

FY 2012-13 BUDGET
SUMMARY OF REVENUES AND EXPENDITURES

Section Title: POWER RESOURCES

Section/Index No: 687400

| Sub-Object No. and Title | Adopted 2011-12 | Requested 2012-13 | Difference | Percent Change |
|--|--------------------|----------------------|----------------------|-------------------|
| REVENUES: | | | | |
| <u>USE OF MONEY</u> | | | | |
| 1700 Interest on Pooled Cash | \$13,750 | \$8,800 | (\$4,950) | (36.00%) |
| Subtotal Use of Money | \$13,750 | \$8,800 | (\$4,950) | (36.00%) |
| <u>MISCELLANEOUS REVENUE</u> | | | | |
| 4039 Sale-Power | \$6,000,000 | \$5,200,000 | (\$800,000) | (13.33%) |
| 4102 Donations/Reimbursements | 600,000 | 0 | (600,000) | (100.00%) |
| Subtotal Miscellaneous Revenue | \$6,600,000 | \$5,200,000 | (\$1,400,000) | (21.21%) |
| <u>ADMINISTRATIVE CONTROL ACCOUNT</u> | | | | |
| 4210 Advances | \$467,875 | \$485,834 | \$17,959 | 3.84% |
| 4219 Advances - Clearing | (467,875) | (485,834) | (17,959) | 0 |
| Subtotal Admin. Control Account | \$0 | \$0 | \$0 | N/A |
| TOTAL REVENUES | \$6,613,750 | \$5,208,800 | (\$1,400,000) | (21.17%) |

EXPENDITURES:

SERVICES AND SUPPLIES

| | | | | |
|---------------------------------------|--------------------|--------------------|--------------------|-----------------|
| 6140 Maintenance - Equipment | \$5,000 | \$5,000 | \$0 | 0.00% |
| 6523 District Operations | 200,000 | 120,000 | (80,000) | (40.00%) |
| 6570 Consultant Services | 100,000 | 10,000 | (90,000) | (90.00%) |
| 6610 Legal Services | 10,000 | 10,000 | 0 | 0.00% |
| 6840 Rents/Leases-Buildings/Imp | 65,000 | 65,000 | 0 | 0.00% |
| 7206 Equipment Usage Charge | 6,000 | 6,000 | 0 | 0.00% |
| 7302 Travel Expense | 1,000 | 500 | (500) | (50.00%) |
| 7303 Private Car Expense | 1,400 | 1,400 | 0 | 0.00% |
| 7394 Power | 5,000,000 | 4,250,000 | (750,000) | (15.00%) |
| Subtotal Services and Supplies | \$5,388,400 | \$4,467,900 | (\$920,500) | (17.08%) |

OTHER CHARGES

| | | | | |
|-------------------------------|------------------|------------------|-------------------|----------------|
| 7920 Interest | \$133,472 | \$121,077 | (\$12,395) | (9.29%) |
| 7930 Interest-L.T. Debt | 232,336 | 232,572 | 236 | 0.10% |
| 7980 Depreciation | 415,500 | 415,500 | 0 | 0.00% |
| Subtotal Other Charges | \$781,308 | \$769,149 | (\$12,159) | (1.56%) |

FIXED ASSETS

| | | | | |
|------------------------------|------------------|-----------------|--------------------|-----------------|
| 8510 Buildings/Improvements | \$600,000 | \$40,000 | (\$560,000) | (93.33%) |
| Subtotal Fixed Assets | \$600,000 | \$40,000 | (\$560,000) | (93.33%) |

SUMMARY OF REVENUES AND EXPENDITURES

Index No.: 687400

| Sub-Object No. and Title | Adopted 2011-12 | Requested 2012-13 | Difference | Percent Change |
|--------------------------------------|----------------------------|------------------------------|----------------------|---------------------------|
| <u>ADMIN CONTROL</u> | | | | |
| 9200 ENT - Principal | \$287,563 | \$299,958 | \$12,395 | 4.31% |
| 9209 ENT - Principal Clearing | (287,563) | (299,958) | (12,395) | 4.31% |
| 9210 Advances | 422,178 | 439,901 | 17,723 | 4.20% |
| 9219 Advances - Clearing | (422,178) | (439,901) | (17,723) | 4.20% |
| <i>Subtotal Admin Control</i> | \$0 | \$0 | \$0 | N/A |
| TOTAL EXPENDITURES | \$6,769,708 | \$5,277,049 | (\$1,492,659) | (22.05%) |
| TOTAL NET COST | \$155,958 | \$68,249 | (\$87,709) | (56.24%) |
| <i>(Expenditures Minus Revenues)</i> | | | | |

FY 2012-13 BUDGET
CHARACTER JUSTIFICATION

Department - Division: Sonoma County Water Agency - Internal Service Fund
Section Title: Power Resources

Character Title: Use of Money and Property **Character No.:** 687400-17

1700 Interest on Pooled Cash

This account records interest on pooled cash held for the Agency 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 | 0.55% |
| Projected/Planned Interest on Pooled Cash | \$8,800 |

4039 Sale-Power

This item records the revenue received from the sale of power to other entities.

4102 Donations/Reimbursements

No Donations/Reimbursements will be realized in FY 12-13.

4210 Advances

This item reflects an as needed advance from the SCWA General Fund to acquire electrical power assets and meet debt service payments. This began in FY 07-08 and will continue for 8 years.

4219 Advances - Clearing

This is the clearing account for sub-object 4210.

Character Title: Services and Supplies **Character No.:** 687400-60

6140 Maintenance - Equipment

PCAS No. Various

This item records parts and various supplies necessary to maintain and repair Agency equipment.

6523 District Operations

PCAS No. Various

This item is requested to provide funds to charge salary and overhead for staff.

6570 Consultant Services

PCAS No. TBD

This item is requested to provide funds for outside consultant services for Alternative Energy issues.

6610 Legal Services

PCAS No. Various

This request is for outside legal services.

6840 Rents/Leases - Bldgs/Impr

PCAS No. Various

This item is requested to provide funds for the rental on the land for the photovoltaic system.

7206 Equipment Usage Charge

PCAS No. Various

This item is requested to provide funds for equipment usage.

7302 Travel Expense

PCAS No. Various

This item is requested to cover the cost of travel expenses to meetings by Agency staff.

7303 Private Car Expense

PCAS No. Various

Private Car Expense is reimbursed to employees for the use of their private vehicles.

Character Title: Services and Supplies (continued) Character No.: 687400-60

7394 Power

PCAS No. TBD

This item includes the costs to purchase power from PG&E and the Power Water Resources Pooling Authority (PWRPA).

Character Title: Other Charges Character No.: 687400-75

7920 Interest

This account reflects the interest payments on the capital leases for the construction of photovoltaic facilities. The amount requested is based on the lease amortization schedules.

7930 Interest-L.T. Debt

This account reflects the interest payments on the advances from other Agency funds for the purchase of photovoltaic facilities. The amount requested is based on the amortization schedules prepared upon acquisition of assets.

7980 Depreciation

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

Character Title: Fixed Assets Character No.: 687400-85

8510 Buildings/Improvements

Final cost for completing the photovoltaic project at Sonoma Valley County Sanitation District.

Character Title: Administrative Control Account Character No.: 687400-92

9200 ENT - Principal

This account reflects the principal payments due on the outstanding leases for the construction of photovoltaic facilities at 404 Aviation Blvd and the Airport-Larkfield-Wikiup treatment plant.

The following reflects the principal payment history to date:

Photovoltaic facility at 404 Aviation Blvd-payments began October 2005 and will continue semi-annually until April 2020.

| | |
|---|------------------|
| Original Amount of the Loan: | \$2,000,000 |
| Total FY 05-06 through FY 10-11 Principal Payments: | (744,257) |
| FY 11-12 Principal Payment: | <u>(115,836)</u> |
| Outstanding Loan Amount | \$1,139,907 |

Photovoltaic facility at Airport-Larkfield-Wikiup Treatment Plant - payments began April 2006 and will continue semi-annually until October 2020.

| | |
|---|------------------|
| Original Amount of the Loan: | \$2,750,000 |
| Total FY 05-06 through FY 10-11 Principal Payments: | (801,331) |
| FY 11-12 Principal Payment: | <u>(171,725)</u> |
| Outstanding Loan Amount | \$1,776,944 |

9209 ENT - Principal Clearing

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

9210 Advances

This account reflects the principal payments due on the outstanding advances for the acquisition of power assets. Payments are based on the amortization schedules.

Photovoltaic facility at Sonoma Valley Treatment Plant - 12 years beginning FY 07-08

| | |
|--|------------------|
| Original Amount of the Advance : | \$5,442,922 |
| Total FY 07-08 Payment Through FY 10-11 Principal Payment: | (1,525,335) |
| Total FY 11-12 Payment: | <u>(422,177)</u> |
| Outstanding Loan Amount | \$3,495,410 |

9219 Advances - Clearing

This is the clearing account for sub-object 9210 Advances

FY 2012-13 BUDGET
STATEMENT OF SPECIAL FUND ACTIVITY

Department: Sonoma County Water Agency - Internal Service Fund
Section: Power Resources Fund
Index No.: 687400

| DESCRIPTION OF FUND ACTIVITY | Actual FY 10-11 | Estimated FY 11-12 | Requested FY 12-13 |
|--|--------------------|-----------------------|-----------------------|
| Undesignated/Unreserved <u>BEGINNING</u> Fund Balance Available for Budgeting (See Detailed Components Below) | \$607,946 | \$1,403,839 | \$1,641,245 |
| Annual Revenues and Expenditures: | | | |
| Revenues - Increase fund balance | 6,283,326 | 6,619,912 | 5,208,800 |
| Expenditures - (Decrease) fund balance | (5,760,978) | (6,672,681) | (5,277,049) |
| Net Surplus or Deficit - Increase/(Decrease) to fund balance | 522,348 | (52,769) | (68,249) |
| Adjustments to Reserves/Encumbrances: | | | |
| Loss on Fixed Assets | 57,875 | - | - |
| Principal Payment - Photovoltaic Leases | (275,679) | (287,563) | (299,958) |
| Change in Capital Lease Payable | (11,882) | - | - |
| Change in Advances Payable | (17,009) | - | - |
| Change in Encumbrances | 9,367 | - | - |
| Depreciation | 411,475 | 411,475 | 415,500 |
| Advance (From the SCWA General Fund/Interest Accrued) | 506,527 | 588,441 | 485,834 |
| Capital Interest | (1,961) | - | - |
| Advance Payments (SVCSD, ALW, ISF) | (405,169) | (422,178) | (439,901) |
| Net Adjustment - Increase/(Decrease) to Fund Balance | 273,544 | 290,175 | 161,475 |
| Undesignated/Unreserved <u>ENDING</u> Fund Balance Available for Budgeting | \$1,403,839 | \$1,641,245 | \$1,734,471 |
| Total Increase/(Decrease) in Fund Balance for Fiscal Year <i>(Difference between Beginning and Ending Balance)</i> | \$795,893 | \$237,406 | \$93,226 |
| <u>Fund Balance Components at Beginning of FY</u> | 7/1/10 | 7/1/11 | |
| Cash | \$1,327,108 | \$2,567,440 | |
| Accounts Receivable | 53 | 68,689 | |
| Pre-Paid Expense | 825,469 | 210,862 | |
| Accounts Payable | (795,902) | (677,785) | |
| Interest Payable | (37,065) | (34,126) | |
| Capital Lease Payable | (275,679) | (287,561) | |
| Advance Payable | (405,168) | (422,177) | |
| Encumbrance | (30,870) | (21,503) | |
| Total Beginning Fund Balance | \$607,946 | \$1,403,839 | |