

Financings on Behalf of Other Entities. The District may also find it beneficial to issue debt on behalf of other governmental agencies or private third parties in order to further the public purposes of the District. In such cases, the District shall take reasonable steps to confirm the financial feasibility of the project to be financed and the financial solvency of any borrower and that the issuance of such debt is consistent with the policies set forth herein.

B. Types of Debt Issued

The following types of debt are allowable under this Debt Policy:

- general obligation and revenue bonds
- lease revenue bonds and lease-purchase transactions
- certificates of participation
- bank and direct private placement loans
- Commercial paper
- bond or grant anticipation notes
- tax and revenue anticipation notes

The District may from time to time find that other forms of debt would be beneficial to further its public purposes and may approve such debt without an amendment of this Debt Policy.

Debt shall be issued as fixed rate debt unless the District makes a specific determination as to why a variable rate issue would be beneficial to the District in a specific circumstance.

C. Relationship of Debt to Capital Improvement Program and Budget

The District is committed to long-term capital planning. The District intends to issue debt for the purposes stated in this Debt Management Policy and to implement policy decisions incorporated in the District's capital budget and the capital improvement plan.

The District shall strive to fund the upkeep and maintenance of its infrastructure and facilities due to normal wear and tear through the expenditure of available operating revenues. The District shall seek to avoid the use of debt to fund infrastructure and facilities improvements that are the result of normal wear and tear.

The District shall integrate its debt issuances with the goals of its capital improvement program by timing the issuance of debt to ensure that projects are available when needed in furtherance of the District's public purposes.

The District shall seek to avoid the use of debt to fund infrastructure and facilities improvements in circumstances when the sole purpose of such debt financing is to reduce annual budgetary expenditures.

The District shall seek to issue debt in a timely manner to avoid having to make unplanned expenditures for capital improvements or equipment from its reserves.

D. Policy Goals Related to District's Planning Goals and Objectives

The District is committed to long-term financial planning, maintaining appropriate reserves levels and employing prudent practices in governance, management and budget administration. The District intends to issue debt for the purposes stated in this Policy and to implement policy decisions incorporated in the District's annual operations budget.

It is a policy goal of the District to protect taxpayers, ratepayers and constituents by utilizing conservative financing methods and techniques so as to obtain the highest practical credit ratings (if applicable) and the lowest practical borrowing costs.

The District will comply with applicable state and federal law as it pertains to the maximum term of debt and the procedures for levying and imposing any related taxes, assessments, rates and charges.

When refinancing debt, it shall be the policy goal of the District is to realize, whenever possible, and subject to any overriding non-financial policy considerations, (i) minimum net present value debt service savings equal to or greater than 3.0% of the refunded principal amount, and (ii) present value debt service savings equal to or greater than 100% of any escrow fund negative arbitrage.

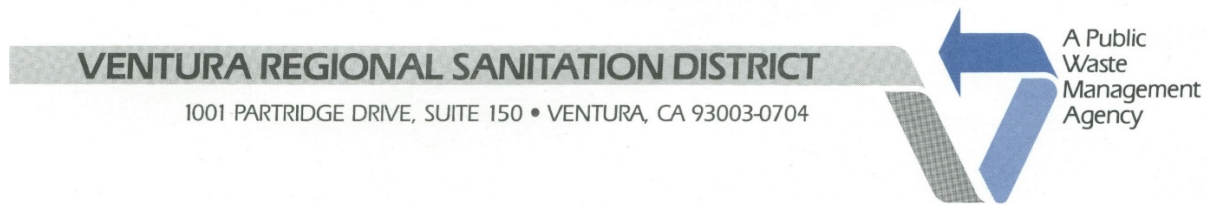
E. Internal Control Procedures That the District Has Implemented or Will

When issuing debt, in addition to complying with the terms of this Debt Policy, the District shall comply with any other applicable policies regarding initial bond disclosure, continuing disclosure, post-issuance compliance, and investment of bond proceeds.

The District will periodically review the requirements of and will remain in compliance with the following:

- any continuing disclosure undertakings under SEC Rule 15c2-12;
- any federal tax compliance requirements, including without limitation arbitrage and rebate compliance, related to any prior bond issues; and
- the District's investment policies as they relate to the investment of bond proceeds.

Whenever reasonably possible, proceeds of debt will be held by a third-party trustee and the District will submit written requisitions for such proceeds. The District will submit a requisition only after obtaining the signature of the Finance Director/Treasurer or General Manager of the District. In those cases, where it is not reasonably possible for the proceeds of debt to be held by a third-party trustee, the Finance Director/Treasurer of the District shall retain records of all expenditures of proceeds through the final payment date for the debt.



2.1.08 Fraud Reporting Policy

Date Adopted: 03/16/17

2.1.08 Fraud Reporting Policy

POLICY

The Ventura Regional Sanitation District (District) will investigate possible fraudulent activity or dishonest use of District resources by its employees. Anyone found to have engaged in fraudulent activity is subject to disciplinary action, including dismissal and civil or criminal prosecution when warranted.

Confidentiality and Discretion

Great care will be taken in dealing with suspected fraudulent activity to avoid:

- violating a person's rights to due process,
- making statements that could lead to claims of false accusations or other civil rights violations,
- alerting suspected individuals that an investigation is underway.

The investigation may be discussed only with those individuals who have a legitimate need-to-know. The employee is considered innocent of all allegations unless and until the facts prove otherwise.

Reporting Suspected Fraud

District employees are expected to report good faith concerns about suspected fraud.

Acting in Good Faith

Anyone filing a complaint concerning a violation or suspected violation must be acting in good faith and have reasonable grounds for believing the information disclosed indicates a violation. Allegations that prove to have been made maliciously or knowingly to be false will be viewed as a serious disciplinary offense.

Protection from Retaliation

Retaliation against employees for making good faith reports is prohibited. Employees making good faith reports of suspected misconduct should feel safe and protected from retaliation. The District will provide appropriate support to reporting employees to protect against retaliation and respond to concerns of retaliation or unfair treatment linked to the employee's reporting.

BACKGROUND

The District is committed to the highest standards of moral, legal, and ethical behavior. All District management and staff members have a responsibility for the stewardship of the District's resources. Internal controls are intended to protect the District's assets and interests by detecting or preventing improper activities, however, there are no absolute safeguards against willful violations of laws, regulations, policies, or procedures.

The District is required to report any suspected theft, loss, misuse, or inappropriate action involving District funds, equipment, supplies, or other assets to the Chairperson of the Board.

APPLICABILITY

This Policy applies to all District Staff members and Managers.

DEFINITIONS

Fraud - Fraud encompasses an array of irregularities and illegal acts characterized by intentional deception or theft which produces a loss or misuse of resources or property. It can be perpetrated for the benefit of individuals or the agency, or may be detrimental to the agency. Fraud may be committed by persons outside as well as inside the agency. Actions constituting fraud include but are not limited to:

- forgery or alteration of a check, bank draft, account, or any Authority document
- misappropriation of funds, supplies, or other assets
- impropriety in the handling or reporting of money or financial transactions
- disclosing confidential and proprietary information to outside parties
- accepting or seeking bribes or items for personal gain from contractors, vendors, or persons seeking to provide services/material to the District
- destruction, removal, or inappropriate use of records, furniture, fixtures, and equipment
- falsification of research results.

RESPONSIBILITY

All Employees

Report good faith concerns about fraudulent activity. Be truthful and cooperative in investigations of alleged wrongdoing.

Managers

Maintain confidentiality, notify the General Manager and Director of Finance and other appropriate individuals, support reporting employees and protect them against retaliation.

General Manager

Gather information and determine if a formal investigation is required.

PROCEDURE

Reporting Fraud

Employees are encouraged to attempt to resolve their concern at the most local level, by communicating their concerns to their supervisor or other appropriate contact person. If an employee feels uncomfortable addressing their concerns at the local level, they may make their report directly to any of the following:

- Chairperson of the Board
- General Manager
- Director of Finance
- Legal Counsel

When reporting fraudulent activity, provide as much detail as possible. The report may be submitted anonymously, however providing your contact information may be helpful if questions arise. All information will be treated as confidential to the extent permitted by law.

Initial Investigation

Anyone receiving a report of fraudulent activity should notify the General Manager and/or the Chairperson of the Board. The General Manager or appropriate District Officer will consider the allegations and gather additional information to determine, in consultation with another appropriate District Officer, whether a formal inquiry is warranted.

If the reported concern is minor and the solution is straightforward without the need for substantial investigation, the General Manager or appropriate District Officer will work with appropriate supervisor or another District Officer to develop and implement a solution, protect the rights of the parties involved, and maintain documentation.

Formal Inquiry

When a formal inquiry is warranted, a Fraud Investigation Team will be formed and may include the Chairperson of the Board, General Manager, Director of Finance, Legal Counsel and/or Human Resources Administrator.

Depending on the nature and severity of the allegation, the General Manager or appropriate District Officer will review the matter with the Chairperson of the Board and keep him/her apprised of the investigation as necessary.

The Fraud Investigation Team will determine:

- when notification is given to the employee against whom the allegation has been made. In most cases, the notice will be given to that employee and his/her supervisor by the General Manager or appropriate District Officer. Upon being advised, the suspected employee shall be encouraged to provide documentation or other evidence to support his/her views
- if a suspected employee should be suspended with or without pay or temporarily reassigned in accordance with law and/or the appropriate employment agreement
- in conjunction with the supervisor, if it is necessary to safeguard all records relating to the alleged activity by removing them from the employee's custody

- in consultation with the General Manager or appropriate District Officer, the final course of action. This decision will be reviewed and communicated by the General Manager or appropriate District Officer to the supervisor and the employee after it has been reviewed by the Chairperson of the Board.

The General Manager or appropriate District Officer, in consultation with Legal Counsel, will determine and coordinate any legal arrangements between the District and the employee or his/her attorney.

The General Manager or appropriate District Officer will also ensure that appropriate reports are completed and distributed as required.

VENTURA REGIONAL SANITATION DISTRICT

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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

Revised: 12/15/16

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 to do so in a manner which provides the maximum security, solvency and creditworthiness 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 practices in accordance with provisions of California Government Code ("Gov. Code") 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.

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 District's 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]." Gov. Code § 27000.3.

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 and consistent with its fiduciary duty. The District's investment philosophy prohibits speculation, and leveraging or borrowing money for the purpose of investment. The District may contract for professional 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, which includes, but is not limited to, the following :

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 for such investment decision or action 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 Gov. Code § 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 on behalf of the District.

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 Local Agency Investment Fund, Ventura County Pool, money market funds, and shares of beneficial interest issued by Joint Powers Authorities.

From the eligible securities permitted by Gov. Code 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 higher 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 in a rating categories at least “AA” or “A-1”, their respective equivalents, or higher 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 Gov. Code 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 Gov. Code 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 Gov. Code Section 16429.1(b).
- Ventura County Investment Pool — Ventura County Treasurer's Investment Pool as authorized by Gov. Code Section 53684.
- Other Pools — Shares of beneficial interest issued by a joint powers authority organized in the State of California pursuant to Gov. Code Section 6509.7 that invests in the securities and obligations authorized in Gov. Code 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, of [Gov. Code] section 53601; and (3) the adviser has assets under management in excess of five hundred million dollars (\$500,000,000). Gov. Code § 6509.7(a).
- 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 in a rating category of "A", the equivalent 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 in a rating category of "A-1" the equivalent or higher, , 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 in a rating category of "A", the equivalent or higher 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 in a rating category of "A", the equivalent or higher by a NRSRO. Negotiable CDs with maturities under one year must be rated in a rating category of "A-1," the equivalent, or higher 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 in a rating category, by a nationally recognized rating service, of "AA", the equivalent or higher, and the issuer of the security must be rated in a rating category of "A", the equivalent 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 in a rating category of "AA", the equivalent or higher by a NRSRO.

Purchases of these securities shall not exceed 30 percent of the District's portfolio. Supranationals will be permitted by 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 Government Code.

Prohibited Investments

Under the provisions of Gov. Code Section 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 Gov. Code 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

Page 9
11/8/89

VENTURA REGIONAL SANITATION DISTRICT

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



2.1.05 Reserve Level Policy

Date Adopted: 11/ 6/03

Date Revised: 02/03/11

Date Revised: 12/15/16

2.1.05 Reserve Level Policy

PURPOSE

Ventura Regional Sanitation District (District) is an enterprise-based, municipal solid waste and wastewater management agency that recovers the cost of providing these services to its municipal customers through contract and ordinance-based 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, the District demonstrates financial assurance to the California Department of Resource Recovery and Recycling (CalRecycle), for closure, postclosure, corrective action, and operating liability costs associated with its closed and operating landfills by holding cash reserves or acceptable financial instruments. In addition, the District needs 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.

In summary, the District's Reserve Level Policy is a fiscal management guideline with goals to be achieved over a period of time. Fiscal reserves are essential to: maintain the District's credit worthiness; offset cyclical variations in revenue and expenses; withstand economic downturns; and provide for 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, legally-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 statutory and regulatory requirements, contractual agreements, and trustee requirements. The District is limited in the means by which it may use restricted cash reserves for District operations due to legal requirements and contractual agreements.

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 shall hold cash reserves or acceptable financial instruments 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. Closed landfill maintenance reserves

The District shall hold funds provided by the Tierra Rejada Consortium (i.e., Simi Valley Sanitation District, County of Ventura, Simi Valley Parks and Recreation District and the District) to be used specifically for the maintenance of the Tierra Rejada closed landfill.

3. Conditional Use Permits and other deposits

The District issued Certificates of Deposit as a requirement from regulatory and/or governmental agencies for conditional land 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 District 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.

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. 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. The calculation of funds maintained in this category will exclude any funding obtained from outside sources such as loans, grants, or bond funding.

2. 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.

3. Operating Fund

The District will maintain cash in the operating fund at a minimum level equal to three months of its annual operating expenses and a maximum level equal to six months of its annual operating expenses, excluding depreciation. This reserve bridges the gap between the time expenses are paid and the time revenues from the same service are collected from customers. The fund will ensure continuity of service regardless of cash flow.

4. Debt Service Reserve Fund

The District shall establish and maintain funds equivalent to one year's debt service obligations. This fund will provide additional security for the payment of annual debt service if rates and other funds are insufficient or not available.

RESERVE PROCEDURES

The Finance Department will perform an annual reserve analysis as part of the annual budget to be submitted to the Board of Directors during budget deliberations, midyear budget review, and when a major change in conditions threatens the reserve levels established in the policy.

CONCLUSION

The Reserve Level Policy is intended to serve as a guide to the District Board of Directors, management and staff for decisions and recommendations related to the District's financial profile.

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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Fiscal Year 2018 Budget
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