

FY 2015-16 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 14-15 Adopted	FY 15-16 Requested	Percent Change	FY 14-15 Adopted	FY 15-16 Requested	Percent Change
Operations	\$609,596	\$634,205	4.04%	\$37,694	\$41,861	11.06%
Construction	40,000	40,000	0.00%	(888)	(1,040)	17.12%
TOTAL:	\$649,596	\$674,205	3.79%	\$36,806	\$40,821	10.91%

C. Staffing Summary

No staffing is allocated to this index.

D. Workload Summary

Workload Indicator	FY 13-14 Actual	FY 14-15 Budget Estimate	FY 14-15 Revised Estimate	FY 15-16 Projected	Change from FY 14-15 Budget Estimate
Total ESDs	577	582	584	584	0.34%
Total APNs	835	834	833	833	(0.12%)

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 15-16 annual sewer service charge is \$1,045, representing a 3.1% increase from FY 14-15.

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 2015-16 BUDGET
SUMMARY OF REVENUES AND EXPENDITURES

Fund: SANITATION ZONE 1 - SEA RANCH - OPERATIONS
Fund/Department ID: 44405-33130100

Account No. and Title	Adopted 2014-15	Requested 2015-16	Difference	Percent Change
REVENUES:				
<u>TAXES</u>				
40003 (1001) Direct Charges-CY	\$566,542	\$585,869	\$19,327	3.41%
40202 (1061) Direct Charges - PY	2,200	2,400	200	9.09%
40999 (1120) Penalties/Costs on Taxes	460	500	40	8.70%
Subtotal Taxes	\$569,202	\$588,769	\$19,567	3.44%
<u>USE OF MONEY</u>				
44002 (1700) Interest on Pooled Cash	\$2,700	\$3,575	\$875	32.41%
Subtotal Use of Money	\$2,700	\$3,575	\$875	32.41%
<u>CHARGES FOR SERVICES</u>				
45221 (3400) Sewer/Water Usage Fee	\$0	\$0	\$0	N/A
Subtotal Charges for Services	\$0	\$0	\$0	N/A
<u>OTHER FINANCING</u>				
47101 (4625) Trans in - within a Fund	\$0	\$0	\$0	N/A
Subtotal Charges for Other Financing	\$0	\$0	\$0	N/A
<u>RESIDUAL EQUITY TRANSFER</u>				
48004 (4880) Residual Equity Transfers	\$0	\$0	\$0	N/A
Subtotal Residual Equity Transfer	\$0	\$0	\$0	N/A
TOTAL REVENUES	\$571,902	\$592,344	\$20,442	3.57%

EXPENDITURES:

SERVICES AND SUPPLIES

51902 (6040) Telecommunication Usage	\$3,000	\$3,000	\$0	0.00%
51061 (6140) Maintenance - Equipment	27,000	25,000	(2,000)	(7.41%)
51241 (6430) Outside Printing & Binding	1,800	1,500	(300)	(16.67%)
51917 (6523) District Operations Chgs	60,000	80,000	20,000	33.33%
51803 (6540) Other Contract Services	325,000	325,000	0	0.00%
51226 (6570) Consulting Services	35,000	40,000	5,000	14.29%

Sub-Object No. and Title	Adopted 2014-15	Requested 2015-16	Difference	Percent Change
<u>SERVICES AND SUPPLIES (Cont'd)</u>				
51201 (6522&73) Administration Services	4,000	5,000	1,000	25.00%
51244 (6589) Permits/License/Fees	26,000	40,000	14,000	53.85%
51211 (6610) Legal Services	1,500	1,500	0	0.00%
51919 (6697) EFS Costs	796	11,305	10,509	1320.23%
51401 (6820) Rents & Leases-Equipment	2,000	1,000	(1,000)	(50.00%)
52141 (6880) Minor Equipment/Small Tools	0	1,000	1,000	N/A
51921 (7206) Equipment Usage Charges	7,000	8,400	1,400	20.00%
52072 (7212) Chemicals	5,000	0	(5,000)	(100.00%)
52171 (7247) Water Conservation Prog	10,000	500	(9,500)	(95.00%)
52191 (7320) Utilities	8,500	10,000	1,500	17.65%
<i>Subtotal Services and Supplies</i>	<u>\$516,596</u>	<u>\$553,205</u>	<u>\$36,609</u>	<u>7.09%</u>
<u>OTHER CHARGES</u>				
53402 (7980) Depreciation Expense	\$33,000	\$31,000	(\$2,000)	(6.06%)
<i>Subtotal Other Charges</i>	<u>\$33,000</u>	<u>\$31,000</u>	<u>(\$2,000)</u>	<u>(6.06%)</u>
<u>FIXED ASSETS</u>				
19820 (8560) Machinery & Equipment	\$10,000	\$0	(\$10,000)	(100.00%)
<i>Subtotal Fixed Assets</i>	<u>\$10,000</u>	<u>\$0</u>	<u>(\$10,000)</u>	<u>(100.00%)</u>
<u>OTHER FINANCING USES</u>				
57011 (8625) Transfers out-within a Fund	\$40,000	\$40,000	\$0	0.00%
<i>Subtotal Other Financing Uses</i>	<u>\$40,000</u>	<u>\$40,000</u>	<u>\$0</u>	<u>0.00%</u>
<u>APPROPRIATIONS FOR CONT</u>				
55011 (9000) Appropriations for Contingency	\$10,000	\$10,000	\$0	0.00%
<i>Subtotal Appropriations for Contin.</i>	<u>\$10,000</u>	<u>\$10,000</u>	<u>\$0</u>	<u>0.00%</u>
TOTAL EXPENDITURES				
	<u>\$609,596</u>	<u>\$634,205</u>	<u>\$24,609</u>	<u>4.04%</u>
TOTAL NET COST				
<i>(Expenditures Minus Revenues)</i>	<u>\$37,694</u>	<u>\$41,861</u>	<u>\$4,167</u>	<u>11.06%</u>

FY 2015-16 BUDGET
CHARACTER JUSTIFICATION

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

Character Title: Taxes **Character No.:** 44405-33130100-40

40003 (1001) Direct Charges - CY

Flat charge revenue from annual sewer service charges is expected to increase from the adopted FY 14-15 budget. The rate will increase 3.1%, from \$1,014 to \$1,045.

ESDs times annual rate:	584 x \$1,045	\$610,280
Less Estimated Delinquency Factor:	4%	(24,411)
		\$585,869

(See Account 45221 for Total ESDs)

40202 (1061) Direct Charges - PY

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

40999 (1120) Penalties / Costs on Taxes

This item records penalties paid on delinquent sewer service charges.

Character Title: Use of Money **Character No.:** 44405-33130100-44

44002 (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	\$550,000
Projected Interest Rate	0.65%
Projected/Planned Interest on Pooled Cash	\$3,575

Character Title: Charges for Service **Character No.:** 44405-33130100-45

45221 (3400) Sewer/Water Usage Fee

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.

Character Title: Other Financing

Character No.: 44405-33130100-47

47101 (4625) Transfers in-within a Fund

There will be no operating transfer for FY 15/16.

Character Title: Residual Equity Transfer

Character No. 44405-33130100-48

48004 (4880) Residual Equity Transfers

There will be no residual equity transfer for FY 15/16.

Character Title: Services and Supplies

Character No.: 44405-33130100-51 & 52

51902 (6040) Telecommunication Usage

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.

51061 (6140) Maintenance - Equipment

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

51241 (6430) Outside Printing & Binding

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

51917 (6523) District Operations Chgs

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.

51803 (6540) Other Contract Services

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

51226 (6570) Consulting Services

This account records the cost of consultant services required in support of special projects including permitting assistance Order # TBD.

51201 (6573) Administration Services

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

51244 (6589) Permits/License/Fees

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

51211 (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.

51919 (6697) EFS Costs

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

51401 (6820) Rents/Leases-Equipment

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

Character Title: Services and Supplies (Cont'd)

Character No.: 44405-33130100-51 & 52

52141 (6880) Minor Equipment/Small Tools

This item is requested to provide funds for the purchase of office furniture, small tools, instruments and equipment that are individually under \$5,000.

51921 (7206) Equipment Usage Charges

This item is requested to provide funds for equipment usage.

52072 (7212) Chemical

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

52171 (7247) Water Conservation Program

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.

52191 (7320) Utilities

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

Character Title: Other Charges

Character No.: 44405-33130100-53

53402 (7980) Depreciation

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

Character Title: Fixed Assets

Character No.: 44405-33130100-19

19820 (8560) Machinery and Equipment

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

Character Title: Other Financing Uses

Character No.: 44405-33130100-57

57011 (8625) Transfers out-within A Fund

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.: 44405-33130100-55

55011 (9000) Appropriations for Contingencies

This account provides funding for unanticipated expenditures or revenue shortfalls.

FY 2015-16 BUDGET
STATEMENT OF SPECIAL FUND ACTIVITY

Department: Sonoma County Water Agency - Sanitation
Fund: SANITATION ZONE 1 - SEA RANCH - OPERATIONS
Fund/Department ID: 44405-33130100

DESCRIPTION OF FUND ACTIVITY	Actual FY 13-14	Estimated FY 14-15	Requested FY 15-16
Undesignated/Unreserved <u>BEGINNING</u> Fund Balance			
Available for Budgeting (See Detailed Components Below)	\$463,881	\$647,123	\$643,042
Annual Revenues and Expenditures:			
Revenues - Increase fund balance	585,182	596,407	592,344
Expenditures - (Decrease) fund balance	(496,341)	(633,488)	(634,205)
Net Surplus or Deficit - Increase/(Decrease) to fund balance	88,841	(37,081)	(41,861)
Adjustments to Reserves/Encumbrances:			
53402 (7980) - Depreciation	102,402	33,000	31,000
Capital Contributions-Dedicated Sewer Lateral 46040 (4351)	(8,000)	-	-
Net Adjustment - Increase/(Decrease) to Fund Balance	94,402	33,000	31,000
Undesignated/Unreserved <u>ENDING</u> Fund Balance			
Available for Budgeting	\$647,123	\$643,042	\$632,181
Total Increase/(Decrease) in Fund Balance for Fiscal Year <i>(Difference between Beginning and Ending Balance)</i>	\$183,241	(\$4,081)	(\$10,861)
<u>Fund Balance Components at Beginning of FY</u>	7/1/13	7/1/14	
Cash	\$474,740	\$664,511	
Accounts Receivable	8,855	5,748	
Accounts Payable	(19,713)	(23,136)	
Encumbrance	-	-	
Total Beginning Fund Balance	\$463,881	\$647,123	

FY 2015-16 BUDGET
SUMMARY OF REVENUES AND EXPENDITURES

Fund: SANITATION ZONE 1 - SEA RANCH - CONSTRUCTION
Fund/Department ID: 44410-33130200

Account No. and Title	Adopted 2014-15	Requested 2015-16	Difference	Percent Change
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REVENUES:

USE OF MONEY

44002 (1700) Interest on Pooled Cash	\$888	\$1,040	\$152	17.12%
Subtotal Use of Money	\$888	\$1,040	\$152	17.12%

OTHER FINANCING SOURCES

47101 (4625) Trans in - Within a Fund	\$40,000	\$40,000	\$0	0.00%
Subtotal Other Financing Sources	\$40,000	\$40,000	\$0	0.00%

TOTAL REVENUES	\$40,888	\$41,040	\$152	0.37%
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EXPENDITURES:

FIXED ASSETS

19831 (8510) CIP-Bldg & Impr	\$40,000	\$0	(\$40,000)	(100.00%)
19832 (9400) CIP- Infrastructure	0	40,000	40,000	N/A
Subtotal Fixed Assets	\$40,000	\$40,000	\$0	0.00%

TOTAL EXPENDITURES	\$40,000	\$40,000	\$0	0.00%
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TOTAL NET COST	(\$888)	(\$1,040)	(\$152)	17.12%
<i>(Expenditures Minus Revenues)</i>				

FY 2015-16 BUDGET

CHARACTER JUSTIFICATION

Department - Division: Sonoma County Water Agency - Sanitation

Section Title: Sanitation Zone - Sea Ranch - Construction

Character Title: Use of Money

Character No.: 44410-33130200-44

44002 (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	\$160,000
Projected Interest Rate	<u>0.65%</u>
Projected/Planned Interest on Pooled Cash	\$1,040

Character Title: Other Financing Sources

Character No.: 44410-33130200-47

47101 (4625) Trans in - Within A Fund

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.: 44410-33130200-19

19832 (9400) CIP - Infrastructure

This account is used for expenses associated with future facility upgrades.

FY 2015-16 BUDGET
STATEMENT OF SPECIAL FUND ACTIVITY

Department: Sonoma County Water Agency - Sanitation
Fund: SANITATION ZONE 1 - SEA RANCH - CONSTRUCTION
Fund/Department ID: 44410-33130200

DESCRIPTION OF FUND ACTIVITY	Actual FY 13-14	Estimated FY 14-15	Requested FY 15-16
Undesignated/Unreserved <u>BEGINNING</u> Fund Balance			
Available for Budgeting (See Detailed Components Below)	\$154,183	\$169,395	\$170,371
Annual Revenues and Expenditures:			
Revenues - Increase fund balance	\$15,211	40,976	41,040
Expenditures - (Decrease) fund balance	-	(40,000)	(40,000)
Net Surplus or Deficit - Increase/(Decrease) to fund balance	<u>15,211</u>	<u>976</u>	<u>1,040</u>
Adjustments to Reserves/Encumbrances:			
Change in Encumbrances	-	-	-
Net Adjustment - Increase/(Decrease) to Fund Balance	<u>-</u>	<u>-</u>	<u>-</u>
Undesignated/Unreserved <u>ENDING</u> Fund Balance			
Available for Budgeting	\$169,395	\$170,371	\$171,411
Total Increase/(Decrease) in Fund Balance for Fiscal Year <i>(Difference between Beginning and Ending Balance)</i>	\$15,212	\$976	\$1,040
<u>Fund Balance Components at Beginning of FY</u>	7/1/13	7/1/14	
Cash	\$154,183	\$169,395	
Encumbrances	-	-	
Total Beginning Fund Balance	<u>\$154,183</u>	<u>\$169,395</u>	