

FY 2018-19 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 17-18 Adopted	FY 18-19 Requested	Percent Change	FY 17-18 Adopted	FY 18-19 Requested	Percent Change
Operations	\$763,750	\$744,830	(2.48%)	\$126,321	\$64,628	(48.84%)
Construction	0	0	N/A	(2,225)	(5,103)	129.35%
TOTAL:	\$763,750	\$744,830	(2.48%)	\$124,096	\$59,525	(52.03%)

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	586	588	599	601	2.21%
Total APNs	833	833	597	600	(27.97%)

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 18-19 annual sewer service charge is \$1,159, representing a 3.8 % increase from FY 17-18.

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 - SEA RANCH - OPERATIONS
Fund/Department ID: 44405-33130100

Account No. and Title	Adopted 2017-18	Requested 2018-19	Difference	Percent Change
REVENUES:				
<u>TAXES</u>				
40003 (1001) Direct Charges-CY	\$630,524	\$668,697	\$38,173	6.05%
40202 (1061) Direct Charges - PY	2,400	2,500	100	4.17%
40999 (1120) Penalties/Costs on Taxes	500	500	0	0.00%
Subtotal Taxes	\$633,424	\$671,697	\$38,273	6.04%
<u>USE OF MONEY</u>				
44002 (1700) Interest on Pooled Cash	\$4,005	\$8,505	4,500	112.36%
Subtotal Use of Money	\$4,005	\$8,505	\$4,500	112.36%
<u>CHARGES FOR SERVICES</u>				
45221 (3400) Sewer/Water Usage Fee	\$0	\$0	0	N/A
Subtotal Charges for Services	\$0	\$0	\$0	N/A
<u>OTHER FINANCING</u>				
47101 (4625) Trans in - within a Fund	\$0	\$0	0	N/A
Subtotal Charges for Other Financing	\$0	\$0	\$0	N/A
TOTAL REVENUES	\$637,429	\$680,202	\$42,773	6.71%

EXPENDITURES:

SERVICES AND SUPPLIES

51061 (6140) Maintenance - Equipment	\$50,000	\$5,000	(\$45,000)	(90.00%)
51201 (6522&73) Administration Services	5,500	5,500	0	0.00%
51211 (6610) Legal Services	3,000	3,000	0	0.00%
51241 (6430) Outside Printing & Binding	1,500	1,500	0	0.00%
51244 (6589) Permits/License/Fees	30,000	30,000	0	0.00%
51803 (6540) Other Contract Services	500,750	550,000	49,250	9.84%

Sub-Object No. and Title	Adopted 2017-18	Requested 2018-19	Difference	Percent Change
<u>SERVICES AND SUPPLIES (Cont'd)</u>				
51902 Telecommunications Usage	3,000	3,300	300	10.00%
51917 (6523) District Operations chgs	100,000	105,000	5,000	5.00%
51921 (7206) Equipment Usage Charges	1,000	1,030	30	3.00%
52171 (7247) Water Conservation Program	0	1,500	1,500	N/A
52191 (7320) Utilities	8,000	8,000	0	0.00%
<i>Subtotal Services and Supplies</i>	<u>\$702,750</u>	<u>\$713,830</u>	<u>\$11,080</u>	<u>1.58%</u>
<u>OTHER CHARGES</u>				
53402 (7980) Depreciation Expense	\$59,000	\$29,000	(\$30,000)	(50.85%)
<i>Subtotal Other Charges</i>	<u>\$59,000</u>	<u>\$29,000</u>	<u>(\$30,000)</u>	<u>(50.85%)</u>
<u>FIXED ASSETS</u>				
19820 (8560) Machinery & Equipment	\$0	\$0	\$0	N/A
<i>Subtotal Fixed Assets</i>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>N/A</u>
<u>APPROPRIATIONS FOR CONT</u>				
55011 (9000) Appropriations for Contingency	\$2,000	\$2,000	\$0	0.00%
<i>Subtotal Appropriations for Contin.</i>	<u>\$2,000</u>	<u>\$2,000</u>	<u>\$0</u>	<u>0.00%</u>
<u>OTHER FINANCING USES</u>				
57011 (8625) Transfers out-within a Fund	\$0	\$0	\$0	N/A
<i>Subtotal Other Financing Uses</i>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>N/A</u>
TOTAL EXPENDITURES				
	<u>\$763,750</u>	<u>\$744,830</u>	<u>\$0</u>	<u>0.00%</u>
TOTAL NET COST				
<i>(Expenditures Minus Revenues)</i>	\$126,321	\$64,628	(\$61,693)	(48.84%)

FY 2018-19 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 17-18 budget. The rate will increase 3.8% , from \$1,117 to \$1,159

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ESDs times annual rate:	601 x \$1,159	\$696,559
Less Estimated Delinquency Factor:	4%	(27,862)
		\$668,697

(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	\$450,000
Projected Interest Rate	1.89%
Projected/Planned Interest on Pooled Cash	\$8,505

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 18/19.

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.

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 service.

51244 (6589) Permits/License/Fees

This account records the cost of all permits.

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 and to the Gualala Community Service District for treatment of raw wastewater for the North Sea Ranch treatment plant \$505,000, lab accreditation \$10,000 and permitting assistants \$35,000.

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.

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.

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. No budget planned for FY 18/19.

52191 (7320) Utilities

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

Character Title: Other Charges Character No.: 44405-33130100-53

53402 (7980) Depreciation

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

Character Title: Fixed Assets Character No.: 44405-33130100-19

19820 (8560) Machinery and Equipment

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

Character Title: 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. No transfers were planned for FY 18/19.

FY 2018-19 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 16-17	Estimated FY 17-18	Requested FY 18-19
Undesignated/Unreserved <u>BEGINNING</u> Fund Balance			
Available for Budgeting (See Detailed Components Below)	\$710,769	\$571,937	\$536,657
Annual Revenues and Expenditures:			
Revenues - Increase fund balance	637,339	684,246	680,202
Expenditures - (Decrease) fund balance	(803,200)	(742,774)	(744,830)
Net Surplus or Deficit - Increase/(Decrease) to fund balance	(165,861)	(58,528)	(64,628)
Adjustments to Reserves/Encumbrances:			
53402 (7980) - Depreciation	23,248	23,248	29,000
Unrealized Gain/Loss	3,781	-	-
Change in Encumbrance	-	-	-
Net Adjustment - Increase/(Decrease) to Fund Balance	27,029	23,248	29,000
Undesignated/Unreserved <u>ENDING</u> Fund Balance			
Available for Budgeting	\$571,937	\$536,657	\$501,029
Target Fund Balance	\$369,952	\$358,527	\$356,915
Over/(Under) Target Fund Balance	\$201,985	\$178,130	\$144,114
Total Increase/(Decrease) in Fund Balance for Fiscal Year (Difference between Beginning and Ending Balance)	(\$138,833)	(\$35,280)	(\$35,628)
<u>Fund Balance Components at Beginning of FY</u>	7/1/16	7/1/17	
Cash	\$727,020	\$613,463	
Accounts Receivable	9,835	8,438	
Accounts Payable	-	-	
Encumbrance	(26,086)	(49,964)	
Total Beginning Fund Balance	\$710,769	\$571,937	

FY 2018-19 BUDGET
SUMMARY OF REVENUES AND EXPENDITURES

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

Account No. and Title	Adopted 2017-18	Requested 2018-19	Difference	Percent Change
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REVENUES:

USE OF MONEY

44002 (1700) Interest on Pooled Cash	\$2,225	\$5,103	\$2,878	129.35%
Subtotal Use of Money	\$2,225	\$5,103	\$2,878	129.35%

OTHER FINANCING SOURCES

47101 (4625) Trans in - Within a Fund	\$0	\$0	\$0	N/A
Subtotal Other Financing Sources	\$0	\$0	\$0	N/A

TOTAL REVENUES	\$2,225	\$5,103	\$2,878	129.35%
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EXPENDITURES:

FIXED ASSETS

19832 (9400) CIP- Infrastructure	\$0	\$0	\$0	N/A
Subtotal Fixed Assets	\$0	\$0	\$0	N/A

TOTAL EXPENDITURES	\$0	\$0	\$0	N/A
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TOTAL NET COST <i>(Expenditures Minus Revenues)</i>	(\$2,225)	(\$5,103)	(\$2,878)	129.35%
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FY 2018-19 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	\$270,000
Projected Interest Rate	<u>1.89%</u>
Projected/Planned Interest on Pooled Cash	\$5,103

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. No transfers are planned in FY 18/19.

Character Title: Fixed Assets

Character No.: 44410-33130200-19

19832 (9400) CIP - Infrastructure

This account is used for expenses associated with future facility upgrades. No planned construction projects for FY 18/19.

FY 2018-19 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 16-17	Estimated FY 17-18	Requested FY 18-19
Undesignated/Unreserved <u>BEGINNING</u> Fund Balance			
Available for Budgeting (See Detailed Components Below)	\$260,957	\$303,634	\$308,412
Annual Revenues and Expenditures:			
Revenues - Increase fund balance	\$41,310	4,778	5,103
Expenditures - (Decrease) fund balance	-	-	0
Net Surplus or Deficit - Increase/(Decrease) to fund balance	41,310	4,778	5,103
Adjustments to Reserves/Encumbrances:			
Unrealized Gain/Loss	1,367	-	-
Net Adjustment - Increase/(Decrease) to Fund Balance	1,367	-	-
Undesignated/Unreserved <u>ENDING</u> Fund Balance			
Available for Budgeting	\$303,634	\$308,412	\$313,515
Total Increase/(Decrease) in Fund Balance for Fiscal Year <i>(Difference between Beginning and Ending Balance)</i>	\$42,677	\$4,778	\$5,103
<u>Fund Balance Components at Beginning of FY</u>	7/1/16	7/1/17	
Cash	\$260,957	\$303,634	
Encumbrances	-	-	
Total Beginning Fund Balance	\$260,957	\$303,634	