

FY 2013-14 BUDGET

BUDGET SECTION SUMMARY

Section Title:

SANITATION ZONE - SEA RANCH

A. Program Description

This budget finances administration, operation, and maintenance of the collection system, pumping stations and two treatment plants serving the Central and North Sea Ranch areas.

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	\$631,750	\$640,450	1.38%	\$102,430	\$91,241	(10.92%)
Construction	10,000	110,000	1000.00%	(550)	99,090	(18116.36%)
TOTAL:	\$641,750	\$750,450	16.94%	\$101,880	\$190,331	86.82%

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	577	577	577	577	0.00%
Total APNs	834	835	835	835	0.00%

E. Summary of Issues and Significant Changes

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

The requested rate per ESD for FY 13-14 annual sewer service charge is \$982, representing a 3.5% increase from FY 12-13.

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: SANITATION ZONE 1 - SEA RANCH - OPERATIONS

Section/Index No: 678102

Sub-Object No. and Title	Adopted 2012-13	Requested 2013-14	Difference	Percent Change
REVENUES:				
<u>TAXES</u>				
1001 Flat Charges - CY	\$525,670	\$543,949	\$18,279	3.48%
1061 Flat Charges - PY	2,100	2,200	100	4.76%
1120 Penalties / Costs on Taxes	450	460	10	2.22%
Subtotal Taxes	\$528,220	\$546,609	\$18,389	3.48%
<u>USE OF MONEY</u>				
1700 Interest on Pooled Cash	\$1,100	\$2,600	\$1,500	136.36%
Subtotal Use of Money	\$1,100	\$2,600	\$1,500	136.36%
<u>CHARGES FOR SERVICES</u>				
3400 Sanitation Services	\$0	\$0	\$0	N/A
Subtotal Charges for Services	\$0	\$0	\$0	N/A
<u>OTHER FINANCING</u>				
4625 OT-Within SP Dist	\$0	\$0	\$0	N/A
Subtotal Charges for Other Financing	\$0	\$0	\$0	N/A
<u>RESIDUAL EQUITY TRANSFER</u>				
4880 Ret-Between Entitles -BOS	\$0	\$0	\$0	N/A
Subtotal Residual Equity Transfer	\$0	\$0	\$0	N/A
TOTAL REVENUES	\$529,320	\$549,209	\$19,889	3.76%

EXPENDITURES:

SERVICES AND SUPPLIES

6040 Communications	\$3,000	\$3,000	\$0	0.00%
6140 Maintenance- Equipment	27,000	27,000	0	0.00%
6523 District Operations	55,000	57,500	2,500	4.55%
6540 Contract Services	300,000	315,000	15,000	5.00%
6570 Consultant Services	50,000	40,000	(10,000)	(20.00%)

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

6573 Administration Costs	4,500	4,700	200	4.44%
6589 Permits	0	25,000	25,000	N/A
6610 Legal Services	1,000	1,000	0	0.00%
6820 Rents/Leases-Equipment	0	2,000	2,000	N/A
6880 Small Tools/Instruments	0	1,000	1,000	N/A
7206 Equipment Usage Charges	5,000	7,000	2,000	40.00%
7212 Chlorine Chem/Recorder	15,000	10,000	(5,000)	(33.33%)
7217 State Permits/Fees	25,000	0	(25,000)	(100.00%)
7247 Water Conservation Program	10,000	10,000	0	0.00%
7320 Utilities	10,000	10,000	0	0.00%
Subtotal Services and Supplies	\$505,500	\$513,200	\$7,700	1.52%

OTHER CHARGES

7980 Depreciation	\$96,250	\$97,250	\$1,000	1.04%
Subtotal Other Charges	\$96,250	\$97,250	\$1,000	1.04%

FIXED ASSETS

8560 Equipment	\$10,000	\$10,000	\$0	0.00%
Subtotal Fixed Assets	\$10,000	\$10,000	\$0	0.00%

OTHER FINANCING USES

8625 OT - W/in Special Dist - BOS	\$10,000	\$10,000	\$0	0.00%
Subtotal Other Financing Uses	\$10,000	\$10,000	\$0	0.00%

APPROPRIATIONS FOR CONT

9000 Appropriations for Contingencies	\$10,000	\$10,000	\$0	0.00%
Subtotal Appropriations for Contin.	\$10,000	\$10,000	\$0	0.00%

TOTAL EXPENDITURES	\$631,750	\$640,450	\$8,700	1.38%
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TOTAL NET COST <i>(Expenditures Minus Revenues)</i>	\$102,430	\$91,241	(\$11,189)	(10.92%)
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FY 2013-14 BUDGET
CHARACTER JUSTIFICATION

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

Character Title: Taxes **Character No.:** 678102-10

1001 Flat Charges - CY

Flat charge revenue from annual sewer service charges is expected to increase from the adopted FY 12-13 budget. The rate will increase 3.5%, from \$949 to \$982

ESDs times annual rate:	577 x \$982	\$566,614
Less Estimated Delinquency Factor:	4%	(22,665)
		\$543,949

(See SubObject 3400 for Total ESDs)

1061 Flat Charges - PY

This item records the estimated delinquent amount of prior years sewer service charges.

1120 Penalties / Costs on Taxes

This item records penalties paid on delinquent sewer service charges.

Character Title: Use of Money **Character No.:** 678102-17

1700 Interest on Pooled Cash

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

Estimated Average Cash Balance		\$400,000
Projected Interest Rate		0.65%
		\$2,600
Projected/Planned Interest on Pooled Cash		

Character Title: Charges for Service **Character No.:** 678102-30

3400 Sanitation Services

This account is used to record annual sewer service charges for entities that are invoiced, rather than collected as flat charges on the tax roll, and for new hook-ups as they occur during the year. The Sanitation Rate Ordinance requires that charges be collected at the time permits are issued. The properties are then added to the tax roll master listing and collected through sub-object 1001, Flat Charges-CY, in the following year.

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

6040 Communications

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

6140 Maintenance - Equipment

This account records the costs for routine maintenance of equipment. (no longer using 6180)

6523 District Operations

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

6540 Contract Services

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

6570 Consultant Services

This account records the cost of consultant services required in support of special projects including Permitting, Regulatory and Sewer Modeling (\$40,000) Order # TBD.

6573 Administration Costs

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

6589 Permits

This account records the cost of all permits. (No longer using 7217 State Permits/Fees)

6610 Legal Services

This item is requested to provide funds for the estimated cost of legal services to be provided by County Counsel, or outside legal services, as required.

6820 Rents/Leases-Equipment

This item is requested to provide funds for rents and leases of equipment.

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.

7206 Equipment Usage Charges

This item is requested to provide funds for equipment usage.

7212 Chlorine Chemical/Recorder

This account records the cost of chemicals required for operation of the treatment plant.

7247 Water Conservation

This account records the cost of the High Efficiency Fixture Direct Install Program with the goal of inflow reduction and the retrofit of old, high water using fixtures.

7320 Utilities

This account records the cost of payments made for utilities such as gas, electricity, and water.

Character Title: Other Charges

Character No.: 678102-75

7980 Depreciation

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

Character Title: Fixed Assets

Character No.: 678102-85

8560 Equipment

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

Character Title: Other Financing Uses

Character No.: 678102-86

8625 OT - W/in Special Dist - BOS

This account reflects the transfer of cash from the Operations Fund to the Construction Fund to finance the Capital Replacement Program. If the Operations Fund does not have sufficient cash available to finance planned capital projects, the transfer will not be made and any uncompleted projects will be rescheduled and rebudgeted in the next fiscal year.

Character Title: Appropriations for Contingencies

Character No.: 678102-90

9000 Appropriations for Contingencies

This account provides funding for unanticipated expenditures or revenue shortfalls.

FY 2013-14 BUDGET
STATEMENT OF SPECIAL FUND ACTIVITY

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

DESCRIPTION OF FUND ACTIVITY	Actual FY 11-12	Estimated FY 12-13	Requested FY 13-14
Undesignated/Unreserved <u>BEGINNING</u> Fund Balance			
Available for Budgeting (See Detailed Components Below)	\$333,713	\$409,991	\$383,911
Annual Revenues and Expenditures:			
Revenues - Increase fund balance	526,229	534,748	549,209
Expenditures - (Decrease) fund balance	(540,265)	(651,067)	(640,450)
Net Surplus or Deficit - Increase/(Decrease) to fund balance	(14,036)	(116,319)	(91,241)
Adjustments to Reserves/Encumbrances:			
7980 - Depreciation	90,239	90,239	97,250
Change in Encumbrance	75	-	-
Net Adjustment - Increase/(Decrease) to Fund Balance	90,314	90,239	97,250
Undesignated/Unreserved <u>ENDING</u> Fund Balance			
Available for Budgeting	\$409,991	\$383,911	\$389,920
Total Increase/(Decrease) in Fund Balance for Fiscal Year <i>(Difference between Beginning and Ending Balance)</i>	\$76,277	(\$26,080)	\$6,009
<u>Fund Balance Components at Beginning of FY</u>	7/1/011	7/1/12	
Cash	\$357,011	\$434,345	
Accounts Receivable	5,268	5,850	
Accounts Payable	(28,491)	(30,204)	
Encumbrance	(75)	-	
Total Beginning Fund Balance	\$333,713	\$409,991	

FY 2013-14 BUDGET
SUMMARY OF REVENUES AND EXPENDITURES

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

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	\$550	\$910	\$360	65.45%
Subtotal Use of Money	\$550	\$910	\$360	65.45%

OTHER FINANCING SOURCES

4625 OT - W/in Special Dist - BOS	\$10,000	\$10,000	\$0	0.00%
Subtotal Other Financing Sources	\$10,000	\$10,000	\$0	0.00%

TOTAL REVENUES	\$10,550	\$10,910	\$360	3.41%
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EXPENDITURES:

FIXED ASSETS

8510 Buildings / Improvements	\$0	\$110,000	\$110,000	N/A
9142 Capital Replacement Program	10,000	0	(10,000)	(100.00%)
Subtotal Fixed Assets	\$10,000	\$110,000	\$100,000	1000.00%

TOTAL EXPENDITURES	\$10,000	\$110,000	\$100,000	1000.00%
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TOTAL NET COST <i>(Expenditures Minus Revenues)</i>	(\$550)	\$99,090	\$99,640	(18116.36%)
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FY 2013-14 BUDGET

CHARACTER JUSTIFICATION

Department - Division: Sonoma County Water Agency - Sanitation

Section Title: Sanitation Zone - Sea Ranch - Construction

Character Title: Use of Money

Character No.: 678300-17

1700 Interest on Pooled Cash

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

Estimated Average Cash Balance	\$140,000
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Projected Interest Rate	<u>0.65%</u>
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Projected/Planned Interest on Pooled Cash	\$910
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Character Title: Other Financing Sources

Character No.: 678300-46

4625 OT - W/in Special Dist - BOSS

This account reflects the transfer of cash from the Operations Fund to the Construction Fund to finance the capital replacement program.

Character Title: Fixed Assets

Character No.: 678300-85

8510 Buildings / Improvements

This account is used for expenses associated with future facility upgrades, such as baffles and filter backwash programming.

FY 2013-14 BUDGET
STATEMENT OF SPECIAL FUND ACTIVITY

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

DESCRIPTION OF FUND ACTIVITY	Actual FY 11-12	Estimated FY 12-13	Requested FY 13-14
Undesignated/Unreserved <u>BEGINNING</u> Fund Balance			
Available for Budgeting (See Detailed Components Below)	\$141,781	\$143,045	\$144,225
Annual Revenues and Expenditures:			
Revenues - Increase fund balance	\$1,264	11,180	10,910
Expenditures - (Decrease) fund balance	-	(10,000)	(110,000)
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Net Surplus or Deficit - Increase/(Decrease) to fund balance	1,264	1,180	(99,090)
Adjustments to Reserves/Encumbrances:			
Change in Encumbrances	-	-	-
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Net Adjustment - Increase/(Decrease) to Fund Balance	-	-	-
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Undesignated/Unreserved <u>ENDING</u> Fund Balance			
Available for Budgeting	\$143,045	\$144,225	\$45,135
Total Increase/(Decrease) in Fund Balance for Fiscal Year <i>(Difference between Beginning and Ending Balance)</i>	\$1,264	\$1,180	(\$99,090)
 <u>Fund Balance Components at Beginning of FY</u>	7/1/011	7/1/12	
Cash	\$141,781	\$143,045	
Encumbrances	-	-	
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Total Beginning Fund Balance	\$141,781	\$143,045	