

FY 2014-15 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 agreement with the District.

B. Financial Summary

Section	GROSS EXPENDITURES			NET COST/USE OF FUND BALANCE		
	FY 13-14 Adopted	FY 14-15 Requested	Percent Change	FY 13-14 Adopted	FY 14-15 Requested	Percent Change
Operations	\$19,484,015	\$18,716,561	(3.94%)	\$6,039,063	\$3,569,527	(40.89%)
Construction	10,415,905	9,361,073	(10.13%)	5,915,905	5,122,073	(13.42%)
Outfall Line	2,579	0	(100.00%)	(47,262)	(77,120)	63.18%
Glen Ellen Bonds	2,452	1,703	(30.55%)	(15,674)	(16,415)	4.73%
Revenue Bonds	708,108	694,177	(1.97%)	(975,400)	(1,007,000)	3.24%
SRF Loan Reserve	0	0	N/A	(36,089)	(36,184)	0.26%
State Loan Reserve	0	0	N/A	(975)	(900)	(7.69%)
SRF Loan	128,022	120,778	(5.66%)	(318,525)	(325,494)	2.19%
Rev Bond Project	0	2,200,000	N/A	0	2,199,880	N/A
TOTAL:	\$30,741,081	\$31,094,292	1.15%	\$10,561,043	\$9,428,367	(10.73%)

C. Staffing Summary

No staffing is allocated to this index.

D. Workload Summary

Workload Indicator	FY 12-13 Actual	FY 13-14 Budget Estimate	FY 13-14 Revised Estimate	FY 14-15 Projected	Change from FY 13-14 Budget Estimate
TOTAL ESDs	17,294	17,294	17,329	17,329	0.20%
TOTAL APNs	11,430	11,430	11,497	11,497	0.59%

E. Summary of Issues and Significant Changes

The basis for FY 14-15 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.

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. For FY 14-15 over \$8,400,000 of capital improvements are planned that included 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

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 2014-15 BUDGET
SUMMARY OF REVENUES AND EXPENDITURES

Section Title: SONOMA VALLEY CSD - OPERATIONS

Section/Index No: 653105

Sub-Object No. and Title	Adopted 2013-14	Requested 2014-15	Difference	Percent Change
REVENUES:				
<u>TAXES</u>				
1001 Flat Charges - CY	\$12,032,118	\$12,669,325	\$637,207	5.30%
1061 Flat Charges - PY	145,000	150,000	5,000	3.45%
1120 Penalties / Costs on Taxes	28,000	30,000	2,000	7.14%
Subtotal Taxes	\$12,205,118	\$12,849,325	\$644,207	5.28%
<u>USE OF MONEY</u>				
1700 Interest on Pooled Cash	\$39,650	\$6,600	(\$33,050)	(83.35%)
1701 Interest Earned	128,270	109,029	(19,241)	(15.00%)
1801 Rent-Real Estate	11,000	11,000	0	0.00%
Subtotal Use of Money	\$178,920	\$126,629	(\$52,291)	(29.23%)
<u>CHARGES FOR SERVICES</u>				
3400 Sanitation Services	\$914,914	\$920,080	\$5,166	0.56%
3403 Industrial Users Mon/Dischg	25,000	25,000	0	0.00%
3404 Septic Charges	70,000	70,000	0	0.00%
3600 Other Charges for Service	36,000	36,000	0	0.00%
Subtotal Charges for Services	\$1,045,914	\$1,051,080	\$5,166	0.49%
<u>MISCELLANEOUS REVENUE</u>				
4099 Conservation Program	\$15,000	\$15,000	\$0	0.00%
4303 State Grants	0	1,020,000	1,020,000	N/A
4304 Federal Grants	0	85,000	85,000	N/A
Subtotal Miscellaneous Revenue	\$15,000	\$1,120,000	\$1,105,000	7366.67%
<u>ADMINISTRATIVE CONTROL ACCOUNT</u>				
4210 Advances	\$458,368	\$477,610	\$19,242	4.20%
4219 Advances - Clearing	(458,368)	(477,610)	(19,242)	4.20%
Subtotal Admin. Control Account	\$0	\$0	\$0	N/A
TOTAL REVENUES	\$13,444,952	\$15,147,034	\$1,702,082	12.66%

EXPENDITURES:

SERVICES AND SUPPLIES

6040 Communications	\$10,000	\$5,000	(\$5,000)	(50.00%)
6140 Maintenance - Equipment	700,000	825,000	125,000	17.86%
6246 Maint Fac Ops	0	1,010,000	1,010,000	N/A
6262 Lab Supplies	30,000	40,000	10,000	33.33%
6280 Memberships	30,000	25,000	(5,000)	(16.67%)

Sub-Object No. and Title	Adopted 2013-14	Requested 2014-15	Difference	Percent Change
<u>SERVICES AND SUPPLIES (cont'd)</u>				
6400 Office Expense	10,000	6,000	(4,000)	(40.00%)
6410 Postage	4,000	2,000	(2,000)	(50.00%)
6430 Printing Services	4,973	6,500	1,527	30.71%
6461 Supplies/Expense	15,000	15,000	0	0.00%
6512 Testing-Analysis	150,000	150,000	0	0.00%
6516 Data Processing Services	15,000	15,000	0	0.00%
6521 County Services	75,000	75,000	0	0.00%
6523 District Operations	5,000,000	5,180,000	180,000	3.60%
6540 Contract Services	590,000	669,575	79,575	13.49%
6570 Consultant Services	590,000	320,425	(269,575)	(45.69%)
6573 Administration Costs	115,000	115,000	0	0.00%
6589 Permits	80,000	80,000	0	0.00%
6610 Legal Services	25,000	25,000	0	0.00%
6630 Audit / Accounting Services	30,000	15,000	(15,000)	(50.00%)
6697 EFS Costs	0	9,213	9,213	N/A
6820 Rents/Lease-Equipment	80,000	80,000	0	0.00%
6880 Small Tools/Instruments	25,000	25,000	0	0.00%
6889 Software	15,000	15,000	0	0.00%
6890 Computer Hardware	15,000	15,000	0	0.00%
7022 Public Relations Expense	10,000	15,000	5,000	50.00%
7201 Gas/Oil	10,000	10,000	0	0.00%
7206 Equipment Usage Charge	340,000	340,000	0	0.00%
7212 Chemicals	350,000	300,000	(50,000)	(14.29%)
7247 Water Conservation	130,000	130,000	0	0.00%
7250 Reimbursable Projects	25,000	25,000	0	0.00%
7320 Utilities	2,000	2,000	0	0.00%
7394 Power	650,000	615,000	(35,000)	(5.38%)
Subtotal Services and Supplies	\$9,125,973	\$10,160,713	\$1,034,740	11.34%
<u>OTHER CHARGES</u>				
7930 Interest - LT Debt	\$56,782	\$224,215	\$167,433	294.87%
7980 Depreciation	3,332,500	3,894,000	561,500	16.85%
7981 Amort Expense	2,985	3,500	515	17.25%
Subtotal Other Charges	\$3,392,267	\$4,121,715	\$729,448	21.50%
<u>FIXED ASSETS</u>				
8560 Equipment	\$100,000	\$25,000	(\$75,000)	(75.00%)
9480 Intangible Assets	15,000	15,000	0	0.00%
Subtotal Fixed Assets	\$115,000	\$40,000	(\$75,000)	(65.22%)
<u>OTHER FINANCING USES</u>				
8625 OT - W/in Special Dist - BOS	\$6,700,775	\$4,244,133	(\$2,456,642)	(36.66%)
Subtotal Other Financing Uses	\$6,700,775	\$4,244,133	(\$2,456,642)	(36.66%)
<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	\$0	\$0	\$0	N/A
9209 Ent - Principal Clearing	0	0	0	N/A
9210 Advances	90,339	129,275	38,936	43.10%
9219 Advances - Clearing	(90,339)	(129,275)	(38,936)	43.10%
Subtotal Administrative Control	\$0	\$0	\$0	N/A
TOTAL EXPENDITURES	\$19,484,015	\$18,716,561	(\$767,454)	(3.94%)
TOTAL NET COST <i>(Expenditures Minus Revenues)</i>	\$6,039,063	\$3,569,527	(\$2,469,536)	(40.89%)

FY 2014-15 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 13-14 budget. The rate will increase 5.0%, from \$811 to \$852.

ESDs times annual rate:	15,330 x \$852	\$13,061,160
Less Estimated Delinquency Factor:	3%	<u>(391,835)</u>
		\$12,669,325

(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	\$1,100,000
Projected Interest Rate	<u>0.60%</u>
Projected Interest on Pooled Cash	\$6,600

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 \$852	=	\$107,352
Based on flow (historical figure)			<u>812,728</u>
			\$920,080

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.

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

Anticipated revenue from BARIRWMP for the recycled water to the high school project.

4304 Federal Grants

Anticipated revenue from Bureau of Reclamation for the McGill road project.

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.

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)

6246 Maint Fac Ops

This account records the costs for non-routine maintenance of equipment.

The following projects are planned for the forthcoming year:

	<u>Order No.</u>	<u>Amount</u>
Sonoma Creek Bank Repair	7665	\$450,000
Local Hazard Mitigation Plan	7612	15,000
Sewer/Stream Crossing	7481	165,000
CL2 Contact Chamber Coating	7455	380,000
		<u>\$1,010,000</u>

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.

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, NBWRA (\$140,000) Order #3967B0, Regulatory, Permitting and Collection Modeling (\$75,000) and maximo (\$10,425).

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.

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 accounting service.

6697 EFS Costs

This item represents the share of costs for the County's future operating system.

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.



Character Title: Services and Supplies (Continued)

Character No.: 653105-60

6890 Computer Hardware

This item provides funds for computer hardware as needed.

7022 Public Relations Expense

Public Relations Expense includes the costs of special meetings.

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.

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 (\$54,435) and Bio-Solids (\$169,780).

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.

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	\$77,000
Revenue Bond Fund	1,689,177
SRF Loan	442,972
SRF Loan Reserve	34,984
Construction Fund	2,000,000
Total Operating Transfer	<u>\$4,244,133</u>

9000 Appropriations for Contingencies

This account provides funding for unanticipated expenditures or revenue shortfalls.

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 14/15 request is based on the amortization schedule.

Original Amount of the Loan:	\$2,320,304
FY 12-13 Principal Payment:	(136,395)
FY 13-14 Principal Payment:	<u>(90,339)</u>
	\$2,183,909

9219 Advances - Clearing

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

FY 2014-15 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 12-13	Estimated FY 13-14	Requested FY 14-15
Undesignated/Unreserved <u>BEGINNING</u> Retained Earnings			
Available for Budgeting (See Detailed Components Below)	\$6,072,701	\$1,281,058	\$234,624
Annual Revenues and Expenditures:			
Revenues - Increase retained earnings	13,690,385	19,256,856	15,147,034
Expenditures - (Decrease) retained earnings	(24,602,001)	(23,969,507)	(18,716,561)
Net Surplus or Deficit - Inc/(Dec) to retained earnings	(10,911,616)	(4,712,651)	(3,569,527)
Adjustments to Reserves/Encumbrances:			
7980 Depreciation	3,297,334	3,298,188	3,897,500
Net Change in Encumbrance	177,039	-	-
4210 Proceeds from LT Debt	2,320,304	-	-
9210 Advances	(136,395)	(90,339)	(129,275)
Due From Other Governments	362,623	-	-
Change in Water Conservation Reserve	93,661	-	-
Change in Due from Other Fund	18,467	-	-
Change in Matured Principal	(90,338)	-	-
Post Audit Adjustment-Receivables	(362,623)	-	-
Advances-ISF Power Resources Fund	439,901	458,368	477,610
Net Adjustment - Increase/(Decrease) to Retained Earnings	6,119,973	3,666,217	4,245,835
Undesignated/Unreserved <u>ENDING</u> Retained Earnings			
Available for Budgeting	\$1,281,058	\$234,624	\$910,932
Total Increase/(Decrease) in Retained Earnings for Fiscal Year (Difference between Beginning and Ending Balance)	(\$4,791,643)	(\$1,046,434)	\$676,308
<u>Retained Earnings Components at Beginning of FY</u>	7/1/12	7/1/13	
Cash	\$6,431,235	\$1,275,782	
Other Receivables-Flat Charges	592,840	715,673	
Accounts Payable	(156,328)	(12,675)	
Water Conservation Reserve	(154,109)	(60,448)	
Other Current Liability	(183,000)	(183,000)	
Due From Other Funds	439,900	458,367	
Due From Other Governments	-	128,923	
Due To Other Governments	-	(90,338)	
Vouchers Payable	-	(192,390)	
Interest Payment	-	(37,854)	
Deposit From Others	-	(100)	
Contract Retention Payable	-	(84)	
Encumbrances (Contract)	(897,837)	(720,798)	
Total Beginning Retained Earnings	\$6,072,701	\$1,281,058	

FY 2014-15 BUDGET
SUMMARY OF REVENUES AND EXPENDITURES

Section Title: SONOMA VALLEY CSD - CONSTRUCTION

Section/Index No: 653303

Sub-Object No. and Title	Adopted 2013-14	Requested 2014-15	Difference	Percent Change
REVENUES:				
<u>USE OF MONEY</u>				
1700 Interest on Pooled Cash	\$0	\$39,000	\$39,000	N/A
Subtotal Use of Money	\$0	\$39,000	\$39,000	N/A
<u>INTERGOVERNMENTAL REVENUE</u>				
2856 ARRA/Other Reimb & Alloc	\$0	\$0	\$0	N/A
Subtotal Miscellaneous Revenue	\$0	\$0	\$0	N/A
<u>MISCELLANEOUS REVENUE</u>				
4303 State Grants	\$0	\$0	\$0	N/A
4304 Federal Grants	0	0	0	N/A
Subtotal Miscellaneous Revenue	\$0	\$0	\$0	N/A
<u>ADMINISTRATIVE CONTROL ACCOUNT</u>				
4200 ENT - LTD Proceeds	\$0	\$2,200,000	2,200,000	N/A
4209 ENT - LTD Proceeds - Clearing	0	(2,200,000)	(2,200,000)	N/A
Subtotal Admin. Control Account	\$0	\$0	\$0	N/A
<u>OTHER FINANCING SOURCES</u>				
4625 OT - W/in Special Dist - BOS	\$4,500,000	\$4,200,000	(\$300,000)	(6.67%)
Subtotal Other Financing Sources	\$4,500,000	\$4,200,000	(\$300,000)	(6.67%)
TOTAL REVENUES	\$4,500,000	\$4,239,000	(\$261,000)	(5.80%)
EXPENDITURES:				
<u>OTHER CHARGES</u>				
7920 Interest	\$13,905	\$6,073	(\$7,832)	(56.33%)
Subtotal Other Charges	\$13,905	\$6,073	(\$7,832)	(56.33%)
<u>FIXED ASSETS</u>				
8510 Building / Improvement	\$9,887,000	\$0	(\$9,887,000)	(100.00%)
9400 Infrastructure	0	8,835,000	8,835,000	N/A
9480 Intangible Assets	15,000	20,000	5,000	33.33%
9482 Amort WIP Outlay	500,000	500,000	0	0.00%
Subtotal Fixed Assets	\$10,402,000	\$9,355,000	(\$1,047,000)	(10.07%)
<u>ADMINISTRATIVE CONTROL ACCOUNT</u>				
9200 Ent - Principal	\$193,878	\$201,711	\$7,833	4.04%
9209 Ent - Principal Clearing	(193,878)	(201,711)	(\$7,833)	4.04%
Subtotal Admin. Control Account	\$0	\$0	\$0	N/A
TOTAL EXPENDITURES	\$10,415,905	\$9,361,073	(\$1,054,832)	(10.13%)
TOTAL NET COST <i>(Expenditures Minus Revenues)</i>	\$5,915,905	\$5,122,073	(\$793,832)	(13.42%)

FY 2014-15 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	\$6,500,000
Projected Interest Rate	0.60%
Projected/Planned Interest on Pooled Cash	\$39,000

Character Title: Intergovernmental Revenue **Character No.:** 653303-40

2856 ARRA/Other Reimb & Alloc

No reimbursement is expected in FY14/15.

Character Title: Miscellaneous Revenue **Character No.:** 653303-40

4303 State Grants

No State grants are anticipated in FY 14-15.

4304 Federal Grants

No Federal grants are anticipated in FY 14-15.

Character Title: Administrative Control Account **Character No.:** 653303-42

4210 Advances

This account records the proceeds from the Revenue Bond Project Fund for the Agua Caliente Pipeline Creek Crossing Project.

4219 Advances - Clearing

This is the clearing account for sub-object 4210.

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 (\$2,000,000) and Revenue Bond Project Fund (\$2,200,000) 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.

9400 Infrastructure

This account is used for expenses associated with facility improvements or expansion.
The following projects are planned for FY 14/15:

	Order No.	
<u>Re-line Equalization Basins</u>	7649	\$750,000
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	4,930,000
This requested amount is for design, right-of-way, CEQA and construction costs for trunk main replacement from Studley Street to Maxwell Park .		
<u>SV Recycle 5th St. East /Denmark St.)</u>	7655	185,000
Funding will be used to design and CEQA for a recycled water pipeline extending from Watmaugh Road to Denmark Street.		
<u>Watmaugh Bridge Project</u>	7712	200,000
Funding will be used to plan, design recycled water pipeline to cross Sonoma Creek. water system.		
<u>WWTP Pump Station Upgrade</u>	7486	360,000
Funding will be used to construct pump/piping improvement at the treatment plant.		
<u>Aqua Caliente Pipeline Creek Crossing</u>	7544	2,390,000
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.		
<u>New Recycled Water Services (McGill Rd.)</u>	7600	20,000
Funding will be used to construct a new recycled water pipeline along McGill Road.		
	Total	<u><u>\$8,835,000</u></u>

9480 Intangible Assets

This account records sewer easement dedications.

\$20,000

9482 Amort WIP Outlay

This account captures costs for the development of intangible assets including the implementation and negotiation or acquisitions of easements.

\$500,000

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 12-13 Principal Payments:	(537,414)
FY 13-14 Principal Payment:	<u>(193,878)</u>
Outstanding Amount	\$201,708

9209 Ent - Principal Clearing

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

FY 2014-15 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 12-13	Estimated FY 13-14	Requested FY 14-15
Undesignated/Unreserved <u>BEGINNING</u> Retained Earnings			
Available for Budgeting (See Detailed Components Below)	(\$2,201,151)	(\$208,855)	\$9,430,069
Annual Revenues and Expenditures:			
Revenues - Increase retained earnings	11,703,685	15,391,205	4,239,000
Expenditures - (Decrease) retained earnings	(2,873,901)	(5,558,403)	(9,361,073)
Net Surplus or Deficit - Inc/(Dec) to retained earnings	8,829,785	9,832,802	(5,122,073)
Adjustments to Reserves/Encumbrances:			
Change in Note Payable	(7,528)	-	-
Capitalized Interest	(245,057)	-	-
9200 Ent - Principal Payments	(186,348)	(193,878)	(201,711)
Loss on Disposal of Fixes Asset	20,036	-	-
Dedication of Sewer Easements	(188,270)	-	-
Audit Adjustment	(52,124)	-	-
Change in Encumbrances	(6,178,197)	-	-
Net Adjustment - Increase/(Decrease) to Fund Balance	(6,837,488)	(193,878)	(201,711)
Undesignated/Unreserved <u>ENDING</u> Retained Earnings			
Available for Budgeting	(\$208,855)	\$9,430,069	\$4,106,285
Total Increase/(Decrease) in Retained Earnings for Fiscal Year <i>(Difference between Beginning and Ending Balance)</i>	\$1,992,296	\$9,638,924	(\$5,323,784)
<u>Retained Earnings Components at Beginning of FY</u>	7/1/12	7/1/13	
Cash	(\$1,647,023)	\$6,804,456	
Accounts Payable	(132,916)	(1,197,913)	
Deposit with Others	25,800	-	
Due from Other Gov't	203,211	1,082,545	
Note Payable (current portion)	(186,349)	(193,877)	
Contract Retention Payable	-	(61,995)	
Due to Other Fund	-	-	
Encumbrances (Contract)	(463,874)	(6,642,071)	
Total Beginning Retained Earnings	(\$2,201,151)	(\$208,855)	

FY 2014-15 BUDGET
SUMMARY OF REVENUES AND EXPENDITURES

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

Sub-Object No. and Title	Adopted 2013-14	Requested 2014-15	Difference	Percent Change
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REVENUES:

USE OF MONEY

1700 Interest on Pooled Cash	\$130	\$120	(\$10)	(7.69%)
Subtotal Use of Money	\$130	\$120	(\$10)	(7.69%)

OTHER FINANCING SOURCES

4625 OT - W/in Special District - BOS	\$49,711	\$77,000	\$27,289	54.90%
Subtotal Other Financing Sources	\$49,711	\$77,000	\$27,289	54.90%

TOTAL REVENUES	\$49,841	\$77,120	\$27,279	54.73%
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EXPENDITURES:

OTHER CHARGES

7930 Interest - LT Debt	\$2,579	\$0	(\$2,579)	(100.00%)
Subtotal Other Charges	\$2,579	\$0	(\$2,579)	(100.00%)

ADMINISTRATIVE CONTROL ACCOUNT

9210 Advances	\$47,132	\$48,377	\$1,245	2.64%
9219 Advances - Clearing	(47,132)	(48,377)	(1,245)	2.64%
Subtotal Administrative Control	\$0	\$0	\$0	N/A

TOTAL EXPENDITURES	\$2,579	\$0	(\$2,579)	(100.00%)
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TOTAL NET COST <i>(Expenditures Minus Revenues)</i>	(\$47,262)	(\$77,120)	(\$29,858)	63.18%
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FY 2014-15 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. The final interest expense will be accrued in FY 13-14.

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. This loan will be paid off in FY 14-15.

The following reflects the principal payment history to date:

Original Amount of the Loan:	\$760,992
Total FY 95-96 through FY 12-13 Principal Payments:	(665,485)
FY 13-14 Principal Payment:	(47,130)
Outstanding Loan Amount	\$48,377

9219 Advances - Clearing

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

FY 2014-15 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 12-13	Estimated FY 13-14	Requested FY 14-15
Undesignated/Unreserved <u>BEGINNING</u> Retained Earnings			
Available for Budgeting (See Detailed Components Below)	(\$28,339)	(\$28,266)	(\$28,418)
Annual Revenues and Expenditures:			
Revenues - Increase retained earnings	49,784	49,559	77,120
Expenditures - (Decrease) retained earnings	(2,579)	(2,579)	-
	<hr/>	<hr/>	<hr/>
Net Surplus or Deficit - Increase/(Dec) to retained earnings	47,205	46,980	77,120
Adjustments to Reserves/Encumbrances:			
9210 Advances	(45,892)	(47,132)	(48,377)
Change in Due to Other Governments	(1,239)	-	-
	<hr/>	<hr/>	<hr/>
Net Adjustment - Increase/(Decrease) to Retained Earnings	(47,131)	(47,132)	(48,377)
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Undesignated/Unreserved <u>ENDING</u> Retained Earnings			
Available for Budgeting	(\$28,266)	(\$28,418)	\$325
Total Increase/(Decrease) in Retained Earnings for Fiscal Year <i>(Difference between Beginning and Ending Balance)</i>	\$73	(\$152)	\$28,743
 <u>Retained Earnings Components at Beginning of FY</u>	7/1/12	7/1/13	
Cash	\$21,371	\$21,444	
Due to Other Governments	(45,892)	(47,131)	
Interest Payable	(3,818)	(2,579)	
	<hr/>	<hr/>	
Total Beginning Retained Earnings	(\$28,339)	(\$28,266)	

FY 2014-15 BUDGET
SUMMARY OF REVENUES AND EXPENDITURES

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

Sub-Object No. and Title	Adopted 2013-14	Requested 2014-15	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	\$26	\$18	(\$8)	(30.77%)
Subtotal Use of Money	\$26	\$18	(\$8)	(30.77%)
TOTAL REVENUES				
	\$18,126	\$18,118	(\$8)	(0.04%)
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	\$2,400	\$1,651	(\$749)	(31.21%)
Subtotal Other Charges	\$2,400	\$1,651	(\$749)	(31.21%)
<u>ADMINISTRATIVE CONTROL ACCOUNT</u>				
9200 Ent - Principal	\$15,000	\$16,000	\$1,000	6.67%
9209 Ent - Principal Clearing	(15,000)	(16,000)	(1,000)	6.67%
Subtotal Administrative Control	\$0	\$0	\$0	N/A
TOTAL EXPENDITURES				
	\$2,452	\$1,703	(\$749)	(30.55%)
TOTAL NET COST				
<i>(Expenditures Minus Revenues)</i>	(\$15,674)	(\$16,415)	(\$741)	4.73%

FY 2014-15 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 14-15 bond payment amount (principal and interest) is \$17,703. 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	\$3,000	
Projected Interest Rate	0.60%	\$18
Projected/Planned Interest on Pooled Cash		

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 14-15 request is based on the bond amortization schedule prepared at the time the bonds were sold.

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 14-15 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 12-13 Principal Payments:	(252,000)
FY 13-14 Principal Payment:	(15,000)
Outstanding Bond Amount	\$33,000

9209 Ent - Principal Clearing

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

FY 2014-15 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 12-13	Estimated FY 13-14	Requested FY 14-15
Undesignated/Unreserved <u>BEGINNING</u> Retained Earnings			
Available for Budgeting (See Detailed Components Below)	\$4,422	\$3,435	\$4,107
Annual Revenues and Expenditures:			
Revenues - Increase retained earnings	16,113	18,124	18,118
Expenditures - (Decrease) retained earnings	(3,100)	(2,452)	(1,703)
	<hr/>	<hr/>	<hr/>
Net Surplus or Deficit - Inc/(Dec) to retained earnings	13,013	15,672	16,415
Adjustments to Reserves/Encumbrances:			
9200 - Enterprise Principal	(14,000)	(15,000)	(16,000)
	<hr/>	<hr/>	<hr/>
Net Adjustment - Increase/(Decrease) to Retained Earnings	(14,000)	(15,000)	(16,000)
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Undesignated/Unreserved <u>ENDING</u> Retained Earnings			
Available for Budgeting	\$3,435	\$4,107	\$4,522
Total Increase/(Decrease) in Retained Earnings for Fiscal Year <i>(Difference between Beginning and Ending Balance)</i>	(\$987)	\$672	\$415
 <u>Retained Earnings Components at Beginning of FY</u>	7/1/12	7/1/13	
Cash	\$4,422	\$3,435	
	<hr/>	<hr/>	
Total Beginning Fund Balance	\$4,422	\$3,435	

FY 2014-15 BUDGET
SUMMARY OF REVENUES AND EXPENDITURES

Section Title: SONOMA VALLEY CSD - REVENUE BONDS

Section/Index No: 653352

Sub-Object No. and Title	Adopted 2013-14	Requested 2014-15	Difference	Percent Change
REVENUES:				
<u>USE OF MONEY</u>				
1700 Interest on Pooled Cash	\$10,400	\$12,000	\$1,600	15.38%
1701 Interest Earned	0	0	0	N/A
Subtotal Use of Money	\$10,400	\$12,000	\$1,600	15.38%
<u>Other Financing Sources</u>				
4625 OT - W/in Special Dist - BOS	\$1,673,108	\$1,689,177	\$16,069	0.96%
Subtotal Other Financing Sources	\$1,673,108	\$1,689,177	\$16,069	0.96%
TOTAL REVENUES	\$1,683,508	\$1,701,177	\$17,669	1.05%
EXPENDITURES:				
<u>SERVICES AND SUPPLIES</u>				
6635 Fiscal Agent Fees	\$8,000	\$8,000	\$0	0.00%
6640 Debt Issuance Costs	0	27,182	27,182	N/A
Subtotal Services and Supplies	\$8,000	\$35,182	\$27,182	339.78%
<u>OTHER CHARGES</u>				
7920 Interest	\$694,808	\$653,695	(\$41,113)	(5.92%)
7923 Discount/Bonds	5,300	5,300	0	0.00%
Subtotal Other Charges	\$700,108	\$658,995	(\$41,113)	(5.87%)
<u>OTHER FINANCING USES</u>				
8625 OT - W/in Special Dist - BOS	\$0	\$0	\$0	N/A
Subtotal Other Financing Uses	\$0	\$0	\$0	N/A
<u>ADMINISTRATIVE CONTROL ACCOUNT</u>				
9200 Ent - Principal	\$965,000	\$995,000	\$30,000	3.11%
9209 Ent - Principal Clearing	(965,000)	(995,000)	(30,000)	3.11%
Subtotal Administrative Control	\$0	\$0	\$0	N/A
TOTAL EXPENDITURES	\$708,108	\$694,177	(\$13,931)	(1.97%)
TOTAL NET COST <i>(Expenditures Minus Revenues)</i>	(\$975,400)	(\$1,007,000)	(\$31,600)	3.24%

FY 2014-15 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	\$2,000,000
Projected Interest Rate	0.60%
Projected/Planned Interest on Pooled Cash	\$12,000

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 14-15.

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.

8625 OT - Within Sp Dist - BOS

No transfers are planned for FY 14-15.

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.

2005 Refunding Issue	\$10,240,000
Total FY 07-08 through FY 12-13 Principal Payments:	(4,950,000)
FY 13-14 Principal Payments:	<u>(805,000)</u>
Outstanding Loan Amount	\$4,485,000

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

2013 Bond Issue	\$12,105,000
FY 13-14 Principal Payments:	<u>(160,000)</u>
	\$11,945,000

9209 Ent - Principal Clearing

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

FY 2014-15 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 12-13	Estimated FY 13-14	Requested FY 14-15
Undesignated/Unreserved <u>BEGINNING</u> Retained Earnings			
Available for Budgeting (See Detailed Components Below)	\$796,167	\$1,005,928	\$1,081,191
Annual Revenues and Expenditures:			
Revenues - Increase retained earnings	1,719,155	1,685,004	1,701,177
Expenditures - (Decrease) retained earnings	(670,404)	(708,108)	(694,177)
Net Surplus or Deficit - Inc/(Dec) to retained earnings	<u>1,048,750</u>	<u>976,896</u>	<u>1,007,000</u>
Adjustments to Reserves/Encumbrances:			
9200 Enterprise - Principal	(775,000)	(965,000)	(995,000)
Debt Proceeds	7,668,626	-	-
Redemption of 98 Bonds	(6,391,663)	-	-
Deferred Refunding - 2013 Bonds	(68,337)	-	-
Costs of Issuance-2013 Bonds	(307,029)	-	-
Change in Cash w/Trustee Rsvd for Debt Service	(863,342)	-	-
Amortization of Debt Issuance Costs	87,014	-	-
Amortization of Debt Refunding	58,065	58,067	5,300
Amortization of Premium	(62,545)	-	-
Discount on Revenue Bonds Payable	5,222	5,300	-
Change in Matured Bonds Payable	<u>(190,000)</u>	<u>-</u>	<u>-</u>
Net Adjustment - Increase/(Decrease) to Retained Earnings	<u>(838,989)</u>	<u>(901,633)</u>	<u>(989,700)</u>
Undesignated/Unreserved <u>ENDING</u> Retained Earnings			
Available for Budgeting	\$1,005,928	\$1,081,191	\$1,098,491
Total Increase/(Decrease) in Retained Earnings for Fiscal Year (Difference between Beginning and Ending Balance)	\$209,761	\$75,263	\$17,300
<u>Fund Balance Components at Beginning of FY</u>	<u>7/1/12</u>	<u>7/1/13</u>	
Cash	\$1,751,031	\$2,169,966	
Cash with Trustee	17,273	918,999	
Cash with Trustee Res for Debt Service	(12,633)	(875,975)	
Matured Principal Payable	(775,000)	(965,000)	
Interest Payable	(184,504)	(242,062)	
Total Beginning Fund Balance	<u>\$796,167</u>	<u>\$1,005,928</u>	

FY 2014-15 BUDGET
SUMMARY OF REVENUES AND EXPENDITURES

Section Title: SONOMA VALLEY CSD - SRF LOAN RESERVE

Section/Index No: 653428

Sub-Object No. and Title	Adopted 2013-14	Requested 2014-15	Difference	Percent Change
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REVENUES:

USE OF MONEY

1700 Interest on Pooled Cash	\$1,105	\$1,200	\$95	8.60%
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Subtotal Use of Money	\$1,105	\$1,200	\$95	8.60%
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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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Subtotal Other Financing Sources	\$34,984	\$34,984	\$0	0.00%
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TOTAL REVENUES	\$36,089	\$36,184	\$95	0.26%
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TOTAL NET COST <i>(Expenditures Minus Revenues)</i>	(\$36,089)	(\$36,184)	(\$95)	0.26%
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FY 2014-15 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	\$200,000
Projected Interest Rate	0.60%
Projected/Planned Interest on Pooled Cash	\$1,200

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 2014-15 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 12-13	Estimated FY 13-14	Requested FY 14-15
Undesignated/Unreserved <u>BEGINNING</u> Retained Earnings			
Available for Budgeting (See Detailed Components Below)	\$178,536	\$214,980	\$251,444
Annual Revenues and Expenditures:			
Revenues - Increase retained earnings	36,444	36,464	36,184
Expenditures - (Decrease) retained earnings	-	-	-
Net Surplus or Deficit - Inc/(Dec) to retained earnings	36,444	36,464	36,184
Adjustments to Reserves/Encumbrances:	-	-	-
Net Adjustment - Increase/(Decrease) to Retained Earnings	-	-	-
Undesignated/Unreserved <u>ENDING</u> Retained Earnings			
Available for Budgeting	\$214,980	\$251,444	\$287,628
Total Increase/(Decrease) in Retained Earnings for Fiscal Year <i>(Difference between Beginning and Ending Balance)</i>	\$36,444	\$36,464	\$36,184
<u>Fund Balance Components at Beginning of FY</u>	7/1/12	7/1/13	
Cash	\$178,536	\$214,980	
Total Beginning Fund Balance	\$178,536	\$214,980	

FY 2014-15 BUDGET
SUMMARY OF REVENUES AND EXPENDITURES

Section Title: SONOMA VALLEY CSD - SRF LOAN

Section/Index No: 653410

Sub-Object No. and Title	Adopted 2013-14	Requested 2014-15	Difference	Percent Change
REVENUES:				
<u>USE OF MONEY</u>				
1700 Interest on Pooled Cash	\$3,575	\$3,300	(\$275)	(7.69%)
Subtotal Use of Money	\$3,575	\$3,300	(\$275)	(7.69%)
<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	\$446,547	\$446,272	(\$275)	(0.06%)

EXPENDITURES:

OTHER CHARGES

7930 Interest-L.T. Debt	\$128,022	\$120,778	(\$7,244)	(5.66%)
Subtotal Other Charges	\$128,022	\$120,778	(\$7,244)	(5.66%)

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	\$314,950	\$322,194	\$7,244	2.30%
9209 Ent - Principal Clearing	(314,950)	(322,194)	(7,244)	2.30%
Subtotal Administrative Control	\$0	\$0	\$0	N/A

TOTAL EXPENDITURES	\$128,022	\$120,778	(\$7,244)	(5.66%)
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TOTAL NET COST <i>(Expenditures Minus Revenues)</i>	(\$318,525)	(\$325,494)	(\$6,969)	2.19%
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**FY 2014-15 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	<u>0.60%</u>
Projected/Planned Interest on Pooled Cash	<u>\$3,300</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 Special Dist - BOS

No operating transfer will be budgeted in FY 14-15.

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 12-13 Principal Payments:	(1,441,338)
FY 13-14 Principal Payments:	<u>(314,950)</u>
Outstanding Loan Amount	<u><u>\$5,251,214</u></u>

9209 Ent - Principal Clearing

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

FY 2014-15 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 12-13	Estimated FY 13-14	Requested FY 14-15
Undesignated/Unreserved <u>BEGINNING</u> Retained Earnings			
Available for Budgeting (See Detailed Components Below)	\$177,565	\$178,175	\$182,035
Annual Revenues and Expenditures:			
Revenues - Increase retained earnings	445,943	446,832	446,272
Expenditures - (Decrease) retained earnings	(130,382)	(128,022)	(120,778)
Net Surplus or Deficit - Inc/(Dec) to retained earnings	315,561	318,810	325,494
Adjustments to Reserves/Encumbrances:			
9200 Enterprise - Principal	(307,869)	(314,950)	(\$322,194)
Increase in Matured Bonds Payable	(7,081)	-	-
Net Adjustment - Increase/(Decrease) to Retained Earnings	(314,950)	(314,950)	(322,194)
Undesignated/Unreserved <u>ENDING</u> Retained Earnings			
Available for Budgeting	\$178,175	\$182,035	\$185,335
Total Increase/(Decrease) in Retained Earnings for Fiscal Year <i>(Difference between Beginning and Ending Balance)</i>	\$610	\$3,860	\$3,300
<u>Fund Balance Components at Beginning of FY</u>	7/1/12	7/1/13	
Cash	\$575,502	\$578,473	
Interest Payable	(90,068)	(85,348)	
Due to Other Government	(307,869)	(314,950)	
Total Beginning Fund Balance	\$177,565	\$178,175	

**FY 2014-15 BUDGET
SUMMARY OF REVENUES AND EXPENDITURES**

Section Title: SONOMA VALLEY CSD - STATE LOAN RESERVE

Section/Index No: 653436

Sub-Object No. and Title	Adopted 2013-14	Requested 2014-15	Difference	Percent Change
REVENUES:				
<u>USE OF MONEY</u>				
1700 Interest on Pooled Cash	\$975	\$900	(\$75)	(7.69%)
<i>Subtotal Use of Money</i>	\$975	\$900	(\$75)	(7.69%)
<u>Other Financing Sources</u>				
4625 OT - W/in Special Dist - BOS	\$0	\$0	\$0	N/A
<i>Subtotal Other Financing Sources</i>	\$0	\$0	\$0	N/A
TOTAL REVENUES	\$975	\$900	(\$75)	(7.69%)
TOTAL NET COST <i>(Expenditures Minus Revenues)</i>	(\$975)	(\$900)	\$75	(7.69%)

FY 2014-15 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	0.60%
Projected/Planned Interest on Pooled Cash	\$900

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 2014-15 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 12-13	Estimated FY 13-14	Requested FY 14-15
Undesignated/Unreserved <u>BEGINNING</u> Retained Earnings			
Available for Budgeting (See Detailed Components Below)	\$150,492	\$151,670	\$152,714
Annual Revenues and Expenditures:			
Revenues - Increase retained earnings	1,178	1,044	\$900
Expenditures - (Decrease) retained earnings	-	-	-
Net Surplus or Deficit - Inc/(Dec) to retained earnings	1,178	1,044	900
Adjustments to Reserves/Encumbrances:	-	-	-
Net Adjustment - Increase/(Decrease) to Retained Earnings	-	-	-
Undesignated/Unreserved <u>ENDING</u> Retained Earnings			
Available for Budgeting	\$151,670	\$152,714	\$153,614
Total Increase/(Decrease) in Retained Earnings for Fiscal Year <i>(Difference between Beginning and Ending Balance)</i>	\$1,178	\$1,044	\$900
<u>Fund Balance Components at Beginning of FY</u>			
	7/1/12	7/1/13	
Cash	\$150,492	\$151,670	
Total Beginning Fund Balance	\$150,492	\$151,670	

FY 2014-15 BUDGET
SUMMARY OF REVENUES AND EXPENDITURES

Section Title: Sonoma Valley CSD - Revenue Bond Project Fund

Section/Index No: 653360

Sub-Object No. and Title	Adopted 2013-14	Requested 2014-15	Difference	Percent Change
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REVENUES:

USE OF MONEY

1700 Interest on Pooled Cash	\$0	\$120	\$120	N/A
Subtotal Use of Money	\$0	\$120	\$120	N/A

EXPENDITURES:

Other Financing Sources

8625 OT - W/in Special Dist - BOS	\$0	\$2,200,000	\$2,200,000	N/A
Subtotal Other Financing Uses	\$0	\$2,200,000	\$2,200,000	N/A

TOTAL EXPENDITURES	\$0	\$2,200,000	\$2,200,000	N/A
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TOTAL NET COST <i>(Expenditures Minus Revenues)</i>	\$0	\$2,199,880	\$2,199,880	N/A
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FY 2014-15 BUDGET
CHARACTER JUSTIFICATION

Department - Division: Sonoma County Water Agency - Sanitation

Section Title: Sonoma Valley CSD - Revenue Bond Project Fund

Character Title: Use of Money **Character No.:** 653360-17

1700 Interest on Pooled Cash	
Estimated Average Cash Balance	\$20,000
Projected Interest Rate	0.60%
Projected/Planned Interest on Pooled Cash	\$120

Character Title: Other Financing Sources **Character No.:** 653360-86

<p>8625 OT - Within Special Dist - BOS</p> <p>This account reflects the transfer of funds to the Construction Fund for the the Aqua Caliente Pipeline Creek Crossing at McGill Road.</p>

**FY 2014-15 BUDGET
STATEMENT OF SPECIAL FUND ACTIVITY**

Department: Sonoma County Water Agency - Sanitation
 Section Title: Sonoma Valley CSD - Revenue Bond Project Fund
 Section/Index No: 653360

DESCRIPTION OF FUND ACTIVITY	Actual FY 12-13	Estimated FY 13-14	Requested FY 14-15
Undesignated/Unreserved <u>BEGINNING</u> Retained Earnings			
Available for Budgeting (See Detailed Components Below)	\$0	\$6,020,706	\$2,231,063
Annual Revenues and Expenditures:			
Revenues - Increase retained earnings	20,706	10,357	120
Expenditures - (Decrease) retained earnings	-	(3,800,000)	(2,200,000)
Net Surplus or Deficit - Inc/(Dec) to retained earnings	20,706	(3,789,643)	(2,199,880)
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	\$6,020,706	\$2,231,063	\$31,183
Total Increase/(Decrease) in Retained Earnings for Fiscal Year <i>(Difference between Beginning and Ending Balance)</i>	\$6,020,706	(\$3,789,643)	(\$2,199,880)
<u>Retained Earnings Components at Beginning of FY</u>	7/1/12	7/1/13	
Cash	\$0	\$6,020,706	
Total Beginning Fund Balance	\$0	\$6,020,706	