

**FY 2017-18 BUDGET**  
**BUDGET SECTION SUMMARY**

Section Title: OCCIDENTAL COUNTY SANITATION DISTRICT

**A. Program Description**

This budget finances operation, maintenance; and administration of a collection system, a treatment plant, and disposal facilities which serve the Occidental area.

**B. Financial Summary**

Section	GROSS EXPENDITURES			NET COST/USE OF FUND BALANCE		
	FY 16-17 Adopted	FY 17-18 Requested	Percent Change	FY 16-17 Adopted	FY 17-18 Requested	Percent Change
Operations	\$1,934,328	\$1,041,000	(46.18%)	\$468,059	(\$245,005)	(152.34%)
Construction	600,000	125,000	(79.17%)	435,775	119,705	(72.53%)
<b>TOTAL:</b>	<b>\$2,534,328</b>	<b>\$1,166,000</b>	<b>(53.99%)</b>	<b>\$903,834</b>	<b>(\$125,300)</b>	<b>(113.86%)</b>

**C. Staffing Summary**

No staffing is allocated to this index.

**D. Workload Summary**

Workload Indicator	FY 15-16 Actual	FY 16-17 Budget Estimate	FY 16-17 Revised Estimate	FY 17-18 Projected	Change from FY 16-17 Budget Estimate
Total ESDs	274	274	274	272	(0.73%)
Total APNs	122	122	99	101	(17.21%)

**E. Summary of Issues and Significant Changes**

The requested rate per equivalent single family dwelling for FY 17-18 annual service charges is \$2, 169 representing a 4.9% increase from FY 16-17. Annual sewer service charge revenue, adjusted for the anticipated number of ESDs and an estimated delinquency factor, is projected to increase from the FY 16-17 budget. This revenue change is due to the rate increase.

The Occidental County Sanitation District (Occidental CSD) treatment plant is designed to treat an average daily dry weather flow of up to 50,000 gallons per day to secondary treatment standards. Each year, between October 1 and May 14, treated wastewater from the Occidental CSD can be discharged into Dutch Bill Creek. During the balance of the year, treated wastewater is used for irrigation.

*The Occidental CSD is facing very serious financial and operational difficulties.* Even though rates for the Occidental CSD are the highest in Sonoma County and represent a significant concern for businesses in the district, the very small rates base results in revenues being insufficient to cover routine operating expenses. Additionally, without capital upgrades of its facilities, the Occidental CSD's ability to comply with the conditions of its operating permit remains in doubt.

For FY 17-18 revenues will once again not cover routine operating expenses. Transfers from the Agency's General Fund will be made to coverage shortage and will be recovered from the Occidental CSD.

The Occidental CSD is pursuing a new project that must be completed by 2018 to comply with a Cease and Desist Order issued to the District by the North Coast Regional Water Quality Board (Regional Board). At this time a range of alternatives are being explored. In addition to complying with the Cease and Desist Order, the compliance project also needs decrease operating costs to levels that can be fully covered by the Occidental CSD's rate base.

**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 2017-18 BUDGET**  
**SUMMARY OF REVENUES AND EXPENDITURES**

**Fund: OCCIDENTAL CSD - OPERATIONS**  
**Fund/Department ID: 43101-33060100**

Sub-Object No. and Title	Adopted 2016-17	Requested 2017-18	Difference	Percent Change
<b>REVENUES:</b>				
<b><u>TAXES</u></b>				
40003 (1001) Direct Charges-CY	\$530,287	\$558,301	\$28,014	5.28%
40202 (1061) Direct Charges - PY	1,500	1,600	100	6.67%
40999 (1120) Penalties/Costs on Taxes	500	600	100	20.00%
<b>Subtotal Taxes</b>	<b>\$532,287</b>	<b>\$560,501</b>	<b>\$28,214</b>	<b>5.30%</b>
<b><u>USE OF MONEY</u></b>				
44002 (1700) Interest on Pooled Cash	\$585	\$774	\$189	32.36%
<b>Subtotal Use of Money</b>	<b>\$585</b>	<b>\$774</b>	<b>\$189</b>	<b>32.36%</b>
<b><u>CHARGES FOR SERVICES</u></b>				
45221 (3400) Sewer/Water Usage Fee	\$23,397	\$21,690	(\$1,707)	(7.30%)
<b>Subtotal Charges for Services</b>	<b>\$23,397</b>	<b>\$21,690</b>	<b>(\$1,707)</b>	<b>(7.30%)</b>
<b><u>OTHER FINANCING Sources</u></b>				
47101 (4625) Transfers In-within a Fund	\$910,000	\$700,000	(\$210,000)	(23.08%)
<b>Subtotal Other Financing Sources</b>	<b>\$910,000</b>	<b>\$700,000</b>	<b>(\$210,000)</b>	<b>(23.08%)</b>
<b><u>Intergovernmental</u></b>				
42358 State Other Funding	\$0	\$3,040	\$3,040	N/A
<b>Subtotal Intergovernmental</b>	<b>\$0</b>	<b>\$3,040</b>	<b>\$3,040</b>	<b>N/A</b>
<b>TOTAL REVENUES</b>	<b>\$1,466,269</b>	<b>\$1,286,005</b>	<b>(\$180,264)</b>	<b>(12.29%)</b>

**EXPENDITURES:**

**SERVICES AND SUPPLIES**

51061 (6140) Maintenance - Equipment	\$90,000	\$50,000	(\$40,000)	(44.44%)
51076 (6246) Maint - FACOPS	100,000	100,000	0	0.00%
51201 (6522&73) Administration Services	4,500	5,000	500	11.11%
51206 (6630) Accounting/Auditing Services	8,000	9,000	1,000	12.50%
51211 (6610) Legal Services	5,000	7,000	2,000	40.00%
51231 (6512) Testing/Analysis	40,000	40,000	0	0.00%
51241 (6430) Outside Printing & Binding	500	500	0	0.00%
51244 (6589) Permits/License/Fees	12,000	10,000	(2,000)	(16.67%)
51401 (6820) Rents& Leases-Equipment	3,000	3,000	0	0.00%
51421 (6840) Rents&Leases-Bldg/Imp	25,000	25,000	0	0.00%
51803 (6540) Other Contract Services	210,000	94,700	(115,300)	(54.90%)
51902 (6040) Telecommunication Usage	500	500	0	0.00%
51916 (6521) County Services	4,000	5,000	1,000	25.00%
51917 (6523) District Operations Chgs	500,000	500,000	0	0.00%

<b>Sub-Object No. and Title</b>	<b>Adopted 2016-17</b>	<b>Requested 2017-18</b>	<b>Difference</b>	<b>Percent Change</b>
<b>EXPENDITURES:</b>				
<b><u>SERVICES AND SUPPLIES (Contd.)</u></b>				
51919 (6697) EFS Costs	29,559	0	(29,559)	(100.00%)
51921 (7206) Equipment Usage Charges	27,000	25,000	(2,000)	(7.41%)
52072 (7212) Chemicals	30,000	15,000	(15,000)	(50.00%)
52081 (6262) Medical/Laboratory Supplies	2,000	2,000	0	0.00%
52111 (6461) Office Supplies	500	3,500	3,000	600.00%
52141 (6880) Minor Equipment/Small Tools	2,000	2,000	0	0.00%
52171 (7247) Water Conservation Prog	1,000	1,000	0	0.00%
52193 (7394) Utilities-Power	20,000	18,000	(2,000)	(10.00%)
<b><i>Subtotal Services and Supplies</i></b>	<b>\$1,114,559</b>	<b>\$916,200</b>	<b>(\$198,359)</b>	<b>(17.80%)</b>
<b><u>OTHER CHARGES</u></b>				
53402 (7980) Depreciation Expense	\$120,769	\$120,800	\$31	0.03%
53501 Contributions/Donations	535,000	0	(535,000)	(100.00%)
<b><i>Subtotal Other Charges</i></b>	<b>\$655,769</b>	<b>\$120,800</b>	<b>(\$534,969)</b>	<b>(81.58%)</b>
<b><u>FIXED ASSETS</u></b>				
19820 (8560) Machinery & Equipment	\$2,000	\$2,000	\$0	0.00%
<b><i>Subtotal Fixed Assets</i></b>	<b>\$2,000</b>	<b>\$2,000</b>	<b>\$0</b>	<b>0.00%</b>
<b><u>APPROPRIATIONS FOR CONT</u></b>				
55011 (9000) Appropriations for Contingency	\$2,000	\$2,000	\$0	0.00%
<b><i>Subtotal Approp for Contingencies</i></b>	<b>\$2,000</b>	<b>\$2,000</b>	<b>\$0</b>	<b>0.00%</b>
<b><u>OTHER FINANCING USES</u></b>				
57011 (8625) Transfers out-within a Fund	\$160,000	\$0	(\$160,000)	(100.00%)
<b><i>Subtotal Other Financing Uses</i></b>	<b>\$160,000</b>	<b>\$0</b>	<b>(\$160,000)</b>	<b>(100.00%)</b>
<b>TOTAL EXPENDITURES</b>	<b>\$1,934,328</b>	<b>\$1,041,000</b>	<b>(\$893,328)</b>	<b>(46.18%)</b>
<b>TOTAL NET COST</b> <i>(Expenditures Minus Revenues)</i>	<b>\$468,059</b>	<b>(\$245,005)</b>	<b>(\$713,064)</b>	<b>(152.34%)</b>

**FY 2017-18 BUDGET**  
**CHARACTER JUSTIFICATION**

**Department - Division:** Sonoma County Water Agency - Sanitation

**Section Title:** Occidental CSD - Operations

**Character Title:** Taxes **Character No.:** 43101-33060100-40

**40003 (1001) Direct Charges - CY**

Flat charge revenue from annual service charges is expected to increase from the adopted FY 16-17 budget. The rate will increase 4.9% from \$2,068 to \$2,169.

ESDs times annual rate:	264 x \$2,169	\$572,616
Less Estimated Delinquency Factor:	2.5%	(14,315)
		\$558,301

(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.:** 43101-33060100-44

**44002 (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	\$87,000
Projected Interest Rate	0.89%
Projected/Planned Interest on Pooled Cash	\$774

**Character Title:** Charges for Services **Character No.:** 43101-33060100-45

**45221 (3400) Sewer/Water Usage Fee**

This account records 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, in the following year. based on projected FY 17-18 ESDs, the District will experience an increase in revenue for invoiced entities. The budgeted revenue reflects an increase in the annual sewer service charge from \$2,068 to \$2,169.

ESDs x Annual Charge	10 x \$2,169	=	\$21,690
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**Character Title:** Other Financing Sources **Character No.:** 43101-33060100-49

**47101 (4625) OT - W/in Special Dist - BOS**

This account records a transfer from SCWA General Fund to provide funds to operate the treatment plant. These funds will no be recovered.

**51061 (6140) Maintenance - Equipment**

This account records the costs for routine maintenance of equipment.

**51076 (6246) Maint - FACOPS**

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

**51201 (6573) Administration Costs**

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.

**51231 (6512) Testing and Analysis**

This account records expenses incurred to comply with all regulatory testing requirements.

**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.

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

Rents and Leases - Equipment covers the costs of renting copiers, fax machines and other equipment as needed.

**51421 (6840) Rents/Leases-Buildings/Land**

This item is requested to provide funds for the lease agreement for storage and irrigation of wastewater effluent.

**51803 (6540) Other Contract Services**

This account reflects the costs for various outside services.

**51902 (6040) Telecommunication Usage**

This account records expenses paid by the Occidental CSD for outside communication and wireless service.

**51916 (6521) County Services**

This item records the expense for special district accounting services.

**51917 (6523) District Operations**

This account records the cost of labor and overhead associated with operations and maintenance of the Occidental CD Facilities.

**51206 (6630) Accounting/Auditing Services**

This account represents the cost of accounting and audit services provided by an outside certified public accounting services.

**Character Title: Services and Supplies (Continued)**

**Character No.: 43101-33060100-51 & 52**

**51921 (7206) Equipment Usage Charges**

This item is requested to provide funds for equipment usage.

**52072 (7212) Chemicals**

This account records the cost of chemicals required for operation of the treatment plant. The requested amount is considered necessary to meet the discharge requirements of the Occidental CSD NPDES permit, as required by the Regional Water Quality Control Board, as well as to meet requirements imposed by the ACL (including the use of sodium bisulfite and caustic soda).

**52081 (6262) Medical/Lab Supplies**

This account records the cost of lab supplies required for testing and monitoring wastewater.

**52111 (6400) Office Supplies**

Supplies/Expenses covers the costs of operational supplies used by the District.

**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.

**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.

**52193 (7394) Utilities-Power**

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

**Character Title: Other Charges**

**Character No.: 43101-33060100-53**

**53402 (7980) Depreciation**

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

**Character Title: Fixed Assets**

**Character No.: 43101-33060100-19**

**19820 (8560) Machinery & Equipment**

This account records cost for equipment over \$5,000, as needed.

**Character Title: Appropriations for Contingencies**

**Character No.: 43101-33060100-55**

**55011 (9000) Appropriations for Contingencies**

This account is normally used to set aside funding for unanticipated expenditures or revenue shortfalls.

**Character Title: Other Financing Uses**

**Character No.: 43101-33060100-57**

**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 uncompleted projects will be rescheduled and rebudgeted in the next fiscal year. There are no planned transfers for FY 17/18.

**FY 2017-18 BUDGET**  
**STATEMENT OF SPECIAL FUND ACTIVITY**

**Department:** Sonoma County Water Agency - Sanitation

**Fund:** Occidental CSD - Operations

**Fund/Department ID:** 43101-33060100

DESCRIPTION OF FUND ACTIVITY	Actual FY 15-16	Estimated FY 16-17	Requested FY 17-18
<b>Undesignated/Unreserved <u>BEGINNING</u> Retained Earnings</b>			
<b>Available for Budgeting (See Detailed Components Below)</b>	<b>\$89,681</b>	<b>\$335,426</b>	<b>\$528,490</b>
<b>Annual Revenues and Expenditures:</b>			
Revenues - Increase retained earnings	1,396,049	2,286,104	1,286,005
Expenditures - (Decrease) retained earnings	(1,367,948)	(2,419,521)	(1,041,000)
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<b>Net Surplus or Deficit - Inc/(Dec) to retained earnings</b>	<b>28,100</b>	<b>(133,417)</b>	<b>245,005</b>
<b>Adjustments to Reserves/Encumbrances:</b>			
53402 (7980) Depreciation	114,969	120,769	120,800
Unrealized Gain/loss	477	-	-
Change on Reserved Fund Balance	6,230	-	-
Change in Encumbrance	95,969	205,712	-
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<b>Net Adjustment - Increase/(Decrease) to Retained Earnings</b>	<b>217,645</b>	<b>326,481</b>	<b>120,800</b>
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<b>Undesignated/Unreserved <u>ENDING</u> Retained Earnings</b>			
<b>Available for Budgeting</b>	<b>\$335,426</b>	<b>\$528,490</b>	<b>\$894,295</b>
<b>Total Increase/(Decrease) in Retained Earnings for Fiscal Year</b>			
<i>(Difference between Beginning and Ending Balance)</i>	<b>\$245,745</b>	<b>\$193,064</b>	<b>\$365,805</b>
<b><u>Retained Earnings Components at Beginning of FY</u></b>	<b>7/1/15</b>	<b>7/1/16</b>	
Cash	\$234,261	\$372,507	
Other Receivables (Flat Charges)	167,249	169,260	
Retention Payable	(50)	(187)	
Prepaid Expense	-	1,114	
Encumbrances	(301,681)	(205,712)	
Accounts Payable	(450)	-	
Vouchers Payable	(9,648)	(1,556)	
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<b>Total Beginning Retained Earnings</b>	<b>\$89,681</b>	<b>\$335,426</b>	



**FY 2017-18 BUDGET**  
**SUMMARY OF REVENUES AND EXPENDITURES**

Fund: OCCIDENTAL CSD -CONSTRUCTION  
Fund/Department ID: 43102-33060200

Sub-Object No. and Title	Adopted 2016-17	Requested 2017-18	Difference	Percent Change
<b>REVENUES:</b>				
<b><u>USE OF MONEY</u></b>				
44002 (1700) Interest on Pooled Cash	\$4,225	\$5,296	\$1,071	25.34%
<b>Subtotal Use of Money</b>	<b>\$4,225</b>	<b>\$5,296</b>	<b>\$1,071</b>	<b>25.34%</b>
<b><u>MISCELLANEOUS REVENUE</u></b>				
46021 (4304) Capital Grants-Federal	\$0	\$0	\$0	N/A
46022 (4303) Capital Grants-State	0	0	0	N/A
<b>Subtotal Miscellaneous Revenue</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>N/A</b>
<b><u>OTHER FINANCING SOURCES</u></b>				
47101 (4625) Transfers In -within a Fund	\$160,000	\$0	(\$160,000)	(100.00%)
<b>Subtotal Other Financing Sources</b>	<b>\$160,000</b>	<b>\$0</b>	<b>(\$160,000)</b>	<b>(100.00%)</b>
<b>TOTAL REVENUES</b>				
	<b>\$164,225</b>	<b>\$5,296</b>	<b>(\$158,930)</b>	<b>(96.78%)</b>
<b>EXPENDITURES:</b>				
<b><u>FIXED ASSETS</u></b>				
19832 (9400) CIP - Infrastructure	\$600,000	\$125,000	(\$475,000)	(79.17%)
<b>Subtotal Fixed Assets</b>	<b>\$600,000</b>	<b>\$125,000</b>	<b>(\$475,000)</b>	<b>(79.17%)</b>
<b>TOTAL EXPENDITURES</b>				
	<b>\$600,000</b>	<b>\$125,000</b>	<b>(\$475,000)</b>	<b>(79.17%)</b>
<b>TOTAL NET COST</b>				
<i>(Expenditures Minus Revenues)</i>	<b>\$435,775</b>	<b>\$119,705</b>	<b>(\$316,071)</b>	<b>(72.53%)</b>

**FY 2017-18 BUDGET**  
**CHARACTER JUSTIFICATION**

**Department - Division:** Sonoma County Water Agency - Sanitation

**Section Title:** Occidental CSD - Construction

**Character Title:** Use of Money

**Character No.:** 43102-33060200-44

**44002 (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	\$595,000
Projected Interest Rate	0.89%
Projected/Planned Interest on Pooled Cash	\$5,296

**Character Title:** Miscellaneous Revenue

**Character No.:** 43102-33060200-46

**46022 (4303) Capital Grants-State**

No State Grants are anticipated for FY 17-18.

**46021 (4304) Capital Grants-Federal**

No Federal Grants are anticipated for FY 17-18.

**Character Title:** Other Financing Sources

**Character No.:** 43102-33060200-47

**47101 (4625) Transfers in-within a Fund**

This account records the transfer of cash from the Operation Fund to the Construction Fund to finance Buildings/Improvements for FY 17-18.

**Character Title:** Fixed Assets

**Character No.:** 43102-33060200-19

**19832 (9400) CIP-Infrastructure**

This account is used for expenses associated with facility improvements or expansion. The following project are planned for FY 17-18:

Truck Fill Station	Order # TBD	\$40,000
Design and implementation of a truck filling station at the lift station site. The project will include site improvements, piping and pumping modifications and electrical upgrades.		
Septage Receiving Station		\$85,000

## FY 2017-18 BUDGET

### STATEMENT OF SPECIAL FUND ACTIVITY

**Department:** Sonoma County Water Agency - Sanitation  
**Fund:** Occidental CSD - Construction  
**Fund/Department ID:** 43102-33060200

DESCRIPTION OF FUND ACTIVITY	Actual FY 15-16	Estimated FY 16-17	Requested FY 17-18
<b>Undesignated/Unreserved <u>BEGINNING</u> Retained Earnings</b>			
<b>Available for Budgeting (See Detailed Components Below)</b>	<b>\$599,217</b>	<b>\$815,562</b>	<b>\$338,079</b>
<b>Annual Revenues and Expenditures:</b>			
Revenues - Increase retained earnings	241,797	387,177	5,296
Expenditures - (Decrease) retained earnings	(86,507)	(1,198,960)	(\$125,000)
	155,291	(811,783)	(119,705)
<b>Net Surplus or Deficit - Inc/(Dec) to retained earnings</b>			
<b>Adjustments to Reserves/Encumbrances:</b>			
Change in Encumbrance	15,197	334,300	-
Unrealized Gain/loss	391	-	-
Loss on Disposal of Asset	45,467	-	-
	61,055	334,300	-
<b>Net Adjustment - Increase/(Decrease) to Retained Earnings</b>			
<b>Undesignated/Unreserved <u>ENDING</u> Retained Earnings</b>			
<b>Available for Budgeting</b>	<b>\$815,562</b>	<b>\$338,079</b>	<b>\$218,375</b>
<b>Total Increase/(Decrease) in Retained Earnings for Fiscal Year</b> <i>(Difference between Beginning and Ending Balance)</i>	<b>\$216,345</b>	<b>(\$477,483)</b>	<b>(\$119,705)</b>
<b><u>Retained Earnings Components at Beginning of FY</u></b>	<b>7/1/15</b>	<b>7/1/16</b>	
Cash	\$948,714	\$1,149,863	
Encumbrances	(349,497)	(334,300)	
<b>Total Beginning Retained Earnings</b>	<b>\$599,217</b>	<b>\$815,563</b>	