

FY 2026-27 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 25-26 Adopted	FY 26-27 Requested	Percent Change	FY 25-26 Adopted	FY 26-27 Requested	Percent Change
Operations	\$2,732,138	\$2,513,514	(8.00%)	\$365,138	\$538,064	47.36%
Construction	835,214	459,420	(44.99%)	611,214	282,556	(53.77%)
TOTAL:	\$3,567,352	\$2,972,934	(16.66%)	\$976,352	\$820,619	(15.95%)

C. Staffing Summary

No staffing is allocated to this fund.

D. Workload Summary

Workload Indicator	FY 24-25 Actual	FY 25-26 Budget Estimate	FY 25-26 Revised Estimate	FY 26-27 Projected	Change from FY 25-26 Budget Estimate
Total ESDs	273	273	203	203	(25.64%)
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 26-27 annual service charges is \$3,294 representing a 4.7% increase from FY 25-26. Annual sewer service charge revenue, adjusted for the anticipated number of ESDs and an estimated delinquency factor, is projected to increase from the FY 25-26 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 26-27 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 2026-27 BUDGET
BUDGET SECTION SUMMARY

Section Title:

OCCIDENTAL COUNTY SANITATION DISTRICT

F. Summary of Reduction Options

No reduction options are proposed.

G. Attachments

- Summary of Revenues and Expenditures
- Character Justification
- Statement of Special Fund Activity

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FY 2026-27 BUDGET
SUMMARY OF REVENUES AND EXPENDITURES

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

Account No. and Title	Adopted 2025-26	Requested 2026-27	Difference	Percent Change
REVENUES:				
<u>TAXES</u>				
40003 Direct Charges-CY	\$360,800	\$417,000	\$56,200	15.58%
40202 Direct Charges - PY	0	0	0	N/A
40999 Penalties/Costs on Taxes	0	0	0	N/A
Subtotal Taxes	\$360,800	\$417,000	\$56,200	15.58%
<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	1,850,000	1,318,000	(532,000)	(28.76%)
Subtotal Intergovernmental	\$1,850,000	\$1,318,000	(\$532,000)	(28.76%)
<u>USE OF MONEY</u>				
44002 Interest on Pooled Cash	\$28,500	\$25,750	(\$2,750)	(9.65%)
Subtotal Use of Money	\$28,500	\$25,750	(\$2,750)	(9.65%)
<u>CHARGES FOR SERVICES</u>				
45221 Sewer/Water Usage Fee	\$127,700	\$214,700	\$87,000	68.13%
Subtotal Charges for Services	\$127,700	\$214,700	\$87,000	68.13%
TOTAL REVENUES	\$2,367,000	\$1,975,450	(\$391,550)	(16.54%)

EXPENDITURES:

SERVICES AND SUPPLIES

51061 Maintenance - Equipment	\$185,000	\$200,000	\$15,000	8.11%
51201 Administration Services	3,710	3,390	(320)	(8.63%)
51205 Advertising/Marketing	210	210	0	0.00%
51206 Accounting/Auditing Services	10,200	10,600	400	3.92%
51211 Legal Services	4,000	2,000	(2,000)	(50.00%)
51231 Testing/Analysis	5,620	5,000	(620)	(11.03%)
51241 Outside Printing & Binding	200	200	0	0.00%
51244 Permits/License/Fees	16,610	7,500	(9,110)	(54.85%)
51401 Rents & Leases-Equipment	2,500	2,500	0	0.00%
51509 SCADA	33,200	30,719		
51601 Training/Conference Expenses	110	110	0	0.00%
51803 Other Contract Services	694,025	835,800	141,775	20.43%
51902 Telecommunication Usage	640	640	0	0.00%
51916 County Services	4,240	3,180	(1,060)	(25.00%)
51917 District Operations Chgs	751,000	740,547	(10,453)	(1.39%)

FY 2026-27 BUDGET
SUMMARY OF REVENUES AND EXPENDITURES

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

Account No. and Title	Adopted 2025-26	Requested 2026-27	Difference	Percent Change
EXPENDITURES:				
<u>SERVICES AND SUPPLIES (Contd.)</u>				
51921 Equipment Usage Charges	253,800	170,762	(83,038)	(32.72%)
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	2,000	2,000	0	0.00%
52143 Software/Licensing Fees	320	530	210	65.63%
52171 Water Conservation Prog	2,000	2,000	0	0.00%
52193 Utilities-Power	36,000	36,000	0	0.00%
Subtotal Services and Supplies	\$2,009,935	\$2,058,238	\$50,784	2.53%
<u>OTHER CHARGES</u>				
53402 Depreciation Expense	\$417,263	\$279,000	(\$138,263)	(33.14%)
53301 Taxes & Assessments		\$276		
53501 Contributions/Donations	1,000	1,000	0	0.00%
Subtotal Other Charges	\$418,263	\$280,276	(\$138,263)	(33.06%)
<u>OTHER FINANCING USES</u>				
57011 Transfers out-within a Fund	\$0	\$160,000	\$160,000	N/A
Subtotal Other Financing Uses	\$0	\$160,000	\$160,000	N/A
<u>FIXED ASSETS</u>				
19840 Acq-WIP-Equipment	\$303,940	\$15,000	(\$288,940)	(95.06%)
Subtotal Fixed Assets	\$303,940	\$15,000	(\$288,940)	(95.06%)
TOTAL EXPENDITURES	\$2,732,138	\$2,513,514	(\$218,624)	(7.99%)
TOTAL NET COST <i>(Expenditures Minus Revenues)</i>	\$365,138	\$538,064	\$172,926	47.33%

FY 2026-27 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 25-26 budget. The rate will increase 4.7% from \$3,146 to \$3,294.

ESDs times annual rate:	133.75 x \$3,294	\$440,600
Less Estimated Delinquency Factor:	5.4%	(23,600)
		\$417,000

(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		\$858,342
Projected Interest Rate		3.00%
Projected/Planned Interest on Pooled Cash		\$25,750

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 26-27 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 \$3,146 to \$3,294.

ESDs x Annual Charge	65.2 x \$3,294	=	\$214,700
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FY 2026-27 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.

<u>FY 26-27 Planned Maintenance-Equipment:</u>	<u>Project No.</u>	<u>Amount</u>
Routine Maintenance Equipment - Mechanical Maintenance	O1002	\$150,000
Routine Maintenance Equipment - Electrical/Instrumentation	O1002	\$25,000
Lift Station Pump Replacement	O1002	\$25,000
		\$200,000

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 \$ 30,719

FY 2026-27 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 26-27 Planned Contract Services:</u>	<u>Project No.</u>	<u>Amount</u>
Collection System Rehabilitation and Repairs	O1002W007	35,000
Electrical Maintenance Services	O1002	55,000
Pond Treatment	O1003W012	20,000
Master Plan/SECAP	O0005C019	75,000
Multi-Year Agreements(Annual Audit)	Various	12,300
Rate Study	TBD	6,000
Remote Manhole Monitoring Services	O1002W007	2,000
Sanitation Planning	O0005C019	20,000
Sewer Inspection Data Management & Analysis Services	O1002W007	3,500
Sewer System Management Plan (SSMP) Update	O0023D021	75,000
Sewer Tipping Fees	O1002W007	200,000
Traffic Control Services	O1002	4,000
TPW Pavement Preservation	O0005C019	15,000
Vegetation Management Services	O1003W012	5,000
Wet Weather Hauling Services	O1002W007	300,000
Hazardous Materials Assistance	O0005C019	8,000
		835,800

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 26-27 Planned Staff Work:</u>	<u>Project No.</u>	<u>Amount</u>
Rate Study	TBD	2,500
Routine O&M Labor	TBD	683,047
Sanitation Planning	O0005C019	10,000
Regulatory Permitting Assistance	O0019B012	10,000
SSMP Update	O0023D021	25,000
Hazardous Materials Assistance	O0005C019	5,000
TPW Pavement Preservation	O0005C019	5,000
		740,547

FY 2026-27 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.

Transfer to Construction Fund	\$160,000
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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.

<u>FY 26-27 Planned Work:</u>	<u>Project No.</u>	<u>Amount</u>
Sewer Dedication and Easement Agreements.	TBD	15,000

FY 2026-27 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 24-25	Estimated FY 25-26	Requested FY 26-27
Undesignated/Unreserved <u>BEGINNING</u> Retained Earnings			
Available for Budgeting (See Detailed Components Below)	\$ 940,357	\$ 987,036	\$987,874
Annual Revenues and Expenditures:			
Revenues - Increase retained earnings	1,630,057	2,367,000	1,975,450
Expenditures - (Decrease) retained earnings	(1,739,729)	(2,783,425)	(2,513,514)
Net Surplus or Deficit - Inc/(Dec) to retained earnings	(109,672)	(416,425)	(538,064)
Adjustments to Reserves/Encumbrances:			
Depreciation (53402)	151,582	417,263	279,000
Post Audit Adjustment	(559)	-	-
Unrealized Gain/loss	-	-	-
Long-Term Receivable	2,283	-	-
Change in prepaid expense	3,086	-	-
Change in Encumbrance	(41)	-	-
Rounding	-	-	-
Net Adjustment - Increase/(Decrease) to Retained Earnings	156,351	417,263	279,000
Undesignated/Unreserved <u>ENDING</u> Retained Earnings			
Available for Budgeting	\$ 987,036	\$ 987,874	\$728,810
Target Fund Balance	\$793,523	\$1,030,316	\$1,029,119
<i>Over/(Under) Target Fund Balance</i>	\$193,512	(\$42,442)	(\$300,309)
Total Increase/(Decrease) in Retained Earnings for Fiscal Year <i>(Difference between Beginning and Ending Balance)</i>	\$46,679	\$838	(\$259,064)
<u>Retained Earnings Components at Beginning of FY</u>	7/1/2024	7/1/2025	
Cash	\$861,006	\$871,533	
Other Receivables (Flat Charges)	20,344	19,761	
Accounts Receivable	75,801	116,041	
Due from Other Governments	-	(559)	
Encumbrances	(16,574)	(16,615)	
Vouchers Payable	(220)	(3,124)	
Total Beginning Retained Earnings	\$ 940,357	\$ 987,037	

FY 2026-27 BUDGET
SUMMARY OF REVENUES AND EXPENDITURES

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

Account No. and Title	Adopted 2025-26	Requested 2026-27	Difference	Percent Change
REVENUES:				
USE OF MONEY				
44002 Interest on Pooled Cash	\$24,000	\$16,864	(\$7,136)	(29.73%)
Subtotal Use of Money	\$24,000	\$16,864	(\$7,136)	(29.73%)
MISCELLANEOUS REVENUE				
46021 Capital Grants-Federal	\$0	\$0	\$0	N/A
46024 Federal Other Funding	200,000	0	(200,000)	(100.00%)
Subtotal Miscellaneous Revenue	\$200,000	\$0	(\$200,000)	(100.00%)
OTHER FINANCING SOURCES				
47101 Transfers In -within a Fund	\$0	\$160,000	\$160,000	N/A
Subtotal Other Financing Sources	\$0	\$160,000	\$160,000	N/A
TOTAL REVENUES	\$224,000	\$176,864	(\$47,136)	(21.04%)
EXPENDITURES:				
FIXED ASSETS				
19832 CIP - Infrastructure	\$835,214	\$459,420	(\$375,794)	(44.99%)
Subtotal Fixed Assets	\$835,214	\$459,420	(\$375,794)	(44.99%)
TOTAL EXPENDITURES	\$835,214	\$459,420	(\$375,794)	(44.99%)
TOTAL NET COST <i>(Expenditures Minus Revenues)</i>	\$611,214	\$282,556	(\$328,658)	(53.77%)

**FY 2026-27 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	\$562,148
Projected Interest Rate	3.00%
Projected/Planned Interest on Pooled Cash	\$16,864

Character Title: Intergovernmental Revenues Character No.: 43102-33060200-42

42461 Federal Other Funding

This account records Federal grants anticipated to fund Occidental-Graton 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.

Transfer from Operations Fund	\$	160,000.00
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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 26-27:</u>	<u>Project No.</u>	<u>Amount</u>
Occidental-Graton Pipeline	O0058/59/60	363,625
ROW: Occidental-Graton Pipeline	O0059	95,795
		459,420

FY 2026-27 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 24-25	Estimated FY 25-26	Requested FY 26-27
Undesignated/Unreserved <u>BEGINNING</u> Retained Earnings			
Available for Budgeting (See Detailed Components Below)	\$1,333,458	\$1,291,772	\$703,426
Annual Revenues and Expenditures:			
Revenues - Increase retained earnings	50,458	\$1,674,000	176,864
Expenditures - (Decrease) retained earnings	(92,144)	(\$2,262,346)	(459,420)
Net Surplus or Deficit - Inc/(Dec) to retained earnings	(41,686)	(588,346)	(282,556)
Adjustments to Reserves/Encumbrances:			
Change in Encumbrance	-	-	-
Technical Adjustments - 1st Quarter	-	-	-
Post Audit Adjustment	-	-	-
Unrealized Gain/loss	-	-	-
Rounding	-	-	-
Net Adjustment - Increase/(Decrease) to Retained Earnings	-	-	-
Undesignated/Unreserved <u>ENDING</u> Retained Earnings			
Available for Budgeting	\$1,291,772	\$703,426	\$420,870
Total Increase/(Decrease) in Retained Earnings for Fiscal Year <i>(Difference between Beginning and Ending Balance)</i>	(\$41,686)	(\$588,346)	(\$282,556)
<u>Retained Earnings Components at Beginning of FY</u>	7/1/2024	7/1/2025	
Cash	\$1,333,458	\$1,291,772	
Vouchers Payable	-	-	
Accounts Payable	-	-	
Retention Payable	-	-	
Encumbrances	-	-	
Total Beginning Retained Earnings	\$1,333,458	\$1,291,772	