

FY 2020-21 BUDGET

BUDGET SECTION SUMMARY

Section Title:

SANITATION ZONE - SEA RANCH

A. Program Description

This budget finances administration, operation, and maintenance of the collection system, pumping stations and two treatment plants serving the Central and North Sea Ranch areas.

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	\$742,000	\$1,054,000	42.05%	\$32,720	\$312,835	856.10%
Construction	125,000	150,000	20.00%	20,915	(44,429)	(312.43%)
TOTAL:	\$867,000	\$1,204,000	38.87%	\$53,635	\$268,406	400.43%

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	605	605	606	607	0.33%
Total APNs	600	600	601	602	0.33%

E. Summary of Issues and Significant Changes

The Sea Ranch Sanitation Zone (Sea Ranch SZ) consists of two wastewater collection and treatment systems located in Central and North Sea Ranch. The Central and North Facilities both provide treatment to secondary wastewater treatment standards and are designed to treat average daily dry weather flows of up to 27,000 and 160,000 gallons per day, respectively. Treated wastewater from both facilities is disposed through irrigation. The Sea Ranch Water Company, which is owned by the Sea Ranch Association, is under contract to operate and maintain the Sea Ranch SZ facilities for the Sonoma County Water Agency (Agency). The Agency is working with the Gualala Community Services District and the Sea Ranch Golf Course on potential reuse and storage opportunities.

The requested rate per ESD for FY 20-21 annual sewer service charge is \$1,242, representing a 3.5% increase from 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 2020-21 BUDGET
SUMMARY OF REVENUES AND EXPENDITURES

Fund: SANITATION ZONE 1 - SEA RANCH - OPERATIONS
Fund/Department ID: 44405-33130100

Account No. and Title	Adopted 2019-20	Requested 2020-21	Difference	Percent Change
REVENUES:				
<u>TAXES</u>				
40003 Direct Charges - CY	\$696,960	\$729,577	\$32,617	4.68%
40202 Direct Charges - PY	2,700	1,500	(1,200)	(44.44%)
40999 Penalties/Costs on Taxes	500	200	(300)	(60.00%)
Subtotal Taxes	\$700,160	\$731,277	\$31,117	4.44%
<u>USE OF MONEY</u>				
44002 Interest on Pooled Cash	\$9,120	\$9,888	768	8.42%
Subtotal Use of Money	\$9,120	\$9,888	\$768	8.42%
<u>CHARGES FOR SERVICES</u>				
45221 Sewer/Water Usage Fee	\$0	\$0	0	N/A
Subtotal Charges for Services	\$0	\$0	\$0	N/A
<u>OTHER FINANCING</u>				
47101 Trans in - within a Fund	\$0	\$0	0	N/A
Subtotal Charges for Other Financing	\$0	\$0	\$0	N/A
TOTAL REVENUES	\$709,280	\$741,165	\$31,885	4.50%

EXPENDITURES:

SERVICES AND SUPPLIES

51061 Maintenance - Equipment	\$800	\$3,500	\$2,700	337.50%
51201 Administration Services	5,300	6,000	700	13.21%
51211 Legal Services	1,500	1,500	0	0.00%
51241 Outside Printing & Binding	1,000	1,000	0	0.00%
51244 Permits/License/Fees	25,000	35,000	10,000	40.00%
51803 Other Contract Services	475,000	645,000	170,000	35.79%

FY 2020-21 BUDGET
SUMMARY OF REVENUES AND EXPENDITURES

Fund: SANITATION ZONE 1 - SEA RANCH - OPERATIONS
Fund/Department ID: 44405-33130100

Account No. and Title	Adopted 2019-20	Requested 2020-21	Difference	Percent Change
<u>SERVICES AND SUPPLIES (Cont'd)</u>				
51902 Telecommunications Usage	3,500	3,500	0	0.00%
51917 District Operations Charges	86,000	108,500	22,500	26.16%
51921 Equipment Usage Charges	600	2,000	1,400	233.33%
52171 Water Conservation Program	2,000	2,000	0	0.00%
52191 Utilities	7,300	8,000	700	9.59%
<i>Subtotal Services and Supplies</i>	<u>\$608,000</u>	<u>\$816,000</u>	<u>\$208,000</u>	<u>34.21%</u>
<u>OTHER CHARGES</u>				
53402 Depreciation Expense	\$29,000	\$43,000	\$14,000	48.28%
<i>Subtotal Other Charges</i>	<u>\$29,000</u>	<u>\$43,000</u>	<u>\$14,000</u>	<u>48.28%</u>
<u>FIXED ASSETS</u>				
19841 Work in Progress - Intang	\$3,000	\$5,000	\$2,000	66.67%
<i>Subtotal Fixed Assets</i>	<u>\$3,000</u>	<u>\$5,000</u>	<u>\$2,000</u>	<u>66.67%</u>
<u>APPROPRIATIONS FOR CONTINGENCIES</u>				
55011 Appropriations for Contingency	\$2,000	\$0	(\$2,000)	(100.00%)
<i>Subtotal Appropriations for Contin.</i>	<u>\$2,000</u>	<u>\$0</u>	<u>(\$2,000)</u>	<u>(100.00%)</u>
<u>OTHER FINANCING USES</u>				
57011 Transfers out-within a Fund	\$100,000	\$190,000	\$90,000	90.00%
<i>Subtotal Other Financing Uses</i>	<u>\$100,000</u>	<u>\$190,000</u>	<u>\$90,000</u>	<u>90.00%</u>
TOTAL EXPENDITURES	<u>\$742,000</u>	<u>\$1,054,000</u>	<u>\$90,000</u>	<u>12.13%</u>
TOTAL NET COST <i>(Expenditures Minus Revenues)</i>	<u>\$32,720</u>	<u>\$312,835</u>	<u>\$280,115</u>	<u>856.10%</u>

FY 2020-21 BUDGET
CHARACTER JUSTIFICATION

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

Character Title: Taxes **Character No.:** 44405-33130100-40

40003 Direct Charges - CY

Flat charge revenue from annual sewer service charges is expected to increase from the adopted FY 19-20 budget. The rate will increase 3.5%, from \$1,200 to \$1,242.

ESDs times annual rate:	607 x \$1,242	\$753,894
Less Estimated Delinquency Factor:	3.0%	(22,617)
		\$731,277

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.:** 44405-33130100-44

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	\$480,000
Projected Interest Rate	2.06%
Projected/Planned Interest on Pooled Cash	\$9,888

Character Title: Charges for Service **Character No.:** 44405-33130100-45

45221 Sewer/Water Usage Fee

This account is used to record 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.

The budget request for the forthcoming fiscal year assumes no revenue in this account. New hook-ups in this area are unpredictable.

FY 2020-21 BUDGET
CHARACTER JUSTIFICATION

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

Character Title: Other Financing **Character No.:** 44405-33130100-47

47101 Transfers in-within a Fund

There is no planned operating transfer for FY 20/21.

Character Title: Services and Supplies **Character No.:** 44405-33130100-51 & 52

51061 Maintenance - Equipment

This account records the costs for routine maintenance of equipment.

51201 Administration Services

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

51211 Legal Services

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

51241 Outside Printing & Binding

This account represents the cost of printing services.

51244 Permits/License/Fees

This account records the cost of all permits.

51803 Other Contract Services

This account reflects expenses for outside contract services as may be necessary.
 The Sea Ranch Water Company will operate both the North and Central treatment plants.
 The Gualala Community Service District will treat raw wastewater for the North Sea Ranch treatment plant.

Sea Ranch Water Company/Gualala Community Service District	\$ 480,000
Sludge Removal	150,000
Sanitary Sewer Hydraulic Modeling	10,000
Other Contract Services as-needed	5,000
	\$ 645,000

51902 Telecommunication Usage

This account records expenses paid by the Sea Ranch SZ for outside communication and wireless services, as well as for the cost of alarm services.

51917 District Operations Charges

This account records the cost of labor and overhead associated with operations and maintenance of the Zone's facilities. We anticipate the need for continued groundwater monitoring, collection system inflow and infiltration investigation, system improvement planning, and general oversight of operations.

FY 2020-21 BUDGET
CHARACTER JUSTIFICATION

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

Character Title: Services and Supplies (Cont'd) **Character No.:** 44405-33130100-51 & 52

51921 Equipment Usage Charges

This account represents funds for equipment usage.

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.

52191 Utilities

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

Character Title: Other Charges **Character No.:** 44405-33130100-53

53402 Depreciation

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

Character Title: Other Financing Uses **Character No.:** 44405-33130100-57

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. There is a planned transfer in FY 20-21 in the amount of \$190,000.

Character Title: Fixed Assets **Character No.:** 44405-33130100-19

19820 Machinery and Equipment

This records the cost of purchased equipment over the cost of \$5,000.

19840 Work in Progress - Equipment

This account is used for the purchase of equipment that is a fixed or movable tangible asset used for operations.

19841 Work in Progress - Intangible

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

FY 2020-21 BUDGET
STATEMENT OF SPECIAL FUND ACTIVITY

Department: Sonoma County Water Agency - Sanitation
Fund: SANITATION ZONE 1 - SEA RANCH - OPERATIONS
Fund/Department ID: 44405-33130100

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)	\$639,072	\$673,283	\$673,957
Annual Revenues and Expenditures:			
Revenues - Increase fund balance	780,230	713,474	741,165
Expenditures - (Decrease) fund balance	(682,931)	(741,800)	(1,054,000)
Net Surplus or Deficit - Increase/(Decrease) to fund balance	97,299	(28,326)	(312,835)
Adjustments to Reserves/Encumbrances:			
Depreciation (53402)	29,853	29,000	43,000
Unrealized Gain/Loss	(10,696)	-	-
Post Audit Adjustment	(82,245)		
Change in Encumbrance		-	-
Net Adjustment - Increase/(Decrease) to Fund Balance	(63,088)	29,000	43,000
Undesignated/Unreserved <u>ENDING</u> Fund Balance			
Available for Budgeting	\$673,283	\$673,957	\$404,122
Target Fund Balance	\$299,519	\$303,900	\$408,000
<i>Over/(Under) Target Fund Balance</i>	\$373,765	\$370,057	(\$3,878)
Total Increase/(Decrease) in Fund Balance for Fiscal Year <i>(Difference between Beginning and Ending Balance)</i>	\$34,210	\$674	(\$269,835)
<u>Fund Balance Components at Beginning of FY</u>	7/1/18	7/1/19	
Equity in Pooled Cash	\$688,643	\$791,685	
Other Receivables	13,485	18,742	
Vouchers Payable	(63,056)	(42,690)	
Accounts Payable	-	(12,209)	
Total Beginning Fund Balance	\$639,072	\$755,528	

FY 2020-21 BUDGET
SUMMARY OF REVENUES AND EXPENDITURES

Fund: **SANITATION ZONE 1 - SEA RANCH - CONSTRUCTION**
Fund/Department ID: **44410-33130200**

Account No. and Title	Adopted 2019-20	Requested 2020-21	Difference	Percent Change
REVENUES:				
<u>USE OF MONEY</u>				
44002 Interest on Pooled Cash	\$4,085	\$4,429	\$344	8.42%
Subtotal Use of Money	\$4,085	\$4,429	\$344	8.42%
<u>MISC REVENUE</u>				
46024 Connection Fees	\$0	\$0	\$0	N/A
Subtotal Misc Revenue	\$0	\$0	\$0	N/A
<u>OTHER FINANCING SOURCES</u>				
47101 Trans in - Within a Fund	\$100,000	\$190,000	\$90,000	90.00%
Subtotal Other Financing Sources	\$100,000	\$190,000	\$90,000	90.00%
TOTAL REVENUES	\$104,085	\$194,429	\$90,344	86.80%
EXPENDITURES:				
<u>FIXED ASSETS</u>				
19832 CIP- Infrastructure	\$125,000	\$150,000	\$25,000	20.00%
Subtotal Fixed Assets	\$125,000	\$150,000	\$25,000	20.00%
TOTAL EXPENDITURES	\$125,000	\$150,000	\$25,000	20.00%
TOTAL NET COST <i>(Expenditures Minus Revenues)</i>	\$20,915	(\$44,429)	(\$65,344)	(312.43%)

FY 2020-21 BUDGET

CHARACTER JUSTIFICATION

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

Character Title: Use of Money Character No.: 44410-33130200-44

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	\$215,000
Projected Interest Rate	<u>2.06%</u>
Projected/Planned Interest on Pooled Cash	\$4,429

Character Title: Other Financing Sources Character No.: 44410-33130200-47

47101 Trans 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. A FY 20/21 transfer is planned for the Creek Crossing Project and Future Capital Replacements (\$190,000).

Character Title: Fixed Assets Character No.: 44410-33130200-19

19832 CIP - Infrastructure

This account is used for expenses associated with future facility upgrades. Planned construction projects for FY 20/21 include an Influent Creek Crossing (\$50,000) and to-be-determined capital replacement project (\$100,000).

FY 2020-21 BUDGET
STATEMENT OF SPECIAL FUND ACTIVITY

Department: Sonoma County Water Agency - Sanitation
Fund: SANITATION ZONE 1 - SEA RANCH - CONSTRUCTION
Fund/Department ID: 44410-33130200

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)	\$326,869	\$333,628	\$312,713
Annual Revenues and Expenditures:			
Revenues - Increase fund balance	\$11,386	\$104,085	\$194,429
Expenditures - (Decrease) fund balance	-	(125,000)	(150,000)
Net Surplus or Deficit - Increase/(Decrease) to fund balance	11,386	(20,915)	44,429
Adjustments to Reserves/Encumbrances:			
Unrealized Gain/Loss	(4,627)	-	-
Net Adjustment - Increase/(Decrease) to Fund Balance	(4,627)	-	-
Undesignated/Unreserved <u>ENDING</u> Fund Balance			
Available for Budgeting	\$333,628	\$312,713	\$357,142
Total Increase/(Decrease) in Fund Balance for Fiscal Year <i>(Difference between Beginning and Ending Balance)</i>	\$6,759	(\$20,915)	\$44,429
<u>Fund Balance Components at Beginning of FY</u>	7/1/18	7/1/19	
Cash	\$326,869	\$333,628	
Encumbrances	-	-	
Total Beginning Fund Balance	\$326,869	\$333,628	