

Consent Agenda Item

DATE: August 28, 2019

TO: Templeton Community Services District Board of Directors

FROM: Jeff Britz, General Manager

SUBJECT: Budget Amendment - Wastewater Fund - City of Paso Robles
Wastewater Plant Upgrade

RECOMMENDED ACTION:

That the Board of Directors, by motion, approve a budget amendment in the amount of \$244,067 (Acct.#02-69100 Debt Service) in the Wastewater Fund for the September 1, 2019 payment to the City of Paso Robles for debt service on the wastewater plant upgrade for the period of September 1, 2018 - August 31, 2019.

Motion: _____ / _____

FISCAL IMPACT:

This amendment will add \$244,067 in additional expenses from the Wastewater Operating Fund. If approved, this will reduce the expected June 30, 2020 estimated fund balance to \$769,461.

BACKGROUND:

As the Board will recall, TCSD had maintained a long-term arrangement with the City of Paso Robles to treat much of Templeton's sewage. As a part of that agreement, TCSD was responsible for 9% of the debt service of the City's wastewater treatment plant upgrade. The District formally disconnected from the City's system by resolution on August 20, 2019.

Since disconnection was anticipated, and the District was unsure as to whether or not costs related to the City of Paso Robles for wastewater treatment would occur during the 2019/20 fiscal year, the budget was presented and ultimately adopted without funds specified for the City of Paso Robles. Staff discussed this approach in detail with the Finance and Administration Committee in May, as well as briefly mentioning it to the Board at your June Budget Workshop.

In August, TCSD was presented with an invoice for the September 2019 payment related to the wastewater treatment plant upgrade in the amount of

\$244,067. Staff has reviewed the payment schedule, and has determined that it would be proper to pay this invoice, as the payment covers the prior year debt service, and the District maintained our connection to the City's sewer system from September 1, 2018 - August 20, 2019. City staff has confirmed that this will be that last invoice TCSD will receive for the debt service.