

## FY 2016-17 BUDGET

### BUDGET SECTION SUMMARY

Section Title:

<b>RUSSIAN RIVER COUNTY SANITATION DISTRICT</b>
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**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 Russian River area.

**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	\$5,485,998	\$5,621,419	2.47%	\$1,271,818	\$852,469	(32.97%)
Bonds	23,553	16,053	(31.84%)	(155,072)	(162,567)	4.83%
Revenue Bonds	26,001	21,251	(18.27%)	(97,275)	(101,638)	4.49%
State Loan Reserve	813	774	(4.80%)	813	774	(4.80%)
Construction	230,000	640,000	178.26%	63,500	5,144	(91.90%)
<b>TOTAL:</b>	<b>\$5,766,365</b>	<b>\$6,299,497</b>	<b>9.25%</b>	<b>\$1,083,784</b>	<b>\$594,182</b>	<b>(45.18%)</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	3,199	3,199	3,201	3,203	0.13%
TOTAL APNs	3,277	3,277	3,270	3,270	(0.21%)

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

The requested rate per ESD for FY 16-17 annual service charges is \$1,416, representing a 4.5% increase from FY 15-16. Annual sewer service charge revenue, adjusted for the anticipated number of ESDs and an estimated delinquency factor, is projected to increase from the FY 15-16 budget. This revenue change is primarily due to the rate increase.

The Russian River County Sanitation District (Russian River CSD) treatment plant was completed in September 1980 and began operating in 1982. The Russian River CSD treatment plant was recently upgraded to increase the capacity to treat wastewater flows during flood conditions in the Russian River CSD service area.

The requested rates should provide the funds necessary to operate and maintain the Russian River CSD's collection system, treatment plant, and reclamation system. In addition to the funds needed for the ongoing operation of wastewater treatment and disposal facilities, funds are necessary for the replacement of aging infrastructure. In 2014, the main pipeline that feeds wastewater to the treatment plant ruptured. This event along with a natural hazard assessment completed for the district in 2014 identified the need to upgrade significant portions of the collection system that are located in unstable soils and that could fail during a large earthquake. Addressing this collection system vulnerability will take on the order of 20 years to complete. Rate increases over the rate of inflation will be needed for several years to generate funding for these projects.

**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:** RUSSIAN RIVER CSD - OPERATIONS  
**Fund/Department ID:** 43201-33070100

Sub-Object 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	\$4,041,450	\$4,228,714	\$187,264	4.63%
40202 (1061) Direct Charges-PY	109,000	110,000	1,000	0.92%
40999 (1120) Penalties/Costs on Taxes	22,000	23,000	1,000	4.55%
<b>Subtotal Taxes</b>	<b>\$4,172,450</b>	<b>\$4,361,714</b>	<b>\$189,264</b>	<b>4.54%</b>
<b><u>USE OF MONEY</u></b>				
44002 (1700) Interest on Pooled Cash	\$6,500	\$420	(\$6,080)	(93.54%)
<b>Subtotal Use of Money</b>	<b>\$6,500</b>	<b>\$420</b>	<b>(\$6,080)</b>	<b>(93.54%)</b>
<b><u>CHARGES FOR SERVICES</u></b>				
45221 (3400) Sewer/Water Usage Fee	\$35,230	\$36,816	\$1,586	4.50%
<b>Subtotal Charges for Services</b>	<b>\$35,230</b>	<b>\$36,816</b>	<b>\$1,586</b>	<b>4.50%</b>
<b><u>OTHER FINANCING Sources</u></b>				
47101 (4625) Transfers In-within a Fund	\$0	\$370,000	\$370,000	N/A
<b>Subtotal Other Financing Sources</b>	<b>\$0</b>	<b>\$370,000</b>	<b>\$370,000</b>	<b>N/A</b>
<b><u>ADMINISTRATIVE CONTROL</u></b>				
49002 (4210) Advances	\$0	\$0	\$0	N/A
49003 (4219) Advances Clearing	0	0	0	N/A
<b>Subtotal Administrative Control</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>N/A</b>
<b>TOTAL REVENUES</b>	<b>\$4,214,180</b>	<b>\$4,768,950</b>	<b>\$554,770</b>	<b>13.16%</b>

### EXPENDITURES:

#### **SERVICES AND SUPPLIES**

51032 (6085) Janitorial Services	3,000	3,000	0	0.00%
51061 (6140) Maintenance - Equipment	200,000	100,000	(100,000)	(50.00%)
51201 (6522&73) Administration Services	35,000	37,000	2,000	5.71%
51206 (6630) Accounting/Auditing Servi	10,000	10,000	0	0.00%
51209 (6516) Info Tech Svs (Non ISD)	1,000	0	(1,000)	(100.00%)
51211 (6610) Legal Services	8,000	10,000	2,000	25.00%
51226 (6570) Consulting Services	114,500	0	(114,500)	(100.00%)
51231 (6512) Testing/Analysis	300,000	300,000	0	0.00%
51241 (6430) Outside Printing & Binding	5,000	5,000	0	0.00%
51244 (6589) Permits/License/Fees	15,000	15,000	0	0.00%
51401 (6820) Rents& Leases-Equipment	7,000	7,000	0	0.00%

Sub-Object No. and Title	Adopted 2015-16	Requested 2016-17	Difference	Percent Change
51803 (6540) Other Contract Services	160,000	285,000	125,000	78.13%
51902 (6040) Telecommunication Usage	10,000	10,000	0	0.00%
51921 (7206) Equipment Usage Charges	165,000	170,000	5,000	3.03%
51916 (6521) County Services	14,000	15,000	1,000	7.14%
51917 (6523) District Operations Chgs	2,200,000	2,500,000	300,000	13.64%
51919 (6697) EFS Costs	67,454	79,548	12,094	17.93%
52061 (7201) Fuel/Gas/Oil	1,000	8,000	7,000	700.00%
52072 (7212) Chemicals	5,000	5,000	0	0.00%
52081 (6262) Medical/Laboratory Supplies	8,000	13,000	5,000	62.50%
52111 (6461) Office Supplies	13,500	5,000	(8,500)	(62.96%)
52117 (6410) Mail and Postage Supplies	3,000	2,000	(1,000)	(33.33%)
52141 (6880) Minor Equipment/Small Tools	16,000	5,000	(11,000)	(68.75%)
52142 (6890) Computer Equip/Accessories	2,000	2,000	0	0.00%
52143 (6889) Software/Licensing Fees	3,000	3,000	0	0.00%
52162 (7022) Special Departmental Expense	1,000	0	(1,000)	(100.00%)
52171 (7247) Water Conservation Prog	2,000	2,000	0	0.00%
52191 (7320) Utilities	2,000	2,000	0	0.00%
52193 (7394) Utilities-Power	200,000	160,000	(40,000)	(20.00%)
<b>Subtotal Services and Supplies</b>	<b>\$3,571,454</b>	<b>\$3,753,548</b>	<b>\$182,094</b>	<b>5.10%</b>
<b><u>OTHER CHARGES</u></b>				
53103 (7930) Interest on LT Debt	\$97,269	\$90,419	(\$6,850)	(7.04%)
53402 (7980) Depreciation Expense	1,466,274	1,476,201	9,927	0.68%
<b>Subtotal Other Charges</b>	<b>\$1,563,543</b>	<b>\$1,566,620</b>	<b>\$3,077</b>	<b>0.20%</b>
<b><u>FIXED ASSETS</u></b>				
19820 (8560) Machinery & Equipment	\$40,000	\$40,000	\$0	0.00%
19841 (9482) Work in Progress - Intang	0	10,000	\$10,000	N/A
19851 (9480) Intangible Assets - Non-amort	5,000	5,000	0	0.00%
<b>Subtotal Fixed Assets</b>	<b>\$45,000</b>	<b>\$55,000</b>	<b>\$10,000</b>	<b>22.22%</b>
<b><u>APPROPRIATIONS FOR CONT</u></b>				
55011 (9000) Appropriations for Contingency	\$25,000	\$25,000	\$0	0.00%
<b>Subtotal Approp for Contingencies</b>	<b>\$25,000</b>	<b>\$25,000</b>	<b>\$0</b>	<b>0.00%</b>
<b><u>OTHER FINANCING USES</u></b>				
57011 (8625) Transfers out-within a Fund	\$281,001	\$221,251	(\$59,750)	(21.26%)
<b>Subtotal Other Financing Uses</b>	<b>\$281,001</b>	<b>\$221,251</b>	<b>(\$59,750)</b>	<b>(21.26%)</b>
<b><u>ADMINISTRATIVE CONTROL ACCOUNT</u></b>				
59002 (9210) Advances	\$277,652	\$277,652	\$0	0.00%
59003 (9219) Advances Clearing	(277,652)	(277,652)	0	0.00%
<b>Subtotal Administrative Control</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>N/A</b>
<b>TOTAL EXPENDITURES</b>	<b>\$5,485,998</b>	<b>\$5,621,419</b>	<b>\$135,421</b>	<b>2.47%</b>
<b>TOTAL NET COST</b> (Expenditures Minus Revenues)	<b>\$1,271,818</b>	<b>\$852,469</b>	<b>(\$419,349)</b>	<b>(32.97%)</b>

**FY 2016-17 BUDGET  
CHARACTER JUSTIFICATION**

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

**Section Title:** Russian River CSD - Operations

**Character Title:** Taxes

**Character No.:** 43201-33070100-40

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

Flat charge revenue from annual service charges is expected to increase from the adopted FY15-16 budget. The rate will increase 4.5%, from \$1,355 to \$1,416.

ESDs times annual rate:	3,177 x \$1,416	\$4,498,632
Less Estimated Delinquency Factor:	6%	(269,918)
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		\$4,228,714

(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.:** 43201-33070100-44

**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	\$70,000
Projected Interest Rate	0.60%
Projected/Planned Interest on Pooled Cash	<hr/>
	\$6,500

**Character Title:** Charges for Services

**Character No.:** 43201-33070100-45

**45221 (3400) Sanitation Services**

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, in the following year based on projected FY 16-17 ESDs, the District will experience an increase in revenue from invoiced entities. The budgeted revenue reflects an increase in the annual sewer service charge from \$1,355 to \$1,416.

ESDs x Annual Charge	26 x \$1,416	=	\$36,816
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**Character Title:** Other Financing Sources

**Character No.:** 43201-33070100-49

**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 not be recovered.

**Character Title:** Administrative Control Account

**Character No.:** 43201-33070100-49

**49002 (4210) Advances**

No advances are anticipated for FY 16-17.

**49003 (4219) Advances - Clearing**

This is the clearing account for account 49002.

**51032 (6085) Janitorial Services**

This item is requested to provide funds for custodial services.

**51061 (6140) Maintenance - Equipment**

This account records the costs for 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.

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

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

**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/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) Permit/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.

**51803 (6540) Other Contract Services**

This account reflects the costs for various outside services, primarily sludge hauling and disposal.

**51902 (6040) Telecommunications Usage**

This account records expenses paid by the District for outside communication and wireless services.

**51921 (7206) Equipment Usage Charges**

This item is requested to provide funds for equipment usage.

**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 District's facilities.

**51919 (6697) EFS Costs**

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

**52061 (7201) Fuel/Gas/Oil**

This item include the costs of gas, diesel and oil.

**52072 (7212) Chemicals**

This account records the cost of chemicals required for operation of the treatment plant in accordance with the Russian River CSD NPDES permit as required by the Regional Water Quality Control Board.

**52081 (6262) Medical/Laboratory 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.

**52117 (6410) Mail and Postage Supplies**

This item is requested to cover the costs of the Agency's postage.

**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.

**52142 (6890) Computer Equipment/Accessories**

This item covers the cost of computer hardware, as needed.

**52143 (6889) Software/Licensing Fees**

This item provides funds for various software packages.

**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 utilities such as water.

**52193 (7394) Utilities-Power**

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

**Character Title:** Other Charges **Character No.:** 43201-33070100-53

**53103 (7930) Interest on LT Debt**

This account reflects the interest expense for the State Revolving Loans for the Disinfection Upgrade and Third Unit Process Project.

**53402 (7980) Depreciation Expense**

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

**Character Title:** Fixed Assets **Character No.:** 43201-33070100-19

**19820 (8560) Equipment**

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

**19841 (9482) Work in Progress - Intang**

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

**19851 (9480) Intangible Assets - Non-amort**

This account records sewer easement dedications.

**Character Title:** Appropriations for Contingencies **Character No.:** 43201-33070100-55

**55011 (9000) Appropriations for Contingency**

This account provides funding for unanticipated expenditures or revenue shortfalls.

**Character Title:** Other Financing Uses **Character No.:** 43201-33070100-57

**57011 (8625) Transfers out-within a Fund**

This account reflects the transfer of cash from the Operations Fund to the Revenue Bond Fund to cover principal and interest payments, as well as to the Construction Fund to finance the Capital Replacement Program and Wastewater Capital Reserve fund required by the State Revolving Fund loan received February 2004. 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 Revenue Bond Fund	\$121,251
Transfer to Construction Fund	100,000
<b>Total Operating Transfer</b>	<u>\$221,251</u>

**Character Title:** Administrative Control Account **Character No.:** 43201-33070100-59

**59002 (9210) Advances**

This account reflects the principal payment for the State Revolving Loan for the Third Unit Processes Project. Payments on the loan will continue until FY 26-27.

The following reflects the principal payment history to date:

Original Amount of the Loan:	\$3,800,969
Total FY 05-06 through FY 14-15 Principal Payment:	(1,665,867)
FY 15-16 Principal Payment:	<u>(195,342)</u>
Outstanding Loan Amount	\$1,939,760

This account reflects the principal payment for the anticipated State Revolving Loan for the Disinfection Basin Project original Loan is for \$3,884,450 with a forgiveness of \$1,942,225. Payments will continue until FY 34-35.

The following reflects the principal payment history to date:

Original Amount of the Loan:	\$1,942,225
Total FY 12-13 through FY 14-15 Principal Payment	(178,065)
FY 15-16 Principal Payment:	<u>(82,310)</u>
Outstanding Loan Amount	\$1,764,160

**59003 (9219) Advances - Clearing**

This is the clearing account for account 59002, Advances.



**FY 2016-17 BUDGET**  
**STATEMENT OF SPECIAL FUND ACTIVITY**

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

**Fund:** Russian River CSD - Operations

**Fund/Department ID:** 43201-33070100

DESCRIPTION OF FUND ACTIVITY	Actual FY 14-15	Estimated FY 15-16	Requested FY 16-17
<b>Undesignated/Unreserved <u>BEGINNING</u> Retained Earnings</b>			
<b>Available for Budgeting</b> (See Detailed Components Below)	<b>\$472,615</b>	<b>\$73,068</b>	<b>(\$170,806)</b>
<b>Annual Revenues and Expenditures:</b>			
Revenues - Increase retained earnings	4,341,391	4,214,401	\$4,768,950
Expenditures - (Decrease) retained earnings	(5,514,914)	(5,519,474)	(\$5,621,419)
<b>Net Surplus or Deficit</b> - Inc/(Dec) to retained earnings	(1,173,523)	(1,305,073)	(852,469)
<b>Adjustments to Reserves/Encumbrances:</b>			
53402 (7980) Depreciation	1,347,307	1,332,000	1,466,274
59002 (9210) Advances	(264,119)	(270,801)	(270,801)
Unrealized Gain/loss	5,370	-	-
Change in Matured Principal	(6,682)	-	-
Post Audit Adj (Contingent Liability)	(300,000)	-	-
Cont Capital Adj Reduction of LT Liability	13,020	-	-
Net Change in Encumbrance	(20,921)	-	-
<b>Net Adjustment</b> - Increase/(Decrease) to Retained Earnings	773,975	1,061,199	1,195,473
<b>Undesignated/Unreserved <u>ENDING</u> Retained Earnings</b>			
<b>Available for Budgeting</b>	<b>\$73,068</b>	<b>(\$170,806)</b>	<b>\$172,198</b>
<b>Total Increase/(Decrease) in Retained Earnings for Fiscal Year</b> (Difference between Beginning and Ending Balance)	<b>(\$399,547)</b>	<b>(\$243,874)</b>	<b>\$343,004</b>
<b><u>Retained Earnings Components at Beginning of FY</u></b>	<b>7/1/14</b>	<b>7/1/15</b>	
Cash	\$1,034,806	\$1,096,460	
Other Receivables (Flat Charges)	535,495	281,928	
Accounts Payable	(73,124)	(28,443)	
Due to Other Governments	(336,200)	(270,801)	
Due to State	-	(300,000)	
Contract Retention Payable	(121)	(50)	
Interest Payable	(43,415)	(40,280)	
Encumbrances (Contract)	(644,826)	(665,747)	
<b>Total Beginning Retained Earnings</b>	<b>\$472,615</b>	<b>\$73,068</b>	

# FY 2016-17 BUDGET

## SUMMARY OF REVENUES AND EXPENDITURES

**Fund:** RUSSIAN RIVER CSD - REVENUE BONDS  
**Fund/Department ID:** 43203-33070400

Sub-Object 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	\$2,275	\$1,638	(\$637)	(28.00%)
<b>Subtotal Use of Money</b>	<b>\$2,275</b>	<b>\$1,638</b>	<b>(\$637)</b>	<b>(28.00%)</b>

#### OTHER FINANCING SOURCES

47101 (4625) Transfers In -within a Fund	\$121,001	\$121,251	\$250	0.21%
<b>Subtotal Other Financing Sources</b>	<b>\$121,001</b>	<b>\$121,251</b>	<b>\$250</b>	<b>0.21%</b>

<b>TOTAL REVENUES</b>	<b>\$123,276</b>	<b>\$122,889</b>	<b>(\$387)</b>	<b>(0.31%)</b>
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### EXPENDITURES:

#### OTHER CHARGES

53103 (7920&7972) Interest on LT Debt	\$26,001	\$21,251	(\$4,750)	(18.27%)
<b>Subtotal Other Charges</b>	<b>\$26,001</b>	<b>\$21,251</b>	<b>(\$4,750)</b>	<b>(18.27%)</b>

#### ADMINISTRATIVE CONTROL ACCOUNT

59004 (9200) Admin Control Acct	\$95,000	\$100,000	\$5,000	5.26%
59005 (9209) Admin Control Acct-Clearing	(95,000)	(100,000)	(5,000)	5.26%
<b>Subtotal Administrative Control</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>N/A</b>

<b>TOTAL EXPENDITURES</b>	<b>\$26,001</b>	<b>\$21,251</b>	<b>(\$4,750)</b>	<b>(18.27%)</b>
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<b>TOTAL NET COST</b>	<b>(\$97,275)</b>	<b>(\$101,638)</b>	<b>(\$4,363)</b>	<b>4.49%</b>
<i>(Expenditures Minus Revenues)</i>				

# FY 2016-17 BUDGET

## CHARACTER JUSTIFICATION

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

**Section Title:** Russian River CSD - Revenue Bonds

**Character Title:** Use of Money **Character No.:** 43203-33070400-44

### **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	\$273,000
Projected Interest Rate	<u>0.60%</u>
Projected/Planned Interest on Pooled Cash	\$1,638

**Character Title:** Other Financing Sources **Character No.:** 43203-33070400-47

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

The revenues supporting the revenue bond are collected in the Operations Fund. This account reflects the transfer of cash from Operations Fund to the Revenue Bond Fund to cover the annual principal and interest payment.

**Character Title:** Other Charges **Character No.:** 43203-33070400-53

### **53103 (7920) Interest on LT Debt**

This account reflects the interest expense on the outstanding revenue bonds. The interest rate is 5.0%. Payments began April 1, 1982 and will continue semi-annually until April 1, 2020. The FY 16-17 request is based on the bond amortization schedule prepared at the time the bonds were sold.

**Character Title:** Administrative Control Account **Character No.:** 43203-33070400

### **59004 (9200) Admin Control Acct**

This account reflects the principal payment for the revenue bonds that were issued in 1981. Payments on the bonds will continue until April 1, 2020. The FY 16-17 request is based on the bond amortization schedule prepared at the time the bonds were sold. Payments on the bond will continue until FY 19-20.

The following reflects the bond principal payment history to date:

Original Amount of the Revenue Bond Issue:	\$2,000,000
Total FY 82-83 through FY 14-15 Principal Payments:	(1,480,000)
FY 15-16 Principal Payment:	<u>(95,000)</u>
Outstanding Bond Amount	\$425,000

### **59005 (9209) Admin Control Acct - Clearing**

This is the clearing account for account 59004, Admin Control Acct.

**FY 2016-17 BUDGET**  
**STATEMENT OF SPECIAL FUND ACTIVITY**

**Department:** Sonoma County Water Agency - Sanitation  
**Fund:** Russian River CSD - Revenue Bonds  
**Fund/Department ID:** 43203-33070400

DESCRIPTION OF FUND ACTIVITY	Actual FY 14-15	Estimated FY 15-16	Requested FY 16-17
<b>Undesignated/Unreserved <u>BEGINNING</u> Retained Earnings</b>			
<b>Available for Budgeting</b> (See Detailed Components Below)	<b>\$278,388</b>	<b>\$277,495</b>	<b>\$273,799</b>
<b>Annual Revenues and Expenditures:</b>			
Revenues - Increase retained earnings	121,421	122,305	122,889
Expenditures - (Decrease) retained earnings	(29,375)	(26,001)	(21,251)
<b>Net Surplus or Deficit</b> - Inc/(Dec) to retained earnings	92,046	96,304	101,638
<b>Adjustments to Reserves/Encumbrances:</b>			
Matured Bond Payable	(5,000)	(5,000)	-
Unrealized Gain/loss	2,061	-	-
59004 (9200) Admin Control Acct	(90,000)	(95,000)	(100,000)
<b>Net Adjustment</b> - Increase/(Decrease) to Retained Earnings	(92,939)	(100,000)	(100,000)
<b>Undesignated/Unreserved <u>ENDING</u> Retained Earnings</b>			
<b>Available for Budgeting</b>	<b>\$277,495</b>	<b>\$273,799</b>	<b>\$275,437</b>
<b>Total Increase/(Decrease) in Retained Earnings for Fiscal Year</b> (Difference between Beginning and Ending Balance)	<b>(\$893)</b>	<b>(\$3,696)</b>	<b>\$1,638</b>
<b><u>Retained Earnings Components at Beginning of FY</u></b>	<b>7/1/14</b>	<b>7/1/15</b>	
Cash	\$376,013	\$378,995	
Interest Payable	(7,625)	(6,500)	
Revenue Bonds Payable	(90,000)	(95,000)	
<b>Total Beginning Retained Earnings</b>	<b>\$278,388</b>	<b>\$277,495</b>	

# FY 2016-17 BUDGET

## SUMMARY OF REVENUES AND EXPENDITURES

Fund: RUSSIAN RIVER CSD - BONDS  
Fund/Department ID: 43204-33070300

Sub-Object No. and Title	Adopted 2015-16	Requested 2016-17	Difference	Percent Change
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### REVENUES:

#### TAXES

40002 (1000) Prop Tax - CY, Secured	\$175,000	\$175,000	\$0	0.00%
40111 (1020) Supplemental Prop Taxes - CY	1,500	1,500	0	0.00%
40101 (1040) Prop Taxes - CY, Unsecured	500	500	0	0.00%
<b>Subtotal Taxes</b>	<b>\$177,000</b>	<b>\$177,000</b>	<b>\$0</b>	<b>0.00%</b>

#### USE OF MONEY

44002 (1700) Interest on Pooled Cash	\$1,625	\$1,620	(\$5)	(0.31%)
<b>Subtotal Use of Money</b>	<b>\$1,625</b>	<b>\$1,620</b>	<b>(\$5)</b>	<b>(0.31%)</b>

<b>TOTAL REVENUES</b>	<b>\$178,625</b>	<b>\$178,620</b>	<b>(\$5)</b>	<b>(0.00%)</b>
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### EXPENDITURES:

#### SERVICES AND SUPPLIES

51242 (6635) Bank Charges	\$52	\$52	\$0	0.00%
<b>Subtotal Services and Supplies</b>	<b>\$52</b>	<b>\$52</b>	<b>\$0</b>	<b>0.00%</b>

#### OTHER CHARGES

53103 (7920&7972) Interest on LT Debt	\$23,501	\$16,001	(\$7,500)	(31.91%)
<b>Subtotal Other Charges</b>	<b>\$23,501</b>	<b>\$16,001</b>	<b>(\$7,500)</b>	<b>(31.91%)</b>

#### ADMINISTRATIVE CONTROL ACCOUNT

59004 (9200) Admin Control Acct	\$150,000	\$155,000	\$5,000	3.33%
59005 (9209) Admin Control Acct-Clearing	(150,000)	(155,000)	(5,000)	3.33%
<b>Subtotal Administrative Control</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>N/A</b>

<b>TOTAL EXPENDITURES</b>	<b>\$23,553</b>	<b>\$16,053</b>	<b>(\$7,500)</b>	<b>(31.84%)</b>
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<b>TOTAL NET COST</b>	<b>(\$155,072)</b>	<b>(\$162,567)</b>	<b>(\$7,495)</b>	<b>4.83%</b>
<i>(Expenditures Minus Revenues)</i>				

## FY 2016-17 BUDGET

### CHARACTER JUSTIFICATION

Department - Division: Sonoma County Water Agency - Sanitation

Section Title: Russian River CSD - Bonds

Character Title: Taxes

Character No.: 43204-33070300-40

#### **40002 (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.

#### **40111 (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.

#### **40101 (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 16-17 bond payment amount (principal and interest) is \$171,053. 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 in 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.: 43204-33070300-44

#### **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	\$270,000
Projected Interest Rate	<u>0.60%</u>
Projected/Planned Interest on Pooled Cash	\$1,620

Character Title: Services and Supplies

Character No.: 43204-33070300-51

#### **51242 (6635) Bank Charges**

This account records the fee collected by the County Treasurer for acting as the fiscal agent.

**Character Title:** Other Charges

**Character No.:** 43204-33070300531

**53103 (7920) Interest on LT Debt**

This account reflects the interest expense on the outstanding general obligation bonds. The interest rate is 5.0%. Payments began July 1, 1980 and will continue semi-annually until July 1, 2018. The FY 16-17 request is based on the bond amortization schedule prepared at the time the bonds were sold.

**Character Title:** Administrative Control Account

**Character No.:** 43204-33070300-59

**59004 (9200) Admin Control Acct**

This account reflects the principal expense for general obligation bonds that were issued in 1979 to finance the local share of a wastewater collection system. Payments on the bonds will continue until July 1, 2018. The FY 16-17 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:	\$2,900,000
Total FY 80-81 through FY 14-15 Principal Payments:	(2,430,000)
FY 15-16 Principal Payment:	<u>(150,000)</u>
Outstanding Bond Amount	\$320,000

**59005 (9209) Admin Control Acct - Clearing**

This is the clearing account for account 59004, Admin Control Acct.

**FY 2016-17 BUDGET**  
**STATEMENT OF SPECIAL FUND ACTIVITY**

Department: Sonoma County Water Agency - Sanitation  
Fund: Russian River CSD - Bonds  
Fund/Department ID: 43204-33070300

DESCRIPTION OF FUND ACTIVITY	Actual FY 14-15	Estimated FY 15-16	Requested FY 16-17
<b>Undesignated/Unreserved <u>BEGINNING</u> Retained Earnings</b>			
<b>Available for Budgeting</b> (See Detailed Components Below)	<b>\$269,495</b>	<b>\$279,986</b>	<b>\$284,587</b>
<b>Annual Revenues and Expenditures:</b>			
Revenues - Increase retained earnings	179,528	178,154	178,620
Expenditures - (Decrease) retained earnings	(30,500)	(23,553)	(\$16,053)
<b>Net Surplus or Deficit</b> - Inc/(Dec) to retained earnings	149,028	154,601	162,567
<b>Adjustments to Reserves/Encumbrances:</b>			
59004 (9200) Admin Control Acct	(140,000)	(150,000)	(155,000)
Unrealized Gain/loss	1,464		
<b>Net Adjustment</b> - Increase/(Decrease) to Retained Earnings	(138,536)	(150,000)	(155,000)
<b>Undesignated/Unreserved <u>ENDING</u> Retained Earnings</b>			
<b>Available for Budgeting</b>	<b>\$279,986</b>	<b>\$284,587</b>	<b>\$292,154</b>
<b>Total Increase/(Decrease) in Retained Earnings for Fiscal Year</b> (Difference between Beginning and Ending Balance)	<b>\$10,491</b>	<b>\$4,601</b>	<b>\$7,567</b>
<b><u>Retained Earnings Components at Beginning of FY</u></b>	<b>7/1/14</b>	<b>7/1/15</b>	
Cash	\$269,495	\$279,986	
<b>Total Beginning Retained Earnings</b>	<b>\$269,495</b>	<b>\$279,986</b>	



# FY 2016-17 BUDGET

## SUMMARY OF REVENUES AND EXPENDITURES

**Fund:** RUSSIAN RIVER CSD - CONSTRUCTION  
**Fund/Department ID:** 43202-33070200

Sub-Object 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	\$6,500	(\$144)	(\$6,644)	(102.22%)
<b>Subtotal Use of Money</b>	<b>\$6,500</b>	<b>(\$144)</b>	<b>(\$6,644)</b>	<b>(102.22%)</b>

#### MISCELLANEOUS REVENUE

46029 (4102) Donations/Contributions	\$0	\$535,000	\$535,000	N/A
<b>Subtotal Miscellaneous Revenue</b>	<b>\$0</b>	<b>\$535,000</b>	<b>\$535,000</b>	<b>N/A</b>

#### ADMINISTRATIVE CONTROL

49004 (4200) Admin Control Acct	\$0	\$0	\$0	N/A
49005 (4209) Admin Control Acct - Clearing	0	\$0	0	N/A
<b>Subtotal Administrative Control</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>N/A</b>

#### OTHER FINANCING SOURCES

47101 (4625) Transfers in-within a Fund	\$160,000	\$100,000	(\$60,000)	(37.50%)
<b>Subtotal Other Financing Sources</b>	<b>\$160,000</b>	<b>\$100,000</b>	<b>(\$60,000)</b>	<b>(37.50%)</b>

<b>TOTAL REVENUES</b>	<b>\$166,500</b>	<b>\$634,856</b>	<b>\$468,356</b>	<b>281.29%</b>
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### EXPENDITURES:

#### OTHER CHARGES

53103 (7930) Interest on LT Debt	\$0	\$0	\$0	N/A
<b>Subtotal Other Charges</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>N/A</b>

#### FIXED ASSETS

19832 (9400) CIP - Infrastructure	\$230,000	\$640,000	\$410,000	178.26%
<b>Subtotal Fixed Assets</b>	<b>\$230,000</b>	<b>\$640,000</b>	<b>\$410,000</b>	<b>178.26%</b>

#### ADMINISTRATIVE CONTROL ACCOUNT

59002 (9210) Advances	\$0	\$0	\$0	N/A
59003 (9219) Advances - Clearing	0	0	0	N/A
<b>Subtotal Administrative Control</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>N/A</b>

<b>TOTAL EXPENDITURES</b>	<b>\$230,000</b>	<b>\$640,000</b>	<b>\$410,000</b>	<b>178.26%</b>
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<b>TOTAL NET COST</b> (Expenditures Minus Revenues)	<b>\$63,500</b>	<b>\$5,144</b>	<b>(\$58,356)</b>	<b>(91.90%)</b>
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# FY 2016-17 BUDGET

## CHARACTER JUSTIFICATION

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

**Section Title:** Russian River CSD - Construction

**Character Title:** Use of Money

**Character No.:** 43202-33070200-44

### ***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	(\$24,000)
Projected Interest Rate	<u>0.60%</u>
Projected/Planned Interest on Pooled Cash	(\$144)

**Character Title:** Miscellaneous Revenue

**Character No.:** 43202-33070200-46

### ***46029(4102) Donations/Contributions***

This accounts record the contribution from Occidental Sani District for the building of the Seepage station.

**Character Title:** Administrative Control Account

**Character No.:** 43202-33070200-49

### ***49004 (4200) Admin Control Acct***

No funds will be budgeted for FY 16-17.

### ***49005 (4209) Admin Control Acct - Clearing***

No funds will be budgeted for FY 16-17.

**Character Title:** Other Financing Sources

**Character No.:** 43202-33070200-47

### ***47101 (4625) Transfers 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 (\$420,000). This transfer also includes the annual contribution to the Wastewater Capital Reserve Fund required by the State Revolving Fund loan received in February 2004. The amount added to the Capital Reserve Fund each year is \$20,500 (.5% of the final loan amount of approximately \$4,100,000). 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>
04-05	\$20,500	\$20,500
05-06	20,500	41,000
06-07	20,500	61,500
07-08	20,500	82,000
08-09	20,500	102,500
09-10	20,500	123,000
10-11	20,500	143,500
11-12	20,500	164,000
12-13	20,500	184,500
13-14	20,500	205,000

**47101 (4625) Transfers In - within a Fund (Continued)**

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 RRCSD Construction Fund shall not fall below the required balance for the Wastewater Capital Reserve Fund in any given year during the 20 year term of the loan.

**19832 (9400) CIP-Infrastructure**

This account is used for expenses associated with facility improvements or expansion.

The following projects are planned for FY 16-17:

	Order No.	Amount
<u>Irrigation Expansion</u>	7027	\$5,000
This project will expand the irrigation system to enhance system reliability and permit compliance. This requested amount is intended to fund planning design efforts.		
		100,000
<u>ACL Compliance</u>	TBD	
Compliance projects allowed in lieu of regulatory fines associated with treatment plant violations and sewer overflows for the period of June 1, 2009 through November 30, 2014.		
<u>Septage Receiving Station</u>	TBD	<u>535,000</u>
Funding will be used to design and construct a receiving station for the hauled septage to be treated from the Occidental treatment plant. This cost will be reimbursed by the Occidental Sanitation District.		
<b>Total</b>		<u><u>\$640,000</u></u>

**FY 2016-17 BUDGET**  
**STATEMENT OF SPECIAL FUND ACTIVITY**

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

**Fund: Russian River CSD - Construction**

**Fund/Department ID: 43202-33070200**

DESCRIPTION OF FUND ACTIVITY	Actual FY 14-15	Estimated FY 15-16	Requested FY 16-17
<b>Undesignated/Unreserved <u>BEGINNING</u> Retained Earnings</b>			
<b>Available for Budgeting</b> (See Detailed Components Below)	<b>\$35,298</b>	<b>(\$24,934)</b>	<b>\$11,480</b>
<b>Annual Revenues and Expenditures:</b>			
Revenues - Increase retained earnings	106,332	166,414	634,856
Expenditures - (Decrease) retained earnings	(743,443)	(130,000)	(640,000)
<b>Net Surplus or Deficit</b> - Inc/(Dec) to retained earnings	(637,111)	36,414	(5,144)
<b>Adjustments to Reserves/Encumbrances:</b>			
Capitalized Interest	(118,677)	-	-
Restricted for Wastewater Capital Reserve	(6,259)	-	-
Unrealized Gain/loss	8,413		
Change in Encumbrances	691,895	-	-
Loss on Disposal of Asset	2,188		
Adjustment Ordinance 39 Receivable	(682)	-	-
<b>Net Adjustment</b> - Increase/(Decrease) to Retained Earnings	576,878	-	-
<b>Undesignated/Unreserved <u>ENDING</u> Retained Earnings</b>			
<b>Available for Budgeting</b>	<b>(\$24,934)</b>	<b>\$11,480</b>	<b>\$6,336</b>
<b>Total Increase/(Decrease) in Retained Earnings for Fiscal Year</b> (Difference between Beginning and Ending Balance)	<b>(\$60,232)</b>	<b>\$36,414</b>	<b>(\$5,144)</b>

<b><u>Retained Earnings Components at Beginning of FY</u></b>	<b>7/1/14</b>	<b>7/1/15</b>
Cash	\$1,102,771	\$194,115
Other Receivables	2,218	887
Accounts Payable	(74,004)	-
Wastewater Capital Reserve Fund	(213,676)	(219,935)
Due to Other Government	(90,116)	-
Encumbrances (Contract)	(691,895)	-
<b>Total Beginning Retained Earnings</b>	<b>\$35,298</b>	<b>(\$24,934)</b>

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

Fund: RUSSIAN RIVER CSD - STATE LOAN RESERVE  
Fund/Department ID: 43206-33070500

Sub-Object No. and Title	Adopted 2015-16	Requested 2016-17	Difference	Percent Change
<b>REVENUES:</b>				
<b><u>USE OF MONEY</u></b>				
44002 (1700) Interest on Pooled Cash	\$813	\$774	(\$39)	(4.80%)
<b><i>Subtotal Use of Money</i></b>	<b>\$813</b>	<b>\$774</b>	<b>(\$39)</b>	<b>(4.80%)</b>
<b><u>OTHER FINANCING SOURCES</u></b>				
47101 (4625) Transfers In-within a Fund	\$0	\$0	\$0	N/A
<b><i>Subtotal Other Financing Sources</i></b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>N/A</b>
<b>TOTAL REVENUES</b>	<b>\$813</b>	<b>\$774</b>	<b>(\$39)</b>	<b>(4.80%)</b>

**FY 2016-17 BUDGET**  
**CHARACTER JUSTIFICATION**

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

**Section Title:** Russian River CSD - State Loan Reserve

**Character Title:** Use of Money

**Character No.:** 43206-33070500-44

**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	\$129,000
Projected Interest Rate	0.60%
Projected/Planned Interest on Pooled Cash	<u>\$774</u>

**Character Title:** Other Financing Sources

**Character No.:** 43206-33070500-47

**47101 (4625) Transfers In-within a 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 (\$127,000). This requirement has been met and no further transfers are necessary.

# FY 2016-17 BUDGET

## STATEMENT OF SPECIAL FUND ACTIVITY

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

**Fund:** Russian River CSD - State Loan Reserve

**Fund/Department ID:** 43206-33070500

DESCRIPTION OF FUND ACTIVITY	Actual FY 14-15	Estimated FY 15-16	Requested FY 16-17
<b>Undesignated/Unreserved <u>BEGINNING</u> Retained Earnings</b>			
<b>Available for Budgeting</b> (See Detailed Components Below)	<b>\$0</b>	<b>\$0</b>	<b>\$468</b>
<b>Annual Revenues and Expenditures:</b>			
Revenues - Increase retained earnings	56	468	774
Expenditures - (Decrease) retained earnings	-	-	-
<b>Net Surplus or Deficit</b> - Inc/(Dec) to retained earnings	56	468	774
<b>Adjustments to Reserves/Encumbrances:</b>			
Change in Reserve	(764)	-	-
Unrealized Gain/loss	708	-	-
<b>Net Adjustment</b> - Increase/(Decrease) to Retained Earnings	(56)	-	-
<b>Undesignated/Unreserved <u>ENDING</u> Retained Earnings</b>			
<b>Available for Budgeting</b>	<b>\$0</b>	<b>\$468</b>	<b>\$1,242</b>
<b>Total Increase/(Decrease) in Retained Earnings for Fiscal Year</b> (Difference between Beginning and Ending Balance)	<b>\$0</b>	<b>\$468</b>	<b>\$774</b>
<b><u>Fund Balance Components at Beginning of FY</u></b>	<b><u>7/1/14</u></b>	<b><u>7/1/15</u></b>	
Cash	\$128,953	\$129,717	
Reserve for Debt	(128,953)	(129,717)	
<b>Total Beginning Fund Balance</b>	<b>\$0</b>	<b>\$0</b>	