



June 4, 2026

Board of Directors
Ventura Regional Sanitation District
Ventura, California

CONSIDER AND APPROVE PROPOSED FY 2026/27 BUDGET ADJUSTMENTS AND AUTHORIZE THE USE OF COMMITTED RESERVES

RECOMMENDATIONS:

1. Approve and authorize staff to make the recommended adjustments to the FY 2026/2027 Budget.
2. Direct Staff to utilize the Operating Reserve and if necessary, the Board committed Toland Closure/Post Closure funds to ensure sufficient funding is available for Board approved items through FY 2026/2027.

FISCAL IMPACT

The fiscal impact of the Proposed Budget Adjustments will have overall positive impacts of \$26,500 on the Toland Road Landfill operations, \$338,081 Water/Wastewater operations (although only \$201,410 impacts cash transactions), and \$9,126 to the Overhead Fund/Central Services.

BACKGROUND

On June 5, 2025, the Board adopted the FY 2025/2026 and the 2026/2027 Budgets as part of a two-year budget cycle. Since its initial adoption, the Board has approved various adjustments to the FY 2025/2026 Budget that are of ongoing nature and therefore also impact the FY 2026/2027 Budget. Those adjustments include: enhancement of the cafeteria allowance, implementation of the compensation study recommendations, upgrading the Mechanic position to a Fleet Mechanic and Maintenance Supervisor, and augmentation of drone aerial mapping and monitoring services for the Toland Road Landfill. These adjustments are reflected in Attachment # 1 to this report, as Prior Adjustments.

The recent change of key management staff within the District warranted a fresh look at the FY 2026/2027 Budget and while staff identified a hefty list of potential improvements to the District's operations, staff also recognizes the financial constraints of the District and therefore

limited its recommended changes to those items deemed critical to preserving and protecting the District's landfill resources.

While not included in this request for adjustment, some potentially large dollar items have, or are anticipated, to come before the Board at a later time in FY 2026/2027. These future anticipated items include: (1) the east channel drainage repair projects, (2) the Phase 4C LFG well installation/abandonment, (3) landfill methane regulation (LMR) compliance plan and (4) closure/post-closure landfill maintenance activities through the Joint Technical Document (JTD). Staff is diligently working out the details to ensure that the District's most critical needs are addressed with the limited resources available. Additionally, staff is working on re-assessing the District's longterm financial needs to ensure the necessary funding is available to meet the District's future needs. The Board can anticipate detailed discussions on these topics during FY 2026/2027.

PROPOSED BUDGET ADJUSTMENTS

A detailed list of all recommended budget adjustments is included as Attachment #1 to this board letter and is incorporated herein by reference. Additionally, a brief narrative explaining the reasons for the recommendations can be found in the section titled Brief Explanations for Proposed Budget Adjustments.

As a result of the increased closure/post closure cost estimates provided to the District in the latest JTD, together with the fact that the VRSD Board is also being asked to consider prior direction on the allocation of Committed fund. In order to facilitate the options available for the Board to consider, below are the four (4) Board designated allocation of Committed monies along with some relevant background information:

1. Toland Closure/Post Closure – On March 7, 2024 the Board approved the District switching the Financial Assurance mechanism for Toland Road Landfill from a Trust which requires full funding of closure/post closure estimates based on progression of the landfill capacity usage, to a Pledge Revenue Agreement, where the District's current and future revenues serve as collateral, in order for the District to use some of the monies held in the Trust to finance the buildout of the Toland Road landfill expansion cell 4C. As part of the FY 2026 & 2027 Budget adoption the Board directed staff to replenish the closure/post closure reserves at the Trust level by designating those funds, as Committed, instead of formally switching the financial mechanism back to the Trust. The District currently designates as Committed the difference in funding from a Trust to the Revenue Pledge Agreement. The required funding per the Revenue Pledge Agreement is held in a separate restricted account.
2. PARS set-a-side: As part of the FY 2026 & 2027 Budget adoption the Board also approved the designation of monies to meet the District's unfunded pension enhancement plan liability.
3. Insurance Reserve & CERCLA: As part of the Board adopted Reserve Policy the Board has designated monies as insurance reserves and to address issues with closed landfills under CERCLA.
4. Three (3) Month Reserve - Operating Reserve: As part of the Board adopted Reserve Policy the Board has designated monies to fund an operating reserve equal to three (3)

months of operating reserve for Solid Waste operations.

Prior to June 1st of each year, the District calculates and reports its financial obligations under the Trust and Pledge Agreement options as part of the Annual Inflation Report. The District then ensures that the CalRecycle “Restricted” and Board directed “Committed” monies are in place at the time of completing the report. This year, because the revised and submitted JTD report had significantly higher estimates for post closure primarily because large cost items such as H2S media replacement, leachate treatment, and well replacement scheduling were omitted from the 2021 JTD, a much larger than anticipated committed and reserved of funds (approximately \$9.2M) would be required to meet the Boards prior direction.

The higher JTD reserve requirements coupled with the funding of the recently approved and essential West Channel drainage repair project, estimated at \$2.6M will have a negative effect on the projected “Available/Uncommitted” fund balance at June 30, 2026.

Based on the Long-term Financial Forecast, Attachment #2, through fiscal year 2027 the District would need to dip into one of the Committed Reserves to cover the West Channel Stormdrain repair and to possibly make some funds available in FY 2027 for unforeseen costs. While the Board has full discretion as to the four (4) Board designation of Committed monies, staff would recommend the Board start off using the Operating reserve as needed to ensure the availability of funds to meet the District’s needs through FY 2027 followed by the Toland Closure/Post Closure Committed funds.

While the Long-term Financial Forecast shows a bright financial future for the Solid Waste Operations, it does not include any funds for future expansion or a variety of other potential resources identified by staff. Those items will be vetted as part of the upcoming analysis of the tipping fee rates. Staff expects the Long-term Financial Forecast presented a year from now to differ significantly from today’s version, while remaining committed to ensuring the financial viability of the District.

BRIEF EXPLANATIONS FOR PROPOSED BUDGET ADJUSTMENTS

Toland Road Landfill Fund:

Increases of \$1,085,000 in **Refuse fees** due to higher volume than projected from Direct Haul, Commercial and Cash customers.

Increases of \$37,000 in **Interest Earnings** resulting from interest earnings on money a market account with Mechanics Bank.

Increase of \$20,000 in **Conferences, Seminars and Training** for Solid Waste Association of North America (SWANA) and other conference attendance as well as Manager of Landfill Operations (MOLO) certification costs for employees who currently have their MOLO certification and for other employee(s) who wish to obtain SWANA certification.

Increase of \$3,500 for **Credit Card fees** as a result of higher gate activity/drive-up customers at Toland Road Landfill.

Increase of \$579,000 in **Other Machinery & Equipment** costs for the purchase of Envirocover (\$429,000) and the Trimble GPS system (\$150,000), both pieces of equipment are integral to maximizing air space. Specifically the Envirocover greatly reducing the dirt cover required, thus freeing up air space for refuse. Furthermore, when the Envirocover is paired with the Trimble GPS system, optimal compaction can be achieved in the most effective and efficient manner.

Increase of \$61,000 in **Tonnage Related Fees** as a result of higher than projected tonnage from Commercial, Direct Haul, and drive up activity.

Increase of \$432,000 in **Post-closure Reserve** funding as a result of higher activity level as well as updated JTD that contains higher post closure maintenance estimates. This figure pertains to the externally mandated requirements, also known as restricted reserves

Water/Wastewater Fund:

Reduction of (\$201,410) in **PARS** costs as a result of the detailed reconciliation of the PARS liability by division which showed that the W/WW division has overly funded its PARS liability.

Reductions of (\$136,671) in **Depreciation expense** as a result of removing the MBC facility from the District's books.

Overhead Fund:

Increase of \$10,626 in **Assessment Revenue** as a result of continuing to administer the MBC loan repayment via the County tax rolls.

Increase of \$1,500 in **Memberships and Dues** costs to incorporate membership in Ventura County Special Districts Association.

This letter has been reviewed by VRSD Legal Counsel as to form.

If you should have any questions or need additional information, please contact me at (805) 658-4646 or via email at TinaRivera@vrsd.com.

ALVERTINA RIVERA, DIRECTOR OF FINANCE

APPROVED FOR AGENDA:


Eric Zetz, General Manager

- Attachments:
1. Detailed List of Recommended Budget Adjustments
 2. Long-Term Financial Plans

Attachment I

Detailed List of Recommended Budget Adjustments

Toland Road Landfill Fund

Fund	Account Name	Account	Prior Adjustments	Recommended Adjustments	Description
01	Revenue - Transfer	01-300-40200		443,000	Higher activity level 10,300 tons
01	Revenue - Direct Haul	01-300-40201		642,000	Higher activity level 13,300 tons
		Refuse Fees		1,085,000	
01	Interest Income - Cash	01-100-40510		37,000	Earnings on Money Market
01	Conference, Seminar, and Training	01-100-52035		20,000	SWANA Conference & MOLO Certifications
01	Credit Card Fees	01-100-52154		3,500	Higher activity levels
01	Other Machinery & Equipment	01-800-52340		579,000	Trimble GPS & Envirocover
01	Tonnage Based Fees	01-300-52156		61,000	Higher activity levels
01	Fund Transfer Out - PCL	01-300-60550		432,000	Updated JTD
01	Cafeteria Medical Benefit	01-300-51218	24,000		Cafeteria Benefit Enhancement
01	Wages - Regular	01-300-51010	70,893		Class & Comp Implementation
01	FICA/MCARE	01-300-51210	5,423		Class & Comp Implementation
01	VCERA	01-300-51211	6,203		Class & Comp Implementation
01	Worker's Comp Insurance	01-300-51224	3,723		Class & Comp Implementation
01	IT Software/Licenses/Agreements	01-300-52060	(10,609)		Drone aerial mapping/survey
03	IT Software/Licenses/Agreements	03-300-52060	(1,326)		Drone aerial mapping/survey
02	IT Software/Licenses/Agreements	02-300-52060	(1,327)		Drone aerial mapping/survey
01	IT Software/Licenses/Agreements	01-210-52060	(2,654)		Drone aerial mapping/survey
01	Operating Services	01-300-52186	(6,000)		Drone aerial mapping/survey
01	Engineering Services	01-300-52074	65,000		Drone aerial mapping/survey
01	Wages - Regular	01-320-51010	27,450		Upgrade Mechanic to Supervisor
		Toland Road Landfill Fund	(180,776)	26,500	
		Overhead Fund Allocation	(147,412)	6,270	
		Total Toland Road Landfill Fund	\$ (328,188)	\$ 32,770	

Wastewater Fund

Fund	Account Name	Account	Prior Adjustments	Recommended Adjustments	Description
10	PARS Expense	10-100-51217		(201,410)	Division Fully Funded
10	Depreciation Expense	10-100-52264		(136,671)	MBC Asset Disposition
10	Cafeteria Medical Benefit	10-100-51218	24,000		Cafeteria Benefit Enhancement
10	Wages - Regular	10-100-51010	151,950		Class & Comp Implementation
10	FICA/MCARE	10-100-51210	11,624		Class & Comp Implementation
10	VCERA	10-100-51211	13,740		Class & Comp Implementation
10	Worker's Comp Insurance	10-100-51224	5,277		Class & Comp Implementation
	Wastewater Fund		(206,591)	338,081	
	Overhead Fund Allocation		(67,161)	2,856	
	Total Wastewater Fund		\$ (273,752)	\$ 340,937	

Overhead Fund

Fund	Account Name	Account	Prior Adjustments	Recommended Adjustments	Description
19	Revenue - Assessments	19-100-40252		10,626	MBC Assessment Administration
19	Membership and Dues	19-100-52010		1,500	Ventura County Special District
19	Cafeteria Medical Benefit	19-100-51218	15,000		Cafeteria Benefit Enhancement
19	Wages - Regular	19-100-51010	171,531		Class & Comp Implementation
19	FICA/MCARE	19-100-51210	7,384		Class & Comp Implementation
19	VCERA	19-100-51211	16,659		Class & Comp Implementation
19	Worker's Comp Insurance	19-100-51224	3,999		Class & Comp Implementation
	Total Overhead Fund		\$ (214,573)	\$ 9,126	

Attachment II Financial Plan as of 02/19/26 – Solid Waste

Fiscal Year - Solid Waste	Projected 2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Beginning Balance - Cash Resources	33,724,157	30,355,205	30,218,355	32,006,178	35,013,324	37,270,477	41,176,827	44,032,562	48,271,321	51,984,496	56,843,894
FY Net Activity	(8,636,842)	(5,993,442)	(4,100,109)	(2,811,934)	(3,496,166)	(1,784,291)	(2,775,304)	(1,335,746)	(1,807,860)	(611,227)	(827,554)
Add back transfer to Reserve	736,439	795,027	826,368	858,747	892,193	926,738	962,414	999,252	1,037,287	1,076,552	1,117,083
Add back non-cash items	4,531,451	5,061,564	5,061,564	4,960,333	4,861,126	4,763,904	4,668,625	4,575,253	4,483,748	4,394,073	4,306,191
Ending Balance - Cash Resources	30,355,205	30,218,355	32,006,178	35,013,324	37,270,477	41,176,827	44,032,562	48,271,321	51,984,496	56,843,894	61,439,615
<i>Restricted - Toland Closure/Post Closure</i>	1,054,595	1,079,554	1,105,104	1,138,257	1,172,405	1,207,577	1,243,804	1,281,119	1,319,552	1,359,139	1,399,913
<i>Restricted - Post Closure Bailard</i>	921,891	943,709	966,044	995,025	1,024,876	1,055,622	1,087,291	1,119,910	1,153,507	1,188,112	1,223,756
<i>Restricted - Post Closure Coastal</i>	1,270,638	1,300,710	1,331,494	1,371,439	1,412,582	1,454,959	1,498,608	1,543,566	1,589,873	1,637,570	1,686,697
<i>Restricted - County CUPs Toland</i>	731,000	731,000	731,000	731,000	731,000	731,000	731,000	731,000	731,000	731,000	731,000
Total Restricted	3,978,124	4,054,973	4,133,642	4,235,721	4,340,863	4,449,159	4,560,704	4,675,595	4,793,933	4,915,821	5,041,365
Available a	26,377,081	26,163,381	27,872,536	30,777,602	32,929,614	36,727,669	39,471,858	43,595,726	47,190,563	51,928,074	56,398,250
<i>Toland Closure/Post Closure</i>	12,402,819	13,172,887	13,973,705	14,799,299	15,657,344	16,548,910	17,475,096	18,437,034	19,435,887	20,472,853	21,549,161
<i>PARS set-a-side</i>	1,231,362	1,231,362	1,231,362	1,231,362	1,231,362	1,231,362	1,231,362	1,231,362	1,231,362	1,231,362	1,231,362
<i>Insurance Reserve and CERCLA</i>	1,045,225	1,045,225	1,045,225	1,045,225	1,045,225	1,045,225	1,045,225	1,045,225	1,045,225	1,045,225	1,045,225
<i>3-month reserve - Operating Reserve</i>	1,873,492	2,342,018	2,406,497	2,457,955	2,517,381	2,615,717	2,678,600	2,745,785	2,809,840	2,878,298	2,948,714
Total Committed Reserves	16,552,897	17,791,492	18,656,789	19,533,841	20,451,312	21,441,214	22,430,283	23,459,406	24,522,314	25,627,738	26,774,462
Uncommitted b	9,824,183	8,371,890	9,215,747	11,243,761	12,478,302	15,286,455	17,041,575	20,136,320	22,668,250	26,300,336	29,623,787

a: Available After Restricted Reserves
b: Available After District Reserve Requirements

Item# 7

Updated Financial Plan – Solid Waste

Item# 7

Fiscal Year - Solid Waste	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Beginning Balance - Cash Resources	30,355,205	28,065,537	30,228,454	34,223,980	37,513,027	42,498,929	46,483,615	51,862,800	56,806,843	62,949,757	68,885,951
FY Net Activity	(16,525,203)	(4,255,762)	(2,376,583)	(3,040,382)	(1,304,755)	(2,271,125)	(845,729)	(1,253,945)	(32,147)	(219,966)	188,261
Add back transfer to Reserve	9,173,971	1,357,115	1,411,776	1,468,303	1,526,753	1,587,186	1,649,661	1,714,241	1,780,988	1,849,968	1,921,248
Add back non-cash items	5,061,564	5,061,564	4,960,333	4,861,126	4,763,904	4,668,625	4,575,253	4,483,748	4,394,073	4,306,191	4,220,068
Ending Balance - Cash Resources	28,065,537	30,228,454	34,223,980	37,513,027	42,498,929	46,483,615	51,862,800	56,806,843	62,949,757	68,885,951	75,215,528
<i>Restricted - Toland Closure/Post Closure</i>	1,436,914	1,480,022	1,524,422	1,570,155	1,617,260	1,665,777	1,715,751	1,767,223	1,820,240	1,874,847	1,931,093
<i>Restricted - Post Closure Bailard</i>	943,709	966,044	995,025	1,024,876	1,055,622	1,087,291	1,119,910	1,153,507	1,188,112	1,223,756	1,260,468
<i>Restricted - Post Closure Coastal</i>	1,300,710	1,331,494	1,371,439	1,412,582	1,454,959	1,498,608	1,543,566	1,589,873	1,637,570	1,686,697	1,737,298
<i>Restricted - County CUPs Toland</i>	731,000	731,000	731,000	731,000	731,000	731,000	731,000	731,000	731,000	731,000	731,000
Total Restricted	4,412,333	4,508,560	4,621,887	4,738,613	4,858,842	4,982,677	5,110,227	5,241,604	5,376,922	5,516,300	5,659,859
Available a	23,653,203	25,719,894	29,602,093	32,774,413	37,640,087	41,500,938	46,752,573	51,565,239	57,572,835	63,369,651	69,555,670
<i>Toland Closure/Post Closure</i>	21,202,510	22,516,518	23,883,893	25,306,463	26,786,112	28,324,780	29,924,468	31,587,236	33,315,207	35,110,568	36,975,571
<i>PARS set-a-side</i>	1,231,362	1,231,362	1,231,362	1,231,362	1,231,362	1,231,362	1,231,362	1,231,362	1,231,362	1,231,362	1,231,362
<i>Insurance Reserve and CERCLA</i>	1,045,225	1,045,225	1,045,225	1,045,225	1,045,225	1,045,225	1,045,225	1,045,225	1,045,225	1,045,225	1,045,225
<i>3-month reserve - Operating Reserve</i>	2,602,875	2,454,404	2,503,181	2,563,544	2,662,840	2,726,705	2,794,895	2,859,978	2,929,491	3,000,986	3,074,519
Total Committed Reserves	26,081,973	27,247,509	28,663,661	30,146,594	31,725,538	33,328,072	34,995,950	36,723,801	38,521,284	40,388,140	42,326,676
Uncommitted b	(2,428,769)	(1,527,615)	938,431	2,627,819	5,914,549	8,172,866	11,756,623	14,841,438	19,051,551	22,981,511	27,228,993
Change from 2/19/2026 Presentation	(10,800,659)	(10,743,363)	(10,305,330)	(9,850,483)	(9,371,906)	(8,868,709)	(8,379,697)	(7,826,811)	(7,248,785)	(6,642,277)	(6,179,032)

a: Available After Restricted Reserves

b: Available After District Reserve Requirements

Note: Includes budget requests through 5/21/2026 and recently submitted JTD report.

Financial Plan as of 02/19/26 – W/WW

Fiscal Year - Water/Wastewater	Projected 2025	2026	2027	2028	2029	2030
Beginning Balance (Deficit) - Cash Resources	956,041	1,204,195	1,390,380	1,825,389	643,700	1,014,724
FY Net Activity	(721,974)	384,591	111,280	(528,533)	187,124	(718,610)
Add back non-cash items	970,128	323,729	323,729	317,254	310,909	304,691
W/WW Customer rebate paid	-	(522,135)	-	(970,410)	(127,009)	(151,195)
Ending Balance - Cash Resources	1,204,195	1,390,380	1,825,389	643,700	1,014,724	449,609
Change in Cash Resources a	248,155	708,320	435,009	(211,279)	498,033	(413,919)
Available b	1,204,195	1,390,380	1,825,389	643,700	1,014,724	449,609
2-month reserve - Operating if available	632,433	451,580	493,015	503,740	516,691	449,609
Uncommitted	571,762	938,800	1,332,374	139,960	498,033	-

a: Cashflow from Annual Operations

b: Cumulative Cashflow Position

Item# 7

Updated Financial Plan – W/WW

Item# 7

Fiscal Year - Water/Wastewater	2026	2027	2028	2029	2030
Beginning Balance (Deficit) - Cash Resources	1,204,195	1,354,840	1,774,134	628,309	999,822
FY Net Activity	349,051	232,236	(413,065)	300,500	(607,259)
Add back non-cash items	323,729	187,058	183,317	179,650	176,057
W/WW Customer rebate paid	(522,135)	-	(916,077)	(108,637)	(133,413)
Ending Balance - Cash Resources	1,354,840	1,774,134	628,309	999,822	435,208
Change in Cash Resources a	672,780	419,294	(229,749)	480,150	(431,201)
Available b	1,354,840	1,774,134	628,309	999,822	435,208
2-month reserve - Operating if available	492,214	495,634	506,818	519,671	435,208
Uncommitted	862,626	1,278,501	121,490	480,150	-
Change from 2/19/2026 Presentation	(76,174)	(53,873)	(18,470)	(17,883)	-

a: Cashflow from Annual Operations
b: Cumulative Cashflow Position