

FY 2019-20 BUDGET BUDGET SECTION SUMMARY

Section Title:

RUSSIAN RIVER COUNTY SANITATION DISTRICT

A. Program Description

This budget finances operation, maintenance, and administration of a collection system, pumping stations, a treatment plant, and disposal facilities which serve the Russian River 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	\$6,192,441	\$7,638,684	23.35%	\$1,364,312	\$1,171,679	(14.12%)
Revenue Bonds	11,250	5,750	(48.89%)	(115,292)	(115,950)	0.57%
Construction	461,000	3,375,000	632.10%	211,000	(109,442)	(151.87%)
TOTAL:	\$6,664,691	\$11,019,434	65.34%	\$1,460,020	\$946,287	(35.19%)

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	3,201	3,202	3,212	3,216	0.44%
TOTAL APNs	2,486	2,488	2,484	2,497	0.36%

E. Summary of Issues and Significant Changes

The requested rate per ESD for FY 19-20 annual service charges is \$1,625, representing a 4.5% increase from FY 18-19. Annual sewer service charge revenue, adjusted for the anticipated number of ESDs and an estimated delinquency factor, is projected to increase from the FY 18-19 budget. This revenue change is primarily due to the rate increase.

The Russian River County Sanitation District (Russian River CSD) treatment plant was completed in September 1980 and began operating in 1982. The Russian River CSD treatment plant was recently upgraded to increase the capacity to treat wastewater flows during flood conditions in the Russian River CSD service area.

The requested rates should provide the funds necessary to operate and maintain the Russian River CSD's collection system, treatment plant, and reclamation system. In addition to the funds needed for the ongoing operation of wastewater treatment and disposal facilities, funds are necessary for the replacement of aging infrastructure. In 2014, the main pipeline that feeds wastewater to the treatment plant ruptured. This event along with a natural hazard assessment completed for the district in 2014 identified the need to upgrade significant portions of the collection system that are located in unstable soils and that could fail during a large earthquake. Addressing this collection system vulnerability will take on the order of 20 years to complete. Rate increases over the rate of inflation will be needed for several years to generate funding for these projects.

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: RUSSIAN RIVER CSD - OPERATIONS

Fund/Department ID: 43201-33070100

Account No. and Title	Adopted 2018-19	Requested 2019-20	Difference	Percent Change
REVENUES:				
<u>TAXES</u>				
40003 Direct Charges-CY	\$4,633,589	\$5,012,475	\$378,886	8.18%
40202 Direct Charges-PY	116,000	125,000	9,000	7.76%
40999 Penalties/Costs on Taxes	25,000	26,000	1,000	4.00%
Subtotal Taxes	\$4,774,589	\$5,163,475	\$388,886	8.14%
<u>INTERGOVERNMENTAL</u>				
42358 State Other Funding	\$0	\$883,630	\$883,630	N/A
42610 Other Governmental Agencies	0	350,000	350,000	N/A
Subtotal Intergovernmental	\$0	\$1,233,630	\$1,233,630	N/A
<u>USE OF MONEY</u>				
44002 Interest on Pooled Cash	\$3,780	\$11,400	\$7,620	201.59%
Subtotal Use of Money	\$3,780	\$11,400	\$7,620	201.59%
<u>CHARGES FOR SERVICES</u>				
45221 Sewer/Water Usage Fee	\$49,760	\$58,500	\$8,740	17.56%
Subtotal Charges for Services	\$49,760	\$58,500	\$8,740	17.56%
TOTAL REVENUES	\$4,828,129	\$6,467,005	\$1,638,876	33.94%

EXPENDITURES:

SERVICES AND SUPPLIES

51032 Janitorial Services	\$2,000	\$0	(\$2,000)	(100.00%)
51061 Maintenance - Equipment	200,000	260,000	60,000	30.00%
51076 Maint-FACOPS	145,000	0	(145,000)	(100.00%)
51201 Administration Services	40,000	30,000	(10,000)	(25.00%)
51206 Accounting/Auditing Servi	8,000	7,000	(1,000)	(12.50%)
51211 Legal Services	5,500	7,000	1,500	27.27%
51231 Testing/Analysis	250,000	240,000	(10,000)	(4.00%)
51241 Outside Printing & Binding	3,100	0	(3,100)	(100.00%)
51244 Permits/License/Fees	15,000	0	(15,000)	(100.00%)
51401 Rents& Leases-Equipment	10,000	10,000	0	0.00%
51803 Other Contract Services	292,200	951,227	659,027	225.54%
51902 Telecommunication Usage	9,000	5,000	(4,000)	(44.44%)
51916 County Services	18,000	15,000	(3,000)	(16.67%)
51917 District Operations Chgs	2,800,000	2,949,900	149,900	5.35%
51921 Equipment Usage Charges	195,700	40,000	(155,700)	(79.56%)
52042 Janitorial Supplies	500	0	(500)	(100.00%)
52061 Fuel/Gas/Oil	4,000	0	(4,000)	(100.00%)

Account No. and Title	Adopted 2018-19	Requested 2019-20	Difference	Percent Change
52072 Chemicals	11,000	10,000	(1,000)	(9.09%)
52081 Medical/Laboratory Supplies	7,000	10,000	3,000	42.86%
52111 Office Supplies	7,000	2,000	(5,000)	(71.43%)
52117 Mail and Postage Supplies	500	0	(500)	(100.00%)
52141 Minor Equipment/Small Tools	20,000	20,000	0	0.00%
52142 Computer Equip/Accessories	2,000	0	(2,000)	(100.00%)
52171 Water Conservation Program	2,000	17,000	15,000	750.00%
52191 Utilities	2,500	2,000	(500)	(20.00%)
52193 Utilities-Power	170,000	150,000	(20,000)	(11.76%)
<i>Subtotal Services and Supplies</i>	\$4,220,000	\$4,726,127	\$508,127	12.04%
<u>OTHER CHARGES</u>				
53103 Interest on LT Debt	\$76,191	\$68,807	(\$7,384)	(9.69%)
53401 Amortization Exp	17,000	17,000	0	0.00%
53402 Depreciation Expense	1,458,000	1,476,000	18,000	1.23%
<i>Subtotal Other Charges</i>	\$1,551,191	\$1,561,807	\$10,616	0.68%
<u>FIXED ASSETS</u>				
19820 Machinery & Equipment	\$15,000	\$0	(\$15,000)	(100.00%)
19841 Work in Progress - Intang	5,000	0	(5,000)	(100.00%)
19851 Intangible Assets - Non-amort	5,000	5,000	0	0.00%
<i>Subtotal Fixed Assets</i>	\$25,000	\$5,000	(\$20,000)	(80.00%)
<u>APPROPRIATIONS FOR CONT</u>				
55011 Appropriations for Contingency	\$25,000	\$25,000	\$0	0.00%
<i>Subtotal Approp for Contingencies</i>	\$25,000	\$25,000	\$0	0.00%
<u>OTHER FINANCING USES</u>				
57011 Transfers out-within a Fund	\$371,250	\$1,320,750	\$949,500	255.76%
<i>Subtotal Other Financing Uses</i>	\$371,250	\$1,320,750	\$949,500	255.76%
<u>ADMINISTRATIVE CONTROL ACCOUNT</u>				
59002 Advances	\$291,877	\$299,260	\$7,383	2.53%
59003 Advances Clearing	(291,877)	(299,260)	(7,383)	2.53%
<i>Subtotal Administrative Control</i>	\$0	\$0	\$0	N/A
TOTAL EXPENDITURES	\$6,192,441	\$7,638,684	\$1,446,243	23.35%
TOTAL NET COST <i>(Expenditures Minus Revenues)</i>	\$1,364,312	\$1,171,679	(\$192,633)	(14.12%)

FY 2019-20 BUDGET
CHARACTER JUSTIFICATION

Department - Division: Sonoma County Water Agency - Sanitation

Section Title: Russian River CSD - Operations

Character Title: Taxes **Character No.:** 43201-33070100-40

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 4.5%, from \$1,555 to \$1,625.

ESDs times annual rate:	3,180 x \$1,625	\$5,167,500
Less Estimated Delinquency Factor:	3%	<u>(155,025)</u>
		\$5,012,475

(See Account 45221 for Total ESDs)

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.:** 43201-33070100-44

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	\$600,000
Projected Interest Rate	<u>1.90%</u>
Projected/Planned Interest on Pooled Cash	\$11,400

Character Title: Charges for Services **Character No.:** 43201-33070100-45

45221 Sanitation Services

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, in the following year based on projected FY 19-20 ESDs, the District will experience an increase in revenue from invoiced entities. The budgeted revenue reflects an increase in the annual sewer service charge from \$1,555 to \$1,625.

ESDs x Annual Charge	36 x \$1,625	=	\$58,500
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51032 Janitorial Services

This account provides funds for custodial services.

51061 Maintenance - Equipment

This account records the costs for routine maintenance of equipment.

51076 Maint - FACOPS

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

Aluminum Planking Replacement	\$25,000
Influent Meter	100,000
WAS Pumps	25,000
Non-routine Maintenance (TBD)	50,000
	\$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 service.

51211 Legal Services

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

51231 Testing/Analysis

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

51241 Outside Printing & Binding

This account covers the costs of outside printing services.

51244 Permit/License/Fees

This account records the cost of all permits.

51401 Rents & Leases - Equipment

Rents and Leases - Equipment covers the costs of renting copiers, fax machines and other equipment as needed.

51803 Other Contract Services

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

Regulatory Assistance	\$50,000
Capacity Analysis for Fee Study	40,000
Headworks, Lift Station, and Force Main Project (Grant Funded)	690,000
High Efficiency Direct Install Program	10,000
Multi-year agreements	161,227
	\$951,227

51902 Telecommunications Usage

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

51921 Equipment Usage Charges

This account provides funds for equipment usage.

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 District's facilities.

52061 Fuel/Gas/Oil

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

52072 Chemicals

This account records the cost of chemicals required for operation of the treatment plant in accordance with the Russian River CSD NPDES permit as required by the Regional Water Quality Control Board.

52081 Medical/Laboratory Supplies

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

5211 Office Supplies

This account covers the costs of operational supplies used by the District.

52117 Mail and Postage Supplies

This account covers the costs of the Agency's postage.

52141 Minor Equipment/Small Tools

This account provides funds for the purchase of office furniture, small tools, instruments and equipment that are individually under \$5,000.

52142 Computer Equipment/Accessories

This account covers the cost of computer hardware, as needed.

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 utilities such as water.

52193 Utilities-Power

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

53103 Interest on LT Debt

This account reflects the interest expense for the State Revolving Loans for the Disinfection Upgrade and Third Unit Process Project.

53402 Depreciation Expense

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

Character Title: Fixed Assets

Character No.: 43201-33070100-19

19820 Equipment

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

19841 Work in Progress - Intang

This account captures costs for the development of intangible assets including the implementation and negotiation or acquisitions of easements.

19851 Intangible Assets - Non-amort

This account records sewer easement dedications.

Character Title: Appropriations for Contingencies

Character No.: 43201-33070100-55

55011 Appropriations for Contingency

This account provides funding for unanticipated expenditures or revenue shortfalls.

Character Title: Other Financing Uses

Character No.: 43201-33070100-57

57011 Transfers out-within a Fund

This account reflects the transfer of cash from the Operations Fund to the Revenue Bond Fund to cover principal and interest payments, as well as to the Construction Fund to finance the Capital Replacement Program and Wastewater Capital Reserve fund required by the State Revolving Fund loan received February 2004. If the Operations Fund does not have sufficient cash available to finance planned capital projects, the transfer to the Construction Fund will not be made and any uncompleted projects will be rescheduled and rebudgeted in the next fiscal year.

Transfer to Revenue Bond Fund	\$120,750
Transfer to Construction Fund	1,200,000
Total Operating Transfer	<u>\$1,320,750</u>

Character Title: Administrative Control Account

Character No.: 43201-33070100-59

59002 Advances

This account reflects the principal payment for the State Revolving Loan for the Third Unit Processes Project. Payments on the loan will continue until FY 24-25.

The following reflects the principal payment history to date:

Original Amount of the Loan:	\$3,800,969
Total FY 05-06 through FY 18-19 Principal Payment:	(2,457,244)
FY 19-20 Principal Payment:	<u>(210,361)</u>
Outstanding Loan Amount	\$1,133,364

This account reflects the principal payment for the anticipated State Revolving Loan for the Disinfection Basin Project. Original Loan was for \$3,884,450 with a forgiveness of \$1,942,225. Payments will continue until FY 31-32.

The following reflects the principal payment history to date:

Original Amount of the Loan:	\$1,942,225
Total FY 12-13 through FY 18-19 Principal Payment	(548,028)
FY 19-20 Principal Payment:	<u>(88,899)</u>
Outstanding Loan Amount	\$1,394,197

59003 Advances - Clearing

This is the clearing account for account 59002, Advances.

FY 2019-20 BUDGET
STATEMENT OF SPECIAL FUND ACTIVITY

Department: Sonoma County Water Agency - Sanitation
Fund: Russian River CSD - Operations
Fund/Department ID: 43201-33070100

DESCRIPTION OF FUND ACTIVITY	Actual FY 17-18	Estimated FY 18-19	Requested FY 19-20
Undesignated/Unreserved <u>BEGINNING</u> Retained Earnings			
Available for Budgeting (See Detailed Components Below)	\$804,704	\$1,392,097	\$601,789
Annual Revenues and Expenditures:			
Revenues - Increase retained earnings	5,567,398	4,847,510	6,467,005
Expenditures - (Decrease) retained earnings	(6,094,898)	(6,813,558)	(7,638,684)
Net Surplus or Deficit - Inc/(Dec) to retained earnings	(527,500)	(1,966,048)	(1,171,679)
Adjustments to Reserves/Encumbrances:			
Depreciation (53402)	1,441,006	1,458,000	1,476,000
Advances (59002)	(284,674)	(291,877)	(299,260)
Unrealized Gain/loss	9,383	-	-
Capitalized Interest	(81)	-	-
Advances From Other Gov't	(7,202)	(7,383)	(7,570)
Gain/Loss on disposal of Capital Assets	6,293	-	-
Amortization	7,556	17,000	17,000
Net Change in Encumbrance	(57,387)	-	-
Net Adjustment - Increase/(Decrease) to Retained Earnings	1,114,892	1,175,740	1,186,170
Undesignated/Unreserved <u>ENDING</u> Retained Earnings			
Available for Budgeting	\$1,392,097	\$601,789	\$616,280
Target Fund Balance	\$2,123,058	\$2,270,593	\$2,363,064
<i>Over/(Under) Target Fund Balance</i>	(\$730,961)	(\$1,668,804)	(\$1,746,784)
Total Increase/(Decrease) in Retained Earnings for Fiscal Year <i>(Difference between Beginning and Ending Balance)</i>	\$587,393	(\$790,308)	\$14,491
<u>Retained Earnings Components at Beginning of FY</u>	7/1/2017	7/1/2018	
Cash	\$1,380,583	\$2,099,682	
Other Receivables (Flat Charges)	\$274,693	\$326,708	
Accounts Payable	(\$2,800)	\$0	
Vouchers Payable	(\$42,480)	(\$126,685)	
Accounts Receivable-AR Module	\$38,144	\$3,549	
Contract Retention Payable	(\$75)	(\$8,345)	
Contract Retention Receivable	\$0	\$1,485	
Loan Payable-Current	(\$284,674)	(\$291,876)	
Prepaid Expense	\$63	\$83	
Interest Payable	(\$35,945)	(\$32,312)	
Encumbrances (Contract)	(\$522,805)	(\$580,192)	
Total Beginning Retained Earnings	\$804,704	\$1,392,097	

FY 2019-20 BUDGET
SUMMARY OF REVENUES AND EXPENDITURES

Fund: **RUSSIAN RIVER CSD - CONSTRUCTION**
Fund/Department ID: **43202-33070200**

Account No. and Title	Adopted 2018-19	Requested 2019-20	Difference	Percent Change
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REVENUES:

USE OF MONEY

44002 Interest on Pooled Cash	\$0	\$1,900	\$1,900	N/A
Subtotal Use of Money	\$0	\$1,900	\$1,900	N/A

MISCELLANEOUS REVENUE

46021 Capital Grants - Federal	\$0	\$2,238,402	\$2,238,402	N/A
46024 Connection Fees	0	26,140	26,140	N/A
46040 Miscellaneous Revenue	0	18,000	18,000	N/A
Subtotal Miscellaneous Revenue	\$0	\$2,282,542	\$2,282,542	N/A

OTHER FINANCING SOURCES

47101 Transfers in-within a Fund	\$250,000	\$1,200,000	\$950,000	380.00%
Subtotal Other Financing Sources	\$250,000	\$1,200,000	\$950,000	380.00%

TOTAL REVENUES	\$250,000	\$3,484,442	\$3,234,442	1293.78%
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EXPENDITURES:

OTHER CHARGES

53103 Interest on LT Debt	\$0	\$0	\$0	N/A
Subtotal Other Charges	\$0	\$0	\$0	N/A

FIXED ASSETS

19832 CIP - Infrastructure	\$461,000	\$3,375,000	\$2,914,000	632.10%
Subtotal Fixed Assets	\$461,000	\$3,375,000	\$2,914,000	632.10%

ADMINISTRATIVE CONTROL ACCOUNT

59002 Advances	\$0	\$0	\$0	N/A
59003 Advances - Clearing	0	0	0	N/A
Subtotal Administrative Control	\$0	\$0	\$0	N/A

TOTAL EXPENDITURES	\$461,000	\$3,375,000	\$2,914,000	632.10%
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TOTAL NET COST <i>(Expenditures Minus Revenues)</i>	\$211,000	(\$109,442)	(\$320,442)	(151.87%)
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FY 2019-20 BUDGET
CHARACTER JUSTIFICATION

Department - Division: Sonoma County Water Agency - Sanitation

Section Title: Russian River CSD - Construction

Character Title: Use of Money

Character No.: 43202-33070200-44

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	\$100,000	
Projected Interest Rate	1.90%	

Projected/Planned Interest on Pooled Cash	\$1,900	

Character Title: Miscellaneous Revenue

Character No.: 43202-33070200-46

46024 Connection Fees

This account reflects the anticipated connection fees for new users in FY 19-20.

46021 Capital Grants - Federal

This account reflects anticipated grants funds for a FEMA funded project (Clarifiers Seismic Retrofit).

46040 Miscellaneous Revenues

This account reflects unanticipated revenue.

Character Title: Other Financing Sources

Character No.: 43202-33070200-47

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 (\$1,200,000).

Funds held in the Reserve Fund may be used for capital improvements. If used, the District must replace the expended funds at a rate of 10 percent per year. If the Operations Fund does not have sufficient cash available to finance planned capital projects, the transfer to the Construction Fund will be limited to the amount required for the Wastewater Capital Reserve Fund. Any uncompleted projects will be rescheduled and rebudgeted in the next fiscal year.

NOTE: In order to comply with the State Revolving Fund loan requirements, the ending fund balance of the RRCSD Construction Fund shall not fall below the required balance for the Wastewater Capital Reserve Fund in any given year during the 20 year term of the loan ending in November 2024.

19832 CIP-Infrastructure

This account is used for expenses associated with facility improvements or expansion.

The following projects are planned for FY 19-20:

	Project No.	Amount
ACL Compliance Project		\$175,000
Clarifiers Seismic Retrofit	R0105	<u>3,200,000</u>
		\$3,375,000

FY 2019-20 BUDGET
STATEMENT OF SPECIAL FUND ACTIVITY

Department: Sonoma County Water Agency - Sanitation
Fund: Russian River CSD - Construction
Fund/Department ID: 43202-33070200

DESCRIPTION OF FUND ACTIVITY	Actual FY 17-18	Estimated FY 18-19	Requested FY 19-20
Undesignated/Unreserved <u>BEGINNING</u> Retained Earnings			
Available for Budgeting (See Detailed Components Below)	\$257,454	\$179,651	(\$7,919)
Annual Revenues and Expenditures:			
Revenues - Increase retained earnings	213,258	555,430	3,484,442
Expenditures - (Decrease) retained earnings	(954,833)	(743,000)	(3,375,000)
Net Surplus or Deficit - Inc/(Dec) to retained earnings	(741,576)	(187,570)	109,442
Adjustments to Reserves/Encumbrances:			
Change in Encumbrances	(251,706)	-	-
Unrealized Gain/loss	876	-	-
Gain/Loss on Disposal of Capital Assets	914,604	-	-
Net Adjustment - Increase/(Decrease) to Retained Earnings	663,774	-	-
Undesignated/Unreserved <u>ENDING</u> Retained Earnings			
Available for Budgeting	\$179,651	(\$7,919)	\$101,523
Total Increase/(Decrease) in Retained Earnings for Fiscal Year <i>(Difference between Beginning and Ending Balance)</i>	(\$77,803)	(\$187,570)	\$109,442
<u>Retained Earnings Components at Beginning of FY</u>	7/1/2017	7/1/2018	
Cash	\$257,454	\$465,634	
Encumbrances	-	(251,706)	
Vouchers Payable	-	(34,277)	
Total Beginning Retained Earnings	\$257,454	\$179,651	

FY 2019-20 BUDGET
SUMMARY OF REVENUES AND EXPENDITURES

Fund: RUSSIAN RIVER CSD - 1981 REVENUE BONDS
Fund/Department ID: 43203-33070400

Account No. and Title	Adopted 2018-19	Requested 2019-20	Difference	Percent Change
REVENUES:				
<u>USE OF MONEY</u>				
44002 Interest on Pooled Cash	\$5,292	\$950	(\$4,342)	(82.05%)
Subtotal Use of Money	\$5,292	\$950	(\$4,342)	(82.05%)
<u>OTHER FINANCING SOURCES</u>				
47101 Transfers In -within a Fund	\$121,250	\$120,750	(\$500)	(0.41%)
Subtotal Other Financing Sources	\$121,250	\$120,750	(\$500)	(0.41%)
TOTAL REVENUES				
	\$126,542	\$121,700	(\$4,842)	(3.83%)
EXPENDITURES:				
<u>OTHER CHARGES</u>				
53103 Interest on LT Debt	\$11,250	\$5,750	(\$5,500)	(48.89%)
Subtotal Other Charges	\$11,250	\$5,750	(\$5,500)	(48.89%)
<u>ADMINISTRATIVE CONTROL ACCOUNT</u>				
59004 Admin Control Acct	\$100,000	\$115,000	\$15,000	15.00%
59005 Admin Control Acct-Clearing	(100,000)	(115,000)	(15,000)	15.00%
Subtotal Administrative Control	\$0	\$0	\$0	N/A
TOTAL EXPENDITURES				
	\$11,250	\$5,750	(\$5,500)	(48.89%)
TOTAL NET COST				
<i>(Expenditures Minus Revenues)</i>	(\$115,292)	(\$115,950)	(\$658)	0.57%

FY 2019-20 BUDGET
CHARACTER JUSTIFICATION

Department - Division: Sonoma County Water Agency - Sanitation

Section Title: Russian River CSD - 1981 Revenue Bonds

Character Title: Use of Money **Character No.:** 43203-33070400-44

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

Estimated Average Cash Balance	\$50,000
Projected Interest Rate	1.90%
Projected/Planned Interest on Pooled Cash	\$950

Character Title: Other Financing Sources **Character No.:** 43203-33070400-47

47101 Transfers in-within a Fund

The revenues supporting the revenue bond are collected in the Operations Fund. This account reflects the transfer of cash from Operations Fund to the Revenue Bond Fund to cover the annual principal and interest payment. Planned transfer for FY 19-20 is \$120,750.

Character Title: Other Charges **Character No.:** 43203-33070400-53

53103 Interest on LT Debt

This account reflects the interest expense on the outstanding revenue bonds. The interest rate is 5.0%. Payments began April 1, 1982 and will continue semi-annually until April 1, 2020. The FY 19-20 request is based on the bond amortization schedule prepared at the time the bonds were sold.

Character Title: Administrative Control Account **Character No.:** 43203-33070400-59

59004 Admin Control Acct

This account reflects the principal payment for the revenue bonds that were issued in 1981. Payments on the bonds will continue until April 1, 2020. The FY 19-20 request is based on the bond amortization schedule prepared at the time the bonds were sold. Payments on the bond will continue until FY 19-20.

The following reflects the bond principal payment history to date:

Original Amount of the Revenue Bond Issue:	\$2,000,000
Total FY 82-83 through FY 18-17 Principal Payments:	(1,885,000)
FY 19-20 Principal Payment:	(115,000)
Outstanding Bond Amount	\$0

59005 Admin Control Acct - Clearing

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

FY 2019-20 BUDGET
STATEMENT OF SPECIAL FUND ACTIVITY

Department: Sonoma County Water Agency - Sanitation
Fund: Russian River CSD - Revenue Bonds
Fund/Department ID: 43203-33070400

DESCRIPTION OF FUND ACTIVITY	Actual FY 17-18	Estimated FY 18-19	Requested FY 19-20
Undesignated/Unreserved <u>BEGINNING</u> Retained Earnings			
Available for Budgeting (See Detailed Components Below)	\$283,558	\$281,389	\$286,681
Annual Revenues and Expenditures:			
Revenues - Increase retained earnings	\$122,166	\$126,542	\$121,700
Expenditures - (Decrease) retained earnings	(14,985)	(11,250)	(5,750)
	<hr/>	<hr/>	<hr/>
Net Surplus or Deficit - Inc/(Dec) to retained earnings	107,181	115,292	115,950
Adjustments to Reserves/Encumbrances:			
Capitalized Interest	(15)	-	-
Unrealized Gain/loss	663	-	-
Revenue Bonds Pay - Change in Current Balance	(10,000)		
Admin Control Acct (59004)	(100,000)	(110,000)	(115,000)
	<hr/>	<hr/>	<hr/>
Net Adjustment - Increase/(Decrease) to Retained Earnings	(109,352)	(110,000)	(115,000)
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Undesignated/Unreserved <u>ENDING</u> Retained Earnings			
Available for Budgeting	\$281,389	\$286,681	\$287,631
Total Increase/(Decrease) in Retained Earnings for Fiscal Year <i>(Difference between Beginning and Ending Balance)</i>	(\$2,169)	\$5,292	\$950
 <u>Retained Earnings Components at Beginning of FY</u>	7/1/2017	7/1/2018	
Cash	\$387,621	\$394,202	
Interest Payable	(4,063)	(2,813)	
Revenue Bonds Payable	(100,000)	(110,000)	
	<hr/>	<hr/>	
Total Beginning Retained Earnings	\$283,558	\$281,389	

FY 2019-20 BUDGET
SUMMARY OF REVENUES AND EXPENDITURES

Fund: RUSSIAN RIVER CSD - STATE LOAN RESERVE
Fund/Department ID: 43206-33070500

Account No. and Title	Adopted 2018-19	Requested 2019-20	Difference	Percent Change
REVENUES:				
<u>USE OF MONEY</u>				
44002 Interest on Pooled Cash	\$2,438	\$46	(\$2,392)	(98.13%)
<i>Subtotal Use of Money</i>	<u>\$2,438</u>	<u>\$46</u>	<u>(\$2,392)</u>	<u>(98.13%)</u>
<u>OTHER FINANCING SOURCES</u>				
47101 Transfers In-within a Fund	\$0	\$0	\$0	N/A
<i>Subtotal Other Financing Sources</i>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>N/A</u>
TOTAL REVENUES	\$2,438	\$46	(\$2,392)	(98.13%)

FY 2019-20 BUDGET

CHARACTER JUSTIFICATION

Department - Division: Sonoma County Water Agency - Sanitation

Section Title: Russian River CSD - State Loan Reserve - Disinfection Basin Project

Character Title: Use of Money

Character No.:

43206-33070500-44

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	\$2,400
Projected Interest Rate	1.90%
Projected/Planned Interest on Pooled Cash	<u>\$46</u>

Character Title: Other Financing Sources

Character No.:

43206-33070500-47

47101 Transfers In-within a Fund

This Reserve Fund is established in order to comply with the State Revolving Fund loan requirement to have reserves equal to one year's debt service (\$127,000). This requirement has been met and no further transfers are necessary.

FY 2019-20 BUDGET
STATEMENT OF SPECIAL FUND ACTIVITY

Department: Sonoma County Water Agency - Sanitation
Fund: Russian River CSD - State Loan Reserve
Fund/Department ID: 43206-33070500

DESCRIPTION OF FUND ACTIVITY	Actual FY 17-18	Estimated FY 18-19	Requested FY 19-20
Undesignated/Unreserved <u>BEGINNING</u> Retained Earnings			
Available for Budgeting (See Detailed Components Below)	\$0	\$0	\$2,438
Annual Revenues and Expenditures:			
Revenues - Increase retained earnings	-	2,438	46
Expenditures - (Decrease) retained earnings	1,607	-	-
Net Surplus or Deficit - Inc/(Dec) to retained earnings	1,607	2,438	46
Adjustments to Reserves/Encumbrances:			
Change in Reserved Fund Balance	(1,831)	-	-
Unrealized Gain/loss	224	-	-
Net Adjustment - Increase/(Decrease) to Retained Earnings	(1,607)	-	-
Undesignated/Unreserved <u>ENDING</u> Retained Earnings			
Available for Budgeting	(\$0)	\$2,438	\$2,484
Total Increase/(Decrease) in Retained Earnings for Fiscal Year <i>(Difference between Beginning and Ending Balance)</i>	(\$0)	\$2,438	\$46
<u>Fund Balance Components at Beginning of FY</u>	7/1/2017	7/1/2018	
Cash	\$132,046	\$133,877	
Reserve for Debt	(132,046)	(133,877)	
Total Beginning Fund Balance	\$0	\$0	