

FY 2025-26 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 24-25 Adopted	FY 25-26 Requested	Percent Change	FY 24-25 Adopted	FY 25-26 Requested	Percent Change
Operations	\$1,298,000	\$1,592,000	22.65%	(\$9,230)	\$293,580	(3280.71%)
Construction	50,000	200,000	300.00%	46,750	(154,100)	(429.63%)
TOTAL:	\$1,348,000	\$1,792,000	32.94%	\$37,520	\$139,480	271.75%

C. Staffing Summary

No staffing is allocated to this index.

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	610	624	625	626	0.32%
Total APNs	615	620	620	621	0.16%

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 storage opportunities.

The requested rate per ESD for FY 25-26 annual sewer service charge is \$1,806 representing a 8.9% increase from FY 24-25.

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: SANITATION ZONE 1 - SEA RANCH - OPERATIONS

Fund/Department ID: 44405-33130100

Account No. and Title	Adopted 2024-25	Requested 2025-26	Difference	Percent Change
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REVENUES:

TAXES

40003	Direct Charges - CY	\$996,380	\$1,086,300	\$89,920	9.02%
40202	Direct Charges - PY	1,000	0	(1,000)	(100.00%)
40999	Penalties/Costs on Taxes	100	0	(100)	(100.00%)
Subtotal Taxes		\$997,480	\$1,086,300	\$88,820	8.90%

INTERGOVERNMENTAL REVENUES

42461	Federal Other Funding	\$0	\$0	0	N/A
Subtotal Intergovernmental Revenues		\$0	\$0	\$0	N/A

USE OF MONEY

44002	Interest on Pooled Cash	\$9,750	\$12,120	2,370	24.31%
Subtotal Use of Money		\$9,750	\$12,120	\$2,370	24.31%

OTHER FINANCING

47102	Transfers In - btwn Govtl Funds	\$300,000	\$200,000	(100,000)	(33.33%)
Subtotal Charges for Other Financing		\$300,000	\$200,000	(\$100,000)	(33.33%)

TOTAL REVENUES		\$1,307,230	\$1,298,420	(\$8,810)	(0.67%)
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EXPENDITURES:

SERVICES AND SUPPLIES

51061	Maintenance - Equipment	\$3,910	\$0	(\$3,910)	(100.00%)
51201	Administration Services	7,800	8,500	700	8.97%
51205	Advertising/Marketing Services	200	200	0	0.00%
51211	Legal Services	2,466	7,450	4,984	202.10%
51241	Outside Printing & Binding	500	500	0	0.00%
51244	Permits/License/Fees	17,284	35,930	18,646	107.88%
51401	Rents & Leases - Equipment	700	900	200	28.57%
51601	Training Conference Expenses	100	100	0	0.00%
51803	Other Contract Services	987,000	757,000	(230,000)	(23.30%)
51902	Telecommunications Usage	1,800	1,170	(630)	(35.00%)
51916	County Services Chgs	4,770	6,470	1,700	35.64%
51917	District Operations Charges	186,600	327,210	140,610	75.35%
51921	Equipment Usage Charges	2,760	3,070	310	11.23%
52117	Mail and Postage Supplies	110	0	(110)	(100.00%)
52143	Computer Software/Licensing	500	500	0	0.00%
52171	Water Conservation Program	500	2,000	1,500	300.00%
52191	Utilities	13,000	19,000	6,000	46.15%
Subtotal Services and Supplies		\$1,230,000	\$1,170,000	(\$60,000)	(4.88%)

FY 2025-26 BUDGET
SUMMARY OF REVENUES AND EXPENDITURES

Fund: SANITATION ZONE 1 - SEA RANCH - OPERATIONS

Fund/Department ID: 44405-33130100

Account No. and Title	Adopted 2024-25	Requested 2025-26	Difference	Percent Change
<u>OTHER CHARGES</u>				
53402 Depreciation Expense	\$58,000	\$58,000	\$0	0.00%
53501 Contributions		\$2,000		
<i>Subtotal Other Charges</i>	<u>\$58,000</u>	<u>\$60,000</u>	<u>\$0</u>	<u>0.00%</u>
<u>OTHER FINANCING USES</u>				
57011 Transfers out-within a Fund	\$0	\$352,000	\$352,000	N/A
<i>Subtotal Other Financing Uses</i>	<u>\$0</u>	<u>\$352,000</u>	<u>\$352,000</u>	<u>N/A</u>
<u>FIXED ASSETS</u>				
19840 Acq-WIP-Equipment	\$10,000	\$0	(\$10,000)	(100.00%)
19841 Work in Progress - Intang	0	10,000	10,000	N/A
<i>Subtotal Fixed Assets</i>	<u>\$10,000</u>	<u>\$10,000</u>	<u>\$0</u>	<u>0.00%</u>
TOTAL EXPENDITURES	\$1,298,000	\$1,592,000	\$352,000	27.12%
TOTAL NET COST <i>(Expenditures Minus Revenues)</i>	(\$9,230)	\$293,580	\$302,810	(3280.71%)

FY 2025-26 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 Direct Charges - CY

Flat charge revenue from annual sewer service charges is expected to increase from the adopted FY 24-25 budget. The rate will increase 8.9%, from \$1,658 to \$1,806.

ESDs times annual rate:	607 x \$1,806	\$1,095,800
Less Estimated Delinquency Factor:	0.9%	(9,500)
		<u>\$1,086,300</u>

40202 Direct Charges - PY

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

40999 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 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	\$404,000
Projected Interest Rate	<u>3.00%</u>
Projected/Planned Interest on Pooled Cash	\$12,120

Character Title: Charges for Service

Character No.: 44405-33130100-45

45221 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

47102 Transfers In - btwn Govtl Funds

There is a planned operating transfer for FY 25-26 in the amount of: \$200,000

FY 2025-26 BUDGET

CHARACTER JUSTIFICATION

Department - Division: Sonoma County Water Agency - Sanitation
Section Title: Sanitation Zone - Sea Ranch - Operations

Character Title: Services and Supplies

Character No.: 44405-33130100-51 & 52

51061 Maintenance - Equipment

This account records the costs for routine maintenance of equipment.

51201 Administration Services

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

51205 Advertising/Marketing Svc

This account covers the costs of advertisements and other marketing services.

51211 Legal Services

This account represents funds for the estimated cost of legal services to be provided by County Counsel, or outside legal services, as required.

51241 Outside Printing & Binding

This account represents the cost of printing 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.

51803 Other Contract Services

This account reflects expenses for outside contract services as may be necessary.

The Sea Ranch Water Company will operate both the North and Central treatment plants.

The Gualala Community Service District will treat raw wastewater for the North Sea Ranch treatment plant.

FY 25-26 Planned Contract Services:

	<u>Amount</u>
Algae Removal	50,000
Arc Flash Studies	25,000
Gualala CSD	200,000
Rate Study	8,000
Sanitation Code & Standards Update	24,000
Sludge Removal	135,000
The Sea Ranch Association (TSRA)	300,000
Tree Removal	15,000
	<u>\$ 757,000</u>

51902 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.

FY 2025-26 BUDGET

CHARACTER JUSTIFICATION

Department - Division: Sonoma County Water Agency - Sanitation
Section Title: Sanitation Zone - Sea Ranch - Operations

Character Title: Services and Supplies (Cont'd) **Character No.:** 44405-33130100-51 & 52

51917 District Operations Charges

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.

FY 25-26 Planned Staff Work:

	<u>Amount</u>
Arc Flash Studies	\$ 3,000
LHMP Planning	\$ 5,000
Main LS Valve and Pump Replacements	\$ 20,000
Sanitation Code & Standards Update	\$ 6,000
Sanitation Planning	\$ 15,000
SERP Update & SSMP Audit	\$ 5,000
Transfer to TSRA	\$ 45,000
	<u>\$ 99,000</u>

Character Title: Services and Supplies (Cont'd) **Character No.:** 44405-33130100-51 & 52

51921 Equipment Usage Charges

This account represents funds for equipment usage.

52143 Software/Licensing Fees

This account covers the cost of computer software and licensing fees, as needed.

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.

52191 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 Depreciation

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

53501 Contributions

This account records Emergency Inventory Procurement.

FY 2025-26 BUDGET CHARACTER JUSTIFICATION

Department - Division: Sonoma County Water Agency - Sanitation
Section Title: Sanitation Zone - Sea Ranch - Operations

Character Title: Other Financing Uses

Character No.: 44405-33130100-57

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 any uncompleted projects will be rescheduled and rebudgeted in the next fiscal year.
FY 25-26.

There is a planned operating transfer for FY 25-26 in the amount of: \$352,000

Character Title: Fixed Assets

Character No.: 44405-33130100-19

19840 Work in Progress - Equipment

This account is used for the purchase of equipment that is a fixed or movable tangible asset used for operations.

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: SANITATION ZONE 1 - SEA RANCH - OPERATIONS
Fund/Department ID: 44405-33130100

DESCRIPTION OF FUND ACTIVITY	Actual FY 23-24	Estimated FY 24-25	Requested FY 25-26
Undesignated/Unreserved <u>BEGINNING</u> Fund Balance			
Available for Budgeting (See Detailed Components Below)	\$419,157	\$458,019	\$523,249
Annual Revenues and Expenditures:			
Revenues - Increase fund balance	1,054,566	1,307,230	1,298,420
Expenditures - (Decrease) fund balance	(1,253,234)	(1,298,000)	(1,592,000)
Net Surplus or Deficit - Increase/(Decrease) to fund balance	(198,668)	9,230	(293,580)
Adjustments to Reserves/Encumbrances:			
Depreciation (53402)	32,583	58,000	58,000
Technical Adjustments - 1st Quarter	(13,978)	(2,000)	-
Change in Prepaid Expense	(686)	-	-
Long-Term Receivable	(6,150)	-	-
Unrealized Gain/Loss	(14,357)	-	-
Post Audit Adjustment	239,754	-	-
Change in Encumbrance	363	-	-
Rounding	1	-	-
Net Adjustment - Increase/(Decrease) to Fund Balance	237,530	56,000	58,000
Undesignated/Unreserved <u>ENDING</u> Fund Balance			
Available for Budgeting	\$458,019	\$523,249	\$287,669
Target Fund Balance	\$610,325	\$615,113	\$585,000
<i>Over/(Under) Target Fund Balance</i>	<i>(\$152,307)</i>	<i>(\$91,864)</i>	<i>(\$297,331)</i>
Total Increase/(Decrease) in Fund Balance for Fiscal Year <i>(Difference between Beginning and Ending Balance)</i>	\$38,861	\$65,230	(\$235,580)
<u>Fund Balance Components at Beginning of FY</u>	<u>7/1/2023</u>	<u>7/1/2024</u>	
Equity in Pooled Cash	\$479,699	\$441,606	
Other Receivables	9,815	6,375	
Due from Other Funds	-	251,605	
Vouchers Payable	(41,603)	(164,606)	
Accounts Payable	(7,723)	(56,294)	
Due to Federal			
Unearned Revenue			
Encumbrances	(21,031)	(20,668)	
Total Beginning Fund Balance	\$419,157	\$458,018	

FY 2025-26 BUDGET

SUMMARY OF REVENUES AND EXPENDITURES

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

Account No. and Title	Adopted 2024-25	Requested 2025-26	Difference	Percent Change
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REVENUES:

USE OF MONEY

44002 Interest on Pooled Cash	\$3,250	\$2,100	(\$1,150)	(35.38%)
Subtotal Use of Money	\$3,250	\$2,100	(\$1,150)	(35.38%)

OTHER FINANCING SOURCES

47101 Trans in - Within a Fund	\$0	\$352,000	\$352,000	N/A
Subtotal Other Financing Sources	\$0	\$352,000	\$352,000	N/A

TOTAL REVENUES	\$3,250	\$354,100	\$350,850	10795.38%
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EXPENDITURES:

FIXED ASSETS

19832 CIP- Infrastructure	\$50,000	\$200,000	\$150,000	300.00%
Subtotal Fixed Assets	\$50,000	\$200,000	\$150,000	300.00%

TOTAL EXPENDITURES	\$50,000	\$200,000	\$150,000	300.00%
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TOTAL NET COST	\$46,750	(\$154,100)	(\$200,850)	(429.63%)
<i>(Expenditures Minus Revenues)</i>				

FY 2025-26 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 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	\$70,000
Projected Interest Rate	3.00%
Projected/Planned Interest on Pooled Cash	<u>\$2,100</u>

Character Title: Other Financing Sources

Character No.: 44410-33130200-47

47101 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.

There is a planned operating transfer for FY 25-26 in the amount of: \$352,000

Character Title: Fixed Assets

Character No.: 44410-33130200-19

19832 CIP - Infrastructure

This account is used for expenses associated with future facility upgrades. Planned construction projects for FY 25-26 include the helms lift station control panel replacement.

<u>FY 25-26 Planned Services:</u>	<u>Amount</u>
Helms Lift Station Control Panel Replacement	200,000

FY 2025-26 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 23-24	Estimated FY 24-25	Requested FY 25-26
Undesignated/Unreserved <u>BEGINNING</u> Fund Balance			
Available for Budgeting (See Detailed Components Below)	\$616,443	\$384,361	-\$147,389
Annual Revenues and Expenditures:			
Revenues - Increase fund balance	\$27,333	\$3,250	\$354,100
Expenditures - (Decrease) fund balance	-	(\$535,000)	(200,000)
Net Surplus or Deficit - Increase/(Decrease) to fund balance	27,333	(531,750)	154,100
Adjustments to Reserves/Encumbrances:			
Post Audit Adjustment	(251,605)	-	-
Technical Adjustments - 1st Quarter	-	-	-
Unrealized Gain/Loss	(7,810)	-	-
Net Adjustment - Increase/(Decrease) to Fund Balance	(259,415)	-	-
Undesignated/Unreserved <u>ENDING</u> Fund Balance			
Available for Budgeting	\$384,361	-\$147,389	\$6,711
Total Increase/(Decrease) in Fund Balance for Fiscal Year (Difference between Beginning and Ending Balance)	(\$232,082)	(\$531,750)	\$154,100
<u>Fund Balance Components at Beginning of FY</u>	7/1/2023	7/1/2024	
Cash	\$616,443	\$635,966	
Accounts Payable		-\$251,605	
Encumbrances	-	-	
Total Beginning Fund Balance	\$616,443	\$384,361	