

# FY 2016-17 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 15-16 Adopted	FY 16-17 Requested	Percent Change	FY 15-16 Adopted	FY 16-17 Requested	Percent Change
Operations	\$634,205	\$764,581	20.56%	\$41,861	\$151,133	261.04%
Construction	40,000	40,000	0.00%	(1,040)	(1,200)	15.38%
<b>TOTAL:</b>	<b>\$674,205</b>	<b>\$804,581</b>	<b>19.34%</b>	<b>\$40,821</b>	<b>\$149,933</b>	<b>267.29%</b>

**C. Staffing Summary**

No staffing is allocated to this index.

**D. Workload Summary**

Workload Indicator	FY 14-15 Actual	FY 15-16 Budget Estimate	FY 15-16 Revised Estimate	FY 16-17 Projected	Change from FY 15-16 Budget Estimate
Total ESDs	582	584	586	587	0.51%
Total APNs	834	833	833	833	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 16-17 annual sewer service charge is \$1,076, representing a 3.0% increase from FY 15-16.

**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 2016-17 BUDGET**  
**SUMMARY OF REVENUES AND EXPENDITURES**

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

Account No. and Title	Adopted 2015-16	Requested 2016-17	Difference	Percent Change
<b>REVENUES:</b>				
<b><u>TAXES</u></b>				
40003 (1001) Direct Charges-CY	\$585,869	\$606,348	\$20,479	3.50%
40202 (1061) Direct Charges - PY	2,400	2,400	0	0.00%
40999 (1120) Penalties/Costs on Taxes	500	500	0	0.00%
<b>Subtotal Taxes</b>	<b>\$588,769</b>	<b>\$609,248</b>	<b>\$20,479</b>	<b>3.48%</b>
<b><u>USE OF MONEY</u></b>				
44002 (1700) Interest on Pooled Cash	\$3,575	\$4,200	625	17.48%
<b>Subtotal Use of Money</b>	<b>\$3,575</b>	<b>\$4,200</b>	<b>\$625</b>	<b>17.48%</b>
<b><u>CHARGES FOR SERVICES</u></b>				
45221 (3400) Sewer/Water Usage Fee	\$0	\$0	0	N/A
<b>Subtotal Charges for Services</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>N/A</b>
<b><u>OTHER FINANCING</u></b>				
47101 (4625) Trans in - within a Fund	\$0	\$0	0	N/A
<b>Subtotal Charges for Other Financing</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>N/A</b>
<b>TOTAL REVENUES</b>	<b>\$592,344</b>	<b>\$613,448</b>	<b>\$21,104</b>	<b>3.56%</b>

**EXPENDITURES:**

**SERVICES AND SUPPLIES**

51061 (6140) Maintenance - Equipment	\$25,000	\$25,000	\$0	0.00%
51201 (6522&73) Administration Services	5,000	5,500	500	10.00%
51211 (6610) Legal Services	1,500	5,000	3,500	233.33%
51226 (6570) Consulting Services	40,000	0	(40,000)	(100.00%)
51241 (6430) Outside Printing & Binding	1,500	1,000	(500)	(33.33%)
51244 (6589) Permits/License/Fees	40,000	40,000	0	0.00%
51401 (6820) Rents& Leases-Equipment	1,000	1,000	0	0.00%
51803 (6540) Other Contract Services	325,000	345,000	20,000	6.15%

<b>Sub-Object No. and Title</b>	<b>Adopted 2015-16</b>	<b>Requested 2016-17</b>	<b>Difference</b>	<b>Percent Change</b>
<b><u>SERVICES AND SUPPLIES (Cont'd)</u></b>				
51902 Telecommunications Usage	3,000	3,000	0	0.00%
51917 (6523) District Operations chgs	80,000	100,000	20,000	25.00%
51919 (6697) EFS Costs	11,305	13,332	2,027	17.93%
51921 (7206) Equipment Usage Charges	8,400	1,000	(7,400)	(88.10%)
52141(6880) Minor Equipment/Small Tools	1,000	1,000	0	0.00%
52171 (7247) Water Conservation Program	500	500	0	0.00%
52191 (7320) Utilities	10,000	8,000	(2,000)	(20.00%)
<b><i>Subtotal Services and Supplies</i></b>	<b><u>\$553,205</u></b>	<b><u>\$549,332</u></b>	<b><u>(\$3,873)</u></b>	<b><u>(0.70%)</u></b>
<b><u>OTHER CHARGES</u></b>				
53402 (7980) Depreciation Expense	\$31,000	\$30,249	(\$751)	(2.42%)
53501 Contributions	0	125,000	125,000	N/A
<b><i>Subtotal Other Charges</i></b>	<b><u>\$31,000</u></b>	<b><u>\$155,249</u></b>	<b><u>\$124,249</u></b>	<b><u>400.80%</u></b>
<b><u>FIXED ASSETS</u></b>				
19820 (8560) Machinery & Equipment	\$0	\$10,000	\$10,000	N/A
<b><i>Subtotal Fixed Assets</i></b>	<b><u>\$0</u></b>	<b><u>\$10,000</u></b>	<b><u>\$10,000</u></b>	<b><u>N/A</u></b>
<b><u>APPROPRIATIONS FOR CONT</u></b>				
55011 (9000) Appropriations for Contingency	\$10,000	\$10,000	\$0	0.00%
<b><i>Subtotal Appropriations for Contin.</i></b>	<b><u>\$10,000</u></b>	<b><u>\$10,000</u></b>	<b><u>\$0</u></b>	<b><u>0.00%</u></b>
<b><u>OTHER FINANCING USES</u></b>				
57011 (8625) Transfers out-within a Fund	\$40,000	\$40,000	\$0	0.00%
<b><i>Subtotal Other Financing Uses</i></b>	<b><u>\$40,000</u></b>	<b><u>\$40,000</u></b>	<b><u>\$0</u></b>	<b><u>0.00%</u></b>
<b>TOTAL EXPENDITURES</b>	<b>\$634,205</b>	<b>\$764,581</b>	<b>\$130,376</b>	<b>20.56%</b>
<b>TOTAL NET COST</b> <i>(Expenditures Minus Revenues)</i>	<b>\$41,861</b>	<b>\$151,133</b>	<b>\$109,272</b>	<b>261.04%</b>

**FY 2016-17 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 15-16 budget. The rate will increase 3.0%, from \$1,045 to \$1,076.

ESDs times annual rate:	587 x <b>\$1,076</b>	\$631,612
Less Estimated Delinquency Factor:	4%	(25,264)
		\$606,348

(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	\$700,000
Projected Interest Rate	0.60%
Projected/Planned Interest on Pooled Cash	\$4,200

**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 account 40003 Direct Charges-CY.

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 16/17.

Character Title: Services and Supplies

Character No.: 44405-33130100-51 & 52

**51061 (6140) Maintenance - Equipment**

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

**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.

**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.

**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.

**51244 (6589) Permits/License/Fees**

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

**51401 (6820) Rents/Leases-Equipment**

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

**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 (\$340,000) and for the first install program(\$5,000).

**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.

**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.

**51919 (6697) EFS Costs**

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

**Character Title: Services and Supplies (Cont'd)**

**Character No.: 44405-33130100-51 & 52**

**51921 (7206) Equipment Usage Charges**

This item is requested to provide funds for equipment usage.

**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.

**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.

**53501 Contributions**

This contribution is to the Gualala Community Service District for treatment of raw wastewater for the North Sea Ranch treatment plant.

**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: Appropriations for Contingencies**

**Character No.: 44405-33130100-55**

**55011 (9000) Appropriations for Contingencies**

This account provides funding for unanticipated expenditures or revenue shortfalls.

**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.

**FY 2016-17 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 14-15	Estimated FY 15-16	Requested FY 16-17
<b>Undesignated/Unreserved <u>BEGINNING</u> Fund Balance</b>			
<b>Available for Budgeting (See Detailed Components Below)</b>	<b>\$647,123</b>	<b>\$730,334</b>	<b>\$751,574</b>
<b>Annual Revenues and Expenditures:</b>			
Revenues - Increase fund balance	595,648	591,645	613,448
Expenditures - (Decrease) fund balance	(527,700)	(601,405)	(\$764,581)
<b>Net Surplus or Deficit - Increase/(Decrease) to fund balance</b>	<b>67,948</b>	<b>(9,760)</b>	<b>(151,133)</b>
<b>Adjustments to Reserves/Encumbrances:</b>			
53402 (7980) - Depreciation	23,248	31,000	30,249
Unrealized Gain/Loss	3,205	-	-
Loss on Fixed Asset	(11,192)	-	-
<b>Net Adjustment - Increase/(Decrease) to Fund Balance</b>	<b>15,261</b>	<b>31,000</b>	<b>30,249</b>
<b>Undesignated/Unreserved <u>ENDING</u> Fund Balance</b>			
<b>Available for Budgeting</b>	<b>\$730,334</b>	<b>\$751,574</b>	<b>\$630,690</b>
<b>Total Increase/(Decrease) in Fund Balance for Fiscal Year</b> <i>(Difference between Beginning and Ending Balance)</i>	<b>\$83,210</b>	<b>\$21,240</b>	<b>(\$120,884)</b>
<b><u>Fund Balance Components at Beginning of FY</u></b>	<b>7/1/14</b>	<b>7/1/15</b>	
Cash	\$664,511	\$788,889	
Accounts Receivable	5,748	3,549	
Accounts Payable	(23,136)	(50,913)	
Encumbrance	-	(11,192)	
<b>Total Beginning Fund Balance</b>	<b>\$647,123</b>	<b>\$730,333</b>	

**FY 2016-17 BUDGET**  
**SUMMARY OF REVENUES AND EXPENDITURES**

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

Account No. and Title	Adopted 2015-16	Requested 2016-17	Difference	Percent Change
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**REVENUES:**

**USE OF MONEY**

44002 (1700) Interest on Pooled Cash	\$1,040	\$1,200	\$160	15.38%
<b>Subtotal Use of Money</b>	<b>\$1,040</b>	<b>\$1,200</b>	<b>\$160</b>	<b>15.38%</b>

**OTHER FINANCING SOURCES**

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

<b>TOTAL REVENUES</b>	<b>\$41,040</b>	<b>\$41,200</b>	<b>\$160</b>	<b>0.39%</b>
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**EXPENDITURES:**

**FIXED ASSETS**

19832 (9400) CIP- Infrastructure	\$40,000	\$40,000	\$0	0.00%
<b>Subtotal Fixed Assets</b>	<b>\$40,000</b>	<b>\$40,000</b>	<b>\$0</b>	<b>0.00%</b>

<b>TOTAL EXPENDITURES</b>	<b>\$40,000</b>	<b>\$40,000</b>	<b>\$0</b>	<b>0.00%</b>
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<b>TOTAL NET COST</b> <i>(Expenditures Minus Revenues)</i>	<b>(\$1,040)</b>	<b>(\$1,200)</b>	<b>(\$160)</b>	<b>15.38%</b>
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# FY 2016-17 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	\$200,000
Projected Interest Rate	<u>0.60%</u>
Projected/Planned Interest on Pooled Cash	\$1,200

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 2016-17 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 14-15	Estimated FY 15-16	Requested FY 16-17
<b>Undesignated/Unreserved <u>BEGINNING</u> Fund Balance</b>			
<b>Available for Budgeting</b> (See Detailed Components Below)	<b>\$169,395</b>	<b>\$214,811</b>	<b>\$220,271</b>
<b>Annual Revenues and Expenditures:</b>			
Revenues - Increase fund balance	\$44,487	45,460	\$41,200
Expenditures - (Decrease) fund balance	-	(40,000)	(\$40,000)
<b>Net Surplus or Deficit</b> - Increase/(Decrease) to fund balance	44,487	5,460	1,200
<b>Adjustments to Reserves/Encumbrances:</b>			
Unrealized Gain/Loss	929	-	-
<b>Net Adjustment</b> - Increase/(Decrease) to Fund Balance	929	-	-
<b>Undesignated/Unreserved <u>ENDING</u> Fund Balance</b>			
<b>Available for Budgeting</b>	<b>\$214,811</b>	<b>\$220,271</b>	<b>\$221,471</b>
<b>Total Increase/(Decrease) in Fund Balance for Fiscal Year</b> <i>(Difference between Beginning and Ending Balance)</i>	<b>\$45,416</b>	<b>\$5,460</b>	<b>\$1,200</b>
<b><u>Fund Balance Components at Beginning of FY</u></b>	<b>7/1/14</b>	<b>7/1/15</b>	
Cash	\$169,395	\$214,811	
Encumbrances	-	-	
<b>Total Beginning Fund Balance</b>	<b>\$169,395</b>	<b>\$214,811</b>	