

FY 2013-14 BUDGET

BUDGET SECTION SUMMARY

Section Title:

SONOMA VALLEY COUNTY SANITATION DISTRICT

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 under an by agreement with the District.

B. Financial Summary

Section	GROSS EXPENDITURES			NET COST/USE OF FUND BALANCE		
	FY 12-13 Adopted	FY 13-14 Requested	Percent Change	FY 12-13 Adopted	FY 13-14 Requested	Percent Change
Operations	\$23,394,357	\$19,484,015	(16.71%)	\$10,558,822	\$6,039,063	(42.81%)
Construction	15,742,433	10,415,905	(33.84%)	1,173,733	5,915,905	404.02%
Outfall Line	3,808	2,579	(32.27%)	(45,903)	(47,262)	2.96%
Glen Ellen Bonds	3,152	2,452	(22.21%)	(14,976)	(15,674)	4.66%
Revenue Bonds	6,966,814	708,108	(89.84%)	5,253,120	(975,400)	(118.57%)
SRF Loan Reserve	0	0	N/A	(35,919)	(36,089)	0.47%
State Loan Reserve	0	0	N/A	(225,338)	(975)	(99.57%)
SRF Loan	135,103	128,022	(5.24%)	(308,694)	(318,525)	3.18%
Rev Bond Project	0	0	N/A	0	0	N/A
TOTAL:	\$46,245,667	\$30,741,081	(33.53%)	\$16,354,845	\$10,561,043	(35.43%)

C. Staffing Summary

No staffing is allocated to this index.

D. Workload Summary

Workload Indicator	FY 11-12 Actual	FY 12-13 Budget Estimate	FY 12-13 Revised Estimate	FY 13-14 Projected	Change from FY 12-13 Budget Estimate
TOTAL ESDs	17,259	17,260	17,294	17,294	0.20%
TOTAL APNs	11,438	11,432	11,430	11,430	(0.02%)

E. Summary of Issues and Significant Changes

The basis for FY 13-14 annual service charges for residential customers with a water account at either City of Sonoma or Valley of the Moon Water District are charged a variable rate based on water usage.

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 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 in need of replacement. The District has an ongoing maintenance and monitoring program that helps identify areas suspected of high inflow and infiltration and to prioritize projects needing repair or replacement. 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.

For FY 13-14 over \$9,900,000 of capital improvement investments are planned that include collection system replacement projects.

The requested rates should provide the funds necessary to operate and maintain the Sonoma Valley CSD's collection system, treatment plant, and reclamation system. 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 2013-14 BUDGET
SUMMARY OF REVENUES AND EXPENDITURES

Section Title: SONOMA VALLEY CSD - OPERATIONS

Section/Index No: 653105

Sub-Object No. and Title	Adopted 2012-13	Requested 2013-14	Difference	Percent Change
REVENUES:				
<u>TAXES</u>				
1001 Flat Charges - CY	\$11,428,047	\$12,032,118	\$604,071	5.29%
1061 Flat Charges - PY	135,000	145,000	10,000	7.41%
1120 Penalties / Costs on Taxes	25,000	28,000	3,000	12.00%
Subtotal Taxes	\$11,588,047	\$12,205,118	\$617,071	5.33%
<u>USE OF MONEY</u>				
1700 Interest on Pooled Cash	\$13,750	\$39,650	\$25,900	188.36%
1701 Interest Earned	146,738	128,270	(18,468)	(12.59%)
1801 Rent-Real Estate	11,000	11,000	0	0.00%
Subtotal Use of Money	\$171,488	\$178,920	\$7,432	4.33%
<u>CHARGES FOR SERVICES</u>				
3400 Sanitation Services	\$900,000	\$914,914	\$14,914	1.66%
3403 Industrial Users Mon/Dischg	20,000	25,000	5,000	25.00%
3404 Septic Charges	70,000	70,000	0	0.00%
3600 Other Charges for Service	0	36,000	36,000	N/A
Subtotal Charges for Services	\$990,000	\$1,045,914	\$55,914	5.65%
<u>MISCELLANEOUS REVENUE</u>				
4040 Miscellaneous Revenue	\$36,000	\$0	(\$36,000)	(100.00%)
4099 Conservation Program	50,000	15,000	(35,000)	(70.00%)
4303 State Grants	0	0	0	N/A
Subtotal Miscellaneous Revenue	\$86,000	\$15,000	(\$71,000)	(82.56%)
<u>ADMINISTRATIVE CONTROL ACCOUNT</u>				
4200 ENT - LTD Proceeds	\$7,500,000	\$0	(\$7,500,000)	(100.00%)
4209 ENT - LTD Proceeds - Clearing	(7,500,000)	0	7,500,000	(100.00%)
4210 Advances	439,901	458,368	18,467	4.20%
4219 Advances - Clearing	(439,901)	(458,368)	(18,467)	4.20%
Subtotal Admin. Control Account	\$0	\$0	\$0	N/A
TOTAL REVENUES	\$12,835,535	\$13,444,952	\$609,417	4.75%

EXPENDITURES:

SERVICES AND SUPPLIES

6040 Communications	\$10,000	\$10,000	\$0	0.00%
6140 Maintenance - Equipment	800,000	700,000	(100,000)	(12.50%)
6262 Lab Supplies	25,000	30,000	5,000	20.00%
6280 Memberships	15,000	30,000	15,000	100.00%

Sub-Object No. and Title	Adopted 2012-13	Requested 2013-14	Difference	Percent Change
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SERVICES AND SUPPLIES (cont'd)

6400	Office Expense	13,500	10,000	(3,500)	(25.93%)
6410	Postage	4,000	4,000	0	0.00%
6430	Printing Services	5,000	4,973	(27)	(0.54%)
6461	Supplies/Expense	30,000	15,000	(15,000)	(50.00%)
6512	Testing-Analysis	180,000	150,000	(30,000)	(16.67%)
6516	Data Processing Services	7,000	15,000	8,000	114.29%
6521	County Services	100,000	75,000	(25,000)	(25.00%)
6523	District Operations	4,956,000	5,000,000	44,000	0.89%
6540	Contract Services	500,000	590,000	90,000	18.00%
6570	Consultant Services	1,110,000	590,000	(520,000)	(46.85%)
6573	Administration Costs	100,000	115,000	15,000	15.00%
6589	Permits	25,000	80,000	55,000	220.00%
6610	Legal Services	20,000	25,000	5,000	25.00%
6630	Audit / Accounting Services	30,000	30,000	0	0.00%
6820	Rents/Lease-Equipment	80,000	80,000	0	0.00%
6880	Small Tools/Instruments	25,000	25,000	0	0.00%
6889	Software	30,000	15,000	(15,000)	(50.00%)
6890	Computer Hardware	0	15,000	15,000	N/A
7022	Public Relations Expense	0	10,000	10,000	N/A
7201	Gas/Oil	1,000	10,000	9,000	900.00%
7206	Equipment Usage Charge	450,000	340,000	(110,000)	(24.44%)
7212	Chemicals	350,000	350,000	0	0.00%
7217	State Permits / Fees	45,000	0	(45,000)	(100.00%)
7247	Water Conservation	130,000	130,000	0	0.00%
7250	Reimbursable Projects	25,000	25,000	0	0.00%
7320	Utilities	0	2,000	2,000	N/A
7394	Power	680,000	650,000	(30,000)	(4.41%)
Subtotal Services and Supplies		\$9,746,500	\$9,125,973	(\$620,527)	(6.37%)
<u>OTHER CHARGES</u>					
7930	Interest - LT Debt	\$271,713	\$56,782	(\$214,931)	(79.10%)
7980	Depreciation	3,165,000	3,332,500	167,500	5.29%
7981	Amort Expense	2,485	2,985	500	20.12%
Subtotal Other Charges		\$3,439,198	\$3,392,267	(\$46,931)	(1.36%)
<u>FIXED ASSETS</u>					
8560	Equipment	\$100,000	\$100,000	\$0	0.00%
9480	Intangible Assets	15,000	15,000	0	0.00%
Subtotal Fixed Assets		\$115,000	\$115,000	\$0	0.00%
<u>OTHER FINANCING USES</u>					
8625	OT - W/in Special Dist - BOS	\$9,943,659	\$6,700,775	(\$3,242,884)	(32.61%)
Subtotal Other Financing Uses		\$9,943,659	\$6,700,775	(\$3,242,884)	(32.61%)
<u>APPROPRIATIONS FOR CONT</u>					
9000	Approp for Contingencies	\$150,000	\$150,000	\$0	0.00%
Subtotal Approp for Contingencies		\$150,000	\$150,000	\$0	0.00%
<u>ADMINISTRATIVE CONTROL ACCOUNT</u>					
9200	Ent - Principal	\$186,349	\$0	(\$186,349)	(100.00%)
9209	Ent - Principal Clearing	(186,349)	0	186,349	(100.00%)
9210	Advances	253,298	90,339	(162,959)	(64.33%)
9219	Advances - Clearing	(253,298)	(90,339)	162,959	(64.33%)
Subtotal Administrative Control		\$0	\$0	\$0	N/A
TOTAL EXPENDITURES		\$23,394,357	\$19,484,015	(\$3,910,342)	(16.71%)
TOTAL NET COST <i>(Expenditures Minus Revenues)</i>		\$10,558,822	\$6,039,063	(\$4,519,759)	(42.81%)

FY 2013-14 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 12-13 budget. The rate will increase 5.0%, from \$772 to \$811

ESDs times annual rate:	15,295 x \$811	\$12,404,245
Less Estimated Delinquency Factor:	3%	<u>(372,127)</u>
		\$12,032,118

(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	\$6,100,000
Projected Interest Rate	<u>0.65%</u>
Projected Interest on Pooled Cash	\$39,650

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 paying 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 \$811	=	\$102,186
Based on flow (historical figure)			<u>812,728</u>
			\$914,914

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.

3600 Other Charges for Service

This account records the revenue to the District for recycled water sales.

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

4040 Miscellaneous Revenue

This account records miscellaneous revenue. No revenue is expected in FY 13-14.

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 13-14.

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

4200 ENT - LTD Proceeds

No long term debt is anticipated in FY 13-14.

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 was \$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 costs for routine maintenance of equipment. (no longer using 6180)

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

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

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.

6570 Consultant Services

This account records the costs of services provided by outside consultants including \$45,000 for the San Francisco Bay Integrated Regional Water Management Plan, \$50,000 for the Economic Development Board for the Water Conservation Program, \$75,000 for programming and integration services Order # 723A4, \$10,000 for the Ground Water Management Plan Order # 408A2, NBWRA (\$130,000) PJ# 3967B0, Local Hazard Mitigation Plan (\$30,000) Order #7612A1 and Regulatory, Permitting and Collection Modeling (\$250,000).

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 all permits. (No longer using 7217 State Permits/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.

6890 Computer Hardware

This item provides funds for computer hardware as needed.

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.

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.

7394 Power

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

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

7930 Interest - LT Debt

This account reflects interest expense on the outstanding loans from the State Revolving Fund for the 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, as needed.

9480 Intangible Assets

This account records sewer easement dedications.

Character Title: Other Financing Uses Character No.: 653105-86

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

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
Revenue Bond Fund	1,673,108
SRF Loan	442,972
SRF Loan Reserve	34,984
Construction Fund	4,500,000
Total Operating Transfer	<u>\$ 6,700,775</u>

Character Title: Appropriations for Contingencies Character No.: 653105-90

9000 Appropriations for Contingencies

This account provides funding for unanticipated expenditures or revenue shortfalls.

Character Title: Administrative Control Account Character No.: 653105-92

9210 Advances

This account reflects the principal payment 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 14-15.

Original Amount of the Loan:	\$3,100,000
No payment until FY 14-15	

This account reflects the principal payment 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 13/14 request is based on the amortization schedule.

Original Amount of the Loan:	\$2,320,304
FY 12-13 Principal Payment:	<u>(136,395)</u>
	\$2,183,909

9219 Advances - Clearing

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

FY 2013-14 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 11-12	Estimated FY 12-13	Requested FY 13-14
Undesignated/Unreserved <u>BEGINNING</u> Retained Earnings			
Available for Budgeting (See Detailed Components Below)	\$5,903,317	\$6,072,701	\$5,753,995
Annual Revenues and Expenditures:			
Revenues - Increase retained earnings	12,431,627	12,131,544	13,444,952
Expenditures - (Decrease) retained earnings	(15,507,177)	(25,754,491)	(19,484,015)
Net Surplus or Deficit - Inc/(Dec) to retained earnings	<u>(3,075,550)</u>	<u>(13,622,947)</u>	<u>(6,039,063)</u>
Adjustments to Reserves/Encumbrances:			
7980 Depreciation	3,147,842	3,297,334	3,335,485
Net Change in Encumbrance	(362,209)	-	-
4210 Proceeds from LT Debt	-	9,820,304	-
9210 Advances	-	(253,298)	(90,339)
Change in Water Conservation Reserve	19,401	-	-
Change in Due from Other Fund	17,723	-	-
Advances-ISF Power Resources Fund	422,177	439,901	458,368
Net Adjustment - Increase/(Decrease) to Retained Earnings	<u>3,244,934</u>	<u>13,304,241</u>	<u>3,703,514</u>
Undesignated/Unreserved <u>ENDING</u> Retained Earnings			
Available for Budgeting	\$6,072,701	\$5,753,995	\$3,418,446
Total Increase/(Decrease) in Retained Earnings for Fiscal Year <i>(Difference between Beginning and Ending Balance)</i>	\$169,384	(\$318,706)	(\$2,335,549)
<u>Retained Earnings Components at Beginning of FY</u>	7/1/11	7/1/12	
Cash	\$5,896,666	\$6,431,235	
Other Receivables-Flat Charges	704,236	592,840	
Accounts Payable	(227,624)	(156,328)	
Water Conservation Reserve	(173,510)	(154,109)	
Other Current Liability	(183,000)	(183,000)	
Due From Other Funds	422,177	439,900	
Encumbrances (Contract)	(535,628)	(897,837)	
Total Beginning Retained Earnings	<u>\$5,903,317</u>	<u>\$6,072,701</u>	

FY 2013-14 BUDGET
SUMMARY OF REVENUES AND EXPENDITURES

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

Sub-Object No. and Title	Adopted 2012-13	Requested 2013-14	Difference	Percent Change
REVENUES:				
<u>USE OF MONEY</u>				
1700 Interest on Pooled Cash	\$18,700	\$0	(\$18,700)	(100.00%)
Subtotal Use of Money	\$18,700	\$0	(\$18,700)	(100.00%)
<u>INTERGOVERNMENTAL REVENUE</u>				
2856 ARRA/Other Reimb & Alloc	\$390,000	\$0	(\$390,000)	(100.00%)
Subtotal Miscellaneous Revenue	\$390,000	\$0	(\$390,000)	(100.00%)
<u>MISCELLANEOUS REVENUE</u>				
4303 State Grants	\$500,000	\$0	(\$500,000)	(100.00%)
4304 Federal Grants	0	0	0	N/A
Subtotal Miscellaneous Revenue	\$500,000	\$0	(\$500,000)	(100.00%)
<u>ADMINISTRATIVE CONTROL ACCOUNT</u>				
4200 ENT - LTD Proceeds	\$0	\$0	0	N/A
4209 ENT - LTD Proceeds - Clearing	0	0	0	N/A
Subtotal Admin. Control Account	\$0	\$0	\$0	N/A
<u>OTHER FINANCING SOURCES</u>				
4625 OT - W/in Special Dist - BOS	\$13,660,000	\$4,500,000	(\$9,160,000)	(67.06%)
Subtotal Other Financing Sources	\$13,660,000	\$4,500,000	(\$9,160,000)	(67.06%)
TOTAL REVENUES	\$14,568,700	\$4,500,000	(\$10,068,700)	(69.11%)
EXPENDITURES:				
<u>OTHER CHARGES</u>				
7920 Interest	\$21,433	\$13,905	(\$7,528)	(35.12%)
Subtotal Other Charges	\$21,433	\$13,905	(\$7,528)	(35.12%)
<u>FIXED ASSETS</u>				
8500 Land	\$0	\$0	\$0	N/A
8510 Building / Improvement	10,301,000	9,887,000	(414,000)	(4.02%)
9142 Capital Replacement Program	4,763,000	0	(4,763,000)	(100.00%)
9480 Intangible Assets	15,000	15,000	0	0.00%
9482 Amort WIP Outlay	642,000	500,000	(142,000)	(22.12%)
Subtotal Fixed Assets	\$15,721,000	\$10,402,000	(\$5,319,000)	(33.83%)
<u>ADMINISTRATIVE CONTROL ACCOUNT</u>				
9200 Ent - Principal	\$186,349	\$193,878	\$7,529	4.04%
9209 Ent - Principal Clearing	(186,349)	(193,878)	(\$7,529)	4.04%
Subtotal Admin. Control Account	\$0	\$0	\$0	N/A
TOTAL EXPENDITURES	\$15,742,433	\$10,415,905	(\$5,326,528)	(33.84%)
TOTAL NET COST <i>(Expenditures Minus Revenues)</i>	\$1,173,733	\$5,915,905	\$4,742,172	404.02%

FY 2013-14 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	\$0	
Projected Interest Rate	0.65%	_____
Projected/Planned Interest on Pooled Cash	\$0	

Character Title: Intergovernmental Revenue

Character No.: 653303-40

2856 ARRA/Other Reimb & Alloc

No reimbursement is expected in FY13/14.

Character Title: Miscellaneous Revenue

Character No.: 653303-40

4303 State Grants

No State grants are anticipated in FY 13-14.

4304 Federal Grants

No Federal grants are anticipated in FY 13-14.

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 (\$4,500,000) 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:

	Order No.	Amount
<u>Re-line Equalization Basins</u>	7649	\$680,000
The requested amount is intended to fund design and construction for this project.		
<u>MH 90-3 to MH 136-5 Main Replacement (6th Street to Aqua Creek)</u>	7365	4,640,000

This requested amount is for design trunk main replacement from Studley Street to Maxwell Place.

Character Title:	Fixed Assets (Continued)	Character No.:	653303-85
		Order No.	Amount
<u>Napa/Sonoma Salt Marsh</u>		7239&7647	1,035,000
Funding will be used for construction of the pipeline project to provide recycled water to the to the salt marsh.			
<u>Bio-Solids Handling Facility</u>		4051	480,000
Funding will be used to complete construction improvements to the bio-solids handling facility.			
<u>SV Recycle 5th St. East /Denmark St.)</u>		TBD	200,000
Funding will be used to design and CEQA for a recycled water pipeline extending from north from Watmaugh Road to Denmark Street.			
<u>Recycled Water Services</u>		TBD	222,000
Funding will be used to plan, design and construct new service connections to the recycled water system.			
<u>WWTP Pump Station Upgrade</u>		TBD	1,000,000
Funding will be used to construct pump/piping improvement at the treatment plant.			
<u>Aqua Caliente Pipeline Creek Crossing</u>		7544	1,630,000
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.			
			Total <u><u>\$9,887,000</u></u>
9480 Intangible Assets			\$15,000
This account records sewer easement dedications.			
9482 Amort WIP Outlay			\$500,000
This account captures costs for the development of intangible assets including the implementation and negotiation or acquisitions of easements.			

Character Title:	Administrative Control Account	Character No.:	653303-92
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 through FY 11-12 Principal Payments:		(351,066)	
FY 12-13 Principal Payment:		<u>(186,349)</u>	
Outstanding Amount		\$395,585	
9209 Ent - Principal Clearing			
This is the clearing account for sub-object 9200, Ent - Principal.			

FY 2013-14 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 11-12	Estimated FY 12-13	Requested FY 13-14
Undesignated/Unreserved <u>BEGINNING</u> Retained Earnings			
Available for Budgeting (See Detailed Components Below)	(\$3,859,420)	(\$2,201,151)	\$6,700,629
Annual Revenues and Expenditures:			
Revenues - Increase retained earnings	\$3,533,671	18,702,659	4,500,000
Expenditures - (Decrease) retained earnings	(5,510,430)	(9,616,375)	(10,415,905)
Net Surplus or Deficit - Inc/(Dec) to retained earnings	(1,976,759)	9,086,284	(5,915,905)
Adjustments to Reserves/Encumbrances:			
Change in Note Payable	(7,237)	-	-
Capitalized Interest	(390,057)	-	-
9200 Ent - Principal Payments	(179,113)	(184,504)	(193,878)
Change in Encumbrances	4,211,434	-	-
Net Adjustment - Increase/(Decrease) to Fund Balance	3,635,027	(184,504)	(193,878)
Undesignated/Unreserved <u>ENDING</u> Retained Earnings			
Available for Budgeting	(\$2,201,151)	\$6,700,629	\$590,846
Total Increase/(Decrease) in Retained Earnings for Fiscal Year			
<i>(Difference between Beginning and Ending Balance)</i>	\$1,658,269	\$8,901,780	(\$6,109,783)
<u>Retained Earnings Components at Beginning of FY</u>	7/1/11	7/1/12	
Cash	\$1,535,941	(\$1,647,023)	
Accounts Payable	(907,880)	(132,916)	
Deposit with Others	25,800	25,800	
Due from Other Gov't	425,278	203,211	
Note Payable (current portion)	(179,112)	(186,349)	
Contract Retention Payable	(84,139)	-	
Due to Other Fund	-	-	
Encumbrances (Contract)	(4,675,308)	(463,874)	
Total Beginning Retained Earnings	(\$3,859,420)	(\$2,201,151)	

FY 2013-14 BUDGET
SUMMARY OF REVENUES AND EXPENDITURES

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

Sub-Object No. and Title	Adopted 2012-13	Requested 2013-14	Difference	Percent Change
REVENUES:				
<u>USE OF MONEY</u>				
1700 Interest on Pooled Cash	\$0	\$130	\$130	N/A
Subtotal Use of Money	\$0	\$130	\$130	N/A
<u>OTHER FINANCING SOURCES</u>				
4625 OT - W/in Special District - BOS	\$49,711	\$49,711	\$0	0.00%
Subtotal Other Financing Sources	\$49,711	\$49,711	\$0	0.00%
TOTAL REVENUES	\$49,711	\$49,841	\$130	0.26%
EXPENDITURES:				
<u>OTHER CHARGES</u>				
7930 Interest - LT Debt	\$3,808	\$2,579	(\$1,229)	(32.27%)
Subtotal Other Charges	\$3,808	\$2,579	(\$1,229)	(32.27%)
<u>ADMINISTRATIVE CONTROL ACCOUNT</u>				
9210 Advances	\$45,903	\$47,132	\$1,229	2.68%
9219 Advances - Clearing	(45,903)	(47,132)	(1,229)	2.68%
Subtotal Administrative Control	\$0	\$0	\$0	N/A
TOTAL EXPENDITURES	\$3,808	\$2,579	(\$1,229)	(32.27%)
TOTAL NET COST <i>(Expenditures Minus Revenues)</i>	(\$45,903)	(\$47,262)	(\$1,359)	2.96%

FY 2013-14 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 13-14 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 payment 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 13-14 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 11-12 Principal Payments:	(619,593)
FY 12-13 Principal Payment:	(45,892)
Outstanding Loan Amount	\$95,507

9219 Advances - Clearing

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

FY 2013-14 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 11-12	Estimated FY 12-13	Requested FY 13-14
Undesignated/Unreserved <u>BEGINNING</u> Retained Earnings			
Available for Budgeting (See Detailed Components Below)	(\$28,433)	(\$28,339)	(\$30,997)
Annual Revenues and Expenditures:			
Revenues - Increase retained earnings	49,803	49,527	49,841
Expenditures - (Decrease) retained earnings	(3,818)	(3,808)	(2,579)
Net Surplus or Deficit - Increase/(Dec) to retained earnings	45,985	45,719	47,262
Adjustments to Reserves/Encumbrances:			
9210 Advances	(44,686)	(45,892)	(47,132)
Change in Due to Other Governments	(1,206)	(2,485)	-
Net Adjustment - Increase/(Decrease) to Retained Earnings	(45,892)	(48,377)	(47,132)
Undesignated/Unreserved <u>ENDING</u> Retained Earnings			
Available for Budgeting	(\$28,339)	(\$30,997)	(\$30,867)
Total Increase/(Decrease) in Retained Earnings for Fiscal Year <i>(Difference between Beginning and Ending Balance)</i>	\$94	(\$2,658)	\$130
<u>Retained Earnings Components at Beginning of FY</u>	7/1/11	7/1/12	
Cash	\$21,277	\$21,371	
Due to Other Governments	(44,686)	(45,892)	
Interest Payable	(5,024)	(3,818)	
Total Beginning Retained Earnings	(\$28,433)	(\$28,339)	

FY 2013-14 BUDGET
SUMMARY OF REVENUES AND EXPENDITURES

Section Title: SONOMA VALLEY CSD - GLEN ELLEN BONDS

Section/Index No: 653345

Sub-Object No. and Title	Adopted 2012-13	Requested 2013-14	Difference	Percent Change
REVENUES:				
<u>TAXES</u>				
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%
Subtotal Taxes	\$18,100	\$18,100	\$0	0.00%
<u>USE OF MONEY</u>				
1700 Interest on Pooled Cash	\$28	\$26	(\$2)	(7.14%)
Subtotal Use of Money	\$28	\$26	(\$2)	(7.14%)
TOTAL REVENUES	\$18,128	\$18,126	(\$2)	(0.01%)
EXPENDITURES:				
<u>SERVICES AND SUPPLIES</u>				
6635 Fiscal Agent Fees	\$52	\$52	\$0	0.00%
Subtotal Services and Supplies	\$52	\$52	\$0	0.00%
<u>OTHER CHARGES</u>				
7920 Interest	\$3,100	\$2,400	(\$700)	(22.58%)
Subtotal Other Charges	\$3,100	\$2,400	(\$700)	(22.58%)
<u>ADMINISTRATIVE CONTROL ACCOUNT</u>				
9200 Ent - Principal	\$14,000	\$15,000	\$1,000	7.14%
9209 Ent - Principal Clearing	(14,000)	(15,000)	(1,000)	7.14%
Subtotal Administrative Control	\$0	\$0	\$0	N/A
TOTAL EXPENDITURES	\$3,152	\$2,452	(\$700)	(22.21%)
TOTAL NET COST <i>(Expenditures Minus Revenues)</i>	(\$14,976)	(\$15,674)	(\$698)	4.66%

FY 2013-14 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 Auditor-Controller's office.

Note:

The FY 13-14 bond payment amount (principal and interest) is \$17,452. 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	\$4,000
Projected Interest Rate	0.65%
Projected/Planned Interest on Pooled Cash	\$26

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 13-14 request is based on the bond amortization schedule prepared at the time the bonds were sold.

Character: Administrative Controls

Character No.: 653345-92

9200 Ent - Principal

This account reflects the principal payment 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 13-14 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 11-12 Principal Payments:	(238,000)
FY 12-13 Principal Payment:	(14,000)
Outstanding Bond Amount	<u>\$48,000</u>

9209 Ent - Principal Clearing

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

FY 2013-14 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 11-12	Estimated FY 12-13	Requested FY 13-14
Undesignated/Unreserved <u>BEGINNING</u> Retained Earnings			
Available for Budgeting (See Detailed Components Below)	\$5,988	\$4,422	\$5,406
Annual Revenues and Expenditures:			
Revenues - Increase retained earnings	16,234	18,136	18,126
Expenditures - (Decrease) retained earnings	(3,800)	(3,152)	(2,452)
Net Surplus or Deficit - Inc/(Dec) to retained earnings	12,434	14,984	15,674
Adjustments to Reserves/Encumbrances:			
9200 - Enterprise Principal	(14,000)	(14,000)	(15,000)
Net Adjustment - Increase/(Decrease) to Retained Earnings	(14,000)	(14,000)	(15,000)
Undesignated/Unreserved <u>ENDING</u> Retained Earnings			
Available for Budgeting	\$4,422	\$5,406	\$6,080
Total Increase/(Decrease) in Retained Earnings for Fiscal Year <i>(Difference between Beginning and Ending Balance)</i>	(\$1,566)	\$984	\$674
<u>Retained Earnings Components at Beginning of FY</u>	7/1/11	7/1/12	
Cash	\$5,988	\$4,422	
Total Beginning Fund Balance	\$5,988	\$4,422	

FY 2013-14 BUDGET
SUMMARY OF REVENUES AND EXPENDITURES

Section Title: SONOMA VALLEY CSD - REVENUE BONDS
Section/Index No: 653352

Sub-Object No. and Title	Adopted 2012-13	Requested 2013-14	Difference	Percent Change
REVENUES:				
USE OF MONEY				
1700 Interest on Pooled Cash	\$4,070	\$10,400	\$6,330	155.53%
1701 Interest Earned	0	0	0	N/A
Subtotal Use of Money	\$4,070	\$10,400	\$6,330	155.53%
Other Financing Sources				
4625 OT - W/in Special Dist - BOS	\$1,709,624	\$1,673,108	(\$36,516)	(2.14%)
Subtotal Other Financing Sources	\$1,709,624	\$1,673,108	(\$36,516)	(2.14%)
TOTAL REVENUES	\$1,713,694	\$1,683,508	(\$30,186)	(1.76%)
EXPENDITURES:				
SERVICES AND SUPPLIES				
6635 Fiscal Agent Fees	\$11,000	\$8,000	(\$3,000)	(27.27%)
6640 Debt Issuance Costs	22,961	0	(22,961)	(100.00%)
Subtotal Services and Supplies	\$33,961	\$8,000	(\$25,961)	(76.44%)
OTHER CHARGES				
7920 Interest	\$761,853	\$694,808	(\$67,045)	(8.80%)
7923 Discount/Bonds	11,000	5,300	(5,700)	(51.82%)
Subtotal Other Charges	\$772,853	\$700,108	(\$72,745)	(9.41%)
OTHER FINANCING USES				
8625 OT - W/in Special Dist - BOS	\$6,160,000	\$0	(\$6,160,000)	(100.00%)
Subtotal Other Financing Uses	\$6,160,000	\$0	(\$6,160,000)	(100.00%)
ADMINISTRATIVE CONTROL ACCOUNT				
9200 Ent - Principal	\$902,810	\$965,000	\$62,190	6.89%
9209 Ent - Principal Clearing	(902,810)	(965,000)	(62,190)	6.89%
Subtotal Administrative Control	\$0	\$0	\$0	N/A
TOTAL EXPENDITURES	\$6,966,814	\$708,108	(\$6,258,706)	(89.84%)
TOTAL NET COST <i>(Expenditures Minus Revenues)</i>	\$5,253,120	(\$975,400)	(\$6,228,520)	(118.57%)

FY 2013-14 BUDGET
CHARACTER JUSTIFICATION

Department - Division: Sonoma County Water Agency - Sanitation

Section Title: Sonoma Valley CSD - Revenue Bonds

Character Title: Use of Money

Character No.: 653352-17

1700 Interest on Pooled Cash

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

Estimated Average Cash Balance	\$1,600,000
Projected Interest Rate	<u>0.65%</u>
Projected/Planned Interest on Pooled Cash	\$10,400

1701 Interest Earned

Proceeds from the 2013 Revenue Bonds are held by US Bank acting as trustee. Interest earnings on the proceeds are retained by the trustee and a corresponding adjustment is made at year end closing to recognize the earnings within this account.

Character Title: Other Financing Sources

Character No.: 653352-46

4625 OT - W/in Special Dist - BOS

The revenues supporting this new revenue bond will be collected in the Operations Fund. This account will be used to reflect the transfer of cash from the Operations Fund to this Revenue Bond Fund to cover the annual principal and interest payment.

Character Title: Services and Supplies

Character No.: 653352-60

6635 Fiscal Agent Fees

This account records the annual administrative fees from the trustee for the revenue bonds issued.

6640 Debt Issuance Costs

This account records the costs associated with the issuance of the new revenue bonds. There are no new bonds proposed for FY 13-14.

Character Title: Other Charges

Character No.: 653352-75

7920 Interest

This account reflects the interest expense on the 2005 and 2013 Revenue Bonds. These are serial bonds with interest rates ranging from 2.0% to 5.0%.

7923 Discount/Bonds

This account records the discount realized upon the issuance of the bonds. This will be an annual expense throughout the life of the bonds. Although this is a non-cash transaction, appropriations are required to record the expense.

Character Title: Other Financing Uses

Character No.: 653352-86

8625 OT - Within Sp Dist - BOS

No transfers are planned for FY 13-14.

9200 Ent - Principal

This account reflects the principal payment for revenue bonds issued in FY 98-99 and partial refunding in FY 05-06 to finance the Sonoma Valley CSD's planned capital program. Payments began in 1999 and will continue as interest only from February 2006 until 2019 when principal payment will resume and continue to maturity in 2023. Principal payments on the 1998 non-refunded portion will resume in 2019 when the 2005 issue has been paid off.

Original 1998 Bond Issue	\$21,410,000
FY 05-06 Principal Payments:	(3,855,000)
2005 Portion Refunded	(11,095,000)
2013 Portion Refunded	(6,460,000)
Outstanding Balance	<u>\$0</u>
2005 Refunding Issue	\$10,240,000
Total FY 07-08 through FY 11-12 Principal Payments:	(4,175,000)
FY 11-12 Principal Payments:	(775,000)
Outstanding Loan Amount	<u>\$5,290,000</u>

Principal payments began October 2006 and will continue until maturity in October 2018.

2013 Bond Issue	\$12,105,000
Principal payments to begin August 1, 2013	

9209 Ent - Principal Clearing

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

FY 2013-14 BUDGET
STATEMENT OF SPECIAL FUND ACTIVITY

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

DESCRIPTION OF FUND ACTIVITY	Actual FY 11-12	Estimated FY 12-13	Requested FY 13-14
Undesignated/Unreserved <u>BEGINNING</u> Retained Earnings			
Available for Budgeting (See Detailed Components Below)	\$716,254	\$796,167	\$416,759
Annual Revenues and Expenditures:			
Revenues - Increase retained earnings	1,400,147	1,721,688	1,683,508
Expenditures - (Decrease) retained earnings	(627,884)	(1,244,542)	(708,108)
Net Surplus or Deficit - Inc/(Dec) to retained earnings	<u>772,263</u>	<u>477,146</u>	<u>975,400</u>
Adjustments to Reserves/Encumbrances:			
9200 Enterprise - Principal	(755,000)	(902,810)	(965,000)
Debt Proceeds	-	-	-
4200 ENT LTD Proceeds	-	-	-
Amortization of Debt Issuance Costs	19,884	167,191	-
Amortization of Debt Refunding	51,852	58,065	5,300
Discount on Revenue Bonds Payable	10,916	11,000	-
Change in Matured Bonds Payable	<u>(20,000)</u>	<u>(190,000)</u>	<u>-</u>
Net Adjustment - Increase/(Decrease) to Retained Earnings	<u>(692,348)</u>	<u>(856,554)</u>	<u>(959,700)</u>
Undesignated/Unreserved <u>ENDING</u> Retained Earnings			
Available for Budgeting	\$796,167	\$416,759	\$432,459
Total Increase/(Decrease) in Retained Earnings for Fiscal Year <i>(Difference between Beginning and Ending Balance)</i>	\$79,913	(\$379,408)	\$15,700
<u>Fund Balance Components at Beginning of FY</u>	<u>7/1/11</u>	<u>7/1/12</u>	
Cash	\$1,657,346	\$1,751,031	
Cash with Trustee	17,273	17,273	
Cash with Trustee Res for Debt Service	(12,633)	(12,633)	
Matured Principal Payable	(755,000)	(775,000)	
Interest Payable	(190,732)	(184,504)	
Total Beginning Fund Balance	<u>\$716,254</u>	<u>\$796,167</u>	

FY 2013-14 BUDGET
SUMMARY OF REVENUES AND EXPENDITURES

Section Title: SONOMA VALLEY CSD - SRF LOAN RESERVE

Section/Index No: 653428

Sub-Object No. and Title	Adopted 2012-13	Requested 2013-14	Difference	Percent Change
REVENUES:				
<u>USE OF MONEY</u>				
1700 Interest on Pooled Cash	\$935	\$1,105	\$170	18.18%
<i>Subtotal Use of Money</i>	\$935	\$1,105	\$170	18.18%
<u>Other Financing Sources</u>				
4625 OT - W/in Special Dist - BOS	\$34,984	\$34,984	\$0	0.00%
<i>Subtotal Other Financing Sources</i>	\$34,984	\$34,984	\$0	0.00%
TOTAL REVENUES	\$35,919	\$36,089	\$170	0.47%

TOTAL NET COST <i>(Expenditures Minus Revenues)</i>	(\$35,919)	(\$36,089)	(\$170)	0.47%
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FY 2013-14 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	<u>0.65%</u>
Projected/Planned Interest on Pooled Cash	\$1,105

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 2013-14 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 11-12	Estimated FY 12-13	Requested FY 13-14
Undesignated/Unreserved <u>BEGINNING</u> Retained Earnings			
Available for Budgeting (See Detailed Components Below)	\$142,227	\$178,536	\$214,992
Annual Revenues and Expenditures:			
Revenues - Increase retained earnings	36,309	36,456	36,089
Expenditures - (Decrease) retained earnings	-	-	-
Net Surplus or Deficit - Inc/(Dec) to retained earnings	36,309	36,456	36,089
Adjustments to Reserves/Encumbrances:	-	-	-
Net Adjustment - Increase/(Decrease) to Retained Earnings	-	-	-
Undesignated/Unreserved <u>ENDING</u> Retained Earnings			
Available for Budgeting	\$178,536	\$214,992	\$251,081
Total Increase/(Decrease) in Retained Earnings for Fiscal Year <i>(Difference between Beginning and Ending Balance)</i>	\$36,309	\$36,456	\$36,089
<u>Fund Balance Components at Beginning of FY</u>	7/1/11	7/1/12	
Cash	\$142,227	\$178,536	
Total Beginning Fund Balance	\$142,227	\$178,536	

FY 2013-14 BUDGET
SUMMARY OF REVENUES AND EXPENDITURES

Section Title: SONOMA VALLEY CSD - SRF LOAN

Section/Index No: 653410

Sub-Object No. and Title	Adopted 2012-13	Requested 2013-14	Difference	Percent Change
REVENUES:				
<u>USE OF MONEY</u>				
1700 Interest on Pooled Cash	\$825	\$3,575	\$2,750	333.33%
Subtotal Use of Money	\$825	\$3,575	\$2,750	333.33%
<u>Other Financing Sources</u>				
4625 OT - W/in Special Dist - BOS	\$442,972	\$442,972	\$0	0.00%
Subtotal Other Financing Sources	\$442,972	\$442,972	\$0	0.00%
TOTAL REVENUES	\$443,797	\$446,547	\$2,750	0.62%

EXPENDITURES:

OTHER CHARGES

7930 Interest-L.T. Debt	\$135,103	\$128,022	(\$7,081)	(5.24%)
Subtotal Other Charges	\$135,103	\$128,022	(\$7,081)	(5.24%)

OTHER FINANCING USES

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

ADMINISTRATIVE CONTROL ACCOUNT

9200 Ent - Principal	\$307,869	\$314,950	\$7,081	2.30%
9209 Ent - Principal Clearing	(307,869)	(314,950)	(7,081)	2.30%
Subtotal Administrative Control	\$0	\$0	\$0	N/A

TOTAL EXPENDITURES	\$135,103	\$128,022	(\$7,081)	(5.24%)
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TOTAL NET COST <i>(Expenditures Minus Revenues)</i>	(\$308,694)	(\$318,525)	(\$9,831)	3.18%
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**FY 2013-14 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	\$550,000
Projected Interest Rate	0.65%
Projected/Planned Interest on Pooled Cash	\$3,575

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 13-14.

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

9200 Ent - Principal

This account reflects the principal payment 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 11-12 Principal Payments:	(1,133,469)
FY 12-13 Principal Payments:	(307,869)
Outstanding Loan Amount	\$5,566,164

9209 Ent - Principal Clearing

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

FY 2013-14 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 11-12	Estimated FY 12-13	Requested FY 13-14
Undesignated/Unreserved <u>BEGINNING</u> Retained Earnings			
Available for Budgeting (See Detailed Components Below)	\$176,784	\$177,565	\$175,228
Annual Revenues and Expenditures:			
Revenues - Increase retained earnings	446,059	447,716	446,547
Expenditures - (Decrease) retained earnings	(137,410)	(135,103)	(128,022)
Net Surplus or Deficit - Inc/(Dec) to retained earnings	308,649	312,613	318,525
Adjustments to Reserves/Encumbrances:			
9200 Enterprise - Principal	(300,947)	(307,869)	(\$314,950)
Increase in Matured Bonds Payable	(6,921)	(7,081)	-
Net Adjustment - Increase/(Decrease) to Retained Earnings	(307,868)	(314,950)	(314,950)
Undesignated/Unreserved <u>ENDING</u> Retained Earnings			
Available for Budgeting	\$177,565	\$175,228	\$178,803
Total Increase/(Decrease) in Retained Earnings for Fiscal Year <i>(Difference between Beginning and Ending Balance)</i>	\$781	(\$2,337)	\$3,575
<u>Fund Balance Components at Beginning of FY</u>	7/1/11	7/1/12	
Cash	\$572,415	\$575,502	
Interest Payable	(94,683)	(90,068)	
Due to Other Government	(300,948)	(307,869)	
Total Beginning Fund Balance	\$176,784	\$177,565	

FY 2013-14 BUDGET
SUMMARY OF REVENUES AND EXPENDITURES

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

Section/Index No: **653436**

Sub-Object No. and Title	Adopted 2012-13	Requested 2013-14	Difference	Percent Change
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REVENUES:

USE OF MONEY

1700 Interest on Pooled Cash	\$18,700	\$975	(\$17,725)	(94.79%)
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Subtotal Use of Money	\$18,700	\$975	(\$17,725)	(94.79%)
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Other Financing Sources

4625 OT - W/in Special Dist - BOS	\$206,638	\$0	(\$206,638)	(100.00%)
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Subtotal Other Financing Sources	\$206,638	\$0	(\$206,638)	(100.00%)
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TOTAL REVENUES	\$225,338	\$975	(\$224,363)	(99.57%)
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TOTAL NET COST <i>(Expenditures Minus Revenues)</i>	(\$225,338)	(\$975)	\$224,363	(99.57%)
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FY 2013-14 BUDGET
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	\$150,000
Projected Interest Rate	<u>0.65%</u>
Projected/Planned Interest on Pooled Cash	\$975

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 2013-14 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 11-12	Estimated FY 12-13	Requested FY 13-14
Undesignated/Unreserved <u>BEGINNING</u> Retained Earnings			
Available for Budgeting (See Detailed Components Below)	\$0	\$150,492	\$358,370
Annual Revenues and Expenditures:			
Revenues - Increase retained earnings	150,492	207,878	\$975
Expenditures - (Decrease) retained earnings	-	-	-
Net Surplus or Deficit - Inc/(Dec) to retained earnings	150,492	207,878	975
Adjustments to Reserves/Encumbrances:			
	-	-	-
Net Adjustment - Increase/(Decrease) to Retained Earnings	-	-	-
Undesignated/Unreserved <u>ENDING</u> Retained Earnings			
Available for Budgeting	\$150,492	\$358,370	\$359,345
Total Increase/(Decrease) in Retained Earnings for Fiscal Year <i>(Difference between Beginning and Ending Balance)</i>	\$150,492	\$207,878	\$975
<u>Fund Balance Components at Beginning of FY</u>			
	7/1/11	7/1/12	
Cash	\$0	\$150,492	
Total Beginning Fund Balance	\$0	\$150,492	

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**FY 2013-14 BUDGET
STATEMENT OF SPECIAL FUND ACTIVITY**

Department: Sonoma County Water Agency - Sanitation
 Section: Sonoma Valley CSD - Revenue Bond Project Fund
 Section: 653360

DESCRIPTION OF FUND ACTIVITY	Actual FY 11-12	Estimated FY 12-13	Requested FY 13-14
Undesignated/Unreserved <u>BEGINNING</u> Retained Earnings			
Available for Budgeting (See Detailed Components Below)	\$0	\$0	(\$106,000)
Annual Revenues and Expenditures:			
Revenues - Increase retained earnings	-	-	-
Expenditures - (Decrease) retained earnings	-	6,106,000	-
Net Surplus or Deficit - Inc/(Dec) to retained earnings	-	(6,106,000)	-
Adjustments to Reserves/Encumbrances:			
4200 - ENT LTD Proceeds	-	6,000,000	-
Net Adjustment - Increase/(Decrease) to Retained Earnings	-	6,000,000	-
Undesignated/Unreserved <u>ENDING</u> Retained Earnings			
Available for Budgeting	\$0	(\$106,000)	(\$106,000)
Total Increase/(Decrease) in Retained Earnings for Fiscal Year <i>(Difference between Beginning and Ending Balance)</i>	\$0	(\$106,000)	\$0
<u>Retained Earnings Components at Beginning of FY</u>			
Cash	\$0	\$0	
Total Beginning Fund Balance	\$0	\$0	