

## FY 2012-13 BUDGET

### BUDGET SECTION SUMMARY

Section Title:

<b>SONOMA VALLEY COUNTY SANITATION DISTRICT</b>
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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 Sonoma Valley County Sanitation District (Sonoma Valley CSD). The District includes the City of Sonoma, as well as the communities of Boyes Hot Springs, Agua Caliente, El Verano and Glen Ellen. The Sonoma Developmental Center is outside the District, but is served by an agreement.

**B. Financial Summary**

Section	GROSS EXPENDITURES			NET COST/USE OF FUND BALANCE		
	FY 11-12 Adopted	FY 12-13 Requested	Percent Change	FY 11-12 Adopted	FY 12-13 Requested	Percent Change
Operations	\$20,737,499	\$23,394,357	12.81%	\$8,111,137	\$10,558,822	30.18%
Construction	4,837,547	15,742,433	225.42%	(2,084,516)	1,173,733	(156.31%)
Outfall Line	5,025	3,808	(24.22%)	(44,686)	(45,903)	2.72%
Glen Ellen Bonds	3,852	3,152	(18.17%)	(14,276)	(14,976)	4.90%
1998 Rev Bonds	636,642	6,966,814	994.31%	(759,125)	5,253,120	(792.00%)
SRF Loan Reserve	0	0	N/A	(35,919)	(35,919)	0.00%
SRF Loan Reserve	0	0	N/A	272,878	225,338	(17.42%)
SRF Loan	142,025	135,103	(4.87%)	(301,773)	(308,694)	2.29%
<b>TOTAL:</b>	<b>\$26,362,590</b>	<b>\$46,245,667</b>	<b>75.42%</b>	<b>\$5,143,720</b>	<b>\$16,805,521</b>	<b>226.72%</b>

**C. Staffing Summary**

No staffing is allocated to this index.

**D. Workload Summary**

Workload Indicator	FY 10-11 Actual	FY 11-12 Budget Estimate	FY 11-12 Revised Estimate	FY 12-13 Projected	Change from FY 11-12 Budget Estimate
TOTAL ESDs	17,249	17,246	17,259	17,260	0.08%
TOTAL APNs	11,423	11,423	11,438	11,432	0.08%

**E. Summary of Issues and Significant Changes**

The basis for FY 12-13 annual service charges may change from a fixed rate per ESD to a variable rate based on water usage pending direction from the Board of Directors. Any proposed rate change will be subject to the Proposition 218 notice of hearing prior to implementation.

The Sonoma Valley CSD provides sewage collection, treatment, and disposal service to the Sonoma Valley area. Wastewater is collected primarily by a gravity system and flows to the Sonoma Valley CSD's wastewater treatment plant for processing. Recycled water is used to irrigate local crops during the summer and is discharged to San Pablo Bay via Schell Slough during the winter. The Sonoma Valley CSD's treatment plant is permitted to treat an average daily dry weather flow of up to 3.0 million gallons per day to tertiary wastewater treatment standards. Waste Discharge Requirements, Order No. R2-2008-0090 (NPDES Permit No. CA0037800), was issued on October 8, 2008 by the California Regional Water Quality Control Board, San Francisco Bay Region (SFBRWQCB) for Sonoma Valley CSD's treatment plant.

Most of Sonoma Valley CSD's collection system is several decades old and is need of replacement. A 1994 study of the collection system showed that approximately 10 of the 120 miles of Sonoma Valley CSD's collection system needs to be repaired or replaced due to deterioration or insufficient capacity. The Sonoma Valley CSD completed a wet weather overflow prevention study, which was in response to a Notice of Violation issued by the SFBRWQCB regarding sewer system overflows on April of 1999. The study identified areas within the Sonoma Valley CSD's collection system where repair and/or replacement projects are the most needed. A program to replace the District's collection system over a period of several decades is needed to ensure the reliability and safety of this infrastructure. It is estimated that this program could require on the order of \$3,000,000 per year to implement. The District is monitoring activities aimed at developing state and federal infrastructure replacement funding for systems such as Sonoma Valley CSD. Additionally, the District has been and will continue to increase rates over and above the rate of inflation to generate funds for replacing the collection system.

The requested rates should provide the funds necessary to operate and maintain the Sonoma Valley CSD's collection system, treatment plant, and reclamation system. As indicated above, the Sonoma Valley CSD has been increasing rates to generate funds needed for the replacement of aging infrastructure. The Sonoma Valley CSD is also progressing on development of regional recycled water program that would reduce discharges to San Pablo Bay and offset potable water use.

**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 2012-13 BUDGET**  
**SUMMARY OF REVENUES AND EXPENDITURES**

**Section Title: SONOMA VALLEY CSD - OPERATIONS**  
**Section/Index No: 653105**

Sub-Object No. and Title	Adopted 2011-12	Requested 2012-13	Difference	Percent Change
<b>REVENUES:</b>				
<b><u>TAXES</u></b>				
1001 Flat Charges - CY	\$10,828,820	\$11,428,047	\$599,227	5.53%
1061 Flat Charges - PY	130,000	135,000	5,000	3.85%
1120 Penalties / Costs on Taxes	25,000	25,000	0	0.00%
<b>Subtotal Taxes</b>	<b>\$10,983,820</b>	<b>\$11,588,047</b>	<b>\$604,227</b>	<b>5.50%</b>
<b><u>USE OF MONEY</u></b>				
1700 Interest on Pooled Cash	\$3,850	\$13,750	\$9,900	257.14%
1701 Interest Earned	164,460	146,738	(17,722)	(10.78%)
1801 Rent-Real Estate	11,000	11,000	0	0.00%
<b>Subtotal Use of Money</b>	<b>\$179,310</b>	<b>\$171,488</b>	<b>(\$7,822)</b>	<b>(4.36%)</b>
<b><u>CHARGES FOR SERVICES</u></b>				
3400 Sanitation Services	\$867,232	\$900,000	\$32,768	3.78%
3403 Industrial Users Mon/Dischg	20,000	20,000	0	0.00%
3404 Septic Charges	70,000	70,000	0	0.00%
<b>Subtotal Charges for Services</b>	<b>\$957,232</b>	<b>\$990,000</b>	<b>\$32,768</b>	<b>3.42%</b>
<b><u>MISCELLANEOUS REVENUE</u></b>				
4040 Miscellaneous	\$36,000	\$36,000	\$0	0.00%
4099 Conservation Program	50,000	50,000	0	0.00%
4303 State Grants	420,000	0	(420,000)	(100.00%)
<b>Subtotal Miscellaneous Revenue</b>	<b>\$506,000</b>	<b>\$86,000</b>	<b>(\$420,000)</b>	<b>(83.00%)</b>
<b><u>ADMINISTRATIVE CONTROL ACCOUNT</u></b>				
4200 ENT - LTD Proceeds	\$3,500,000	\$7,500,000	\$4,000,000	114.29%
4209 ENT - LTD Proceeds - Clearing	(3,500,000)	(7,500,000)	(4,000,000)	114.29%
4210 Advances	422,177	439,901	17,724	4.20%
4219 Advances - Clearing	(422,177)	(439,901)	(17,724)	4.20%
<b>Subtotal Admin. Control Account</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>N/A</b>
<b>TOTAL REVENUES</b>	<b>\$12,626,362</b>	<b>\$12,835,535</b>	<b>\$209,173</b>	<b>1.66%</b>

**EXPENDITURES:**

**SERVICES AND SUPPLIES**

6040 Communications	\$10,000	\$10,000	\$0	0.00%
6140 Maintenance - Equipment	400,000	800,000	400,000	100.00%
6180 Maintenance - Bldgs / Impr	200,000	0	(200,000)	(100.00%)
6262 Lab Supplies	25,000	25,000	0	0.00%
6280 Memberships	15,000	15,000	0	0.00%

<b>Sub-Object No. and Title</b>	<b>Adopted 2011-12</b>	<b>Requested 2012-13</b>	<b>Difference</b>	<b>Percent Change</b>
<b><u>SERVICES AND SUPPLIES (cont'd)</u></b>				
6400 Office Expense	0	13,500	13,500	N/A
6410 Postage	0	4,000	4,000	N/A
6430 Printing Services	0	5,000	5,000	N/A
6461 Supplies/Expense	0	30,000	30,000	N/A
6512 Testing-Analysis	180,000	180,000	0	0.00%
6516 Data Processing Services	0	7,000	7,000	N/A
6521 County Services	60,000	100,000	40,000	66.67%
6522 District Services	550,000	0	(550,000)	(100.00%)
6523 District Operations	4,956,000	4,956,000	0	0.00%
6540 Contract Services	0	500,000	500,000	N/A
6570 Consultant Services	964,000	1,110,000	146,000	15.15%
6573 Administration Costs	100,000	100,000	0	0.00%
6589 Permits	0	25,000	25,000	N/A
6610 Legal Services	35,000	20,000	(15,000)	(42.86%)
6630 Audit / Accounting Services	25,000	30,000	5,000	20.00%
6820 Rents/Lease-Equipment	35,000	80,000	45,000	128.57%
6880 Small Tools/Instruments	10,000	25,000	15,000	150.00%
6889 Software	0	30,000	30,000	N/A
7201 Gas/Oil	1,000	1,000	0	0.00%
7206 Equipment Usage Charge	450,000	450,000	0	0.00%
7212 Chemicals	200,000	350,000	150,000	75.00%
7217 State Permits / Fees	30,000	45,000	15,000	50.00%
7247 Water Conservation	130,000	130,000	0	0.00%
7250 Reimbursable Projects	30,000	25,000	(5,000)	(16.67%)
7320 Utilities	0	0	0	N/A
7394 Power	700,000	680,000	(20,000)	(2.86%)
<b>Subtotal Services and Supplies</b>	<b>\$9,106,000</b>	<b>\$9,746,500</b>	<b>\$640,500</b>	<b>7.03%</b>
<b><u>OTHER CHARGES</u></b>				
7920 Interest	\$28,669	\$0	(\$28,669)	(100.00%)
7930 Interest - LT Debt	0	271,713	271,713	N/A
7980 Depreciation	3,145,000	3,165,000	20,000	0.64%
7981 Amort Expense	2,135	2,485	350	16.39%
<b>Subtotal Other Charges</b>	<b>\$3,175,804</b>	<b>\$3,439,198</b>	<b>\$263,394</b>	<b>8.29%</b>
<b><u>FIXED ASSETS</u></b>				
8560 Equipment	\$100,000	\$100,000	\$0	0.00%
9480 Intangible Assets	15,000	15,000	0	0.00%
<b>Subtotal Fixed Assets</b>	<b>\$115,000</b>	<b>\$115,000</b>	<b>\$0</b>	<b>0.00%</b>
<b><u>OTHER FINANCING USES</u></b>				
8625 OT - W/in Special Dist - BOS	\$8,190,695	\$9,943,659	\$1,752,964	21.40%
<b>Subtotal Other Financing Uses</b>	<b>\$8,190,695</b>	<b>\$9,943,659</b>	<b>\$1,752,964</b>	<b>21.40%</b>
<b><u>APPROPRIATIONS FOR CONT</u></b>				
9000 Approp for Contingencies	\$150,000	\$150,000	\$0	0.00%
<b>Subtotal Approp for Contingencies</b>	<b>\$150,000</b>	<b>\$150,000</b>	<b>\$0</b>	<b>0.00%</b>
<b><u>ADMINISTRATIVE CONTROL ACCOUNT</u></b>				
9200 Ent - Principal	\$179,113	\$186,349	\$7,236	4.04%
9209 Ent - Principal Clearing	(179,113)	(186,349)	(7,236)	4.04%
9210 Advances	0	253,298	253,298	N/A
9219 Advances - Clearing	0	(253,298)	(253,298)	N/A
<b>Subtotal Administrative Control</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>N/A</b>
<b>TOTAL EXPENDITURES</b>	<b>\$20,737,499</b>	<b>\$23,394,357</b>	<b>\$2,656,858</b>	<b>12.81%</b>
<b>TOTAL NET COST</b> <i>(Expenditures Minus Revenues)</i>	<b>\$8,111,137</b>	<b>\$10,558,822</b>	<b>\$2,447,685</b>	<b>30.18%</b>



**FY 2012-13 BUDGET**  
**CHARACTER JUSTIFICATION**

**Department - Division:** Sonoma County Water Agency - Sanitation

**Section Title:** Sonoma Valley CSD - Operations

**Character Title:** Taxes **Character No.:** 653105-10

**1001 Flat Charges - CY**

Flat charge revenue from annual service charges is expected to increase from the adopted FY 11-12 budget. The rate will increase 5.5%, from \$732 to \$772

ESDs times annual rate:	15,261 x \$772	\$11,781,492
Less Estimated Delinquency Factor:	3%	<u>(353,445)</u>
		\$11,428,047

(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.:** 653105-17

**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		<u>0.55%</u>
Projected Interest on Pooled Cash		\$13,750

**1701 Interest Earned**

This represents the interest earnings on the advance to the Power Resources Fund for the purchase of the photovoltaic facility located at the treatment plant.

**1801 Rent-Real Estate**

This represents the rental payment for the photovoltaic facility by the ISF Power Fund.

**Character Title:** Charges for Services **Character No.:** 653105-30

**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.

ESDs x Annual Charge	126 x \$772	=	\$97,272
Based on flow (historical figure)			<u>802,728</u>
			\$900,000

**Character Title:** Charges for Services (Continued) **Character No.:** 653105-30

**3403 Industrial Users Monitoring/Discharge**

This account records revenue associated with the Industrial Users Monitoring Program or revenue received from any industrial user for events such as an unauthorized (or specially authorized) discharge into the treatment plant. The budgeted amount is expected to offset monitoring expenses anticipated to be incurred primarily by the Agency's Environmental Compliance Inspector (see Sub-object 7250, Reimbursable Projects).

**3404 Septic Disposal Fee**

This account records the revenue to the district for septic haulers using the treatment plant facilities to dispose of septic waste.

**Character Title:** Miscellaneous Revenue **Character No.:** 653105-40

**4099 Conservation Program**

This account records \$1,500 of each connection fee to support the water conservation program per Ordinance 59 dated 8/8/2002.

**4303 State Grants**

No State grants are anticipated in FY 12-13.

**Character Title:** Administrative Control Account **Character No.:** 653105-42

**4200 ENT - LTD Proceeds**

This account records the proceeds from the SWRCB Loan to fund the Bio-Solids Project (\$3,100,000) and Trunk Main Phase 4 (\$4,400,000).

**4209 ENT - LTD Proceeds - Clearing**

This is the clearing account for sub-object 4200.

**4210 Advances**

This account records the proceeds from the ISF-Power Resources Fund to purchase the photovoltaic asset. The total asset value as of 6/30/08 is \$8,021,593 which will be paid over 12 years.

**4219 Advances - Clearing**

This is the clearing account for sub-object 4210.

**Character Title:** Services and Supplies **Character No.:** 653105-60

**6040 Communications**

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

**6140 Maintenance - Equipment**

This account records the cost of materials for routine maintenance of equipment.

**6262 Lab Supplies**

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

**6280 Memberships**

This account records membership dues in the North Bay Watershed Association.

**6400 Office Expense**

This account records non-capitalized office expenses.

**6410 Postage**

This item is requested to cover the costs of the Agency's postage.

**6430 Printing Services**

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

**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 of agenda services and 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, as well as staff costs associated with supporting the San Francisco Bay Integrated Regional Water Management Plan and Recycled Water Project.

**6540 Contract Services**

This account reflects the costs for various outside services, primarily sludge hauling and disposal. The costs were previously budgeted under subobject 6522.

**6570 Consultant Services**

This account records the costs of services provided by outside consultants including \$35,000 for the San Francisco Bay Integrated Regional Water Management Plan, \$50,000 for the Economic Development Board for the Water Conservation Program, \$25,000 for ZSI PJ 7231-04, \$10,000 for the Ground Water Management Plan PJ 4087-02, Permitting Assistance (\$125,000) PJ 3681-04, NBWRA (\$225,000) PJ# 3967-10, Natural Hazard Assessment (\$250,000) PJ# TBD and Collection Modeling (\$390,000).

**6573 Administration Costs**

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

**6589 Permits**

This account records the cost of various permits other than State Permits and Fees.

**6610 Legal Services**

This item covers 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

**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.

**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.

**Character Title:** Services and Supplies (Continued) **Character No.:** 653105-60

**7212 Chemicals**

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

**7217 State Permits / Fees**

This account records the cost of obtaining the Sonoma Valley CSD's permits related to NPDES, as mandated by the Regional Water Quality Control Board.

**7247 Water Conservation Program**

This account reflects \$130,000 for the expanded water conservation program. This program is funded by revenue generated by the \$1,500 connection fee noted above under sub-object 4099.

**7250 Reimbursable Projects**

This account records any expenses that are expected to be covered by reimbursement. The budget request is based on projected expenses associated with the Environmental Compliance Inspector and the program for monitoring industrial users.

**7320 Utilities**

This account records the cost of payments made for utilities such as water. No funds will be budgeted for FY 12-13.

**7394 Power**

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

**Character Title:** Other Charges **Character No.:** 653105-75

**7920 Interest**

This account reflects the interest expense on the outstanding State Revolving Fund for the Trunk Main Phase 4.

**7930 Interest - LT Debt**

This account reflects interest expense on the outstanding loans from the State Revolving Fund for the Bio-Solids and Trunk Main at Watmaugh.

**7980 Depreciation**

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

**7981 Amort Expense**

This records the amortization of intangible assets.

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

**8560 Equipment**

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

**9480 Intangible Assets**

This account records sewer easement dedications.

**8625 OT - W/in Special Dist - BOS**

This account reflects the transfer of cash from the Operations Fund to the Outfall Line Fund, the 1998 Revenue Bond Fund, SRF Loan and SRF Loan Reserve funds to cover principal and interest payments, as well as 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 to the Construction Fund will not be made and any uncompleted projects will be rescheduled and rebudgeted in the next fiscal year.

*Transfer to:*

Outfall Line Fund	\$ 49,711
1998 Revenue Bond Fund	1,709,624
SRF Loan	442,972
SRF Loan Reserve	34,984
State Loan Reserve	206,368
Construction Fund	7,500,000
Total Operating Transfer	<u>\$ 9,943,659</u>

**9000 Appropriations for Contingencies**

This account provides funding for unanticipated expenditures or revenue shortfalls.

**9200 Ent - Principal**

This account reflects the principal payments on the purchased property for a storage pond site.

Original Amount of the Loan:	\$933,000
Total FY 10-11 Principal Payments:	(171,934)
FY 11-12 Principal Payment:	<u>(186,349)</u>
Outstanding Amount	\$574,717

**9209 Ent - Principal Clearing**

This is the clearing account for sub-object 9200.

**9210 Advances**

This account reflects the principal expense for the proposed State Revolving Loan of \$4,400,000 for the Main Trunk Phase 4 Project. Terms are 20 years @ 3.0%.

The following reflects the principal payment history to date:

Original Amount of the Loan:	\$4,400,000
FY 12-13 Estimated Principal Payment:	<u>(163,375)</u>
Outstanding Loan Amount	\$4,236,625

This account reflects the principal expense for the proposed State Revolving Loan of \$3,100,000 for the Bio-Solids Project. Terms are 20 years @ 2.6%. Repayment to begin FY 13-14

Original Amount of the Loan:	\$3,100,000
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This account reflects the principal expense for the proposed State Revolving Loan of \$2,320,304 for the Trunk Main at Watmaugh Project. Terms are 20 years @ 2.6%. The FY 12/13 request is based on the amortization schedule.

Original Amount of the Loan:	\$2,320,304
FY 12-13 Principal Payment:	<u>(89,923)</u>
	\$2,230,381

**9219 Advances - Clearing**

This is the clearing account for sub-object 9209, Advances.

**FY 2012-13 BUDGET**  
**STATEMENT OF SPECIAL FUND ACTIVITY**

**Department: Sonoma County Water Agency - Sanitation**  
**Section: Sonoma Valley CSD - Operations**  
**Index No.: 653105**

DESCRIPTION OF FUND ACTIVITY	Actual FY 10-11	Estimated FY 11-12	Requested FY 12-13
<b>Undesignated/Unreserved <u>BEGINNING</u> Retained Earnings</b>			
<b>Available for Budgeting</b> (See Detailed Components Below)	<b>\$5,816,425</b>	<b>\$5,903,317</b>	<b>\$2,380,016</b>
<b>Annual Revenues and Expenditures:</b>			
Revenues - Increase retained earnings	11,880,502	12,721,622	12,835,535
Expenditures - (Decrease) retained earnings	(15,188,667)	(22,135,246)	(23,394,357)
<b>Net Surplus or Deficit</b> - Inc/(Dec) to retained earnings	<u>(3,308,165)</u>	<u>(9,413,624)</u>	<u>(10,558,822)</u>
<b>Adjustments to Reserves/Encumbrances:</b>			
7980 Depreciation	3,152,418	3,147,842	3,167,485
Net Change in Encumbrance	(98,351)	-	-
4210 Proceeds from LT Debt	-	-	-
4210 Advances	-	2,320,304	7,500,000
9200 Ent - Principal Payments	-	-	(186,349)
9210 Advances	-	-	(253,298)
Change in Water Conservation Reserve	(65,897)	-	-
Loss on Fixed Assets	3,891	-	-
Post Audit Adjustment - Receivables	13,569	-	-
Post Audit Adjustment - Contingent Liab-spill	(32,750)	-	-
Change in Due from Other Fund	17,009	-	-
Advances-ISF Power Resources Fund	405,168	422,177	439,901
<b>Net Adjustment</b> - Increase/(Decrease) to Retained Earnings	<u>3,395,057</u>	<u>5,890,323</u>	<u>10,667,739</u>
<b>Undesignated/Unreserved <u>ENDING</u> Retained Earnings</b>			
<b>Available for Budgeting</b>	<b>\$5,903,317</b>	<b>\$2,380,016</b>	<b>\$2,488,933</b>
<b>Total Increase/(Decrease) in Retained Earnings for Fiscal Year</b> (Difference between Beginning and Ending Balance)	<b>\$86,892</b>	<b>(\$3,523,301)</b>	<b>\$108,917</b>
<b><u>Retained Earnings Components at Beginning of FY</u></b>	<b>7/1/10</b>	<b>7/1/11</b>	
Cash	\$5,803,485	\$5,896,666	
Other Receivables-Flat Charges	642,650	704,236	
Accounts Payable	(139,988)	(227,624)	
Water Conservation Reserve	(107,613)	(173,510)	
Other Current Liability	(350,000)	(183,000)	
Due From Other Funds	405,168	422,177	
Encumbrances (Contract)	(437,277)	(535,628)	
<b>Total Beginning Retained Earnings</b>	<u>\$5,816,425</u>	<u>\$5,903,317</u>	

**FY 2012-13 BUDGET**  
**SUMMARY OF REVENUES AND EXPENDITURES**

**Section Title:** SONOMA VALLEY CSD - CONSTRUCTION  
**Section/Index No:** 653303

Sub-Object No. and Title	Adopted 2011-12	Requested 2012-13	Difference	Percent Change
<b>REVENUES:</b>				
<b><u>USE OF MONEY</u></b>				
1700 Interest on Pooled Cash	\$2,063	\$18,700	\$16,637	806.45%
<b>Subtotal Use of Money</b>	<b>\$2,063</b>	<b>\$18,700</b>	<b>\$16,637</b>	<b>806.45%</b>
<b><u>INTERGOVERNMENTAL REVENUE</u></b>				
2856 ARRA/Other Reimb & Alloc	\$0	\$390,000	\$390,000	N/A
	<b>\$0</b>	<b>\$390,000</b>	<b>\$390,000</b>	<b>N/A</b>
<b><u>MISCELLANEOUS REVENUE</u></b>				
4303 State Grants	\$300,000	\$500,000	\$200,000	66.67%
4304 Federal Grants	620,000	0	(620,000)	(100.00%)
<b>Subtotal Miscellaneous Revenue</b>	<b>\$920,000</b>	<b>\$500,000</b>	<b>(\$420,000)</b>	<b>(45.65%)</b>
<b><u>ADMINISTRATIVE CONTROL ACCOUNT</u></b>				
4200 ENT - LTD Proceeds	\$0	\$0	0	N/A
4209 ENT - LTD Proceeds - Clearing	0	0	0	N/A
<b>Subtotal Admin. Control Account</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>N/A</b>
<b><u>OTHER FINANCING SOURCES</u></b>				
4625 OT - W/in Special Dist - BOS	\$6,000,000	\$13,660,000	\$7,660,000	127.67%
<b>Subtotal Other Financing Sources</b>	<b>\$6,000,000</b>	<b>\$13,660,000</b>	<b>\$7,660,000</b>	<b>127.67%</b>
<b>TOTAL REVENUES</b>	<b>\$6,922,063</b>	<b>\$14,568,700</b>	<b>\$7,646,637</b>	<b>110.47%</b>
<b>EXPENDITURES:</b>				
<b><u>OTHER CHARGES</u></b>				
7920 Interest	\$28,669	\$21,433	(\$7,236)	(25.24%)
<b>Subtotal Other Charges</b>	<b>\$28,669</b>	<b>\$21,433</b>	<b>(\$7,236)</b>	<b>(25.24%)</b>
<b><u>FIXED ASSETS</u></b>				
8500 Land	\$0	\$0	\$0	N/A
8510 Building / Improvement	3,737,878	10,301,000	6,563,122	175.58%
9142 Capital Replacement Program	1,071,000	4,763,000	3,692,000	344.72%
9480 Intangible Assets	0	15,000	15,000	N/A
9482 Amort WIP Outlay	0	642,000	642,000	N/A
<b>Subtotal Fixed Assets</b>	<b>\$4,808,878</b>	<b>\$15,721,000</b>	<b>\$10,912,122</b>	<b>226.92%</b>
<b><u>ADMINISTRATIVE CONTROL ACCOUNT</u></b>				
9200 Ent - Principal	\$179,113	\$186,349	\$7,236	4.04%
9209 Ent - Principal Clearing	(179,113)	(186,349)	(\$7,236)	4.04%
<b>Subtotal Admin. Control Account</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>N/A</b>
<b>TOTAL EXPENDITURES</b>	<b>\$4,837,547</b>	<b>\$15,742,433</b>	<b>\$10,904,886</b>	<b>225.42%</b>
<b>TOTAL NET COST</b> <i>(Expenditures Minus Revenues)</i>	<b>(\$2,084,516)</b>	<b>\$1,173,733</b>	<b>\$3,258,249</b>	<b>(156.31%)</b>

**FY 2012-13 BUDGET  
CHARACTER JUSTIFICATION**

**Department - Division:** Sonoma County Water Agency - Sanitation

**Section Title:** Sonoma Valley CSD - Construction

**Character Title:** Use of Money

**Character No.:** 653303-17

**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	\$3,400,000
Projected Interest Rate	<u>0.55%</u>
Projected/Planned Interest on Pooled Cash	\$18,700

**Character Title:** Intergovernmental Revenue

**Character No.:** 653303-40

**2856 ARRA/Other Reimb & Alloc**

Receipt of ARRA grant funds will be recorded here and subsequently passed-on to other entities.

**Character Title:** Miscellaneous Revenue

**Character No.:** 653303-40

**4303 State Grants**

Proceeds from Proposition 84 are anticipated in FY 12-13 for the trunk main to Watmaugh..

**4304 Federal Grants**

No Grants are anticipated in FY 12-13.

**Character Title:** Other Financing Sources

**Character No.:** 653303-46

**4625 OT - w/in Special Dist - BOS**

This account reflects the transfer from the Operations Fund (\$7,500,000) and) from Revenue Bond Fund (\$6,160,000) 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.

**Character Title:** Other Charges

**Character No.:** 653303-75

**7920 Interest**

This account reflects the interest expense on the purchased property for a storage pond site.

**Character Title:** Fixed Assets

**Character No.:** 653303-85

**8510 Buildings / Improvements**

This account can be used to provide capacity to new users pursuant to the County General Plan (using connection fee revenue), as well as for treatment plant and reclamation system improvement projects.

The following projects are planned for the forthcoming year:

	<b>PCAS No.</b>	<b>Amount</b>
<u>Re-line Equalization Basins</u>	TBD	\$50,000
The requested amount is intended to fund planning, design and CEQA for this project.		

**Character Title: Fixed Assets (Continued) Character No.: 653303-85**

	<b>PCAS No.</b>	<b>Amount</b>
<u>North San Pablo Bay Project</u> Funding will be used for project management and coordination with other Agencies.	TBD	150,000
<u>Napa/Sonoma Salt Marsh</u> Funding will be used to design, CEQA compliancy, right-of-way, construction and construction management of the pipeline project to provide recycled water to the salt marsh.	7239&7490	6,790,000
<u>Bio-Solids Handling Facility</u> Funding will be used to construct improvements to the bio-solids handling facility.	4051	3,036,000
<u>Effluent Pump Station</u> Funding will be used to design new effluent pumping facilities.	7486	75,000
<u>Recycled Water Services</u> Funding will be used to plan, design and construct new service connections to the recycled water system.	TBD	<u>200,000</u>
Subtotal for Buildings / Improvements (Sub-object 8510)		\$10,301,000
<b>9142 Capital Replacement Program</b>		
The funding requested in this account is for repair and replacement of the sewer collection system. Long-term replacement of existing facilities that are worn out and in disrepair will help to bring the facilities up to current sanitation standards and will extend the life of the sanitation collection system.		
<u>Collection System Creek Crossings</u> Funding will be used to design and construct improvements to the collection system at stream crossings.	TBD	\$100,000
<u>Agua Caliente Pipeline Creek Crossing</u> This project will replace a portion of the existing trunk main in the vicinity of the crossing of Aqua Caliente Creek. Funding will be used for construction.	7544	1,160,000
<u>Trunk Main Phase 4</u> This project will replace a portion of the existing trunk main between Studley Street and Happy Lane. Funding will be used for design, CEQA, permit compliance and construction of the downstream portion between Studley Street and Ramon Street.	7365	<u>3,503,000</u>
Subtotal for Capital Replacement Program (Sub-object 9142)		\$4,763,000
<b>9480 Intangible Assets</b> This account records sewer easement dedications.		\$15,000
<b>9482 Amort WIP Outlay</b> This account captures costs the development of intangible assets including the implementation and negotiation or acquisitions of easements.		\$642,000
<b>Grand Total-Character 85</b>		<u><u>\$15,721,000</u></u>

**Character Title: Administrative Control Account Character No.: 653303-92**

<b>9200 Ent - Principal</b> This account reflects the interest expense on the purchased property for a storage pond site.
<b>9209 Ent - Principal Clearing</b> This is the clearing account for sub-object 9200, Ent - Principal.

**FY 2012-13 BUDGET**  
**STATEMENT OF SPECIAL FUND ACTIVITY**

**Department** Sonoma County Water Agency - Sanitation  
**Section:** Sonoma Valley CSD - Construction  
**Index No.:** 653303

DESCRIPTION OF FUND ACTIVITY	Actual FY 10-11	Estimated FY 11-12	Requested FY 12-13
<b>Undesignated/Unreserved <u>BEGINNING</u> Retained Earnings</b>			
<b>Available for Budgeting</b> (See Detailed Components Below)	<b>\$1,208,561</b>	<b>(\$3,859,420)</b>	<b>\$2,459,556</b>
<b>Annual Revenues and Expenditures:</b>			
Revenues - Increase retained earnings	\$2,786,240	9,248,891	14,568,700
Expenditures - (Decrease) retained earnings	(3,729,412)	(2,750,802)	(15,742,433)
<b>Net Surplus or Deficit</b> - Inc/(Dec) to retained earnings	(943,172)	6,498,089	(1,173,733)
<b>Adjustments to Reserves/Encumbrances:</b>			
PY CIP Reclass (loss on asset)	75,682	-	-
Change in Note Payable	(179,112)	-	-
Capitalized Interest	(176,755)	-	-
4210 Advances (SV EPA)	-	-	-
Note Payable-Sasaki Property	933,000	-	-
9200 Ent - Principal Payments	(171,954)	(179,113)	(186,349)
Change in Encumbrances	(4,605,671)	-	-
<b>Net Adjustment</b> - Increase/(Decrease) to Fund Balance	(4,124,810)	(179,113)	(186,349)
<b>Undesignated/Unreserved <u>ENDING</u> Retained Earnings</b>			
<b>Available for Budgeting</b>	<b>(\$3,859,420)</b>	<b>\$2,459,556</b>	<b>\$1,099,474</b>
<b>Total Increase/(Decrease) in Retained Earnings for Fiscal Year</b> <i>(Difference between Beginning and Ending Balance)</i>	<b>(\$5,067,981)</b>	<b>\$6,318,976</b>	<b>(\$1,360,082)</b>
<b><u>Retained Earnings Components at Beginning of FY</u></b>	<b>7/1/10</b>	<b>7/1/11</b>	
Cash	\$1,007,310	\$1,535,941	
Accounts Payable	(36,830)	(907,880)	
Deposit with Others	157,400	25,800	
Due from Other Gov't	250,457	425,278	
Note Payable (current portion)	-	(179,112)	
Contract Retention Payable	(33,460)	(84,139)	
Due to Other Fund	(66,679)	-	
Encumbrances (Contract)	(69,637)	(4,675,308)	
<b>Total Beginning Retained Earnings</b>	<b>\$1,208,561</b>	<b>(\$3,859,420)</b>	

**FY 2012-13 BUDGET**  
**SUMMARY OF REVENUES AND EXPENDITURES**

**Section Title:** SONOMA VALLEY CSD - OUTFALL LINE  
**Section/Index No:** 653337

Sub-Object No. and Title	Adopted 2011-12	Requested 2012-13	Difference	Percent Change
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**REVENUES:**

**USE OF MONEY**

1700 Interest on Pooled Cash	\$0	\$0	\$0	N/A
<b>Subtotal Use of Money</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>N/A</b>

**OTHER FINANCING SOURCES**

4625 OT - W/in Special District - BOS	\$49,711	\$49,711	\$0	0.00%
<b>Subtotal Other Financing Sources</b>	<b>\$49,711</b>	<b>\$49,711</b>	<b>\$0</b>	<b>0.00%</b>

<b>TOTAL REVENUES</b>	<b>\$49,711</b>	<b>\$49,711</b>	<b>\$0</b>	<b>0.00%</b>
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**EXPENDITURES:**

**OTHER CHARGES**

7930 Interest - LT Debt	\$5,025	\$3,808	(\$1,217)	(24.22%)
<b>Subtotal Other Charges</b>	<b>\$5,025</b>	<b>\$3,808</b>	<b>(\$1,217)</b>	<b>(24.22%)</b>

**ADMINISTRATIVE CONTROL ACCOUNT**

9210 Advances	\$44,686	\$45,903	\$1,217	2.72%
9219 Advances - Clearing	(44,686)	(45,903)	(1,217)	2.72%
<b>Subtotal Administrative Control</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>N/A</b>

<b>TOTAL EXPENDITURES</b>	<b>\$5,025</b>	<b>\$3,808</b>	<b>(\$1,217)</b>	<b>(24.22%)</b>
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<b>TOTAL NET COST</b> <i>(Expenditures Minus Revenues)</i>	<b>(\$44,686)</b>	<b>(\$45,903)</b>	<b>(\$1,217)</b>	<b>2.72%</b>
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**FY 2012-13 BUDGET  
CHARACTER JUSTIFICATION**

**Department - Division:** Sonoma County Water Agency - Sanitation

**Section Title:** Sonoma Valley CSD - Outfall Line

**Character Title:** Use of Money

**Character No.:** 653337-17

**1700 Interest on Pooled Cash**

This account records interest on pooled cash held for the District by the County Treasurer's office. No significant cash balance is maintained in this fund. Cash transfers are made from the Operations Fund to this fund only as necessary to make annual payments due on the long term loan from the State. Accordingly, we do not recommend budgeting any interest revenue during the forthcoming year.

**Character Title:** Other Financing Sources

**Character No.:** 653337-46

**4625 OT - W/in Special Dist - BOS**

The revenues supporting the payments on the long term loan from the State Revolving Fund are collected in the Operations Fund. This account reflects the transfer of cash from the Operations Fund to the Outfall Line Fund to cover the annual principal and interest payment.

**Character Title:** Other Charges

**Character No.:** 653337-75

**7930 Interest on LT Debt**

This account reflects the interest expense on the outstanding loan from the State Revolving Fund. Payments began on this loan in July 1995 and will continue annually until July 2014. The FY 12-13 request is based on the repayment schedule prepared by the State.

**Character Title:** Administrative Control Account

**Character No.:** 653337-92

**9210 Advances**

This account reflects the principal payments on a long term (20 year) loan issued to the District in 1994 from the State Revolving Fund. Payments on the loan will continue until July 2014. The FY 12-13 request is based on the repayment schedule prepared by the State.

The following reflects the principal payment history to date:

Original Amount of the Loan:	\$760,992
Total FY 95-96 through FY 10-11 Principal Payments:	(574,907)
FY 11-12 Principal Payment:	(44,686)
Outstanding Loan Amount	\$141,399

**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 - Sanitation  
Section: Sonoma Valley CSD - Outfall Line  
Index No.: 653337

DESCRIPTION OF FUND ACTIVITY	Actual FY 10-11	Estimated FY 11-12	Requested FY 12-13
<b>Undesignated/Unreserved <u>BEGINNING</u> Retained Earnings</b>			
<b>Available for Budgeting</b> (See Detailed Components Below)	<b>(\$28,394)</b>	<b>(\$28,433)</b>	<b>(\$28,404)</b>
<b>Annual Revenues and Expenditures:</b>			
Revenues - Increase retained earnings	49,671	49,740	49,711
Expenditures - (Decrease) retained earnings	(5,024)	(5,025)	(3,808)
	<hr/>	<hr/>	<hr/>
<b>Net Surplus or Deficit</b> - Increase/(Dec) to retained earnings	44,647	44,715	45,903
<b>Adjustments to Reserves/Encumbrances:</b>			
9210 Advances	(43,511)	(44,686)	(45,903)
Change in Due to Other Governments	(1,175)	-	-
	<hr/>	<hr/>	<hr/>
<b>Net Adjustment</b> - Increase/(Decrease) to Retained Earnings	(44,686)	(44,686)	(45,903)
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<b>Undesignated/Unreserved <u>ENDING</u> Retained Earnings</b>			
<b>Available for Budgeting</b>	<b>(\$28,433)</b>	<b>(\$28,404)</b>	<b>(\$28,404)</b>
<b>Total Increase/(Decrease) in Retained Earnings for Fiscal Year</b> <i>(Difference between Beginning and Ending Balance)</i>	<b>(\$39)</b>	<b>\$29</b>	<b>\$0</b>
 <b><u>Retained Earnings Components at Beginning of FY</u></b>	<b>7/1/10</b>	<b>7/1/11</b>	
Cash	\$21,316	\$21,277	
Due to Other Governments	(43,511)	(44,686)	
Interest Payable	(6,199)	(5,024)	
	<hr/>	<hr/>	
<b>Total Beginning Retained Earnings</b>	(\$28,394)	(\$28,433)	

**FY 2012-13 BUDGET**  
**SUMMARY OF REVENUES AND EXPENDITURES**

**Section Title:** SONOMA VALLEY CSD - GLEN ELLEN BONDS  
**Section/Index No:** 653345

Sub-Object No. and Title	Adopted 2011-12	Requested 2012-13	Difference	Percent Change
<b>REVENUES:</b>				
<b><u>TAXES</u></b>				
1000 Prop Taxes - CY Secured	\$17,500	\$17,500	\$0	0.00%
1020 Prop Taxes - CY Supplemental	200	200	0	0.00%
1040 Prop Taxes - CY Unsecured	400	400	0	0.00%
<b>Subtotal Taxes</b>	<b>\$18,100</b>	<b>\$18,100</b>	<b>\$0</b>	<b>0.00%</b>
<b><u>USE OF MONEY</u></b>				
1700 Interest on Pooled Cash	\$28	\$28	(\$1)	(1.79%)
<b>Subtotal Use of Money</b>	<b>\$28</b>	<b>\$28</b>	<b>(\$1)</b>	<b>(1.79%)</b>
<b>TOTAL REVENUES</b>	<b>\$18,128</b>	<b>\$18,128</b>	<b>(\$1)</b>	<b>(0.00%)</b>
<b>EXPENDITURES:</b>				
<b><u>SERVICES AND SUPPLIES</u></b>				
6635 Fiscal Agent Fees	\$52	\$52	\$0	0.00%
<b>Subtotal Services and Supplies</b>	<b>\$52</b>	<b>\$52</b>	<b>\$0</b>	<b>0.00%</b>
<b><u>OTHER CHARGES</u></b>				
7920 Interest	\$3,800	\$3,100	(\$700)	(18.42%)
<b>Subtotal Other Charges</b>	<b>\$3,800</b>	<b>\$3,100</b>	<b>(\$700)</b>	<b>(18.42%)</b>
<b><u>ADMINISTRATIVE CONTROL ACCOUNT</u></b>				
9200 Ent - Principal	\$14,000	\$14,000	\$0	0.00%
9209 Ent - Principal Clearing	(14,000)	(14,000)	0	0.00%
<b>Subtotal Administrative Control</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>N/A</b>
<b>TOTAL EXPENDITURES</b>	<b>\$3,852</b>	<b>\$3,152</b>	<b>(\$700)</b>	<b>(18.17%)</b>
<b>TOTAL NET COST</b> <i>(Expenditures Minus Revenues)</i>	<b>(\$14,276)</b>	<b>(\$14,976)</b>	<b>(\$700)</b>	<b>4.90%</b>

**FY 2012-13 BUDGET**  
**CHARACTER JUSTIFICATION**

**Department - Division:** Sonoma County Water Agency - Sanitation

**Section Title:** Sonoma Valley CSD - Glen Ellen Bonds

**Character Title:** Taxes

**Character No.:** 653345-10

**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

**Note:**

The FY 12-13 bond payment amount (principal and interest) is \$17,152. 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 for 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.:** 653345-17

**1700 Interest on Pooled Cash**

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

Estimated Average Cash Balance	\$5,000
Projected Interest Rate	0.55%
Projected/Planned Interest on Pooled Cash	\$28

**Character:** Services and Supplies

**Character No.:** 653345-60

**6635 Fiscal Agent Fees**

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

**Character:** Other Charges

**Character No.:** 653345-75

**7920 Interest**

This account reflects the interest expense on the outstanding general obligation bonds. The interest rate is 5%. Payments began January 1, 1977 and will continue semi-annually until July 1, 2016. The FY 12-13 request is based on the bond amortization schedule prepared at the time the bonds were sold.

**9200 Ent - Principal**

This account reflects the principal expense for general obligation bonds that were issued in 1976 to finance the local share of a wastewater collection system. Payments on the bonds will continue until July 1, 2016. FY 12-13 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:	\$300,000
Total FY 77-78 through FY 10-11 Principal Payments:	(224,000)
FY 11-12 Principal Payment:	(14,000)
Outstanding Bond Amount	<u>\$62,000</u>

**9209 Ent - Principal Clearing**

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

**FY 2012-13 BUDGET**  
**STATEMENT OF SPECIAL FUND ACTIVITY**

Department: Sonoma County Water Agency - Sanitation  
 Section: Sonoma Valley CSD - Glen Ellen Bonds  
 Section: 653345

DESCRIPTION OF FUND ACTIVITY	Actual FY 10-11	Estimated FY 11-12	Requested FY 12-13
<b>Undesignated/Unreserved <u>BEGINNING</u> Retained Earnings</b>			
<b>Available for Budgeting</b> (See Detailed Components Below)	<b>\$7,085</b>	<b>\$5,988</b>	<b>\$6,288</b>
<b>Annual Revenues and Expenditures:</b>			
Revenues - Increase retained earnings	16,353	18,152	18,128
Expenditures - (Decrease) retained earnings	(4,450)	(3,852)	(3,152)
<b>Net Surplus or Deficit</b> - Inc/(Dec) to retained earnings	11,903	14,300	14,976
<b>Adjustments to Reserves/Encumbrances:</b>			
9200 - Enterprise Principal	(13,000)	(14,000)	(14,000)
<b>Net Adjustment</b> - Increase/(Decrease) to Retained Earnings	(13,000)	(14,000)	(14,000)
<b>Undesignated/Unreserved <u>ENDING</u> Retained Earnings</b>			
<b>Available for Budgeting</b>	<b>\$5,988</b>	<b>\$6,288</b>	<b>\$7,264</b>
<b>Total Increase/(Decrease) in Retained Earnings for Fiscal Year</b> <i>(Difference between Beginning and Ending Balance)</i>	<b>(\$1,097)</b>	<b>\$300</b>	<b>\$976</b>
<b><u>Retained Earnings Components at Beginning of FY</u></b>	<b>7/1/10</b>	<b>7/1/11</b>	
Cash	\$7,085	\$5,988	
<b>Total Beginning Fund Balance</b>	\$7,085	\$5,988	

**FY 2012-13 BUDGET**  
**SUMMARY OF REVENUES AND EXPENDITURES**

**Section Title: SONOMA VALLEY CSD - 1998 REVENUE BONDS**

**Section/Index No: 653352**

Sub-Object No. and Title	Adopted 2011-12	Requested 2012-13	Difference	Percent Change
<b>REVENUES:</b>				
<b><u>USE OF MONEY</u></b>				
1700 Interest on Pooled Cash	\$4,125	\$4,070	(\$55)	(1.33%)
1701 Interest Earned	0	0	0	N/A
<b>Subtotal Use of Money</b>	<b>\$4,125</b>	<b>\$4,070</b>	<b>(\$55)</b>	<b>(1.33%)</b>
<b><u>Other Financing Sources</u></b>				
4625 OT - W/in Special Dist - BOS	\$1,391,642	\$1,709,624	\$317,982	22.85%
<b>Subtotal Other Financing Sources</b>	<b>\$1,391,642</b>	<b>\$1,709,624</b>	<b>\$317,982</b>	<b>22.85%</b>
<b>TOTAL REVENUES</b>	<b>\$1,395,767</b>	<b>\$1,713,694</b>	<b>\$317,927</b>	<b>22.78%</b>
<b>EXPENDITURES:</b>				
<b><u>SERVICES AND SUPPLIES</u></b>				
6635 Fiscal Agent Fees	\$8,000	\$11,000	\$3,000	37.50%
6640 Debt Issuance Costs	19,884	22,961	3,077	15.47%
<b>Subtotal Services and Supplies</b>	<b>\$27,884</b>	<b>\$33,961</b>	<b>\$6,077</b>	<b>21.79%</b>
<b><u>OTHER CHARGES</u></b>				
7920 Interest	\$597,758	\$761,853	\$164,095	27.45%
7923 Discount/Bonds	11,000	11,000	0	0.00%
<b>Subtotal Other Charges</b>	<b>\$608,758</b>	<b>\$772,853</b>	<b>\$164,095</b>	<b>26.96%</b>
<b><u>OTHER FINANCING USES</u></b>				
8625 OT - W/in Special Dist - BOS	\$0	\$6,160,000	\$6,160,000	N/A
<b>Subtotal Other Financing Uses</b>	<b>\$0</b>	<b>\$6,160,000</b>	<b>\$6,160,000</b>	<b>N/A</b>
<b><u>ADMINISTRATIVE CONTROL ACCOUNT</u></b>				
9200 Ent - Principal	\$755,000	\$902,810	\$147,810	19.58%
9209 Ent - Principal Clearing	(755,000)	(902,810)	(147,810)	19.58%
<b>Subtotal Administrative Control</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>N/A</b>
<b>TOTAL EXPENDITURES</b>	<b>\$636,642</b>	<b>\$6,966,814</b>	<b>\$6,330,172</b>	<b>994.31%</b>
<b>TOTAL NET COST</b> <i>(Expenditures Minus Revenues)</i>	<b>(\$759,125)</b>	<b>\$5,253,120</b>	<b>\$6,012,245</b>	<b>(792.00%)</b>

**FY 2012-13 BUDGET**  
**STATEMENT OF SPECIAL FUND ACTIVITY**

**Department:** Sonoma County Water Agency - Sanitation  
**Section:** Sonoma Valley CSD - 1998 Revenue Bonds  
**Index No.:** 653352

DESCRIPTION OF FUND ACTIVITY	Actual FY 10-11	Estimated FY 11-12	Requested FY 12-13
<b>Undesignated/Unreserved <u>BEGINNING</u> Retained Earnings</b>			
<b>Available for Budgeting</b> (See Detailed Components Below)	<b>\$644,535</b>	<b>\$716,254</b>	<b>\$663,252</b>
<b>Annual Revenues and Expenditures:</b>			
Revenues - Increase retained earnings	1,396,690	1,403,714	1,713,694
Expenditures - (Decrease) retained earnings	(652,622)	(636,642)	(6,966,814)
<b>Net Surplus or Deficit</b> - Inc/(Dec) to retained earnings	<u>744,068</u>	<u>767,072</u>	<u>(5,253,120)</u>
<b>Adjustments to Reserves/Encumbrances:</b>			
9200 Enterprise - Principal	(730,000)	(755,000)	(902,810)
Debt Proceeds	-	-	6,160,000
Amortization of Debt Issuance Costs	19,883	19,884	22,961
Amortization of Debt Refunding	51,852	51,852	51,852
Discount on Revenue Bonds Payable	10,916	11,000	11,000
Change in Matured Bonds Payable	<u>(25,000)</u>	<u>(147,810)</u>	<u>-</u>
<b>Net Adjustment</b> - Increase/(Decrease) to Retained Earnings	<u>(672,349)</u>	<u>(820,074)</u>	<u>5,343,003</u>
<b>Undesignated/Unreserved <u>ENDING</u> Retained Earnings</b>			
<b>Available for Budgeting</b>	<b>\$716,254</b>	<b>\$663,252</b>	<b>\$753,135</b>
<b>Total Increase/(Decrease) in Retained Earnings for Fiscal Year</b>			
<i>(Difference between Beginning and Ending Balance)</i>	<b>\$71,719</b>	<b>(\$53,002)</b>	<b>\$89,883</b>
<b><u>Fund Balance Components at Beginning of FY</u></b>			
	<b>7/1/10</b>	<b>7/1/11</b>	
Cash	\$1,566,467	\$1,657,346	
Cash with Trustee	17,273	17,273	
Cash with Trustee Res for Debt Service	(12,633)	(12,633)	
Matured Principal Payable	(730,000)	(755,000)	
Interest Payable	(196,572)	(190,732)	
<b>Total Beginning Fund Balance</b>	<u>\$644,535</u>	<u>\$716,254</u>	



**FY 2012-13 BUDGET**  
**SUMMARY OF REVENUES AND EXPENDITURES**

**Section Title: SONOMA VALLEY CSD - SRF LOAN RESERVE**

**Section/Index No: 653428**

Sub-Object No. and Title	Adopted 2011-12	Requested 2012-13	Difference	Percent Change
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**REVENUES:**

**USE OF MONEY**

1700 Interest on Pooled Cash	\$935	\$935	\$0	0.00%
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<b><i>Subtotal Use of Money</i></b>	<b>\$935</b>	<b>\$935</b>	<b>\$0</b>	<b>0.00%</b>
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**Other Financing Sources**

4625 OT - W/in Special Dist - BOS	\$34,984	\$34,984	\$0	0.00%
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<b><i>Subtotal Other Financing Sources</i></b>	<b>\$34,984</b>	<b>\$34,984</b>	<b>\$0</b>	<b>0.00%</b>
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<b>TOTAL REVENUES</b>	<b>\$35,919</b>	<b>\$35,919</b>	<b>\$0</b>	<b>0.00%</b>
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<b>TOTAL NET COST</b> <i>(Expenditures Minus Revenues)</i>	<b>(\$35,919)</b>	<b>(\$35,919)</b>	<b>\$0</b>	<b>0.00%</b>
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# FY 2012-13 BUDGET

## CHARACTER JUSTIFICATION

**Department - Division:** Sonoma County Water Agency - Sanitation

**Section Title:** Sonoma Valley CSD - SRF Loan Reserve

**Character Title:** Use of Money

**Character No.:**

**652428-17**

### 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	\$170,000
Projected Interest Rate	0.55%
Projected/Planned Interest on Pooled Cash	\$935

**Character Title:** Other Financing Sources

**Character No.:**

**652428-46**

### 4625 OT - W/in Special Dist - BOS

This account reflects the transfer of cash from the Operations Fund to the Reserve Fund. The amount added to the Capital Reserve Fund each year is \$34,984 (.5% of the final loan amount of approximately \$6,996,831). 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>
07-08	34,984	34,984
08-09	34,984	69,968
09-10	34,984	104,952
10-11	34,984	139,936
11-12	34,984	174,920
12-13	34,984	209,904
13-14	34,984	244,888
14-15	34,984	279,872
15-16	34,984	314,856
16-17	34,984	349,840

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 SVCSD SRF Loan Reserve Fund shall not fall below the required balance in any given year during the 20 year term of the loan.

**FY 2012-13 BUDGET**  
**STATEMENT OF SPECIAL FUND ACTIVITY**

Department: Sonoma County Water Agency - Sanitation  
Section: Sonoma Valley CSD - SRF Loan Reserve  
Index No.: 653428

DESCRIPTION OF FUND ACTIVITY	Actual FY 10-11	Estimated FY 11-12	Requested FY 12-13
<b>Undesignated/Unreserved <u>BEGINNING</u> Retained Earnings</b>			
<b>Available for Budgeting</b> (See Detailed Components Below)	<b>\$106,523</b>	<b>\$142,227</b>	<b>\$178,455</b>
<b>Annual Revenues and Expenditures:</b>			
Revenues - Increase retained earnings	35,704	36,228	35,919
Expenditures - (Decrease) retained earnings	-	-	-
<b>Net Surplus or Deficit</b> - Inc/(Dec) to retained earnings	35,704	36,228	35,919
<b>Adjustments to Reserves/Encumbrances:</b>	-	-	-
<b>Net Adjustment</b> - Increase/(Decrease) to Retained Earnings	-	-	-
<b>Undesignated/Unreserved <u>ENDING</u> Retained Earnings</b>			
<b>Available for Budgeting</b>	<b>\$142,227</b>	<b>\$178,455</b>	<b>\$214,374</b>
<b>Total Increase/(Decrease) in Retained Earnings for Fiscal Year</b> <i>(Difference between Beginning and Ending Balance)</i>	<b>\$35,704</b>	<b>\$36,228</b>	<b>\$35,919</b>
<b><u>Fund Balance Components at Beginning of FY</u></b>	<b>7/1/10</b>	<b>7/1/11</b>	
Cash	\$106,523	\$142,227	
<b>Total Beginning Fund Balance</b>	<b>\$106,523</b>	<b>\$142,227</b>	

**FY 2012-13 BUDGET**  
**SUMMARY OF REVENUES AND EXPENDITURES**

**Section Title: SONOMA VALLEY CSD - SRF LOAN**

**Section/Index No: 653410**

Sub-Object No. and Title	Adopted 2011-12	Requested 2012-13	Difference	Percent Change
<b>REVENUES:</b>				
<b><u>USE OF MONEY</u></b>				
1700 Interest on Pooled Cash	\$825	\$825	\$0	0.00%
<b>Subtotal Use of Money</b>	<b>\$825</b>	<b>\$825</b>	<b>\$0</b>	<b>0.00%</b>
<b><u>Other Financing Sources</u></b>				
4625 OT - W/in Special Dist - BOS	\$442,973	\$442,972	(\$1)	(0.00%)
<b>Subtotal Other Financing Sources</b>	<b>\$442,973</b>	<b>\$442,972</b>	<b>(\$1)</b>	<b>(0.00%)</b>
<b>TOTAL REVENUES</b>	<b>\$443,798</b>	<b>\$443,797</b>	<b>(\$1)</b>	<b>(0.00%)</b>

**EXPENDITURES:**

**OTHER CHARGES**

7920 Interest	\$0	\$0	\$0	N/A
7930 Interest-L.T. Debt	142,025	135,103	(6,922)	(4.87%)
<b>Subtotal Other Charges</b>	<b>\$142,025</b>	<b>\$135,103</b>	<b>(\$6,922)</b>	<b>(4.87%)</b>

**OTHER FINANCING USES**

8625 OT - W/in Special Dist - BOS	\$0	\$0	\$0	N/A
<b>Subtotal Other Financing Uses</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>N/A</b>

**ADMINISTRATIVE CONTROL ACCOUNT**

9200 Ent - Principal	\$300,948	\$307,869	\$6,921	2.30%
9209 Ent - Principal Clearing	(300,948)	(307,869)	(6,921)	2.30%
<b>Subtotal Administrative Control</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>N/A</b>

<b>TOTAL EXPENDITURES</b>	<b>\$142,025</b>	<b>\$135,103</b>	<b>(\$6,922)</b>	<b>(4.87%)</b>
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<b>TOTAL NET COST</b> <i>(Expenditures Minus Revenues)</i>	<b>(\$301,773)</b>	<b>(\$308,694)</b>	<b>(\$6,921)</b>	<b>2.29%</b>
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**FY 2012-13 BUDGET  
CHARACTER JUSTIFICATION**

**Department - Division:** Sonoma County Water Agency - Sanitation

**Section Title:** Sonoma Valley CSD - SRF Loan

**Character Title:** Use of Money **Character No.:** 653410-17

**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	\$150,000
Projected Interest Rate	<u>0.55%</u>
Projected/Planned Interest on Pooled Cash	<u>\$825</u>

**Character Title:** Other Financing Sources **Character No.:** 653410-46

**4625 OT - W/in Special Dist - BOS**

This account will be used to reflect the transfer of cash from the Operations Fund to this Loan Fund to cover the annual principal and interest payment.

**Character Title:** Other Charges **Character No.:** 653410-75

**7930 Interest - L. T. Debt**

This account reflects the interest expense for the State Revolving Loan for the Tertiary Treatment Plant Upgrades. The interest rate is 2.50%. Payment begin November 2007 and will continue annually until November 2027.

**Character Title:** Other Financing Uses **Character No.:** 653410-86

**8625 OT - Within Sp Dist - BOS**

No operating transfer will be budgeted in FY 11-12.

**Character Title:** Administrative Control **Character No.:** 653410-92

**9200 Ent - Principal**

This account reflects the principal expense for the State Revolving Loan for the Tertiary Treatment Plant Upgrade Project.

The following reflects the principal payment history to date:

Original Amount of the Loan:	\$6,996,831
Interest during construction added to principal	10,671
Total FY 08-09 through FY 10-11 Principal Payments:	(832,522)
FY 11-12 Principal Payments:	<u>(300,948)</u>
Outstanding Loan Amount	\$5,874,032

**9209 Ent - Principal Clearing**

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

**FY 2012-13 BUDGET**  
**STATEMENT OF SPECIAL FUND ACTIVITY**

**Department:** Sonoma County Water Agency - Sanitation  
**Section:** Sonoma Valley CSD- SRF Loan  
**Index No.:** 653410

DESCRIPTION OF FUND ACTIVITY	Actual FY 10-11	Estimated FY 11-12	Requested FY 12-13
<b>Undesignated/Unreserved <u>BEGINNING</u> Retained Earnings</b>			
<b>Available for Budgeting</b> (See Detailed Components Below)	<b>\$176,643</b>	<b>\$176,784</b>	<b>\$181,788</b>
<b>Annual Revenues and Expenditures:</b>			
Revenues - Increase retained earnings	445,368	447,977	443,797
Expenditures - (Decrease) retained earnings	(144,280)	(142,025)	(135,103)
<b>Net Surplus or Deficit - Inc/(Dec) to retained earnings</b>	<b>301,088</b>	<b>305,952</b>	<b>308,694</b>
<b>Adjustments to Reserves/Encumbrances:</b>			
9200 Enterprise - Principal	(294,181)	(300,948)	(307,869)
Increase in Matured Bonds Payable	(6,767)	-	-
Accrued Interest add to Principal	-	-	-
Loan Proceeds	-	-	-
<b>Net Adjustment - Increase/(Decrease) to Retained Earnings</b>	<b>(300,948)</b>	<b>(300,948)</b>	<b>(307,869)</b>
<b>Undesignated/Unreserved <u>ENDING</u> Retained Earnings</b>			
<b>Available for Budgeting</b>	<b>\$176,784</b>	<b>\$181,788</b>	<b>\$182,613</b>
<b>Total Increase/(Decrease) in Retained Earnings for Fiscal Year</b> <i>(Difference between Beginning and Ending Balance)</i>	<b>\$141</b>	<b>\$5,004</b>	<b>\$825</b>
<b><u>Fund Balance Components at Beginning of FY</u></b>	<b>7/1/10</b>	<b>7/1/11</b>	
Cash	\$570,018	\$572,415	
Interest Payable	(99,194)	(94,683)	
Due to Other Government	(294,181)	(300,948)	
<b>Total Beginning Fund Balance</b>	<b>\$176,643</b>	<b>\$176,784</b>	

**FY 2012-13 BUDGET**  
**SUMMARY OF REVENUES AND EXPENDITURES**

**Section Title: SONOMA VALLEY CSD - STATE LOAN RESERVE**

**Section/Index No: 653436**

Sub-Object No. and Title	Adopted 2011-12	Requested 2012-13	Difference	Percent Change
<b>REVENUES:</b>				
<b><u>USE OF MONEY</u></b>				
1700 Interest on Pooled Cash	\$1,493	\$18,700	\$17,207	1152.51%
<b>Subtotal Use of Money</b>	<b>\$1,493</b>	<b>\$18,700</b>	<b>\$17,207</b>	<b>1152.51%</b>
<b><u>Other Financing Sources</u></b>				
4625 OT - W/in Special Dist - BOS	\$271,385	\$206,638	(\$64,747)	(23.86%)
<b>Subtotal Other Financing Sources</b>	<b>\$271,385</b>	<b>\$206,638</b>	<b>(\$64,747)</b>	<b>(23.86%)</b>
<b>TOTAL REVENUES</b>	<b>\$272,878</b>	<b>\$225,338</b>	<b>(\$47,540)</b>	<b>(17.42%)</b>
<b>TOTAL NET COST</b> <i>(Expenditures Minus Revenues)</i>	<b>(\$272,878)</b>	<b>(\$225,338)</b>	<b>\$47,540</b>	<b>(17.42%)</b>

## CHARACTER JUSTIFICATION

Department - Division: Sonoma County Water Agency - Sanitation

Section Title: Sonoma Valley CSD - State Loan Reserve

Character Title: Use of Money

Character No.: 673436-17

### 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	\$3,400,000
Projected Interest Rate	<u>0.55%</u>
Projected/Planned Interest on Pooled Cash	\$18,700

Character Title: Other Financing Sources

Character No.: 653436-46

### 4625 OT - W/in Special Dist - BOS

This account reflects the transfer of cash from the Operations Fund to the Reserve Fund.. 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 .

**FY 2012-13 BUDGET  
STATEMENT OF SPECIAL FUND ACTIVITY**

**Department:** Sonoma County Water Agency - Sanitation  
**Section:** Sonoma Valley CSD - State Loan Reserve  
**Index No.:** 653436

DESCRIPTION OF FUND ACTIVITY	Actual FY 10-11	Estimated FY 11-12	Requested FY 12-13
<b>Undesignated/Unreserved <u>BEGINNING</u> Retained Earnings</b>			
<b>Available for Budgeting</b> (See Detailed Components Below)	<b>\$0</b>	<b>\$0</b>	<b>\$150,251</b>
<b>Annual Revenues and Expenditures:</b>			
Revenues - Increase retained earnings	-	150,251	\$206,638
Expenditures - (Decrease) retained earnings	-	-	-
<b>Net Surplus or Deficit</b> - Inc/(Dec) to retained earnings	-	150,251	206,638
<b>Adjustments to Reserves/Encumbrances:</b>			
	-	-	-
<b>Net Adjustment</b> - Increase/(Decrease) to Retained Earnings	-	-	-
<b>Undesignated/Unreserved <u>ENDING</u> Retained Earnings</b>			
<b>Available for Budgeting</b>	<b>\$0</b>	<b>\$150,251</b>	<b>\$356,889</b>
<b>Total Increase/(Decrease) in Retained Earnings for Fiscal Year</b> <i>(Difference between Beginning and Ending Balance)</i>	<b>\$0</b>	<b>\$150,251</b>	<b>\$206,638</b>
<b><u>Fund Balance Components at Beginning of FY</u></b>			
	<b>7/1/10</b>	<b>7/1/11</b>	
Cash	\$0	\$0	
<b>Total Beginning Fund Balance</b>	<b>\$0</b>	<b>\$0</b>	