

FY 2026-27 BUDGET

BUDGET SECTION SUMMARY

Section Title:

SANITATION ZONE - PENNGROVE

A. Program Description

This budget finances the maintenance, construction, debt service, and administration of a collection system and pumping station which serves the Penngrove area. Raw sewage is pumped to the City of Petaluma (Petaluma) for treatment and disposal. These services are provided by Petaluma pursuant to an agreement between the two entities. Petaluma charges the Penngrove Sanitation Zone (Penngrove SZ) for treatment on the basis of Equivalent Single Family Dwellings (ESDs).

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	\$1,640,920	\$2,305,899	40.52%	\$133,200	\$120,839	(9.28%)
Bonds	0	0	N/A	0	0	N/A
Construction	550,000	729,285	32.60%	532,180	353,913	(33.50%)
TOTAL:	\$2,190,920	\$3,035,184	38.53%	\$665,380	\$474,751	(28.65%)

C. Staffing Summary

No staffing is allocated to this index.

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	560	556	560	561	0.90%
Total APNs	381	380	380	380	0.00%

E. Summary of Issues and Significant Changes

Agency operations in the Penngrove Sanitation Zone (Penngrove SZ) are limited to administrative services and operation/maintenance of the collection system and pumping station. Wastewater collected by the Penngrove SZ collection system flows through Petaluma's collection system to the Petaluma wastewater treatment plant. Wastewater generated by the Penngrove SZ and Petaluma is treated to meet tertiary standards at Petaluma's treatment plant.

The proposed FY 26-27 annual sewer service charges for Penngrove SZ is \$2,476 per ESD, which represents a 7.8% increase over FY 25-26.

Connection fees continue to be collected for the future expansion and/or replacement of the collection system and for part of Penngrove SZ's share of the cost to upgrade and expand Petaluma's wastewater treatment and reclamation facilities.

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 2026-27 BUDGET
SUMMARY OF REVENUES AND EXPENDITURES

Fund: **SANITATION ZONE 1 - PENNGROVE - OPERATIONS**
Fund/Department ID: **44505-33120100**

Account No. and Title	Adopted 2025-26	Requested 2026-27	Difference	Percent Change
REVENUES:				
TAXES				
40003 Direct Charges-CY	\$1,087,100	\$1,352,200	\$265,100	24.39%
Subtotal Taxes	\$1,087,100	\$1,352,200	\$265,100	24.39%
USE OF MONEY				
44002 Interest on Pooled Cash	\$10,920	\$11,860	\$940	8.61%
Subtotal Use of Money	\$10,920	\$11,860	\$940	8.61%
CHARGES FOR SERVICES				
45221 Sewer/Water Usage Fee	\$19,700	\$26,000	\$6,300	31.98%
Subtotal Charges for Services	\$19,700	\$26,000	\$6,300	31.98%
MISCELLANEOUS REVENUE				
46040 Miscellaneous Revenue	0	15,000	15,000	N/A
Subtotal Miscellaneous Revenue	\$0	\$15,000	\$15,000	N/A
OTHER FINANCING SOURCES				
47101 Trans in - Within a Fund	\$390,000	\$780,000	\$390,000	100.00%
Subtotal Other Financing Sources	\$390,000	\$780,000	\$390,000	100.00%
TOTAL REVENUES	\$1,507,720	\$2,185,060	\$677,340	44.92%

EXPENDITURES:

SERVICES AND SUPPLIES

51061 Maintenance - Equipment	\$15,000	\$60,000	\$45,000	300.00%
51201 Administration Services	10,000	9,010	(990)	(9.90%)
51211 Legal Services	2,400	2,400	0	0.00%
51244 Permits/License/Fees	4,000	3,290	(710)	(17.75%)
51401 Rents & Leases-Equipment	350	350	0	0.00%
51509 SCADA	63,400	56,362	(7,038)	(11.10%)
51803 Other Contract Services	350,500	373,500	23,000	6.56%
51902 Telecommunication Usage	300	300	0	0.00%
51917 District Operations Charges	300,000	468,217	168,217	56.07%
51921 Equipment Usage Charges	22,370	22,370	0	0.00%
52143 Computer Software/Licensing Fees	2,000	2,000	0	0.00%
52162 Special Departmental Expense	720,800	777,400	56,600	7.85%
52171 Water Conservation Program	200	1,000	800	400.00%
52193 Utilities	11,600	13,400	1,800	15.52%
52194 Utilities-Water	300	300	0	0.00%
Subtotal Services and Supplies	\$1,503,220	\$1,789,899	\$286,679	19.07%

FY 2026-27 BUDGET
SUMMARY OF REVENUES AND EXPENDITURES

Fund: **SANITATION ZONE 1 - PENNGROVE - OPERATIONS**
Fund/Department ID: **44505-33120100**

Account No. and Title	Adopted 2025-26	Requested 2026-27	Difference	Percent Change
<u>OTHER CHARGES</u>				
53402 Depreciation Expense	\$129,000	\$129,000	\$0	0.00%
53501 Contributions	2,000	2,000	0	0.00%
Subtotal Other Charges	\$131,000	\$131,000	\$0	0.00%
<u>OTHER FINANCING USES</u>				
57011 Transfers out-within a Fund	\$0	\$370,000	\$370,000	N/A
Subtotal Other Financing Uses	\$0	\$370,000	\$370,000	N/A
<u>FIXED ASSETS</u>				
19841 Acq-WIP-Intangible	6,700	15,000	8,300	123.88%
Subtotal Fixed Assets	\$6,700	\$15,000	\$8,300	123.88%
TOTAL EXPENDITURES	\$1,640,920	\$2,305,899	\$664,979	40.52%
TOTAL NET COST <i>(Expenditures Minus Revenues)</i>	\$133,200	\$120,839	(\$12,361)	(9.28%)

DRAFT

**FY 2026-27 BUDGET
CHARACTER JUSTIFICATION**

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

Character Title: Taxes Character No.: 44505-33120100-40

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 7.8%, from \$2,298 to \$2,476.

ESDs times annual rate:	549.00	x	\$2,476		\$1,359,320
Less Estimated Delinquency Factor:			0.5%		<u>(7,120)</u>
					\$1,352,200

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.: 44505-33120100-44

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		\$395,340
Projected Interest Rate		<u>3.00%</u>
Projected/Planned Interest on Pooled Cash		\$11,860

Character Title: Charges for Services Character No.: 44505-33120100-45

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 Zone will experience an increase in revenue from invoiced entities. The budgeted revenue reflects an increase in the annual sewer service charge from \$2,298 to \$2,476.

ESDs x Annual Charge	10.52	x	\$2,476	=	\$26,000
----------------------	-------	---	---------	---	----------

Character Title: Miscellaneous Revenue Character No.: 44405-33120100-46

46040 Miscellaneous Revenue

There is a planned revenue for FY 26-27 in the amount of: \$15,000 for Project P0002D028

Character Title: Other Financing Character No.: 44405-33120100-47

47102 Transfers In - btwn Govtl Funds

There is a planned operating transfer for FY 26-27 in the amount of: \$780,000

**FY 2026-27 BUDGET
CHARACTER JUSTIFICATION**

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

Character Title: **Services and Supplies** Character No.: **44505-33120100-51&52**

51061 Maintenance - Equipment

This account records the cost for routine maintenance of equipment.
The following projects are planned for the forthcoming year:

<u>FY 26-27 Planned Maintenance-Equipment:</u>	<u>Project No.</u>	<u>Amount</u>
Manhole rehabilitation & access gates	P0007M001	10,000
Routine Maintenance Equipment - Mechanical Maintenance	P1002	40,000
Routine Maintenance Equipment - Electrical/Instrumentation	P1002	10,000
		\$ 60,000

51201 Administration Services

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

51211 Legal Services

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

51244 Permits/License/Fees

This account records the cost of all permits.

51509 SCADA

This account records SCADA allocations FY26-27.

SCADA \$ 56,362

51803 Other Contract Services

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

<u>FY 26-27 Planned Contract Services:</u>	<u>Project No.</u>	<u>Amount</u>
Collection System Rehabilitation and Repairs	P1002	50,000
Electrical Maintenance Services	P1002	5,000
Hazardous Waste	P0005C019	5,000
I&I Reduction Improvements	P0045	100,000
Manhole rehabilitation in Flood Zone	P1002	25,000
Remote Manhole Monitoring Services	P1002	5,000
Sanitation Planning	P0005C019	30,000
Sewer Collection Development Analysis	P0002D028	15,000
Sewer Inspection Data Management & Analysis Services	P1002	3,500
TPW Pavement Preservation	P0005C019	25,000
Wet Weather Hauling Services	P1002	100,000
Rate Study	P0005A002	10,000
		\$ 373,500

51902 Telecommunication Usage

This account records expenses paid by the Penngrove SZ for outside communication and wireless services.

**FY 2026-27 BUDGET
CHARACTER JUSTIFICATION**

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

Character Title: **Services and Supplies (Cont'd)** Character No.: **44505-33120100-51 & 52**

51917 District Operations Charges

This account records the cost of labor and overhead associated with operations and maintenance of the Penngrove SZ's facilities.

<u>FY 26-27 Planned Staff Work:</u>	<u>Project No.</u>	<u>Amount</u>
Hazardous Waste	P0005C019	5,000
Infrastructure Survey & GIS	TBD	25,000
Penngrove Infiltration and Inflow	TBD	10,000
Routine O&M Labor	TBD	155,698
Sewer Collection Development Analysis	P0002D028	5,000
Sewer Collection I/I Study	P0005C019	15,000
Sewer Easement Maintenance Labor	P1002	15,000
TPW Pavement Preservation	P0005C019	5,000
Wastewater Rate Study	P0005A002	5,000
		<u>\$ 240,698</u>

51921 Equipment Usage Charges

This account records the cost of equipment usage.

52143 Computer Software/Licensing Fees

This item provides funds for various software packages.

52162 Special Departmental Expense

The Penngrove SZ does not have a sewer treatment plant. Rather, the Penngrove SZ has an agreement with Petaluma to accept and treat sewage. The amount requested for the forthcoming year reflects the current year budget consistent with planned rate increases by Petaluma.

Character Title: **Services and Supplies (Cont'd)** Character No.: **44505-33120100-51 & 52**

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

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

52194 Utilities Water

This account records the cost of payments made for water utilities.

Character Title: **Other Charges** Character No.: **44505-33120100-53**

53402 Depreciation

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

53501 Contributions

This account records Emergency Inventory Procurement.

**FY 2026-27 BUDGET
CHARACTER JUSTIFICATION**

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

Character Title: Other Financing Uses Character No.: 44505-33120100-57

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. The planned transfer for the fiscal year is listed below:

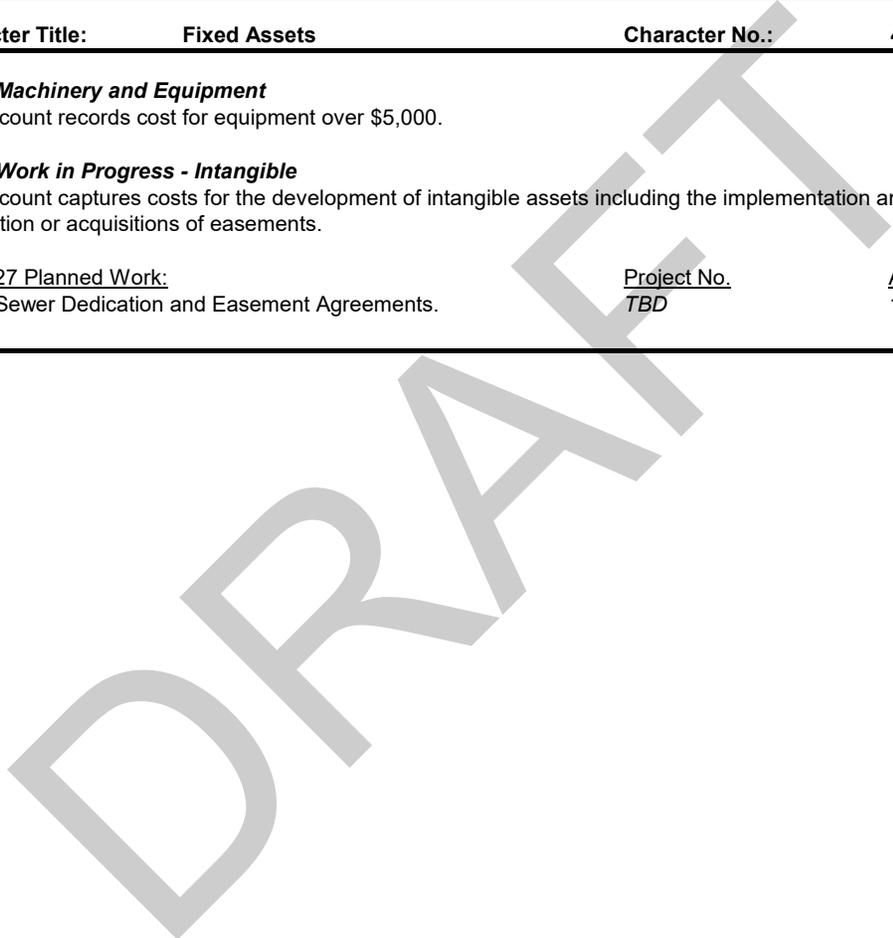
	<u>Amount</u>
	370,000

Character Title: Fixed Assets Character No.: 44505-33120100-19

19820 Machinery and Equipment
This account records cost for equipment over \$5,000.

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: SANITATION ZONE 1 - PENNGROVE - OPERATIONS
Fund/Department ID: 44505-33120100

DESCRIPTION OF FUND ACTIVITY	Actual FY 24-25	Estimated FY 25-26	Requested FY 26-27
Undesignated/Unreserved <u>BEGINNING</u> Fund Balance			
Available for Budgeting (See Detailed Components Below)	\$319,063	\$590,671	\$472,509
Annual Revenues and Expenditures:			
Revenues - Increase fund balance	1,764,805	1,507,720	2,185,060
Expenditures - (Decrease) fund balance	(1,667,028)	(1,754,882)	(2,305,899)
Net Surplus or Deficit - Increase/(Decrease) to fund balance	<u>97,777</u>	<u>(247,162)</u>	<u>(120,839)</u>
Adjustments to Reserves/Encumbrances:			
Depreciation	123,013	129,000	129,000
Technical Adjustments - 1st Quarter	-	-	-
Unrealized Gain/Loss	-	-	-
Long-Term Receivable	(1,639)	-	-
Change in prepaid expense	(1,146)	-	-
Change in Encumbrance	54,746	-	-
Rounding	2	-	-
Post Audit Adjustment	(1,145)	-	-
Net Adjustment - Increase/(Decrease) to Fund Balance	<u>173,831</u>	<u>129,000</u>	<u>129,000</u>
Undesignated/Unreserved <u>ENDING</u> Fund Balance			
Available for Budgeting	\$590,671	\$472,509	\$480,670
Target Fund Balance	\$771,141	\$817,649	\$894,950
<i>Over/(Under) Target Fund Balance</i>	<i>(\$180,470)</i>	<i>(\$345,140)</i>	<i>(\$414,279)</i>
Total Increase/(Decrease) in Fund Balance for Fiscal Year <i>(Difference between Beginning and Ending Balance)</i>	\$271,608	(\$118,162)	\$8,161
<u>Fund Balance Components at Beginning of FY</u>	<u>7/1/2024</u>	<u>7/1/2025</u>	
Equity in Pooled Cash	\$1,132,879	\$1,372,177	
Accounts Receivable (AR Module)	-	-	
Other Receivables (Flat Charges)	9,223	18,916	
Retention Receivable	-	-	
Accounts Payable	-	-	
Vouchers Payable	(31,198)	(768,815)	
Advances Payable	-	(1,145)	
Due to Federal	-	-	
Due To Other Governments	(706,633)	-	
Unearned Revenue	-	-	
Encumbrances	(85,208)	(30,462)	
Total Beginning Fund Balance	<u>\$319,063</u>	<u>\$590,671</u>	

FY 2026-27 BUDGET
SUMMARY OF REVENUES AND EXPENDITURES

Fund: SANITATION ZONE 1 - PENNGROVE - CONSTRUCTION
Fund/Department ID: 44510-3312020

Account No. and Title	Adopted 2025-26	Requested 2026-27	Difference	Percent Change
REVENUES:				
<u>USE OF MONEY</u>				
44002 Interest on Pooled Cash	\$17,820	\$5,372	(\$12,448)	(69.85%)
Subtotal Use of Money	\$17,820	\$5,372	(\$12,448)	(69.85%)
<u>OTHER FINANCING SOURCES</u>				
47101 Trans in - Within a Fund	\$0	\$370,000	\$370,000	N/A
Subtotal Other Financing Sources	\$0	\$370,000	\$370,000	N/A
TOTAL REVENUES	\$17,820	\$375,372	\$357,552	2006.47%
EXPENDITURES:				
<u>FIXED ASSETS</u>				
19832 CIP - Infrastructure	550,000	729,285	179,285	32.60%
Subtotal Fixed Assets	\$550,000	\$729,285	\$179,285	32.60%
TOTAL EXPENDITURES	\$550,000	\$729,285	\$179,285	32.60%
TOTAL NET COST <i>(Expenditures Minus Revenues)</i>	\$532,180	\$353,913	(\$178,267)	(33.50%)

FY 2026-27 BUDGET CHARACTER JUSTIFICATION

Department - Division: Sonoma County Water Agency - Sanitation
Section Title: Sanitation Zone - Penngrove - Construction

Character Title: Use of Money Character No.: 44510-3312020-44

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	\$179,081
Projected Interest Rate	3.00%
Projected/Planned Interest on Pooled Cash	\$5,372

Character Title: Other Financing Sources Character No.: 44510-3312020-47

47101 Transfers 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. 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. The planned transfer for the fiscal year is listed below:

Amount
370,000

Character Title: Fixed Assets Character No.: 44510-3312020-19

19831 CIP - Building & Improvements

This account reflects funds for future capital improvement projects.

<u>FY 26-27 Planned projects:</u>	<u>Project No.</u>	<u>Amount</u>
Replace/Upsize Force Main Phase 1	TBD	\$ 628,200
ROW: Replace/Upsize Force Main Phase 2	TBD	\$ 101,085
		\$ 729,285

FY 2026-27 BUDGET
STATEMENT OF SPECIAL FUND ACTIVITY

Department: Sonoma County Water Agency - Sanitation
Fund: Sanitation Zone - Penngrove - Construction
Fund/Department ID: 44510-3312020

DESCRIPTION OF FUND ACTIVITY	Actual FY 24-25	Estimated FY 25-26	Requested FY 26-27
Undesignated/Unreserved <u>BEGINNING</u> Fund Balance			
Available for Budgeting (See Detailed Components Below)	\$831,310	\$888,217	\$356,037
Annual Revenues and Expenditures:			
Revenues - Increase fund balance	56,907	17,820	375,372
Expenditures - (Decrease) fund balance	-	(550,000)	(729,285)
Net Surplus or Deficit - Increase/(Decrease) to fund balance	56,907	(532,180)	(353,913)
Adjustments to Reserves/Encumbrances:			
Change in Encumbrances	-	-	-
Unrealized Gain/Loss	-	-	-
Net Adjustment - Increase/(Decrease) to Fund Balance	-	-	-
Undesignated/Unreserved <u>ENDING</u> Fund Balance			
Available for Budgeting	\$888,217	\$356,037	\$2,124
Total Increase/(Decrease) in Fund Balance for Fiscal Year <i>(Difference between Beginning and Ending Balance)</i>	\$56,907	(\$532,180)	(\$353,913)
<u>Fund Balance Components at Beginning of FY</u>	7/1/2024	7/1/2025	
Equity in Pooled Cash	\$831,310	\$888,217	
Retention Receivable	-	-	
Due from Federal AR	-	-	
Accounts Payable	-	-	
Retention Payable	-	-	
Vouchers Payable	-	-	
Encumbrances	-	-	
Total Beginning Fund Balance	\$831,310	\$888,217	