

SONOMA COUNTY WATER AGENCY

FY 19-20 BUDGET REQUEST

INTERNAL SERVICE FUNDS

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FY 2019-20 BUDGET
BUDGET SECTION SUMMARY

Section Title: INTERNAL SERVICE FUNDS

A. Program Description

This section includes the Equipment Fund and the Facilities Fund. These internal service funds were established to provide an equitable means of sharing equipment and facility costs by all divisions of the Water Agency. The Power Resources Fund was established as a separate fund which acts as a purchaser and seller of power, so all Water Agency entities can benefit from the power purchasing authority or from the photovoltaic systems.

Depreciation expense is recorded in each fund to provide for future replacement of current assets.

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
Equipment Fund	\$3,907,500	\$4,063,500	3.99%	\$1,231,702	\$1,425,100	15.70%
Facilities Fund	3,305,442	3,582,452	8.38%	(182,132)	80,478	(144.19%)
Power Resources Fund	4,321,073	4,161,682	(3.69%)	(50,747)	(436,018)	759.20%
TOTAL:	\$11,534,015	\$11,807,634	2.37%	\$998,823	\$1,069,560	7.08%

C. Staffing Summary

No staffing is allocated to this index.

D. Workload Summary

Refer to the individual sections for information regarding work performed.

E. Summary of Issues and Significant Changes

Refer to the Departmental Budget Summary for a summary of issues and significant changes.

FY 2019-20 BUDGET
SUMMARY OF REVENUES AND EXPENDITURES

Fund: **EQUIPMENT FUND**
Fund/Department ID: **54005** **33050100**

Account No. and Title	Adopted 2018-19	Requested 2019-20	Difference	Percent Change
REVENUES:				
<u>USE OF MONEY</u>				
44002 Interest on Pooled Cash	\$10,395	\$18,900	\$8,505	81.82%
44102 Rent - Equipment	2,665,403	2,619,500	(45,903)	(1.72%)
Subtotal Use of Money	\$2,675,798	\$2,638,400	(\$37,398)	(1.40%)
TOTAL REVENUES	\$2,675,798	\$2,638,400	(\$37,398)	(1.40%)

EXPENDITURES:

<u>SERVICES AND SUPPLIES</u>				
51061 Maintenance - Equipment	\$280,000	\$280,000	\$0	0.00%
51209 Information Tech Svc (non ISD)	0	1,500	1,500	N/A
51244 Permits/License/Fees	1,500	1,500	0	0.00%
51249 Other Professional services	6,000	8,000	2,000	33.33%
51401 Rents& Leases-Equipment	1,000	5,000	4,000	400.00%
51803 Other Contract Services	100,000	100,000	0	0.00%
51902 Telecommunication Usage	0	30,000	30,000	N/A
51917 District Operations Chgs	950,000	978,500	28,500	3.00%
51921 Equipment Usage Charges	103,000	120,000	17,000	16.50%
52061 Fuel/Gas/Oil	390,000	385,000	(5,000)	(1.28%)
52111 Office Supplies	1,000	0	(1,000)	(100.00%)
52141 Minor Equipment/Small Tools	24,000	14,000	(10,000)	(41.67%)
52142 Computer Equipment/Accessories	1,000	1,000	0	0.00%
52143 Computer Software/Licensing	3,000	3,000	0	0.00%
Subtotal Services and Supplies	\$1,860,500	\$1,927,500	\$67,000	3.60%
<u>OTHER CHARGES</u>				
53401 Amortization Expense	\$36,000	\$36,000	\$0	0.00%
53402 Depreciation Expense	991,000	1,100,000	109,000	11.00%
Subtotal Other Charges	\$1,027,000	\$1,136,000	\$109,000	10.61%
<u>FIXED ASSETS</u>				
19820 Acq-Machinery and Equipment	\$20,000	\$0	(\$20,000)	(100.00%)
19822 Acq-Mobile Equipment	0	0	0	N/A
19831 Acq-CIP-Bldg & Impr	1,000,000	0	(1,000,000)	(100.00%)
19832 Acq-CIP-Infrastructure	0	0	0	N/A
19840 Acq-WIP-Equipment	0	1,000,000	1,000,000	N/A
Subtotal Fixed Assets	\$1,020,000	\$1,000,000	(\$20,000)	(1.96%)
TOTAL EXPENDITURES	\$3,907,500	\$4,063,500	\$156,000	3.99%

TOTAL NET COST <i>(Expenditures Minus Revenues)</i>	\$1,231,702	\$1,425,100	\$193,398	15.70%
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FY 2019-20 BUDGET
CHARACTER JUSTIFICATION

Department - Division: Sonoma County Water Agency - Internal Service Fund
Section Title: Equipment Fund

Character Title: Use of Money and Property **Character No.:** 54005-33050100-44

44002 Interest on Pooled Cash

This account records interest on pooled cash held for the Agency by the County Treasurer's office. Estimated interest is projected based on cash on hand and current interest rate trends.

Estimated Average Cash Balance	\$1,000,000
Projected Interest Rate	<u>1.89%</u>
Projected/Planned Interest on Pooled Cash	\$18,900

44102 Rent-Equipment

This item records charges for use of Agency fleet and equipment. A rental rate has been established for each vehicle and piece of equipment sufficient to cover maintenance, operation costs and depreciation.

Services and

Character Title: Supplies **Character No.:** 54005-33050100-51/52

51061 Maintenance - Equipment

Project No. Various (by Equipment)

This item records parts and various supplies necessary to maintain and repair Agency vehicles.

51244 Permits/License/Fees

This account records the cost of all permits.

51401 Rents/Leases - Equip

Project No. Various

Rents and Leases - Equipment covers the costs of equipment as needed.

51803 Other Contract Services

Project No. Various

This item is for the Maximo agreement

51917 District Operations

Project No. Various

This item records the labor and overhead necessary to maintain and repair Agency vehicles and equipment.

51921 Equipment Usage Charge

Project No. Various

This item is requested to provide funds for equipment usage.

52111 Office Supplies

Project No. Various

Supplies/Expense covers the costs of operational supplies.

52141 Minor Equipment /Small Tools

Project No. Various

This item records the cost of small tools and instruments used for maintenance activities under \$5,000.

52142 Computer Equipment/Accessories

Project No. Various

This item records the cost of computer hardware.

52143 Software/Licensing Fees

Project No. Various

This item records the cost of software.

52061 Fuel/Gas / Oil

Project No. Various

This item includes the costs of gas, diesel, and oil for the Agency's vehicle fleet.

Character Title: Other Charges **Character No.:** 54005-33050100-53

53402 Depreciation Expense

This item is requested to provide appropriations for depreciation of the Agency's vehicles and equipment. No cash expenditure of funds is made but the full cost of recovery is included in rental rates.

FY 2019-20 BUDGET
CHARACTER JUSTIFICATION

Department - Division: Sonoma County Water Agency - Internal Service Fund

Section Title: Equipment Fund

Character Title: Fixed Assets **Character No.: 54005-33050100-19**

<i>19840 WIP - Mobile Equipment</i>	<u>REPLACES</u>	<u>FOR</u>	<u>COST</u>
Vac Con Sewer Cleaning Truck	G459	Maint. Div, Environmental Serv Section	\$500,000
Peterbilt Dump Truck	G440	Maint. Div, Field Operations Section	225,000
Hybrid Sedan	C453	Admin Services Div, 404 Pool	32,000
3/4 Ton Pickup w/ liftgate	E562	Maint. Div, Fleet Operations Section	35,000
E450 Video Van	D504	Maint. Div, Environmental Serv Section	180,000
Contingency Vehicle Replacement			28,000
		Sales Tax Included	
		Total	<u>\$1,000,000</u>
<i>19820 Machinery & Equipment</i>			
This item records the cost of shop equipment for maintenance activities.			

FY 2019-20 BUDGET
STATEMENT OF SPECIAL FUND ACTIVITY

Department: Sonoma County Water Agency - Internal Service Fund
Fund: Equipment Fund
Fund/Department ID: 54005-33050100

DESCRIPTION OF FUND ACTIVITY	Actual FY 17-18	Estimated FY 18-19	Requested FY 19-20
Undesignated/Unreserved <u>BEGINNING</u> Fund Balance Available for Budgeting (See Detailed Components Below)	\$966,727	\$1,206,438	\$1,035,580
Annual Revenues and Expenditures:			
Revenues - Increase fund balance	3,334,109	2,716,048	2,638,400
Expenditures - (Decrease) fund balance	(2,972,070)	(3,913,906)	(4,063,500)
Net Surplus or Deficit - Increase/(Decrease) to fund balance	362,039	(1,197,858)	(1,425,100)
Adjustments to Reserves/Encumbrances:			
Outstanding Encumbrances - Net Change	(842,569)	-	-
Unrealized Gains/Loss	5,242	-	-
Amortization	25,665	36,000	36,000
Depreciation	656,333	991,000	991,000
Gain/loss on disposal of Capital Assets	33,002	-	-
Net Adjustment - Increase/(Decrease) to Fund Balance	(122,327)	1,027,000	1,027,000
Undesignated/Unreserved <u>ENDING</u> Fund Balance Available for Budgeting	\$1,206,438	\$1,035,580	\$637,480
Target Fund Balance	\$438,486	\$466,868	\$481,875
<i>Over/(Under) Target Fund Balance</i>	<i>\$767,952</i>	<i>\$568,712</i>	<i>\$155,605</i>
Total Increase/(Decrease) in Fund Balance for Fiscal Year <i>(Difference between Beginning and Ending Balance)</i>	\$239,711	(\$170,858)	(\$398,100)
<u>Fund Balance Components at Beginning of FY</u>	7/1/17	7/1/18	
Cash	\$1,155,105	\$2,198,333	
Accounts Payable	(2,991)	(5,278)	
Due from Other Funds		48,454	
Prepaid Expense	1,375	646	
Vouchers Payable	(129,401)	(135,787)	
Encumbrances	(57,361)	(899,930)	
Total Beginning Fund Balance	\$966,727	\$1,206,438	

FY 2019-20 BUDGET
SUMMARY OF REVENUES AND EXPENDITURES

Fund: **FACILITIES FUND**
Fund/Department ID: **54010** **33050200**

Account No. and Title	Adopted 2018-19	Requested 2019-20	Difference	Percent Change
REVENUES:				
<u>USE OF MONEY</u>				
44002 Interest on Pooled Cash	\$56,700	\$75,600	\$18,900	33.33%
44101 Rent - Real Estate	3,430,874	3,426,374	(4,500)	(0.13%)
Subtotal Use of Money	\$3,487,574	\$3,501,974	\$14,400	0.41%
<u>OTHER FINANCING SOURCES</u>				
47002 Sale-Fixed Assets	\$0	\$0	\$0	N/A
Subtotal Other Financing Sources	\$0	\$0	\$0	N/A
TOTAL REVENUES	\$3,487,574	\$3,501,974	\$14,400	0.41%

EXPENDITURES:

SERVICES AND SUPPLIES

51032 Janitorial Services	\$140,000	\$140,000	\$0	0.00%
51061 Maintenance - Equipment	110,000	100,000	(10,000)	(9.09%)
51071 Maintenance - Bldg & Improve	30,000	20,000	(10,000)	(33.33%)
51209 Informtion Tech Serv (non ISD))	1,000	1,000	0	0.00%
51211 County Counsel - Legal Advice	6,000	6,000	0	0.00%
51230 Security Services	25,000	20,000	(5,000)	(20.00%)
51244 Permits/License/Fees	1,000	1,000	0	0.00%
51401 Rents and Leases - Equipment	5,000	5,000	0	0.00%
51421 Rents and Leases - Bldg/Land	100,000	100,000	0	0.00%
51803 Other Contract Services	100,000	100,000	0	0.00%
51902 Telecommunication Usage	50,000	50,000	0	0.00%
51917 District Operations Chgs	900,000	927,000	27,000	3.00%
51921 Equipment Usage Charges	93,000	75,000	(18,000)	(19.35%)
52042 Janitorial Supplies	6,000	10,000	4,000	66.67%
52071 Materials and Supplies Expense	0	2,000	2,000	N/A
52111 Office Supplies	1,000	3,500	2,500	250.00%
52141 Minor Equipment/Small Tools	10,000	10,000	0	0.00%
52142 Computer Equipment/Accessories	5,000	5,000	0	0.00%
52143 Computer Software/Licensing	20,000	20,000	0	0.00%
52191 Utilities Expense	20,000	20,000	0	0.00%
52193 Utilities - Electric	150,000	150,000	0	0.00%
Subtotal Services and Supplies	\$1,773,000	\$1,765,500	(\$7,500)	(0.42%)

OTHER CHARGES

53103 Interest on LT Debt	\$106,442	\$87,952	(\$18,490)	(17.37%)
53402 Depreciation Expense	1,126,000	1,129,000	3,000	0.27%
Subtotal Other Charges	\$1,232,442	\$1,216,952	(\$15,490)	(1.26%)

SUMMARY OF REVENUES AND EXPENDITURES

54010-33050200

Account No. and Title	Adopted 2018-19	Requested 2019-20	Difference	Percent Change
<u>FIXED ASSETS</u>				
19831 Acq-CIP-Bldg & Impr	\$300,000	\$600,000	\$300,000	100.00%
<i>Subtotal Fixed Assets</i>	\$300,000	\$600,000	\$300,000	100.00%
<u>ADMIN CONTROL</u>				
59002 Advances	\$0	\$5,900,000	\$5,900,000	N/A
59003 Advances Clearing	0	(5,900,000)	(5,900,000)	N/A
59004 Administrative Control Account	425,432	443,922	18,490	4.35%
59005 Admin Control Acct Clearing	(425,432)	(443,922)	(18,490)	4.35%
<i>Subtotal Admin Control</i>	\$0	\$0	\$0	N/A
TOTAL EXPENDITURES	\$3,305,442	\$3,582,452	\$277,010	8.38%
TOTAL NET COST <i>(Expenditures Minus Revenues)</i>	(\$182,132)	\$80,478	\$262,610	(144.19%)

FY 2019-20 BUDGET
CHARACTER JUSTIFICATION

Department - Division: Sonoma County Water Agency - Internal Service Fund

Section Title: Facilities Fund

Character Title: Use of Money and Property **Character No.:** 54010-33050200-44

44002 Interest on Pooled Cash

This account records interest on pooled cash held for the Agency by the County Treasurer's office. Estimated interest is projected based on cash on hand and current interest rate trends.

Estimated Average Cash Balance	\$4,000,000
Projected Interest Rate	<u>1.89%</u>
Projected/Planned Interest on Pooled Cash	\$75,600

44101 Rent - Real Estate

This account records the rental income received for the Agency's General Fund for use of Agency Administrative, Flood Control, and Operations and Maintenance facilities and maintenance facilities at the Airport treatment plant. Rental income will be maintained at a level sufficient to cover facilities operations and maintenance costs, depreciation and debt service.

Character Title: Services and Supplies **Character No.:** 54010-33050200-51/52

51032 Janitorial Services

This item is requested to provide funds for custodial services for the Agency's Administration building, O&M Center and Airport treatment plant.

51061 Maintenance-Equipment

This item records parts and various supplies necessary to maintain and repair Agency equipment. For FY19-20 projects see Facility Maintenance Project sheet.

51071 Maintenance-Bldg & Improve

Maintenance - Buildings covers all maintenance costs of the Agency's administrative office, operations, and service center complexes.

51209 Information Tech Serv (non ISD)

This request covers the costs of various data processing supplies and services.

51211 Legal Services

This account reflects the estimated cost of legal services to be provided by County Counsel and outside legal counsel.

51230 Security Services

This account reflects security services for various Agency's facilities.

51244 Permits/License/Fees

This account records the cost of all permits.

51401 Rents & Leases-Equipment

This account covers the cost of rental equipment as needed to maintain various facilities.

FY 2019-20 BUDGET
CHARACTER JUSTIFICATION

Department - Division: Sonoma County Water Agency - Internal Service Fund
Section Title: Facilities Fund

Character Title: Services and Supplies (Cont'd) **Character No.:** 54010-33050200-51/52

51421 Rents/Leases-Bldgs/Imp

This account reflects the cost of lease expense to ALW Sanitation Zone for the Service Center Building.

51803 Other Contract Services

This request covers the costs of various contract services such as waste disposal, safety services and various other services.

51902 Telecommunication Usage

This item covers costs for the telephone system repairs.

51917 District Operations Chgs

This item is requested to provide funds to charge salary and benefits for staff assigned to projects that deal with the Agency's facilities. For FY19-20 projects see Facility Maintenance Project sheet.

51921 Equipment Usage Charges

This item is requested to provide funds for equipment usage.

52042 Janitorial Supplies

This item is requested to provide funds for cleaning and household supplies.

52071 Materials and Supplies

This item is requested to provide funds for miscellaneous materials and supplies.

52111 Office Supplies

Supplies/Expense covers the costs of operational supplies.

52141 Minor Equipment/Small Tools

This item records the cost of small tools and instruments used for maintenance activities under \$5,000.

52142 Computer Equip/Accessories

This item records the cost of computer hardware.

52143 Computer Software/Licensing Fees

This item records the cost of software.

52191 Utilities

This item includes the costs of water at the Agency's facilities,

52193 Utilities-Power

This item includes the costs of gas and electric at the Agency's facilities.

FY 2019-20 BUDGET
CHARACTER JUSTIFICATION

Department - Division: Sonoma County Water Agency - Internal Service Fund

Section Title: Facilities Fund

Character Title: Other Charges **Character No.:** 54010-33050200-53

53103 Interest on LT Debt

This account reflects the interest expense on the loan to purchase the O&M facility at 204 Concourse and 1315 Airport.

53402 Depreciation Expense

This item is requested to provide appropriations for depreciation of the Agency's Administrative Offices and the maintenance facilities at the Airport treatment plant. No cash expenditure of funds is made.

Character Title: Fixed Assets **Character No.:** 54010-33050200-19

19831 CIP - Bldg & Impr

This item is requested to provide appropriations for the Agency projects listed below.

404 Aviation HVAC Replacement	\$ 600,000
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Character Title: Administrative Control Acct **Character No.:** 54010-33050200-59

59002 Advances

This account reflects the loan to the Airport-Larkfield-Wikiup Sanitation Zone for the Larkfield Estates Sewer Project. Payments on the loan from the Zone or the General Fund will be made to the Facilities Fund as funds are available. In order to avoid financial impacts to Sonoma Water's enterprise funds, Facilities Fund rent will not be increased to cover the expenses of the Zone's Larkfield Estate's Project.

While no repayments are scheduled or currently budgeted in FY19-20, Management may decide to make repayments if excess funds are available at year end. Management will review Long Range Financial Plans annually to evaluate repayment options. Management's goal is to repay the facilities Fund within 10 years if possible.

Original Amount of the Loan:	\$ 5,900,000
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59003 Advances Clearing

This is the clearing account for account 59002, Advances.

59004 Admin Control Acct

This account reflects the principal payments due on the outstanding loans for the purchase of facilities in the Airport Business Park. Payments are based on the loan amortization schedules.

The following reflects the principal payment history to date:

O&M facility 204 Concourse - payments began March 23, 2009 and will continue semi-annually until September 2023.

Original Amount of the Loan:	\$ 5,835,000
Total FY 08-09 through FY 18-19 Principal Payments:	(3,679,822)
FY 19-20 Principal Payment:	<u>(443,922)</u>
Outstanding Loan Amount	\$ 1,711,256

59005 Admin Control Acct-Clearing

This is the clearing account for account 59004 Principal.

FY 2019-20 BUDGET

FACILITY MAINTENANCE PROJECTS

Internal Service Fund - Facilities

Accounts: 51061 & 51917

<u>Location</u>	<u>Project</u>	<u>Amount</u>
404 Aviation:		
Parking Lot and driveways	Electrical Vehicle Chargers	
Parking Lots and Driveways	Trash and Recycling Enclosure	25,000
Grounds and Landscaping	Sprinkler Improvements	1,500
HVAC system	assessment	50,000
HVAC Air	Replace system	
HVAC Controls	Modernize HVAC controls	
HVAC Ducting	Inspect every 3 years	10,000
HVAC damper controls	replace with current technology	
HVAC General	Overall condition assessment 3 to 5 years	
Electrical Distribution System	Install standby diesel generator for IT	25,000
Electrical Distribution System	Routine Maintenance	1,500
Electrical Distribution System	Electrical Distribution maintenance	
Lighting Exterior	Replace LED fixtures	
Lighting Interior	Remove T12 fluorescent, install LED	
Office Furniture and Fixtures	Routine replacement as needed	20,000
ADA Compliance	Routine as required by reg's.	
Building Energy Efficiency	Energy audit and improvements	
Building Water Efficiency	Water audit and leak check	
Interior Floors	Carpet replacement	
Interior walls	Paint as needed	5,000
Interior ceilings	Replace drop tiles as needed 2 to 4 years	5,000
Access Controls	Modernize every 5 to 7 years	
Security - cameras, wiring,	Modernize every 5 to 7 years	
Kitchens	Modernize every 10 years	50,000
Bathrooms	Modernize every 10 years	
Plumbing	Routine repairs as building ages	
Windows	Evaluate / model building energy profile	
Doors	Assess, adjust, and routine maintenance	3,000
Roof	Assess roof condition routine 5 to 7 years	
		<hr/> \$196,000
204 Concourse:		
Parking Lot and driveways	Access gate maintenance routine	1,000
Parking Lot and driveways	Reconfigure parking lot/fences	65,000
Parking Lot and driveways	Electrical Vehicle Chargers	
Grounds and Landscaping	Sprinkler Improvements	1,000
HVAC Heat Pumps	Maintenance	2,500
HVAC Controls	Modernize HVAC SCADA and damper controls	6,000
HVAC ground water heat exchange lo	Chemical feed system	
HVAC Ducting	Inspect every 3 years	10,000
HVAC General	Overall condition assessment 3 to 5 years	25,000
Ice Machines	Maintenance	10,000
Ice Machines	Replacement every 7 to 10 years	
Electrical Distribution System	Generator Maintenance Routine	5,000
Electrical Distribution System	Electrical Distribution maintenance	

FY 2019-20 BUDGET
FACILITY MAINTENANCE PROJECTS

Internal Service Fund - Facilities

Accounts: 51061 & 51917

<u>Location</u>	<u>Project</u>	<u>Amount</u>
204 Concourse (continued):		
Lighting Exterior	Replace LED fixtures	25,000
Lighting Interior	Remove T12 fluorescent, install LED	50,000
Office Furniture and Fixtures	Routine replacement as needed	10,000
ADA Compliance	Routine as required by reg's.	
Building Energy Efficiency	Energy audit and improvements	
Building Water Efficiency	Water audit and leak check	
Interior Floors	Carpet replacement	
Interior walls	Paint as needed	3,000
Interior ceilings	Replace drop tiles as needed 2 to 4 years	2,500
Access Controls	Modernize every 5 to 7 years	
Security	Modernize every 5 to 7 years	
Kitchen	Modernize every 10 years	
Bathrooms	Modernize every 10 years	
Plumbing	Routine repairs as building ages	5,000
Wastewater system	Lift Station maint.	2,000
Windows	Evaluate high efficiency windows	
Doors	Assess, adjust, and routine maintenance	2,000
Roof	Assess roof condition routine 5 to 7 years	
Lab Equipment	IW Lab	1,500
		<hr/> \$226,500
800 Airport:		
Parking Lot and driveways	Access gate maintenance routine	1,000
Parking Lot and driveways	Replace inside fencing at fill station	25,000
Parking Lot and driveways	Electrical Vehicle Chargers	
Parking Lot and driveways	Pave Employee lot	25,000
Parking Lot and driveways	Dust Control application	6,500
Grounds and Landscaping	Sprinkler Improvements	1,000
HVAC Controls	Modernize HVAC	
HVAC Ducting	Inspect every 3 years	6,000
HVAC General	Overall condition assessment 3 to 5 years	10,000
Ice Machines	Maintenance	3,000
Ice Machines	Replacement every 7 to 10 years	
Electrical Distribution System	Generator Maintenance Routine	1,000
Electrical Distribution System	Electrical Distribution maintenance	2,500
Lighting Exterior	Replace LED fixtures	25,000
Lighting Interior	Remove T12 fluorescent, install LED	50,000
Office Furniture and Fixtures	Routine replacement as needed	10,000
ADA Compliance	Routine as required by reg's.	
Building Energy Efficiency	Energy audit and improvements	
Building Water Efficiency	Water audit and leak check	
Interior Floors	Assessment	
Interior walls	Paint as needed	3,000
Interior ceilings	Replace drop tiles as needed 2 to 4 years	2,500

FY 2019-20 BUDGET
FACILITY MAINTENANCE PROJECTS

Internal Service Fund - Facilities

Accounts: 51061 & 51917

<u>Location</u>	<u>Project</u>	<u>Amount</u>
800 Airport (continued):		
Access Controls	Modernize every 5 to 7 years	
Security	Modernize every 5 to 7 years	
Kitchen	Modernize every 10 years	
Bathrooms	Modernize every 10 years	
Plumbing	Routine repairs as building ages	5,000
Doors	Assess, adjust, and routine maintenance	2,000
Roof	Assess roof condition routine 5 to7 years	
		\$178,500
806 Airport:		
Parking Lot and driveways	Access gate maintenance routine	
Parking Lot and driveways	Replace inside fencing at fill station	
Parking Lot and driveways	Electrical Vehicle Chargers	
Parking Lot and driveways	Pave Employee lot	
Parking Lot and driveways	Dust Control application	
Grounds and Landscaping	Sprinkler Improvements	
HVAC Controls	Modernize HVAC	
HVAC Ducting	Inspect every 3 years	6,000
HVAC General	Overall condition assessment 3 to 5 years	10,000
Ice Machines	Maintenance	3,000
Ice Machines	Replacement every 7 to 10 years	
Electrical Distribution System	Electrical Distribution maintenance	
Lighting Interior	Remove T12 fluorescent, install LED	50,000
Office Furniture and Fixtures	Routine replacement as needed	
Shower Room/Uniform Room	Replace lockers	30,000
ADA Compliance	Routine as required by reg's.	
Building Energy Efficiency	Energy audit and improvements	
Building Water Efficiency	Water audit and leak check	
Interior Floors	Assessment	
Interior walls	Paint as needed	3,000
Interior ceilings	Replace drop tiles as needed 2 to 4 years	2,500
Access Controls	Modernize every 5 to 7 years	
Security	Modernize every 5 to 7 years	
Kitchen	Modernize every 10 years	
Bathrooms	Modernize every 10 years	
Plumbing	Routine repairs as building ages	5,000
Doors	Assess, adjust, and routine maintenance	2,000
Roof	Assess roof condition routine 5 to7 years	
		\$111,500
Westside Education Center:		
Parking Lot and driveways	Access gate maintenance routine	2,000
Parking Lot and driveways	Electrical Vehicle Chargers	10,000
Parking Lot and driveways	Pave Parking lot	
Grounds and Landscaping	Sprinkler Improvements	3,000
HVAC Controls	Modernize HVAC	
HVAC Ducting	Inspect every 3 years	
HVAC General	Overall condition assessment 3 to 5 years	

FY 2019-20 BUDGET
FACILITY MAINTENANCE PROJECTS

Internal Service Fund - Facilities

Accounts: 51061 & 51917

<u>Location</u>	<u>Project</u>	<u>Amount</u>
Westside Education Center (continued):		
Electrical Distribution System	Electrical Distribution maintenance	
Office Furniture and Fixtures	Routine replacement as needed	
ADA Compliance	Routine as required by reg's.	
Building Energy Efficiency	Energy audit and improvements	
Building Water Efficiency	Water audit and leak check	
Interior Floors	Assessment	
Interior walls	Paint as needed	
Interior ceilings	Replace drop tiles as needed 2 to 4 years	
Access Controls	Modernize every 5 to 7 years	50,000
Security	Modernize every 5 to 7 years	
Bathrooms	Modernize every 10 years	
Plumbing	Routine repairs as building ages	
Doors	Assess, adjust, and routine maintenance	2,000
Roof	Assess roof condition routine 5 to7 years	
		\$67,000
<i>Split between labor and maintenance</i>	TOTAL	\$779,500

FY 2019-20 BUDGET
STATEMENT OF SPECIAL FUND ACTIVITY

Department: Sonoma County Water Agency - Internal Service Fund
Fund: Facilities Fund
Fund/Department ID: 54010-33050200

DESCRIPTION OF FUND ACTIVITY	Actual FY 17-18	Estimated FY 18-19	Requested FY 19-20
Undesignated/Unreserved <u>BEGINNING</u> Fund Balance Available for Budgeting (See Detailed Components Below)	\$2,265,551	\$7,260,455	\$8,094,532
Annual Revenues and Expenditures:			
Revenues - Increase fund balance	5,774,588	3,487,603	3,501,974
Expenditures - (Decrease) fund balance	(3,206,739)	(3,354,094)	(3,582,452)
Net Surplus or Deficit - Increase/(Decrease) to fund balance	<u>2,567,849</u>	<u>133,509</u>	<u>(80,478)</u>
Adjustments to Reserves/Encumbrances:			
Outstanding Encumbrance - Net Change	199,626	-	-
Principal-Capital Lease	(407,711)	(425,432)	(443,922)
Advance to ALW for Larkfield Estates Sewer			(5,900,000)
Unrealized Gain/Loss	31,213	-	-
Sale or Purchase of Fixed Asset	1,371,955		
Capital Interest	(6,199)	-	-
Capital Lease Oblig-Change in Current Balance	(17,720)		-
Gain/Loss on disposal of Capital Assets	149,069	-	-
Depreciation	1,106,822	1,126,000	1,129,000
Net Adjustment - Increase/(Decrease) to Fund Balance	<u>2,427,054</u>	<u>700,568</u>	<u>(5,214,922)</u>
Undesignated/Unreserved <u>ENDING</u> Fund Balance Available for Budgeting	\$7,260,455	\$8,094,532	\$2,799,132
Target Fund Balance	\$415,611	\$455,421	\$441,375
<i>Over/(Under) Target Fund Balance</i>	<i>\$6,844,844</i>	<i>\$7,639,111</i>	<i>\$2,357,757</i>
Total Increase/(Decrease) in Fund Balance for Fiscal Year <i>(Difference between Beginning and Ending Balance)</i>	\$4,994,904	\$834,077	(\$5,295,400)
<u>Fund Balance Components at Beginning of FY</u>	<u>7/1/17</u>	<u>7/1/18</u>	
Cash	\$2,960,759	\$7,806,246	
Due from Federal AR	26,003	26,003	
Interest Payable	(34,853)	(30,098)	
Capital Lease Payable	(407,711)	(425,431)	
Prepaid Expense	491	273	
Vouchers Payable	(10,274)	(47,299)	
Encumbrances	(268,864)	(69,238)	
Total Beginning Fund Balance	<u>\$2,265,551</u>	<u>\$7,260,456</u>	

FY 2019-20 BUDGET
SUMMARY OF REVENUES AND EXPENDITURES

Fund: POWER RESOURCES
Fund/Department ID: 54015 33050300

Account No. and Title	Adopted 2018-19	Requested 2019-20	Difference	Percent Change
REVENUES:				
<u>USE OF MONEY</u>				
44002 Interest on Pooled Cash	\$71,820	\$56,700	(\$15,120)	(21.05%)
Subtotal Use of Money	\$71,820	\$56,700	(\$15,120)	(21.05%)
<u>MISCELLANEOUS REVENUE</u>				
45314 Sale-Power	\$4,300,000	\$4,541,000	\$241,000	5.60%
Subtotal Miscellaneous Revenue	\$4,300,000	\$4,541,000	\$241,000	5.60%
TOTAL REVENUES	\$4,371,820	\$4,597,700	\$241,000	5.51%

EXPENDITURES:

SERVICES AND SUPPLIES

51061 Maintenance - Equipment	\$50,000	\$50,000	\$0	0.00%
51211 County Counsel - Legal Advice	1,000	1,000	0	0.00%
51421 Rents and Leases - Bldg/Land	40,000	50,000	10,000	25.00%
51602 Business Travel/Mileage	500	500	0	0.00%
51605 Private Car Expense	100	100	0	0.00%
51803 Other Contract Services	6,000	60,000	54,000	900.00%
51917 District Operations Chgs	90,000	144,200	54,200	60.22%
51921 Equipment Usage Charges	3,610	3,610	0	0.00%
52193 Utilities - Electric	3,100,000	3,400,000	300,000	9.68%
Subtotal Services and Supplies	3,291,210	3,709,410	\$418,200	12.71%

OTHER CHARGES

53103 Interest on LT Debt	\$53,103	\$12,272	(\$40,831)	(76.89%)
53402 Depreciation Expense	443,000	440,000	(3,000)	(0.68%)
Subtotal Other Charges	\$496,103	\$452,272	(\$43,831)	(8.84%)

ADMIN CONTROL

59004 Administrative Control Account	227,836	237,226	9,390	4.12%
59005 Admin Control Acct Clearing	(227,836)	(237,226)	(9,390)	4.12%
Subtotal Admin Control	\$0	\$0	\$0	N/A

TOTAL EXPENDITURES	\$4,321,073	\$4,161,682	(\$159,391)	(3.69%)
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TOTAL NET COST <i>(Expenditures Minus Revenues)</i>	(\$50,747)	(\$436,018)	(\$385,271)	759.20%
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FY 2019-20 BUDGET

CHARACTER JUSTIFICATION

Department - Division: Sonoma County Water Agency - Internal Service Fund

Section Title: Power Resources

Character Title: Use of Money and Property **Character No.:** 54015-33050300-44

44002 Interest on Pooled Cash

This account records interest on pooled cash held for the Agency by the County Treasurer's office. Estimated interest is projected based on cash on hand and current interest rate trends.

Estimated Average Cash Balance	\$3,000,000
Projected Interest Rate	1.89%
Projected/Planned Interest on Pooled Cash	\$56,700

Character Title: Miscellaneous Revenue **Character No.:** 54015-33050300-45

45314 Sale-Power

This item records the revenue received from the sale of power to other entities.

Character Title: Services and Supplies **Character No.:** 54015-33050300-51/52

51061 Maintenance - Equipment

This item records parts and various supplies necessary to maintain and repair Agency equipment.

51211 Legal Services

This request is for outside legal services. Minimal outside legal services are anticipated.

51421 Rents/Leases-Bldgs/Imp

This item is requested to provide funds for the rental on the land for the photovoltaic system.

51602 Business Travel/Mileage

This item is requested to cover the cost of travel expenses to meetings by Agency staff.

51605 Private Car Expense

Private Car Expense is reimbursed to employees for the use of their private vehicles.

51803 Other Contract Services

This item is requested for various other contract services, as needed.

Solar PV Maintenance - 404 Aviation	\$60,000
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51917 District Operations Chgs

This item is requested to provide funds to charge salary and overhead for staff.

51921 Equipment Usage Charges

This item is requested to provide funds for equipment usage.

52193 Utilities-Power

This item includes the costs to purchase power from PG&E and the Power Water Resources Pooling Authority (PWRPA).

Character Title: Other Charges

Character No.: 54015-33050300-53

53103 Interest on LT Debt

This account reflects the interest payments on the capital leases for the construction of photovoltaic facilities and on advances from other Agency's fund for the purchase of photovoltaic facilities. The amount requested is based on the lease amortization schedules.

53402 Depreciation Expense

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

Character Title: Fixed Assets

Character No.: 54015-33050300-19

19832 CIP Infrastructure

Solar PV Assets replacement See account 51803 - not capital in FY19-20

Character Title: Administrative Control Account

Character No.: 54015-33050300-59

59004 Admin Control Acct

This account reflects the principal payments due on the outstanding advances for the acquisition of power assets. Payments are based on the amortization schedules.

This account also reflects an advance from the Agency's General Fund (\$2,898,836). Advances from the Agency General Fund to pay for electrical power assets and pay debts - 17 years beginning FY15-16.

Original Amount of the Advances :	\$2,898,836
Total FY 15-16 Payment: Through FY 18-19 Principle Payment	(568,606)
FY 19-20 Principal Payment:	<u>(237,226)</u>
	\$2,557,796

59005 Admin Control Acct-Clearing

This is the clearing account for 59004 Principal.

FY 2019-20 BUDGET

STATEMENT OF SPECIAL FUND ACTIVITY

Department: Sonoma County Water Agency - Internal Service Fund
Fund: Power Resources Fund
Fund/Department ID: 54015-33050300

DESCRIPTION OF FUND ACTIVITY	Actual FY 17-18	Estimated FY 18-19	Requested FY 19-20
Undesignated/Unreserved <u>BEGINNING</u> Fund Balance Available for Budgeting (See Detailed Components Below)	\$3,838,328	\$4,385,076	\$2,344,835
Annual Revenues and Expenditures:			
Revenues - Increase fund balance	4,872,304	4,371,820	4,597,700
Expenditures - (Decrease) fund balance	(4,222,325)	(4,401,449)	(4,161,682)
Net Surplus or Deficit - Increase/(Decrease) to fund balance	649,978	(29,629)	436,018
Adjustments to Reserves/Encumbrances:			
Principal Payment - Photovoltaic Leases	(218,816)	(227,836)	-
Change in Capital Lease Current Balance	(9,019)	(9,019)	-
Change in Encumbrances	(140,596)	-	-
Depreciation	437,568	443,000	440,000
Unrealized Gain/Loss	14,685	-	-
Advance (From the SCWA General Fund/Interest Accrued)	-	-	-
Other Long Term Assets	(6,465)	-	-
Capital Interest	(10,066)	-	-
Advance Payments (GF)	(170,520)	-	-
Payoff Advane from GF	-	(2,216,757)	-
Rounding	(1)	-	-
Net Adjustment - Increase/(Decrease) to Fund Balance	(103,230)	(2,010,612)	440,000
Undesignated/Unreserved <u>ENDING</u> Fund Balance Available for Budgeting	\$4,385,076	\$2,344,835	\$3,220,853
Target Fund Balance	\$927,188	\$842,897	\$927,353
<i>Over/(Under) Target Fund Balance</i>	<i>\$3,457,888</i>	<i>\$1,501,939</i>	<i>\$2,293,501</i>
Total Increase/(Decrease) in Fund Balance for Fiscal Year <i>(Difference between Beginning and Ending Balance)</i>	\$546,748	(\$2,040,241)	\$876,018
<u>Fund Balance Components at Beginning of FY</u>	7/1/17	7/1/18	
Cash	\$3,542,207	\$5,100,151	
Pre-Paid Expense	771,690	-	
Deposits with Others	753,746	753,746	
Vouchers Payable	(325,853)	(367,044)	
Accounts Payable	(31,917)	(50,932)	
Unearned Revenue	(332,421)	(332,421)	
Interest Payable	(8,223)	(5,991)	
Other current liabilities	(99,740)	(131,657)	
Retention Payable	(6,929)	(6,929)	
Capital Lease Payable	(218,816)	(227,835)	
Advance Payable	(170,520)	(170,520)	
Encumbrance	(34,896)	(175,492)	
Total Beginning Fund Balance	\$3,838,328	\$4,385,076	