

FY 2011-12 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 10-11 Adopted	FY 11-12 Requested	Percent Change	FY 10-11 Adopted	FY 11-12 Requested	Percent Change
Operations	\$640,725	\$619,245	(3.35%)	\$154,012	\$116,419	(24.41%)
Construction	0	0	N/A	(1,000)	(550)	(45.00%)
TOTAL:	\$640,725	\$619,245	(3.35%)	\$153,012	\$115,869	(24.27%)

C. Staffing Summary

No staffing is allocated to this index.

D. Workload Summary

Workload Indicator	FY 09-10 Actual	FY 10-11 Budget Estimate	FY 10-11 Revised Estimate	FY 11-12 Projected	Change from FY 10-11 Budget Estimate
Total ESDs	574	574	576	576	0.35%
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 SZ facilities for the Agency. The Agency is working with the Gualala Community Services District and the Sea Ranch Golf Course on potential reuse and storage opportunities.

The requested rate per ESD for FY 11-12, annual sewer service charge, is \$904, representing a 3.0% increase from FY 10-11.

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 2011-12 BUDGET
SUMMARY OF REVENUES AND EXPENDITURES

Section Title: SANITATION ZONE 1 - SEA RANCH - OPERATIONS

Section/Index No: 678102

Sub-Object No. and Title	Adopted 2010-11	Requested 2011-12	Difference	Percent Change
REVENUES:				
<u>TAXES</u>				
1001 Flat Charges - CY	\$483,813	\$499,876	\$16,063	3.32%
1061 Flat Charges - PY	2,000	2,000	0	0.00%
1120 Penalties / Costs on Taxes	400	400	0	0.00%
Subtotal Taxes	\$486,213	\$502,276	\$16,063	3.30%
<u>USE OF MONEY</u>				
1700 Interest on Pooled Cash	\$500	\$550	\$50	10.00%
Subtotal Use of Money	\$500	\$550	\$50	10.00%
<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	\$486,713	\$502,826	\$16,113	3.31%

EXPENDITURES:

SERVICES AND SUPPLIES

6040 Communications	\$3,000	\$3,000	\$0	0.00%
6140 Maintenance- Equipment	30,000	27,000	(3,000)	(10.00%)
6180 Maintenance - Bldgs / Imp	20,000	20,000	0	0.00%
6522 District Services	40,000	5,000	(35,000)	(87.50%)
6523 District Operations	56,000	61,000	5,000	8.93%
6540 Contract Services	220,000	250,000	30,000	13.64%
6570 Consultant Services	14,000	50,000	36,000	257.14%

Sub-Object No. and Title	Adopted 2010-11	Requested 2011-12	Difference	Percent Change
<u>SERVICES AND SUPPLIES (Cont'd)</u>				
6573 Administration Costs	4,200	4,500	300	7.14%
6610 Legal Services	1,000	1,000	0	0.00%
6629 Fiscal Accounting Services	4,900	0	(4,900)	(100.00%)
6889 Software	0	0	0	N/A
7206 Equipment Usage Charges	3,000	3,500	500	16.67%
7212 Chlorine Chem/Recorder	0	10,000	10,000	N/A
7217 State Permits / Fees	25,000	25,000	0	0.00%
7247 Water Conservation Program	60,000	10,000	(50,000)	(83.33%)
7320 Utilities	30,000	18,000	(12,000)	(40.00%)
Subtotal Services and Supplies	\$511,100	\$488,000	(\$23,100)	(4.52%)
<u>OTHER CHARGES</u>				
7980 Depreciation	\$88,625	\$90,245	\$1,620	1.83%
Subtotal Other Charges	\$88,625	\$90,245	\$1,620	1.83%
<u>FIXED ASSETS</u>				
8560 Equipment	\$30,000	\$30,000	\$0	0.00%
Subtotal Fixed Assets	\$30,000	\$30,000	\$0	0.00%
<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				
	\$640,725	\$619,245	(\$21,480)	(3.35%)
TOTAL NET COST				
<i>(Expenditures Minus Revenues)</i>	\$154,012	\$116,419	(\$37,593)	(24.41%)

FY 2011-12 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 10-11 budget. The rate will increase 3.0%, from \$878 to \$904.

ESDs times annual rate:	576 x \$904	\$520,704
Less Estimated Delinquency Factor:	4%	(20,828)
		\$499,876

(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	\$100,000
Projected Interest Rate	0.55%
Projected/Planned Interest on Pooled Cash	\$550

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 Permitting and Regulatory Assistance (\$50,000) PJ # TBD.

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.

7206 Equipment Usage Charges

This item is requested to provide funds for equipment usage.

7212 Chlorine Chemical/Recorder

This sub-object provides funds for the purchase of chlorine gas used in chlorinating water prior to transporting to customers. This sub-object also provides funds for caustic soda required by the pH sytems.

7217 State Permits / Fees

This account records the cost of Sea Ranch Sanitation Zone waste discharge requirements issued by Regional Water Quality Control Board.

Character Title: Services and Supplies (Continued)

Character No.: 678102-60

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 11-12.

Character Title: Appropriations for Contingencies

Character No.: 678102-90

9000 Appropriations for Contingencies

This account provides funding for unanticipated expenditures or revenue shortfalls.

**FY 2011-12 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 09-10	Estimated FY 10-11	Requested FY 11-12
Undesignated/Unreserved <u>BEGINNING</u> Fund Balance			
Available for Budgeting (See Detailed Components Below)	\$196,419	\$251,167	\$243,801
Annual Revenues and Expenditures:			
Revenues - Increase fund balance	566,236	488,134	502,826
Expenditures - (Decrease) fund balance	(600,555)	(591,745)	(619,245)
Net Surplus or Deficit - Increase/(Decrease) to fund balance	(34,319)	(103,611)	(116,419)
Adjustments to Reserves/Encumbrances:			
7980 --Depreciation	88,571	96,245	90,245
Change in Encumbrance	496	-	-
Net Adjustment - Increase/(Decrease) to Fund Balance	89,067	96,245	90,245
Undesignated/Unreserved <u>ENDING</u> Fund Balance			
Available for Budgeting	\$251,167	\$243,801	\$217,627
Total Increase/(Decrease) in Fund Balance for Fiscal Year <i>(Difference between Beginning and Ending Balance)</i>	\$54,747	(\$7,366)	(\$26,174)
<u>Fund Balance Components at Beginning of FY</u>	7/1/09	7/1/10	
Cash	\$222,738	\$281,872	
Accounts Receivable	5,472	2,393	
Accounts Payable	(30,710)	(32,513)	
Encumbrance	(1,081)	(585)	
Total Beginning Fund Balance	\$196,419	\$251,167	

FY 2011-12 BUDGET
SUMMARY OF REVENUES AND EXPENDITURES

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

Sub-Object No. and Title	Adopted 2010-11	Requested 2011-12	Difference	Percent Change
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REVENUES:

USE OF MONEY

1700 Interest on Pooled Cash	\$1,000	\$550	(\$450)	(45.00%)
Subtotal Use of Money	\$1,000	\$550	(\$450)	(45.00%)

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	\$1,000	\$550	(\$450)	(45.00%)
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EXPENDITURES:

FIXED ASSETS

8510 Buildings / Improvements	\$0	\$0	\$0	N/A
9142 Capital Replacement Program	0	0	0	N/A
Subtotal Fixed Assets	\$0	\$0	\$0	N/A

TOTAL EXPENDITURES	\$0	\$0	\$0	N/A
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TOTAL NET COST <i>(Expenditures Minus Revenues)</i>	(\$1,000)	(\$550)	\$450	(45.00%)
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FY 2011-12 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>0.55%</u>
Projected/Planned Interest on Pooled Cash	\$550

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 11-12.

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 11-12.

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 11-12.

FY 2011-12 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 09-10	Estimated FY 10-11	Requested FY 11-12
Undesignated/Unreserved <u>BEGINNING</u> Fund Balance			
Available for Budgeting (See Detailed Components Below)	\$195,423	\$140,874	\$114,429
Annual Revenues and Expenditures:			
Revenues - Increase fund balance	1,451	956	550
Expenditures - (Decrease) fund balance	(68,940)	(27,401)	-
Net Surplus or Deficit - Increase/(Decrease) to fund balance	(67,489)	(26,445)	550
Adjustments to Reserves/Encumbrances:			
Change in Encumbrances	12,940	-	-
Net Adjustment - Increase/(Decrease) to Fund Balance	12,940	-	-
Undesignated/Unreserved <u>ENDING</u> Fund Balance			
Available for Budgeting	\$140,874	\$114,429	\$114,979
Total Increase/(Decrease) in Fund Balance for Fiscal Year <i>(Difference between Beginning and Ending Balance)</i>	(\$54,549)	(\$26,445)	\$550
<u>Fund Balance Components at Beginning of FY</u>	7/1/09	7/1/10	
Cash	\$215,538	\$144,620	
Accounts Receivable	-	-	
Allowance for Uncollected A/R	-	-	
Payables	(7,171)	(3,742)	
Encumbrances	(12,944)	(4)	
Total Beginning Fund Balance	\$195,423	\$140,874	