

FY 2025-26 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 24-25 Adopted	FY 25-26 Requested	Percent Change	FY 24-25 Adopted	FY 25-26 Requested	Percent Change
Operations	\$1,627,918	\$2,732,138	67.83%	\$215,268	\$365,138	69.62%
Construction	417,800	835,214	99.91%	369,050	611,214	65.62%
TOTAL:	\$2,045,718	\$3,567,352	74.38%	\$584,318	\$976,352	67.09%

C. Staffing Summary

No staffing is allocated to this fund.

D. Workload Summary

Workload Indicator	FY 23-24 Actual	FY 24-25 Budget Estimate	FY 24-25 Revised Estimate	FY 25-26 Projected	Change from FY 24-25 Budget Estimate
Total ESDs	273	273	273	273	0.00%
Total APNs	99	99	99	99	0.00%

E. Summary of Issues and Significant Changes

The requested rate per equivalent single family dwelling (ESD) for FY 25-25 annual service charges is \$3,146 representing a 4.7% increase from FY 24-25. Annual sewer service charge revenue, adjusted for the anticipated number of ESDs and an estimated delinquency factor, is projected to increase from the FY 24-25 budget.

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 25-26 revenues will once again not cover routine operating expenses. Transfers from the Water Agency's General Fund will be made to cover shortage and will not be recovered from the Occidental CSD.

FY 2025-26 BUDGET
BUDGET SECTION SUMMARY

Section Title:

OCCIDENTAL COUNTY SANITATION DISTRICT
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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 2025-26 BUDGET

SUMMARY OF REVENUES AND EXPENDITURES

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

Account No. and Title	Adopted 2024-25	Requested 2025-26	Difference	Percent Change
REVENUES:				
<u>TAXES</u>				
40003 Direct Charges-CY	\$335,600	\$360,800	\$25,200	7.51%
40202 Direct Charges - PY	0	0	0	N/A
40999 Penalties/Costs on Taxes	0	0	0	N/A
Subtotal Taxes	\$335,600	\$360,800	\$25,200	7.51%
<u>INTERGOVERNMENTAL</u>				
42358 State Other Funding	\$0	\$0	\$0	N/A
42461 Federal Other Funding	0	0	0	N/A
42610 Other Government Agencies	970,000	1,850,000	880,000	90.72%
Subtotal Intergovernmental	\$970,000	\$1,850,000	\$880,000	90.72%
<u>USE OF MONEY</u>				
44002 Interest on Pooled Cash	\$16,250	\$28,500	\$12,250	75.38%
Subtotal Use of Money	\$16,250	\$28,500	\$12,250	75.38%
<u>CHARGES FOR SERVICES</u>				
45221 Sewer/Water Usage Fee	\$90,800	\$127,700	\$36,900	40.64%
Subtotal Charges for Services	\$90,800	\$127,700	\$36,900	40.64%
TOTAL REVENUES	\$1,412,650	\$2,367,000	\$954,350	67.56%

EXPENDITURES:

SERVICES AND SUPPLIES

51061 Maintenance - Equipment	\$211,000	\$185,000	(\$26,000)	(12.32%)
51201 Administration Services	4,130	3,710	(420)	(10.17%)
51205 Advertising/Marketing	210	210	0	0.00%
51206 Accounting/Auditing Services	10,300	10,200	(100)	(0.97%)
51211 Legal Services	4,000	4,000	0	0.00%
51231 Testing/Analysis	7,840	5,620	(2,220)	(28.32%)
51241 Outside Printing & Binding	200	200	0	0.00%
51244 Permits/License/Fees	15,000	16,610	1,610	10.73%
51401 Rents& Leases-Equipment	4,560	2,500	(2,060)	(45.18%)
51509 SCADA	33,318	33,200		
51601 Training/Conference Expenses	3,070	110	(2,960)	(96.42%)
51803 Other Contract Services	158,500	694,025	535,525	337.87%
51902 Telecommunication Usage	500	640	140	28.00%
51916 County Services	4,660	4,240	(420)	(9.01%)
51917 District Operations Chgs	711,980	751,000	39,020	5.48%

FY 2025-26 BUDGET

SUMMARY OF REVENUES AND EXPENDITURES

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

Account No. and Title	Adopted 2024-25	Requested 2025-26	Difference	Percent Change
<u>EXPENDITURES:</u>				
<u>SERVICES AND SUPPLIES (Contd.)</u>				
51921 Equipment Usage Charges	250,000	253,800	3,800	1.52%
52071 Materials and Supplies Expense	3,000	3,000	0	0.00%
52081 Medical/Lab Supplies	50	50	0	0.00%
52091 Memberships/Certifications	1,500	1,500	0	0.00%
52141 Minor Equipment/Small Tools	3,390	2,000	(1,390)	(41.00%)
52143 Software/Licensing Fees	210	320	110	52.38%
52171 Water Conservation Prog	500	2,000	1,500	300.00%
52193 Utilities-Power	32,000	36,000	4,000	12.50%
<i>Subtotal Services and Supplies</i>	<u>\$1,459,918</u>	<u>\$2,009,935</u>	<u>\$550,135</u>	<u>37.68%</u>
<u>OTHER CHARGES</u>				
53402 Depreciation Expense	\$158,000	\$417,263	\$259,263	164.09%
53501 Contributions/Donations	0	1,000	1,000	N/A
<i>Subtotal Other Charges</i>	<u>\$158,000</u>	<u>\$418,263</u>	<u>\$260,263</u>	<u>164.72%</u>
<u>OTHER FINANCING USES</u>				
57011 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>
<u>FIXED ASSETS</u>				
19840 Acq-WIP-Equipment	\$10,000	\$303,940	\$293,940	2939.40%
<i>Subtotal Fixed Assets</i>	<u>\$10,000</u>	<u>\$303,940</u>	<u>\$293,940</u>	<u>2939.40%</u>
TOTAL EXPENDITURES	<u>\$1,627,918</u>	<u>\$2,732,138</u>	<u>\$1,104,338</u>	<u>67.84%</u>

TOTAL NET COST <i>(Expenditures Minus Revenues)</i>	\$215,268	\$365,138	\$149,988	69.68%
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**FY 2025-26 BUDGET
CHARACTER JUSTIFICATION**

Department - Division: Sonoma County Water Agency - Sanitation
Section Title: Occidental CSD - Operations

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

40003 Direct Charges - CY

Flat Charge revenue from annual service charges is expected to increase from the adopted FY 24-25 budget. The rate will increase 4.7% from \$3,006 to \$3,146.

ESDs times annual rate:	117.1 x \$3,146	\$368,400
Less Estimated Delinquency Factor:	2.1%	(7,600)
		<hr/> \$360,800

(See Account 45221 for Total ESDs)

40202 Direct Charges - PY

This account records the estimated delinquent amount of prior years sewer service charges.

40999 Penalties / Costs on Taxes

This account records penalties paid on delinquent sewer service charges.

Character Title: Intergovernmental **Character No.:** 43101-33060100-42

42461 Federal Other Funding

This records an anticipated reimbursement of a Local Hazard Mitigation Plan grant.

42610 Sonoma County Water Agency Revenue

This account records a transfer from Water Agency General Fund to provide funds to operate the treatment plant. These funds will not be recovered.

Character Title: Use of Money **Character No.:** 43101-33060100-44

44002 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	\$950,000
Projected Interest Rate	3.00%
Projected/Planned Interest on Pooled Cash	<hr/> \$28,500

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

45221 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 25-26 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 \$3,006 to \$3,146.

ESDs x Annual Charge	40.6 x \$3,146	=	\$127,700
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FY 2025-26 BUDGET
CHARACTER JUSTIFICATION

Department - Division: Sonoma County Water Agency - Sanitation
Section Title: Occidental CSD - Operations

Character Title: Services and Supplies **Character No.:** 43101-33060100-51 &

51061 Maintenance - Equipment

This account records the costs for routine maintenance of equipment.

FY 25-26 Planned Maintenance-Equipment:

Automation Project

Amount

\$185,000

\$185,000

51201 Administration Costs

This account represents the 1% administration fee assessed by the County for processing collection of flat charges on the tax roll.

51206 Accounting/Auditing Services

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

51211 Legal Services

This account 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 Testing and Analysis

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

51241 Outside Printing & Binding

This account is requested to cover the costs of printing services, which are primarily furnished by outside printing and binding services.

51244 Permits/License/Fees

This account records the cost of all permits.

51401 Rents/Leases-Equipment

This account covers the costs of renting copiers, fax machines and other equipment as needed.

51401 Rents/Leases-Buildings/Land

This account represents costs for the lease agreement for storage and irrigation of wastewater effluent.

51509 SCADA

This account records SCADA allocations.

SCADA

\$ 33,200

**FY 2025-26 BUDGET
CHARACTER JUSTIFICATION**

Department - Division: Sonoma County Water Agency - Sanitation
Section Title: Occidental CSD - Operations

Character Title: Services and Supplies (Continued)

Character No.: 43101-33060100-51 &

51803 Other Contract Services

This account reflects the cost for various outside services which include:

<u>FY 25-26 Planned Contract Services:</u>	<u>Amount</u>
Collection System Inspection	1,000
Collection System Rehabilitation and Repairs	35,000
Pond Treatment	20,000
Arc Flash Studies	23,000
LHMP Planning	10,000
Rate Study	3,000
Spill and Emergency Response Plan (SERP) Update	5,000
Sanitation Planning	20,000
Smart Lid Monitoring	2,000
Sanitation Code & Standards Update	4,000
Goat Gazing	5,000
Multi-Year Agreements (Annual Audit)	11,025
Waste Hauling	350,000
Waste Hauling Tipping Fee	200,000
Hazardous Materials Assistance	5,000
	<hr/> 694,025

51902 Telecommunication Usage

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

51916 County Services

This account records the expense for special district accounting services.

51917 District Operations

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

<u>FY 25-26 Planned Staff Work:</u>	<u>Amount</u>
Collection System Inspection	3,000
Collection System Rehabilitation and Repairs	11,667
Pond Treatment	20,000
Arc Flash Studies	2,600
LHMP Planning	5,000
Sewer Capacity Analysis Plan (SECAP) Analysis	25,000
SERP Update	2,500
Sanitation Planning	10,000
Regulatory Permitting Assistance	10,000
Smart Lid Monitoring	2,000
SSMP Audit	5,000
Sanitation Code & Standards Update	1,000
Hazardous Materials Assistance	5,000
TPW Pavement Preservation	5,000
	<hr/> 107,767

FY 2025-26 BUDGET CHARACTER JUSTIFICATION

Department - Division: Sonoma County Water Agency - Sanitation
Section Title: Occidental CSD - Operations

Character Title: Other Charges **Character No.:** 43101-33060100-53

51921 Equipment Usage Charges

This item is requested to provide funds for equipment usage.

52081 Medical/Lab Supplies

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

52091 Memberships/Certifications

This account records membership dues/certificates.

52141 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 Water Conservation Program

This account records the cost of indoor water use efficiency programs including but not limited to indoor water use assessments/audits, fixture replacements and rebates with the goal of inflow reduction.

52193 Utilities - Power

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

53402 Depreciation

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

53501 Contributions

This account records Emergency Inventory Procurement.

Character Title: Other Financing Uses **Character No.:** 43101-33060100-57

57011 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 is no planned transfer for FY 25-26.

Character Title: Fixed Assets **Character No.:** 43101-33060100-19

19841 Work in Progress - Intangible

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

FY 25-26 Planned Work:

Sewer Dedication and Easement Agreements.

Amount

10,000

FY 2025-26 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 23-24	Estimated FY 24-25	Requested FY 25-26
Undesignated/Unreserved <u>BEGINNING</u> Retained Earnings			
Available for Budgeting (See Detailed Components Below)	\$ 812,506	\$ 940,357	\$643,289
Annual Revenues and Expenditures:			
Revenues - Increase retained earnings	1,675,043	1,412,650	2,367,000
Expenditures - (Decrease) retained earnings	(1,692,090)	(1,867,718)	(2,732,138)
Net Surplus or Deficit - Inc/(Dec) to retained earnings	(17,048)	(455,068)	(365,138)
Adjustments to Reserves/Encumbrances:			
Depreciation (53402)	151,582	158,000	417,000
Post Audit Adjustment	(15,921)	-	-
Unrealized Gain/loss	22,603	-	-
Long-Term Receivable	(32,360)		
Change in prepaid expense	7,844		
Change in Encumbrance	11,150	-	-
Rounding	1		
Net Adjustment - Increase/(Decrease) to Retained Earnings	144,899	158,000	417,000
Undesignated/Unreserved <u>ENDING</u> Retained Earnings			
Available for Budgeting	\$ 940,357	\$ 643,289	\$695,151
Target Fund Balance	\$620,127	\$835,039	\$1,004,968
<i>Over/(Under) Target Fund Balance</i>	\$320,230	(\$191,750)	(\$309,817)
Total Increase/(Decrease) in Retained Earnings for Fiscal Year <i>(Difference between Beginning and Ending Balance)</i>	\$127,851	(\$297,068)	\$51,862
<u>Retained Earnings Components at Beginning of FY</u>	<u>7/1/2023</u>	<u>7/1/2024</u>	
Cash	\$666,502	\$861,006	
Other Receivables (Flat Charges)	28,056	20,344	
Accounts Payable	-	-	
Accounts Receivable	145,983	75,801	
Retention Receivable	-	-	
Due from Other Governments			
Encumbrances	(27,724)	(16,574)	
Vouchers Payable	(311)	(220)	
Total Beginning Retained Earnings	\$ 812,506	\$ 940,357	

FY 2025-26 BUDGET

SUMMARY OF REVENUES AND EXPENDITURES

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

Account No. and Title	Adopted 2024-25	Requested 2025-26	Difference	Percent Change
REVENUES:				
<u>USE OF MONEY</u>				
44002 Interest on Pooled Cash	\$48,750	\$24,000	(\$24,750)	(50.77%)
Subtotal Use of Money	\$48,750	\$24,000	(\$24,750)	(50.77%)
<u>MISCELLANEOUS REVENUE</u>				
46021 Capital Grants-Federal	\$0	\$0	\$0	N/A
46024 Federal Other Funding	0	200,000	200,000	N/A
Subtotal Miscellaneous Revenue	\$0	\$200,000	\$200,000	N/A
<u>OTHER FINANCING SOURCES</u>				
47101 Transfers In -within a Fund	\$0	\$0	\$0	N/A
Subtotal Other Financing Sources	\$0	\$0	\$0	N/A
TOTAL REVENUES	\$48,750	\$224,000	\$175,250	359.49%
EXPENDITURES:				
<u>FIXED ASSETS</u>				
19832 CIP - Infrastructure	\$417,800	\$835,214	\$417,414	99.91%
Subtotal Fixed Assets	\$417,800	\$835,214	\$417,414	99.91%
TOTAL EXPENDITURES	\$417,800	\$835,214	\$417,414	99.91%
TOTAL NET COST (Expenditures Minus Revenues)	\$369,050	\$611,214	\$242,164	65.62%

FY 2025-26 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 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	\$800,000
Projected Interest Rate	3.00%
Projected/Planned Interest on Pooled Cash	<u>\$24,000</u>

Character Title: Intergovernmental Revenues

Character No.: 43102-33060200-42

42461 Federal Other Funding

This account records Federal grants anticipated to fund Occidental-Granton Pipeline project.

Character Title: Other Financing Sources

Character No.: 43102-33060200-47

47101 Transfers in-within a Fund

This account records the transfer of cash from the Operation Fund to the Construction Fund to finance Buildings/Improvements. There is no planned transfer for FY 25-26.

Character Title: Fixed Assets

Character No.: 43102-33060200-19

19832 CIP-Infrastructure

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

<u>Planned Projects for FY 25-26:</u>	<u>Amount</u>
Occidental-Graton Pipeline	635,214
Graton CSD Connection Fees	<u>200,000</u>
	835,214

FY 2025-26 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 23-24	Estimated FY 24-25	Requested FY 25-26
Undesignated/Unreserved <u>BEGINNING</u> Retained Earnings			
Available for Budgeting (See Detailed Components Below)	\$1,199,898	\$1,333,458	\$1,113,227
Annual Revenues and Expenditures:			
Revenues - Increase retained earnings	340,482	\$1,498,750	224,000
Expenditures - (Decrease) retained earnings	(200,610)	(\$1,718,981)	(835,214)
Net Surplus or Deficit - Inc/(Dec) to retained earnings	139,872	(220,231)	(611,214)
Adjustments to Reserves/Encumbrances:			
Change in Encumbrance	-	-	-
Technical Adjustments - 1st Quarter	-	-	-
Post Audit Adjustment	-	-	-
Unrealized Gain/loss	(6,312)	-	-
Rounding	-	-	-
Net Adjustment - Increase/(Decrease) to Retained Earnings	(6,312)	-	-
Undesignated/Unreserved <u>ENDING</u> Retained Earnings			
Available for Budgeting	\$1,333,458	\$1,113,227	\$502,013
Total Increase/(Decrease) in Retained Earnings for Fiscal Year (Difference between Beginning and Ending Balance)	\$133,560	(\$220,231)	(\$611,214)
<u>Retained Earnings Components at Beginning of FY</u>	7/1/2023	7/1/2024	
Cash	\$1,199,898	\$1,333,458	
Vouchers Payable	-	-	
Accounts Payable	-	-	
Retention Payable	-	-	
Encumbrances	-	-	
Total Beginning Retained Earnings	\$1,199,898	\$1,333,458	