

Central Services
Joan Araujo, Director

Engineering Services
James O'Tousa, Director

Roads & Transportation
Anitha Balan, Director

Water & Sanitation
Joseph Pope, Director

Watershed Protection
Glenn Shephard, Director

November 7, 2023

Board of Supervisors
County of Ventura
County Service Area No. 29
800 S. Victoria Avenue
Ventura, CA 93009

Subject: Approval of, and Authorization for the Auditor-Controller's Office to Process, Fiscal Year (FY) 23-24 Budgetary Adjustments in the Amount of \$157,939 Due to Lower than Expected Actual FY22-23 Ending Fund Balance for County Service Area No 29; Supervisorial District No. 1; 4/5th Vote Required.

Recommendation:

Approve and authorize the Auditor-Controller's Office to process the Fiscal Year (FY) 23-24 budgetary transactions necessary to revise revenues upward in the amount of \$34,309, and revise appropriations downward in the amount of \$123,630, for a reduction in net county costs of \$157,939. These revisions are necessary to remediate lower than expected actual FY22-23 ending fund balance for County Service Area (CSA) No. 29 [North Coast; Supervisorial District No. 1] as follows (requires 4/5ths vote):

CSA 29 North Coast Operations and Maintenance - Fund S540:

INCREASE	DIV 4130	Charges for Services	\$ 34,309
DECREASE	DIV 4130	Services and Supplies	\$ 123,630

Fiscal/Mandates Impact:

Mandatory:	No
Source of Funding:	Sewer Service Charges and Standby Charges
Funding Match Required:	None
Impact on Other Departments:	None



	<u>FY 2023-24</u>	<u>FY 2024-25</u>
Summary of Revenues and Total Costs:		
Revenues:	\$ 34,309	\$ 0
Costs:		
Direct Costs	\$ (123,630)	\$ 0
Indirect – Agency/Dept.	\$ 0	\$ 0
Indirect – CAP	\$ 0	\$ 0
Total Costs	\$ (123,630)	\$ 0
Net County Cost, Including Indirects	\$ (157,939)	\$ 0
Recovered Indirect Cost	\$ 0	\$ 0

Additional revenue resulting from the Board Approved 10% rate increase will decrease net cost by \$34,309. In addition, recommended decrease in direct cost of \$123,630 will overall decrease net cost by \$157,939.

Current FY 2023-24 Budget Projection for County Service Area No. 29 – North Coast – Unit 4130				
	Adopted Budget	Adjusted Budget	Projected Budget	Estimated Saving/(Deficit)
Appropriations	\$ 5,236,172	\$ 5,305,239	\$ 5,305,239	\$0
Revenues	\$ 5,534,370	\$ 5,534,370	\$ 5,534,370	\$0
Net Cost	\$ 298,198	\$ 229,131	\$ 229,131	\$0

Net Cost totals include capital outlay and transfers-out.

Executive Summary:

The Public Works Agency Water and Sanitation Department (PWA-WS) is responsible for the administration, operation, and maintenance of the North Coast sewer collection system through County Service Area No. 29 (CSA 29). CSA 29 serves the communities of Solimar Beach, Faria Beach, Seacliff and Mussel Shoals. The North Coast sewer system is a Septic Tank Effluent Pump system (STEP) which serves over 400 customers.

The system is currently operated and maintained by PWA-WS. Prior to August 31, 2021, the system was operated and maintained under contract with the Ventura Regional Sanitation District (VRSD). The sewage is pumped to the city of Ventura sewer system for wastewater treatment and disposal.



Discussion:

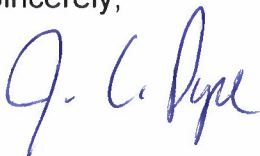
CSA 29 system is fully maintained by PWA-WS starting Fiscal Year 2021-22. During the transition period after termination of the contract with VRSD during Fiscal Year 2021-22, CSA 29 incurred higher than anticipated operating and repair costs due to an aging sewer system beyond its useful service-life. In addition, major repairs and system improvements were made to improve the operation and safety of the system. Although CSA 29 saw a decrease in actual versus budgeted labor costs during Fiscal Year 2022-23, rehabilitation of the electrical control panels at two of the four major lift stations caused higher than anticipated net costs resulting in a negative fund balance at the end of Fiscal Year 2022-23.

On June 21, 2023 your Board approved the CSA 29 fiscal year 2023-24 (FY24) budget. On June 20, 2023, your Board approved CSA 29 sewer service charges and sewer standby charges for FY24 which included a 10 percent increase in sewer service charges. While the approved sewer fees for FY24 are expected to generate an additional \$34,309 in revenue over the FY24 adopted budget, a decrease in the available appropriation of \$123,630 is required to balance the budget.

This item has been reviewed by the County Executive Office, the Auditor-Controller's Office, and County Counsel.

If you have any questions regarding this item, please call me at (805) 378-3005.

Sincerely,



Joseph C. Pope, P.E.
Director
Water and Sanitation

