



## **BOARD MEETING AGENDA SUBMITTAL**

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**TO: GCSB Board of Directors**

**FROM: Peter Kampa, General Manager**

**DATE: February 12, 2019**

**SUBJECT: Agenda Item 6A: Adoption of a Resolution Approving 2018-19 Budget Adjustments, Including Specified New and Amendments to Existing Capital Projects and Major Purchases**

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### **RECOMMENDED ACTION**

Staff recommends the following action:

*Adopt Resolution 2019-5 Approving 2018-19 Budget Adjustments, Including Specified New and Amendments to Existing Capital Projects and Major Purchases*

### **BACKGROUND**

The budget format was significantly revamped and improved for the 2018/19 fiscal year; with the Preliminary Budget adopted on June 11, 2018 and the Final Budget adopted on August 13, 2018. The budget was amended on October 9, 2018 to correct changes in flood restoration related project expenses and revenue. It is customary for the District to evaluate revenue and expenses near the middle of the fiscal year, and make adjustment to the budget as necessary.

The California Government Code authorizes budget amendments as follows:

*61111. (a) At any regular meeting or properly noticed special meeting after the adoption of its final budget, the board of directors may adopt a resolution amending the budget and ordering the transfer of funds between categories, other than transfers from the designated reserve for capital outlay and the designated reserve for contingencies.*

The District does not have an existing policy that describes our specific budget categories, or what exactly requires a budget amendment, except that the purchasing policy allows the General Manager to make purchases within the approved budget. Therefore, this amendment requests Board approval of the following proposed changes, which are areas where we expect expenses to exceed revenue, and the addition of technology purchases and changes in capital projects (See District-wide summary sheet):

1. Water service revenue decrease of \$15,000 due to lower cost of Ferretti Road Water line restoration, and associated lower state grant reimbursement amount (See capital project sheet)
2. Sewer Service revenue decrease of \$743,237 due to lower cost of sewer restoration projects, and associated lower state grant reimbursement amount. (See capital project sheet)
3. Operating Expenses (Outside Services) budget in the Water increased by \$64,532 and by \$30,368 in the Sewer Fund. This increase for technology equipment, software and services is detailed below:

- a. Replacement of SCADA hardware and software to improve the functionality of the system; **see attached proposal for AquaSierra Controls**. The cost is \$69,400 (\$65,000 for hardware and configuration, \$4,400 for four months' maintenance, split proportionally among the water and sewer budgets)
- b. Purchase, Data entry and configuration of Asset Management Software \$25,500 (Water and Sewer Budgets); **see attached proposal from SEMS Technologies**
- 4. Operating Expenses (Equip, Auto maintenance and repairs) budget increased in Water by \$2000 and in sewer by \$1800 due to extended winter power outages and fuel for the generators.
- 5. Administration Budget Operating Expense Increase of \$3946 which includes (already completed work):
  - a. Administrative Services Technician (+\$23,946 for 4 months' salary and benefits)
  - b. \$25,000 decrease in management consulting expenses
  - c. \$5000 increase in communication and outreach expense
- 6. Administration Building and Grounds Improvements and Restoration - \$13,750 increase split between all services (see capital project sheet)
- 7. Water capital outlay budget increase of \$7,191 (see attached capital project sheet)
  - a. Includes \$60,000 for the Big Creek Pump Rehabilitation Project; **see attached bid proposal from Don Pedro Pump**
  - b. Water grant revenue decrease of \$15,000 (reduced flood restoration project cost and reimbursement)
- 8. Sewer capital outlay decrease of \$950,761 (see attached project sheet)
- 9. Fire capital outlay increase of \$40,027 (see attached project sheet)
- 10. Park capital outlay decrease of \$993 (see attached project sheet)

Approval of the Budget amendment resolution also authorizes the General Manager to award small construction contracts to Njirich Construction for the wastewater valve/vault project, and Don Pedro Pump for the removal, renovation and replacement of the Big Creek Turbine Pump; a project that is estimated to increase pumping efficiency and save enough power to pay for the work within a 7 to 10 year basis.

The budget amendment also provides funding for the District to purchase critical replacement servers, software and related equipment for our SCADA system, as well as the purchase of much needed asset management software which will help us organize and make efficient our system maintenance programs.

**ATTACHMENTS:**

- 1. Amended Districtwide Budget Summary
- 2. Amended Capital Project Sheet
- 3. Proposals from Njirich Construction for the Treatment Plant Valve Vault, and Don Pedro Pump for the Big Creek Turbine Replacement
- 4. Proposals from AquaSierra Controls and SEMS software for Technology upgrades and asset management program software

Groveland Community Services District  
2018/2019 Budget  
Proposed Amendments February 12, 2019

	WATER			SEWER			FIRE			PARK		
	Approved	Proposed 2-12	\$	Approved	Proposed 2-12	\$	Approved	Proposed 2-12	\$	Approved	Proposed 2-12	\$
	18/19	18/19	Change	18/19	18/19	Change	18/19	18/19	Change	18/19	18/19	Change
<b>Beginning Fund Balance</b>	<b>1,919,446</b>	<b>1,919,446</b>	<b>-</b>	<b>809,394</b>	<b>809,394</b>	<b>-</b>	<b>818,267</b>	<b>818,267</b>	<b>-</b>	<b>172,349</b>	<b>172,349</b>	<b>-</b>
<b>Revenue</b>												
Services Charges	\$ 2,379,890	\$ 2,379,890	\$ -	\$ 1,624,455	\$ 1,624,455	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fees	62,030	\$ 62,030	\$ -	12,000	12,000	\$ -	-	-	\$ -	1,500	1,500	\$ -
Taxes		\$ -	\$ -	\$ -	\$ -	\$ -	1,044,969	1,044,969	\$ -	90,866	90,866	\$ -
Other Revenue	224,000	\$ 209,000	\$ (15,000)	1,384,296	\$ 641,059	\$ (743,237)	21,000	21,000	\$ -	169,200	169,200	\$ -
<b>TOTAL FUND REVENUE</b>	<b>2,665,920</b>	<b>2,650,920</b>	<b>(15,000)</b>	<b>3,020,751</b>	<b>2,277,514</b>	<b>(743,237)</b>	<b>1,065,969</b>	<b>1,065,969</b>	<b>-</b>	<b>261,566</b>	<b>261,566</b>	<b>-</b>
<b>Operating Expenses</b>												
Salaries	\$ 386,097	\$ 386,097	\$ -	\$ 335,109	\$ 335,109	\$ -	\$ 14,568	\$ 14,568	\$ -	\$ 36,420	\$ 36,420	\$ -
Benefits	167,715	\$ 167,715	\$ -	144,235	144,235	\$ -	6,709	6,709	\$ -	16,771	16,771	\$ -
General Manager Services		\$ -	\$ -	-	-	\$ -	-	-	\$ -	-	-	\$ -
Retiree Medical	55,760	\$ 55,760	\$ -	26,240	26,240	\$ -	16,000	16,000	\$ -	-	-	\$ -
Admin Operating Expense		\$ -	\$ -	-	-	\$ -	-	-	\$ -	-	-	\$ -
Equip, Auto, Maint, & Repairs	254,837	\$ 256,837	\$ 2,000	132,988	134,788	\$ 1,800	53,325	53,325	\$ -	7,500	7,500	\$ -
Outside Services (inc Computer replacements, software, config)	172,600	\$ 237,132	\$ 64,532	190,100	220,468	\$ 30,368	-	-	\$ -	-	-	\$ -
CAL FIRE (Schedule A + Amador Contracts)		\$ -	\$ -	-	-	\$ -	1,256,480	1,256,480	\$ -	-	-	\$ -
Other (incl. OPEB, Leases, Cost of Water)	398,050	\$ 398,050	\$ -	241,595	241,595	\$ -	55,400	55,400	\$ -	57,500	57,500	\$ -
<b>TOTAL FUND EXPENSES</b>	<b>\$ 1,435,059</b>	<b>\$ 1,501,591</b>	<b>\$ 66,532</b>	<b>\$ 1,070,267</b>	<b>\$ 1,102,435</b>	<b>\$ 32,168</b>	<b>\$ 1,402,481</b>	<b>\$ 1,402,481</b>	<b>\$ -</b>	<b>\$ 118,191</b>	<b>\$ 118,191</b>	<b>\$ -</b>
Administrative Cost Allocation	758,080	760,290	2,210	500,882	502,382	1,500	19,628	19,668	39	59,586	59,783	197
<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 2,193,138</b>	<b>\$ 2,261,880</b>	<b>\$ 68,742</b>	<b>\$ 1,571,149</b>	<b>\$ 1,604,817</b>	<b>\$ 33,668</b>	<b>\$ 1,422,110</b>	<b>\$ 1,422,149</b>	<b>\$ 39</b>	<b>\$ 177,777</b>	<b>\$ 177,974</b>	<b>\$ 197</b>
<b>TOTAL OPERATING BALANCE</b>	<b>\$ 472,782</b>	<b>\$ 389,040</b>	<b>\$ (83,742)</b>	<b>\$ 1,449,602</b>	<b>\$ 672,697</b>	<b>\$ (776,905)</b>	<b>\$ (356,141)</b>	<b>\$ (356,180)</b>	<b>\$ (39)</b>	<b>\$ 83,789</b>	<b>\$ 83,592</b>	<b>\$ (197)</b>
<b>Capital Expenses and Revenue</b>												
Capital Revenue (Connection/Capacity Fees, Reserve Transfer)												
Capital Outlay (Expenditures on Fixed Assets)	469,208	476,399	7,191	1,912,497	961,736	(950,761)	76,013	116,040	40,027	211,693	210,700	(993)
<b>NET CAPITAL EXPENSES</b>	<b>469,208</b>	<b>476,399</b>	<b>7,191</b>	<b>1,912,497</b>	<b>961,736</b>	<b>(950,761)</b>	<b>76,013</b>	<b>116,040</b>	<b>40,027</b>	<b>211,693</b>	<b>210,700</b>	<b>(993)</b>
<b>Reserve Set-Aside</b>												
Designated Reserve for Capital Outlay	-	-	-	100,000	100,000	-	-	-	-	-	-	-
<b>TOTAL RESERVE SET-ASIDE</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>100,000</b>	<b>100,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Debt Service Expenses and Revenue</b>												
Debt Service Charge Revenue	604,801	604,801	-	325,658	325,658	-	-	-	-	-	-	-
Debt Service Payments	(686,123)	(686,123)	-	(320,885)	(320,885)	-	-	-	-	-	-	-
<b>NET DEBT SERVICE</b>	<b>(81,322)</b>	<b>(81,322)</b>	<b>-</b>	<b>4,773</b>	<b>4,773</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL EXPENSES</b>	<b>2,743,668</b>	<b>2,819,601</b>	<b>75,933</b>	<b>3,578,873</b>	<b>2,661,780</b>	<b>(917,093)</b>	<b>1,498,123</b>	<b>1,538,189</b>	<b>40,066</b>	<b>389,470</b>	<b>388,674</b>	<b>(796)</b>
<b>ENDING FUND BALANCE</b>	<b>\$ 1,841,698</b>	<b>\$ 1,750,765</b>	<b>\$ (90,933)</b>	<b>\$ 251,272</b>	<b>\$ 425,128</b>	<b>\$ 173,856</b>	<b>\$ 386,113</b>	<b>\$ 346,047</b>	<b>\$ (40,066)</b>	<b>\$ 44,445</b>	<b>\$ 45,241</b>	<b>\$ 796</b>

**Groveland Community Services District**  
**Proposed 2018/2019 Budget Amendment February 12, 2019**  
**Capital Outlay**

ADMIN CAPITAL OUTLAY			
Projects	18/19 Approved	Proposed Amended Amount	\$ Change
Office driveway, parking lots restoration, remove dirt behind buildings (March Flood)	31,250	45,000	13,750
Parking lot repairs, seal coat, lighting	70,000	70,000	-
<b>TOTAL CAPITAL OUTLAY</b>	<b>101,250</b>	<b>115,000</b>	<b>13,750</b>

WATER CAPITAL OUTLAY			
Projects	18/19 Approved	Proposed Amended Amount	\$ Change
Downtown Groveland/BOF Rehab Planning	189,108	189,108	-
AWS Tank 2 Booster System	5,000	5,000	-
Water Pump Replacements	30,000	30,000	-
Building Upgrades/Repairs	68,000	50,000	(18,000)
General Water Distribution Improv.	60,000	30,000	(30,000)
Truck #9 Replacement	20,400	20,400	-
Ferretti Rd. Water Main Storm Damage	40,000	20,000	(20,000)
Office driveway, parking lots restoration, remove dirt behind buildings (March Flood)	17,500	26,000	8,500
Parking lot repairs, seal coat	39,200	39,200	-
Big Creek Turbine Renovation	-	60,000	60,000
Flow Magmeter Installation	-	6,691	6,691
<b>TOTAL CAPITAL OUTLAY</b>	<b>469,208</b>	<b>476,399</b>	<b>7,191</b>

SEWER CAPITAL OUTLAY			
Project	18/19 Approved	Proposed Amended Amount	\$ Change
Downtown Groveland/BOF Rehab Planning	155,000	155,000	-
Sludge Drying Bed Concrete Slab, Res 10-18	90,969	95,517	4,548
Replace STP Reservoir 1 Valves	20,000	42,600	22,600
Replacement of Storm Damaged Sewer	549,120	2,000	(547,120)
Wastewater Pump Replacements	24,000	24,000	-
Building Upgrades/Repairs	32,000	16,000	(16,000)
Repair/Replace Rd. Culvert & Restore Perc Ponds	200,000	31,000	(169,000)
Truck #9 Replacement	9,600	9,600	-
WWTP Flume Storm Damage Repair 2017 Floods	409,470	-	(409,470)
WWTP Flume Storm Damage Repair 2018 Floods	343,863	-	(343,863)
OES Flume Diversion	-	522,419	522,419
Ferretti Rd. Sewer Main Storm Damage	40,000	20,000	(20,000)
Office driveway, parking lots restoration, remove dirt behind buildings (March Flood)	11,875	17,000	5,125
Parking lot repairs, seal coat	26,600	26,600	-
<b>TOTAL CAPITAL OUTLAY</b>	<b>1,912,497</b>	<b>961,736</b>	<b>(950,761)</b>

FIRE CAPITAL OUTLAY			
Projects	18/19 Approved	Proposed Amended Amount	\$ Change
Driveway Repairs	30,000	69,840	39,840
SCBA Fill Station	45,000	45,000	-
Office driveway, parking lots restoration, remove dirt behind buildings (March Flood)	313	500	187
Parking lot repairs, seal coat	700	700	-
Shower Replacement and Floor Repair	-	10,000	10,000
<b>TOTAL CAPITAL OUTLAY</b>	<b>76,013</b>	<b>116,040</b>	<b>40,027</b>

PARK CAPITAL OUTLAY			
Projects	18/19 Approved	Proposed Amended Amount	\$ Change
Park Restoration Project	200,000	205,000	5,000
Culvert Extension	6,630	-	(6,630)
Office driveway, parking lots restoration, remove dirt behind buildings (March Flood)	1,563	2,200	637
Parking lot repairs, seal coat	3,500	3,500	-
<b>TOTAL CAPITAL OUTLAY</b>	<b>211,693</b>	<b>210,700</b>	<b>(993)</b>

**RESOLUTION NO. 2019-5**

**A RESOLUTION OF THE BOARD OF DIRECTORS  
OF THE GROVELAND COMMUNITY SERVICES DISTRICT  
APPROVING 2018-19 BUDGET ADJUSTMENTS, INCLUDING  
SPECIFIED NEW AND AMENDMENTS TO EXISTING CAPITAL  
PROJECTS AND MAJOR PURCHASES**

**WHEREAS**, the Board of Directors adopted a Preliminary 2018-19 budget on June 11, 2018, and a Final Budget on August 13, 2018; and

**WHEREAS**, the 2018-19 budget was amended on October 9, 2018 to correct changes in flood restoration related projects; and

**WHEREAS**, additional operating expenses and capital projects are necessary due to priorities of the District, cost savings, efficiencies and to avoid disastrous failure of existing technology, and mid year budget amendment is needed to fully discuss and disclose the necessary spending changes; and

**WHEREAS**, management has prepared a detailed budget amendment proposal which is included herein.

NOW THEREFORE BE IT RESOLVED THAT THE BOARD OF DIRECTORS OF THE GROVELAND COMMUNITY SERVICES DISTRICT DOES HEREBY approve 2018-19 Budget Adjustments, Including Specified New And Amendments To Existing Capital Projects And Major Purchases as follows:

- i. Water service revenue (grant) decrease of \$15,000
  - ii. Sewer Service revenue (grant) decrease of \$743,237
  - iii. Operating Expenses (Outside Services) budget in the Water increased by \$64,532 and by \$30,368 in the Sewer Fund for technology improvements.
  - iv. Operating Expenses (Equip, Auto maintenance and repairs) budget increased in Water by \$2000 and in sewer by \$1800 due to extended winter power outages and fuel for the generators.
  - v. Administration Budget Operating Expense Increase of \$3946 which includes:
    1. Administrative Services Technician (+\$23,946 for 4 months' salary and benefits)
    2. \$25,000 decrease in management consulting expenses
    3. \$5000 increase in communication and outreach expense
  - vi. Approve the revised Capital Project Sheet which includes:
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1. Administration Building and Grounds Improvements and Restoration - \$13,750 increase split between all services
2. Water capital outlay budget increase of \$7,191
3. \$60,000 for the Big Creek Pump Rehabilitation Project
4. Fire capital outlay increase of \$40,027
5. Park capital outlay decrease of \$993
- vii. Ratifying the Award of Contract to Njirich Construction for the Wastewater Treatment Plant Valve Vault Installation Project
- viii. Ratifying the Award of Contract to Don Pedro Pump for the Removal, Renovation and Reinstallation of the Big Creek Turbine Pump
- ix. Approval of the Purchase, Installation and Configuration of Replacement Hardware and Software Related to the District Supervisory Control and Data Acquisition (SCADA) System; AquaSierra Controls
- x. Approval of the Purchase of Asset Management Software, Associated Data Entry and Annual Subscription; SEMS Technologies

WHEREFORE, this Resolution is passed and adopted by the Board of Directors of the Groveland Community Services District on February 12, 2019, by the following vote:

AYES:  
NOES:  
ABSENT:  
ABSTAIN:

APPROVED:

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Janice Kwiatkowski, President

ATTEST:

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Jennifer L. Flores, Board Secretary

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