

## FY 2019-20 BUDGET BUDGET SECTION SUMMARY

Section Title:

SANITATION ZONE - PENNGROVE
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**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 18-19 Adopted	FY 19-20 Requested	Percent Change	FY 18-19 Adopted	FY 19-20 Requested	Percent Change
Operations	\$1,315,600	\$1,327,000	0.87%	\$82,637	(\$16,068)	(119.44%)
Bonds	0	0	N/A	0	0	N/A
Construction	620,000	344,421	(44.45%)	172,397	(135,975)	(178.87%)
<b>TOTAL:</b>	<b>\$1,935,600</b>	<b>\$1,671,421</b>	<b>(13.65%)</b>	<b>\$255,034</b>	<b>(\$152,043)</b>	<b>(159.62%)</b>

**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	544	546	547	547	0.18%
Total APNs	371	373	375	375	0.54%

**E. Summary of Issues and Significant Changes**

Agency operations in the 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 19-20 annual sewer service charges for Penngrove SZ is \$1,543 per ESD, which represents an \$80 or 5.50% increase over FY 18-19.

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 2019-20 BUDGET**  
**SUMMARY OF REVENUES AND EXPENDITURES**

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

Account No. and Title	Adopted 2018-19	Requested 2019-20	Difference	Percent Change
<b>REVENUES:</b>				
<b><u>TAXES</u></b>				
40003 Direct Charges-CY	\$767,051	\$808,995	\$41,944	5.47%
40202 Direct Charges - PY	4,000	5,500	1,500	37.50%
40999 Penalties/Costs on Taxes	900	1,000	100	11.11%
<b>Subtotal Taxes</b>	<b>\$771,951</b>	<b>\$815,495</b>	<b>\$43,544</b>	<b>5.64%</b>
<b><u>USE OF MONEY</u></b>				
44002 Interest on Pooled Cash	\$2,419	\$7,600	\$5,181	214.18%
<b>Subtotal Use of Money</b>	<b>\$2,419</b>	<b>\$7,600</b>	<b>\$5,181</b>	<b>214.18%</b>
<b><u>INTERGOVERNMENTAL REVENUE</u></b>				
42441 Federal FEMA Disaster Funding	\$442,500	\$0	(\$442,500)	(100.00%)
<b>Subtotal Intergovernmental Revenue</b>	<b>\$442,500</b>	<b>\$0</b>	<b>(\$442,500)</b>	<b>(100.00%)</b>
<b><u>CHARGES FOR SERVICES</u></b>				
45221 Sewer/Water Usage Fee	\$16,093	\$16,973	\$880	5.47%
<b>Subtotal Charges for Services</b>	<b>\$16,093</b>	<b>\$16,973</b>	<b>\$880</b>	<b>5.47%</b>
<b><u>MISCELLANEOUS REVENUE</u></b>				
46022 Capital Grants State	\$0	\$203,000	\$203,000	N/A
46040 Miscellaneous Revenue	\$0	\$0	\$0	N/A
<b>Subtotal Miscellaneous Revenue</b>	<b>\$0</b>	<b>\$203,000</b>	<b>\$203,000</b>	<b>N/A</b>
<b><u>OTHER FINANCING SOURCES</u></b>				
47101 Trans in - Within a Fund	\$0	\$300,000	\$300,000	N/A
<b>Subtotal Other Financing Sources</b>	<b>\$0</b>	<b>\$300,000</b>	<b>\$300,000</b>	<b>N/A</b>
<b>TOTAL REVENUES</b>	<b>\$1,232,963</b>	<b>\$1,343,068</b>	<b>\$110,105</b>	<b>8.93%</b>

**EXPENDITURES:**

**SERVICES AND SUPPLIES**

51061 Maintenance - Equipment	\$14,000	\$26,000	\$12,000	85.71%
51076 Maint FACOPS	25,000	10,000	(15,000)	(60.00%)
51201 Administration Services	6,300	7,500	1,200	19.05%
51205 Advertising/Marketing Svc	0	500	500	N/A
51211 Legal Services	1,000	1,000	0	0.00%
51241 Outside Printing & Binding	1,100	1,500	400	36.36%

**FY 2019-20 BUDGET**  
**SUMMARY OF REVENUES AND EXPENDITURES**

Account No. and Title	Adopted 2018-19	Requested 2019-20	Difference	Percent Change
<b><u>SERVICES AND SUPPLIES (cont'd)</u></b>				
51244 Permits/License/Fees	2,100	3,000	900	42.86%
51401 Rents & Leases-Equipment	500	2,000	1,500	300.00%
51803 Other Contract Services	30,500	27,000	(3,500)	(11.48%)
51902 Telecommunication Usage	300	500	200	66.67%
51917 District Operations Charges	155,000	423,000	268,000	172.90%
51921 Equipment Usage Charges	15,000	18,500	3,500	23.33%
52141 Minor Equipment/Small Tools	0	500	500	N/A
52142 Computer Equipment/Accessories	0	1,000	1,000	N/A
52143 Computer Software/Licensing Fees	1,000	1,500	500	50.00%
52162 Special Departmental Expense	540,000	545,000	5,000	0.93%
52171 Water Conservation Program	1,000	1,000	0	0.00%
52191 Utilities	12,000	15,000	3,000	25.00%
52194 Utilities-Water	300	500	200	66.67%
<b><i>Subtotal Services and Supplies</i></b>	<b>\$805,100</b>	<b>\$1,085,000</b>	<b>\$279,900</b>	<b>34.77%</b>
<b><u>OTHER CHARGES</u></b>				
53402 Depreciation Expense	\$58,000	\$77,000	\$19,000	32.76%
<b><i>Subtotal Other Charges</i></b>	<b>\$58,000</b>	<b>\$77,000</b>	<b>\$19,000</b>	<b>32.76%</b>
<b><u>FIXED ASSETS</u></b>				
19820 Machinery & Equipment	\$5,000	\$10,000	\$5,000	100.00%
<b><i>Subtotal Fixed Assets</i></b>	<b>\$5,000</b>	<b>\$10,000</b>	<b>\$5,000</b>	<b>100.00%</b>
<b><u>APPROPRIATIONS FOR CONT</u></b>				
55011 Appropriations for Contingency	\$5,000	\$5,000	\$0	0.00%
<b><i>Subtotal Appropriations for Contin.</i></b>	<b>\$5,000</b>	<b>\$5,000</b>	<b>\$0</b>	<b>0.00%</b>
<b><u>OTHER FINANCING USES</u></b>				
57011 Transfers out-within a Fund	\$442,500	\$150,000	(\$292,500)	(66.10%)
<b><i>Subtotal Other Financing Uses</i></b>	<b>\$442,500</b>	<b>\$150,000</b>	<b>(\$292,500)</b>	<b>(66.10%)</b>
<b>TOTAL EXPENDITURES</b>	<b>\$1,315,600</b>	<b>\$1,327,000</b>	<b>\$11,400</b>	<b>0.87%</b>
<b>TOTAL NET COST</b> <i>(Expenditures Minus Revenues)</i>	<b>\$82,637</b>	<b>(\$16,068)</b>	<b>(\$98,705)</b>	<b>(119.44%)</b>

**FY 2019-20 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 FY18-19 budget. The rate will increase 5.5%, from \$1,463 to \$1,543.

ESDs times annual rate:	535	x	\$1,543		\$825,505
Less Estimated Delinquency Factor:	2%				(16,510)
					\$808,995

**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			\$400,000
Projected Interest Rate			1.90%
Projected/Planned Interest on Pooled Cash			\$7,600

**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 19-20 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 \$1,463 to \$1,543.

ESDs x Annual Charge	11	x	\$1,543	=	\$16,973
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**Character Title:** Miscellaneous Revenue **Character No.:** 44505-33120100-46

**46022 Capital Grants State**

This records an anticipated Caltrans reimbursement of a force main relocation project.

**Character Title:** Other Financing Sources **Character No.:** 44505-33120100-47

**47101 Transfer in - W/in a Fund**

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

**51061 Maintenance - Equipment**

This account records the cost for routine maintenance of equipment.

**51076 Maint Fac Ops**

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

The following projects are planned for the forthcoming year:

TBD Project	\$10,000
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**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 Services**

This account records the cost for outside advertising/marketing services.

**51211 Legal Services**

This item is requested to provide 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 item is requested to cover the costs of printing services, which are primarily furnished by the County Reprographics Department.

**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 records contract services for the High Efficiency Direct Install Program (HEFIP) agreement \$3,000, multi-year agreements \$8,750, and TBD contracts \$15,250.

**51902 Telecommunication Usage**

This account records expenses paid by the Penngrove 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 Penngrove SZ's facilities.

**51921 Equipment Usage Charges**

This item is requested to provide funds for equipment usage.

**52141 Minor Equipment/Small Tools**

This item is requested to provide funds for minor equipment or small tools.

**52142 Computer Equipment/Accessories**

This item provides funds for various computer items.

**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 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 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.

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

**19820 Machinery and Equipment**

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

**Character Title: Appropriations for Contingencies Character No.: 44505-33120100-55**

**55011 Appropriations for Contingencies**

This account provides funding for unanticipated expenditures or revenue shortfalls.

**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.

FY 19/20 planned transfer for the Penngrove Lift Station Flood Resiliency Project - \$150,000.

**FY 2019-20 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 17-18	Estimated FY 18-19	Requested FY 19-20
<b>Undesignated/Unreserved <u>BEGINNING</u> Fund Balance</b>			
<b>Available for Budgeting</b> (See Detailed Components Below)	<b>\$309,304</b>	<b>\$255,311</b>	<b>\$208,825</b>
<b>Annual Revenues and Expenditures:</b>			
Revenues - Increase fund balance	779,953	1,225,471	1,343,068
Expenditures - (Decrease) fund balance	(883,751)	(1,329,957)	(1,327,000)
	<hr/>	<hr/>	<hr/>
<b>Net Surplus or Deficit</b> - Increase/(Decrease) to fund balance	(103,799)	(104,486)	16,068
 <b>Adjustments to Reserves/Encumbrances:</b>			
53402 - Depreciation	50,718	58,000	77,000
Unrealized Gain/Loss	286	-	-
Change in Encumbrance	(1,200)	-	-
	<hr/>	<hr/>	<hr/>
<b>Net Adjustment</b> - Increase/(Decrease) to Fund Balance	49,804	58,000	77,000
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<b>Undesignated/Unreserved <u>ENDING</u> Fund Balance</b>			
<b>Available for Budgeting</b>	<b>\$255,311</b>	<b>\$208,825</b>	<b>\$301,893</b>
 <b>Target Fund Balance</b>	<b>\$414,016</b>	<b>\$409,729</b>	<b>\$542,500</b>
<i>Over/(Under) Target Fund Balance</i>	(\$158,705)	(\$200,904)	(\$240,607)
 <b>Total Increase/(Decrease) in Fund Balance for Fiscal Year</b> <i>(Difference between Beginning and Ending Balance)</i>	<b>(\$53,993)</b>	<b>(\$46,486)</b>	<b>\$93,068</b>
 <b><u>Fund Balance Components at Beginning of FY</u></b>	<b>7/1/17</b>	<b>7/1/18</b>	
Cash	\$537,678	\$504,788	
Other Receivables (Flat Charges)	10,656	14,171	
Retention Receivable	14	51	
Accounts Payable	(240,000)	(269,000)	
Vouchers Payable	(20)	(1,512)	
Prepaid Expense	100	7,930	
Due from State AR	876	83	
Encumbrances	-	(1,200)	
<b>Total Beginning Fund Balance</b>	<hr/> <b>\$309,304</b>	<hr/> <b>\$255,311</b>	

**FY 2019-20 BUDGET**  
**SUMMARY OF REVENUES AND EXPENDITURES**

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

Account No. and Title	Adopted 2018-19	Requested 2019-20	Difference	Percent Change
<b>REVENUES:</b>				
<b><u>USE OF MONEY</u></b>				
44002 Interest on Pooled Cash	\$5,103	\$5,130	\$27	0.53%
<b>Subtotal Use of Money</b>	<b>\$5,103</b>	<b>\$5,130</b>	<b>\$27</b>	<b>0.53%</b>
<b><u>MISCELLANEOUS REVENUE</u></b>				
46021 Capital Grants - Federal	\$0	\$325,266	\$325,266	N/A
<b>Subtotal Miscellaneous Revenue</b>	<b>\$0</b>	<b>\$325,266</b>	<b>\$325,266</b>	<b>N/A</b>
<b><u>OTHER FINANCING SOURCES</u></b>				
47101 Trans in - Within a Fund	\$442,500	\$150,000	(\$292,500)	(66.10%)
<b>Subtotal Other Financing Sources</b>	<b>\$442,500</b>	<b>\$150,000</b>	<b>(\$292,500)</b>	<b>(66.10%)</b>
<b>TOTAL REVENUES</b>	<b>\$447,603</b>	<b>\$480,396</b>	<b>\$32,793</b>	<b>7.33%</b>
<b>EXPENDITURES:</b>				
<b><u>FIXED ASSETS</u></b>				
19832 CIP - Infrastructure	\$620,000	\$344,421	(\$275,579)	(44.45%)
<b>Subtotal Fixed Assets</b>	<b>\$620,000</b>	<b>\$344,421</b>	<b>(\$275,579)</b>	<b>(44.45%)</b>
<b><u>OTHER FINANCING USES</u></b>				
57011 Transfers out-within a Fund	\$0	\$0	\$0	N/A
<b>Subtotal Other Financing Uses</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>N/A</b>
<b>TOTAL EXPENDITURES</b>	<b>\$620,000</b>	<b>\$344,421</b>	<b>(\$275,579)</b>	<b>(44.45%)</b>
<b>TOTAL NET COST</b> <i>(Expenditures Minus Revenues)</i>	<b>\$172,397</b>	<b>(\$135,975)</b>	<b>(\$308,372)</b>	<b>(178.87%)</b>



**FY 2019-20 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	\$270,000
Projected Interest Rate	1.90%
Projected/Planned Interest on Pooled Cash	\$5,130

**Character Title:** Miscellaneous Revenue **Character No.:** 44510-3312020-46

**46021 Capital Grants - Federal**

This account records the reimbursement of capital costs from Federal grants. Penngrove Lift Station Flood Resiliency Project, under a FEMA Hazard Mitigation Grant Program (\$325,266)

**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.

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

**19832 CIP - Infrastructure**

This account reflects funds for replacement of lift station pumps (\$344,421).

## 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 17-18	Estimated FY 18-19	Requested FY 19-20
<b>Undesignated/Unreserved <u>BEGINNING</u> Fund Balance</b>			
<b>Available for Budgeting</b> (See Detailed Components Below)	<b>\$468,494</b>	<b>\$429,228</b>	<b>\$253,357</b>
<b>Annual Revenues and Expenditures:</b>			
Revenues - Increase fund balance	41,267	444,129	480,396
Expenditures - (Decrease) fund balance	(81,409)	(620,000)	(344,421)
<b>Net Surplus or Deficit</b> - Increase/(Decrease) to fund balance	<u>(40,142)</u>	<u>(175,871)</u>	<u>135,975</u>
<b>Adjustments to Reserves/Encumbrances:</b>			
Unrealized Gain/Loss	876	-	-
<b>Net Adjustment</b> - Increase/(Decrease) to Fund Balance	<u>876</u>	<u>-</u>	<u>-</u>
<b>Undesignated/Unreserved <u>ENDING</u> Fund Balance</b>			
<b>Available for Budgeting</b>	<b>\$429,228</b>	<b>\$253,357</b>	<b>\$389,332</b>
<b>Total Increase/(Decrease) in Fund Balance for Fiscal Year</b> <i>(Difference between Beginning and Ending Balance)</i>	<b>(\$39,266)</b>	<b>(\$175,871)</b>	<b>\$135,975</b>
<b><u>Fund Balance Components at Beginning of FY</u></b>	<b>7/1/17</b>	<b>7/1/18</b>	
Cash	\$494,709	\$435,618	
Retention Receivable	-	2,716	
Due from Federal AR	-	17,109	
Encumbrances	<u>(26,215)</u>	<u>(26,215)</u>	
<b>Total Beginning Fund Balance</b>	<b>\$468,494</b>	<b>\$429,228</b>	