

Fiscal Year 2019 Budget

July 1, 2018 – June 30, 2019



Ventura Regional Sanitation District

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Ventura, CA 93003-0704

Website: www.vrsd.com

Chris Theisen
General Manager

August 16, 2018

Ventura Regional Sanitation District



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Chris Theisen – General Manager
Regina Williams – Director of Finance (Interim)
Matthew Baumgardner – Director of Operations
Richard Jones – Waster/Wastewater Operations Superintendent
Melissa Grisales – Human Resources Manager
Michael Castro – Senior Management Analyst

Legal Counsel

Robert Kwong (Arnold LaRochelle Matthews VanConas & Zirbel LLP)

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Executive Summary

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August 16, 2018

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 2018-2019 (FY2019) Operating and Capital Improvement Plan Budget. The FY2019 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 467,000 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 increased by an average of three percent, effective July 1, 2018.
- The District's Capital Improvement Plan, which includes improvements at the Toland Road Landfill and the purchase of vehicles and equipment, is budgeted at \$7,035,258. The four major components of the Plan are purchases of Solid Waste Division vehicles and heavy equipment (\$4,022,008), a deep well for Toland Road Landfill (\$1,000,000), purchases of Water & Wastewater Division vehicles (\$615,000), and the Toland Road Landfill gas collection system (\$425,000).
- The District anticipates meeting the 1.15x debt service coverage target to comply with the loan agreements.
- An additional 300 tons of refuse is assumed to be received at Toland Road Landfill beginning in March of 2019, which will require a CUP modification before it is ever realized.

BUDGET OVERVIEW

OPERATING REVENUES

The operating revenue for FY2019 is estimated at \$22,645,829. The most notable revenues of the District include Toland Road Landfill municipal solid waste, Water & Wastewater contract services, Central Administration contract services, and the Biosolids and Electric Generation Project.

Solid Waste

Toland Road Landfill

The projected landfill refuse disposal revenue for FY2019 is estimated to be \$14,181,740, with annual tonnage of 455,787. In addition, we expect revenue of \$80,000 for alternative daily cover. FY2019 does not include revenue for the Millennium Grove, as it was destroyed during the Thomas Fire.

Biosolids and Electric Generation Facility

During FY2019, the District will receive a minimal amount of biosolids from Oxnard, Ventura, Santa Paula, and other smaller customers. FY2019 Biosolids revenue is estimated at \$560,650, or 11,213 tons. The Electric Generation Project was conceptualized as nine 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 FY2019 revenue estimated in the amount of only \$50,000.

Other

Additional Solid Waste revenues include the Pyramid Flowers lease (\$71,000) and monitoring and maintenance services at River Ridge Golf Course for the City of Oxnard (\$114,737).

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. FY2019 revenue is estimated at \$5,829,511. 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 20 of the FY2019 Proposed Budget.

OPERATING EXPENSES

The total operating expense is estimated at \$23,427,791, 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 increased by \$716,095, or 7.95%. The net increase is primarily due to the addition of 5 Solid Waste Helpers and 1 Solid Waste Worker, insurance increases, increases to PARS, and a 1% increase to salary ranges. For more information related to salaries and employee benefits or staffing, please see Pages 79 and 82 through 88 of the Proposed FY2019 Budget.

Other Operating Expenses: Other operating expenses increased by \$680,413, which includes costs associated with general administration, materials and supplies, contract services expenses, professional services, facility maintenance, permits, and fees. The net increases is mainly attributable to increases in professional services (\$368,908), general administrative expenses \$216,664), and facility maintenance (\$150,400), as well as a decrease in materials & supplies (\$239,529).

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 FY2019 is included in Pages 40 through 66 of the Proposed FY2019 Budget.

SUMMARY

The District continues to face financial challenges based on current projections. In the short term, receipt of revenue from the disposal of Thomas Fire debris at the Toland Road Landfill has resulted in additional cash on hand, but this mostly represents an acceleration to the receipt of expected future revenues due to the sale of air space. To ensure continued viability over a longer time period, it will be necessary for the District to obtain approval of the Conditional Use Permit modification application from the County. Staff is optimistic about receiving this approval, and anticipates that it will take place in the spring of calendar year 2019.

I'd like to express my appreciation to the Board of Directors for providing the ongoing vision and support necessary to enable staff to respond to the numerous challenges the District faces. I also need 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 budgetary needs and in continuing to identify opportunities for efficiencies and cost savings. Further, the phenomenal effort that staff put forth in the previous fiscal year to enable the District to accept Ventura County's Thomas Fire debris was nothing short of amazing. Not only has the District's short term financial health been aided, but our success in this endeavor stands as a testament to VRSD staff's ability to meet adversity head on and prevail. There is no doubt in my mind that the District is clearly poised for future success.

Respectfully submitted,



Chris Theisen
General Manager

Enterprise Fund

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VENTURA REGIONAL SANITATION DISTRICT
FISCAL YEAR 2019 BUDGET SUMMARY
ENTERPRISE FUND

Description	Actual FY 2016 Yearend	Actual FY 2017 Yearend	Adopted FY 2018 Budget	Estimated FY 2018 Yearend	Proposed FY 2019 Budget	FY18 vs. FY19 Budget Inc/(Dec)
Operating revenues:						
Revenue - sales	\$ 21,149,414	\$ 20,964,561	\$ 21,623,102	\$ 28,076,964	\$ 22,429,403	4%
Revenue - other	346,222	344,907	307,426	2,566,748	216,426	-30%
Reimb from outside agencies	-	-	-	-	-	0%
Total operating revenues	21,495,637	21,309,468	21,930,528	30,643,712	22,645,829	3% [1]
Operating expenses:						
Salaries and employee benefits	7,878,690	7,979,466	9,012,952	8,872,188	9,729,047	8% [2]
General administrative	421,978	530,954	603,245	378,114	819,909	36% [3]
Operating materials and supplies	3,267,255	2,504,837	2,730,758	3,862,637	2,491,229	-9% [4]
Contract services - labor	566,164	536,866	374,500	953,862	459,500	23% [5]
Professional services	2,835,425	2,266,521	2,224,880	3,502,717	2,593,788	17% [6]
Facility maintenance	1,259,686	1,009,919	1,178,471	1,644,049	1,328,871	13% [7]
Permit, fees & other	1,872,692	1,673,892	1,688,492	2,393,540	1,787,462	6% [8]
Total operating expenses	18,101,890	16,502,454	17,813,298	21,607,107	19,209,807	8%
Operating income(loss) before depreciation	3,393,747	4,807,014	4,117,229	9,036,606	3,436,022	-17%
Depreciation and amortization	3,813,051	4,210,079	4,095,296	4,217,370	4,217,984	3%
Operating income(loss)	(419,304)	596,935	21,933	4,819,236	(781,962)	-3665%
Non-operating revenues(expenses):						
Interest and investment earnings	636,112	64,991	306,700	488,013	523,400	71%
Gain(loss) on sales and/or disposals of assets	47,883	1,100	-	16,823	-	0%
Debt service interest expense	(1,124,123)	(649,977)	(629,409)	(634,937)	(574,159)	-9% [9]
Grant revenue	-	-	-	-	-	0%
Other, net	144,738	39,712	104,078	46,193	104,078	0%
Total non-operating revenues(expenses) before transfers	(295,389)	(544,174)	(218,631)	(83,908)	53,319	-124%
Overhead cost allocation - Central Administration	2,934,156	2,919,276	2,273,864	2,273,868	2,871,084	26% [10]
ISF fleet use	2,306,178	2,289,893	2,117,704	2,311,585	2,101,799	-1%
Intra-department labor transfer	467,080	310,346	150,387	540,576	160,695	7%
Landfill processing fee transfer	145,376	138,102	154,100	17,489	11,325	-93%
Contra-post closure expenses	1,481,706	954,019	583,984	598,564	770,452	32%
Total transfers in	7,334,495	6,611,636	5,280,039	5,742,083	5,915,355	12%
Overhead cost allocation - Central Administration	(2,934,156)	(2,919,276)	(2,273,864)	(2,273,868)	(2,871,084)	26% [10]
ISF fleet use	(2,306,178)	(2,289,893)	(2,117,704)	(2,311,585)	(2,101,799)	-1%
Intra-department labor transfer	(467,080)	(310,346)	(150,387)	(538,002)	(160,695)	7%
Landfill processing fee transfer	(145,376)	(138,102)	(154,100)	(17,489)	(11,325)	-93%
Provision for landfill closure/postclosure	(1,442,183)	(1,455,367)	(1,461,940)	(617,724)	(663,140)	-55% [11]
Total transfers out	(7,294,973)	(7,112,983)	(6,157,995)	(5,758,669)	(5,808,043)	-6%
Net transfers	39,522	(501,347)	(877,956)	(16,586)	107,312	-112%
Total non-operating revenues(expenses), net	(255,867)	(1,045,522)	(1,096,587)	(100,494)	160,631	-115%
Change in net assets	\$ (675,171)	\$ (448,587)	\$ (1,074,654)	\$ 4,718,742	\$ (621,331)	-42%

VENTURA REGIONAL SANITATION DISTRICT
FISCAL YEAR 2019 BUDGET SUMMARY
ENTERPRISE FUND

COMMENTS

- [1] Anticipated operating revenues for FY 2019 are \$715,301, or approximately 3.26%, more than the revenue in the FY 2018 Adopted Budget.
- [2] Budgeted Salaries & Employee Benefits are increasing by approximately \$716.1K, or 7.95%. The FY2019 Budget includes 18.3 FTE in Central Administration, 33 FTE in the Water & Wastewater Division, 29 FTE in the Solid Waste Division, and 2 FTE in Vehicles & Heavy Equipment Internal Service Fund. Organization charts, along with a staffing summary and classification plan, can be found on Pages 82 through 88.
- [3] General Administrative Expenses are budgeted to increase by approximately \$216.7K. Board Member fees and reimbursement of travel expenses are included within this expense category.
- [4] An approximately \$239.6K decrease is budgeted within FY2019 Operating Materials and Supplies. Increases and decreases, by segment, are as follows: \$13.4K decrease in Central Administration, \$1.7K increase in Water/Wastewater, \$109.7K increase in Solid Waste, \$15K decrease in Closed Landfill Maintenance, and a \$325K decrease in the Biosolids & Microturbines Electrical Generation Facility, and \$2.5K increase in Vehicles & Heavy Equipment.
- [5] During FY2019, Contract Labor from temporary staffing agencies is anticipated to increase by up to \$85K. Contract Labor is expected to decrease by \$25K in Central Administration, increase by up to \$250K in Water/Wastewater, decrease by \$160K in Solid Waste, and an increase by \$20K in closed landfills.
- [6] Professional Services are budgeted with an increase of \$368.9K during FY2019. \$751.8K is billable to Central Administration and Water/Wastewater Division customers, generating \$864.6K in revenues. Non-billable Professional Services are primarily comprised of General Counsel (\$299K), Environmental Consultants (\$286.2K), various IT Services (\$256.3K), Contractor Construction (\$240K), Engineering Consultants (\$220K), Labor Attorneys (\$125K), PARS and OPEB (\$47.8K), Accounting & Auditing Services (\$29K), Linda Moyer (\$25K), PFM for Investment Services (\$21.6K), and investigations (\$20K). Additionally, \$155K is budgeted for a safety consultant.
- [7] Facility Maintenance is budgeted with a \$150.4K increase. This includes a \$56.9K increase in Central Administration, a \$5K decrease in Closed Landfill Maintenance, a \$2.5K decrease in the Biosolids & Microturbines Electrical Generation Facility, and a \$101K increase in Vehicles & Heavy Equipment Internal Service Fund.
- [8] Permits and Fees are budgeted with an increase of approximately \$99K, which includes a \$7.9K decrease in Central Administration, \$15K increase in Water/Wastewater, \$194.2K increase in Solid Waste, a \$106K decrease in the Biosolids & Microturbines Electrical Generation Facility, and \$3.7K increase in Vehicles & Heavy Equipment.
- [9] Debt service interest expense includes amortization of a 1% call premium in the amount of \$18.8K due to the refinancing of the District's outstanding debt in January of 2016.
- [10] The allocation of Central Administrative overhead costs are reallocated to the Solid Waste Division, Water Wastewater Division, and the Biosolids & Microturbines Electrical Generation Facility.
- [11] The Provision For Landfill Closure/Postclosure decrease is reflective of the decrease in calculated per ton rate needed to reach the required closure/postclosure reserves necessary upon closure of the Toland Road Landfill.

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Central Administration

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VENTURA REGIONAL SANITATION DISTRICT
FISCAL YEAR 2019 BUDGET SUMMARY
CENTRAL ADMINISTRATION

Description	Actual FY 2016 Yearend	Actual FY 2017 Yearend	Adopted FY 2018 Budget	Estimated FY 2018 Yearend	Proposed FY 2019 Budget	FY18 vs. FY19 Budget Inc/(Dec)
Operating revenues:						
Revenue - sales	\$ 1,219,152	\$ 1,368,963	\$ 1,366,690	\$ 1,424,274	\$ 1,753,391	28% [1]
Revenue - other	11,078	5,795	-	7,494	-	0%
Reimb from outside agencies	-	-	-	-	-	0%
Total operating revenues	1,230,230	1,374,759	1,366,690	1,431,768	1,753,391	28%
Operating expenses:						
Salaries and employee benefits	1,898,981	2,205,889	2,382,264	2,392,900	2,472,110	4% [2]
General administrative	208,209	174,897	358,751	120,437	536,835	50% [3]
Operating materials and supplies	22,544	28,502	79,342	12,782	65,937	-17%
Contract services - labor	184,010	68,514	50,000	40,264	25,000	-50% [4]
Professional services	1,013,449	964,875	1,026,676	1,040,443	1,138,324	11% [5]
Facility maintenance	202,956	200,577	187,594	158,104	244,514	30% [6]
Permit, fees & other	105,882	116,199	147,892	113,250	139,960	-5% [7]
Total operating expenses	3,636,030	3,759,453	4,232,519	3,878,180	4,622,680	9%
Operating income(loss) before depreciation	(2,405,800)	(2,384,695)	(2,865,830)	(2,446,412)	(2,869,289)	0%
Depreciation and amortization	89,331	127,703	120,587	75,011	75,011	-38%
Operating income(loss)	(2,495,132)	(2,512,398)	(2,986,417)	(2,521,423)	(2,944,300)	-1%
Non-operating revenues(expenses):						
Interest and investment earnings	2,956	274	700	6,766	75,000	10614%
Gain(loss) on sales and/or disposals of assets	-	-	-	-	-	0%
Debt service interest expense	-	-	-	-	-	0%
Grant revenue	-	-	-	-	-	0%
Other, net	-	200	(3,288)	-	(3,288)	0%
Total non-operating revenues(expenses) before transfers	2,956	474	(2,588)	6,766	71,712	-2871%
Overhead cost allocation - Central Administration	2,934,156	2,919,276	2,273,864	2,273,868	2,871,084	26% [8]
ISF fleet use	2,905	2,823	5,680	2,875	5,680	0%
Intra-department labor transfer	42,100	97,578	-	18,852	-	0%
Landfill processing fee transfer	-	-	-	-	-	0%
Contra-post closure expenses	-	-	-	-	-	0%
Total transfers in	2,979,160	3,019,677	2,279,544	2,295,595	2,876,764	26%
Overhead cost allocation - Central Administration	-	-	-	-	-	0%
ISF fleet use	(5,617)	(6,366)	(6,672)	(6,404)	(4,176)	-37%
Intra-department labor transfer	(7,931)	(840)	-	(29,790)	-	100%
Landfill processing fee transfer	-	-	-	-	-	100%
Provision for landfill closure/postclosure	-	-	-	-	-	0%
Total transfers out	(13,548)	(7,206)	(6,672)	(36,194)	(4,176)	-37%
Net transfers	2,965,613	3,012,472	2,272,872	2,259,400	2,872,588	26%
Total non-operating revenues(expenses), net	2,968,568	3,012,946	2,270,284	2,266,166	2,944,300	30%
Change in net assets	\$ 473,437	\$ 500,548	\$ (716,133)	\$ (255,257)	\$ 0	NA

VENTURA REGIONAL SANITATION DISTRICT
FISCAL YEAR 2019 BUDGET SUMMARY
CENTRAL ADMINISTRATION

COMMENTS

The Central Administration Budget Segment includes the activities of 18.3 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 increase for FY2019 is primarily due to 1% salary range increases and increases to insurance and pension costs.
- [3] General administrative expenses include Board fees and reimbursements of travel expenses, seminar and travel expenses associated with District employees, and insurances.
- [4] During FY2019, Central Administration expects to spend \$25K on labor from temporary staffing agencies during periods of recruitment, as well as extended absences and leaves.
- [5] \$530.4K of the Professional Services expenses budgeted during FY2019 are billable to Central Administration customers, generating \$610K in revenue. Non-billable Professional Services are primarily comprised of \$149K for General Counsel, \$35K for Labor Attorneys, \$29K for Accounting & Auditing Services, \$20K for investigations, \$256.3K for various IT Services, \$25K for Linda Moyer, and \$47.8K for PARS and OPEB. Additionally, \$10K of the \$155K budgeted for a safety consultant is budgeted in Central Administration.
- [6] FY2018 Facility Maintenance is primarily comprised of \$174.9K for the District Office building lease (including electricity and common area maintenance) and \$57.9K for other utilities.
- [7] This is comprised of Finance and IT maintenance agreement licenses and fees.
- [8] Central Administration Overhead Costs are reallocated to the operating segments (Solid Waste, Water Wastewater, and the Biosolids & Microturbine Electrical Generation Facility).

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Water Wastewater

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VENTURA REGIONAL SANITATION DISTRICT
FISCAL YEAR 2019 BUDGET SUMMARY
WATER WASTEWATER

Description	Actual FY 2016 Yearend	Actual FY 2017 Yearend	Adopted FY 2018 Budget	Estimated FY 2018 Yearend	Proposed FY 2019 Budget	FY18 vs. FY19 Budget Inc/(Dec)
Operating revenues:						
Revenue - sales	\$ 4,904,469	\$ 4,704,596	\$ 5,737,129	\$ 5,423,022	\$ 5,818,885	1% [1]
Revenue - other	12,237	23,152	10,626	15,137	10,626	0%
Reimb from outside agencies	-	-	-	-	-	0%
Total operating revenues	4,916,706	4,727,747	5,747,755	5,438,159	5,829,511	1%
Operating expenses:						
Salaries and employee benefits	3,046,988	2,872,938	3,548,799	3,302,752	3,663,816	3% [2]
General administrative	31,359	30,477	72,188	48,648	79,541	10%
Operating materials and supplies	845,919	643,366	706,626	802,384	708,336	0% [3]
Contract services - labor	7,441	24,348	2,000	17,740	252,000	12500% [4]
Professional services	45,663	55,209	242,384	43,629	326,949	35% [5]
Facility maintenance	98,455	78,911	42,252	116,858	42,252	0%
Permit, fees & other	42,211	35,270	15,150	38,202	30,150	99% [6]
Total operating expenses	4,118,036	3,740,518	4,629,399	4,370,212	5,103,044	10%
Operating income(loss) before depreciation	798,670	987,229	1,118,356	1,067,947	726,467	-35%
Depreciation and amortization	156,267	156,563	156,563	156,563	156,563	0%
Operating income(loss)	642,403	830,666	961,793	911,384	569,904	-41%
Non-operating revenues(expenses):						
Interest and investment earnings	10,529	2,452	3,400	26,548	3,400	0%
Gain(loss) on sales and/or disposals of assets	-	-	-	-	-	0%
Debt service interest expense	(152,862)	(49,231)	(44,279)	(44,897)	(41,822)	-6%
Grant revenue	-	-	-	-	-	0%
Other, net	144,681	39,482	107,366	46,150	107,366	0%
Total non-operating revenues(expenses) before transfers	2,348	(7,297)	66,487	27,801	68,944	4%
Overhead cost allocation - Central Administration	-	-	-	-	-	0%
ISF fleet use	34,780	20,571	8,618	42,477	8,618	0%
Intra-department labor transfer	290,850	140,402	109,047	449,663	118,135	8% [7]
Landfill processing fee transfer	-	-	-	-	-	0%
Contra-post closure expenses	-	-	(10,004)	(10,004)	(10,004)	0% [8]
Total transfers in	325,630	160,973	107,661	482,136	116,749	8%
Overhead cost allocation - Central Administration	(807,648)	(1,206,660)	(577,307)	(567,304)	(808,014)	40% [9]
ISF fleet use	(442,621)	(442,056)	(377,677)	(442,130)	(412,495)	9%
Intra-department labor transfer	(15,447)	(15,638)	-	(2,574)	-	0%
Landfill processing fee transfer	-	-	-	-	-	0%
Provision for landfill closure/postclosure	-	-	-	-	-	0%
Total transfers out	(1,265,716)	(1,664,354)	(954,984)	(1,012,008)	(1,220,509)	28%
Net transfers	(940,086)	(1,503,381)	(847,323)	(529,871)	(1,103,760)	30%
Total non-operating revenues(expenses), net	(937,738)	(1,510,678)	(780,836)	(502,071)	(1,034,816)	33%
Change in net assets	\$ (295,335)	\$ (680,012)	\$ 180,956	\$ 409,313	\$ (464,913)	-357%

VENTURA REGIONAL SANITATION DISTRICT

FISCAL YEAR 2019 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 73. 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 74 through 75.

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 \$158.43 (FY2019). 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 FY2019 monthly sewer fee, \$115.53 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] Revenue amounts, by customer, are listed on Page 20.

[2] The Proposed FY2019 Budget includes 33 FTE assigned to the Water Wastewater Division. The allocation of Water/Wastewater Workers has decreased by 2 FTE, the allocation of Waster/Wastewater Helpers has increased by 2 FTE, and the Office Assistant position has been changed back from 0.5 FTE to 1 FTE, for FY2019.

[3] \$599.2K of the Operating Materials & Supplies budgeted during FY2019 are billable to Water/Wastewater Division customers, generating \$689K in revenue.

[4] \$250K of the Temporary Labor in FY2019 is budgeted to assist regular staff during seasonal projects, short-term vacations, and short-term leaves. Absent revenue to substantiate the need for temporary labor, the expense will not accumulate.

[5] \$221.4K of the Professional Services expenses budgeted during FY2019 are billable to Water/Wastewater Division customers, generating \$254.7K in revenue. Non-billable Professional Services include \$10K for General Counsel, \$25K for Labor Attorneys, and \$25.5K for other outside contracted services. Additionally, \$45K of the \$155K budgeted for a safety consultant is budgeted in Water/Wastewater.

[6] \$11.2K of the Permits, Licenses, and Fees, budgeted during FY2019 are billable to Water/Wastewater Division customers. Non-billable Professional Services include \$10K for GIS software and service maintenance licenses, \$5K for Birdnest software for tracking plant data, and \$4K for SEMS license fees.

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

[8] \$10,004 represents a Malibu Bay Club Reserve Fund. Each unit will contribute \$6.13 per month toward this Reserve Fund.

[9] The \$230.7K increase is attributable to an increase in total Central Administration overhead expenses reallocated to other divisions during FY2019.

WATER WASTEWATER

REVENUE BY CUSTOMER

	Proposed Budget FY 2019	Forecast [a] FY 2018	Adjusted Budget FY 2018	Adopted Budget FY 2018	Actual FY 2017	Actual FY 2016	Actual FY 2015
Anticipated Reimbursable	-	-	304,564	304,564	-	-	-
Anterra Corporation	-	-	-	-	-	-	13,090
AR Pipeline, Inc.	-	-	-	-	-	25,177	-
Cabrillo Economic Development Corporation	6,391	6,436	6,277	6,277	2,964	6,102	4,341
City of Camarillo	-	-	-	-	-	-	8,664
Camrosa Water District	154,775	144,816	150,115	150,115	151,576	109,066	128,704
Cate School	215,369	370,003	208,922	208,922	215,121	204,719	182,856
Channel Islands Beach CSD	-	1,326	-	-	1,001	582	4,381
City of Oxnard	-	-	-	-	-	-	-
<i>City of Oxnard</i>	-	-	-	-	-	-	607
<i>City of Oxnard - Solid Waste</i>	114,737	67,541	124,143	124,143	84,735	81,546	53,613
City of Oxnard Total	114,737	67,541	124,143	124,143	84,735	81,546	54,221
City of Santa Paula	-	-	-	-	-	-	-
<i>City of Santa Paula</i>	-	-	-	-	-	570	-
<i>City of Santa Paula - Central Administration</i>	-	-	-	-	-	-	687
City of Santa Paula Total	-	-	-	-	-	570	687
City of Ventura	-	11,950	-	-	13,739	6,480	4,252
CSU, Channel Islands	-	-	15,669	15,669	15,506	23,511	-
KB Camarillo	-	-	-	-	-	3,176	4,926
Malibu Bay Club	188,545	263,297	183,584	183,584	240,883	190,282	169,269
Montalvo Community Services District	-	-	-	-	-	31,345	8,743
Ojai Valley Sanitary	87,315	36,735	85,089	85,089	51,774	40,778	118,280
Ojai Valley School	66,247	51,237	66,623	66,623	41,376	62,059	61,427
Sam Hill and Sons, Inc.	-	-	-	-	-	223	4,807
Saticoy Sanitary District	-	-	-	-	-	-	-
<i>Saticoy Sanitary District</i>	326,482	275,193	317,183	317,183	275,649	277,923	455,587
<i>Saticoy Sanitary District - Central Administration</i>	125,221	72,831	81,348	81,348	74,254	63,833	67,823
Saticoy Sanitary District Total	451,703	348,023	398,531	398,531	349,903	341,756	523,410
Shadow Ridge	-	-	-	-	-	-	16,633
Summerland Sanitary District	-	-	-	-	-	-	4,401
Thacher School	164,176	150,604	147,457	147,457	98,315	85,610	83,609
Thomas Aquinas College	278,287	218,581	257,353	257,353	265,556	262,397	278,904
City of Thousand Oaks	-	-	-	-	-	-	-
<i>City of Thousand Oaks</i>	6,381	2,242	6,264	6,264	2,698	7,385	6,615
City of Thousand Oaks Total	6,381	2,242	6,264	6,264	2,698	7,385	6,615
Top O'Topanga Community Association	196,400	198,144	187,116	187,116	175,411	148,613	142,057
Triunfo Sanitation District	-	-	-	-	-	-	-
<i>Triunfo Sanitation District</i>	3,441,583	2,969,457	3,223,387	3,223,387	2,406,272	2,697,186	2,848,387
<i>Triunfo Sanitation District - Central Administration</i>	1,620,472	1,347,599	1,277,366	1,277,366	1,291,282	1,149,272	913,787
Triunfo Sanitation District Total	5,062,055	4,317,057	4,500,753	4,500,753	3,697,554	3,846,458	3,762,175
County of Ventura	-	-	-	-	-	-	-
<i>Moorpark</i>	184,528	213,490	144,386	144,386	143,808	204,257	55,077
<i>NorthCoast</i>	405,734	428,170	391,850	391,850	503,842	412,560	375,886
<i>Piru</i>	41,010	2,318	21,960	21,960	21,457	70,323	39,986
<i>County of Ventura - Special Projects</i>	1,363	43,658	1,363	1,363	74,545	23,137	35,776
County of Ventura Total	632,634	687,635	559,558	559,558	743,653	710,276	506,726
Ventura County Regional Energy Alliance	7,698	3,844	7,976	7,976	3,428	3,014	2,892
Miscellaneous Customers	54,301	35,367	17,969	17,969	3,101	14,042	5,154
Customer Total	7,687,013	6,914,837	7,227,962	7,227,962	6,158,294	6,205,167	6,101,222
Excluding Central Administration Revenue Sales	(1,753,391)	(1,424,274)	(1,366,690)	(1,366,690)	(1,368,963)	(1,219,152)	(989,614)
Excluding Solid Waste Revenue Sales	(114,737)	(67,541)	(124,143)	(124,143)	(84,735)	(81,546)	(53,613)
Total Water Wastewater Revenue Sales	\$ 5,818,885	\$ 5,423,022	\$ 5,737,129	\$ 5,737,129	\$ 4,704,596	\$ 4,904,469	\$ 5,057,994

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

VENTURA REGIONAL SANITATION DISTRICT

FISCAL YEAR 2019 BUDGET SUMMARY

MALIBU BAY CLUB

Description	Maintenance	Operations	Environmental Monitoring	Total Budget
<u>Expense</u>				
Labor	41,970	61,317	23,304	126,591
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	-	16,100	-	16,100
Legal	-	11,500	-	11,500
Total Expenses	\$ 63,450	\$ 111,130	\$ 40,479	\$ 215,059
Annual sewer service fee [1]				188,545
Annual surplus/(deficit)				\$ (26,514)

[1] \$115.53 monthly operations and maintenance fee per parcel.

	Reserve Fund	Reimbursement of Advance
Beginning Balance	30,012	119,973
FY 2019 - Tax Roll Apportionment	10,004	(60,009)
Deficit - FY 2019	-	26,514
Ending Balance	\$ 40,016	\$ 86,478

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Solid Waste

Fiscal Year 2019 Budget Summary.....	24
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VENTURA REGIONAL SANITATION DISTRICT
FISCAL YEAR 2019 BUDGET SUMMARY
SOLID WASTE

Description	Actual FY 2016 Yearend	Actual FY 2017 Yearend	Adopted FY 2018 Budget	Estimated FY 2018 Yearend	Proposed FY 2019 Budget	FY18 vs. FY19 Budget Inc/(Dec)
Operating revenues:						
Revenue - sales	\$ 12,412,112	\$ 12,639,373	\$ 12,219,283	\$ 20,174,869	\$ 14,296,477	17% [1]
Revenue - other	174,450	212,844	171,800	2,365,970	155,800	-9% [2]
Reimb from outside agencies	-	-	-	-	-	0%
Total operating revenues	12,586,562	12,852,217	12,391,083	22,540,839	14,452,277	17%
Operating expenses:						
Salaries and employee benefits	2,689,489	2,618,915	2,688,807	2,844,010	3,167,074	18% [3]
General administrative	36,473	178,819	31,850	40,005	34,000	7% [4]
Operating materials and supplies	1,045,676	752,411	820,290	2,066,482	929,956	13% [5]
Contract services - labor	302,418	379,580	300,000	831,548	140,000	-53% [6]
Professional services	759,151	785,004	656,720	2,168,462	872,416	33% [7]
Facility maintenance	412,890	355,868	309,810	866,602	309,810	0% [8]
Permit, fees & other	1,265,248	1,195,849	1,202,300	1,968,622	1,396,502	16% [9]
Total operating expenses	6,511,345	6,266,448	6,009,777	10,785,731	6,849,758	14%
Operating income(loss) before depreciation	6,075,217	6,585,770	6,381,306	11,755,108	7,602,519	19%
Depreciation and amortization	1,948,473	2,376,688	2,270,472	2,480,290	2,479,872	9%
Operating income(loss)	4,126,744	4,209,082	4,110,834	9,274,819	5,122,647	25%
Non-operating revenues(expenses):						
Interest and investment earnings	233,657	(23,651)	99,000	273,938	248,000	151%
Gain(loss) on sales and/or disposals of assets	-	-	-	-	-	0%
Debt service interest expense	(416,502)	(389,378)	(409,758)	(405,059)	(372,193)	-9%
Grant revenue	-	-	-	-	-	0%
Other, net	58	30	-	43	-	0%
Total non-operating revenues(expenses) before transfers	(182,787)	(412,999)	(310,758)	(131,078)	(124,193)	-60%
Overhead cost allocation - Central Administration	-	-	-	-	-	0%
ISF fleet use	2,260	265	3,060	-	3,060	0%
Intra-department labor transfer	123,570	72,366	20,340	69,301	20,960	3% [10]
Landfill processing fee transfer	145,376	138,102	154,100	17,489	11,325	-93% [11]
Contra-post closure expenses	-	-	-	-	-	0%
Total transfers in	271,206	210,733	177,500	86,790	35,345	-80%
Overhead cost allocation - Central Administration	(1,820,730)	(1,646,496)	(1,436,497)	(1,436,496)	(1,985,218)	38% [12]
ISF fleet use	(1,762,239)	(1,744,980)	(1,624,283)	(1,766,258)	(1,565,547)	-4%
Intra-department labor transfer	(217,792)	(132,535)	(73,825)	(345,408)	(70,029)	-5%
Landfill processing fee transfer	-	-	-	-	-	0%
Provision for landfill closure/postclosure	(1,442,183)	(1,455,367)	(1,461,940)	(617,724)	(663,140)	-55% [13]
Total transfers out	(5,242,944)	(4,979,377)	(4,596,545)	(4,165,886)	(4,283,934)	-7%
Net transfers	(4,971,739)	(4,768,644)	(4,419,045)	(4,079,096)	(4,248,589)	-4%
Total non-operating revenues(expenses), net	(5,154,525)	(5,181,643)	(4,729,803)	(4,210,173)	(4,372,782)	-8%
Change in net assets	\$ (1,027,782)	\$ (972,561)	\$ (618,969)	\$ 5,064,646	\$ 749,865	-221%

VENTURA REGIONAL SANITATION DISTRICT

FISCAL YEAR 2019 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 \$14,181,740, based upon the disposal of 455,787 tons of refuse, including backfilling of the decrease in biosolids/sludge tonnage with solid waste and four months of an additional 300 tons of solid waste per day after approval of an amended CUP. This line also includes \$114,737 from the City of Oxnard for EPG at River Ridge.
- [2] Budgeted Revenue decrease is reflective of the Millenium Grove burning during the FY2018 Thomas Fire.
- [3] The FY2019 Budget includes 29 FTE assigned to the Solid Waste Division. The Salaries & Employee Benefits increase is reflective of the addition of 5 Solid Waste Helpers and 1 Solid Waste Worker during FY2019. The Engineering Manager and one Senior Engineer position will remain in the budget but, unfunded for FY2019.
- [4] Budgeted FY2019 General Administrative expenses are comprised of \$15K for Conferences, Seminars, & Training; \$5.25K for Education Reimbursements; and \$13.75K for other general administrative expenses.
- [5] Operating Materials and Supplies include Rock & Sand, Lab Services & Supplies, Safety Supplies, Chemical Supplies & Disposal, Wastewater Transportation & Disposal, Computer Equipment, Equipment Repair, Piping.
- [6] Temporary Labor will decrease during FY2019 due to the District establishing a Solid Waste Helper classification. The need for some temporary labor will always remain for absences, extended leaves, and temporary projects.
- [7] FY2019 Professional Services are primarily comprised of Engineering Consultants (\$175K), Environmental Consultants (\$192.7K), General Counsel (\$130K), Contractor Construction (\$200K), and Labor Attorneys (\$65K). Additionally, \$100K of the \$155K budgeted for a safety consultant is budgeted in Solid Waste.
- [8] Facility Maintenance includes \$153.7K for Utilities, \$141.1K for Automotive & Equipment Rental, and \$15K for Automotive & Equipment Maintenance & Repair.
- [9] The increase in Permits, Licenses, and Fees, during FY2019 is due to the extra tonnage received at Toland Road Landfill.
- [10] Intra-department Labor Transfer In is reflective of Solid Waste Division staff supporting operations in other divisions.
- [11] Landfill Processing Fee Transfer In is reflective of closure/postclosure fees transfered from the Biosolids & Microturbine Electrical Generation Facility to the Solid Waste Division when biosolids/sludge is buried in the landfill. The decrease is reflective of a decrease in biosolids/sludge tonnage to be buried at Toland Road Landfill during FY2019.
- [12] This increase is attributable to an increase in total Central Administration overhead expenses reallocated to other divisions during FY2019.
- [13] The Provision For Landfill Closure/Postclosure decrease is reflective of the decrease in 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

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VENTURA REGIONAL SANITATION DISTRICT

FISCAL YEAR 2019 BUDGET SUMMARY

POST CLOSED LANDFILL MAINTENANCE

Description	Actual FY 2016 Yearend	Actual FY 2017 Yearend	Adopted FY 2018 Budget	Estimated FY 2018 Yearend	Proposed FY 2019 Budget	FY18 vs. FY19 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	-	-	112,284	-	118,033	5%
General administrative	1,558	476	1,054	3,211	1,054	0%
Operating materials and supplies	414,987	213,444	155,500	138,261	140,500	-10%
Contract services - labor	72,295	64,424	22,500	64,310	42,500	89%
Professional services	644,264	446,439	247,600	223,834	230,100	-7% [1]
Facility maintenance	144,233	58,258	132,500	28,228	127,500	-4% [2]
Permit, fees & other	68,201	79,837	75,350	56,548	75,350	0%
Total operating expenses	1,345,537	862,878	746,788	514,392	735,037	-2%
Operating income(loss) before depreciation	(1,345,537)	(862,878)	(746,788)	(514,392)	(735,037)	-2%
Depreciation and amortization	30,502	17,046	17,046	17,046	14,559	-15%
Operating income(loss)	(1,376,040)	(879,924)	(763,834)	(531,438)	(749,596)	-2%
Non-operating revenues(expenses):						
Interest and investment earnings	379,970	83,816	200,000	162,739	190,000	-5%
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	379,970	83,816	200,000	162,739	190,000	-5%
Overhead cost allocation - Central Administration	-	-	-	-	-	0%
ISF fleet use	-	-	-	-	-	0%
Intra-department labor transfer	-	-	-	-	-	0%
Landfill processing fee transfer	-	-	-	-	-	0%
Contra-post closure expenses	1,481,706	954,019	593,988	598,564	780,456	31%
Total transfers in	1,481,706	954,019	593,988	598,564	780,456	31%
Overhead cost allocation - Central Administration	-	-	-	-	-	0%
ISF fleet use	(4,158)	(5,205)	(6,642)	(5,611)	(6,642)	0%
Intra-department labor transfer	(102,210)	(69,513)	(23,512)	(61,969)	(24,218)	3%
Landfill processing fee transfer	-	-	-	-	-	0%
Provision for landfill closure/postclosure	-	-	-	-	-	0%
Total transfers out	(106,367)	(74,718)	(30,154)	(67,580)	(30,860)	2%
Net transfers	1,375,338	879,302	563,834	530,985	749,596	33%
Total non-operating revenues(expenses), net	1,755,308	963,117	763,834	693,723	939,596	23%
Change in net assets	\$ 379,269	\$ 83,193	\$ -	\$ 162,285	\$ 190,000	0%

VENTURA REGIONAL SANITATION DISTRICT
FISCAL YEAR 2019 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] FY2019 Professional Services include Environmental Consultants (\$93.5K), Engineering Consultants (\$45K), Contractor Construction (\$40K), PFM for Investment Services (\$21.6K), and General Counsel (\$10K).

[2] Facility Maintenance includes Equipment Maintenance (\$75K), Equipment Rental (26.5K), and Utilities (\$26K).

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Biosolids & Microturbine Electrical Generation Facility

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VENTURA REGIONAL SANITATION DISTRICT
FISCAL YEAR 2019 BUDGET SUMMARY
BIOSOLIDS & MICROTURBINE ELECTRICAL GENERATION FACILITY

Description	Actual FY 2016 Yearend	Actual FY 2017 Yearend	Adopted FY 2018 Budget	Estimated FY 2018 Yearend	Proposed FY 2019 Budget	FY18 vs. FY19 Budget Inc/(Dec)
Operating revenues:						
Revenue - sales	\$ 2,613,682	\$ 2,251,628	\$ 2,300,000	\$ 1,054,799	\$ 560,650	-76% [1]
Revenue - other	148,284	103,116	125,000	178,146	50,000	-60% [2]
Reimb from outside agencies	-	-	-	-	-	0%
Total operating revenues	2,761,966	2,354,744	2,425,000	1,232,945	610,650	-75%
Operating expenses:						
Salaries and employee benefits	87,352	(8,834)	-	(6,278)	-	0% [3]
General administrative	49,054	46,076	50,750	48,234	47,500	-6% [4]
Operating materials and supplies	563,885	460,871	506,000	293,215	181,000	-64% [5]
Contract services - labor	-	-	-	-	-	0%
Professional services	372,898	14,993	50,500	26,349	25,000	-50% [6]
Facility maintenance	38,400	33,341	52,500	28,474	50,000	-5% [7]
Permit, fees & other	388,980	245,438	246,500	215,497	140,500	-43% [8]
Total operating expenses	1,500,569	791,885	906,250	605,489	444,000	-51%
Operating income(loss) before depreciation	1,261,397	1,562,859	1,518,750	627,456	166,650	-89%
Depreciation and amortization	1,000,019	1,004,788	1,004,788	1,004,788	1,004,788	0%
Operating income(loss)	261,378	558,072	513,962	(377,332)	(838,138)	-263%
Non-operating revenues(expenses):						
Interest and investment earnings	4,710	1,021	2,000	6,822	2,000	0%
Gain(loss) on sales and/or disposals of assets	-	-	-	-	-	0%
Debt service interest expense	(554,759)	(211,368)	(175,372)	(184,981)	(160,144)	-9%
Grant revenue	-	-	-	-	-	0%
Other, net	-	-	-	-	-	0%
Total non-operating revenues(expenses) before transfers	(550,049)	(210,347)	(173,372)	(178,159)	(158,144)	-9%
Overhead cost allocation - Central Administration	-	-	-	-	-	0%
ISF fleet use	-	-	-	-	-	0%
Intra-department labor transfer	10,560	-	-	-	-	0%
Landfill processing fee transfer	-	-	-	-	-	0%
Contra-post closure expenses	-	-	-	-	-	0%
Total transfers in	10,560	-	-	-	-	0%
Overhead cost allocation - Central Administration	(305,778)	(66,120)	(260,060)	(260,064)	(77,852)	-70% [9]
ISF fleet use	(91,534)	(91,286)	(102,430)	(91,183)	(112,939)	10%
Intra-department labor transfer	(54,286)	(14,918)	(20,340)	(16,037)	(20,960)	3%
Landfill processing fee transfer	(145,376)	(138,102)	(154,100)	(17,489)	(11,325)	-93% [10]
Provision for landfill closure/postclosure	-	-	-	-	-	0%
Total transfers out	(596,973)	(310,427)	(536,930)	(384,773)	(223,076)	-58%
Net transfers	(586,413)	(310,427)	(536,930)	(384,773)	(223,076)	-58%
Total non-operating revenues(expenses), net	(1,136,462)	(520,774)	(710,302)	(562,933)	(381,220)	-46%
Change in net assets	\$ (875,084)	\$ 37,298	\$ (196,340)	\$ (940,264)	\$ (1,219,358)	521%

VENTURA REGIONAL SANITATION DISTRICT
FISCAL YEAR 2019 BUDGET SUMMARY
BIOSOLIDS & MICROTURBINE ELECTRICAL GENERATION FACILITY

COMMENTS

Fiscal Year 2018-2019 (FY2019) is the ninth year of operations for the District's Biosolids & Microturbine Electrical Generation facility. Revenues for this budget division include fees for receiving biosolids (\$560K) and sale of self-generated electricity to the grid (\$50K).

[1] The following biosolids customers and deliveries are expected in the FY2019 budget:

- Oxnard: 7,388 Tons
- Ventura: 2,900 Tons
- Santa Paula: 725 Tons
- Piru: 150 Tons
- Misc: 50 Tons

This budget does not reflect a biosolids rate increase for FY2019.

[2] \$50K is budgeted in electrical generation revenue for FY2019 due to historical unreliability of the microturbines.

[3] The FY2017, FY2018, and FY2019, Budgets include no Biosolids & Microturbine Electrical Generation Facility specific employees.

[4] This decrease is reflective of a decrease in property insurance.

[5] This decrease is reflective of a \$325K decrease in transportation of biosolids/sludge to the landfill, due to decreased tonnage. FY2019 Operating Materials & Supplies include \$75K for transportation of biosolids/sludge to the landfill and \$106K for materials & supplies necessary to keep the microturbines online.

[6] \$25K is budgeted in Professional Services for FY2019 to keep the microturbines online

[7] FY2019 Facility Maintenance includes \$25K for utilities and \$25K for the microturbines' landfill gas treatment skid.

[8] The FY2019 budget includes \$100K in anticipation of 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 decrease is attributable to a decrease in the percentage of the total Central Administration overhead expenses reallocated to the Biosolids & Microturbine Electrical Generation Facility during FY2019, resulting from decreased revenues.

[10] 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/sludge is 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 - ISF

Fiscal Year 2019 Budget Summary.....	36
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VENTURA REGIONAL SANITATION DISTRICT

FISCAL YEAR 2019 BUDGET SUMMARY

VEHICLES & HEAVY EQUIPMENT - ISF

Description	Actual FY 2016 Yearend	Actual FY 2017 Yearend	Adopted FY 2018 Budget	Estimated FY 2018 Yearend	Proposed FY 2019 Budget	FY18 vs. FY19 Budget Inc/(Dec)
Operating revenues:						
Revenue - sales	\$ -	\$ -	\$ -	\$ -	\$ -	0%
Revenue - other	173	-	-	-	-	0%
Reimb from outside agencies	-	-	-	-	-	0%
Total operating revenues	173	-	-	-	-	0%
Operating expenses:						
Salaries and employee benefits	155,880	290,559	280,798	338,804	308,014	10% [1]
General administrative	95,326	100,208	88,652	117,580	120,979	36% [2]
Operating materials and supplies	374,244	406,243	463,000	549,514	465,500	1% [3]
Contract services - labor	-	-	-	-	-	0%
Professional services	-	-	1,000	-	1,000	0%
Facility maintenance	362,752	282,963	453,815	445,783	554,795	22% [4]
Permit, fees & other	2,169	1,299	1,300	1,421	5,000	285% [5]
Total operating expenses	990,372	1,081,272	1,288,565	1,453,102	1,455,288	13%
Operating income(loss) before depreciation	(990,199)	(1,081,272)	(1,288,565)	(1,453,102)	(1,455,288)	13%
Depreciation and amortization	588,458	527,291	525,840	483,672	487,191	-7%
Operating income(loss)	(1,578,657)	(1,608,562)	(1,814,405)	(1,936,774)	(1,942,479)	7%
Non-operating revenues(expenses):						
Interest and investment earnings	4,290	1,078	1,600	11,201	5,000	213%
Gain(loss) on sales and/or disposals of assets	47,883	1,100	-	16,823	-	0%
Debt service interest expense	-	-	-	-	-	0%
Grant revenue	-	-	-	-	-	0%
Other, net	-	-	-	-	-	0%
Total non-operating revenues(expenses) before transfers	52,173	2,178	1,600	28,024	5,000	213%
Overhead cost allocation - Central Administration	-	-	-	-	-	0%
ISF fleet use	2,266,233	2,266,233	2,100,346	2,266,233	2,084,441	-1%
Intra-department labor transfer	-	-	21,000	2,760	21,600	3%
Landfill processing fee transfer	-	-	-	-	-	0%
Contra-post closure expenses	-	-	-	-	-	0%
Total transfers in	2,266,233	2,266,233	2,121,346	2,268,993	2,106,041	-1%
Overhead cost allocation - Central Administration	-	-	-	-	-	0%
ISF fleet use	(10)	-	-	-	-	0%
Intra-department labor transfer	(69,415)	(76,903)	(32,710)	(82,224)	(45,488)	39%
Landfill processing fee transfer	-	-	-	-	-	0%
Provision for landfill closure/postclosure	-	-	-	-	-	0%
Total transfers out	(69,425)	(76,903)	(32,710)	(82,224)	(45,488)	39%
Net transfers	2,196,808	2,189,331	2,088,636	2,186,769	2,060,553	-1%
Total non-operating revenues(expenses), net	2,248,981	2,191,509	2,090,236	2,214,793	2,065,553	-1%
Change in net assets	\$ 670,324	\$ 582,947	\$ 275,831	\$ 278,019	\$ 123,074	-55%

VENTURA REGIONAL SANITATION DISTRICT
FISCAL YEAR 2019 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 FY2019 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] This increase is reflective of an increase in insurance rates.

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

[4] Facility maintenance includes heavy equipment repair and equipment rental. FY2019 includes the addition of two undercarriages (\$100K).

[5] This increase is reflective of a license purchase associated with a fuel tracking software change.

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Capital Plan

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Five-Year Capital Improvement Program	45
Project Descriptions.....	46

VENTURA REGIONAL SANITATION DISTRICT
FISCAL YEAR 2019 BUDGET SUMMARY
CAPITAL PLAN

Description	Actual FY 2016 Yearend	Actual FY 2017 Yearend	Adopted FY 2018 Budget	Estimated FY 2018 Yearend	Proposed FY 2019 Budget	FY18 vs. FY19 Budget Inc/(Dec)
Capital expenditures:						
Salaries and employee benefits	-	-	-	-	-	0%
General administrative	21	-	25,000	170	-	-100%
Operating materials and supplies	66,190	255,556	1,410,000	572,310	613,000	-57%
Contract services - labor	-	-	-	-	-	0%
Information technology services	13,464	8,955	15,000	6,465	24,000	60%
Engineering services	836,058	522,059	300,000	207,986	260,000	-13%
Environmental services	9,881	12,091	-	-	-	0%
Professional services	103,427	122,504	130,000	84,522	156,000	20%
Attorney services	3,778	-	-	-	-	0%
Contractor construction	5,105,802	1,125,480	1,110,000	133,278	1,200,000	8%
Structures and improvements	-	14,639	25,100	2,274	5,100	-80%
Auto and truck fleet	306,661	10,395	511,058	208,214	655,804	28%
Heavy equipment	833,735	27,284	410,750	-	3,981,204	869%
Other machinery and equipment	173,356	9,867	385,705	260,437	110,000	-71%
Other physical property	-	-	-	-	-	0%
Furniture and fixtures	-	11,737	-	-	2,500	0%
Computer equipment	58,041	-	25,000	-	27,650	11%
Facility maintenance	5,045	-	15,000	-	-	-100%
Permit, fees & other	-	-	-	4,680	-	0%
Total capital expenditures	7,515,459	2,120,568	4,362,613	1,480,336	7,035,258	61%
Capital expenditures before transfers	(7,515,459)	(2,120,568)	(4,362,613)	(1,480,336)	(7,035,258)	61%
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	-	-	-	(2,574)	-	0%
Landfill processing fee transfer	-	-	-	-	-	0%
Provision for landfill closure/postclosure	-	-	-	-	-	0%
Total transfers out	-	-	-	(2,574)	-	0%
Net transfers	-	-	-	(2,574)	-	0%
Capital expenditures before capital expenditures - contra	\$ (7,515,459)	\$ (2,120,568)	\$ (4,362,613)	\$ (1,482,910)	\$ (7,035,258)	61%
Capital expenditures - contra	(7,515,459)	(2,120,568)	-	-	-	0%
Total capital expenditures	\$ -	\$ 0	\$ (4,362,613)	\$ (1,482,910)	\$ (7,035,258)	61%

VENTURA REGIONAL SANITATION DISTRICT
FISCAL YEAR 2019 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 46 through 66.

Funding for Capital expenditures in FY2019 is expected to come from the use of District reserves. Additional discussion of the impact on reserves is included in the Reserve Analysis (Page 70).

Project	Amount
Copy Machines	15,000
Central Admin Miscellaneous	10,000
Exchange Server	9,100
Domain Controller	5,900
Automate Water Wastewater Gates	15,000
Rehab Existing Water Wastewater Building for Storage	5,100
Water/Wastewater Office Reconfiguration	5,150
Toland Access Road Upgrades	200,000
Toland Landfill Scalehouse	58,000
Solid Waste Miscellaneous	1,020,000
Toland Landfill Extension	50,000
Toland Landfill Master Planning	100,000
Toland Gas Collection	425,000
Toland IT Equipment Relocation	40,000
Toland Leachate Treatment System	100,000
Toland Phase 2c	340,000
ISF - WWW Capital	615,000
ISF - SW Capital	4,022,008
Total	\$ 7,035,258

VENTURA REGIONAL SANITATION DISTRICT
FISCAL YEAR 2019 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	10,000
Project Total		\$ 10,000
Exchange Server		
90 - 190 - 52073 - 199916	Microsoft Exchange Server 2016 License	600
90 - 190 - 52073 - 199916	Microsoft Exchange 2016 User Licenses	5,500
90 - 190 - 52080 - 199916	Labor	3,000
Project Total		\$ 9,100
Domain Controller		
90 - 190 - 52073 - 199917	Microsoft Windows Server 2016 Licenses	2,900
90 - 190 - 52080 - 199917	Labor	3,000
Project Total		\$ 5,900
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 - 52350 - 299905	Furniture and Fixtures	2,500
90 - 290 - 52360 - 299905	Computers	2,650
Project Total		\$ 5,150
Total Water/Wastewater Capital Spending		\$ 25,250

VENTURA REGIONAL SANITATION DISTRICT

FISCAL YEAR 2019 BUDGET SUMMARY

CAPITAL PLAN - DETAIL BY DIVISION

Project	Description	Cost
SOLID WASTE		
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 Landfill Scalehouse		
90 - 490 - 52082 - 499901	Contractor Construction	5,000
90 - 490 - 52150 - 499901	Permits, Licenses, and Fees	3,000
90 - 490 - 52340 - 499901	Equipment	50,000
Project Total		\$ 58,000
Solid Waste Miscellaneous		
90 - 490 - 52065 - 499902	Miscellaneous	20,000
90 - 490 - 52080 - 499902	Professional Services	100,000
90 - 490 - 52082 - 499902	Drilling Contractor	600,000
90 - 490 - 52185 - 499902	Pipe, Well Casing, Drilling Materials	300,000
Project Total		\$ 1,020,000
Toland Landfill Extension		
90 - 490 - 52080 - 499914	Professional Services	50,000
Project Total		\$ 50,000
Toland Landfill Master Planning		
90 - 490 - 52074 - 499914	Engineering Consultants	100,000
Project Total		\$ 100,000
Gas Collection		
90 - 490 - 52074 - 499921	Engineering Consultants	75,000
90 - 490 - 52082 - 499921	Contractor Construction	150,000
90 - 490 - 52185 - 499921	Operating Supplies	100,000
90 - 490 - 52186 - 499921	Operating Services	100,000
Project Total		\$ 425,000
Toland IT Equipment Relocation		
90 - 490 - 52073 - 499928	Labor	15,000
90 - 490 - 52360 - 499928	Computer Equipment	25,000
Project Total		\$ 40,000
Toland Leachate Treatment System		
90 - 490 - 52074 - 499930	Engineering Consultants	25,000
90 - 490 - 52082 - 499930	Contractor Construction	15,000
90 - 490 - 52185 - 499930	Operating Supplies	15,000
90 - 490 - 52340 - 499930	Equipment	45,000
Project Total		\$ 100,000
Toland Phase 2c		
90 - 490 - 52074 - 499931	Engineering Consultants	40,000
90 - 490 - 52082 - 499931	Contractor Construction	250,000
90 - 490 - 52185 - 499931	Operating Supplies	50,000
Project Total		\$ 340,000
Total Solid Waste Capital Spending		\$ 2,333,000

VENTURA REGIONAL SANITATION DISTRICT
FISCAL YEAR 2019 BUDGET SUMMARY
CAPITAL PLAN - DETAIL BY DIVISION

Project	Description	Cost
VEHICLES & HEAVY EQUIPMENT - ISF		
ISF - WWW Capital		
90 - 590 - 52320 - 599900	Light Duty Trucks (3)	90,000
90 - 590 - 52320 - 599900	Tool Trucks (2)	100,000
90 - 590 - 52320 - 599900	Vactor (Including \$60,000 Credit)	425,000
Project Total		\$ 615,000
ISF - SW Capital		
90 - 590 - 52320 - 599901	Pickup Trucks (2)	40,804
90 - 590 - 52330 - 599901	Broom Truck	150,000
90 - 590 - 52330 - 599901	Compactor	1,186,992
90 - 590 - 52330 - 599901	D6 Dozer	468,650
90 - 590 - 52330 - 599901	D9 Dozer	1,308,691
90 - 590 - 52330 - 599901	Loader	339,777
90 - 590 - 52330 - 599901	Mini Excavator	195,766
90 - 590 - 52330 - 599901	Rock Truck	476,328
90 - 590 - 52330 - 599901	Salvage	(145,000)
Project Total		\$ 4,022,008
Total Vehicles & Heavy Equipment - ISF Capital Spending		\$ 4,637,008
Total District Capital Spending		\$ 7,035,258

VENTURA REGIONAL SANITATION DISTRICT

FIVE-YEAR CAPITAL IMPROVEMENT PLAN (CIP)

Description	FY 2019 ¹	FY 2020	FY 2021	FY 2022	FY 2023
<u>Central Administration:</u>					
Copy Machines	15,000				
Finance System				3,000,000	
Miscellaneous	10,000	25,000	25,000	25,000	25,000
Exchange Server	9,100				
Domain Controller	5,900				
<u>Water/Wastewater</u>					
Automate Gates	15,000				
Rehab Existing Building for Storage	5,100				
Office Reconfiguration	5,150				
Miscellaneous		7,500	7,500	7,500	7,500
<u>Solid Waste:</u>					
Toland Access Road Upgrades	200,000				
Toland Landfill Scalehouse	58,000				
Miscellaneous	1,020,000				
Toland Landfill Extension	50,000				
Toland Landfill Master Planning	100,000	100,000		180,000	
Toland Gas Collection	425,000	2,650,000	350,000	200,000	350,000
Toland IT Equipment Relocation	40,000				
Toland Leachate Treatment System	100,000				
Toland Landfill Phase 2	340,000				
Toland Landfill Phase 4		4,600,000			2,100,000
<u>Biosolids/Microturbine Electrical Generation:</u>					
Biosolids Capital					
Microturbines Capital					
<u>Vehicles & Heavy Equipment:²</u>					
ISF - Water/Wastewater	615,000	216,300	68,959	677,491	
ISF - Solid Waste	4,022,008	796,813	20,812	425,110	1,206,419
ISF - Biosolids & Microturbines					
ISF - Central Administration					
Fiscal Year Grand Total:	\$ 7,035,258	\$ 8,395,613	\$ 472,271	\$ 4,515,101	\$ 3,688,919
Running Total:	\$ 7,035,258	\$ 15,430,871	\$ 15,903,142	\$ 20,418,243	\$ 24,107,162

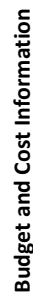
Notes:

- 1 FY is Fiscal Year, the year shown is the end of the fiscal year (e.g. - FY2019 is July 2018 through June 2019)
- 2 Amounts based on ISF replacement schedule.
- 3 Amounts presented in future dollar value.

Project Number: 199914
Department: Central Administration
Estimated Percent Complete at Beginning of FY 2019: 0%
Estimated Completion Date: December 2018

This project includes the purchase of new color printer/copier/scanner/fax machines for both the General Manager's quad and the Finance Department quad.

This project was budgeted in FY2018 but delayed until FY2019.

FY2019 Budget

Project Number: 199914
Department: Central Administration
Estimated Percent Complete at Beginning of FY 2019: N/A
Estimated Completion Date: N/A

This project number is for miscellaneous capital purchases that may arise throughout the FY.

FY2019 purchases to be determined.

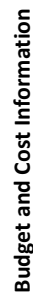


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Project Number: 199916
Department: Central Administration
Estimated Percent Complete at Beginning of FY 2019: 0%
Estimated Completion Date: December 2018

This project includes the implementation of a new exchange server with Microsoft Exchange Server 2016, including licenses and labor.

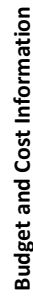
New project in FY2019

FY2019 Budget

Project Number: 199917
Department: Central Administration
Estimated Percent Complete at Beginning of FY 2019: 0%
Estimated Completion Date: December 2018

This project includes the implementation of a new domain controller with Microsoft Windows Server 2016, including licenses and labor.

New project in FY2019



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Project Number: TBD
Department: Central Administration
Estimated Percent Complete at Beginning of FY 2019: 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



Fund or Account No.	FY 2018		Estimated Unspent	FY 2019	Consultants				Estimated Future Costs		
	Budget	Estimated Spent			FY 2020	FY 2021	FY 2022	FY 2023 and beyond	Estimated Total		
90-190-1999xx-xxxx			-				3,000,000		3,000,000		
			-								
			-								
			-								
			-								
			-								
			-								
			-								
			-								
Subtotal	-	-	-	-	-	-	3,000,000	-	3,000,000		
Construction											
			-								
			-								
			-								
			-								
			-								
			-								
			-								
Subtotal		-	-	-	-	-	-	-			
Project Totals	-	-	-	-	-	-	3,000,000	-	3,000,000		

Project Number: 299901
Department: Water/Wastewater
Estimated Percent Complete at Beginning of FY 2019: 0%
Estimated Completion Date: March 2019

This project will add automated openers to the two gates at the Baillard 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.



This project was budgeted in FY2018 but delayed until FY2019.

[illegible]

Project Number: 299903
Department: Water/Wastewater
Estimated Percent Complete at Beginning of FY 2019: 49%
Estimated Completion Date: September 2018

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

Overhead doors have already been installed.

[illegible]

Project Number: 299905
Department: Water/Wastewater
Estimated Percent Complete at Beginning of FY 2019: 50%
Estimated Completion Date: October 2018

This project includes installation of new work stations in the breakroom, which will include new work surfaces and shelving for the staff. This project will include the addition of five new computers.



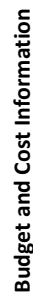
This project began during the second half of FY2018 and will be completed during the first half of FY2019.

Fund or Account No.	FY 2018		Estimated Unspent	FY 2019	Estimated Future Costs			
	Budget	Estimated Spent			FY 2020	FY 2021	FY 2022	FY 2023 and beyond
90-290-299905-52310	20,000	2,274	17,726					2,274
90-290-299905-52350			-	2,500				2,500
90-290-299905-52360			-	2,600				2,600
			-					-
			-					-
			-					-
			-					-
Subtotal	20,000	2,274	17,726	5,100	-	-	-	7,374
			-					-
			-					-
			-					-
			-					-
			-					-
			-					-
			-					-
Subtotal		-	-	-	-	-	-	-
Project Totals	20,000	2,274	17,726	5,100	-	-	-	7,374

Project Number: 299904
Department: Water/Wastewater
Estimated Percent Complete at Beginning of FY 2019: N/A
Estimated Completion Date: N/A

This project number is for miscellaneous capital purchases that may arise throughout the Fiscal Year.

No purchases are included in FY2019.

FY2019 Budget

Project Number: 499900
Department: Solid Waste
Estimated Percent Complete at Beginning of FY 2019: 0%
Estimated Completion Date: Summer 2018 (Phase 1); Summer 2027 (Phase 2)

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.

Project was approved in FY2018, but was not started due to Thomas Fire.



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Scalehouse

Project Number: 499901
 Department: Solid Waste
 Estimated Percent Complete at Beginning of FY 2019: 73%
 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:

New 70-foot scale was installed in February 2018. New larger scalehouse will be installed in FY2019.

Budget and Cost Information

Fund or Account No.	FY 2018		Estimated Unspent	FY 2019	Estimated Future Costs				Estimated Total
	Budget	Estimated Spent			FY 2020	FY 2021	FY 2022	FY 2023 and beyond	
Detailed Cost Information:									
Consultants									
			-						-
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Miscellaneous

Project Number: 499902
 Department: Solid Waste
 Estimated Percent Complete at Beginning of FY 2019: N/A
 Estimated Completion Date: N/A

Description:

This project number is for miscellaneous capital purchases that may arise throughout the FY. During FY2018, survey equipment and a pipe fusion machine was purchased. In FY2019, a new deep well needs to be drilled and installed in order to support future operations. The existing well was rehabbed during FY2018, but is not considered reliable long term.

Status:

Ongoing. Toland Deep Well project should be complete by Spring 2019.



Budget and Cost Information

Fund or Account No.	FY 2018		FY 2019	Estimated Future Costs				Estimated Total
	Budget	Estimated Spent		Estimated Unspent	FY 2020	FY 2021	FY 2022	
Consultants								
90-490-499902-52080			100,000					100,000
90-490-499902-52340	100,000	89,214		10,786				89,214
90-490-499902-52074		1,190		(1,190)				1,190
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[illegible]

Project Number: 499914
Department: Solid Waste
Estimated Percent Complete at Beginning of FY 2019: 28%
Estimated Completion Date: June 30, 2035

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.

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

[illegible]

Project Number: 499921
Department: Solid Waste
Estimated Percent Complete at Beginning of FY 2019: 21%
Estimated Completion Date: June 30, 2035

This project provides for development of engineering plans, permitting, construction quality assurance, and construction of vertical/horizontal gas collection wells and the collection header system. Costs include consultant time, construction, equipment, materials, and services during the project.

This is ongoing construction activity and it will continue over many years. FY2019 work will also include the installation of condensate injection equipment that will allow for injection into the flare stream.

[illegible]

Project Number: 499928
Department: Solid Waste
Estimated Percent Complete at Beginning of FY 2019: 0%
Estimated Completion Date: September 2018

This is an IT project to reroute the signal from the radio pad on the ridge above Toland site to the SCADA building.

Project was approved in FY2018, but was not started due to Thomas Fire.



61

Project Number: 499930
Department: Solid Waste
Estimated Percent Complete at Beginning of FY 2019: 17%
Estimated Completion Date: September 2018

This project provides for development of engineering plans, permitting, bidding, and construction work to treat leachate produced at Toland and reusing treated water for dust control.

Pilot study is near completion and design/construction phase will start in Summer 2018.

[illegible]

Project Number: 499931
Department: Solid Waste
Estimated Percent Complete at Beginning of FY 2019: 8%
Estimated Completion Date: June 30, 2019

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.

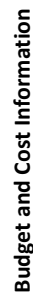
Phase 2c was originally constructed in the late 1990s. Repair work is in planning stages and set to begin during the Summer.

[illegible]

Project Number: 499920
Department: Solid Waste
Estimated Percent Complete at Beginning of FY 2019: 9%
Estimated Completion Date: June 30, 2028

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).

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 FY2020, FY2023, and FY2028.

FY2019 Budget

Project Number: 599900
Department: ISF
Estimated Percent Complete at Beginning of FY 2019: N/A
Estimated Completion Date: N/A

Description:
<p>This project includes vehicles and large equipment purchased for use by the Water/Wastewater Department.</p> <p>The FY2018 Budget originally included the purchase of one vactor (including a \$120,000 credit), one tool truck, three light duty trucks, and the installation of a regeneration station. Two trucks were purchased during FY2018.</p> <p>During FY2019, budgeted items include one vactor (including a \$60,000 credit), three light duty trucks, and two tool trucks.</p> <p>If possible, the District will attempt to purchase a vactor that served as a demo unit. These units have minimum miles on the engine and very little use of the system. A significant discount can be achieved, if a demo unit can be secured (\$60,000 discount).</p>

Status:	Ongoing
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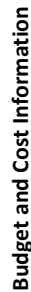
[illegible]

Project Number: 599901
Department: ISF
Estimated Percent Complete at Beginning of FY 2019: N/A
Estimated Completion Date: N/A

This project includes vehicles and large equipment purchased for use by the Solid Waste Department.

During FY2019, budgeted items include two 4WD pickup trucks (at auction), one broom truck (for more rigorous street sweeping of the site and Toland Road due to additional site traffic), one 836 compactor, one D6 dozer, one D9 dozer, one front-end loader, one mini excavator (to replace an old backhoe), and one mid-sized rock truck.

During FY2019, the District also plans to take the following heavy equipment out of rotation and sold for salvage: 2003 826 compactor (\$45,000), 2005 Front-end loader (\$25,000), 2006 backhoe (25,000), 2005 D7 Dozer (\$35,000), 2003 Fuel/Lube Truck (\$15,000).

FY2019 Budget

Supplemental Information

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VENTURA REGIONAL SANITATION DISTRICT
FISCAL YEAR 2019 BUDGET: TEN YEAR FINANCIAL TREND
ENTERPRISE FUND

Description	FY 2014 Actual	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Estimated
Operating revenues:					
Revenue - sales	\$ 19,428,644	\$ 21,415,729	\$ 21,149,414	\$ 20,964,561	\$ 28,076,964
Revenue - other	607,696	456,575	346,222	344,907	2,566,748
Operating Revenue Adjustments	-	-	-	-	-
Total operating revenues	20,036,340	21,872,303	21,495,637	21,309,468	30,643,712
Operating expenses:					
Salaries and employee benefits	7,838,223	8,039,978	7,878,690	7,979,466	8,872,188
General administrative	415,343	495,050	421,978	530,954	378,114
Operating materials and supplies	3,806,463	3,680,851	3,267,255	2,504,837	3,862,637
Contract services - labor	187,737	395,707	566,164	536,866	953,862
Professional services	1,418,687	1,581,407	2,835,425	2,266,521	3,502,717
Facility maintenance	1,209,466	1,851,291	1,259,686	1,009,919	1,644,049
Permit, fees & other	1,794,183	1,407,009	1,872,692	1,673,892	2,393,540
Operating Expense Adjustments	-	-	-	-	-
Total operating expenses	16,670,101	17,451,293	18,101,890	16,502,454	21,607,107
Operating income(loss) before depreciation	3,366,239	4,421,010	3,393,747	4,807,014	9,036,606
Depreciation and amortization	3,529,371	3,776,744	3,813,051	4,210,079	4,217,370
Operating income(loss)	(163,132)	644,266	(419,304)	596,935	4,819,236
Non-operating revenues(expenses):					
Interest and investment earnings	360,061	367,628	636,112	64,991	488,013
Gain(loss) on sales and/or disposals of assets	4,832	(12,552)	47,883	1,100	16,823
Debt service interest expense	(1,045,024)	(922,435)	(1,124,123)	(649,977)	(634,937)
Grant revenue	-	-	-	-	-
Other, net	107,325	94,792	144,738	39,712	46,193
Total non-operating revenues(expenses) before transfers	(572,807)	(472,568)	(295,389)	(544,174)	(83,908)
Overhead cost allocation - Central Administration	2,400,000	2,437,387	2,934,156	2,919,276	2,273,868
ISF fleet use	2,118,485	2,185,256	2,306,178	2,289,893	2,311,585
Intra-department labor transfer	662,364	516,864	467,080	310,346	540,576
Landfill processing fee transfer	152,251	171,776	145,376	138,102	17,489
Contra-post closure expenses	996,724	805,553	1,481,706	954,019	588,560
Total transfers in	6,329,824	6,116,836	7,334,495	6,611,636	5,732,079
Overhead cost allocation - Central Administration	(2,400,000)	(2,437,387)	(2,934,156)	(2,919,276)	(2,263,864)
ISF fleet use	(2,118,485)	(2,185,256)	(2,306,178)	(2,289,893)	(2,311,585)
Intra-department labor transfer	(662,364)	(516,864)	(467,080)	(310,346)	(538,002)
Landfill processing fee transfer	(152,251)	(171,776)	(145,376)	(138,102)	(17,489)
Provision for landfill closure/postclosure	(1,274,891)	(1,407,536)	(1,442,183)	(1,455,367)	(617,724)
Total transfers out	(6,607,991)	(6,718,819)	(7,294,973)	(7,112,983)	(5,748,665)
Net transfers	(278,167)	(601,983)	39,522	(501,347)	(16,586)
Total non-operating revenues(expenses), net	(850,974)	(1,074,551)	(255,867)	(1,045,522)	(100,494)
Change in net assets	\$ (1,014,106)	\$ (430,285)	\$ (675,171)	\$ (448,587)	\$ 4,718,742

VENTURA REGIONAL SANITATION DISTRICT
FISCAL YEAR 2019 BUDGET: TEN YEAR FINANCIAL TREND
ENTERPRISE FUND

Description	FY 2019 Budget	FY 2020 Forecast	FY 2021 Forecast	FY 2022 Forecast	FY 2023 Forecast
Operating revenues:					
Revenue - sales	\$ 22,429,403	\$ 22,642,807	\$ 23,084,450	\$ 23,534,926	\$ 23,994,411
Revenue - other	216,426	220,542	224,740	229,023	233,391
Operating Revenue Adjustments	-	1,652,262	1,696,320	1,741,260	1,787,098
Total operating revenues	22,645,829	24,515,611	25,005,511	25,505,208	26,014,900
Operating expenses:					
Salaries and employee benefits	9,729,047	9,803,234	9,999,299	10,199,285	10,403,271
General administrative	819,909	836,308	853,034	870,094	887,496
Operating materials and supplies	2,491,229	2,541,054	2,591,875	2,643,712	2,696,586
Contract services - labor	459,500	468,690	478,064	487,625	497,378
Professional services	2,593,788	2,645,664	2,698,578	2,752,549	2,807,600
Facility maintenance	1,328,871	1,355,448	1,382,557	1,410,209	1,438,413
Permit, fees & other	1,787,462	1,823,211	1,859,675	1,896,869	1,934,806
Operating Expense Adjustments	-	(194,555)	(196,749)	(126,183)	(201,116)
Total operating expenses	19,209,807	19,279,054	19,666,332	20,134,160	20,464,434
Operating income(loss) before depreciation	3,436,022	5,236,557	5,339,179	5,371,048	5,550,466
Depreciation and amortization	4,217,984	4,340,332	4,731,333	4,755,044	4,958,252
Operating income(loss)	(781,962)	896,224	607,846	616,004	592,214
Non-operating revenues(expenses):					
Interest and investment earnings	523,400	531,968	540,688	549,564	558,598
Gain(loss) on sales and/or disposals of assets	-	-	-	-	-
Debt service interest expense	(574,159)	(642,570)	(685,646)	(591,399)	(503,906)
Grant revenue	-	-	-	-	-
Other, net	104,078	110,265	106,130	101,881	27,504
Total non-operating revenues(expenses) before transfers	53,319	(336)	(38,828)	60,047	82,196
Overhead cost allocation - Central Administration	2,871,084	2,911,999	2,971,711	3,073,633	3,271,515
ISF fleet use	2,101,799	2,143,835	2,186,712	2,230,446	2,275,055
Intra-department labor transfer	160,695	163,909	167,187	170,531	173,941
Landfill processing fee transfer	11,325	250	258	268	278
Contra-post closure expenses	770,452	562,904	576,041	589,462	613,175
Total transfers in	5,915,355	5,782,897	5,901,909	6,064,339	6,333,964
Overhead cost allocation - Central Administration	(2,871,084)	(2,991,408)	(3,052,708)	(3,156,250)	(3,355,785)
ISF fleet use	(2,101,799)	(2,141,576)	(2,184,408)	(2,228,096)	(2,272,658)
Intra-department labor transfer	(160,695)	(163,909)	(167,187)	(170,531)	(173,941)
Landfill processing fee transfer	(11,325)	(250)	(258)	(268)	(278)
Provision for landfill closure/postclosure	(663,140)	(658,369)	(683,442)	(709,302)	(735,969)
Total transfers out	(5,808,043)	(5,955,512)	(6,088,003)	(6,264,447)	(6,538,631)
Net transfers	107,312	(172,615)	(186,094)	(200,107)	(204,667)
Total non-operating revenues(expenses), net	160,631	(172,951)	(224,922)	(140,061)	(122,471)
Change in net assets	\$ (621,331)	\$ 723,273	\$ 382,924	\$ 475,944	\$ 469,743

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

[2] Majority of 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 \$7.5M debt issuance in FY2020.

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

[7] Revenue adjustment includes an additional 300 tons per day, beginning during March of FY2019.

VENTURA REGIONAL SANITATION DISTRICT
FISCAL YEAR 2019 BUDGET SUMMARY
CONSOLIDATED - RESERVE ANALYSIS

Description	Actual FY 2016 Yearend	Actual FY 2017 Yearend	Adopted FY 2018 Budget	Estimated FY 2018 Yearend	Proposed FY 2019 Budget		
<u>RESERVE LEVEL BALANCE:</u>							
Beginning cash, cash equiv. & investments:	\$ 36,073,711	\$ 40,681,108	\$ 39,736,557	\$ 39,273,361	\$ 43,186,093		
Change in net assets on a cash basis ¹	4,607,397	(1,407,747)	(3,477,796)	3,912,732	(6,633,739)		
Ending cash, cash equiv. & investments:	<u>\$ 40,681,108</u>	<u>\$ 39,273,361</u>	<u>\$ 36,258,761</u>	<u>\$ 43,186,093</u>	<u>\$ 36,552,354</u>		
<u>RESERVE LEVELS:</u>							
Restricted reserves:						FY 2019 Minimum Reserve Level Policy	Over (Under) Minimum Requirement
Closure/Postclosure financial assurance req.							
Bailard Post Closure	5,115,998	5,050,986	5,162,612	4,272,438	4,366,859	4,366,859	-
Coastal Post Closure	3,702,047	3,642,291	3,722,786	3,703,652	3,785,503	3,785,503	-
Toland Road Closure/Post Closure	11,563,297	11,563,297	13,042,183	7,664,592	8,245,846	8,245,846	-
Closed landfill maintenance/Other reserves	939,352	939,352	929,264	902,012	912,016	912,016	-
Total restricted reserves	21,320,694	21,195,926	22,856,845	16,542,694	17,310,224	17,310,224	-
Committed reserves:							
Closure and Postclosure Funds							
Bailard Post Closure ²	4,710,661	1,048,983	-	1,542,650	1,072,333	1,072,333	-
Coastal Post Closure ²	3,309,369	662,605	-	535,779	253,928	253,928	-
Toland Road Closure/Post Closure	219,305	384,160	-	-	-	-	-
CERCLA	45,225	45,225	45,225	45,225	45,225	45,225	-
Total committed reserves	8,284,560	2,140,973	45,225	2,123,654	1,371,485	1,371,485	-
Assigned reserves:							
Capital improvement funds ³	3,977,000	4,362,613	1,337,973	7,035,258	895,613	895,613	-
Insurance fund	669,144	331,481	375,107	365,632	435,985	435,985	-
Operating funds - operating expenses ⁴	3,640,473	7,819,788	8,000,421	13,475,665	12,895,857	4,618,692	8,277,164
Operating funds - 1 yr. debt service obligation	2,789,236	3,422,580	3,643,190	3,643,190	3,643,190	3,643,190	-
Total assigned reserves	11,075,854	15,936,462	13,356,691	24,519,745	17,870,644	9,593,480	8,277,164
Total reserve level	40,681,108	39,273,361	36,258,761	43,186,093	36,552,354	28,275,189	8,277,164
Ending cash, cash equiv. & investments	<u>\$ 40,681,108</u>	<u>\$ 39,273,361</u>	<u>\$ 36,258,761</u>	<u>\$ 43,186,093</u>	<u>\$ 36,552,354</u>	<u>\$ 28,275,189</u>	<u>\$ 8,277,164</u>

NOTES:

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

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

[3] Capital improvement reserves needed to fund next fiscal year's capital projects, outlined in the 5-year Capital Improvement Plan table; FY2020 capital projects. The projected amount for FY2020 is approximately \$8.4 million, which will be primarily funded by a \$7.5 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.

[5] The District is able to fund approximately eight months of operating expenses for FY 2019.

VENTURA REGIONAL SANITATION DISTRICT
FISCAL YEAR 2019 BUDGET: FIVE-YEAR FORECAST
CONSOLIDATED - RESERVE ANALYSIS

Description	FY 2019 Estimated	FY 2020 Forecast	FY 2021 Forecast	FY 2022 Forecast	FY 2023 Forecast
<u>RESERVE LEVEL BALANCE:</u>					
Beginning cash, cash equiv. & investments:	\$ 43,186,093	\$ 36,552,354	\$ 37,288,715	\$ 38,212,448	\$ 35,438,010
Change in net assets on a cash basis ¹	(6,633,739)	736,362	923,733	(2,774,438)	(1,525,893)
Ending cash, cash equiv. & investments:	\$ 36,552,354	\$ 37,288,715	\$ 38,212,448	\$ 35,438,010	\$ 33,912,118
<u>RESERVE LEVELS:</u>					
Restricted reserves:					
Closure/Postclosure financial assurance req.					
Bailard Post Closure	4,366,859	4,463,366	4,562,007	4,662,827	4,765,876
Coastal Post Closure	3,785,503	3,869,162	3,954,671	4,042,069	4,131,399
Toland Road Closure/Post Closure	8,245,846	8,904,215	9,587,657	10,296,959	11,032,928
Closed landfill maintenance/Other reserves	912,016	902,012	912,016	922,020	847,020
Total restricted reserves	17,310,224	18,138,755	19,016,351	19,923,875	20,777,223
Committed reserves:					
Closure and Postclosure Funds					
Bailard Post Closure ²	1,072,333	-	-	-	-
Coastal Post Closure ²	253,928	-	-	-	-
Toland Road Closure/Post Closure	-	-	-	-	-
CERCLA	45,225	45,225	45,225	45,225	45,225
Total committed reserves	1,371,485	45,225	45,225	45,225	45,225
Assigned reserves:					
Capital improvement funds ³	895,613	472,271	4,515,101	3,688,919	1,579,390
Insurance fund	435,985	509,810	513,635	547,760	572,585
Operating funds - operating expenses ⁴	12,895,857	14,138,354	9,796,725	7,216,938	7,232,519
Operating funds - 1 yr. debt service obligation	3,643,190	3,984,301	4,325,412	4,015,294	3,705,176
Total assigned reserves	17,870,644	19,104,735	19,150,872	15,468,910	13,089,670
Total reserve level	36,552,354	37,288,715	38,212,448	35,438,010	33,912,118
Ending cash, cash equiv. & investments	\$ 36,552,354	\$ 37,288,715	\$ 38,212,448	\$ 35,438,010	\$ 33,912,118

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 FY 2020 Forecast includes a \$7.5 million loan to fund the Toland Landfill Phase 4B and 4C capital projects, as well as the Landfill Gas Collection System expansion. FY2019 (March-June) through FY2023 includes 300 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 restricted reserves.

[3] Capital improvement reserves needed to fund the next fiscal year's capital projects, outlined in the 5-year Capital Improvement Plan table. The majority of the projected capital for FY2020 is assumed to be funded by a \$7.5 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 per current reserve policy.

VENTURA REGIONAL SANITATION DISTRICT

DEBT SERVICE

FISCAL YEAR 2019

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, 2018	\$2,626,100	\$4,380,291	\$2,086,943	\$1,522,969	\$2,878,914	\$8,625,022	\$22,120,239
Principal Payment through June 30, 2019	\$562,233	\$689,480	\$581,585	\$151,579	\$349,249	\$753,696	\$3,087,822
Interest Payment through June 30, 2019	\$52,709	\$95,542	\$38,651	\$40,252	\$80,137	\$248,076	\$555,367
Balance Due as of June 30, 2019	\$2,063,867	\$3,690,811	\$1,505,358	\$1,371,390	\$2,529,665	\$7,871,326	\$19,032,417

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
PROPOSED HOURLY RATES
JULY 1, 2018 THROUGH JUNE 30, 2019

		FY 2018		FY 2019	
<u>CENTRAL ADMINISTRATION</u>					
Div.	Title	Hourly	OT	Hourly	OT
CA	Office Assistant	\$57	\$86	\$59	\$88
CA	Administrative Assistant	\$57	\$86	\$59	\$88
CA	Human Resources Technician	\$57	\$86	\$59	\$88
CA	Fiscal Assistant	\$68	\$103	\$70	\$106
CA	Executive Assistant	\$80	\$119	\$82	\$123
CA	Human Resources Administrator	\$91	\$136	n/a	n/a
CA	Human Resources Manager	\$91	\$136	\$94	n/a
CA	Management Analyst	\$99	\$148	\$102	n/a
CA	Accountant	\$99	\$148	\$102	n/a
CA	Senior Accountant	\$99	\$148	\$102	n/a
CA	Senior Management Analyst	\$99	\$148	\$102	n/a
CA	Director of Finance	\$157	\$236	\$162	n/a
CA	General Manager	\$192	\$288	\$198	n/a
<u>OPERATIONS</u>					
Div.	Title	Hourly	OT	Hourly	OT
WWW	Office Assistant	\$57	\$86	\$59	\$88
WWW	Administrative Assistant	\$57	\$86	\$59	\$88
WWW	W/WW Helper	\$56	\$84	\$58	\$87
WWW	W/WW Worker	\$83	\$124	\$85	\$128
WWW	Construction Specialist	\$99	\$148	\$102	\$153
WWW	Electrical/Mechanical Worker	\$106	\$159	\$109	\$164
WWW	W/WW Operator in Training	\$106	\$159	\$109	\$164
WWW	W/WW Treatment Operator I	\$106	\$159	\$109	\$164
WWW	W/WW Treatment Operator II	\$106	\$159	\$109	\$164
WWW	W/WW Treatment Operator III	\$106	\$159	\$109	\$164
WWW	W/WW Treatment Operator IV	\$106	\$159	\$109	\$164
WWW	W/WW Treatment Operator V	\$106	\$159	\$109	\$164
WWW	Environmental Resource Analyst	\$114	\$171	\$117	\$176
WWW	Instrumentation Technician	\$116	\$174	\$119	\$179
WWW	Electrical & Instrumentation Control Supervisor	\$118	\$177	\$122	n/a
WWW	W/WW Operations Supervisor	\$118	\$177	\$122	n/a
WWW	W/WW Operations Superintendent	\$134	\$200	\$138	n/a
SW	Solid Waste Worker	\$81	\$121	\$83	\$124
SW	Solid Waste Equipment Operator	\$106	\$159	\$109	\$164
SW	Senior Solid Waste Equipment Operator	\$106	\$159	\$109	\$164
SW	Engineering Technician	\$109	\$164	\$112	\$169
SW	Solid Waste Operations Supervisor	\$115	\$173	\$118	n/a
SW	Engineer	\$118	\$177	\$122	n/a
SW	Senior Engineer	\$118	\$177	\$122	n/a
SW	Senior Engineering Technician	\$118	\$177	\$122	\$183
SW	Director of Operations	\$157	\$236	\$162	n/a

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

All Other Services: 15%

**VENTURA REGIONAL SANITATION DISTRICT
PROPOSED EQUIPMENT & SUPPLY (CONSUMABLE) RATES
JULY 1, 2018 THROUGH JUNE 30, 2019**

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
PROPOSED EQUIPMENT & SUPPLY (CONSUMABLE) RATES (continued)
JULY 1, 2018 THROUGH JUNE 30, 2019

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	\$650		
Vactor without Chase Truck *			\$62	\$600		
Vacuum Truck *				\$400		
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) *				\$400		
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 2019 BUDGET SUMMARY
SEMINARS, LODGING & TRAVEL

Program	Account	Description	Cost
CENTRAL ADMINISTRATION			
Administration			
	25 - 100 - 52030 - 100100	Personal Vehicle 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
	25 - 100 - 52035 - 100100	League of CA Cities Clerks Conf	1,300
	25 - 100 - 52035 - 100100	City Clerk Assn Annual Conf	1,300
	25 - 100 - 52035 - 100100	Finance/Payroll Training Courses	2,800
		Project Total	\$ 9,600
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
		Total Central Administration Seminars, Lodging & Travel	\$ 19,950
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	\$ 92,320

VENTURA REGIONAL SANITATION DISTRICT
FISCAL YEAR 2019 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 2019 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
	25 - 270 - 52070 - 200100	Labor Attorneys (IUOE Negotiations)	15,000
		Project Total	\$ 35,000
Operations - Malibu Bay Club			
	25 - 210 - 52070 - 209300	General Counsel	10,000
		Project Total	\$ 10,000
		Total Water/Wastewater Legal Expenses	\$ 45,000
SOLID WASTE			
Administration - Solid Waste			
	25 - 470 - 52070 - 400100	General Counsel	130,000
	25 - 470 - 52070 - 400100	Labor Attorneys	50,000
	25 - 470 - 52070 - 400100	Labor Attorneys (SEIU Negotiations)	15,000
		Project Total	\$ 195,000
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	\$ 205,000
		Total District Legal Expenses	\$ 454,000

General Counsel	\$309,000
Labor Attorneys	\$125,000
Miscellaneous Investigations	\$20,000
	\$454,000

VENTURA REGIONAL SANITATION DISTRICT
FISCAL YEAR 2019 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	\$ 1,352,029	\$ 1,808,005	\$ 1,546,382	\$ -	\$ 142,328	\$ 4,848,744
Wages - Holiday Leave	124,498	184,122	159,848	-	15,688	484,156
Wages - CAL	245,007	332,987	288,111	-	30,301	896,406
Wages - Overtime	-	21,764	148,402	-	-	170,166
Wages - Standby	-	29,328	-	-	-	29,328
Allowance/Incentives	5,625	-	-	-	-	5,625
	1,727,159	2,376,206	2,142,743	-	188,317	6,434,425
FICA/Medicare	119,863	183,009	149,752	-	14,405	467,029
Unemployment Insurance	4,564	7,770	6,993	-	518	19,845
State Disability Insurance	13,507	21,453	17,353	-	1,695	54,008
Worker's Comp Expense	49,094	133,505	183,353	-	24,989	390,941
	187,028	345,737	357,451	-	41,607	931,823
Medical Insurance	130,188	212,412	195,264	-	14,244	552,108
Dental Insurance	-	-	-	-	-	-
Life Insurance	486	792	690	-	51	2,019
Employee Assistance Program	549	897	781	-	58	2,285
CalPers Mandated Medical	47,424	77,376	67,392	-	4,992	197,184
	178,647	291,477	264,127	-	19,345	753,596
VCERA	293,060	402,339	330,948	-	31,700	1,058,047
PARS	113,342	198,023	146,260	-	23,817	481,442
OPEB	30,666	50,034	43,578	-	3,228	127,506
	437,068	650,396	520,786	-	58,745	1,666,995
Workers' Comp Dividend	(40,000)	-	-	-	-	(40,000)
Workers' Comp Retro Adjustment	(17,792)	-	-	-	-	(17,792)
	(57,792)	-	-	-	-	(57,792)
Total Salaries & Employee Benefits	\$ 2,472,110	\$ 3,663,816	\$ 3,285,107	\$ -	\$ 308,014	\$ 9,729,047

[1] Includes \$118,033 in salaries and employee benefits allocated to Post Closed Landfill maintenance.

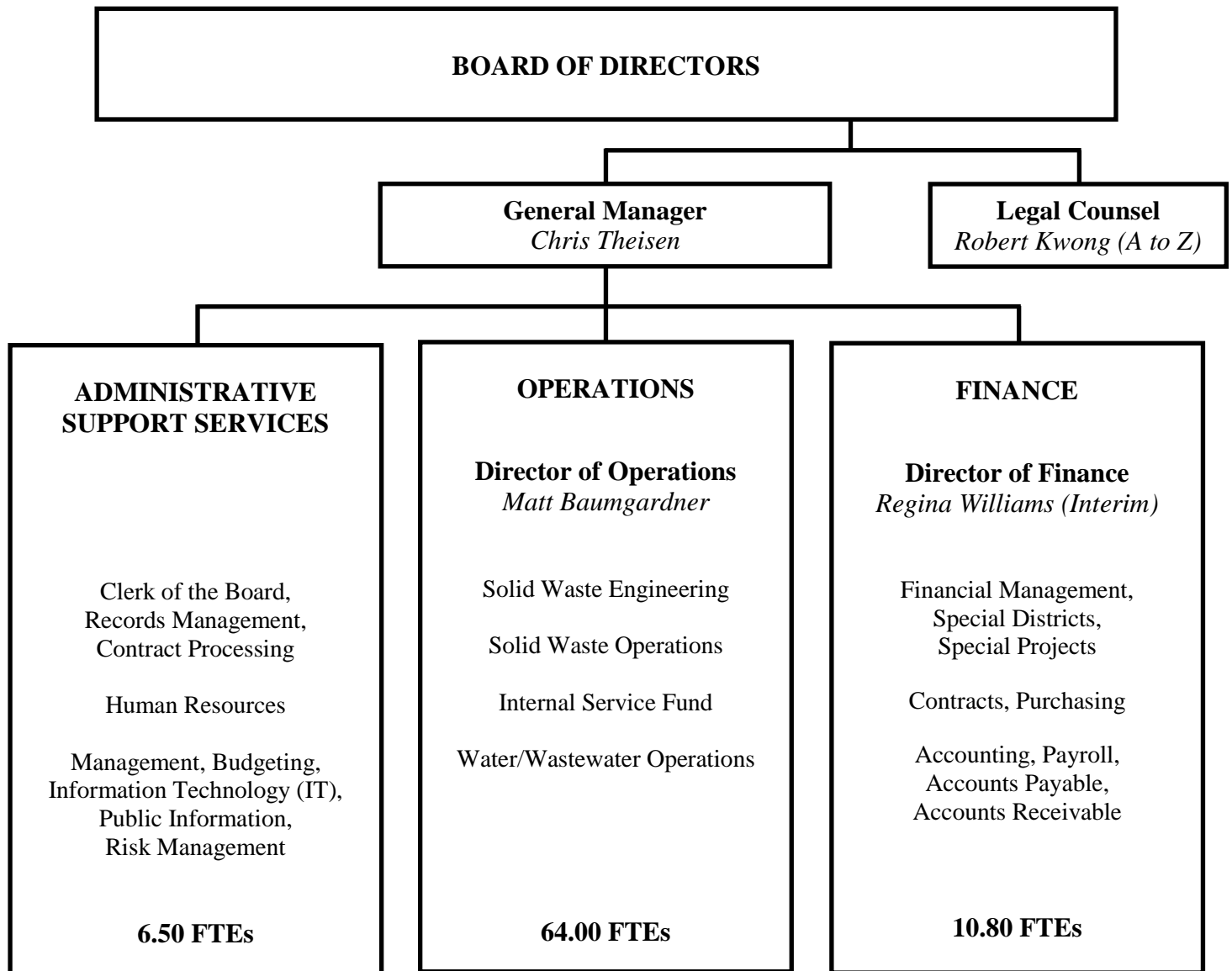
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Addenda

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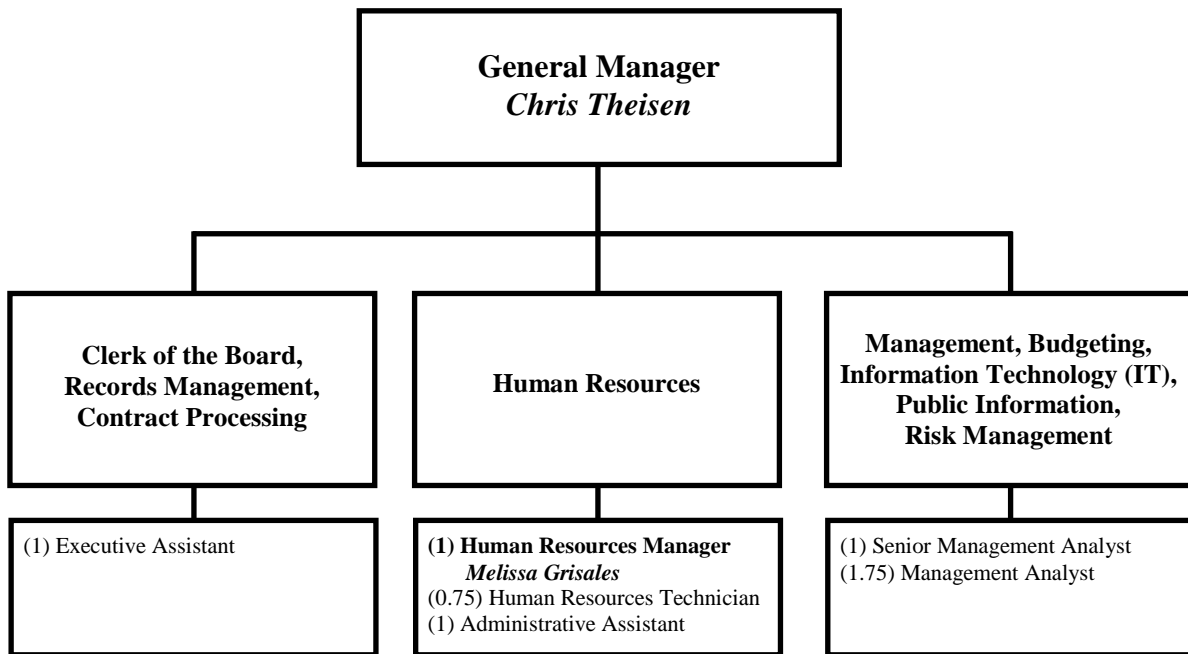
VENTURA REGIONAL SANITATION DISTRICT

Organization Chart



VENTURA REGIONAL SANITATION DISTRICT

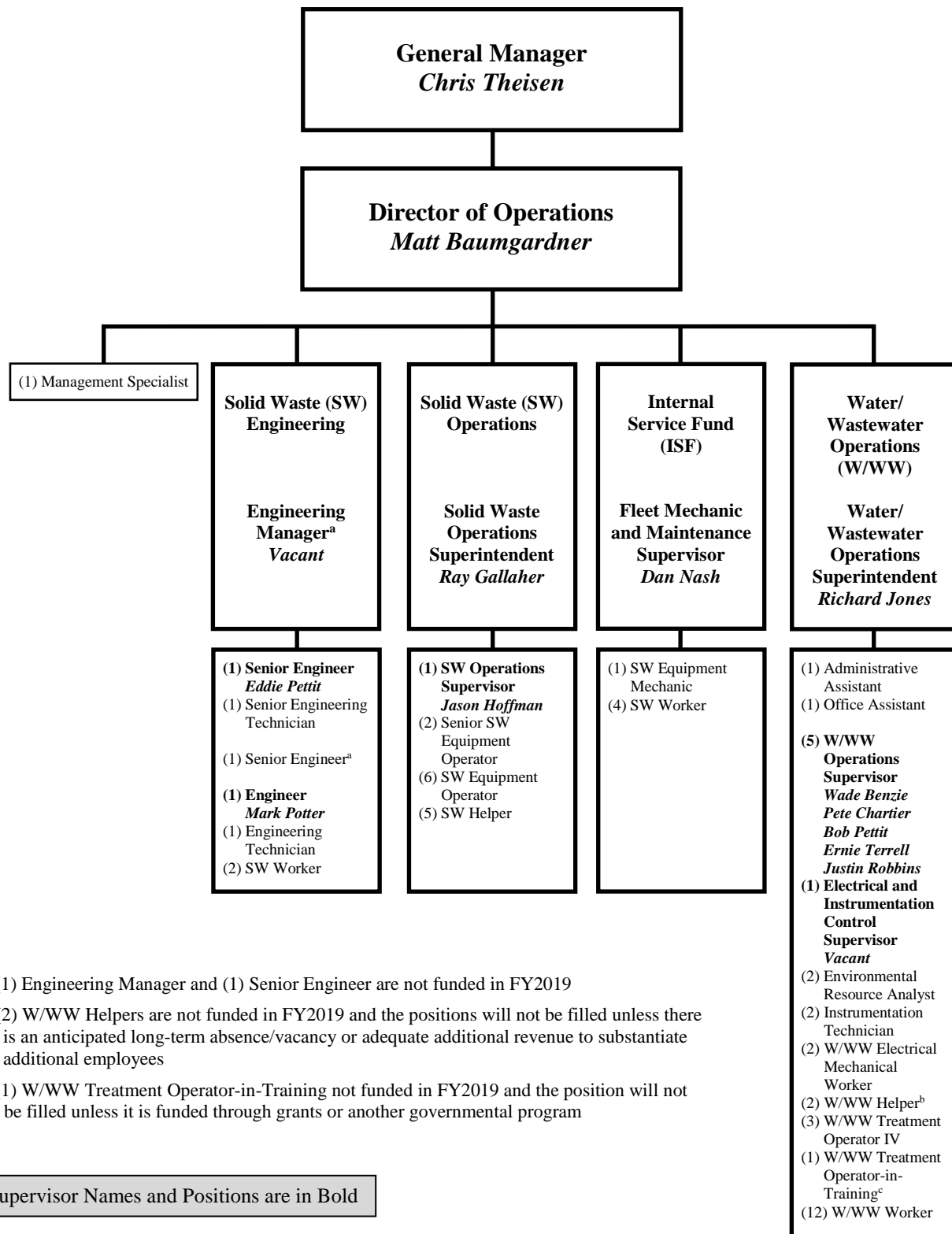
Administrative Support Services Organization Chart



Supervisor Names and Positions are in Bold

VENTURA REGIONAL SANITATION DISTRICT

Operations Organization Chart



^a (1) Engineering Manager and (1) Senior Engineer are not funded in FY2019

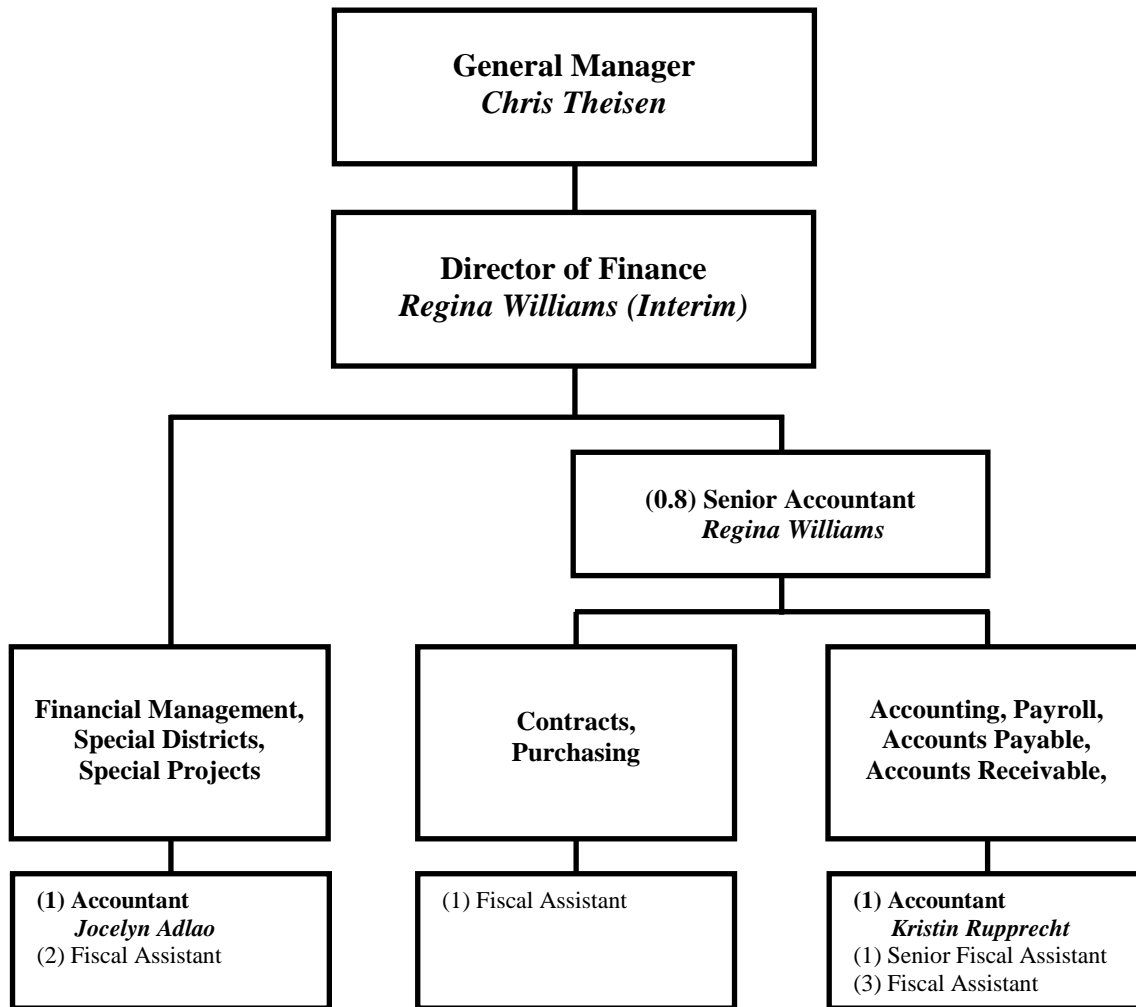
^b (2) W/WW Helpers are not funded in FY2019 and the positions will not be filled unless there is an anticipated long-term absence/vacancy or adequate additional revenue to substantiate additional employees

^c (1) W/WW Treatment Operator-in-Training not funded in FY2019 and the position will not be filled unless it is funded through grants or another governmental program

Supervisor Names and Positions are in Bold

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 2017-2018			FY 2018-2019	
	Allocations	Mid Year Adjustments	Amended	Additions/Deletions	Allocations
Accountant	2.00	0.00	2.00	0.00	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	-1.75	6.00
General Manager	1.00	0.00	1.00	0.00	1.00
Human Resources Manager	1.00	0.00	1.00	0.00	1.00
Human Resources Technician	1.00	0.00	1.00	-0.25	0.75
Management Analyst	1.75	0.00	1.75	0.00	1.75
Senior Accountant	0.80	0.00	0.80	0.00	0.80
Senior Fiscal Assistant	0.00	0.00	0.00	1.00	1.00
Senior Management Analyst	1.00	0.00	1.00	0.00	1.00
TOTAL	19.30	0.00	19.30	-1.00	18.30

Water Wastewater	FY 2017-2018			FY 2018-2019	
	Allocations	Mid Year Adjustments	Amended	Additions/Deletions	Allocations
Administrative Assistant	1.00	0.00	1.00	0.00	1.00
Electrical and Instrumentation Control Supervisor	1.00	0.00	1.00	0.00	1.00
Environmental Resource Analyst	2.00	0.00	2.00	0.00	2.00
Instrumentation Technician	2.00	0.00	2.00	0.00	2.00
Office Assistant	0.50	0.00	0.50	0.50	1.00
Water/Wastewater Electrical Mechanical Worker	2.00	0.00	2.00	0.00	2.00
Water/Wastewater Helper	0.00	0.00	0.00	2.00	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	1.00	0.00	1.00	0.00	1.00
Water/Wastewater Treatment Operator IV	3.00	0.00	3.00	0.00	3.00
Water/Wastewater Worker	14.00	0.00	14.00	-2.00	12.00
TOTAL	32.50	0.00	32.50	0.50	33.00

VENTURA REGIONAL SANITATION DISTRICT

STAFFING SUMMARY

(Full-Time Equivalent Positions)

Solid Waste	FY 2017-2018			FY 2018-2019	
	Allocations	Mid Year Adjustments	Amended	Additions/Deletions	Allocations
Director of Operations	1.00	0.00	1.00	0.00	1.00
Engineer	1.00	0.00	1.00	0.00	1.00
Engineering Manager	1.00	0.00	1.00	0.00	1.00
Engineering Technician	2.00	0.00	2.00	-1.00	1.00
Management Specialist	1.00	0.00	1.00	0.00	1.00
Senior Engineer	2.00	0.00	2.00	0.00	2.00
Senior Engineering Technician	0.00	0.00	0.00	1.00	1.00
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 Helper	0.00	0.00	0.00	5.00	5.00
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	1.00	6.00
TOTAL	23.00	0.00	23.00	6.00	29.00

ISF	FY 2017-2018			FY 2018-2019	
	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 2017-2018			FY 2018-2019	
Allocations	Mid Year Adjustments	Amended	Additions/Deletions	Allocations
76.80	0.00	76.80	5.50	82.30

VENTURA REGIONAL SANITATION DISTRICT

CLASSIFICATION PLAN

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

Position	FY 2017-2018			Additions/ Deletions	FY 2018-2019		
	Allocations	Mid Year Adjustments	Amended		Allocations	Approximate Annual Salary	
Accountant	2	0	2	0	2	\$75,067.20	- \$91,603.20
Administrative Assistant	2	0	2	0	2	\$45,718.40	- \$55,764.80
Assistant Accountant	0	0	0	0	0	\$68,244.80	- \$83,283.20
Assistant Engineer	0	0	0	0	0	\$75,816.00	- \$92,497.60
Assistant Engineering Technician	0	0	0	0	0	\$53,976.00	- \$65,852.80
Assistant Environmental Resource Analyst	0	0	0	0	0	\$68,244.80	- \$83,283.20
Assistant Fiscal Assistant	0	0	0	0	0	\$41,588.40	- \$50,689.60
Assistant Management Analyst	0	0	0	0	0	\$68,244.80	- \$83,283.20
Biosolids Wastewater Treatment Facility Operator	0	0	0	0	0	\$48,193.60	- \$80,121.60
Director of Finance	1	0	1	0	1	\$151,923.20	- \$185,369.60
Director of Operations	1	0	1	0	1	\$131,851.20	- \$160,908.80
Electrical and Instrumentation Control Supervisor	1	0	1	0	1	\$82,867.20	- \$101,150.40
Engineer	1	0	1	0	1	\$83,387.20	- \$101,732.80
Engineering Manager	1	0	1	0	1	\$105,497.60	- \$128,710.40
Engineering Technician	2	0	2	-1	1	\$59,363.20	- \$72,425.60
Environmental Resource Analyst	2	0	2	0	2	\$75,067.20	- \$91,603.20
Executive Assistant	1	0	1	0	1	\$68,889.60	- \$84,073.60
Fiscal Assistant	7.75	0	7.75	-1.75	6	\$45,718.40	- \$55,764.80
Fleet Mechanic and Maintenance Supervisor	1	0	1	0	1	\$82,867.20	- \$101,150.40
General Manager	1	0	1	0	1	Board Contract	
Human Resources Analyst	0	0	0	0	0	\$75,067.20	- \$91,603.20
Human Resources Manager	1	0	1	0	1	\$100,089.60	- \$122,116.80
Human Resources Technician	1	0	1	-0.25	0.75	\$51,854.40	- \$63,273.60
Instrumentation Technician	2	0	2	0	2	\$69,472.00	- \$87,942.40
Management Analyst	1.75	0	1.75	0	1.75	\$75,067.20	- \$91,603.20
Management Specialist	1	0	1	0	1	\$52,832.00	- \$64,480.00
Mechanic Assistant	0	0	0	0	0	\$47,715.20	- \$61,048.00
Office Assistant	0.5	0	0.5	0.5	1	\$41,558.40	- \$50,689.60
Senior Accountant	0.8	0	0.8	0	0.8	\$86,340.80	- \$105,331.20
Senior Engineer	2	0	2	0	2	\$91,728.00	- \$111,924.80
Senior Engineering Technician	0	0	0	1	1	\$65,312.00	- \$79,705.60
Senior Environmental Resource Analyst	0	0	0	0	0	\$82,576.00	- \$100,755.20
Senior Fiscal Assistant	0	0	0	1	1	\$50,273.60	- \$61,339.20
Senior Grounds Maintenance Worker	0	0	0	0	0	\$53,393.60	- \$68,390.40
Senior Instrumentation Technician	0	0	0	0	0	\$73,236.80	- \$92,123.20
Senior Management Analyst	1	0	1	0	1	\$90,646.40	- \$110,614.40
Senior Solid Waste Equipment Operator	2	0	2	0	2	\$61,339.20	- \$78,478.40
Senior Solid Waste Worker	0	0	0	0	0	\$48,734.40	- \$62,420.80
Senior Water/Wastewater Worker	0	0	0	0	0	\$57,865.60	- \$71,968.00
Solid Waste Equipment Mechanic	1	0	1	0	1	\$61,339.20	- \$78,478.40
Solid Waste Equipment Operator	6	0	6	0	6	\$56,118.40	- \$71,843.20
Solid Waste Helper	0	0	0	5	5	\$33,342.40	- \$40,684.80
Solid Waste Operations Superintendent	1	0	1	0	1	\$95,305.60	- \$116,292.80
Solid Waste Operations Supervisor	1	0	1	0	1	\$82,867.20	- \$101,150.40
Solid Waste Worker	5	0	5	1	6	\$43,305.60	- \$55,411.20
Water/Wastewater Electrical Mechanical Worker	2	0	2	0	2	\$60,174.40	- \$76,460.80
Water/Wastewater Helper	0	0	0	2	2	\$33,446.40	- \$43,784.00
Water/Wastewater Mechanic	0	0	0	0	0	\$58,864.00	- \$74,526.40
Water/Wastewater Operations Superintendent	1	0	1	0	1	\$95,305.60	- \$116,292.80
Water/Wastewater Operations Supervisor	5	0	5	0	5	\$82,867.20	- \$101,150.40
Water/Wastewater Treatment Operator-in-Training	1	0	1	0	1	\$51,875.20	- \$66,476.80
Water/Wastewater Treatment Operator I	0	0	0	0	0	\$54,454.40	- \$69,804.80
Water/Wastewater Treatment Operator II	0	0	0	0	0	\$60,382.40	- \$76,793.60
Water/Wastewater Treatment Operator III	0	0	0	0	0	\$66,643.20	- \$84,468.80
Water/Wastewater Treatment Operator IV	3	0	3	0	3	\$73,444.80	- \$92,913.60
Water/Wastewater Treatment Operator V	0	0	0	0	0	\$75,337.60	- \$95,222.40
Water/Wastewater Worker	14	0	14	-2	12	\$48,193.60	- \$64,147.20
TOTAL ALLOCATIONS	76.80	0.00	76.80	5.50	82.30		



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.



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

Revised: 12/21/17

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) 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 (q), 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 (q), 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

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11/8/89

**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 2018-2019 is abbreviated "FY2018-2019," "FY18-19," or "FY2019."

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 2019 Budget
Ventura Regional Sanitation District

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