

# FY 2017-18 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 16-17 Adopted	FY 17-18 Requested	Percent Change	FY 16-17 Adopted	FY 17-18 Requested	Percent Change
Operations	\$764,581	\$764,750	0.02%	\$151,133	\$127,321	(15.76%)
Construction	40,000	0	(100.00%)	(1,200)	(2,225)	85.42%
<b>TOTAL:</b>	<b>\$804,581</b>	<b>\$764,750</b>	<b>(4.95%)</b>	<b>\$149,933</b>	<b>\$125,096</b>	<b>(16.57%)</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	586	587	587	588	0.17%
Total APNs	833	833	585	586	(29.65%)

**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 17-18 annual sewer service charge is \$1,117, representing a 3.8 % increase from FY 16-17.

**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: SANITATION ZONE 1 - SEA RANCH - OPERATIONS**

**Fund/Department ID: 44405-33130100**

Account No. and Title	Adopted 2016-17	Requested 2017-18	Difference	Percent Change
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**REVENUES:**

**TAXES**

40003 (1001) Direct Charges-CY	\$606,348	\$630,524	\$24,176	3.99%
40202 (1061) Direct Charges - PY	2,400	2,400	0	0.00%
40999 (1120) Penalties/Costs on Taxes	500	500	0	0.00%
<b>Subtotal Taxes</b>	<b>\$609,248</b>	<b>\$633,424</b>	<b>\$24,176</b>	<b>3.97%</b>

**USE OF MONEY**

44002 (1700) Interest on Pooled Cash	\$4,200	\$4,005	(195)	(4.64%)
<b>Subtotal Use of Money</b>	<b>\$4,200</b>	<b>\$4,005</b>	<b>(\$195)</b>	<b>(4.64%)</b>

**CHARGES FOR SERVICES**

45221 (3400) Sewer/Water Usage Fee	\$0	\$0	0	N/A
<b>Subtotal Charges for Services</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>N/A</b>

**OTHER FINANCING**

47101 (4625) Trans in - within a Fund	\$0	\$0	0	N/A
<b>Subtotal Charges for Other Financing</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>N/A</b>

<b>TOTAL REVENUES</b>	<b>\$613,448</b>	<b>\$637,429</b>	<b>\$23,981</b>	<b>3.91%</b>
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**EXPENDITURES:**

**SERVICES AND SUPPLIES**

51061 (6140) Maintenance - Equipment	\$25,000	\$50,000	\$25,000	100.00%
51201 (6522&73) Administration Services	5,500	5,500	0	0.00%
51211 (6610) Legal Services	5,000	3,000	(2,000)	(40.00%)
51241 (6430) Outside Printing & Binding	1,000	1,500	500	50.00%
51244 (6589) Permits/License/Fees	40,000	30,000	(10,000)	(25.00%)
51401 (6820) Rents & Leases-Equipment	1,000	0	(1,000)	(100.00%)
51803 (6540) Other Contract Services	345,000	500,750	155,750	45.14%

<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><u>SERVICES AND SUPPLIES (Cont'd)</u></b>				
51902 Telecommunications Usage	3,000	3,000	0	0.00%
51917 (6523) District Operations chgs	100,000	100,000	0	0.00%
51919 (6697) EFS Costs	13,332	0	(13,332)	(100.00%)
51921 (7206) Equipment Usage Charges	1,000	1,000	0	0.00%
52141(6880) Minor Equipment/Small Tools	1,000	0	0	0.00%
52171 (7247) Water Conservation Program	500	0	(500)	(100.00%)
52191 (7320) Utilities	8,000	8,000	0	0.00%
<b><i>Subtotal Services and Supplies</i></b>	<b><u>\$549,332</u></b>	<b><u>\$702,750</u></b>	<b><u>\$154,418</u></b>	<b><u>28.11%</u></b>
<b><u>OTHER CHARGES</u></b>				
53402 (7980) Depreciation Expense	\$30,249	\$59,000	\$28,751	95.05%
53501 Contributions	125,000	0	(125,000)	(1)
<b><i>Subtotal Other Charges</i></b>	<b><u>\$155,249</u></b>	<b><u>\$59,000</u></b>	<b><u>(\$96,249)</u></b>	<b><u>(62.00%)</u></b>
<b><u>FIXED ASSETS</u></b>				
19820 (8560) Machinery & Equipment	\$10,000	\$0	(\$10,000)	(100.00%)
<b><i>Subtotal Fixed Assets</i></b>	<b><u>\$10,000</u></b>	<b><u>\$0</u></b>	<b><u>(\$10,000)</u></b>	<b><u>(100.00%)</u></b>
<b><u>APPROPRIATIONS FOR CONT</u></b>				
55011 (9000) Appropriations for Contingency	\$10,000	\$2,000	(\$8,000)	(80.00%)
<b><i>Subtotal Appropriations for Contin.</i></b>	<b><u>\$10,000</u></b>	<b><u>\$2,000</u></b>	<b><u>(\$8,000)</u></b>	<b><u>(80.00%)</u></b>
<b><u>OTHER FINANCING USES</u></b>				
57011 (8625) Transfers out-within a Fund	\$40,000	\$0	(\$40,000)	(100.00%)
<b><i>Subtotal Other Financing Uses</i></b>	<b><u>\$40,000</u></b>	<b><u>\$0</u></b>	<b><u>(\$40,000)</u></b>	<b><u>(100.00%)</u></b>
<b>TOTAL EXPENDITURES</b>				
	<b>\$764,581</b>	<b>\$763,750</b>	<b>\$169</b>	<b>0.02%</b>
<b>TOTAL NET COST</b>				
<i>(Expenditures Minus Revenues)</i>	<b>\$151,133</b>	<b>\$126,321</b>	<b>(\$23,812)</b>	<b>(15.76%)</b>

**FY 2017-18 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 16-17 budget. The rate will increase 3.8% , from \$1,076 to \$1,117

ESDs times annual rate:	588 x \$1,117	\$656,796
Less Estimated Delinquency Factor:	4%	(26,272)
		\$630,524

(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	0.89%
Projected/Planned Interest on Pooled Cash	\$4,005

**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 17/18.

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.

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

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

**51803 (6540) Other Contract Services**

This account reflects the contract costs for the Sea Ranch Water Company to operate both the North and Central treatment plants and to the Gualala Community Service District for treatment of raw wastewater for the North Sea Ranch treatment plant.

**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.

**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. No budget planned for FY 17/18.

**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 17/18.

**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 17/18.

**FY 2017-18 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 15-16	Estimated FY 16-17	Requested FY 17-18
<b>Undesignated/Unreserved <u>BEGINNING</u> Fund Balance</b>			
Available for Budgeting (See Detailed Components Below)	\$730,333	\$710,769	\$503,855
<b>Annual Revenues and Expenditures:</b>			
Revenues - Increase fund balance	616,701	618,699	637,429
Expenditures - (Decrease) fund balance	(671,776)	(855,862)	(764,750)
<b>Net Surplus or Deficit - Increase/(Decrease) to fund balance</b>	(55,075)	(237,163)	(127,321)
<b>Adjustments to Reserves/Encumbrances:</b>			
53402 (7980) - Depreciation	23,248	30,249	59,000
Unrealized Gain/Loss	1,070	-	-
Change in Encumbrance	11,192	-	-
<b>Net Adjustment - Increase/(Decrease) to Fund Balance</b>	35,510	30,249	59,000
<b>Undesignated/Unreserved <u>ENDING</u> Fund Balance</b>			
Available for Budgeting	\$710,769	\$503,855	\$435,534
<b>Total Increase/(Decrease) in Fund Balance for Fiscal Year</b> <i>(Difference between Beginning and Ending Balance)</i>	(\$19,565)	(\$206,914)	(\$68,321)
<b><u>Fund Balance Components at Beginning of FY</u></b>	<b>7/1/15</b>	<b>7/1/16</b>	
Cash	\$788,889	\$727,020	
Accounts Receivable	3,549	9,835	
Accounts Payable	(50,913)	-	
Encumbrance	(11,192)	(26,086)	
<b>Total Beginning Fund Balance</b>	\$730,333	\$710,769	

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

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

Account No. and Title	Adopted 2016-17	Requested 2017-18	Difference	Percent Change
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**REVENUES:**

**USE OF MONEY**

44002 (1700) Interest on Pooled Cash	\$1,200	\$2,225	\$1,025	85.42%
<b>Subtotal Use of Money</b>	<b>\$1,200</b>	<b>\$2,225</b>	<b>\$1,025</b>	<b>85.42%</b>

**OTHER FINANCING SOURCES**

47101 (4625) Trans in - Within a Fund	\$40,000	\$0	(\$40,000)	(100.00%)
<b>Subtotal Other Financing Sources</b>	<b>\$40,000</b>	<b>\$0</b>	<b>(\$40,000)</b>	<b>(100.00%)</b>

<b>TOTAL REVENUES</b>	<b>\$41,200</b>	<b>\$2,225</b>	<b>(\$38,975)</b>	<b>(94.60%)</b>
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**EXPENDITURES:**

**FIXED ASSETS**

19832 (9400) CIP- Infrastructure	\$40,000	\$0	(\$40,000)	(100.00%)
<b>Subtotal Fixed Assets</b>	<b>\$40,000</b>	<b>\$0</b>	<b>(\$40,000)</b>	<b>(100.00%)</b>

<b>TOTAL EXPENDITURES</b>	<b>\$40,000</b>	<b>\$0</b>	<b>(\$40,000)</b>	<b>(100.00%)</b>
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<b>TOTAL NET COST</b> <i>(Expenditures Minus Revenues)</i>	<b>(\$1,200)</b>	<b>(\$2,225)</b>	<b>(\$1,025)</b>	<b>85.42%</b>
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# FY 2017-18 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	\$250,000
Projected Interest Rate	<u>0.89%</u>
Projected/Planned Interest on Pooled Cash	\$2,225

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 17/18.

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 17/18.

**FY 2017-18 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 15-16	Estimated FY 16-17	Requested FY 17-18
<b>Undesignated/Unreserved <u>BEGINNING</u> Fund Balance</b>			
<b>Available for Budgeting</b> (See Detailed Components Below)	<b>\$214,811</b>	<b>\$260,957</b>	<b>\$262,715</b>
<b>Annual Revenues and Expenditures:</b>			
Revenues - Increase fund balance	\$46,015	41,758	2,225
Expenditures - (Decrease) fund balance	-	(40,000)	0
<b>Net Surplus or Deficit</b> - Increase/(Decrease) to fund balance	46,015	1,758	2,225
<b>Adjustments to Reserves/Encumbrances:</b>			
Unrealized Gain/Loss	131	-	-
<b>Net Adjustment</b> - Increase/(Decrease) to Fund Balance	131	-	-
<b>Undesignated/Unreserved <u>ENDING</u> Fund Balance</b>			
<b>Available for Budgeting</b>	<b>\$260,957</b>	<b>\$262,715</b>	<b>\$264,940</b>
<b>Total Increase/(Decrease) in Fund Balance for Fiscal Year</b> (Difference between Beginning and Ending Balance)	<b>\$46,146</b>	<b>\$1,758</b>	<b>\$2,225</b>
<b><u>Fund Balance Components at Beginning of FY</u></b>	<b>7/1/15</b>	<b>7/1/16</b>	
Cash	\$214,811	\$260,957	
Encumbrances	-	-	
<b>Total Beginning Fund Balance</b>	<b>\$214,811</b>	<b>\$260,957</b>	