

FY 2020-21 BUDGET BUDGET SECTION SUMMARY

Section Title:

SANITATION ZONE - PENNGROVE

A. Program Description

This budget finances the maintenance, construction, debt service, and administration of a collection system and pumping station which serves the Penngrove area. Raw sewage is pumped to the City of Petaluma (Petaluma) for treatment and disposal. These services are provided by Petaluma pursuant to an agreement between the two entities. Petaluma charges the Penngrove Sanitation Zone (Penngrove SZ) for treatment on the basis of Equivalent Single Family Dwellings (ESDs).

B. Financial Summary

Section	GROSS EXPENDITURES			NET COST/USE OF FUND BALANCE		
	FY 19-20 Adopted	FY 20-21 Requested	Percent Change	FY 19-20 Adopted	FY 20-21 Requested	Percent Change
Operations	\$1,327,000	\$1,291,200	(2.70%)	(\$16,068)	\$17,515	(209.01%)
Bonds	0	0	N/A	0	0	N/A
Construction	344,421	154,140	(55.25%)	(135,975)	(1,422)	(98.95%)
TOTAL:	\$1,671,421	\$1,445,340	(13.53%)	(\$152,043)	\$16,093	(110.58%)

C. Staffing Summary

No staffing is allocated to this index.

D. Workload Summary

Workload Indicator	FY 18-19 Actual	FY 19-20 Budget Estimate	FY 19-20 Revised Estimate	FY 20-21 Projected	Change from FY 19-20 Budget Estimate
Total ESDs	548	546	548	549	0.55%
Total APNs	375	375	376	375	0.00%

E. Summary of Issues and Significant Changes

Agency operations in the Penngrove Sanitation Zone (Penngrove SZ) are limited to administrative services and operation/maintenance of the collection system and pumping station. Wastewater collected by the Penngrove SZ collection system flows through Petaluma's collection system to the Petaluma wastewater treatment plant. Wastewater generated by the Penngrove SZ and Petaluma is treated to meet tertiary standards at Petaluma's treatment plant.

The proposed FY 20-21 annual sewer service charges for Penngrove SZ is \$1,628 per ESD, which represents a 5.5% increase over FY 19-20.

Connection fees continue to be collected for the future expansion and/or replacement of the collection system and for part of Penngrove SZ's share of the cost to upgrade and expand Petaluma's wastewater treatment and reclamation facilities.

F. Summary of Reduction Options

No reduction options are proposed.

G. Attachments

- Summary of Revenues and Expenditures
- Character Justification
- Statement of Special Fund Activity

FY 2020-21 BUDGET
SUMMARY OF REVENUES AND EXPENDITURES

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

Account No. and Title	Adopted 2019-20	Requested 2020-21	Difference	Percent Change
REVENUES:				
<u>TAXES</u>				
40003 Direct Charges-CY	\$808,995	\$841,793	\$32,798	4.05%
40202 Direct Charges - PY	5,500	7,000	1,500	27.27%
40999 Penalties/Costs on Taxes	1,000	2,000	1,000	100.00%
Subtotal Taxes	\$815,495	\$850,793	\$35,298	4.33%
<u>USE OF MONEY</u>				
44002 Interest on Pooled Cash	\$7,600	\$8,240	\$640	8.42%
Subtotal Use of Money	\$7,600	\$8,240	\$640	8.42%
<u>INTERGOVERNMENTAL REVENUE</u>				
42441 Federal FEMA Disaster Funding	\$0	\$0	\$0	N/A
Subtotal Intergovernmental Revenue	\$0	\$0	\$0	N/A
<u>CHARGES FOR SERVICES</u>				
45221 Sewer/Water Usage Fee	\$16,973	\$14,652	(\$2,321)	(13.67%)
Subtotal Charges for Services	\$16,973	\$14,652	(\$2,321)	(13.67%)
<u>MISCELLANEOUS REVENUE</u>				
46022 Capital Grants State	\$203,000	\$0	(\$203,000)	(100.00%)
46040 Miscellaneous Revenue	0	0	0	N/A
Subtotal Miscellaneous Revenue	\$203,000	\$0	(\$203,000)	(100.00%)
<u>OTHER FINANCING SOURCES</u>				
47101 Trans in - Within a Fund	\$300,000	\$400,000	\$100,000	33.33%
Subtotal Other Financing Sources	\$300,000	\$400,000	\$100,000	33.33%
TOTAL REVENUES	\$1,343,068	\$1,273,685	(\$69,383)	(5.17%)

EXPENDITURES:

SERVICES AND SUPPLIES

51061 Maintenance - Equipment	\$26,000	\$20,000	(\$6,000)	(23.08%)
51076 Maint FACOPS	10,000	0	(10,000)	(100.00%)
51201 Administration Services	7,500	7,000	(500)	(6.67%)
51205 Advertising/Marketing Svc	500	0	(500)	(100.00%)
51211 Legal Services	1,000	500	(500)	(50.00%)
51241 Outside Printing & Binding	1,500	500	(1,000)	(66.67%)

FY 2020-21 BUDGET
SUMMARY OF REVENUES AND EXPENDITURES

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

Account No. and Title	Adopted 2019-20	Requested 2020-21	Difference	Percent Change
<u>SERVICES AND SUPPLIES (cont'd)</u>				
51244 Permits/License/Fees	3,000	2,500	(500)	(16.67%)
51401 Rents & Leases-Equipment	2,000	1,000	(1,000)	(50.00%)
51803 Other Contract Services	27,000	90,000	63,000	233.33%
51902 Telecommunication Usage	500	500	0	0.00%
51917 District Operations Charges	423,000	210,000	(213,000)	(50.35%)
51921 Equipment Usage Charges	18,500	20,000	1,500	8.11%
52141 Minor Equipment/Small Tools	500	500	0	0.00%
52142 Computer Equipment/Accessories	1,000	500	(500)	(50.00%)
52143 Computer Software/Licensing Fees	1,500	2,000	500	33.33%
52162 Special Departmental Expense	545,000	690,700	145,700	26.73%
52171 Water Conservation Program	1,000	2,500	1,500	150.00%
52193 Utilities	15,000	13,500	(1,500)	(10.00%)
52194 Utilities-Water	500	500	0	0.00%
<i>Subtotal Services and Supplies</i>	\$1,085,000	\$1,062,200	(\$22,800)	(2.10%)
<u>OTHER CHARGES</u>				
53402 Depreciation Expense	\$77,000	\$74,000	(\$3,000)	(3.90%)
<i>Subtotal Other Charges</i>	\$77,000	\$74,000	(\$3,000)	(3.90%)
<u>APPROPRIATIONS FOR CONT</u>				
55011 Appropriations for Contingency	\$5,000	\$0	(\$5,000)	(100.00%)
<i>Subtotal Appropriations for Contin.</i>	\$5,000	\$0	(\$5,000)	(100.00%)
<u>OTHER FINANCING USES</u>				
57011 Transfers out-within a Fund	\$150,000	\$150,000	\$0	0.00%
<i>Subtotal Other Financing Uses</i>	\$150,000	\$150,000	\$0	0.00%
<u>FIXED ASSETS</u>				
19820 Machinery & Equipment	\$10,000	\$0	(\$10,000)	(100.00%)
19841 Acq-WIP-Intangible	0	5,000	5,000	N/A
<i>Subtotal Fixed Assets</i>	\$10,000	\$5,000	(\$5,000)	(50.00%)
TOTAL EXPENDITURES	\$1,327,000	\$1,291,200	(\$35,800)	(2.70%)
TOTAL NET COST <i>(Expenditures Minus Revenues)</i>	(\$16,068)	\$17,515	\$33,583	(209.01%)

FY 2020-21 BUDGET
CHARACTER JUSTIFICATION

Department - Division: Sonoma County Water Agency - Sanitation
Section Title: Sanitation Zone - Penngrove - Operations

Character Title: Taxes **Character No.:** 44505-33120100-40

40003 Direct Charges - CY			
Flat charge revenue from annual service charges is expected to increase from the adopted FY19-20 budget. The rate will increase 5.5%, from \$1,543 to \$1,628.			
ESDs times annual rate:	536	x \$1,628	\$872,608
Less Estimated Delinquency Factor:	2.5%		(21,815)
			\$850,793
40202 Direct Charges - PY			
This item records the estimated delinquent amount of prior years sewer service charges.			
40999 Penalties / Costs on Taxes			
This item records penalties paid on delinquent sewer service charges.			

Character Title: Use of Money **Character No.:** 44505-33120100-44

44002 Interest on Pooled Cash			
This account records interest on pooled cash held for the Zone by the County Treasurer's office. Estimated interest is projected based on cash on hand and current interest rate trends.			
Estimated Average Cash Balance			\$400,000
Projected Interest Rate			2.06%
Projected/Planned Interest on Pooled Cash			\$8,240

Character Title: Charges for Services **Character No.:** 44505-33120100-45

45221 Sewer/Water Usage Fee			
This account records annual sewer service charges for entities that are invoiced, rather than collected as flat charges on the tax roll, and for new hook-ups as they occur during the year. The Sanitation Rate Ordinance requires that charges be collected at the time permits are issued. The properties are then added to the tax roll master listing and collected through account 40003, Direct Charges-CY. In the following year based on projected FY 20-21 ESDs, the Zone will experience an increase in revenue from invoiced entities. The budgeted revenue reflects an increase in the annual sewer service charge from \$1,453 to \$1,628.			
ESDs x Annual Charge	9	x \$1,628	= \$14,652

Character Title: Miscellaneous Revenue **Character No.:** 44505-33120100-46

46022 Capital Grants State			
This records an anticipated Caltrans reimbursement of a force main relocation project .			

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

47101 Transfer in - W/in a Fund			
This account records a transfer from SCWA General Fund to provide funds to operate the treatment plant.			

FY 2020-21 BUDGET
CHARACTER JUSTIFICATION

Department - Division: Sonoma County Water Agency - Sanitation
Section Title: Sanitation Zone - Penngrove - Operations

Character Title: Services and Supplies (Cont'd) **Character No.:** 44505-33120100-51 & 52

52162 Special Departmental Expense

The Penngrove SZ does not have a sewer treatment plant. Rather, the Penngrove SZ has an agreement with Petaluma to accept and treat sewage. The amount requested for the forthcoming year reflects the current year budget consistent with planned rate increases by Petaluma.

52171 Water Conservation Program

This account records the cost of indoor water use efficiency programs including but not limited to indoor water use assessments/audits, fixture replacements and rebates with the goal of inflow reduction.

52193 Utilities

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

52194 Utilities Water

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

Character Title: Other Charges **Character No.:** 44505-33120100-53

53402 Depreciation

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

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

19820 Machinery and Equipment

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

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

55011 Appropriations for Contingencies

This account provides funding for unanticipated expenditures or revenue shortfalls.

Character Title: Other Financing Uses **Character No.:** 44505-33120100-57

57011 Transfers out-within A Fund

This account reflects the transfer of cash from the Operations Fund to the Construction Fund to finance the Capital Replacement Program. If the Operations Fund does not have sufficient cash available to finance planned capital projects, the transfer will not be made and any uncompleted projects will be rescheduled and rebudgeted in the next fiscal year.

FY 20/21 planned transfer for the Penngrove Lift Station Flood Resiliency Project - \$150,000.

FY 2020-21 BUDGET

STATEMENT OF SPECIAL FUND ACTIVITY

Department: Sonoma County Water Agency - Sanitation
Fund: SANITATION ZONE 1 - PENNGROVE - OPERATIONS
Fund/Department ID: 44505-33120100

DESCRIPTION OF FUND ACTIVITY	Actual FY 18-19	Estimated FY 19-20	Requested FY 20-21
Undesignated/Unreserved <u>BEGINNING</u> Fund Balance			
Available for Budgeting (See Detailed Components Below)	\$255,311	\$94,034	\$194,302
Annual Revenues and Expenditures:			
Revenues - Increase fund balance	825,212	1,343,068	1,273,685
Expenditures - (Decrease) fund balance	(1,015,784)	(1,319,800)	(1,291,200)
	<hr/>	<hr/>	<hr/>
Net Surplus or Deficit - Increase/(Decrease) to fund balance	(190,573)	23,268	(17,515)
 Adjustments to Reserves/Encumbrances:			
53402 - Depreciation	50,718	77,000	74,000
Unrealized Gain/Loss	(7,412)	-	-
Change in prepaid expense	(5,261)		
Change in Encumbrance	(8,751)	-	-
	<hr/>	<hr/>	<hr/>
Net Adjustment - Increase/(Decrease) to Fund Balance	29,294	77,000	74,000
 Undesignated/Unreserved <u>ENDING</u> Fund Balance			
Available for Budgeting	\$94,034	\$194,302	\$250,786
 Target Fund Balance	\$447,533	\$538,900	\$531,100
<i>Over/(Under) Target Fund Balance</i>	(\$353,499)	(\$344,598)	(\$280,314)
 Total Increase/(Decrease) in Fund Balance for Fiscal Year <i>(Difference between Beginning and Ending Balance)</i>	(\$161,277)	\$100,268	\$56,485
 <u>Fund Balance Components at Beginning of FY</u>	7/1/18	7/1/19	
Equity in Pooled Cash	\$504,788	\$462,215	
Accounts Receivable (AR Module)	-	16,413	
Other Receivables (Flat Charges)	14,171	13,166	
Retention Receivable	51	-	
Accounts Payable	(269,000)	-	
Vouchers Payable	(1,512)	(387,876)	
Prepaid Expense	7,930	-	
Due from State AR	83	66	
Encumbrances	(1,200)	(9,950)	
	<hr/>	<hr/>	
Total Beginning Fund Balance	\$255,311	\$94,034	

FY 2020-21 BUDGET
SUMMARY OF REVENUES AND EXPENDITURES

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

Account No. and Title	Adopted 2019-20	Requested 2020-21	Difference	Percent Change
REVENUES:				
<u>USE OF MONEY</u>				
44002 Interest on Pooled Cash	\$5,130	\$5,562	\$432	8.42%
Subtotal Use of Money	\$5,130	\$5,562	\$432	8.42%
<u>MISCELLANEOUS REVENUE</u>				
46021 Capital Grants - Federal	\$325,266	\$0	(\$325,266)	(100.00%)
Subtotal Miscellaneous Revenue	\$325,266	\$0	(\$325,266)	(100.00%)
<u>OTHER FINANCING SOURCES</u>				
47101 Trans in - Within a Fund	\$150,000	\$150,000	\$0	0.00%
Subtotal Other Financing Sources	\$150,000	\$150,000	\$0	0.00%
TOTAL REVENUES	\$480,396	\$155,562	(\$324,834)	(67.62%)
EXPENDITURES:				
<u>FIXED ASSETS</u>				
19831 CIP - Bldg & Impr	\$0	\$30,000	\$30,000	N/A
19832 CIP - Infrastructure	344,421	124,140	(220,281)	(63.96%)
Subtotal Fixed Assets	\$344,421	\$154,140	(\$190,281)	(55.25%)
<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
TOTAL EXPENDITURES	\$344,421	\$154,140	(\$190,281)	(55.25%)
TOTAL NET COST <i>(Expenditures Minus Revenues)</i>	(\$135,975)	(\$1,422)	\$134,553	(98.95%)

**FY 2020-21 BUDGET
CHARACTER JUSTIFICATION**

Department - Division: Sonoma County Water Agency - Sanitation
Section Title: Sanitation Zone - Penngrove - Construction

Character Title: Use of Money **Character No.:** 44510-3312020-44

44002 Interest on Pooled Cash

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

Estimated Average Cash Balance	\$270,000
Projected Interest Rate	2.06%
Projected/Planned Interest on Pooled Cash	\$5,562

Character Title: Other Financing Sources **Character No.:** 44510-3312020-47

47101 Transfers In - within a Fund

This account reflects the transfer of cash from the Operations Fund to the Construction Fund to finance the capital replacement program. If the Operations Fund does not have sufficient cash available to finance planned capital projects, the transfer will not be made and any uncompleted projects will be rescheduled and rebudgeted in the next fiscal year. Planned FY 20/21 transfer of \$150,000.

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

19832 CIP - Infrastructure

This account reflects funds for replacement of lift station pumps (\$124,140) and a future capital project (\$30,000).

FY 2020-21 BUDGET
STATEMENT OF SPECIAL FUND ACTIVITY

Department: Sonoma County Water Agency - Sanitation
Fund: Sanitation Zone - Penngrove - Construction
Fund/Department ID: 44510-3312020

DESCRIPTION OF FUND ACTIVITY	Actual FY 18-19	Estimated FY 19-20	Requested FY 20-21
Undesignated/Unreserved <u>BEGINNING</u> Fund Balance			
Available for Budgeting (See Detailed Components Below)	\$429,228	\$332,080	\$54,674
Annual Revenues and Expenditures:			
Revenues - Increase fund balance	84,693	480,396	155,562
Expenditures - (Decrease) fund balance	(154,914)	(757,802)	(154,140)
Net Surplus or Deficit - Increase/(Decrease) to fund balance	<u>(70,222)</u>	<u>(277,406)</u>	<u>1,422</u>
Adjustments to Reserves/Encumbrances:			
Change in Encumbrances	(21,704)	-	-
Unrealized Gain/Loss	(5,222)	-	-
Net Adjustment - Increase/(Decrease) to Fund Balance	<u>(26,926)</u>	<u>-</u>	<u>-</u>
Undesignated/Unreserved <u>ENDING</u> Fund Balance			
Available for Budgeting	\$332,080	\$54,674	\$56,096
Total Increase/(Decrease) in Fund Balance for Fiscal Year <i>(Difference between Beginning and Ending Balance)</i>	(\$97,148)	(\$277,406)	\$1,422
<u>Fund Balance Components at Beginning of FY</u>	7/1/18	7/1/19	
Equity in Pooled Cash	\$435,618	\$398,690	
Retention Receivable	2,716	3,209	
Due from Federal AR	17,109	4,435	
Vouchers Payable	-	(26,335)	
Encumbrances	(26,215)	(47,919)	
Total Beginning Fund Balance	<u>\$429,228</u>	<u>\$332,080</u>	