

FY 2014-15 BUDGET BUDGET SECTION SUMMARY

Section Title:

RUSSIAN RIVER COUNTY SANITATION DISTRICT
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A. Program Description

This budget finances operation, maintenance, and administration of a collection system, pumping stations, a treatment plant, and disposal facilities which serve the Russian River area.

B. Financial Summary

Section	GROSS EXPENDITURES			NET COST/USE OF FUND BALANCE		
	FY 13-14 Adopted	FY 14-15 Requested	Percent Change	FY 13-14 Adopted	FY 14-15 Requested	Percent Change
Operations	\$5,157,654	\$5,557,255	7.75%	\$1,236,605	\$1,518,256	22.78%
Bonds	37,302	30,553	(18.09%)	(140,998)	(148,247)	5.14%
Revenue Bonds	34,750	30,501	(12.23%)	(87,275)	(92,100)	5.53%
State Loan Reserve	0	0	N/A	0	0	N/A
Construction	230,000	160,000	(30.43%)	(210,500)	(505,000)	139.90%
TOTAL:	\$5,459,706	\$5,778,309	5.84%	\$797,832	\$772,909	(3.12%)

C. Staffing Summary

No staffing is allocated to this index.

D. Workload Summary

Workload Indicator	FY 12-13 Actual	FY 13-14 Budget Estimate	FY 13-14 Revised Estimate	FY 14-15 Projected	Change from FY 13-14 Budget Estimate
TOTAL ESDs	3,207	3,207	3,200	3,200	(0.22%)
TOTAL APNs	3,292	3,292	3,276	3,276	(0.49%)

E. Summary of Issues and Significant Changes

The requested rate per ESD for FY 14-15 annual service charges is \$1,297, representing a 3.5% increase from FY 13-14. Annual sewer service charge revenue, adjusted for the anticipated number of ESDs and an estimated delinquency factor, is projected to increase from the FY 13-14 budget. This revenue change is primarily due to the rate increase.

The Russian River County Sanitation District (Russian River CSD) treatment plant was completed in September 1980 and began operating in 1982. The Russian River CSD treatment plant was recently upgraded to increase the capacity to treat wastewater flows during flood conditions in the Russian River CSD service area.

The requested rates should provide the funds necessary to operate and maintain the Russian River CSD's collection system, treatment plant, and reclamation system. In addition to the funds needed for the ongoing operation of wastewater treatment and disposal facilities, funds are necessary for the replacement of aging infrastructure. The North Coast Regional Water Quality Board is requiring additional nutrient removal for discharges in the Russian River. The FY14-15 budget includes funding for the construction management for a nutrient removal project. In the past two years, the District has construct two large projects, ultraviolet disinfection and biological nutrient removal, to comply with its NPDES permit. Together the projects cost more than \$6,000,000. At the Russian River CSD, rates in the future may need to be increased above inflation levels to provide funding to comply with new and more stringent regulatory requirements.

F. Summary of Reduction Options

No reduction options are proposed.

G. Attachments

- Summary of Revenues and Expenditures
- Character Justification
- Statement of Special Fund Activity

FY 2014-15 BUDGET
SUMMARY OF REVENUES AND EXPENDITURES

Section Title: RUSSIAN RIVER CSD - OPERATIONS

Section/Index No: 652107

Sub-Object No. and Title	Adopted 2013-14	Requested 2014-15	Difference	Percent Change
REVENUES:				
<u>TAXES</u>				
1001 Flat Charges - CY	\$3,743,112	\$3,869,677	\$126,565	3.38%
1007 Flat Charges - CY Secured	0	0	0	N/A
1061 Flat Charges - PY	107,000	107,000	0	0.00%
1120 Penalties / Costs on Taxes	19,000	19,000	0	0.00%
Subtotal Taxes	\$3,869,112	\$3,995,677	\$126,565	3.27%
<u>USE OF MONEY</u>				
1700 Interest on Pooled Cash	\$15,600	\$9,600	(\$6,000)	(38.46%)
Subtotal Use of Money	\$15,600	\$9,600	(\$6,000)	(38.46%)
<u>CHARGES FOR SERVICES</u>				
3400 Sanitation Services	\$36,337	\$33,722	(\$2,615)	(7.20%)
Subtotal Charges for Services	\$36,337	\$33,722	(\$2,615)	(7.20%)
<u>ADMINISTRATIVE CONTROL</u>				
4210 Advances	\$0	\$0	\$0	N/A
4219 Advances - Clearing	0	0	0	N/A
Subtotal Administrative Control	\$0	\$0	\$0	N/A
TOTAL REVENUES	\$3,921,049	\$4,038,999	\$117,950	3.01%

EXPENDITURES:

SERVICES AND SUPPLIES

6040 Communications	\$12,000	\$10,000	(\$2,000)	(16.67%)
6085 Janitorial Services	1,000	1,000	0	0.00%
6140 Maintenance - Equipment	200,000	180,000	(20,000)	(10.00%)
6262 Lab Supplies	7,000	11,000	4,000	57.14%
6430 Printing Services	5,000	5,000	0	0.00%
6461 Supplies/Expense	12,000	10,000	(2,000)	(16.67%)
6512 Testing/Analysis	300,000	250,000	(50,000)	(16.67%)
6516 Data Processing Services	2,000	2,000	0	0.00%
6521 County Services	13,000	13,000	0	0.00%
6523 District Operations	1,700,000	2,200,000	500,000	29.41%
6540 Contract Services	100,000	85,000	(15,000)	(15.00%)
6570 Consultant Services	230,000	81,950	(148,050)	(64.37%)
6573 Administration Costs	33,000	33,000	0	0.00%
6589 Permits	15,000	15,000	0	0.00%

Sub-Object No. and Title	Adopted 2013-14	Requested 2014-15	Difference	Percent Change
<u>SERVICES AND SUPPLIES (cont'd)</u>				
6610 Legal Services	6,000	5,000	(1,000)	(16.67%)
6630 Audit / Accounting Services	17,000	15,000	(2,000)	(11.76%)
6697 EFS Costs	0	3,607	3,607	N/A
6820 Rents/Lease-Equipment	5,000	5,000	0	0.00%
6880 Small Tools/Instruments	15,000	10,000	(5,000)	(33.33%)
6889 Software	1,000	3,000	2,000	200.00%
6890 Computer Hardware	2,000	2,000	0	0.00%
7022 Public Relations Expense	2,000	2,000	0	0.00%
7201 Gas/Oil	5,000	6,000	1,000	0
7206 Equipment Usage Charges	100,000	120,000	20,000	20.00%
7212 Chemicals	10,000	8,000	(2,000)	(20.00%)
7247 Water Conservation	50,000	30,000	(20,000)	(40.00%)
7320 Utilities	2,000	2,000	0	0.00%
7394 Power	200,000	200,000	0	0.00%
Subtotal Services and Supplies	\$3,045,000	\$3,308,557	\$263,557	8.66%
<u>OTHER CHARGES</u>				
7930 Interest - LT Debt	\$110,404	\$103,948	(\$6,456)	(5.85%)
7980 Depreciation	1,332,000	1,330,000	(2,000)	(0.15%)
Subtotal Other Charges	\$1,442,404	\$1,433,948	(\$8,456)	(0.59%)
<u>FIXED ASSETS</u>				
8560 Equipment	\$80,000	\$15,000	(\$65,000)	(81.25%)
9480 Intangible Assets	5,000	5,000	0	0.00%
Subtotal Fixed Assets	\$85,000	\$20,000	(\$65,000)	(76.47%)
<u>OTHER FINANCING USES</u>				
8625 OT - W/in Special Dist - BOS	\$560,250	\$769,750	\$209,500	37.39%
Subtotal Other Financing Uses	\$560,250	\$769,750	\$209,500	37.39%
<u>APPROPRIATIONS FOR CONT</u>				
9000 Approp for Contingencies	\$25,000	\$25,000	\$0	0.00%
Subtotal Approp for Contingencies	\$25,000	\$25,000	\$0	0.00%
<u>ADMINISTRATIVE CONTROL ACCOUNT</u>				
9210 Advances	\$260,547	\$264,121	\$3,574	1.37%
9219 Advances - Clearing	(260,547)	(264,121)	(3,574)	1.37%
Subtotal Administrative Control	\$0	\$0	\$0	N/A
TOTAL EXPENDITURES	\$5,157,654	\$5,557,255	\$399,601	7.75%
TOTAL NET COST <i>(Expenditures Minus Revenues)</i>	\$1,236,605	\$1,518,256	\$281,651	22.78%

FY 2014-15 BUDGET
CHARACTER JUSTIFICATION

Department - Division: Sonoma County Water Agency - Sanitation

Section Title: Russian River CSD - Operations

Character Title: Taxes **Character No.:** 652107-10

1001 Flat Charges - CY

Flat charge revenue from annual service charges is expected to increase from the adopted FY 13-14 budget. The rate will increase 3.5%, from \$1,253 to \$1,297.

ESDs times annual rate:	3,174 x \$1,297	\$4,116,678
Less Estimated Delinquency Factor:	6%	(247,001)
		\$3,869,677

(See SubObject 3400 for Total ESDs)

1061 Flat Charges - PY

This item records the estimated delinquent amount of prior years sewer service charges.

1120 Penalties/Costs on Taxes

This item records penalties paid on delinquent sewer service charges.

Character Title: Use of Money **Character No.:** 652107-17

1700 Interest on Pooled Cash

This account records interest on pooled cash held for the District by the County Treasurer's office. Estimated interest is projected based on cash on hand and current interest rate trends.

Estimated Average Cash Balance	\$1,600,000
Projected Interest Rate	0.60%
Projected/Planned Interest on Pooled Cash	\$9,600

Character Title: Charges for Services **Character No.:** 652107-30

3400 Sanitation Services

This account records annual sewer service charges for entities that are invoiced, rather than collected as flat charges on the tax roll, and for new hook-ups as they occur during the year. The Sanitation Rate Ordinance requires that charges be collected at the time permits are issued. The properties are then added to the tax roll master listing and collected through sub-object 1001, Flat Charges, in the following year.

Based on projected FY 14-15 ESDs, the District will experience an increase in revenue from invoiced entities. The budgeted revenue reflects an increase in the annual sewer service charge from \$1,253 to \$1,297.

ESDs x Annual Charge	26 x \$1,297	=	\$33,722
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Character Title: Administrative Control Account

Character No.: 652107-42

4210 Advances

No advances are anticipated for FY 14-15.

4219 Advances - Clearing

This is the clearing account for sub-object 4210.

Character Title: Services and Supplies

Character No.: 652107-60

6040 Communications

This account records expenses paid by the District for outside communication and wireless services.

6085 Janitorial Services

This item is requested to provide funds for custodial services.

6140 Maintenance - Equipment

This account records the costs for routine maintenance of equipment.

6262 Laboratory Supplies

This account records the cost of lab supplies required for testing and monitoring wastewater.

6430 Printing Services

This item is requested to cover the costs of printing services, which are primarily furnished by the County Reprographics Department.

6461 Supplies/Expense

Supplies/Expenses covers the costs of operational supplies used by the District.

6512 Testing and Analysis

This account records expenses incurred to comply with all regulatory testing requirements.

6516 Data Processing Services

This request covers the costs of various data processing supplies and services.

6521 County Services

This item records the expense for special district accounting services.

6523 District Operations

This account records the cost of labor and overhead associated with operations and maintenance of the District's facilities.

6540 Contract Services

This account reflects the costs for various outside services, primarily sludge hauling and disposal.

6570 Consultant Services

This account records the costs of services provided by outside consultants including agreement for cost required in permitting, regulatory and collection system modeling (\$75,000) and Maximo (\$6,950).

6573 Administration Costs

This account represents the 1% administration fee assessed by the County for processing collection of flat charges on the tax roll.

6589 Permits

This account records the cost of all permits.

6610 Legal Services

This item is requested to provide funds for the estimated cost of legal services to be provided by County Counsel, or outside legal services, as required.

6630 Audit / Accounting Services

This account represents the cost of accounting and audit services provided by an outside certified public accounting service.

6697 EFS Costs

This item represents the share of costs for the County's future operating system.

6820 Rents/Leases - Equip

Rents and Leases - Equipment covers the costs of renting copiers, fax machines and other equipment as needed.

6880 Small Tools/Instruments

This item is requested to provide funds for the purchase of office furniture, small tools, instruments and equipment that are individually under \$5,000.

6889 Software

This item provides funds for various software packages.

6890 Computer Hardware

This item covers the cost of computer hardware, as needed.

7022 Public Relations Expense

Public Relations Expense includes the costs of special meetings.

7201 Gas/Oil

This item include the costs of gas, diesel and oil.

7206 Equipment Usage Charges

This item is requested to provide funds for equipment usage.

7212 Chemicals

This account records the cost of chemicals required for operation of the treatment plant in accordance with the Russian River CSD NPDES permit, as required by the Regional Water Quality Control Board.

7247 Water Conservation

This account records the cost of the High Efficiency Fixture Direct Install Program with the goal of inflow reduction and the retrofit of old high water using fixtures.

7320 Utilities

This account records the cost of utilities such as water.

7394 Power

This account records the cost of utilities such as gas and electricity.

Character Title: Other Charges **Character No.:** 652107-75

7930 Interest LT Debt

This account reflects the interest expense for the State Revolving Loans for the Disinfection Upgrade and Third Unit Process Project.

7980 Depreciation

Generally Accepted Accounting Principles require that depreciation be expensed each year.

Character Title: Fixed Assets **Character No.:** 652107-85

8560 Equipment

This account records cost for equipment over \$5,000, as needed.

9480 Intangible Assets

This account records sewer easement dedications.

Character Title: Other Financing Uses **Character No.:** 652107-86

8625 OT - W/in Special Dist - BOS

This account reflects the transfer of cash from the Operations Fund to the Revenue Bond Fund to cover principal and interest payments, as well as to the Construction Fund to finance the Capital Replacement Program and Wastewater Capital Reserve fund required by the State Revolving Fund loan received February 2004. If the Operations Fund does not have sufficient cash available to finance planned capital projects, the transfer to the Construction Fund will not be made and any uncompleted projects will be rescheduled and rebudgeted in the next fiscal year.

Transfer to Revenue Bond Fund	\$120,501
Transfer to Construction Fund	650,000
Total Operating Transfer	<u>\$770,501</u>

Transfers to the Construction Fund to Finance the Wastewater Capital Reserve Fund began in FY 04-05 and completed in FY 13-14.

Character Title: Appropriations for Contingencies **Character No.:** 652107-90

9000 Appropriations for Contingencies

This account provides funding for unanticipated expenditures or revenue shortfalls.

Character Title: Administrative Control Account **Character No.:** 652107-92

9210 Advances

This account reflects the principal payment for the State Revolving Loan for the Third Unit Processes Project. Payments on the loan will continue until FY 26-27.

The following reflects the principal payment history to date:

Original Amount of the Loan:	\$3,800,969
Total FY 05-06 through FY 12-13 Principal Payment:	(1,298,544)
FY 13-14 Principal Payment:	<u>(181,384)</u>
Outstanding Loan Amount	\$2,321,041

This account reflects the principal payment for the anticipated State Revolving Loan for the Disinfection Basin Project original Loan is for \$3,884,450 with a forgiveness of \$1,942,225. Payments will continue until FY 34-35.

The following reflects the principal payment history to date:

Original Amount of the Loan:	\$1,942,225
FY 12-13 Principal Payment	(99,873)
FY 13-14 Principal Payment:	<u>(79,153)</u>
Outstanding Loan Amount	\$1,842,352

9219 Advances - Clearing

This is the clearing account for sub-object 9210, Advances.

FY 2014-15 BUDGET
STATEMENT OF SPECIAL FUND ACTIVITY

Department: Sonoma County Water Agency - Sanitation
Section: Russian River CSD - Operations
Index No.: 652107

DESCRIPTION OF FUND ACTIVITY	Actual FY 12-13	Estimated FY 13-14	Requested FY 14-15
Undesignated/Unreserved <u>BEGINNING</u> Retained Earnings			
Available for Budgeting (See Detailed Components Below)	\$2,348,098	\$1,440,257	\$1,411,394
Annual Revenues and Expenditures:			
Revenues - Increase retained earnings	3,898,864	3,915,165	4,038,999
Expenditures - (Decrease) retained earnings	(7,393,561)	(5,015,481)	(5,557,255)
Net Surplus or Deficit - Inc/(Dec) to retained earnings	(3,494,697)	(1,100,316)	(1,518,256)
Adjustments to Reserves/Encumbrances:			
7980 Depreciation	1,104,665	1,332,000	1,330,000
4210 Proceeds from LT Debt	1,942,225	-	-
9210 Advances	(276,842)	(260,547)	(264,121)
Change in Matured Principal	(80,634)	-	-
Net Change in Encumbrance	(102,558)	-	-
Net Adjustment - Increase/(Decrease) to Retained Earnings	2,586,856	1,071,453	1,065,879
Undesignated/Unreserved <u>ENDING</u> Retained Earnings			
Available for Budgeting	\$1,440,257	\$1,411,394	\$959,017
Total Increase/(Decrease) in Retained Earnings for Fiscal Year <i>(Difference between Beginning and Ending Balance)</i>	(\$907,841)	(\$28,863)	(\$452,377)
<u>Retained Earnings Components at Beginning of FY</u>	7/1/12	7/1/13	
Cash	\$2,450,292	\$1,626,776	
Other Receivables (Flat Charges)	477,901	569,890	
Accounts Payable	(37,996)	(23,646)	
Due to Other Governments	(176,969)	(257,603)	
Contract Retention Payable	-	(84)	
Interest Payable	(39,074)	(46,461)	
Encumbrances (Contract)	(326,056)	(428,614)	
Total Beginning Retained Earnings	\$2,348,098	\$1,440,257	

FY 2014-15 BUDGET
SUMMARY OF REVENUES AND EXPENDITURES

Section Title: RUSSIAN RIVER CSD - REVENUE BONDS

Section/Index No: 652214

Sub-Object No. and Title	Adopted 2013-14	Requested 2014-15	Difference	Percent Change
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REVENUES:

USE OF MONEY

1700 Interest on Pooled Cash	\$2,275	\$2,100	(\$175)	(7.69%)
Subtotal Use of Money	\$2,275	\$2,100	(\$175)	(7.69%)

OTHER FINANCING SOURCES

4625 OT - Within Spec Dist BOS	\$119,750	\$120,501	\$751	0.63%
Subtotal Other Financing Sources	\$119,750	\$120,501	\$751	0.63%

TOTAL REVENUES	\$122,025	\$122,601	\$576	0.47%
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EXPENDITURES:

OTHER CHARGES

7920 Interest	\$34,750	\$30,501	(\$4,249)	(12.23%)
Subtotal Other Charges	\$34,750	\$30,501	(\$4,249)	(12.23%)

ADMINISTRATIVE CONTROL ACCOUNT

9200 Net - Principal	\$85,000	\$90,000	\$5,000	5.88%
9209 Net - Principal Clearing	(85,000)	(90,000)	(5,000)	5.88%
Subtotal Administrative Control	\$0	\$0	\$0	N/A

TOTAL EXPENDITURES	\$34,750	\$30,501	(\$4,249)	(12.23%)
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TOTAL NET COST <i>(Expenditures Minus Revenues)</i>	(\$87,275)	(\$92,100)	(\$4,825)	5.53%
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FY 2014-15 BUDGET
CHARACTER JUSTIFICATION

Department - Division: Sonoma County Water Agency - Sanitation

Section Title: Russian River CSD - Revenue Bonds

Character Title: Use of Money **Character No.:** 652214-17

1700 Interest on Pooled Cash

This account records interest on pooled cash held for the District by the County Treasurer's office. Estimated interest is projected based on cash on hand and current interest rate trends.

Estimated Average Cash Balance	\$350,000
Projected Interest Rate	<u>0.60%</u>
Projected/Planned Interest on Pooled Cash	\$2,100

Character Title: Other Financing Sources **Character No.:** 652214-46

4625 OT - W/in Special Dist - BOS

The revenues supporting the revenue bond are collected in the Operations Fund. This account reflects the transfer of cash from Operations Fund to the Revenue Bond Fund to cover the annual principal and interest payment.

Character Title: Other Charges **Character No.:** 652214-75

7920 Interest

This account reflects the interest expense on the outstanding revenue bonds. The interest rate is 5.0%. Payments began April 1, 1982 and will continue semi-annually until April 1, 2020. The FY 14-15 request is based on the bond amortization schedule prepared at the time the bonds were sold.

Character Title: Administrative Control Account **Character No.:** 652214-92

9200 Ent - Principal

This account reflects the principal payment for the revenue bonds that were issued in 1981. Payments on the bonds will continue until April 1, 2020. The FY 14-15 request is based on the bond amortization schedule prepared at the time the bonds were sold. Payments on the bond will continue until FY 19-20.

The following reflects the bond principal payment history to date:

Original Amount of the Revenue Bond Issue:	\$2,000,000
Total FY 82-83 through FY 12-13 Principal Payments:	(1,305,000)
FY 13-14 Principal Payment:	<u>(85,000)</u>
Outstanding Bond Amount	\$610,000

9209 Ent - Principal Clearing

This is the clearing account for sub-object 9200, Ent - Principal.

FY 2014-15 BUDGET
STATEMENT OF SPECIAL FUND ACTIVITY

Department: Sonoma County Water Agency - Sanitation
Section: Russian River CSD - Revenue Bonds
Index No.: 652214

DESCRIPTION OF FUND ACTIVITY	Actual FY 12-13	Estimated FY 13-14	Requested FY 14-15
Undesignated/Unreserved <u>BEGINNING</u> Retained Earnings			
Available for Budgeting (See Detailed Components Below)	\$279,865	\$279,562	\$282,938
Annual Revenues and Expenditures:			
Revenues - Increase retained earnings	\$122,447	123,126	122,601
Expenditures - (Decrease) retained earnings	(\$37,750)	(34,750)	(30,501)
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Net Surplus or Deficit - Inc/(Dec) to retained earnings	84,697	88,376	92,100
Adjustments to Reserves/Encumbrances:			
Matured Bond Payable	(5,000)	-	-
9200 Ent - Principal	(80,000)	(85,000)	(90,000)
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Net Adjustment - Increase/(Decrease) to Retained Earnings	(85,000)	(85,000)	(90,000)
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Undesignated/Unreserved <u>ENDING</u> Retained Earnings			
Available for Budgeting	\$279,562	\$282,938	\$285,038
Total Increase/(Decrease) in Retained Earnings for Fiscal Year <i>(Difference between Beginning and Ending Balance)</i>	(\$303)	\$3,376	\$2,100
 <u>Retained Earnings Components at Beginning of FY</u>	7/1/12	7/1/13	
Cash	\$369,552	\$373,249	
Interest Payable	(9,687)	(8,688)	
Revenue Bonds Payable	(80,000)	(85,000)	
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Total Beginning Retained Earnings	\$279,865	\$279,562	

FY 2014-15 BUDGET
SUMMARY OF REVENUES AND EXPENDITURES

Section Title: RUSSIAN RIVER CSD - BONDS

Section/Index No: 652206

Sub-Object No. and Title	Adopted 2013-14	Requested 2014-15	Difference	Percent Change
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REVENUES:

TAXES

1000 Prop Taxes - CY Secured	\$175,000	\$175,000	\$0	0.00%
1020 Prop Taxes - CY Supplemental	1,500	1,500	0	0.00%
1040 Prop Taxes - CY Unsecured	500	500	0	0.00%
Subtotal Taxes	\$177,000	\$177,000	\$0	0.00%

USE OF MONEY

1700 Interest on Pooled Cash	\$1,300	\$1,800	\$500	38.46%
Subtotal Use of Money	\$1,300	\$1,800	\$500	38.46%

TOTAL REVENUES	\$178,300	\$178,800	\$500	0.28%
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EXPENDITURES:

SERVICES AND SUPPLIES

6635 Fiscal Agent Fees	\$52	\$52	\$0	0.00%
Subtotal Services and Supplies	\$52	\$52	\$0	0.00%

OTHER CHARGES

7920 Interest	\$37,250	\$30,501	(\$6,749)	(18.12%)
Subtotal Other Charges	\$37,250	\$30,501	(\$6,749)	(18.12%)

ADMINISTRATIVE CONTROL ACCOUNT

9200 Ent - Principal	\$135,000	\$140,000	\$5,000	3.70%
9209 Ent - Principal Clearing	(135,000)	(140,000)	(5,000)	3.70%
Subtotal Administrative Control	\$0	\$0	\$0	N/A

TOTAL EXPENDITURES	\$37,302	\$30,553	(\$6,749)	(18.09%)
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TOTAL NET COST <i>(Expenditures Minus Revenues)</i>	(\$140,998)	(\$148,247)	(\$7,249)	5.14%
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FY 2014-15 BUDGET

CHARACTER JUSTIFICATION

Department - Division: Sonoma County Water Agency - Sanitation

Section Title: Russian River CSD - Bonds

Character Title: Taxes

Character No.: 652206-10

1000 Prop Taxes - CY Secured

The Auditor-Controller establishes a tax rate sufficient to accumulate tax revenues necessary to make bond payments of interest and principal. The bonds were passed to fund construction of sewage facilities.

1020 Prop Taxes - CY Supplemental

The amount requested for property tax revenue is based on prior year actuals and current year estimates from the Auditor-Controller's office.

1040 Prop Taxes - CY Unsecured

The amount requested for property tax revenue is based on prior year actuals and current year estimates from the Auditor-Controller's office.

Note: The FY 14-15 bond payment amount (principal and interest) is \$170,553. To avoid major fluctuations in the tax rate from year to year, the tax amount budgeted and/or collected each year may not correspond exactly to the annual bond payment (P&I). Over or under collection in any single year (when compared to the bond payment for that year) merely increases or decreases the fund balance retained in this index. The Auditor's long term tax rate calculations are designed to ensure that debt service obligations are met, while retaining an appropriate level of fund balance, and minimizing unnecessary tax rate fluctuations.

Character Title: Use of Money

Character No.: 652206-17

1700 Interest on Pooled Cash

This account records interest on pooled cash held for the District by the County Treasurer's office. Estimated interest is projected based on cash on hand and current interest rate trends.

Estimated Average Cash Balance	\$300,000
Projected Interest Rate	<u>0.60%</u>
Projected/Planned Interest on Pooled Cash	\$1,800

Character Title: Services and Supplies

Character No.: 652206-60

6635 Fiscal Agent Fees

This account records the fee collected by the County Treasurer for acting as the fiscal agent.

Character Title: Other Charges Character No.: 652206-75

7920 Interest

This account reflects the interest expense on the outstanding general obligation bonds. The interest rate is 5.0%. Payments began July 1, 1980 and will continue semi-annually until July 1, 2018. The FY 14-15 request is based on the bond amortization schedule prepared at the time the bonds were sold.

Character Title: Administrative Control Account Character No.: 652206-92

9200 Ent - Principal

This account reflects the principal expense for general obligation bonds that were issued in 1979 to finance the local share of a wastewater collection system. Payments on the bonds will continue until July 1, 2018. The FY 14-15 request is based on the bond amortization schedule prepared at the time the bonds were sold.

The following reflects the bond principal payment history to date:

Original amount of the General Obligation Bond Issue:	\$2,900,000
Total FY 80-81 through FY 12-13 Principal Payments:	(2,155,000)
FY 13-14 Principal Payment:	<u>(135,000)</u>
Outstanding Bond Amount	\$610,000

9209 Ent - Principal Clearing

This is the clearing account for sub-object 9200, Ent - Principal.

FY 2014-15 BUDGET
STATEMENT OF SPECIAL FUND ACTIVITY

Department: Sonoma County Water Agency - Sanitation
 Section: Russian River CSD - Bonds
 Index No.: 652206

DESCRIPTION OF FUND ACTIVITY	Actual FY 12-13	Estimated FY 13-14	Requested FY 14-15
Undesignated/Unreserved <u>BEGINNING</u> Retained Earnings			
Available for Budgeting (See Detailed Components Below)	\$204,241	\$318,384	\$325,288
Annual Revenues and Expenditures:			
Revenues - Increase retained earnings	287,893	179,206	178,800
Expenditures - (Decrease) retained earnings	(43,750)	(37,302)	(30,553)
	<hr/>	<hr/>	<hr/>
Net Surplus or Deficit - Inc/(Dec) to retained earnings	244,143	141,904	148,247
Adjustments to Reserves/Encumbrances:			
9200 Enterprise Principal	(130,000)	(135,000)	(140,000)
	<hr/>	<hr/>	<hr/>
Net Adjustment - Increase/(Decrease) to Retained Earnings	(130,000)	(135,000)	(140,000)
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Undesignated/Unreserved <u>ENDING</u> Retained Earnings			
Available for Budgeting	\$318,384	\$325,288	\$333,535
Total Increase/(Decrease) in Retained Earnings for Fiscal Year <i>(Difference between Beginning and Ending Balance)</i>	\$114,143	\$6,904	\$8,247
 <u>Retained Earnings Components at Beginning of FY</u>	<u>7/1/12</u>	<u>7/1/13</u>	
Cash	\$204,241	\$318,384	
	<hr/>	<hr/>	
Total Beginning Retained Earnings	\$204,241	\$318,384	

FY 2014-15 BUDGET
SUMMARY OF REVENUES AND EXPENDITURES

Section Title: RUSSIAN RIVER CSD - CONSTRUCTION

Section/Index No: 652305

Sub-Object No. and Title	Adopted 2013-14	Requested 2014-15	Difference	Percent Change
REVENUES:				
<u>USE OF MONEY</u>				
1700 Interest on Pooled Cash	\$0	\$15,000	\$15,000	N/A
Subtotal Use of Money	\$0	\$15,000	\$15,000	N/A
<u>ADMINISTRATIVE CONTROL</u>				
4200 ENT - LTD Proceeds	\$0	\$0	\$0	N/A
4209 ENT - LTD Proceeds - Clearing	0	0	0	N/A
Subtotal Administrative Control	\$0	\$0	\$0	N/A
<u>OTHER FINANCING SOURCES</u>				
4625 OT - W/in Special Dist - BOS	\$440,500	\$650,000	\$209,500	47.56%
Subtotal Other Financing Sources	\$440,500	\$650,000	\$209,500	47.56%
TOTAL REVENUES	\$440,500	\$665,000	\$224,500	50.96%
EXPENDITURES:				
<u>OTHER CHARGES</u>				
7930 Interest-L.T. Debt	\$0	\$0	\$0	N/A
Subtotal Other Charges	\$0	\$0	\$0	N/A
<u>FIXED ASSETS</u>				
8510 Building / Improvement	\$230,000	\$0	(\$230,000)	(100.00%)
9400 Infrastructure	0	160,000	160,000	N/A
Subtotal Fixed Assets	\$230,000	\$160,000	(\$70,000)	(30.43%)
<u>ADMINISTRATIVE CONTROL ACCOUNT</u>				
9210 Advances	\$0	\$0	\$0	N/A
9219 Advances - Clearing	0	0	0	N/A
Subtotal Administrative Control	\$0	\$0	\$0	N/A
TOTAL EXPENDITURES	\$230,000	\$160,000	(\$70,000)	(30.43%)
TOTAL NET COST <i>(Expenditures Minus Revenues)</i>	(\$210,500)	(\$505,000)	(\$294,500)	139.90%

FY 2014-15 BUDGET
CHARACTER JUSTIFICATION

Department - Division: Sonoma County Water Agency - Sanitation

Section Title: Russian River CSD - Construction

Character Title: Use of Money **Character No.:** 652305-17

1700 Interest on Pooled Cash

This account records interest on pooled cash held for the District by the County Treasurer's office. Estimated interest is projected based on cash on hand and current interest rate trends.

Estimated Average Cash Balance	\$2,500,000
Projected Interest Rate	0.60%
Projected/Planned Interest on Pooled Cash	\$15,000

Character Title: Administrative Control Account **Character No.:** 652305-42

4200 ENT - LTD Proceeds

No funds will be budgeted for FY 14-15.

4209 ENT - LTD Proceeds - Clearing

No funds will be budgeted for FY 14-15.

Character Title: Other Financing Sources **Character No.:** 652305-46

4625 OT - W/in Special Dist - BOS

This account reflects the transfer of cash from the Operations Fund to the Construction Fund to finance the Capital Replacement Program (\$420,000). This transfer also includes the annual contribution to the Wastewater Capital Reserve Fund required by the State Revolving Fund loan received in February 2004. The amount added to the Capital Reserve Fund each year is \$20,500 (.5% of the final loan amount of approximately \$4,100,000). This transfer will occur each year during the first 10 years of the loan. Interest earned on the Reserve Fund shall remain in the fund. The schedule for transfers to the Reserve Fund is as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Balance</u>
04-05	\$20,500	\$20,500
05-06	20,500	41,000
06-07	20,500	61,500
07-08	20,500	82,000
08-09	20,500	102,500
09-10	20,500	123,000
10-11	20,500	143,500
11-12	20,500	164,000
12-13	20,500	184,500
13-14	20,500	205,000

4625 OT - W/in Special Dist - BOS (Continued)

Funds held in the Reserve Fund may be used for capital improvements. If used, the District must replace the expended funds at a rate of 10 percent per year. If the Operations Fund does not have sufficient cash available to finance planned capital projects, the transfer to the Construction Fund will be limited to the amount required for the Wastewater Capital Reserve Fund. Any uncompleted projects will be rescheduled and rebudgeted in the next fiscal year.

NOTE; In order to comply with the State Revolving Fund loan requirements, the ending fund balance of the RRCSD Construction Fund shall not fall below the required balance for the Wastewater Capital Reserve Fund in any given year during the 20 year term of the loan.

9400 Infrastructure

This account is used for expenses associated with facility improvements or expansion.

The following projects are planned for FY 14-15:

Building/Improvements	Order No.	Amount
<u>Irrigation Expansion</u> This project will expand the irrigation system to enhance system reliability and permit compliance. This requested amount is intended to fund planning design efforts.	7027	\$30,000
<u>Disinfection</u> This item will complete modifications to the UV dieinfection system.	4015	10,000
<u>Biological Nutrient Removal (BNR)</u> This requested amount is intended for the construction of treatment upgrades to remove nutrients (nitrogen) from wastewater for discharge compliance.	7583	120,000
	Total	<u><u>\$160,000</u></u>

FY 2014-15 BUDGET
STATEMENT OF SPECIAL FUND ACTIVITY

Department: Sonoma County Water Agency - Sanitation
 Section: Russian River CSD - Construction
 Index No.: 652305

DESCRIPTION OF FUND ACTIVITY	Actual FY 12-13	Estimated FY 13-14	Requested FY 14-15
Undesignated/Unreserved <u>BEGINNING</u> Retained Earnings			
Available for Budgeting (See Detailed Components Below)	(\$1,633,761)	\$2,486,826	(\$241,142)
Annual Revenues and Expenditures:			
Revenues - Increase retained earnings	4,971,507	482,032	665,000
Expenditures - (Decrease) retained earnings	(378,072)	(3,210,000)	(160,000)
Net Surplus or Deficit - Inc/(Dec) to retained earnings	4,593,435	(2,727,968)	505,000
Adjustments to Reserves/Encumbrances:			
Capitalized Interest	(171,526)	-	-
Restricted for Wastewater Capital Reserve	(196,952)	-	-
Change in Encumbrances	(101,858)	-	-
Adjustment Ordinance 39 Receivable	(2,513)	-	-
Net Adjustment - Increase/(Decrease) to Retained Earnings	(472,849)	-	-
Undesignated/Unreserved <u>ENDING</u> Retained Earnings			
Available for Budgeting	\$2,486,826	(\$241,142)	\$263,858
Total Increase/(Decrease) in Retained Earnings for Fiscal Year <i>(Difference between Beginning and Ending Balance)</i>	\$4,120,587	(\$2,727,968)	\$505,000
<u>Retained Earnings Components at Beginning of FY</u>	7/1/12	7/1/13	
Cash	(\$1,624,382)	\$2,805,686	
Other Receivables	9,098	5,213	
Accounts Payable	(3,479)	(10,265)	
Wastewater Capital Reserve Fund	-	(196,952)	
Encumbrances (Contract)	(14,998)	(116,856)	
Total Beginning Retained Earnings	(\$1,633,761)	\$2,486,826	

**FY 2014-15 BUDGET
SUMMARY OF REVENUES AND EXPENDITURES**

Section Title: RUSSIAN RIVER CSD - STATE LOAN RESERVE
Section/Index No: 652412

Sub-Object No. and Title	Adopted 2013-14	Requested 2014-15	Difference	Percent Change
REVENUES:				
<u>USE OF MONEY</u>				
1700 Interest on Pooled Cash	\$826	\$762	(\$64)	(7.75%)
<i>Subtotal Use of Money</i>	<u>\$826</u>	<u>\$762</u>	<u>(\$64)</u>	<u>(7.75%)</u>
<u>OTHER FINANCING SOURCES</u>				
4625 OT - Within Spec Dist BOS	\$0	\$0	\$0	N/A
<i>Subtotal Other Financing Sources</i>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>N/A</u>
TOTAL REVENUES	\$826	\$762	(\$64)	(7.75%)

FY 2014-15 BUDGET
CHARACTER JUSTIFICATION

Department - Division: Sonoma County Water Agency - Sanitation

Section Title: Russian River CSD - State Loan Reserve

Character Title: Use of Money **Character No.:** 672412-17

1700 Interest on Pooled Cash

This account records interest on pooled cash held for the District by the County Treasurer's office. Estimated interest is projected based on cash on hand and current interest rate trends.

Estimated Average Cash Balance	\$127,000
Projected Interest Rate	0.60%
Projected/Planned Interest on Pooled Cash	\$762

Character Title: Other Financing Sources **Character No.:** 652412-46

4625 OT - W/in Special Dist - BOS

This Reserve Fund is established in order to comply with the State Revolving Fund loan requirement to have reserves equal to one year's debt service (\$127,000). This requirement has been met and no further transfer are necessary.

FY 2014-15 BUDGET
STATEMENT OF SPECIAL FUND ACTIVITY

Department: Sonoma County Water Agency - Sanitation
Section: Russian River CSD - State Loan Reserve
Index No.: 652412

DESCRIPTION OF FUND ACTIVITY	Actual FY 12-13	Estimated FY 13-14	Requested FY 14-15
Undesignated/Unreserved <u>BEGINNING</u> Retained Earnings			
Available for Budgeting (See Detailed Components Below)	\$0	\$0	\$0
Annual Revenues and Expenditures:			
Revenues - Increase retained earnings	995	884	762
Expenditures - (Decrease) retained earnings	-	-	-
Net Surplus or Deficit - Inc/(Dec) to retained earnings	<u>995</u>	<u>884</u>	<u>762</u>
Adjustments to Reserves/Encumbrances:			
Change in Reserve	<u>(995)</u>	<u>(884)</u>	<u>(762)</u>
Net Adjustment - Increase/(Decrease) to Retained Earnings	<u>(995)</u>	<u>(884)</u>	<u>(762)</u>
Undesignated/Unreserved <u>ENDING</u> Retained Earnings			
Available for Budgeting	\$0	\$0	\$0
Total Increase/(Decrease) in Retained Earnings for Fiscal Year <i>(Difference between Beginning and Ending Balance)</i>	\$0	\$0	\$0
<u>Fund Balance Components at Beginning of FY</u>	<u>7/1/12</u>	<u>7/1/13</u>	
Cash	\$127,200	\$128,195	
Reserve for Debt	<u>(127,200)</u>	<u>(128,195)</u>	
Total Beginning Fund Balance	\$0	\$0	