

FY 2018-19 BUDGET BUDGET SECTION SUMMARY

Section Title:

SANITATION ZONE - PENNGROVE

A. Program Description

This budget finances the maintenance, construction, debt service, and administration of a collection system and pumping station which serves the Penngrove area. Raw sewage is pumped to the City of Petaluma for treatment and disposal. These services are provided by Petaluma pursuant to an agreement between the two entities. The City of Petaluma (Petaluma) charges the Penngrove Sanitation Zone (Penngrove SZ) for treatment on the basis of Equivalent Single Family Dwellings (ESDs).

B. Financial Summary

Section	GROSS EXPENDITURES			NET COST/USE OF FUND BALANCE		
	FY 17-18 Adopted	FY 18-19 Requested	Percent Change	FY 17-18 Adopted	FY 18-19 Requested	Percent Change
Operations	\$831,800	\$1,315,600	58.16%	\$86,816	\$82,637	(4.81%)
Bonds	452	0	(100.00%)	(18,090)	(132)	(99.27%)
Construction	180,000	620,000	244.44%	173,220	172,397	(0.48%)
TOTAL:	\$1,012,252	\$1,935,600	91.22%	\$241,946	\$254,902	5.35%

C. Staffing Summary

No staffing is allocated to this index.

D. Workload Summary

Workload Indicator	FY 16-17 Actual	FY 17-18 Budget Estimate	FY 17-18 Revised Estimate	FY 18-19 Projected	Change from FY 17-18 Budget Estimate
Total ESDs	532	532	544	546	2.63%
Total APNs	365	365	371	373	2.19%

E. Summary of Issues and Significant Changes

Agency operations in the Penngrove SZ are limited to administrative services and operation/maintenance of the collection system and pumping station. Wastewater collected by the Penngrove SZ collection system flows through the City of Petaluma's (Petaluma) collection system to the Petaluma wastewater treatment plant. Wastewater generated by the Penngrove SZ and Petaluma is treated to meet tertiary standards at Petaluma's treatment plant.

The proposed FY 18-19 annual sewer service charges for Penngrove SZ is \$1,463 per equivalent single family dwelling, which represents a \$49 or 3.50% increase over FY 17-18.

Connection fees continue to be collected for the future expansion and/or replacement of the collection system and for part of Penngrove SZ's share of the cost to upgrade and expand Petaluma's wastewater treatment and reclamation facilities.

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 2018-19 BUDGET
SUMMARY OF REVENUES AND EXPENDITURES

Fund: SANITATION ZONE 1 - PENNGROVE - OPERATIONS

Fund/Department ID: 44505-33120100

Account No. and Title	Adopted 2017-18	Requested 2018-19	Difference	Percent Change
REVENUES:				
<u>TAXES</u>				
40003 (1001) Direct Charges-CY	\$721,960	\$767,051	\$45,091	6.25%
40202 (1061) Direct Charges - PY	3,900	4,000	100	2.56%
40999 (1120) Penalties/Costs on Taxes	900	900	0	0.00%
Subtotal Taxes	\$726,760	\$771,951	\$45,191	6.22%
<u>USE OF MONEY</u>				
44002 (1700) Interest on Pooled Cash	\$2,670	\$2,419	(\$251)	(9.39%)
Subtotal Use of Money	\$2,670	\$2,419	(\$251)	(9.39%)
<u>INTERGOVERNMENTAL REVENUE</u>				
42441 (2680) Federal FEMA Disaster Funding	\$0	\$442,500	\$442,500	N/A
Subtotal Intergovernmental Revenue	\$0	\$442,500	\$442,500	N/A
<u>CHARGES FOR SERVICES</u>				
45221 (3400) Sewer/Water Usage Fee	\$15,554	\$16,093	\$539	3.47%
Subtotal Charges for Services	\$15,554	\$16,093	\$539	3.47%
<u>MISCELLANEOUS REVENUE</u>				
46022 (4303) Capital Grants State	\$0	\$0	\$0	N/A
Subtotal Miscellaneous Revenue	\$0	\$0	\$0	N/A
<u>OTHER FINANCING SOURCES</u>				
47101 (4625) Trans in - Within a Fund	\$0	\$0	\$0	N/A
Subtotal Other Financing Sources	\$0	\$0	\$0	N/A
TOTAL REVENUES	\$744,984	\$1,232,963	\$487,979	65.50%

EXPENDITURES:

SERVICES AND SUPPLIES

51061 (6140) Maintenance - Equipment	\$10,000	\$14,000	\$4,000	40.00%
51076 Maint FACOPS	70,000	25,000	(45,000)	(64.29%)
51201 (6522&73) Administration Services	6,300	6,300	0	0.00%
51211 (6610) Legal Services	1,000	1,000	0	0.00%
51241 (6430) Outside Printing & Binding	500	1,100	600	120.00%

FY 2018-19 BUDGET
SUMMARY OF REVENUES AND EXPENDITURES

Sub-Object No. and Title	Adopted 2017-18	Requested 2018-19	Difference	Percent Change
<u>SERVICES AND SUPPLIES (cont'd)</u>				
51244 (6589) Permits/License/Fees	2,100	2,100	0	0.00%
51401 (6820) Rents& Leases-Equipment	500	500	0	0.00%
51803 (6540) Other Contract Services	24,800	30,500	5,700	22.98%
51902 (6040) Telecommunication Usage	300	300	0	0.00%
51917 (6523) District Operations Chgs	140,000	155,000	15,000	10.71%
51921 (7206) Equipment Usage Charges	10,000	15,000	5,000	50.00%
52143 (6889) Computer Software/Licensing Fees	1,000	1,000	0	0.00%
52162 (7022) Special Departmental Expense	480,000	540,000	60,000	12.50%
52171 (7247) Water Conservation Prog	1,000	1,000	0	0.00%
52191 (7320) Utilities	0	0	0	N/A
52193 (7394) Utilities-Power	6,000	12,000	6,000	100.00%
52194 Utilities-Water	300	300	0	0.00%
Subtotal Services and Supplies	\$753,800	\$805,100	\$51,300	6.81%
<u>OTHER CHARGES</u>				
53402 (7980) Depreciation Expense	\$58,000	\$58,000	\$0	0.00%
Subtotal Other Charges	\$58,000	\$58,000	\$0	0.00%
<u>FIXED ASSETS</u>				
19820 (8560) Machinery & Equipment	\$5,000	\$5,000	\$0	0.00%
19851 (9480) Intangible Assets - Non-amort	5,000	0	(5,000)	(100.00%)
Subtotal Fixed Assets	\$10,000	\$5,000	(\$5,000)	(50.00%)
<u>APPROPRIATIONS FOR CONT</u>				
55011 (9000) Appropriations for Contingency	\$5,000	\$5,000	\$0	0.00%
Subtotal Appropriations for Contin.	\$5,000	\$5,000	\$0	0.00%
<u>OTHER FINANCING USES</u>				
57011 (8625) Transfers out-within a Fund	\$5,000	\$442,500	\$437,500	8750.00%
Subtotal Other Financing Uses	\$5,000	\$442,500	\$437,500	8750.00%
TOTAL EXPENDITURES				
	\$831,800	\$1,315,600	\$483,800	58.16%
TOTAL NET COST				
<i>(Expenditures Minus Revenues)</i>				
	\$86,816	\$82,637	(\$4,179)	(4.81%)

Character Title: Intergovernmental Revenue **Character No.:** 44505-33120100-42

42441 (2680) Federal FEMA Disaster Funding

This records an anticipated FEMA Funding.

Character Title: Services and Supplies **Character No.:** 44505-33120100-51&52

51902 (6040) Telecommunication Usage

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

51061 (6140) Maintenance - Equipment

This account records the cost of parts and materials required for non-routine maintenance of the collection system and pump station. (no longer using 6180)

51076 (6246) Maint Fac Ops

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

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 Penngrove Sz's facilities.

51803 (6540) Other Contract Services

This account records contract services for the ARC flash Study \$9,000 miscellaneous services as needed \$18,500 and High Efficiency Direct Install Program (HEFIP) agreement \$3,000.

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.

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.

51401 (6820) Rents/Leases-Equipment

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

52143 (6889) Computer Software/Licensing Fees

This item provides funds for various software packages.

52162 (7000) Special Departmental Expense

The Penngrove SZ does not have a sewer treatment plant. Rather, the Penngrove SZ has an agreement with Petaluma to accept and treat sewage. The amount requested for the forthcoming year reflects the current year budget consistent with planned rate by Petaluma.

Character Title: Services and Supplies (Cont'd) Character No.: 44505-33120100-51 & 52

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 water.

52193 (7394) Utilities-Power

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

52194 UtilitiesWater

This account records the cost of payments made for water utilities.

Character Title: Other Charges Character No.: 44505-33120100-53

53402 (7980) Depreciation

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

Character Title: Fixed Assets Character No.: 44505-33120100-19

19820 (8560) Machinery and Equipment

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

19851 (9480) Intangible Assets - Non-amort

This account records sewer easement dedication.

Character Title: Appropriations for Contingencies Character No.: 44505-33120100-55

55011 (9000) Appropriations for Contingencies

This account provides funding for unanticipated expenditures or revenue shortfalls.

Character Title: Other Financing Uses Character No.: 44505-33120100-57

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 2018-19 BUDGET

STATEMENT OF SPECIAL FUND ACTIVITY

Department: Sonoma County Water Agency - Sanitation
Fund: SANITATION ZONE 1 - PENNGROVE - OPERATIONS
Fund/Department ID: 44505-33120100

DESCRIPTION OF FUND ACTIVITY	Actual FY 16-17	Estimated FY 17-18	Requested FY 18-19
Undesignated/Unreserved <u>BEGINNING</u> Fund Balance			
Available for Budgeting (See Detailed Components Below)	\$422,420	\$309,304	\$201,935
Annual Revenues and Expenditures:			
Revenues - Increase fund balance	731,141	750,057	1,232,963
Expenditures - (Decrease) fund balance	(898,521)	(908,145)	(1,315,600)
Net Surplus or Deficit - Increase/(Decrease) to fund balance	<u>(167,380)</u>	<u>(158,088)</u>	<u>(82,637)</u>
 Adjustments to Reserves/Encumbrances:			
53402 - Depreciation	50,718	50,719	58,000
Unrealized Gain/Loss	3,546	-	-
Net Adjustment - Increase/(Decrease) to Fund Balance	<u>54,264</u>	<u>50,719</u>	<u>58,000</u>
 Undesignated/Unreserved <u>ENDING</u> Fund Balance			
Available for Budgeting	\$309,304	\$201,935	\$177,298
 Target Fund Balance	\$373,901	\$421,213	\$402,550
<i>Over/(Under) Target Fund Balance</i>	<i>(\$64,597)</i>	<i>(\$219,278)</i>	<i>(\$225,252)</i>
 Total Increase/(Decrease) in Fund Balance for Fiscal Year <i>(Difference between Beginning and Ending Balance)</i>	(\$113,116)	(\$107,369)	(\$24,637)
 <u>Fund Balance Components at Beginning of FY</u>	7/1/16	7/1/17	
Cash	\$646,505	\$537,678	
Other Receivables (Flat Charges)	11,039	10,656	
Retention Receivable	-	14	
Accounts Payable	(220,931)	(240,000)	
Vouchers Payable	(15,146)	(20)	
Prepaid Expense	152	100	
Due from State AR	801	876	
Total Beginning Fund Balance	<u>\$422,420</u>	<u>\$309,304</u>	

FY 2018-19 BUDGET
SUMMARY OF REVENUES AND EXPENDITURES

Fund: **SANITATION ZONE 1 - PENNGROVE - CONSTRUCTION**
Fund/Department ID: **44510-3312020**

Account No. and Title	Adopted 2017-18	Requested 2018-19	Difference	Percent Change
REVENUES:				
<u>USE OF MONEY</u>				
44002 (1700) Interest on Pooled Cash	\$1,780	\$5,103	\$3,323	186.69%
Subtotal Use of Money	\$1,780	\$5,103	\$3,323	186.69%
<u>OTHER FINANCING SOURCES</u>				
47101 (4625) Trans in - Within a Fund	\$5,000	\$442,500	\$437,500	8750.00%
Subtotal Other Financing Sources	\$5,000	\$442,500	\$437,500	8750.00%
TOTAL REVENUES	\$6,780	\$447,603	\$440,823	6501.81%
EXPENDITURES:				
<u>FIXED ASSETS</u>				
19832 (9400) CIP - Infrastructure	\$180,000	\$620,000	\$440,000	244.44%
Subtotal Fixed Assets	\$180,000	\$620,000	\$440,000	244.44%
<u>OTHER FINANCING USES</u>				
57011 (8625) Transfers out-within a Fund	\$0	\$0	\$0	N/A
Subtotal Other Financing Uses	\$0	\$0	\$0	N/A
TOTAL EXPENDITURES	\$180,000	\$620,000	\$440,000	244.44%
TOTAL NET COST <i>(Expenditures Minus Revenues)</i>	\$173,220	\$172,397	(\$823)	(0.48%)

**FY 2018-19 BUDGET
CHARACTER JUSTIFICATION**

Department - Division: Sonoma County Water Agency - Sanitation
Section Title: Sanitation Zone - Penngrove - Construction

Character Title: Use of Money Character No.: 44510-3312020-44

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	\$270,000	
Projected Interest Rate	1.89%	
Projected/Planned Interest on Pooled Cash	\$5,103	

Character Title: Other Financing Sources Character No.: 44510-3312020-47

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. 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: Fixed Assets Character No.: 44510-3312020-19

19832 (9400) CIP - Infrastructure

This account reflects funds for replacement of lift station pumps (\$590,000) and future capital projects (\$30,000).

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STATEMENT OF SPECIAL FUND ACTIVITY

Department: Sonoma County Water Agency - Sanitation
Fund: Sanitation Zone - Penngrove - Construction
Fund/Department ID: 44510-3312020

DESCRIPTION OF FUND ACTIVITY	Actual FY 16-17	Estimated FY 17-18	Requested FY 18-19
Undesignated/Unreserved <u>BEGINNING</u> Fund Balance			
Available for Budgeting (See Detailed Components Below)	\$370,998	\$468,494	\$315,550
Annual Revenues and Expenditures:			
Revenues - Increase fund balance	134,263	11,084	447,603
Expenditures - (Decrease) fund balance	(33,390)	(164,028)	(620,000)
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Net Surplus or Deficit - Increase/(Decrease) to fund balance	100,873	(152,944)	(172,397)
 Adjustments to Reserves/Encumbrances:			
Capitalized Interest	(5,498)	-	-
Unrealized Gain/Loss	2,122	-	-
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Net Adjustment - Increase/(Decrease) to Fund Balance	(3,376)	-	-
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Undesignated/Unreserved <u>ENDING</u> Fund Balance			
Available for Budgeting	\$468,494	\$315,550	\$143,153
 Total Increase/(Decrease) in Fund Balance for Fiscal Year <i>(Difference between Beginning and Ending Balance)</i>	 \$97,496	 (\$152,944)	 (\$172,397)
 <u>Fund Balance Components at Beginning of FY</u>	7/1/16	7/1/17	
Cash	\$397,213	\$494,709	
Encumbrances	(26,215)	(26,215)	
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Total Beginning Fund Balance	\$370,998	\$468,494	