

FY 2019-20 BUDGET

BUDGET SECTION SUMMARY

Section Title:

SONOMA VALLEY 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 Sonoma Valley County Sanitation District (Sonoma Valley CSD). The District includes the City of Sonoma, as well as the communities of Boyes Hot Springs, Agua Caliente, El Verano and Glen Ellen.

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	\$23,490,484	\$22,736,371	(3.21%)	\$2,349,838	\$4,394,206	87.00%
Construction	15,845,000	7,468,000	(52.87%)	10,769,400	2,363,500	(78.05%)
Revenue Bonds	509,418	403,165	(20.86%)	(1,175,790)	(1,217,100)	3.51%
SRF Loan	90,098	81,982	(9.01%)	(355,898)	(364,791)	2.50%
Wet Weather Mitig	42,000	42,000	0.00%	8,409	10,100	20.11%
TOTAL:	\$39,977,000	\$30,731,518	(23.13%)	\$11,595,959	\$5,185,915	(55.28%)

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	17,603	17,513	17,499	17,508	(0.03%)
TOTAL APNs	10,487	10,343	10,445	10,401	0.56%

E. Summary of Issues and Significant Changes

The Sonoma Valley County Sanitation District (District) provides sewage collection, treatment, and disposal service to the Sonoma Valley area. Wastewater is collected primarily by a gravity system and flows to the District's wastewater treatment plant for processing. Recycled water is used to irrigate local crops during the summer and is discharged to San Pablo Bay via Schell Slough during the winter. The District's treatment plant is permitted to treat an average daily dry weather flow of up to 3.0 million gallons per day to tertiary standards. Waste Discharge Requirements, Order No. R2-2008-0090 (NPDES Permit No. CA0037800), was issued on October 8, 2008 by the California Regional Water Quality Control Board, San Francisco Bay Region (SFBRWQCB) for Sonoma Valley CSD's treatment plant.

Most of Sonoma Valley CSD's collection system is several decades old and is in need of replacement. In 2015, The District received a Cease and Desist Order from the Regional Board that establishes a timeline for completing several collection improvement projects needed to reduce wet weather overflows. Compliance with this order will require significant investments in the collection system. The District will continue to increase rates over and above the rate of inflation to generate funds for replacing the collection system.

FY 19-20 annual service charges for residential customers with a water account at either City of Sonoma or Valley of the Moon Water District are charged a variable rate based on water usage. Annual Service charge rates are proposed to increase 4.0% for FY 19-20.

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: SONOMA VALLEY CSD - OPERATIONS
Fund/Department ID: 43301-33080100

Account No. and Title	Adopted 2018-19	Requested 2019-20	Difference	Percent Change
REVENUES:				
<u>TAXES</u>				
40003 Direct Charges-CY	\$15,193,762	\$15,813,048	\$619,286	4.08%
40202 Direct Charges - PY	175,000	180,000	5,000	2.86%
40999 Penalties/Costs on Taxes	43,000	48,000	5,000	11.63%
Subtotal Taxes	\$15,411,762	\$16,041,048	\$629,286	4.08%
<u>USE OF MONEY</u>				
44002 Interest on Pooled Cash	(\$9,450)	\$40,850	\$50,300	(532.28%)
44003 Other Interest Earnings	46,318	0	(46,318)	(100.00%)
44101 Rent - Real Estate	11,000	11,000	0	0.00%
Subtotal Use of Money	\$47,868	\$51,850	\$3,982	8.32%
<u>CHARGES FOR SERVICES</u>				
45221 Sewer/Water Usage Fee	\$1,128,016	\$2,202,788	\$1,074,772	95.28%
45301 Charges for Services	37,000	30,000	(7,000)	(18.92%)
45316 Water Conservation	16,000	16,480	480	3.00%
Subtotal Charges for Services	\$1,181,016	\$2,249,268	\$1,068,252	90.45%
<u>MISCELLANEOUS REVENUE</u>				
46021 Capital Grants-Federal	\$0	\$0	\$0	N/A
46022 Capital Grants-State	0	0	0	N/A
Subtotal Miscellaneous Revenue	\$0	\$0	\$0	N/A
<u>INTERGOVERNMENTAL REVENUE</u>				
42358 State Other Funding	\$4,500,000	\$0	(\$4,500,000)	(100.00%)
Subtotal Intergovernmental Revenue	\$4,500,000	\$0	(\$4,500,000)	(100.00%)
<u>OTHER FINANCING SOURCES</u>				
47101 Transfers In-within a Fund	\$0	\$0	\$0	N/A
Subtotal Other Financing Sources	\$0	\$0	\$0	N/A
<u>ADMINISTRATIVE CONTROL ACCOUNT</u>				
49002 Advances	\$0	\$4,060,000	\$4,060,000	N/A
49003 Advances Clearing	0	(4,060,000)	(4,060,000)	N/A
Subtotal Admin. Control Account	\$0	\$0	\$0	N/A
TOTAL REVENUES	\$21,140,646	\$18,342,166	(\$2,798,480)	(13.24%)

Account No. and Title	Adopted 2018-19	Requested 2019-20	Difference	Percent Change
<u>SERVICES AND SUPPLIES</u>				
51032 Janitorial Services	\$4,000	\$2,000	(\$2,000)	(50.00%)
51061 Maintenance - Equipment	500,000	0	(500,000)	(100.00%)
51076 Maint - FACOPS	1,073,000	2,140,900	1,067,900	99.52%
51201 Administration Costs	115,000	110,000	(5,000)	(4.35%)
51206 Accounting/Auditing Services	12,000	7,000	(5,000)	(41.67%)
51211 Legal Services	35,000	25,000	(10,000)	(28.57%)
51231 Testing/Analysis	100,000	45,000	(55,000)	(55.00%)
51241 Outside Printing & Binding	15,000	12,000	(3,000)	(20.00%)
51244 Permits/License/Fees	50,000	55,000	5,000	10.00%
51401 Rents& Leases-Equipment	50,000	13,000	(37,000)	(74.00%)
51602 Business Travel/Mileage	3,000	0	(3,000)	(100.00%)
51803 Other Contract Services	1,429,000	788,367	(640,633)	(44.83%)
51902 Telecommunication Usage	10,000	8,000	(2,000)	(20.00%)
51916 County Services	75,000	65,000	(10,000)	(13.33%)
51917 District Operations Chgs	6,400,000	5,649,653	(750,347)	(11.72%)
51921 Equipment Usage Charges	443,300	430,000	(13,300)	(3.00%)
52061 Fuel/Gas/Oil	12,000	7,000	(5,000)	(41.67%)
52072 Chemicals	380,000	350,000	(30,000)	(7.89%)
52081 Medical/Laboratory Supplies	35,000	30,000	(5,000)	(14.29%)
52091 Memberships/Certifications	25,000	20,000	(5,000)	(20.00%)
52111 Office Supplies	15,000	5,000	(10,000)	(66.67%)
52117 Mail and Postage Supplies	2,000	1,000	(1,000)	(50.00%)
52141 Minor Equipment/Small Tools	30,000	22,000	(8,000)	(26.67%)
52142 Computer Equip/Accessories	18,000	8,500	(9,500)	(52.78%)
52143 Software/Licensing Fees	10,000	5,000	(5,000)	(50.00%)
52171 Water Conservation Program	0	5,000	5,000	N/A
52191 Utilities	1,000	0	(1,000)	(100.00%)
52193 Utilities-Power	650,000	500,000	(150,000)	(23.08%)
<i>Subtotal Services and Supplies</i>	\$11,492,300	\$10,304,420	(\$1,187,880)	(10.34%)
<u>OTHER CHARGES</u>				
53103 Interest on LT Debt	\$121,794	\$360,813	\$239,019	196.25%
53402 Depreciation Expense	4,419,000	4,688,000	269,000	6.09%
53401 Amortization Expense	58,000	44,000	(14,000)	(24.14%)
<i>Subtotal Other Charges</i>	\$4,598,794	\$5,092,813	\$494,019	10.74%
<u>FIXED ASSETS</u>				
19820 Machinery & Equipment	\$50,000	\$100,000	\$50,000	100.00%
19841 Work in Progress - Intang	42,000	43,000	1,000	2.38%
19851 Intangible Assets - Non-amort	50,000	0	(50,000)	(100.00%)
<i>Subtotal Fixed Assets</i>	\$142,000	\$143,000	\$1,000	0.70%
<u>APPROPRIATIONS FOR CONTINGENCIES</u>				
55011 Appropriations for Contingency	\$150,000	\$150,000	\$0	0.00%
<i>Subtotal Approp for Contingencies</i>	\$150,000	\$150,000	\$0	0.00%
<u>OTHER FINANCING USES</u>				
57011 Transfers out-within a Fund	\$7,107,390	\$7,046,138	(\$61,252)	(0.86%)
<i>Subtotal Other Financing Uses</i>	\$7,107,390	\$7,046,138	(\$61,252)	(0.86%)

Account No. and Title	Adopted 2018-19	Requested 2019-20	Difference	Percent Change
<u>ADMINISTRATIVE CONTROL ACCOUNT</u>				
59002 Advances	\$233,353	\$239,420	\$6,067	2.60%
59003 Advances Clearing	(233,353)	(239,420)	(6,067)	2.60%
<i>Subtotal Admin Control Account</i>	\$0	\$0	\$0	N/A
TOTAL EXPENDITURES	\$23,490,484	\$22,736,371	(\$754,113)	(3.21%)
TOTAL NET COST <i>(Expenditures Minus Revenues)</i>	\$2,349,838	\$4,394,206	\$2,044,368	87.00%

FY 2019-20 BUDGET
CHARACTER JUSTIFICATION

Department - Division: Sonoma County Water Agency - Sanitation

Section Title: Sonoma Valley CSD - Operations

Character Title: Taxes Character No.: 43301-33080100-40

4003 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 4.0%, from \$1,016 to \$1,057.

ESDs times annual rate:	15,423 x \$1,057	\$16,302,111
Less Estimated Delinquency Factor:	3%	<u>(489,063)</u>
		\$15,813,048

(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.: 43301-33080100-44

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	\$2,150,000
Projected Interest Rate	<u>1.90%</u>
Projected Interest on Pooled Cash	\$40,850

44101 Rent-Real Estate

This represents the rental payment for the photovoltaic facility by the ISF Power Fund.

Character Title: Charges for Services Character No.: 43301-33080100-45

45221 Sewer/Water Usage Fees

This account records annual sewer service charges for entities that are invoiced, rather than paying 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.

ESDs x Annual Charge	2,084 x \$1,057	=	\$2,202,788
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Character Title: Charges for Services (Continued)

Character No.: 43301-33080100-45

45221 Sewer/Water Usage Fees (Industrial Users Monitoring/Discharge)

This account 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. The budgeted amount is expected to offset monitoring expenses anticipated to be incurred primarily by the Agency's Environmental Compliance Inspector.

45221 Sewer/Water Usage Fees (Septic Disposal Fee)

This account records the revenue to the district for septic haulers using the treatment plant facilities to dispose of septic waste.

45301 Other Charges for Services

This account records the revenue to the District for recycled water sales.

45316 Conservation Program

This account records \$1,500 of each connection fee to support the Water Conservation Program per Ordinance 59 dated 8/8/2002.

Character Title: Miscellaneous Revenue

Character No.: 43301-33080100-46

46021 Capital Grants-Federal

No grants are anticipated to be received in FY 19-20.

46022 Capital Grants-State

No grants are anticipated to be received in FY 19-20.

Character Title: Intergovernmental Revenue

Character No.: 43301-33080100-42

42358 State Other Funding

This accounts for an anticipated loan from the State.

Character Title: Administrative Control Account

Character No.: 43301-33080100-49

49002 Advances

This account records the anticipated proceeds from a State Water Resources Control Board SRF loan to fund the SVCSD Trunk Main Replacement project.

49003 Advances - Clearing

This is the clearing account for account 49002.

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 Fac Ops

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

The following projects are planned for the forthcoming year:

	<u>Amount</u>
Blower Improvement Project	\$100,000
Electrical Resiliency Project	1,100,000
Facility Automation	50,000
Flow Control Structure Condition Assessment	50,000
Grit Pipe Assessment/Repair (Influent/Effluent Bldg. to Grit Removal Bldg.)	100,000
Headworks Rehabilitation	81,900
Influent Channel Gate Rehab	150,000
Roof Replacement Project	150,000
Sewer/Stream Crossing	9,000
Sonoma Bank Repair	300,000
Transportation & Public Works Pavement Preservation Project	50,000
	<u>\$2,140,900</u>

51201 Administration Costs

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

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

51231 Testing and Analysis

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

51241 Outside Printing & Binding

This account covers the costs of outside printing services.

51244 Permits/License/Fees

This account records the cost of all permits.

51401 Rents/Leases - Equipment

This account covers the costs of renting copiers, fax machines and other equipment as needed.

51602 Business Travel/Mileage

This account covers the cost of travel expenses to meetings and seminars by Agency staff.

51803 Other Contract Services

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

Miscellaneous/Multi-year Agreements	\$368,367
NBWRA	200,000
Capacity Analysis for Fee Study	100,000
Emergency Action Plan	100,000
Green Biz Program	20,000
	\$788,367

51902 Telecommunication 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 of agenda services and special district accounting services.

51917 District Operations Chgs

This account records the cost of labor and overhead associated with operations and maintenance of the District's facilities, as well as staff costs associated with supporting the San Francisco Bay Integrated Regional Water Management Plan and Recycled Water Project.

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 Sonoma Valley CSD NPDES permit, as required by the Regional Quality Control Board.

52081 Medical/Laboratory Supplies

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

52091 Memberships/Certifications

This account records membership dues/certificates.

52111 Office Supplies

This account records non-capitalized office expenses.

52117 Mail and Postage Supplies

This account covers the costs of the District'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.

Character Title: Services and Supplies (Continued)

Character No.: 43301-33080100-51 & 52

52142 Computer Equipment/Accessories

This account provides funds for computer hardware as needed.

52143 Software/Licensing Fees

This account provides funds for various software packages.

52171 Water Conservation Program

This program is funded by revenue generated by the \$1,500 connection fee noted above under account 45316.

52191 Utilities

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

52193 Utilities-Power

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

Character Title: Other Charges

Character No.: 43301-33080100-53

53103 Interest on LT Debt

This account reflects interest expense on the outstanding loans from the State Revolving Fund for the Trunk Main at Watmaugh (\$41,741), Bio-Solids (\$68,072), and the anticipated Trunk Main Ph 4b and 4c (\$251,000).

53402 Depreciation

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

Character Title: Fixed Assets

Character No.: 43301-33080100-19

19820 Machinery & 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 acquisition of easements.

19851 Intangible Assets - Non-amort

This account records sewer easement dedications.

Character Title: Other Financing Uses

Character No.: 43301-33080100-57

57011 Transfers out-within a Fund

This account reflects the transfer of cash from the Operations Fund to the Outfall Line Fund, the 1998 Revenue Bond Fund, SRF Loan and SRF Loan Reserve funds to cover principal and interest payments, as well as 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 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 & SRF Loan	\$2,046,138
Construction Fund	5,000,000
Total Operating Transfer	<u>\$7,046,138</u>

Character Title: Appropriations for Contingencies

Character No.: 43301-33080100-55

55011 Appropriations for Contingency

This account provides funding for unanticipated expenditures or revenue shortfalls.

Character Title: Administrative Control Account

Character No.: 43301-33080100-59

59002 Advances

This account reflects the principal payment for the State Revolving Loan of \$3,100,000 for the Bio-Solids Project. Term is 20 years @ 2.6%. Repayment began FY 15-16 and final payment scheduled for FY 34-35. The FY 19-20 request is based on the amortization schedule.

Original Amount of the Loan:	\$3,100,000
Interest accrued to principal	36,024
Total FY 15-16 through FY 18-19 Principal Payment	(517,870)
FY 19-20 Principal Payment	(134,040)
	<u>\$2,484,114</u>

This account reflects the principal payment for the State Revolving Loan of \$2,320,304 for the Trunk Main at Watmaugh Project. Term is 20 years @ 2.6%. Repayment began FY 12-13 and final payment scheduled for FY 31-32. The FY 19-20 request is based on the amortization schedule.

Original Amount of the Loan:	\$2,320,304
Total FY 12-13 through FY 18-19 Principal Payment	(714,901)
FY 19-20 Principal Payment	(105,380)
	<u>\$1,500,023</u>

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: Sonoma Valley CSD - Operations
Fund/Department ID: 43301-33080100

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)	\$524,022	\$4,520,011	\$7,085,725
Annual Revenues and Expenditures:			
Revenues - Increase retained earnings	15,352,316	21,167,753	18,342,166
Expenditures - (Decrease) retained earnings	(15,212,728)	(22,839,619)	(22,736,371)
Net Surplus or Deficit - Inc/(Dec) to retained earnings	<u>139,588</u>	<u>(1,671,866)</u>	<u>(4,394,206)</u>
Adjustments to Reserves/Encumbrances:			
53402 Depreciation Expense	\$ 3,836,353	\$ 4,419,000	\$ 4,688,000
Net Change in Encumbrance	296,110		-
59002 Advances	-		(239,420)
Unrealized Gain/loss	(2,561)		-
Principal Expenditures	(227,439)		-
Capitalized Interest	(28,602)		-
Change in Reserved Fund Balance	(48,043)		-
Advances From Other Gov't	(5,913)	(6,067)	(6,225)
Advance Principal Expenditure	-	(233,353)	4,060,000
Amortization	37,997	58,000	44,000
Advances-ISF Power Resources Fund	-		-
Net Adjustment - Increase/(Decrease) to Retained Earnings	<u>3,857,902</u>	<u>4,237,580</u>	<u>8,546,355</u>
Undesignated/Unreserved <u>ENDING</u> Retained Earnings			
Available for Budgeting	\$4,521,512	\$7,085,725	\$11,237,874
Target Fund Balance	\$4,549,637	\$5,397,107	\$5,152,210
<i>Over/(Under) Target Fund Balance</i>	(\$28,126)	\$1,688,619	\$6,085,664
Total Increase/(Decrease) in Retained Earnings for Fiscal Year <i>(Difference between Beginning and Ending Balance)</i>	\$3,997,490	\$2,565,714	\$4,152,149
<u>Retained Earnings Components at Beginning of FY</u>	<u>7/1/2017</u>	<u>7/1/2018</u>	
Cash	\$ 1,540,546	\$ 5,237,898	
Other Receivables-Flat Charges	188,098	149,006	
Accounts Payable	(37,861)	(5,313)	
Due From Other Funds	-	52,848	
Retention Receivable	387	4,363	
Due To Other Governments	(227,439)	(233,352)	
Due from Federal AR	7,501	-	
Due from State AR	84,253	2,384	
Vouchers Payable	(174,753)	(200,599)	
Accounts Receivable-AR Module	364,873	477,473	
Prepaid Expense	459	6,386	
Unbilled AR	3,265	-	
Unearned Revenue	-	(2,099)	
Reserved Fund Balance	-	(48,043)	
Interest Payment	(91,555)	(87,177)	
Deposit From Others	(5,803)	(2,000)	
Contract Retention Payable	(75)	-	
Encumbrances (Contract)	(1,127,874)	(831,764)	
Total Beginning Retained Earnings	<u>\$ 524,022</u>	<u>\$ 4,520,011</u>	

FY 2019-20 BUDGET
SUMMARY OF REVENUES AND EXPENDITURES

Fund: SONOMA VALLEY CSD - CONSTRUCTION

Fund/Department ID: 43302-33080200

Account No. and Title	Adopted 2018-19	Requested 2019-20	Difference	Percent Change
REVENUES:				
USE OF MONEY				
44002 Interest on Pooled Cash	\$75,600	\$104,500	\$28,900	38.23%
Subtotal Use of Money	\$75,600	\$104,500	\$28,900	38.23%
OTHER FINANCING SOURCES				
47101 Transfers In -within a Fund	\$5,000,000	\$5,000,000	\$0	0.00%
Subtotal Other Financing Sources	\$5,000,000	\$5,000,000	\$0	0.00%
TOTAL REVENUES	\$5,075,600	\$5,104,500	\$28,900	0.57%
EXPENDITURES:				
FIXED ASSETS				
19832 CIP - Infrastructure	\$15,620,000	\$7,468,000	(\$8,152,000)	(52.19%)
19841 Work in Progress - Intang	205,000	0	(205,000)	(100.00%)
19851 Intangible Assets - Non-amort	20,000	0	(20,000)	(100.00%)
Subtotal Fixed Assets	\$15,845,000	\$7,468,000	(\$8,377,000)	(52.87%)
TOTAL EXPENDITURES	\$15,845,000	\$7,468,000	(\$8,377,000)	(52.87%)
TOTAL NET COST <i>(Expenditures Minus Revenues)</i>	\$10,769,400	\$2,363,500	(\$8,405,900)	(78.05%)

FY 2019-20 BUDGET CHARACTER JUSTIFICATION

Department - Division: Sonoma County Water Agency - Sanitation

Section Title: Sonoma Valley CSD - Construction

Character Title: Use of Money

Character No.: 43302-33080200-44

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	\$5,500,000
Projected Interest Rate	1.90%
Projected/Planned Interest on Pooled Cash	\$104,500

Character Title: Miscellaneous Revenue

Character No.: 43302-33080200-46

46021 Capital Grants-Federal

No State grants are anticipated in FY 19-20.

46022 Capital Grants-State

No Federal grants are anticipated in FY 19-20.

Character Title: Other Financing Sources

Character No.: 43302-33080200-47

47101 Transfers In-within a Fund

This account reflects the transfer from the Operations Fund (\$5,000,000) 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.: 43302-33080200-19

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
Trunk Main Replacement Project		\$6,585,000
Phase 4A		900,000
Phase 4B.1		90,000
Phase 4B.2		3,455,000
Phase 4C		915,000
Phase 5	V0164/V0165	
Reline EQ Pond	V0081	200,000
Local Hazard Mitigation Projects		250,000
Headworks Rehabilitation		400,000
Agua Caliente Creek Crossing	V0073	33,000
		\$7,468,000

19841 Work in Progress - Intangible

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

19851 Intangible Assets - Non-amort

This account records sewer easement dedications.

FY 2019-20 BUDGET
STATEMENT OF SPECIAL FUND ACTIVITY

Department: Sonoma County Water Agency - Sanitation
Fund: Sonoma Valley CSD - Construction
Fund/Department ID: 43302-33080200

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)	\$12,613,622	\$12,386,340	\$4,001,565
Annual Revenues and Expenditures:			
Revenues - Increase retained earnings	761,688	5,261,225	5,104,500
Expenditures - (Decrease) retained earnings	(1,527,574)	(13,646,000)	(7,468,000)
Net Surplus or Deficit - Inc/(Dec) to retained earnings	(765,886)	(8,384,775)	(2,363,500)
Adjustments to Reserves/Encumbrances:			
Unrealized Gains/Loss	48,021	-	-
Gain/Loss on Disposal Capital Assets	2,144	-	-
Change in Encumbrances	488,438	-	-
Net Adjustment - Increase/(Decrease) to Fund Balance	538,604	-	-
Undesignated/Unreserved <u>ENDING</u> Retained Earnings			
Available for Budgeting	\$12,386,340	\$4,001,565	\$1,638,065
Total Increase/(Decrease) in Retained Earnings for Fiscal Year <i>(Difference between Beginning and Ending Balance)</i>	(\$227,282)	(\$8,384,775)	(\$2,363,500)
<u>Retained Earnings Components at Beginning of FY</u>	7/1/2017	7/1/2018	
Cash	\$12,943,225	\$12,835,993	
Accounts Payable	(825,799)	(12,318)	
Due to Other Governments	-	(52,848)	
Retention Receivable	98,048	-	
Due from Federal AR	364,404	57,216	
Due from State AR	921,952	102,000	
Accounts Payable	(7,299)	(122,562)	
Contract Retention Payable	(66,694)	(95,364)	
Encumbrances (Contract)	(814,215)	(325,777)	
Total Beginning Retained Earnings	\$12,613,622	\$12,386,340	

FY 2019-20 BUDGET
SUMMARY OF REVENUES AND EXPENDITURES

Fund: **SONOMA VALLEY CSD - REVENUE BONDS**

Fund/Department ID: **43305-33080800**

Account No. and Title	Adopted 2018-19	Requested 2019-20	Difference	Percent Change
REVENUES:				
<u>USE OF MONEY</u>				
44002 Interest on Pooled Cash	\$20,790	\$17,100	(\$3,690)	(17.75%)
Subtotal Use of Money	\$20,790	\$17,100	(\$3,690)	(17.75%)
<u>OTHER FINANCING SOURCES</u>				
47101 Transfers In-within a Fund	\$1,664,418	\$1,603,165	(\$61,253)	(3.68%)
Subtotal Other Financing Sources	\$1,664,418	\$1,603,165	(\$61,253)	(3.68%)
TOTAL REVENUES	\$1,685,208	\$1,620,265	(\$64,943)	(3.85%)
EXPENDITURES:				
<u>SERVICES AND SUPPLIES</u>				
51242 Bank Charges	\$6,500	\$3,500	(\$3,000)	(46.15%)
Subtotal Services and Supplies	\$6,500	\$3,500	(\$3,000)	(46.15%)
<u>OTHER CHARGES</u>				
53103 Interest on LT Debt	\$502,918	\$393,450	(\$109,468)	(21.77%)
53104 Other Interest Expense	0	6,215	\$6,215	N/A
Subtotal Other Charges	\$502,918	\$399,665	(\$103,253)	(20.53%)
<u>OTHER FINANCING USES</u>				
57011 Transfers out-within a Fund	\$0	\$0	\$0	N/A
Subtotal Other Financing Uses	\$0	\$0	\$0	N/A
<u>ADMINISTRATIVE CONTROL ACCOUNT</u>				
59004 Admin Control Acct	\$1,155,000	\$1,200,000	\$45,000	3.90%
59005 Admin Control Acct-Clearing	(\$1,155,000)	(1,200,000)	(45,000)	3.90%
Subtotal Administrative Control	\$0	\$0	\$0	N/A
TOTAL EXPENDITURES	\$509,418	\$403,165	(\$106,253)	(20.86%)
TOTAL NET COST <i>(Expenditures Minus Revenues)</i>	(\$1,175,790)	(\$1,217,100)	(\$41,310)	3.51%

FY 2019-20 BUDGET
CHARACTER JUSTIFICATION

Department - Division: Sonoma County Water Agency - Sanitation

Section Title: Sonoma Valley CSD - Revenue Bonds

Character Title: Use of Money

Character No.: 43305-33080800-44

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	\$900,000	
Projected Interest Rate	1.90%	
Projected/Planned Interest on Pooled Cash	\$17,100	

Character Title: Other Financing Sources

Character No.: 43305-33080800-47

47101 Transfers In-within a Fund

The revenues supporting this new revenue bond will be collected in the Operations Fund. This account will be used to reflect the transfer of cash from the Operations Fund to this Revenue Bond Fund to cover the annual principle and interest payment.

Character Title: Services and Supplies

Character No.: 43305-33080800-51

51242 Bank Charges

This account records the annual administrative fees from the trustee for the revenue bonds issued.

Character Title: Other Charges

Character No.: 43305-33080800-53

53103 Interest on LT Debt

This account reflects the interest expense on the 2005 and 2013 Revenue Bonds. These are serial bonds with interest rates ranging from 2.0% to 5.0%.

Character Title: Other Financing Uses

Character No.: 43305-33080800-57

57011 Transfers out-within a Fund

No transfers are planned for FY 19-20.

59004 Admin Control Acct

This account reflects the principal payment for revenue bonds issued in 2013. Principal payments began August 2013 and will continue until maturity in August 2037.

2013 Revenue Bond	\$12,105,000
Total FY 13-14 through FY 18-19 Principal Payments	(1,035,000)
FY 19-20 Principal Payments	<u>(1,200,000)</u>
	\$9,870,000

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
Section: Sonoma Valley CSD - Revenue Bonds
Index No.: 43305-33080800

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)	\$1,244,939	\$1,297,513	\$1,291,649
Annual Revenues and Expenditures:			
Revenues - Increase retained earnings	1,679,838	1,702,813	1,620,265
Expenditures - (Decrease) retained earnings	(360,764)	(509,418)	(403,165)
Net Surplus or Deficit - Inc/(Dec) to retained earnings	1,319,074	1,193,395	1,217,100
Adjustments to Reserves/Encumbrances:			
Enterprise - Principal	(1,110,000)	(1,155,000)	(1,200,000)
Change in Mature Bonds Payable	4,631	-	-
Capitalized Interest	(114,992)		
Change in Cash w/Trustee Rsvd for Debt Service	(1,881)	-	-
Amortization of Debt Refunding	58,064	58,064	58,064
Amortization of Premium	(62,545)	(62,545)	(62,545)
Discount on Revenue Bonds Payable	5,222	5,222	5,222
Change in Matured Bonds Payable	(45,000)	(45,000)	(55,000)
Net Adjustment - Increase/(Decrease) to Retained Earnings	(1,266,501)	(1,199,259)	(1,254,259)
Undesignated/Unreserved <u>ENDING</u> Retained Earnings			
Available for Budgeting	\$1,297,513	\$1,291,649	\$1,254,490
Total Increase/(Decrease) in Retained Earnings for Fiscal Year <i>(Difference between Beginning and Ending Balance)</i>	\$52,574	(\$5,864)	(\$37,159)
<u>Fund Balance Components at Beginning of FY</u>	7/1/2017	7/1/2018	
Cash	\$ 2,552,207	\$ 2,638,463	
Cash with Trustee	878,080	879,961	
Cash with Trustee Res for Debt Service	(878,080)	(879,961)	
Matured Principal Payable	(1,110,000)	(1,155,000)	
Interest Payable	(197,268)	(185,950)	
Total Beginning Fund Balance	\$ 1,244,939	\$ 1,297,513	

FY 2019-20 BUDGET
SUMMARY OF REVENUES AND EXPENDITURES

Fund: SONOMA VALLEY CSD - SRF LOAN

Fund/Department ID: 43307-33080500

Account No. and Title	Adopted 2018-19	Requested 2019-20	Difference	Percent Change
REVENUES:				
<u>USE OF MONEY</u>				
44002 Interest on Pooled Cash	\$3,024	\$3,800	\$776	25.66%
Subtotal Use of Money	\$3,024	\$3,800	\$776	25.66%
<u>Other Financing Sources</u>				
47101 Transfers In-within a Fund	\$442,972	\$442,973	\$1	0.00%
Subtotal Other Financing Sources	\$442,972	\$442,973	\$1	0.00%
TOTAL REVENUES	\$445,996	\$446,773	\$777	0.17%
EXPENDITURES:				
<u>OTHER CHARGES</u>				
53103 Interest on LT Debt	\$90,098	\$81,982	(\$8,116)	(9.01%)
Subtotal Other Charges	\$90,098	\$81,982	(\$8,116)	(9.01%)
<u>OTHER FINANCING USES</u>				
57011 Transfers out-within a Fund	\$0	\$0	\$0	N/A
Subtotal Other Financing Uses	\$0	\$0	\$0	N/A
<u>ADMINISTRATIVE CONTROL ACCOUNT</u>				
59004 Admin Control Acct	\$352,874	\$360,991	\$8,117	2.30%
59005 Admin Control Acct-Clearing	(352,874)	(360,991)	(8,117)	2.30%
Subtotal Administrative Control	\$0	\$0	\$0	N/A
TOTAL EXPENDITURES	\$90,098	\$81,982	(\$8,116)	(9.01%)
TOTAL NET COST <i>(Expenditures Minus Revenues)</i>	(\$355,898)	(\$364,791)	(\$8,893)	2.50%

**FY 2019-20 BUDGET
CHARACTER JUSTIFICATION**

Department - Division: Sonoma County Water Agency - Sanitation

Section Title: Sonoma Valley CSD - SRF Loan

Character Title: Use of Money **Character No.:** 43307-33080500-42

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	\$200,000
Projected Interest Rate	<u>1.90%</u>
Projected/Planned Interest on Pooled Cash	<u>\$3,800</u>

Character Title: Other Financing Sources **Character No.:** 43307-33080500-47

47101 Transfers In-within a Fund

This account will be used to reflect the transfer of cash from the Operations Fund to this Loan Fund to cover the annual principal and interest payment.

Character Title: Other Charges **Character No.:** 43307-33080500-53

53103 Interest on LT Debt

This account reflects the interest expense for the State Revolving Loan for the Tertiary Treatment Plant Upgrades. The interest rate is 2.50%. Payment begin November 2007 and will continue annually until November 2027.

Character Title: Other Financing Uses **Character No.:** 43307-33080500-57

57011 Transfers out-within a Fund

No operating transfer will be budgeted in FY 19-20.

Character Title: Administrative Control **Character No.:** 43307-33080500-59

59004 Admin Control Acct

This account reflects the principal payment for the State Revolving Loan for the Tertiary Treatment Plant Upgrade Project. Term is 20 years at 2.3% interest. Replacement began FY 08-09 and final payment is scheduled for FY 27-28. FY 19-20 request is based on the amortization schedule.

The following reflects the principal payment history to date:

Original Amount of the Loan:	\$6,996,831
Interest during construction added to principal	10,671
Total FY 08-09 through FY 18-19 Principal Payments:	(3,443,085)
FY 19-20 Principal Payments:	<u>(360,991)</u>
Outstanding Loan Amount	<u><u>\$3,203,426</u></u>

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: Sonoma Valley CSD- SRF Loan
Fund/Department ID: 43307-33080500

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)	\$180,646	\$182,137	\$177,044
Annual Revenues and Expenditures:			
Revenues - Increase retained earnings	446,263	445,996	446,773
Expenditures - (Decrease) retained earnings	(70,255)	(90,098)	(81,982)
Net Surplus or Deficit - Inc/(Dec) to retained earnings	376,010	355,898	364,791
Adjustments to Reserves/Encumbrances:			
Enterprise - Principal	(344,940)	-	(360,991)
Advances - Principal Expenditure	-	(352,874)	
Capitalized Interest	(22,625)		
Unrealized Gain/Loss	982	-	-
Increase in Matured Bonds Payable	(7,934)	(8,117)	-
Net Adjustment - Increase/(Decrease) to Retained Earnings	(374,517)	(360,991)	(360,991)
Undesignated/Unreserved <u>ENDING</u> Retained Earnings			
Available for Budgeting	\$182,137	\$177,044	\$180,844
Total Increase/(Decrease) in Retained Earnings for Fiscal Year <i>(Difference between Beginning and Ending Balance)</i>	\$1,491	(\$5,093)	\$3,800
<u>Fund Balance Components at Beginning of FY</u>	7/1/2017	7/1/2018	
Cash	\$589,239	\$593,513	
Interest Payable	(63,653)	(58,502)	
Due to Other Government	(344,940)	(352,874)	
Total Beginning Fund Balance	\$180,646	\$182,137	

FY 2019-20 BUDGET
SUMMARY OF REVENUES AND EXPENDITURES

Fund: SONOMA VALLEY CSD - SRF LOAN RESERVE

Fund/Department ID: 43308-33080600

Account No. and Title	Adopted 2018-19	Requested 2019-20	Difference	Percent Change
REVENUES:				
<u>USE OF MONEY</u>				
44002 Interest on Pooled Cash	\$5,670	\$3,192	(\$2,478)	(43.70%)
Subtotal Use of Money	\$5,670	\$3,192	(\$2,478)	(43.70%)
<u>Other Financing Sources</u>				
47101 Transfers In-within a Fund	\$0	\$0	\$0	N/A
Subtotal Other Financing Sources	\$0	\$0	\$0	N/A
TOTAL REVENUES	\$5,670	\$3,192	(\$2,478)	(43.70%)
TOTAL NET COST <i>(Expenditures Minus Revenues)</i>	(\$5,670)	(\$3,192)	\$2,478	(43.70%)

FY 2019-20 BUDGET

CHARACTER JUSTIFICATION

Department - Division: Sonoma County Water Agency - Sanitation

Section Title: Sonoma Valley CSD - SRF Loan Reserve

Character Title: Use of Money

Character No.: 43308-33080600-44

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	\$168,000
Projected Interest Rate	<u>1.90%</u>
Projected/Planned Interest on Pooled Cash	\$3,192

FY 2019-20 BUDGET
STATEMENT OF SPECIAL FUND ACTIVITY

Department: Sonoma County Water Agency - Sanitation
Fund: Sonoma Valley CSD - SRF Loan Reserve
Fund/Department ID: 43308-33080600

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)	\$363,417	\$368,455	\$374,125
Annual Revenues and Expenditures:			
Revenues - Increase retained earnings	4,423	5,670	3,192
Expenditures - (Decrease) retained earnings	-	-	-
Net Surplus or Deficit - Inc/(Dec) to retained earnings	4,423	5,670	3,192
Adjustments to Reserves/Encumbrances:			
Unrealized Gain/loss	615	-	-
Net Adjustment - Increase/(Decrease) to Retained Earnings	615	-	-
Undesignated/Unreserved <u>ENDING</u> Retained Earnings			
Available for Budgeting	\$368,455	\$374,125	\$377,317
Total Increase/(Decrease) in Retained Earnings for Fiscal Year <i>(Difference between Beginning and Ending Balance)</i>	\$5,038	\$5,670	\$3,192
<u>Fund Balance Components at Beginning of FY</u>	7/1/2017	7/1/2018	
Cash	\$363,417	\$368,455	
Total Beginning Fund Balance	\$363,417	\$368,455	

FY 2019-20 BUDGET
SUMMARY OF REVENUES AND EXPENDITURES

Fund: SONOMA VALLEY CSD - STATE LOAN RESERVE

Fund/Department ID: 43309-33080700

Sub-Object No. and Title	Adopted 2018-19	Requested 2019-20	Difference	Percent Change
REVENUES:				
<u>USE OF MONEY</u>				
44002 Interest on Pooled Cash	\$2,797	\$1,577	(\$1,220)	(43.62%)
<i>Subtotal Use of Money</i>	\$2,797	\$1,577	(\$1,220)	(43.62%)
<u>Other Financing Sources</u>				
47101 Transfers In -within a Fund	\$0	\$0	\$0	N/A
<i>Subtotal Other Financing Sources</i>	\$0	\$0	\$0	N/A
TOTAL REVENUES	\$2,797	\$1,577	(\$1,220)	(43.62%)
TOTAL NET COST <i>(Expenditures Minus Revenues)</i>	(\$2,797)	(\$1,577)	\$1,220	(43.62%)

FY 2019-20 BUDGET

CHARACTER JUSTIFICATION

Department - Division: Sonoma County Water Agency - Sanitation

Section Title: Sonoma Valley CSD - State Loan Reserve

Character Title: Use of Money

Character No.:

43309-33080700-44

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	\$83,000
Projected Interest Rate	1.90%
Projected/Planned Interest on Pooled Cash	<u>\$1,577</u>

FY 2019-20 BUDGET
STATEMENT OF SPECIAL FUND ACTIVITY

Department: Sonoma County Water Agency - Sanitation
Fund: Sonoma Valley CSD - State Loan Reserve
Fund/Department ID: 43309-33080700

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)	\$156,226	\$158,391	\$161,188
Annual Revenues and Expenditures:			
Revenues - Increase retained earnings	1,901	2,797	1,577
Expenditures - (Decrease) retained earnings	-	-	-
Net Surplus or Deficit - Inc/(Dec) to retained earnings	1,901	2,797	1,577
Adjustments to Reserves/Encumbrances:			
Unrealized Gain/loss	264	-	-
Net Adjustment - Increase/(Decrease) to Retained Earnings	264	-	-
Undesignated/Unreserved <u>ENDING</u> Retained Earnings			
Available for Budgeting	\$158,391	\$161,188	\$162,765
Total Increase/(Decrease) in Retained Earnings for Fiscal Year <i>(Difference between Beginning and Ending Balance)</i>	\$2,165	\$2,797	\$1,577
<u>Fund Balance Components at Beginning of FY</u>	7/1/2017	7/1/2018	
Cash	\$156,226	\$158,391	
Total Beginning Fund Balance	\$156,226	\$158,391	

FY 2019-20 BUDGET
SUMMARY OF REVENUES AND EXPENDITURES

Fund: **Sonoma Valley CSD - Wet Weather Mitigation**
Fund/Department ID: **43310-33081000**

Account No. and Title	Adopted 2018-19	Requested 2019-20	Difference	Percent Change
REVENUES:				
<u>USE OF MONEY</u>				
44002 Interest on Pooled Cash	\$3,591	\$1,900	(\$1,691)	(47.09%)
Subtotal Use of Money	\$3,591	\$1,900	(\$1,691)	(47.09%)
<u>CHARGES FOR SERVICES</u>				
45306 Mitigation Fees-Residential	\$30,000	\$30,000	\$0	0.00%
Subtotal Charges for Services	\$30,000	\$30,000	\$0	0.00%
TOTAL REVENUES	\$33,591	\$31,900	(\$1,691)	(5.03%)
EXPENDITURES:				
<u>SERVICES AND SUPPLIES</u>				
51061 Maintenance - Equipment	\$30,000	\$30,000	\$0	0.00%
Subtotal Services and Supplies	\$30,000	\$30,000	\$0	0.00%
<u>OTHER CHARGES</u>				
53402 Depreciation Expense	\$12,000	\$12,000	\$0	0.00%
Subtotal Other Charges	\$12,000	\$12,000	\$0	0.00%
TOTAL EXPENDITURES	\$42,000	\$42,000	\$0	0.00%
TOTAL NET COST <i>(Expenditures Minus Revenues)</i>	\$8,409	\$10,100	\$1,691	20.11%

FY 2019-20 BUDGET
CHARACTER JUSTIFICATION

Department - Division: Sonoma County Water Agency - Sanitation
Section Title: Sonoma Valley CSD - Wet Weather Mitigation

Character Title: Use of Money **Character No.:** 43310-33081000-44

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: Charges for Services **Character No.:** 43310-33081000-45

45306 Mitigation Fees-Residential

Mitigation fees received.

Character Title: Services & Supplies **Character No.:** 43310-33081000-51

51061 Maintenance - Equipment

Permitting conditions for public sewer construction will require MidPen Housing to construct a sewage storage holding tank that the District will own, operate and maintain. MidPen Housing will also provide a mitigation fee to the District to fund the District's operational and maintenance expense for the holding tank and support District implemented off-site measures to reduce the risk of overflows in the area.

Under the proposed agreement, MP Springs Family Associates, L.P. and MP Springs Senior Associates, L.P. will provide a total amount of \$300,000 for the mitigation fee for offsite improvements, and maintenance and operation of the holding tank.

The mitigation fees will be paid in two installments of \$180,000 for MP Family Associates, L.P. and \$120,000 for MP Senior Associates, L.P. prior to issuances of sewer permits for separate phases of the Project.

Character Title: Other Charges **Character No.:** 43310-33081000-53

53402 Depreciation

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

FY 2019-20 BUDGET
STATEMENT OF SPECIAL FUND ACTIVITY

Department: Sonoma County Water Agency - Sanitation
Fund: Sonoma Valley CSD - Wet Weather Mitigation
Fund/Department ID: 3308100

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)	\$182,949	\$305,485	309,076
Annual Revenues and Expenditures:			
Revenues - Increase retained earnings	122,226	33,591	31,900
Expenditures - (Decrease) retained earnings	(11,959)	(42,000)	(42,000)
Net Surplus or Deficit - Inc/(Dec) to retained earnings	110,267	(8,409)	(10,100)
Adjustments to Reserves/Encumbrances:			
Unrealized Gain/loss	310		
Depreciation	11,959	12,000	
Net Adjustment - Increase/(Decrease) to Retained Earnings	12,269	12,000	-
Undesignated/Unreserved <u>ENDING</u> Retained Earnings			
Available for Budgeting	\$305,485	\$309,076	\$298,976
Total Increase/(Decrease) in Retained Earnings for Fiscal Year <i>(Difference between Beginning and Ending Balance)</i>	\$122,536	\$3,591	(\$10,100)
<u>Fund Balance Components at Beginning of FY</u>	7/1/2017	7/1/2018	
Cash	\$182,949	\$185,485	
Accounts Receivable-AR Module	0	120,000	
Total Beginning Fund Balance	\$182,949	\$305,485	