

FY 2010-11 BUDGET BUDGET SECTION SUMMARY

Section Title:

SANITATION ZONE - SEA RANCH

A. Program Description

This budget for Sanitation Zone - Sea Ranch (Zone 1) finances administration, operation, and maintenance of the collection system, pumping stations and two treatment plants.

B. Financial Summary

Section				NET COST/USE OF FUND BALANCE		
	FY 09-10 Adopted	FY 10-11 Requested	Percent Change	FY 09-10 Adopted	FY 10-11 Requested	Percent Change
Operations	\$556,981	\$640,725	15.04%	\$99,827	\$154,012	54.28%
Construction	40,000	0	(100.00%)	38,950	(1,000)	(102.57%)
TOTAL:	\$596,981	\$640,725	7.33%	\$138,777	\$153,012	10.26%

C. Staffing Summary

No staffing is allocated to this index.

D. Workload Summary

Workload Indicator	FY 08-09 Actual	FY 09-10 Budget Estimate	FY 09-10 Revised Estimate	FY 10-11 Projected	Change from FY 09-10 Budget Estimate
Total ESDs	573	573	574	574	0.17%
Total APNs	835	835	835	835	0.00%

E. Summary of Issues and Significant Changes

The Sea Ranch Sanitation Zone (Sea Ranch SZ) consists of two wastewater collection and treatment systems located in Central and North Sea Ranch. The Central and North Facilities both provide treatment to secondary wastewater treatment standards and are designed to treat average daily dry weather flows of up to 27,000 and 160,000 gallons per day, respectively. Treated wastewater from both facilities are disposed of through irrigation. The Sea Ranch Water Company, which is owned by the Sea Ranch Association is under contract to operate and maintain the Sea Ranch SO facilities for the Agency.

The Agency and the Association continue to investigate options for the continued operation of the Sea Ranch SO. Options being considered include executing an agreement between the Agency and the Association for the continued operation of the sewer facilities and the transfer of all assets, liabilities, and management responsibilities to the Association.

The requested rate per ESD for FY 10-11, annual sewer service charge, is \$878, representing a 6.5% increase from FY 09-10.

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 2010-11 BUDGET

SUMMARY OF REVENUES AND EXPENDITURES

Section Title: **SANITATION ZONE 1 - SEA RANCH - OPERATIONS**

Section/Index No: **678102**

Sub-Object No. and Title	Adopted 2009-10	Requested 2010-11	Difference	Percent Change
REVENUES:				
<u>TAXES</u>				
1001 Flat Charges - CY	\$453,266	\$483,813	\$30,547	6.74%
1061 Flat Charges - PY	2,000	2,000	0	0.00%
1120 Penalties / Costs on Taxes	400	400	0	0.00%
Subtotal Taxes	\$455,666	\$486,213	\$30,547	6.70%
<u>USE OF MONEY</u>				
1700 Interest on Pooled Cash	\$1,488	\$500	(\$988)	(66.40%)
Subtotal Use of Money	\$1,488	\$500	(\$988)	(66.40%)
<u>CHARGES FOR SERVICES</u>				
3400 Sanitation Services	\$0	\$0	\$0	N/A
Subtotal Charges for Services	\$0	\$0	\$0	N/A
<u>OTHER FINANCING</u>				
4625 OT-Within SP Dist	\$0	\$0	\$0	N/A
Subtotal Charges for Other Financing	\$0	\$0	\$0	N/A
<u>RESIDUAL EQUITY TRANSFER</u>				
4880 Ret-Between Entitles -BOS	\$0	\$0	\$0	N/A
Subtotal Residual Equity Transfer	\$0	\$0	\$0	N/A
TOTAL REVENUES	\$457,154	\$486,713	\$29,559	6.47%

EXPENDITURES:

SERVICES AND SUPPLIES

6040 Communications	\$3,000	\$3,000	\$0	0.00%
6140 Maintenance- Equipment	5,000	30,000	25,000	500.00%
6180 Maintenance - Bldgs / Imp	50,000	20,000	(30,000)	(60.00%)
6522 District Services	45,000	40,000	(5,000)	(11.11%)
6523 District Operations	125,000	56,000	(69,000)	(55.20%)
6540 Contract Services	200,000	220,000	20,000	10.00%
6570 Consultant Services	0	14,000	14,000	N/A

Sub-Object No. and Title	Adopted 2009-10	Requested 2010-11	Difference	Percent Change
<u>SERVICES AND SUPPLIES (Cont'd)</u>				
6573 Administration Costs	4,000	4,200	200	5.00%
6610 Legal Services	13,000	1,000	(12,000)	(92.31%)
6629 Fiscal Accounting Services	4,681	4,900	219	4.68%
7206 Equipment Usage Charges	3,000	3,000	0	0.00%
7247 Water Conservation Program	0	60,000	60,000	N/A
7217 State Permits / Fees	19,000	25,000	6,000	31.58%
7320 Utilities	35,000	30,000	(5,000)	(14.29%)
Subtotal Services and Supplies	\$506,681	\$511,100	\$4,419	0.87%
<u>OTHER CHARGES</u>				
7980 Depreciation	\$39,300	\$88,625	\$49,325	125.51%
Subtotal Other Charges	\$39,300	\$88,625	\$49,325	125.51%
<u>FIXED ASSETS</u>				
8560 Equipment	\$0	\$30,000	\$30,000	N/A
Subtotal Fixed Assets	\$0	\$30,000	\$30,000	N/A
<u>OTHER FINANCING USES</u>				
8625 OT - W/in Special Dist - BOS	\$0	\$0	\$0	N/A
Subtotal Other Financing Uses	\$0	\$0	\$0	N/A
<u>APPROPRIATIONS FOR CONT</u>				
9000 Appropriations for Contingencies	\$11,000	\$11,000	\$0	0.00%
Subtotal Appropriations for Contin.	\$11,000	\$11,000	\$0	0.00%
TOTAL EXPENDITURES				
	\$556,981	\$640,725	\$83,744	15.04%
TOTAL NET COST				
<i>(Expenditures Minus Revenues)</i>	\$99,827	\$154,012	\$54,185	54.28%

FY 2010-11 BUDGET
CHARACTER JUSTIFICATION

Department - Division: Sonoma County Water Agency - Sanitation
 Section Title: Sanitation Zone - Sea Ranch - Operations

Character Title: Taxes

Character No.: 678102-10

1001 Flat Charges - CY

Flat charge revenue from annual sewer service charges is expected to increase from the adopted FY 09-10 budget. The rate will increase 6.5%, from \$824 to \$878

ESDs times annual rate:	574 x \$878	\$503,972
Less Estimated Delinquency Factor:	4%	(20,159)
		\$483,813

(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.: 678102-17

1700 Interest on Pooled Cash

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

Estimated Average Cash Balance	\$50,000
Projected Interest Rate	1.00%
Projected/Planned Interest on Pooled Cash	\$500

Character Title: Charges for Service

Character No.: 678102-30

3400 Sanitation Services

This account is used to record 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-CY, in the following year.

The budget request for the forthcoming fiscal year assumes no revenue in this account. New hook-ups in this area are unpredictable.

6040 Communications

This account records expenses paid by the Sea Ranch SZ for outside communication and wireless services, as well as for the cost of alarm services.

6140 Maintenance - Equipment

This account records the costs for routine maintenance of equipment.

6180 Maintenance - Bldgs / Impr

This account records the cost of parts and materials required for non-routine maintenance of the treatment plant and collection system.

6522 District Services

This accounts records the service and supply type items associated with operations and maintenance of the Zone's facilities.

6523 District Operations

This account records the cost of labor and overhead associated with operations and maintenance of the Zone's facilities. We anticipate the need for continued groundwater monitoring, collection system inflow and infiltration investigation, system improvement planning, and general oversight of operations.

6540 Contract Services

This account reflects the contract costs for the Sea Ranch Water Company to operate both the North and Central treatment plants.

6570 Consultant Services

This account records the cost of consultant services required in support of special projects including evaluation of sewer service charge structure (\$5,000) PJ # TBD and miscellaneous consultant services (\$9,000).

6573 Administration Costs

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

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.

6629 Fiscal Accounting Services

This item records the direct charge for services provided by the Fiscal Services Section of the County Auditor Controller's Office for staff costs attributed to Sea Ranch SZ's accounting.

Character Title: Services and Supplies (Continued)

Character No.: 678102-60

7206 Equipment Usage Charges

This item is requested to provide funds for equipment usage.

7217 State Permits / Fees

This account records the cost of Sea Ranch Sanitation Zone waste discharge requirements issued by 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 payments made for utilities such as gas, electricity, and water.

Character Title: Other Charges

Character No.: 678102-75

7980 Depreciation

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

Character Title: Fixed Assets

Character No.: 678102-85

8560 Equipment

This records the cost of purchased equipment over the cost of \$5,000.

Character Title: Other Financing Uses

Character No.: 678102-86

8625 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. If the Operations Fund does not have sufficient cash available to finance planned capital projects, the transfer will not be made and any uncompleted projects will be rescheduled and rebudgeted in the next fiscal year. No operating transfer will be budgeted for FY 10-11.

Character Title: Appropriations for Contingencies

Character No.: 678102-90

9000 Appropriations for Contingencies

This account provides funding for unanticipated expenditures or revenue shortfalls.

FY 2010-11 BUDGET
STATEMENT OF SPECIAL FUND ACTIVITY

Department: Sonoma County Water Agency - Sanitation
 Section: Sanitation Zone - Sea Ranch - Operations
 Index No.: 678102

DESCRIPTION OF FUND ACTIVITY	Actual FY 08-09	Estimated FY 09-10	Requested FY 10-11
Undesignated/Unreserved <u>BEGINNING</u> Fund Balance			
Available for Budgeting (See Detailed Components Below)	\$246,509	\$196,419	\$133,515
Annual Revenues and Expenditures:			
Revenues - Increase fund balance	448,132	505,938	486,713
Expenditures - (Decrease) fund balance	(534,231)	(657,467)	(640,725)
Net Surplus or Deficit - Increase/(Decrease) to fund balance	(86,099)	(151,529)	(154,012)
Adjustments to Reserves/Encumbrances:			
7980 - Depreciation	34,263	88,625	88,625
Change in Encumbrance	1,746	-	-
Net Adjustment - Increase/(Decrease) to Fund Balance	36,009	88,625	88,625
Undesignated/Unreserved <u>ENDING</u> Fund Balance			
Available for Budgeting	\$196,419	\$133,515	\$68,128
Total Increase/(Decrease) in Fund Balance for Fiscal Year <i>(Difference between Beginning and Ending Balance)</i>	(\$50,091)	(\$62,904)	(\$65,387)
<u>Fund Balance Components at Beginning of FY</u>	7/1/08	7/1/09	
Cash	\$279,318	\$222,738	
Accounts Receivable	4,769	5,472	
Accounts Payable	(34,751)	(30,710)	
Encumbrance	(2,827)	(1,081)	
Total Beginning Fund Balance	\$246,509	\$196,419	

FY 2010-11 BUDGET
SUMMARY OF REVENUES AND EXPENDITURES

Section Title: **SANITATION ZONE 1 - SEA RANCH - CONSTRUCTION**
Section/Index No: **678300**

Sub-Object No. and Title	Adopted 2009-10	Requested 2010-11	Difference	Percent Change
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REVENUES:

USE OF MONEY

1700 Interest on Pooled Cash	\$1,050	\$1,000	(\$50)	(4.76%)
Subtotal Use of Money	\$1,050	\$1,000	(\$50)	(4.76%)

OTHER FINANCING SOURCES

4625 OT - W/in Special Dist - BOS	\$0	\$0	\$0	N/A
Subtotal Other Financing Sources	\$0	\$0	\$0	N/A

TOTAL REVENUES	\$1,050	\$1,000	(\$50)	(4.76%)
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EXPENDITURES:

FIXED ASSETS

8510 Buildings / Improvements	\$0	\$0	\$0	N/A
9142 Capital Replacement Program	40,000	0	(40,000)	(100.00%)
Subtotal Fixed Assets	\$40,000	\$0	(\$40,000)	(100.00%)

TOTAL EXPENDITURES	\$40,000	\$0	(\$40,000)	(100.00%)
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TOTAL NET COST <i>(Expenditures Minus Revenues)</i>	\$38,950	(\$1,000)	(\$39,950)	(102.57%)
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FY 2010-11 BUDGET
CHARACTER JUSTIFICATION

Department - Division: Sonoma County Water Agency - Sanitation

Section Title: Sanitation Zone - Sea Ranch - Construction

Character Title: Use of Money Character No.: 678300-17

1700 Interest on Pooled Cash

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

Estimated Average Cash Balance	\$100,000
Projected Interest Rate	<u>1.00%</u>
Projected/Planned Interest on Pooled Cash	\$1,000

Character Title: Other Financing Sources Character No.: 678300-46

4625 OT - W/in Special Dist - BOSS

This account reflects the transfer of cash from the Operations Fund to the Construction Fund to finance the capital replacement program. No transfer will be made for FY 10-11.

Character Title: Fixed Assets Character No.: 678300-85

8510 Buildings / Improvements

This account is used for expenses associated with facility upgrades or expansion of the collection system, lift station, and capacity at the Sea Ranch wastewater treatment facilities. No projects are planned for FY 10-11.

9142 Capital Improvement

This accounts used for expenses associated with the replacement of electrical and mechanical equipment (including the replacement of items most likely to reduce operation and maintenance costs). No projects are planned for FY 10-11.

FY 2010-11 BUDGET
STATEMENT OF SPECIAL FUND ACTIVITY

Department: Sonoma County Water Agency - Sanitation
 Section: Sanitation Zone - Sea Ranch - Construction
 Index No.: 678300

DESCRIPTION OF FUND ACTIVITY	Actual FY 08-09	Estimated FY 09-10	Requested FY 10-11
Undesignated/Unreserved <u>BEGINNING</u> Fund Balance			
Available for Budgeting (See Detailed Components Below)	\$220,774	\$195,423	\$131,375
Annual Revenues and Expenditures:			
Revenues - Increase fund balance	5,048	2,088	1,000
Expenditures - (Decrease) fund balance	(17,455)	(66,136)	-
Net Surplus or Deficit - Increase/(Decrease) to fund balance	(12,407)	(64,048)	1,000
Adjustments to Reserves/Encumbrances:			
Change in Encumbrances	(12,944)	-	-
Net Adjustment - Increase/(Decrease) to Fund Balance	(12,944)	-	-
Undesignated/Unreserved <u>ENDING</u> Fund Balance			
Available for Budgeting	\$195,423	\$131,375	\$132,375
Total Increase/(Decrease) in Fund Balance for Fiscal Year <i>(Difference between Beginning and Ending Balance)</i>	(\$25,351)	(\$64,048)	\$1,000
<u>Fund Balance Components at Beginning of FY</u>	7/1/08	7/1/09	
Cash	\$220,774	\$215,538	
Accounts Receivable	20,250	-	
Allowance for Uncollected A/R	(20,250)	-	
Payables	-	(7,171)	
Encumbrances	-	(12,944)	
Total Beginning Fund Balance	\$220,774	\$195,423	