

FY 2019-20 BUDGET
BUDGET SECTION SUMMARY

Section Title:

SANITATION ZONE - AIRPORT / LARKFIELD / WIKIUP

A. Program Description

This budget finances the operation, maintenance, and administration of a collection system, trunk line, and treatment plant serving the Airport/Larkfield/Wikiup area.

B. Financial Summary

Section	GROSS EXPENDITURES			NET COST/USE OF FUND BALANCE		
	FY 18-19 Adopted	FY 19-20 Requested	Percent Change	FY 18-19 Adopted	FY 19-20 Requested	Percent Change
Operations	\$5,027,263	\$4,889,798	(2.73%)	\$850,172	\$1,135,016	33.50%
Bonds	99,841	91,785	(8.07%)	(345,329)	(356,353)	3.19%
Construction	800,000	7,076,000	784.50%	777,320	6,790,768	773.61%
TOTAL:	\$5,927,104	\$12,057,583	103.43%	\$1,282,163	\$7,569,431	490.36%

C. Staffing Summary

No staffing is allocated to this index.

D. Workload Summary

Workload Indicator	FY 17-18 Actual	FY 18-19 Budget Estimate	FY 18-19 Revised Estimate	FY 19-20 Projected	Change from FY 18-19 Budget Estimate
Total ESDs	3,932	3,590	3,619	3,640	1.39%
Total APNs	2,075	1,754	1,741	1,760	0.34%

E. Summary of Issues and Significant Changes

The Airport/Larkfield/Wikiup Sanitation Zone's (Airport SZ) treatment plant was designed as a zero discharge facility and has the ability to treat an average daily dry weather flow of up to 0.9 million gallons per day (mgd) to tertiary wastewater treatment standards.

For several years following major expansion of the Airport SZ's reclamation system and upgrade of the treatment plant to meet tertiary standards, rate increases did not keep pace with the increased operations and debt service costs. Various steps have been taken to improve performance of the filtration system and the Agency has implemented aggressive water conservation measures to delay the need for capital expansion projects.

The requested rate per ESD for FY 19-20 annual service charges is \$979, representing a 4.0% increase from FY 18-19. Rate increases in excess of the inflation will be needed to balance operational revenue and costs over the next several years.

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 2019-20 BUDGET

SUMMARY OF REVENUES AND EXPENDITURES

Fund: SANI ZONE - AIRPORT / LARKFIELD / WIKIUP - OPERATIONS

Fund/Department ID: 44705-33100100

Account No. and Title	Adopted 2018-19	Requested 2019-20	Difference	Percent Change
REVENUES:				
<u>TAXES</u>				
40003 Direct Charges-CY	\$3,024,945	\$3,107,199	\$82,254	2.72%
40202 Direct Charges - PY	24,500	24,000	(500)	(2.04%)
40999 Penalties/Costs on Taxes	4,700	4,500	(200)	(4.26%)
Subtotal Taxes	\$3,054,145	\$3,135,699	\$81,554	2.67%
<u>USE OF MONEY</u>				
44002 Interest on Pooled Cash	\$8,811	\$8,811	\$0	0.00%
44101 Rent - Real Estate	150,000	150,000	0	0.00%
Subtotal Use of Money	\$158,811	\$158,811	\$0	0.00%
<u>CHARGES FOR SERVICES</u>				
45221 Sewer/Water Usage Fee	\$272,890	\$360,272	\$87,382	32.02%
Subtotal Charges for Services	\$272,890	\$360,272	\$87,382	32.02%
<u>MISCELLANEOUS REVENUE</u>				
46040 Miscellaneous Revenue	691,245	0	(\$691,245)	(100.00%)
Subtotal Miscellaneous Revenue	\$691,245	\$0	(\$691,245)	(100.00%)
<u>OTHER FINANCING SOURCES</u>				
47101 Trans in - Within a Fund	\$0	\$100,000	\$100,000	N/A
Subtotal Other Financing Sources	\$0	\$100,000	\$100,000	N/A
TOTAL REVENUES	\$4,177,091	\$3,754,782	(\$422,309)	(10.11%)

EXPENDITURES:

SERVICES AND SUPPLIES

51061 Maintenance - Equipment	225,000	309,000	84,000	37.33%
51076 Maint FACOPS	332,800	150,000	(182,800)	(54.93%)
51231 Testing/Analysis	23,000	30,000	7,000	30.43%
51201 Administration Services	27,000	27,000	0	0.00%
51211 Legal Services	2,000	5,000	3,000	150.00%
51241 Outside Printing & Binding	2,600	4,000	1,400	53.85%
51244 Permits/License/Fees	35,000	65,000	30,000	85.71%
51401 Rents & Leases-Equipment	20,000	39,000	19,000	95.00%
51421 Rents & Leases-Bldgs/Land	0	9,000	9,000	N/A
51803 Other Contract Services	331,200	93,750	(237,450)	(71.69%)
51902 Telecommunications Usage	6,000	5,000	(1,000)	(16.67%)
51917 District Operations Charges	1,900,000	2,024,460	124,460	6.55%
51921 Equipment Usage Charges	134,100	135,000	900	0.67%
52061 Fuel/Gas/Oil	1,000	1,000	0	0.00%

Account No. and Title	Adopted 2018-19	Requested 2019-20	Difference	Percent Change
52061 Fuel/Gas/Oil	1,000	1,000	0	0.00%
52072 Chemicals	58,000	57,000	(1,000)	(1.72%)
52081 Medical/Laboratory Supplies	2,000	6,000	4,000	200.00%
52111 Office Supplies	700	2,000	1,300	185.71%
52117 Mail and Postage Supplies	1,000	1,000	0	0.00%
52141 Minor Equipment/Small Tools	18,000	14,000	(4,000)	(22.22%)
52142 Computer Equip/Accessories	0	1,000	1,000	N/A
52143 Software/Licensing Fees	2,300	0	(2,300)	(100.00%)
52171 Water Conservation Program	2,000	18,000	16,000	800.00%
52191 Utilities	15,000	15,000	0	0.00%
52193 Utilities-Power	280,000	316,000	36,000	12.86%
Subtotal Services and Supplies	\$3,418,700	\$3,327,210	(\$91,490)	(2.68%)
<u>OTHER CHARGES</u>				
53402 Depreciation Expense	\$1,067,000	\$1,077,000	10,000	0.94%
53401 Amortization Expense	16000	16,000	0	0.00%
Subtotal Other Charges	\$1,083,000	\$1,093,000	\$10,000	0.92%
<u>FIXED ASSETS</u>				
19820 Machinery & Equipment	\$52,000	\$10,000	(\$42,000)	(80.77%)
19841 Work in Progress - Intang	5,000	0	(5,000)	(100.00%)
19851 Intangible Assets - Non-amort	5,000	0	(5,000)	(100.00%)
Subtotal Fixed Assets	\$62,000	\$10,000	(\$52,000)	(83.87%)
<u>APPROPRIATIONS FOR CONT</u>				
55011 Appropriations for Contingency	\$20,000	\$20,000	\$0	0.00%
Subtotal Appropriations for Contin.	\$20,000	\$20,000	\$0	0.00%
<u>OTHER FINANCING USES</u>				
57011 Transfers out-within a Fund	\$443,563	\$439,588	(\$3,975)	(0.90%)
Subtotal Other Financing Uses	\$443,563	\$439,588	(\$3,975)	(0.90%)
TOTAL EXPENDITURES	\$5,027,263	\$4,889,798	(\$137,465)	(2.73%)
TOTAL NET COST <i>(Expenditures Minus Revenues)</i>	\$850,172	\$1,135,016	\$284,844	33.50%

FY 2019-20 BUDGET
CHARACTER JUSTIFICATION

Department - Division: Sonoma County Water Agency - Sanitation

Section Title: Sanitation Zone - Airport/Larkfield/Wikiup - Operations

Character Title: Taxes **Character No.:** 44705-33100100-40

40003 Direct Charges - CY

Flat charge revenue from annual service charges is expected to increase from the adopted FY 18-19 budget. The rate will increase approximately 4.0%, from \$941 to \$979.

ESDs times annual rate:	3,272	x \$979	\$3,203,288
Less Estimated Delinquency Factor:	3.00%		(96,089)
			\$3,107,199

(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 item records penalties paid on delinquent sewer service charges.

Character Title: Use of Money **Character No.:** 44705-33100100-44

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	\$800,000
Projected Interest Rate	1.90%
Projected/Planned Interest on Pooled Cash	\$8,811

44101 Rent-Real Estate

This represent the payment of rent of property per the Memorandum of Agreement for the photovoltaic facility (\$50,000) and the relocated service center (\$100,000).

Character Title: Charges for Services **Character No.:** 44705-33100100-45

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 18-19 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 \$941 to \$979.

ESDs x Annual Charge	368	x \$979	=	\$360,272
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This account also records revenue associated with the Industrial Users Monitoring program or revenue received from any industrial user for events such as an unauthorized (or specially authorized) discharge into the treatment plant.

Character Title: Miscellaneous Revenue

Character No.: 44705-33100100-46

46040 Miscellaneous Revenue

Revenue for treating and disposing of septage from Occidental County Sanitation District.

Character Title: Other Financing Sources

Character No.: 44705-33100100-47

47101 OT - W/in Special Dist - BOS

This account records a transfer from SCWA General Fund to provide funds to operate the treatment plant.

Character Title: Services and Supplies

Character No.: 44705-33100100-51 & 52

51061 Maintenance - Equipment

This account records the costs for routine maintenance of equipment.

51076 Maint Fac Ops

This account records the costs for non-routine maintenance of equipment.

Main Electrical Breaker	\$100,000
Chlorine Injection Corrosion Replacement	25,000
RW Air and Blow offs	25,000
	<hr/> \$150,000

51231 Testing/Analysis

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

51201 Administration Costs

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 item covers the estimated costs of legal services to be provided by County Counsel or outside legal services.

51241 Outside Printing & Binding

This item is requested to cover the costs of outside printing services.

51244 Permits/License/Fees

This account records the cost of all permits.

51401 Rents/Leases-Equipment

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

51803 Other Contract Services

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

Emergency Action Plan	\$50,000
Collection System Model Update	25,000
High Efficiency Direct Install Program (HEFDIP) Agreement	10,000
Other Contract Services	8,750
	<hr/> \$93,750

51902 Telecommunication Usage

This account records expense paid by the Airport SZ for outside communication and wireless services.

51917 District Operations Charges

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

51921 Equipment Usage Charges

This item is requested to provide funds for equipment usage.

52061 Fuel/Gas/Oil

This item includes the costs of gas, diesel and oil.

52072 Chemicals

This account records the cost of chemicals required for operation of the treatment plant.

52081 Medical/Laboratory Supplies

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

52111 Office Supplies

Office Expenses covers the costs of operational supplies.

52117 Mail and Postage Supplies

This item is requested to cover the costs of the Agency's postage.

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.

52142 Computer Equipment/Accessories

This items provides funds for computer hardware as needed.

52143 Software/Licensing Fees

This item provides funds for various software packages. There is no planned budget for FY 19-20.

52171 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.

52191 Utilities

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

52193 Utilities-Power

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

53402 Depreciation

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

19820 Machinery & Equipment

This account records cost for equipment over \$5,000.

19841 Work in Progress - Intang

This account captures costs for the development of intangible assets including the implementation and negotiation or acquisitions of easements. There is no planned budget for FY 19-20.

19851 Intangible Assets - Non-amort

This account records sewer easement dedication. There is no planned budget for FY 19-20.

Character Title: Appropriations for Contingencies

Character No.: 44705-33100100-55

55011 Appropriations for Contingencies

This account provides funding for unanticipated expenditures or revenue shortfalls.

Character Title: Other Financing Uses

Character No.: 44705-33100100-57

57011 Transfers out-within a Fund

This account reflects the transfer of cash from the Operations Fund to the Bond Fund to cover principal and interest payments.

FY 2019-20 BUDGET
STATEMENT OF SPECIAL FUND ACTIVITY

Department: Sonoma County Water Agency - Sanitation
Fund: Sanitation Zone - Airport / Larkfield / Wikiup - Operations
Fund/Department ID: 44705-33100100

DESCRIPTION OF FUND ACTIVITY	Actual FY 17-18	Estimated FY 18-19	Requested FY 19-20
Undesignated/Unreserved <u>BEGINNING</u> Fund Balance			
Available for Budgeting (See Detailed Components Below)	\$1,464,022	\$1,463,115	\$1,962,291
Annual Revenues and Expenditures:			
Revenues - Increase fund balance	4,854,447	4,376,266	3,754,782
Expenditures - (Decrease) fund balance	(5,893,209)	(4,960,090)	(4,889,798)
Net Surplus or Deficit - Increase/(Decrease) to fund balance	(1,038,762)	(583,824)	(1,135,016)
Adjustments to Reserves/Encumbrances:			
53402 - Depreciation Expense	1,046,084	1,067,000	1,077,000
Change in Encumbrance	(5,095)	-	-
Unrealized Gain/Loss	(1,459)	-	-
Amortization	5,952	16,000	16,000
Non-current Accounts Receivable	338,423	-	-
Post Audit Adjustment	(346,050)	-	-
Net Adjustment - Increase/(Decrease) to Fund Balance	1,037,855	1,083,000	1,093,000
Undesignated/Unreserved <u>ENDING</u> Fund Balance			
Available for Budgeting	\$1,463,115	\$1,962,291	\$1,920,275
Target Fund Balance	\$2,173,657	\$1,674,943	\$1,663,605
<i>Over/(Under) Target Fund Balance</i>	(\$710,543)	\$287,348	\$256,670
Total Increase/(Decrease) in Fund Balance for Fiscal Year <i>(Difference between Beginning and Ending Balance)</i>	(\$907)	\$499,176	(\$42,016)
<u>Fund Balance Components at Beginning of FY</u>			
	7/1/17	7/1/18	
Cash	1,306,781	2,134,795	
Other Receivables	42,806	42,347	
Accounts Payable	(24,063)	(94,308)	
Accounts Receivable-AR Module	81,037	12,810	
AR Maint/Trnsf Control	1,049	2,862	
Retention Receivable	-	(188,832)	
Deposits from Others	12,666	-	
Due from State AR	(7,784)	-	
Accounts Payable	214,398	83	
Prepaid Expense	-	(278,679)	
Other Current Liabilities	(162,868)	(167,963)	
Encumbrances	1,464,022	1,463,115	
Total Beginning Fund Balance	1,464,022	1,463,115	

FY 2019-20 BUDGET
SUMMARY OF REVENUES AND EXPENDITURES

Fund: Sanitation Zone - A.L.W. - CONSTRUCTION
Fund/Department ID: 44710-33100200

Account No. and Title	Adopted 2018-19	Requested 2019-20	Difference	Percent Change
REVENUES:				
<u>USE OF MONEY</u>				
44002 Interest on Pooled Cash	\$22,680	\$16,150	(\$6,530)	(28.79%)
44003 Other Interest Earnings	0	7,164	7,164	N/A
Subtotal Use of Money	\$22,680	\$23,314	\$634	2.80%
<u>MISCELLANEOUS REVENUE</u>				
46024 Connection Fees	\$0	\$261,918	\$261,918	N/A
Subtotal Miscellaneous Revenue	\$0	\$261,918	\$261,918	N/A
<u>OTHER FINANCING SOURCES</u>				
47101 Trans in - within a Fund	\$0	\$0	\$0	N/A
Subtotal Other Financing Sources	\$0	\$0	\$0	N/A
<u>ADMINISTRATIVE CONTROL</u>				
49002 Advances	\$0	\$5,914,743	\$5,914,743	N/A
49003 Advances Clearing	0	(5,914,743)	(5,914,743)	N/A
Subtotal Administrative Control	\$0	\$0	\$0	\$0
TOTAL REVENUES	\$22,680	\$285,232	\$262,552	1157.64%
EXPENDITURES:				
<u>FIXED ASSETS</u>				
19832 CIP - Infrastructure	\$800,000	\$7,076,000	\$6,276,000	784.50%
Subtotal Fixed Assets	\$800,000	\$7,076,000	\$6,276,000	784.50%
TOTAL EXPENDITURES	\$800,000	\$7,076,000	\$6,276,000	784.50%
TOTAL NET COST <i>(Expenditures Minus Revenues)</i>	\$777,320	\$6,790,768	\$6,013,448	773.61%

FY 2019-20 BUDGET
CHARACTER JUSTIFICATION

Department - Division: Sonoma County Water Agency - Sanitation
Section Title: Sanitation Zone - Airport/Larkfield/Wikiup - Construction

Character Title: Use of Money **Character No.:** 44710-33100200-44

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	\$850,000
Projected Interest Rate	1.90%
Projected/Planned Interest on Pooled Cash	\$16,150

44003 Other Interest Earnings

This represents the interest earnings on the connection fee loan for the Larkfield Estates Sewer main Extension

Character Title: Miscellaneous Revenue **Character No.:** 44710-33100200-46

46024 Connection Fees

This account records anticipated connection fees for FY 19-20.

Character Title: Administrative Control Account **Character No.:** 43301-33080100-49

49002 Advances

This account records the principal on the connection fee loan for the Larkfield Estates Sewer Main Extension Project

49003 Advances - Clearing

This is the clearing account for account 49002.

Character Title: Fixed Assets **Character No.:** 44710-33100200-19

19832 CIP - Infrastructure

This account can be used to provide capacity to new users pursuant to the County General Plan (using connection fee revenue), as well as for treatment plant and reclamation system improvement projects.

Aerator Replacement	\$125,000
Headworks Meter	50,000
Pall Repair/Upgrade/Optimize	150,000
Larkfield Estates Sewer Main Extension	6,751,000
	\$7,076,000

FY 2019-20 BUDGET
STATEMENT OF SPECIAL FUND ACTIVITY

Department: Sonoma County Water Agency - Sanitation
Fund: Sanitation Zone - Airport / Larkfield / Wikiup - Construction
Fund/Department ID: 44710-33100200

DESCRIPTION OF FUND ACTIVITY	Actual FY 17-18	Estimated FY 18-19	Requested FY 19-20
Undesignated/Unreserved <u>BEGINNING</u> Fund Balance			
Available for Budgeting (See Detailed Components Below)	\$2,147,263	\$2,359,696	\$1,614,808
Annual Revenues and Expenditures:			
Revenues - Increase fund balance	46,484	73,664	285,232
Expenditures - (Decrease) fund balance	(191,933)	(1,433,552)	(7,076,000)
Net Surplus or Deficit - Increase/(Decrease) to fund balance	(145,449)	(1,359,888)	(6,790,768)
Adjustments to Reserves/Encumbrances:			
Unrealized Gain/Loss	7,107	-	-
Change in Encumbrance	(499,757)	-	-
Post Audit Adjustment	(913,932)	-	-
Advances - Principal Received	600,000	615,000	5,914,743
Non-current accounts receivable	1,164,464	-	-
Net Adjustment - Increase/(Decrease) to Fund Balance	357,882	615,000	5,914,743
Undesignated/Unreserved <u>ENDING</u> Fund Balance			
Available for Budgeting	\$2,359,696	\$1,614,808	\$738,783
Total Increase/(Decrease) in Fund Balance for Fiscal Year <i>(Difference between Beginning and Ending Balance)</i>	\$212,433	(\$744,888)	(\$876,025)
<u>Fund Balance Components at Beginning of FY</u>	7/1/17	7/1/18	
Cash	\$1,663,738	\$3,012,116	
Accounts Receivable-AR Module	492,922	-	
Vouchers Payable	-	(18,166)	
Accounts Payable	-	(117,800)	
Retention Payable	-	(7,300)	
AR Maint/Transfer Control	-	-	
Encumbrances	(9,397)	(509,154)	
Total Beginning Fund Balance	\$2,147,263	\$2,359,696	

FY 2019-20 BUDGET
SUMMARY OF REVENUES AND EXPENDITURES

Fund: Sanitation Zone - A.L.W. - Bonds
Fund/Department ID: 44715-33100300

Account No. and Title	Adopted 2018-19	Requested 2019-20	Difference	Percent Change
REVENUES:				
<u>USE OF MONEY</u>				
44002 Interest on Pooled Cash	\$1,607	\$8,550	\$6,943	432.05%
Subtotal Use of Money	\$1,607	\$8,550	\$6,943	432.05%
<u>OTHER FINANCING SOURCES</u>				
47101 Transfers in - Within a Fund	\$443,563	\$439,588	(\$3,975)	(0.90%)
Subtotal Other Financing Sources	\$443,563	\$439,588	(\$3,975)	(0.90%)
TOTAL REVENUES	\$445,170	\$448,138	\$2,968	0.67%
EXPENDITURES:				
<u>SERVICES AND SUPPLIES</u>				
51242 Bank Charges	\$3,500	\$3,500	\$0	0.00%
Subtotal Services and Supplies	\$3,500	\$3,500	\$0	0.00%
<u>OTHER CHARGES</u>				
53103 Interest on LT Debt	\$74,215	\$66,159	(\$8,056)	(10.85%)
53104 Other Interest Exp	22,126	22,126	\$0	0.00%
Subtotal Other Charges	\$96,341	\$88,285	(\$8,056)	(8.36%)
<u>OTHER FINANCING USES</u>				
57011 Transfers out-within a Fund	\$0	\$0	\$0	N/A
Subtotal Other Charges	\$0	\$0	\$0	N/A
<u>ADMINISTRATIVE CONTROL ACCOUNT</u>				
59004 Admin Control Acct	\$343,722	\$347,803	\$4,081	1.19%
59005 Admin Control Acct-Clearing	(343,722)	(347,803)	(4,081)	1.19%
Subtotal Administrative Control	\$0	\$0	\$0	N/A
TOTAL EXPENDITURES	\$99,841	\$91,785	(\$8,056)	(8.07%)
TOTAL NET COST <i>(Expenditures Minus Revenues)</i>	(\$345,329)	(\$356,353)	(\$11,024)	3.19%

**FY 2019-20 BUDGET
CHARACTER JUSTIFICATION**

Department - Division: Sonoma County Water Agency - Sanitation
Section Title: Sanitation Zone - A.L.W. - Bonds

Character Title: Use of Money **Character No.:** 44715-33100300-44

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	\$450,000
Projected Interest Rate	<u>1.90%</u>
Projected/Planned Interest on Pooled Cash	\$8,550

Character Title: Other Financing Sources **Character No.:** 44715-33100300-47

47101 Transfers in-within a Fund

This account records the transfer of funds from the Operations Fund to cover debt payment.

Character Title: Services and Supplies **Character No.:** 44715-33100300-51

51242 Bank Charges

This account records the annual administrative fees from the trustee for the 2005 Revenue Bonds.

Character Title: Other Charges **Character No.:** 44715-33100300-53

53103 Interest on Long-Term Debt

The 2000 bonds were completely refunded in September 2005. Bases on the refunded bond serial interest rate ranges from 2.6-5.0% over the life of the issue. The request for the forthcoming fiscal year is based on the bond amortization schedule prepared at the time the bonds were refunded.

Character Title: Other Financing Uses **Character No.:** 44715-33100300-57

57011 Transfers out-within a Fund

This account reflects amounts transferred to the Construction Fund for expenses incurred for projects eligible for funding from the proceeds of the 2005 Revenue Bond. No transfer will be budgeted for FY 19-20.

Character Title: Administrative Control **Character No.:** 44715-33100300-59

59004 Admin Control Account

This account reflects the principal payments for revenue bonds that were issued in 2005 and refunded in 2017 with a new interest rate of 2.33% for the life of the loan. Payments on the bonds will continue until October 2026. The request for the forthcoming fiscal year is based on the bond amortization schedule prepared at the time the bonds were refunded.

The following reflects the bond principal payment history to date:

Original Amount of the Revenue Bond Issue:	\$6,220,000
Total FY 06-07 through FY 18-19 Principal Payments:	(3,206,671)
Total FY 19-20 Principal Payments:	<u>(347,803)</u>
Outstanding Bond Amount	\$2,665,526

59005 Admin Control Account - Clearing

This is the clearing account for account 59004, Admin Control Account.

FY 2019-20 BUDGET
STATEMENT OF SPECIAL FUND ACTIVITY

Department: Sonoma County Water Agency - Sanitation
Fund: Sanitation Zone - Airport / Larkfield / Wikiup - Bonds
Fund/Department ID: 44715-33100300

DESCRIPTION OF FUND ACTIVITY	Actual FY 17-18	Estimated FY 18-19	Requested FY 19-20
Undesignated/Unreserved <u>BEGINNING</u> Fund Balance			
Available for Budgeting (See Detailed Components Below)	\$89,120	\$153,679	\$173,828
Annual Revenues and Expenditures:			
Revenues - Increase fund balance	488,517	445,667	448,138
Expenditures - (Decrease) fund balance	(91,441)	(99,841)	(91,785)
Net Surplus or Deficit - Increase/(Decrease) to fund balance	<u>397,076</u>	<u>345,826</u>	<u>356,353</u>
Adjustments to Reserves/Encumbrances:			
Loss on Refunding of Debt	22,126	22,126	22,126
Capitalized Interest	(12,060)	-	-
Unrealized Gain/Loss	1,138	-	-
Change in Matured Bonds Payable	(10,416)	(4,081)	(11,994)
Principal Expenditure	<u>(333,306)</u>	<u>(343,722)</u>	<u>(347,803)</u>
Net Adjustment - Increase/(Decrease) to Fund Balance	<u>(332,518)</u>	<u>(325,677)</u>	<u>(337,671)</u>
Undesignated/Unreserved <u>ENDING</u> Fund Balance			
Available for Budgeting	\$153,679	\$173,828	\$192,510
Total Increase/(Decrease) in Fund Balance for Fiscal Year <i>(Difference between Beginning and Ending Balance)</i>	\$64,559	\$20,149	\$18,682
<u>Fund Balance Components at Beginning of FY</u>	7/1/17	7/1/18	
Cash	\$441,895	\$516,956	
Cash with Fiscal Agent	1,072	-	
Matured Bonds Payable	(333,306)	(343,722)	
Interest Payable	(20,541)	(19,555)	
Total Beginning Fund Balance	<u>\$89,120</u>	<u>\$153,679</u>	

FY 2019-20 BUDGET
SUMMARY OF REVENUES AND EXPENDITURES

Fund: ALW Rate Stabilization Fund
Fund/Department ID: 44720-33100400

Account No. and Title	Adopted 2018-19	Requested 2019-20	Difference	Percent Change
REVENUES:				
<u>USE OF MONEY</u>				
44002 Interest on Pooled Cash	\$0	\$1,900	\$1,900	N/A
Subtotal Use of Money	\$0	\$1,900	\$1,900	N/A
<u>OTHER FINANCING SOURCES</u>				
47102 Transfers in - btw Govtl Funds	\$0	\$150,000	\$150,000	N/A
Subtotal Other Financing Sources	\$0	\$150,000	\$150,000	N/A
TOTAL REVENUES	\$0	\$151,900	\$151,900	N/A
EXPENDITURES:				
<u>OTHER FINANCING USES</u>				
57011 Transfers out - within a Fund	\$0	\$100,000	\$100,000	N/A
Subtotal Other Financing Uses	\$0	\$100,000	\$100,000	N/A
TOTAL EXPENDITURES	\$0	\$100,000	\$100,000	N/A
TOTAL NET COST <i>(Expenditures Minus Revenues)</i>	\$0	(\$51,900)	(\$51,900)	N/A

**FY 2019-20 BUDGET
CHARACTER JUSTIFICATION**

Department - Division: Sonoma County Water Agency - Sanitation
Section Title: Sanitation Zone - A.L.W. - Rate Stabilization

Character Title: Use of Money **Character No.:** 44720-33100400-44

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	\$100,000
Projected Interest Rate	<u>1.90%</u>
Projected/Planned Interest on Pooled Cash	\$1,900

Character Title: Other Financing Sources **Character No.:** 44720-33100400-47

47101 Transfers in-within a Fund

This account records the transfer of available funds from the General Fund to the ALW Rate Stabilization Fund to assist in funding the ALW Operations Fund, on an as-needed basis in order to comply with the debt financing covenants. Budgeted amount for FY 19-20 is \$150,000.

Character Title: Other Financing Uses **Character No.:** 44720-33100400-57

57011 Transfers out-within a Fund

This account reflects amounts transferred from the ALLW Rate Stabilization Fund to the ALW Operations Fund in order to comply with the debt financing covenants. Budgeted amount for FY 19-20 is \$100,000.

FY 2019-20 BUDGET
STATEMENT OF SPECIAL FUND ACTIVITY

Department: Sonoma County Water Agency - Sanitation
Fund: Sanitation Zone - Airport / Larkfield / Wikiup - Rate Stabilization
Fund/Department ID: 44715-33100300

DESCRIPTION OF FUND ACTIVITY	Actual FY 17-18	Estimated FY 18-19	Requested FY 19-20
Undesignated/Unreserved <u>BEGINNING</u> Fund Balance			
Available for Budgeting (See Detailed Components Below)	\$100,000	\$101,386	\$339
Annual Revenues and Expenditures:			
Revenues - Increase fund balance	814	110,453	151,900
Expenditures - (Decrease) fund balance	0	(211,500)	(100,000)
Net Surplus or Deficit - Increase/(Decrease) to fund balance	<u>813</u>	<u>(101,047)</u>	<u>51,900</u>
Adjustments to Reserves/Encumbrances:			
Unrealized Gain/Loss	572	-	-
Net Adjustment - Increase/(Decrease) to Fund Balance	<u>572</u>	<u>-</u>	<u>-</u>
Undesignated/Unreserved <u>ENDING</u> Fund Balance			
Available for Budgeting	\$101,386	\$339	\$52,239
Total Increase/(Decrease) in Fund Balance for Fiscal Year <i>(Difference between Beginning and Ending Balance)</i>	\$1,386	(\$101,047)	\$51,900
<u>Fund Balance Components at Beginning of FY</u>	7/1/17	7/1/18	
Equity in Pooled Cash	\$100,000	\$101,386	
Total Beginning Fund Balance	<u>\$100,000</u>	<u>\$101,386</u>	