

SONOMA COUNTY WATER AGENCY

FY 20-21 BUDGET REQUEST

COUNTY SANITATION DISTRICTS

TABLE OF CONTENTS

| | Page |
|--|------|
| Budget Section Summary – Sanitation Districts | |
| Financial Summary | 1 |
| Occidental CSD | |
| Budget Section Summary | 1 |
| Occidental CSD - Operations | |
| Summary of Revenues and Expenditures | 3 |
| Character Justification | 5 |
| Statement of Special Fund Activity | 9 |
| Occidental CSD - Construction | |
| Summary of Revenues and Expenditures | 10 |
| Character Justification | 11 |
| Statement of Special Fund Activity | 12 |
| Russian River CSD | |
| Budget Section Summary | 1 |
| Russian River CSD - Operations | |
| Summary of Revenues and Expenditures | 3 |
| Character Justification | 5 |
| Statement of Special Fund Activity | 9 |
| Russian River CSD - Construction | |
| Summary of Revenues and Expenditures | 10 |
| Character Justification | 11 |
| Statement of Special Fund Activity | 12 |
| Russian River CSD – 1981 Revenue Bonds | |
| Summary of Revenues and Expenditures | 13 |
| Character Justification | 14 |
| Statement of Special Fund Activity | 15 |
| Russian River CSD – State Loan Reserve | |
| Summary of Revenues and Expenditures | 16 |
| Character Justification | 17 |
| Statement of Special Fund Activity | 18 |

COUNTY SANITATION DISTRICTS

TABLE OF CONTENTS (Continued)

| | Page |
|---|------|
| Sonoma Valley CSD | |
| Budget Section Summary | 1 |
| Sonoma Valley CSD - Operations | |
| Summary of Revenues and Expenditures | 3 |
| Character Justification | 5 |
| Statement of Special Fund Activity | 10 |
| Sonoma Valley CSD - Construction | |
| Summary of Revenues and Expenditures | 11 |
| Character Justification | 12 |
| Statement of Special Fund Activity | 13 |
| Sonoma Valley CSD – Revenue Bonds | |
| Summary of Revenues and Expenditures | 14 |
| Character Justification | 15 |
| Statement of Special Fund Activity | 16 |
| Sonoma Valley CSD – State Revolving Funds Loan | |
| Summary of Revenues and Expenditures | 17 |
| Character Justification | 18 |
| Statement of Special Fund Activity | 19 |
| Sonoma Valley CSD – State Revolving Funds Loan Reserve | |
| Summary of Revenues and Expenditures | 20 |
| Character Justification | 21 |
| Statement of Special Fund Activity | 22 |
| Sonoma Valley CSD – State Loan Reserve | |
| Summary of Revenues and Expenditures | 23 |
| Character Justification | 24 |
| Statement of Special Fund Activity | 25 |
| Sonoma Valley CSD – Wet Weather Mitigation | |
| Summary of Revenues and Expenditures | 26 |
| Character Justification | 27 |
| Statement of Special Fund Activity | 28 |
| South Park CSD | |
| Budget Section Summary | 1 |
| South Park CSD - Operations | |
| Summary of Revenues and Expenditures | 3 |
| Character Justification | 5 |
| Statement of Special Fund Activity | 8 |
| South Park CSD - Construction | |
| Summary of Revenues and Expenditures | 9 |
| Character Justification | 10 |
| Statement of Special Fund Activity | 11 |
| South Park CSD – 2005 Revenue Bonds | |
| Summary of Revenues and Expenditures | 12 |
| Character Justification | 13 |
| Statement of Special Fund Activity | 14 |

FY 2020-21 BUDGET BUDGET SECTION SUMMARY

Section Title:

COUNTY SANITATION DISTRICTS

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 |

OCcidental CSD

| | | | | | | |
|---------------|--------------------|--------------------|----------------|------------------|-------------------|------------------|
| Operations | \$1,220,000 | \$1,366,400 | 12.00% | \$140,095 | (\$100,319) | (171.61%) |
| Construction | 200,000 | 51,000 | (74.50%) | 190,500 | 794 | (99.58%) |
| TOTAL: | \$1,420,000 | \$1,417,400 | (0.18%) | \$330,595 | (\$99,525) | (130.10%) |

RUSSIAN RIVER CSD

| | | | | | | |
|---------------|---------------------|--------------------|-----------------|------------------|--------------------|---------------|
| Operations | \$7,638,684 | \$7,165,867 | (6.19%) | \$1,171,679 | \$1,669,588 | 42.50% |
| Revenue Bonds | 5,750 | 0 | (100.00%) | (115,950) | 0 | (100.00%) |
| Construction | 3,375,000 | 2,654,591 | (21.35%) | (109,442) | (391,778) | 257.98% |
| TOTAL: | \$11,019,434 | \$9,820,458 | (10.88%) | \$946,287 | \$1,277,810 | 35.03% |

SONOMA VALLEY CSD

| | | | | | | |
|------------------------|---------------------|---------------------|---------------|--------------------|--------------------|---------------|
| Operations | \$22,736,371 | \$24,510,032 | 7.80% | \$4,394,205 | \$6,006,127 | 36.68% |
| Construction | 7,468,000 | 8,824,000 | 18.16% | 2,363,500 | 1,941,800 | (17.84%) |
| Revenue Bonds | 403,165 | 353,565 | (12.30%) | (1,217,100) | (1,273,540) | 4.64% |
| SRF Loan | 81,982 | 73,679 | (10.13%) | (364,791) | (373,413) | 2.36% |
| Wet Weather Mitigation | 42,000 | 42,000 | 0.00% | 10,100 | 9,940 | (1.58%) |
| TOTAL: | \$30,731,518 | \$33,803,276 | 10.00% | \$5,185,914 | \$6,310,914 | 21.69% |

SOUTH PARK CSD

| | | | | | | |
|---------------|--------------------|--------------------|---------------|--------------------|--------------------|---------------|
| Operations | \$4,026,553 | \$8,440,378 | 109.62% | (\$203,741) | \$4,046,915 | (2086.30%) |
| Revenue Bonds | 50,122 | 43,370 | (13.47%) | (172,281) | (173,398) | 0.65% |
| Construction | 375,000 | 375,000 | 0.00% | (166,800) | (4,675,800) | (2703.24%) |
| TOTAL: | \$4,451,675 | \$8,858,748 | 99.00% | (\$542,822) | (\$802,283) | 47.80% |

CSD TOTAL

| | | | | | | |
|---------------|---------------------|---------------------|---------------|--------------------|--------------------|---------------|
| TOTAL: | \$47,622,627 | \$53,899,882 | 13.18% | \$5,919,974 | \$6,686,916 | 12.96% |
|---------------|---------------------|---------------------|---------------|--------------------|--------------------|---------------|

FY 2020-21 BUDGET

BUDGET SECTION SUMMARY

Section Title:

COUNTY SANITATION DISTRICTS

Financial Summary

| Section | REVENUES | | | | |
|---------|---------------------|---------------------|-----------------------|---------------------|-------------------|
| | FY 18-19 Actuals | FY 19-20 Adopted | FY 20-21 Requested | Amount of Change | Percent Change |

OCcidental CSD - OPERATIONS

| | | | | | |
|----------------------|--------------------|--------------------|--------------------|------------------|---------------|
| Direct Charges | \$617,311 | \$646,360 | \$638,795 | (\$7,565) | (1.17%) |
| Monitored Users | \$0 | \$0 | \$0 | \$0 | N/A |
| Grants | \$0 | \$1,125 | \$0 | (\$1,125) | (100.00%) |
| Misc | \$18,529 | \$8,550 | \$2,884 | (\$5,666) | (66.27%) |
| New Hookups | \$19,929 | \$23,870 | \$25,040 | \$1,170 | 4.90% |
| Water Conservation | \$0 | \$0 | \$0 | \$0 | N/A |
| OT From General Fund | \$1,250,000 | \$400,000 | \$800,000 | \$400,000 | 100.00% |
| TOTAL: | \$1,905,769 | \$1,079,905 | \$1,466,719 | \$386,814 | 35.82% |

RUSSIAN RIVER CSD - OPERATIONS

| | | | | | |
|----------------------|--------------------|--------------------|--------------------|--------------------|-----------------|
| Direct Charges | \$5,007,830 | \$5,163,475 | \$5,208,077 | \$44,602 | 0.86% |
| Monitored Users | \$0 | \$0 | \$0 | \$0 | N/A |
| Grants | \$757 | \$883,630 | \$0 | (\$883,630) | (100.00%) |
| Misc | \$78,110 | \$11,400 | \$133,610 | \$122,210 | 1072.02% |
| New Hookups | \$45,064 | \$58,500 | \$54,592 | (\$3,908) | (6.68%) |
| Water Conservation | \$0 | \$0 | \$0 | \$0 | N/A |
| OT From General Fund | \$0 | \$350,000 | \$100,000 | (\$250,000) | (71.43%) |
| TOTAL: | \$5,131,761 | \$6,467,005 | \$5,496,279 | (\$970,726) | (15.01%) |

SONOMA VALLEY CSD - OPERATIONS

| | | | | | |
|----------------------|---------------------|---------------------|---------------------|------------------|--------------|
| Direct Charges | \$15,135,872 | \$16,041,048 | \$16,128,308 | \$87,260 | 0.54% |
| Monitored Users | \$1,625,803 | \$2,202,788 | \$2,273,332 | \$70,544 | 3.20% |
| Grants | \$0 | \$0 | \$0 | \$0 | N/A |
| Misc | \$299,844 | \$51,850 | \$55,290 | \$3,440 | 6.63% |
| New Hookups | \$23,519 | \$30,000 | \$30,000 | \$0 | 0.00% |
| Water Conservation | \$54,060 | \$16,480 | \$16,974 | \$494 | 3.00% |
| OT From General Fund | \$0 | \$0 | \$0 | \$0 | N/A |
| TOTAL: | \$17,139,098 | \$18,342,166 | \$18,503,905 | \$161,739 | 0.88% |

SOUTH PARK CSD - OPERATIONS

| | | | | | |
|----------------------|--------------------|--------------------|--------------------|------------------|--------------|
| Direct Charges | \$3,980,279 | \$4,090,298 | \$4,247,526 | \$157,228 | 3.84% |
| Monitored Users | \$0 | \$0 | \$0 | \$0 | N/A |
| Grants | \$0 | \$0 | \$0 | \$0 | N/A |
| Misc | \$1,033,049 | \$41,800 | \$41,200 | (\$600) | (1.44%) |
| New Hookups | \$124,466 | \$98,196 | \$104,737 | \$6,541 | 6.66% |
| Water Conservation | \$0 | \$0 | \$0 | \$0 | N/A |
| OT From General Fund | \$0 | \$0 | \$0 | \$0 | N/A |
| TOTAL: | \$5,137,794 | \$4,230,294 | \$4,393,463 | \$163,169 | 3.86% |

CSD TOTAL

| | | | | | |
|---------------|---------------------|---------------------|---------------------|--------------------|----------------|
| TOTAL: | \$29,314,421 | \$30,119,370 | \$29,860,366 | (\$259,004) | (0.86%) |
|---------------|---------------------|---------------------|---------------------|--------------------|----------------|

FY 2020-21 BUDGET BUDGET SECTION SUMMARY

Section Title: OCCIDENTAL COUNTY SANITATION DISTRICT

A. Program Description

This budget finances operation, maintenance, and administration of a collection system, a treatment plant, and disposal facilities which serve the Occidental area.

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 | \$1,220,000 | \$1,366,400 | 12.00% | \$140,095 | (\$100,319) | (171.61%) |
| Construction | 200,000 | 51,000 | (74.50%) | 190,500 | 794 | (99.58%) |
| TOTAL: | \$1,420,000 | \$1,417,400 | (0.18%) | \$330,595 | (\$99,525) | (130.10%) |

C. Staffing Summary

No staffing is allocated to this fund.

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 | 273 | 273 | 273 | 273 | 0.00% |
| Total APNs | 100 | 100 | 99 | 100 | 0.00% |

E. Summary of Issues and Significant Changes

The requested rate per equivalent single family dwelling (ESD) for FY 20-21 annual service charges is \$2,504 representing a 4.9% increase from FY 19-20. Annual sewer service charge revenue, adjusted for the anticipated number of ESDs and an estimated delinquency factor, is projected to increase from the FY 19-20 budget.

The Occidental County Sanitation District (Occidental CSD) treatment plant is designed to treat an average daily dry weather flow of up to 50,000 gallons per day to secondary treatment standards. Each year, between October 1 and May 14, treated wastewater from the Occidental CSD can be discharged into Dutch Bill Creek. During the balance of the year, treated wastewater is used for irrigation.

The Occidental CSD is facing very serious financial and operational difficulties. Even though rates for the Occidental CSD are the highest in Sonoma County and represent a significant concern for businesses in the district, the very small rates base results in revenues being insufficient to cover routine operating expenses. Additionally, without capital upgrades of its facilities, the Occidental CSD's ability to comply with the conditions of its operating permit remains in doubt.

For FY 20-21 revenues will once again not cover routine operating expenses. Transfers from the Water Agency's General Fund will be made to cover shortage and will not be recovered from the Occidental CSD.

FY 2020-21 BUDGET BUDGET SECTION SUMMARY

Section Title:

OCCIDENTAL COUNTY SANITATION DISTRICT

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: OCCIDENTAL CSD - OPERATIONS

Fund/Department ID: 43101-33060100

| Account No. and Title | Adopted 2019-20 | Requested 2020-21 | Difference | Percent Change |
|--------------------------------------|--------------------|----------------------|------------------|-------------------|
| REVENUES: | | | | |
| <u>TAXES</u> | | | | |
| 40003 Direct Charges-CY | \$635,360 | \$612,795 | (\$22,565) | (3.55%) |
| 40202 Direct Charges - PY | 10,000 | 25,000 | 15,000 | 150.00% |
| 40999 Penalties/Costs on Taxes | 1,000 | 1,000 | 0 | 0.00% |
| Subtotal Taxes | \$646,360 | \$638,795 | (\$7,565) | (1.17%) |
| <u>INTERGOVERNMENTAL</u> | | | | |
| 42358 State Other Funding | \$1,125 | \$0 | (\$1,125) | (100.00%) |
| 42610 Other Government Agencies | 400,000 | 800,000 | 400,000 | 100.00% |
| Subtotal Intergovernmental | \$401,125 | \$800,000 | \$398,875 | 99.44% |
| <u>USE OF MONEY</u> | | | | |
| 44002 Interest on Pooled Cash | \$8,550 | \$2,884 | (\$5,666) | (66.27%) |
| Subtotal Use of Money | \$8,550 | \$2,884 | (\$5,666) | (66.27%) |
| <u>CHARGES FOR SERVICES</u> | | | | |
| 45221 Sewer/Water Usage Fee | \$23,870 | \$25,040 | \$1,170 | 4.90% |
| Subtotal Charges for Services | \$23,870 | \$25,040 | \$1,170 | 4.90% |
| TOTAL REVENUES | \$1,079,905 | \$1,466,719 | \$386,814 | 35.82% |

EXPENDITURES:

SERVICES AND SUPPLIES

| | | | | |
|------------------------------------|-----------|-----------|-----------|----------|
| 51061 Maintenance - Equipment | \$220,000 | \$400,000 | \$180,000 | 81.82% |
| 51201 Administration Services | 0 | 5,000 | 5,000 | N/A |
| 51206 Accounting/Auditing Services | 0 | 10,000 | 10,000 | N/A |
| 51211 Legal Services | 0 | 2,000 | 2,000 | N/A |
| 51231 Testing/Analysis | 3,000 | 40,000 | 37,000 | 1233.33% |
| 51241 Outside Printing & Binding | 0 | 1,000 | 1,000 | N/A |
| 51244 Permits/License/Fees | 0 | 6,000 | 6,000 | N/A |
| 51401 Rents & Leases-Equipment | 0 | 4,000 | 4,000 | N/A |
| 51803 Other Contract Services | 187,200 | 81,300 | (105,900) | (56.57%) |
| 51902 Telecommunication Usage | 0 | 500 | 500 | N/A |
| 51916 County Services | 0 | 2,600 | 2,600 | N/A |
| 51917 District Operations Chgs | 600,000 | 535,000 | (65,000) | (10.83%) |

FY 2020-21 BUDGET

SUMMARY OF REVENUES AND EXPENDITURES

Fund: OCCIDENTAL CSD - OPERATIONS
 Fund/Department ID: 43101-33060100

| Account No. and Title | Adopted 2019-20 | Requested 2020-21 | Difference | Percent Change |
|---|--------------------|----------------------|--------------------|-------------------|
| EXPENDITURES: | | | | |
| <u>SERVICES AND SUPPLIES (Contd.)</u> | | | | |
| 51921 Equipment Usage Charges | 12,000 | 25,000 | 13,000 | 108.33% |
| 52072 Chemicals | 5,800 | 5,000 | (800) | (13.79%) |
| 52111 Office Supplies | 0 | 500 | 500 | N/A |
| 52141 Minor Equipment/Small Tools | 0 | 2,000 | 2,000 | N/A |
| 52171 Water Conservation Prog | 2,000 | 3,500 | 1,500 | 75.00% |
| 52193 Utilities-Power | 0 | 20,000 | 20,000 | N/A |
| Subtotal Services and Supplies | \$1,030,000 | \$1,143,400 | \$113,400 | 11.01% |
| <u>OTHER CHARGES</u> | | | | |
| 53402 Depreciation Expense | \$173,000 | \$158,000 | (\$15,000) | (8.67%) |
| 53501 Contributions/Donations | 0 | 0 | 0 | N/A |
| Subtotal Other Charges | \$173,000 | \$158,000 | (\$15,000) | (8.67%) |
| <u>APPROPRIATIONS FOR CONT</u> | | | | |
| 55011 Appropriations for Contingency | \$2,000 | \$0 | (\$2,000) | (100.00%) |
| Subtotal Approp for Contingencies | \$2,000 | \$0 | (\$2,000) | (100.00%) |
| <u>OTHER FINANCING USES</u> | | | | |
| 57011 Transfers out-within a Fund | \$0 | \$50,000 | \$50,000 | N/A |
| Subtotal Other Financing Uses | \$0 | \$50,000 | \$50,000 | N/A |
| <u>FIXED ASSETS</u> | | | | |
| 19820 Machinery & Equipment | \$15,000 | \$15,000 | \$0 | 0.00% |
| Subtotal Fixed Assets | \$15,000 | \$15,000 | \$0 | 0.00% |
| TOTAL EXPENDITURES | \$1,220,000 | \$1,366,400 | \$146,400 | 12.00% |
| TOTAL NET COST <i>(Expenditures Minus Revenues)</i> | \$140,095 | (\$100,319) | (\$240,414) | (171.61%) |

FY 2020-21 BUDGET

CHARACTER JUSTIFICATION

Department - Division: Sonoma County Water Agency - Sanitation
Section Title: Occidental CSD - Operations

Character Title: Taxes Character No.: 43101-33060100-40

40003 Direct Charges - CY

Flat Charge revenue from annual service charges is expected to increase from the adopted FY 19-20 budget. The rate will increase 4.9% from \$2,387 to \$2,504.

Table with 3 columns: Description, Amount, Total. Rows include ESDs times annual rate (263 x \$2,504 = \$658,552) and Less Estimated Delinquency Factor (3.0% = (19,757)), resulting in a total of \$638,795.

(See Account 45221 for Total ESDs)

40202 Direct Charges - PY

This account records the estimated delinquent amount of prior years sewer service charges.

40999 Penalties / Costs on Taxes

This account records penalties paid on delinquent sewer service charges.

Character Title: Intergovernmental Character No.: 43101-33060100-42

42610 Sonoma County Water Agency Revenue

This account records a transfer from Water Agency General Fund to provide funds to operate the treatment plant. These funds will not be recovered.

Character Title: Use of Money Character No.: 43101-33060100-44

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.

Table with 3 columns: Description, Amount, Total. Rows include Estimated Average Cash Balance (\$140,000), Projected Interest Rate (2.06%), and Projected/Planned Interest on Pooled Cash (\$2,884).

Character Title: Charges for Services Character No.: 43101-33060100-45

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 District will experience an increase in revenue for invoiced entities. The budgeted revenue reflects an increase in the annual sewer service charge from \$2,387 to \$2,504.

Table with 5 columns: Description, Quantity, Unit Price, Operator, Total. Row: ESDs x Annual Charge, 10, x, \$2,504, =, \$25,040.

FY 2020-21 BUDGET

CHARACTER JUSTIFICATION

Department - Division: Sonoma County Water Agency - Sanitation
Section Title: Occidental CSD - Operations

Character Title: Services and Supplies Character No.: 43101-33060100-51 & 52

51061 Maintenance - Equipment

This account records the costs for routine maintenance of equipment.

Additional Planned Projects:

| | |
|---|-----------|
| Ventilation of Wet Well in EQ Facility Building | \$50,000 |
| Lift Station Canopy Repair | 35,000 |
| Other Maintenance Items | 25,000 |
| | <hr/> |
| | \$110,000 |

51201 Administration Costs

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

51206 Accounting/Auditing Services

This account represents the cost of accounting and audit services provided by an outside certified public accounting services.

51211 Legal Services

This account is requested to provide funds for 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 is requested to cover the costs of printing services, which are primarily furnished by outside printing and binding 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.

51421 Rents/Leases-Buildings/Land

This account represents costs for the lease agreement for storage and irrigation of wastewater effluent.

51803 Other Contract Services

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

| | |
|-------------------------------------|----------|
| Multi-year agreement - audit | \$9,300 |
| Other Contract Services - as needed | 2,000 |
| Sanitary Sewer Hydraulic Modeling | 10,000 |
| Sludge Removal | 40,000 |
| Permitting Assistance | 20,000 |
| | <hr/> |
| | \$81,300 |

FY 2020-21 BUDGET
CHARACTER JUSTIFICATION

Department - Division: Sonoma County Water Agency - Sanitation
Section Title: Occidental CSD - Operations

Character Title: Services and Supplies (Continued) Character No.: 43101-33060100-51 & 52

51902 Telecommunication Usage

This account records expenses paid by the Occidental CSD for outside communication and wireless service.

51916 County Services

This account records the expense for special district accounting services.

51917 District Operations

This account records the cost of labor and overhead associated with operations and maintenance of the Occidental CSD Facilities.

Additional Planned Projects:

Lift Station Canopy Repair \$60,000

51921 Equipment Usage Charges

This item is requested to provide funds for equipment usage.

52072 Chemicals

This account records the cost of chemicals required for operation of the treatment plant. The requested amount is considered necessary to meet the discharge requirements of the Occidental CSD NPDES permit, as required by the Regional Water Quality Control Board, as well as to meet requirements imposed by the ACL (including the use of sodium bisulfite and caustic soda).

52111 Office Supplies

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

52141 Minor Equipment/Small Tools

This item is requested to provide funds for the purchase of office furniture, small tools, instruments and equipment that are individually under \$5,000.

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 - Power

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

Character Title: Other Charges Character No.: 43101-33060100-53

53402 Depreciation

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

FY 2020-21 BUDGET CHARACTER JUSTIFICATION

Department - Division: Sonoma County Water Agency - Sanitation
Section Title: Occidental CSD - Operations

Character Title: Other Financing Uses **Character No.:** 43101-33060100-57

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 uncompleted projects will be rescheduled and rebudgeted in the next fiscal year.

Character Title: Fixed Assets **Character No.:** 43101-33060100-19

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.

FY 2020-21 BUDGET STATEMENT OF SPECIAL FUND ACTIVITY

Department: Sonoma County Water Agency - Sanitation
Fund: Occidental CSD - Operations
Fund/Department ID: 43101-33060100

| DESCRIPTION OF FUND ACTIVITY | Actual FY 18-19 | Estimated FY 19-20 | Requested FY 20-21 |
|---|--------------------|-----------------------|-----------------------|
| Undesignated/Unreserved <u>BEGINNING</u> Retained Earnings | | | |
| Available for Budgeting (See Detailed Components Below) | \$927,692 | \$470,075 | \$113,921 |
| Annual Revenues and Expenditures: | | | |
| Revenues - Increase retained earnings | 1,905,769 | 1,172,305 | 1,466,719 |
| Expenditures - (Decrease) retained earnings | (2,519,337) | (1,701,459) | (1,366,400) |
| Net Surplus or Deficit - Inc/(Dec) to retained earnings | (613,568) | (529,154) | 100,319 |
| Adjustments to Reserves/Encumbrances: | | | |
| Depreciation (53402) | 110,289 | 173,000 | 158,000 |
| Post Audit Adjustment | 2 | - | - |
| Unrealized Gain/loss | (7,589) | - | - |
| Change in Encumbrance | 53,250 | - | - |
| Net Adjustment - Increase/(Decrease) to Retained Earnings | 155,952 | 173,000 | 158,000 |
| Undesignated/Unreserved <u>ENDING</u> Retained Earnings | | | |
| Available for Budgeting | \$470,075 | \$113,921 | \$372,240 |
| Target Fund Balance | \$979,398 | \$585,730 | \$571,700 |
| <i>Over/(Under) Target Fund Balance</i> | (\$509,323) | (\$471,809) | (\$199,460) |
| Total Increase/(Decrease) in Retained Earnings for Fiscal Year <i>(Difference between Beginning and Ending Balance)</i> | (\$457,617) | (\$356,154) | \$258,319 |
| <u>Retained Earnings Components at Beginning of FY</u> | 7/1/2018 | 7/1/2019 | |
| Cash | \$999,837 | \$751,388 | |
| Other Receivables (Flat Charges) | 22,187 | 27,345 | |
| Accounts Payable | - | (58,890) | |
| Retention Receivable | 432 | 432 | |
| Due from Other Governments | 278,679 | - | |
| Encumbrances | (290,065) | (236,815) | |
| Vouchers Payable | (83,378) | (13,385) | |
| Total Beginning Retained Earnings | \$ 927,692 | \$ 470,075 | |

FY 2020-21 BUDGET SUMMARY OF REVENUES AND EXPENDITURES

Fund: OCCIDENTAL CSD -CONSTRUCTION

Fund/Department ID: 43102-33060200

| Account No. and Title | Adopted 2019-20 | Requested 2020-21 | Difference | Percent Change |
|---|--------------------|----------------------|--------------------|-------------------|
| REVENUES: | | | | |
| <u>USE OF MONEY</u> | | | | |
| 44002 Interest on Pooled Cash | \$9,500 | \$206 | (\$9,294) | (97.83%) |
| Subtotal Use of Money | \$9,500 | \$206 | (\$9,294) | (97.83%) |
| <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>OTHER FINANCING SOURCES</u> | | | | |
| 47101 Transfers In -within a Fund | \$0 | \$50,000 | \$50,000 | N/A |
| Subtotal Other Financing Sources | \$0 | \$50,000 | \$50,000 | N/A |
| TOTAL REVENUES | \$9,500 | \$50,206 | \$40,706 | 428.48% |
| EXPENDITURES: | | | | |
| <u>FIXED ASSETS</u> | | | | |
| 19832 CIP - Infrastructure | \$200,000 | \$51,000 | (\$149,000) | (74.50%) |
| Subtotal Fixed Assets | \$200,000 | \$51,000 | (\$149,000) | (74.50%) |
| TOTAL EXPENDITURES | \$200,000 | \$51,000 | (\$149,000) | (74.50%) |
| TOTAL NET COST <i>(Expenditures Minus Revenues)</i> | \$190,500 | \$794 | (\$189,706) | (99.58%) |

FY 2020-21 BUDGET

CHARACTER JUSTIFICATION

Department - Division: Sonoma County Water Agency - Sanitation
Section Title: Occidental CSD - Construction

Character Title: Use of Money Character No.: 43102-33060200-44

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 | \$10,000 |
| Projected Interest Rate | 2.06% |
| Projected/Planned Interest on Pooled Cash | <u>\$206</u> |

Character Title: Other Financing Sources Character No.: 43102-33060200-47

47101 Transfers in-within a Fund

This account records the transfer of cash from the Operation Fund to the Construction Fund to finance Buildings/Improvements. There are is a planned transfer of \$50,000 for FY 20-21.

Character Title: Fixed Assets Character No.: 43102-33060200-19

19832 CIP-Infrastructure

This account is used for expenses associated with facility improvements or expansion.
The following project is planned for FY 20-21:

| | |
|--------------------|----------|
| Automation Project | \$51,000 |
|--------------------|----------|

FY 2020-21 BUDGET STATEMENT OF SPECIAL FUND ACTIVITY

Department: Sonoma County Water Agency - Sanitation
Fund: Occidental CSD - Construction
Fund/Department ID: 43102-33060200

| DESCRIPTION OF FUND ACTIVITY | Actual FY 18-19 | Estimated FY 19-20 | Requested FY 20-21 |
|---|--------------------|-----------------------|-----------------------|
| Undesignated/Unreserved <u>BEGINNING</u> Retained Earnings | | | |
| Available for Budgeting (See Detailed Components Below) | \$285,267 | \$338,475 | \$125,445 |
| Annual Revenues and Expenditures: | | | |
| Revenues - Increase retained earnings | 472,302 | \$379,500 | 50,206 |
| Expenditures - (Decrease) retained earnings | (1,286,872) | (\$592,530) | (51,000) |
| Net Surplus or Deficit - Inc/(Dec) to retained earnings | (814,571) | (213,030) | (794) |
| Adjustments to Reserves/Encumbrances: | | | |
| Change in Encumbrance | 766,276 | - | - |
| Post Audit Adjustment | 110,688 | - | - |
| Unrealized Gain/loss | (9,185) | - | - |
| Net Adjustment - Increase/(Decrease) to Retained Earnings | 867,779 | - | - |
| Undesignated/Unreserved <u>ENDING</u> Retained Earnings | | | |
| Available for Budgeting | \$338,475 | \$125,445 | \$124,651 |
| Total Increase/(Decrease) in Retained Earnings for Fiscal Year <i>(Difference between Beginning and Ending Balance)</i> | \$53,208 | (\$213,030) | (\$794) |
| <u>Retained Earnings Components at Beginning of FY</u> | 7/1/2018 | 7/1/2019 | |
| Cash | \$1,290,034 | \$667,083 | |
| Vouchers Payable | (2,887) | (214,522) | |
| Accounts Payable | (145,205) | (23,687) | |
| Retention Payable | (12,091) | (12,091) | |
| Encumbrances | (844,584) | (78,308) | |
| Total Beginning Retained Earnings | \$285,267 | \$338,475 | |

FY 2020-21 BUDGET BUDGET SECTION SUMMARY

Section Title: RUSSIAN RIVER COUNTY SANITATION DISTRICT

A. Program Description

This budget finances operation, maintenance, and administration of a collection system, pumping stations, a treatment plant, and disposal facilities which serve the Russian River area.

B. Financial Summary

| Section | GROSS EXPENDITURES | | | NET COST/USE OF FUND BALANCE | | |
|---------------|---------------------|-----------------------|-------------------|------------------------------|-----------------------|-------------------|
| | FY 19-20 Adopted | FY 20-21 Requested | Percent Change | FY 19-20 Adopted | FY 20-21 Requested | Percent Change |
| Operations | \$7,638,684 | \$7,165,867 | (6.19%) | \$1,171,679 | \$1,669,588 | 42.50% |
| Revenue Bonds | 5,750 | 0 | (100.00%) | (115,950) | 0 | (100.00%) |
| Construction | 3,375,000 | 2,654,591 | (21.35%) | (109,442) | (391,778) | 257.98% |
| TOTAL: | \$11,019,434 | \$9,820,458 | (10.88%) | \$946,287 | \$1,277,810 | 35.03% |

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 | 3,211 | 3,216 | 3,212 | 3,213 | (0.09%) |
| TOTAL APNs | 2,494 | 2,494 | 2,497 | 2,497 | 0.12% |

E. Summary of Issues and Significant Changes

The requested rate per ESD for FY 20-21 annual service charges is \$1,706, representing a 5.0% increase from FY 19-20. Annual sewer service charge revenue, adjusted for the anticipated number of ESDs and an estimated delinquency factor, is projected to increase from the FY 19-20 budget. This revenue change is primarily due to the rate increase.

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

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

FY 2020-21 BUDGET BUDGET SECTION SUMMARY

Section Title:

| |
|--|
| RUSSIAN RIVER COUNTY SANITATION DISTRICT |
|--|

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: RUSSIAN RIVER CSD - OPERATIONS
Fund/Department ID: 43201-33070100

| Account No. and Title | Adopted 2019-20 | Requested 2020-21 | Difference | Percent Change |
|---|--------------------|----------------------|----------------------|-------------------|
| REVENUES: | | | | |
| <u>TAXES</u> | | | | |
| 40003 Direct Charges-CY | \$5,012,475 | \$5,048,077 | \$35,602 | 0.71% |
| 40202 Direct Charges-PY | 125,000 | 130,000 | 5,000 | 4.00% |
| 40999 Penalties/Costs on Taxes | 26,000 | 30,000 | 4,000 | 15.38% |
| Subtotal Taxes | \$5,163,475 | \$5,208,077 | \$44,602 | 0.86% |
| <u>INTERGOVERNMENTAL</u> | | | | |
| 42358 State Other Funding | \$883,630 | \$0 | (\$883,630) | (100.00%) |
| 42610 Other Governmental Agencies | 350,000 | 100,000 | (250,000) | (71.43%) |
| Subtotal Intergovernmental | \$1,233,630 | \$100,000 | (\$1,133,630) | (91.89%) |
| <u>USE OF MONEY</u> | | | | |
| 44002 Interest on Pooled Cash | \$11,400 | \$12,360 | \$960 | 8.42% |
| Subtotal Use of Money | \$11,400 | \$12,360 | \$960 | 8.42% |
| <u>CHARGES FOR SERVICES</u> | | | | |
| 45221 Sewer/Water Usage Fee | \$58,500 | \$54,592 | (\$3,908) | (6.68%) |
| Subtotal Charges for Services | \$58,500 | \$54,592 | (\$3,908) | (6.68%) |
| <u>RESIDUAL EQUITY TRANSFERS</u> | | | | |
| 48004 Residual Equity Transfers | \$0 | \$121,250 | \$121,250 | N/A |
| Subtotal Residual Equity Transfers | \$0 | \$121,250 | \$121,250 | N/A |
| TOTAL REVENUES | \$6,467,005 | \$5,496,279 | (\$970,726) | (15.01%) |

EXPENDITURES:

SERVICES AND SUPPLIES

| | | | | |
|-----------------------------------|-----------|-----------|-----------|----------|
| 51032 Janitorial Services | \$0 | \$2,500 | \$2,500 | N/A |
| 51061 Maintenance - Equipment | 260,000 | 290,570 | 30,570 | 11.76% |
| 51201 Administration Services | 30,000 | 40,000 | 10,000 | 33.33% |
| 51206 Accounting/Auditing Service | 7,000 | 13,000 | 6,000 | 85.71% |
| 51211 Legal Services | 7,000 | 4,000 | (3,000) | (42.86%) |
| 51231 Testing/Analysis | 240,000 | 300,000 | 60,000 | 25.00% |
| 51241 Outside Printing & Binding | 0 | 3,000 | 3,000 | N/A |
| 51244 Permits/License/Fees | 0 | 15,000 | 15,000 | N/A |
| 51401 Rents & Leases-Equipment | 10,000 | 40,000 | 30,000 | 300.00% |
| 51803 Other Contract Services | 951,227 | 648,430 | (302,797) | (31.83%) |
| 51902 Telecommunication Usage | 5,000 | 5,000 | 0 | 0.00% |
| 51916 County Services | 15,000 | 15,000 | 0 | 0.00% |
| 51917 District Operations Chgs | 2,949,900 | 2,906,130 | (43,770) | (1.48%) |

FY 2020-21 BUDGET

SUMMARY OF REVENUES AND EXPENDITURES

Fund: RUSSIAN RIVER CSD - OPERATIONS
Fund/Department ID: 43201-33070100

| Account No. and Title | Adopted 2019-20 | Requested 2020-21 | Difference | Percent Change |
|---|---------------------------|---------------------------|---------------------------|-------------------------|
| <u>SERVICES AND SUPPLIES (cont'd)</u> | | | | |
| 51921 Equipment Usage Charges | 40,000 | 100,000 | 60,000 | 150.00% |
| 52061 Fuel/Gas/Oil | 0 | 10,000 | 10,000 | N/A |
| 52071 Materials and Supplies Expense | 0 | 4,000 | 4,000 | N/A |
| 52072 Chemicals | 10,000 | 12,000 | 2,000 | 20.00% |
| 52081 Medical/Laboratory Supplies | 10,000 | 7,000 | (3,000) | (30.00%) |
| 52111 Office Supplies | 2,000 | 3,000 | 1,000 | 50.00% |
| 52141 Minor Equipment/Small Tools | 20,000 | 14,000 | (6,000) | (30.00%) |
| 52143 Software/Licensing Fees | 0 | 1,000 | 1,000 | N/A |
| 52171 Water Conservation Program | 17,000 | 18,000 | 1,000 | 5.88% |
| 52191 Utilities | 2,000 | 2,000 | 0 | 0.00% |
| 52193 Utilities-Power | 150,000 | 160,000 | 10,000 | 6.67% |
| <i>Subtotal Services and Supplies</i> | <u>\$4,726,127</u> | <u>\$4,613,630</u> | <u>(\$112,497)</u> | <u>(2.38%)</u> |
| <u>OTHER CHARGES</u> | | | | |
| 53103 Interest on LT Debt | \$68,807 | \$61,237 | (\$7,570) | (11.00%) |
| 53401 Amortization Exp | 17,000 | 17,000 | 0 | 0.00% |
| 53402 Depreciation Expense | 1,476,000 | 1,464,000 | (12,000) | (0.81%) |
| <i>Subtotal Other Charges</i> | <u>\$1,561,807</u> | <u>\$1,542,237</u> | <u>(\$19,570)</u> | <u>(1.25%)</u> |
| <u>FIXED ASSETS</u> | | | | |
| 19820 Machinery & Equipment | \$0 | \$0 | \$0 | N/A |
| 19841 Work in Progress - Intang | 0 | 10,000 | 10,000 | N/A |
| 19851 Intangible Assets - Non-amort | 5,000 | 0 | (5,000) | (100.00%) |
| <i>Subtotal Fixed Assets</i> | <u>\$5,000</u> | <u>\$10,000</u> | <u>\$5,000</u> | <u>100.00%</u> |
| <u>APPROPRIATIONS FOR CONT</u> | | | | |
| 55011 Appropriations for Contingency | \$25,000 | \$0 | (\$25,000) | (100.00%) |
| <i>Subtotal Approp for Contingencies</i> | <u>\$25,000</u> | <u>\$0</u> | <u>(\$25,000)</u> | <u>(100.00%)</u> |
| <u>OTHER FINANCING USES</u> | | | | |
| 57011 Transfers out-within a Fund | \$1,320,750 | \$1,000,000 | (\$320,750) | (24.29%) |
| <i>Subtotal Other Financing Uses</i> | <u>\$1,320,750</u> | <u>\$1,000,000</u> | <u>(\$320,750)</u> | <u>(24.29%)</u> |
| <u>ADMINISTRATIVE CONTROL ACCOUNT</u> | | | | |
| 59002 Advances | \$299,260 | \$306,830 | \$7,570 | 2.53% |
| 59003 Advances Clearing | (299,260) | (306,830) | (7,570) | 2.53% |
| <i>Subtotal Administrative Control</i> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>N/A</u> |
| TOTAL EXPENDITURES | <u>\$7,638,684</u> | <u>\$7,165,867</u> | <u>(\$472,817)</u> | <u>(6.19%)</u> |
| TOTAL NET COST <i>(Expenditures Minus Revenues)</i> | <u>\$1,171,679</u> | <u>\$1,669,588</u> | <u>\$497,909</u> | <u>42.50%</u> |

FY 2020-21 BUDGET CHARACTER JUSTIFICATION

Department - Division: Sonoma County Water Agency - Sanitation
Section Title: Russian River CSD - Operations

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

40003 Direct Charges - CY

Flat charge revenue from annual service charges is expected to increase from the adopted FY 19-20 budget. The rate will increase 5.0%, from \$1,625 to \$1,706.

| | | |
|------------------------------------|-----------------|--------------------|
| ESDs times annual rate: | 3,180 x \$1,706 | \$5,425,080 |
| Less Estimated Delinquency Factor: | 4.0% | (217,003) |
| | | <u>\$5,208,077</u> |

(See Account 45221 for Total ESDs)

40202 Direct Charges - PY

This account records the estimated delinquent amount of prior years sewer service charges.

40999 Penalties/Costs on Taxes

This account records penalties paid on delinquent sewer service charges.

Character Title: Intergovernmental Character No.: 43101-33060100-42

42610 Sonoma County Water Agency Revenue

This account records a transfer from Water Agency General Fund to provide funds to operate the treatment plant. These funds will not be recovered.

Character Title: Use of Money Character No.: 43201-33070100-44

44002 Interest on Pooled Cash

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

| | |
|---|-----------------|
| Estimated Average Cash Balance | \$600,000 |
| Projected Interest Rate | 2.06% |
| Projected/Planned Interest on Pooled Cash | <u>\$12,360</u> |

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

45221 Sanitation Services

This account records annual sewer service charges for entities that are invoiced, rather than collected as flat charges on the tax roll, and for new hook-ups as they occur during the year. The Sanitation Rate Ordinance requires that charges be collected at the time permits are issued. The properties are then added to the tax roll master listing and collected through account 40003, Direct Charges, in the following year based on projected FY 20-21 ESDs, the District will experience an increase in revenue from invoiced entities. The budgeted revenue reflects an increase in the annual sewer service charge from \$1,625 to \$1,706.

| | | | |
|----------------------|--------------|---|----------|
| ESDs x Annual Charge | 32 x \$1,706 | = | \$54,592 |
|----------------------|--------------|---|----------|

FY 2020-21 BUDGET CHARACTER JUSTIFICATION

Department - Division: Sonoma County Water Agency - Sanitation
Section Title: Russian River CSD - Operations

Character Title: Services and Supplies **Character No.:** 43201-33070100-51 & 52

51032 Janitorial Services

This account provides funds for custodial services.

51061 Maintenance - Equipment

This account records the costs for routine maintenance of equipment.

Additional Planned Projects:

| | |
|-----------------------------|-----------|
| Transfer Pumps | 25,000 |
| WAS Pumps | 25,000 |
| Other Maintenance Equipment | 50,000 |
| | \$100,000 |

51201 Administration Costs

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

51206 Accounting/Auditing Services

This account represents the cost of accounting and audit services provided by an outside certified public accounting service.

51211 Legal Services

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

51231 Testing/Analysis

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

51241 Outside Printing & Binding

This account covers the costs of outside printing services.

51244 Permit/License/Fees

This account records the cost of all permits.

51401 Rents & Leases - Equipment

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

51803 Other Contract Services

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

| | |
|--|-----------|
| Regulatory Assistance | \$50,000 |
| Clarifier #3 Drain Fix and Polymer Line Reroute | 95,000 |
| Foul Air System at Plant | 50,000 |
| Headworks, Lift Station, and Force Main Project R0111 | 124,430 |
| Tertiary Filter Shed Roof | 45,000 |
| Transfer Line Mag Meter | 95,000 |
| Headworks, Lift Station, and Force Main Project (Grant Funded) | 10,000 |
| Sanitary Sewer Hydraulic Modeling | 30,000 |
| Multi-year agreements (Audits/Bio-toxicity Monitoring) | 124,000 |
| Other Contract Services | 25,000 |
| | \$648,430 |

FY 2020-21 BUDGET CHARACTER JUSTIFICATION

Department - Division: Sonoma County Water Agency - Sanitation
Section Title: Russian River CSD - Operations

Character Title: Services and Supplies (Continued) Character No.: 43201-33070100-51 & 52

51902 Telecommunications Usage

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

51916 County Services

This account records the expense for special district accounting services.

51917 District Operations

This account records the cost of labor and overhead associated with operations and maintenance of the District's facilities.

51921 Equipment Usage Charges

This account provides funds for equipment usage.

52061 Fuel/Gas/Oil

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

52071 Materials and Supplies Expense

This account records the costs of operational materials and supplies used by the District.

52072 Chemicals

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

52081 Medical/Laboratory Supplies

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

52111 Office Supplies

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

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.

52143 Software/Licensing Fees

This account covers the cost of computer software and licensing fees, as needed.

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 utilities such as water and propane.

52193 Utilities Power

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

FY 2020-21 BUDGET CHARACTER JUSTIFICATION

Department - Division: Sonoma County Water Agency - Sanitation
Section Title: Russian River CSD - Operations

Character Title: Other Charges **Character No.:** 43201-33070100-53

53103 Interest on LT Debt

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

53402 Depreciation Expense

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

Character Title: Other Financing Uses **Character No.:** 43201-33070100-57

57011 Transfers out-within a Fund

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

| | |
|---------------------------------|--------------------|
| Transfer to Revenue Bond Fund | \$0 |
| Transfer to Construction Fund | 1,000,000 |
| Total Operating Transfer | \$1,000,000 |

Character Title: Administrative Control Account **Character No.:** 43201-33070100-59

59002 Advances

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

The following reflects the principal payment history to date:

| | |
|--|------------------|
| Original Amount of the Loan: | \$3,800,969 |
| Total FY 05-06 through FY 19-20 Principal Payment: | (2,667,605) |
| FY 20-21 Principal Payment: | (215,620) |
| Outstanding Loan Amount | \$917,744 |

This account reflects the principal payment for the anticipated State Revolving Loan for the Disinfection Basin Project. Original Loan was for \$3,884,450 with a forgiveness of \$1,942,225.

Payments will continue until FY 31-32.

The following reflects the principal payment history to date:

| | |
|---|--------------------|
| Original Amount of the Loan: | \$1,942,225 |
| Total FY 12-13 through FY 19-20 Principal Payment | (636,927) |
| FY 20-21 Principal Payment: | (91,210) |
| Outstanding Loan Amount | \$1,214,088 |

59003 Advances - Clearing

This is the clearing account for account 59002, Advances.

Character Title: Fixed Assets **Character No.:** 43201-33070100-19

19841 Work in Progress - Intang

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: Russian River CSD - Operations
Fund/Department ID: 43201-33070100

| DESCRIPTION OF FUND ACTIVITY | Actual FY 18-19 | Estimated FY 19-20 | Requested FY 20-21 |
|---|--------------------|-----------------------|-----------------------|
| Undesignated/Unreserved <u>BEGINNING</u> Retained Earnings | | | |
| Available for Budgeting (See Detailed Components Below) | \$1,392,097 | \$1,565,317 | \$722,636 |
| Annual Revenues and Expenditures: | | | |
| Revenues - Increase retained earnings | 5,131,760 | 6,245,793 | 5,496,279 |
| Expenditures - (Decrease) retained earnings | (6,082,532) | (8,274,644) | (7,165,867) |
| Net Surplus or Deficit - Inc/(Dec) to retained earnings | (950,772) | (2,028,851) | (1,669,588) |
| Adjustments to Reserves/Encumbrances: | | | |
| Depreciation (53402) | 1,455,677 | 1,476,000 | 1,464,000 |
| Advances (59002) | (299,259) | (306,830) | (314,592) |
| Unrealized Gain/loss | (37,448) | - | - |
| Change in prepaid Exp | (111) | - | - |
| Advances From Other Gov't | 3 | - | - |
| Amortization | 7,556 | 17,000 | 17,000 |
| Net Change in Encumbrance | (2,425) | - | - |
| Net Adjustment - Increase/(Decrease) to Retained Earnings | 1,123,992 | 1,186,170 | 1,166,408 |
| Undesignated/Unreserved <u>ENDING</u> Retained Earnings | | | |
| Available for Budgeting | \$1,565,317 | \$722,636 | \$219,456 |
| Target Fund Balance | \$2,081,386 | \$2,665,044 | \$2,306,815 |
| <i>Over/(Under) Target Fund Balance</i> | (\$516,070) | (\$1,942,408) | (\$2,087,359) |
| Total Increase/(Decrease) in Retained Earnings for Fiscal Year <i>(Difference between Beginning and Ending Balance)</i> | \$173,220 | (\$842,681) | (\$503,180) |
| <u>Retained Earnings Components at Beginning of FY</u> | 7/1/2018 | 7/1/2019 | |
| Equity in Pooled Cash | \$2,099,682 | \$2,203,851 | |
| Due from State AR | \$0 | \$681 | |
| Other Receivables (Flat Charges) | \$326,708 | \$341,297 | |
| Allowance for Uncollectible Accounts | \$0 | (\$1,484) | |
| Vouchers Payable | (\$126,685) | (\$71,609) | |
| Accounts Receivable-AR Module | \$3,549 | \$1,484 | |
| Contract Retention Payable | (\$8,345) | \$0 | |
| Contract Retention Receivable | \$1,485 | \$1,561 | |
| Loan Payable-Current | (\$291,876) | (\$299,259) | |
| Prepaid Expense | \$83 | \$0 | |
| Interest Payable | (\$32,312) | (\$28,588) | |
| Encumbrances (Contract) | (\$580,192) | (\$582,617) | |
| Total Beginning Retained Earnings | \$1,392,097 | \$1,565,317 | |

FY 2020-21 BUDGET SUMMARY OF REVENUES AND EXPENDITURES

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

| Account No. and Title | Adopted 2019-20 | Requested 2020-21 | Difference | Percent Change |
|---|--------------------|----------------------|--------------------|-------------------|
| REVENUES: | | | | |
| <u>USE OF MONEY</u> | | | | |
| 44002 Interest on Pooled Cash | \$1,900 | \$103 | (\$1,797) | (94.58%) |
| Subtotal Use of Money | \$1,900 | \$103 | (\$1,797) | (94.58%) |
| <u>MISCELLANEOUS REVENUE</u> | | | | |
| 46021 Capital Grants - Federal | \$2,238,402 | \$1,870,313 | (\$368,089) | (16.44%) |
| 46022 Capital Grants - State | 0 | 166,953 | 166,953 | N/A |
| 46024 Connection Fees | 26,140 | 9,000 | (17,140) | (65.57%) |
| 46040 Miscellaneous Revenue | 18,000 | 0 | (18,000) | (100.00%) |
| Subtotal Miscellaneous Revenue | \$2,282,542 | \$2,046,266 | (\$236,276) | (10.35%) |
| <u>OTHER FINANCING SOURCES</u> | | | | |
| 47101 Transfers in-within a Fund | \$1,200,000 | \$1,000,000 | (\$200,000) | (16.67%) |
| Subtotal Other Financing Sources | \$1,200,000 | \$1,000,000 | (\$200,000) | (16.67%) |
| TOTAL REVENUES | \$3,484,442 | \$3,046,369 | (\$438,073) | (12.57%) |
| EXPENDITURES: | | | | |
| <u>OTHER CHARGES</u> | | | | |
| 53103 Interest on LT Debt | \$0 | \$0 | \$0 | N/A |
| Subtotal Other Charges | \$0 | \$0 | \$0 | N/A |
| <u>FIXED ASSETS</u> | | | | |
| 19832 CIP - Infrastructure | \$3,375,000 | \$2,654,591 | (\$720,409) | (21.35%) |
| Subtotal Fixed Assets | \$3,375,000 | \$2,654,591 | (\$720,409) | (21.35%) |
| TOTAL EXPENDITURES | \$3,375,000 | \$2,654,591 | (\$720,409) | (21.35%) |
| TOTAL NET COST <i>(Expenditures Minus Revenues)</i> | (\$109,442) | (\$391,778) | (\$282,336) | 257.98% |

FY 2020-21 BUDGET

CHARACTER JUSTIFICATION

Department - Division: Sonoma County Water Agency - Sanitation

Section Title: Russian River CSD - Construction

Character Title: Use of Money

Character No.: 43202-33070200-44

44002 Interest on Pooled Cash

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

| | |
|---|--------------|
| Estimated Average Cash Balance | \$5,000 |
| Projected Interest Rate | <u>2.06%</u> |
| Projected/Planned Interest on Pooled Cash | \$103 |

Character Title: Miscellaneous Revenue

Character No.: 43202-33070200-46

46021 Capital Grants - Federal

This account reflects anticipated grants funds for a FEMA funded project (Mays Canyon).

46022 Capital Grants - State

This account reflects anticipated grants funds for a CalOES funded project (Mays Canyon).

46024 Connection Fees

This account reflects the anticipated connection fees for new users in FY 20-21.

Character Title: Other Financing Sources

Character No.: 43202-33070200-47

47101 Transfers In - within a Fund

This account reflects the transfer of cash from the Operations Fund to the Construction Fund to finance the Capital Replacement Program (\$1,200,000).

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

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

Character Title: Fixed Assets

Character No.: 43202-33070200-19

19832 CIP-Infrastructure

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

Planned Projects for FY 20-21:

| | Project No. | Amount |
|--|--------------|--------------------|
| ACL Compliance Project | <i>tbd</i> | \$325,000 |
| Headworks, Lift Station, and Force Main Project Ph 2 | <i>R0111</i> | 222,604 |
| Mays Canyon Road Slide | <i>tbd</i> | 1,540,000 |
| Electrical Service Replacement (3 Lift Stations) | <i>tbd</i> | 300,000 |
| Lift Station Electrical Resiliency (Vacation Beach) | <i>tbd</i> | <u>266,987</u> |
| | | \$2,654,591 |

FY 2020-21 BUDGET STATEMENT OF SPECIAL FUND ACTIVITY

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

| DESCRIPTION OF FUND ACTIVITY | Actual FY 18-19 | Estimated FY 19-20 | Requested FY 20-21 |
|---|--------------------|-----------------------|-----------------------|
| Undesignated/Unreserved <u>BEGINNING</u> Retained Earnings | | | |
| Available for Budgeting (See Detailed Components Below) | \$179,651 | \$203,589 | \$1,007,985 |
| Annual Revenues and Expenditures: | | | |
| Revenues - Increase retained earnings | 283,429 | 1,246,040 | 3,046,369 |
| Expenditures - (Decrease) retained earnings | (480,341) | (441,644) | (2,654,591) |
| Net Surplus or Deficit - Inc/(Dec) to retained earnings | (196,912) | 804,396 | 391,778 |
| Adjustments to Reserves/Encumbrances: | | | |
| Change in Encumbrances | 222,062 | - | - |
| Unrealized Gain/loss | (1,211) | - | - |
| Gain/Loss on Disposal of Capital Assets | - | - | - |
| Net Adjustment - Increase/(Decrease) to Retained Earnings | 220,851 | - | - |
| Undesignated/Unreserved <u>ENDING</u> Retained Earnings | | | |
| Available for Budgeting | \$203,589 | \$1,007,985 | \$1,399,763 |
| Total Increase/(Decrease) in Retained Earnings for Fiscal Year <i>(Difference between Beginning and Ending Balance)</i> | \$23,938 | \$804,396 | \$391,778 |
| <u>Retained Earnings Components at Beginning of FY</u> | 7/1/2018 | 7/1/2019 | |
| Equity in Pooled Cash | \$465,634 | \$210,507 | |
| Retention Receivable | - | 2,273 | |
| Due from Federal AR | - | 20,453 | |
| Encumbrances | (251,706) | (29,644) | |
| Vouchers Payable | (34,277) | - | |
| Total Beginning Retained Earnings | \$179,651 | \$203,589 | |

FY 2020-21 BUDGET SUMMARY OF REVENUES AND EXPENDITURES

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

| Account No. and Title | Adopted 2019-20 | Requested 2020-21 | Difference | Percent Change |
|---|--------------------|----------------------|--------------------|-------------------|
| REVENUES: | | | | |
| <u>OTHER FINANCING SOURCES</u> | | | | |
| 47101 Transfers In -within a Fund | \$120,750 | \$0 | (\$120,750) | (100.00%) |
| Subtotal Other Financing Sources | \$120,750 | \$0 | (\$120,750) | (100.00%) |
| TOTAL REVENUES | \$120,750 | \$0 | (\$120,750) | (100.00%) |
| EXPENDITURES: | | | | |
| <u>OTHER CHARGES</u> | | | | |
| 53103 Interest on LT Debt | \$5,750 | \$0 | (\$5,750) | (100.00%) |
| Subtotal Other Charges | \$5,750 | \$0 | (\$5,750) | (100.00%) |
| <u>ADMINISTRATIVE CONTROL ACCOUNT</u> | | | | |
| 59004 Admin Control Acct | \$100,000 | \$0 | (\$100,000) | (100.00%) |
| 59005 Admin Control Acct-Clearing | (100,000) | 0 | 100,000 | (100.00%) |
| Subtotal Administrative Control | \$0 | \$0 | \$0 | N/A |
| TOTAL EXPENDITURES | \$5,750 | \$0 | (\$5,750) | (100.00%) |
| TOTAL NET COST <i>(Expenditures Minus Revenues)</i> | (\$115,000) | \$0 | \$115,000 | (100.00%) |

FY 2020-21 BUDGET CHARACTER JUSTIFICATION

Department - Division: Sonoma County Water Agency - Sanitation

Section Title: Russian River CSD - 1981 Revenue Bonds

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

47101 Transfers in-within a Fund

The revenues supporting the revenue bond are collected in the Operations Fund. This account reflects the transfer of cash from Operations Fund to the Revenue Bond Fund to cover the annual principal and interest payment. Fully paid in FY 19-20.

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

53103 Interest on LT Debt

This account reflects the interest expense on the outstanding revenue bonds. Fully paid in FY 19/20.

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

59004 Admin Control Acct

This account reflects the principal payment for the revenue bonds that were issued in 1981. Payments on the bonds will continue until April 1, 2020. Fully paid in FY 19/20.

The following reflects the bond principal payment history to date:

| | |
|---|-------------|
| Original Amount of the Revenue Bond Issue: | \$2,000,000 |
| Total FY 82-83 through FY 19-20 Principal Payments: | (2,000,000) |
| FY 20-21 Principal Payment: | <u>0</u> |
| Outstanding Bond Amount | \$0 |

59005 Admin Control Acct - Clearing

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

FY 2020-21 BUDGET STATEMENT OF SPECIAL FUND ACTIVITY

Department: Sonoma County Water Agency - Sanitation
Fund: Russian River CSD - 1981 Revenue Bonds
Fund/Department ID: 43203-33070400

| DESCRIPTION OF FUND ACTIVITY | Actual FY 18-19 | Estimated FY 19-20 | Requested FY 20-21 |
|---|--------------------|-----------------------|-----------------------|
| Undesignated/Unreserved <u>BEGINNING</u> Retained Earnings | | | |
| Available for Budgeting (See Detailed Components Below) | \$281,389 | \$287,828 | \$405,756 |
| Annual Revenues and Expenditures: | | | |
| Revenues - Increase retained earnings | \$136,878 | \$123,678 | \$0 |
| Expenditures - (Decrease) retained earnings | (9,847) | (5,750) | \$0 |
| Net Surplus or Deficit - Inc/(Dec) to retained earnings | 127,031 | 117,928 | - |
| Adjustments to Reserves/Encumbrances: | | | |
| Capitalized Interest | - | - | - |
| Unrealized Gain/loss | (5,593) | - | - |
| Revenue Bonds Pay - Change in Current Balance | (1) | - | - |
| Admin Control Acct (59004) | (115,000) | - | - |
| Net Adjustment - Increase/(Decrease) to Retained Earnings | (120,594) | - | - |
| Undesignated/Unreserved <u>ENDING</u> Retained Earnings | | | |
| Available for Budgeting | \$287,828 | \$405,756 | \$405,756 |
| Total Increase/(Decrease) in Retained Earnings for Fiscal Year | | | |
| <i>(Difference between Beginning and Ending Balance)</i> | \$6,439 | \$117,928 | \$0 |
| <u>Retained Earnings Components at Beginning of FY</u> | | | |
| | 7/1/2018 | 7/1/2019 | |
| Cash | \$394,202 | \$404,266 | |
| Interest Payable | (2,813) | (1,438) | |
| Revenue Bonds Payable | (110,000) | (115,000) | |
| Total Beginning Retained Earnings | \$281,389 | \$287,828 | |

FY 2020-21 BUDGET SUMMARY OF REVENUES AND EXPENDITURES

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

| Account No. and Title | Adopted 2019-20 | Requested 2020-21 | Difference | Percent Change |
|--|--------------------|----------------------|------------|-------------------|
| REVENUES: | | | | |
| <u>USE OF MONEY</u> | | | | |
| 44002 Interest on Pooled Cash | \$46 | \$49 | \$3 | 7.48% |
| <i>Subtotal Use of Money</i> | \$46 | \$49 | \$3 | 7.48% |
| <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 | \$46 | \$49 | \$3 | 7.48% |

FY 2020-21 BUDGET

CHARACTER JUSTIFICATION

Department - Division: Sonoma County Water Agency - Sanitation
Section Title: Russian River CSD - State Loan Reserve - Disinfection Basin Project

Character Title: Use of Money Character No.: 43206-33070500-44

44002 Interest on Pooled Cash

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

| | |
|---|--------------|
| Estimated Average Cash Balance | \$2,400 |
| Projected Interest Rate | <u>2.06%</u> |
| Projected/Planned Interest on Pooled Cash | \$49 |

Character Title: Other Financing Sources Character No.: 43206-33070500-47

47101 Transfers In-within a Fund

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

FY 2020-21 BUDGET STATEMENT OF SPECIAL FUND ACTIVITY

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

| DESCRIPTION OF FUND ACTIVITY | Actual FY 18-19 | Estimated FY 19-20 | Requested FY 20-21 |
|---|--------------------|-----------------------|-----------------------|
| Undesignated/Unreserved <u>BEGINNING</u> Retained Earnings | | | |
| Available for Budgeting (See Detailed Components Below) | \$0 | \$0 | \$762 |
| Annual Revenues and Expenditures: | | | |
| Revenues - Increase retained earnings | - | 762 | 49 |
| Expenditures - (Decrease) retained earnings | 4,663 | - | - |
| Net Surplus or Deficit - Inc/(Dec) to retained earnings | 4,663 | 762 | 49 |
| Adjustments to Reserves/Encumbrances: | | | |
| Change in Reserved Fund Balance | (1,895) | - | - |
| Unrealized Gain/loss | (2,768) | - | - |
| Net Adjustment - Increase/(Decrease) to Retained Earnings | (4,663) | - | - |
| Undesignated/Unreserved <u>ENDING</u> Retained Earnings | | | |
| Available for Budgeting | \$0 | \$762 | \$811 |
| Total Increase/(Decrease) in Retained Earnings for Fiscal Year <i>(Difference between Beginning and Ending Balance)</i> | \$0 | \$762 | \$49 |
| <u>Fund Balance Components at Beginning of FY</u> | 7/1/2018 | 7/1/2019 | |
| Cash | \$133,877 | \$136,645 | |
| Reserve for Debt | (133,877) | (136,645) | |
| Total Beginning Fund Balance | \$0 | \$0 | |

FY 2020-21 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 19-20 Adopted | FY 20-21 Requested | Percent Change | FY 19-20 Adopted | FY 20-21 Requested | Percent Change |
| Operations | \$22,736,371 | \$24,510,032 | 7.80% | \$4,394,205 | \$6,006,127 | 36.68% |
| Construction | 7,468,000 | 8,824,000 | 18.16% | 2,363,500 | 1,941,800 | (17.84%) |
| Revenue Bonds | 403,165 | 353,565 | (12.30%) | (1,217,100) | (1,273,540) | 4.64% |
| SRF Loan | 81,982 | 73,679 | (10.13%) | (364,791) | (373,413) | 2.36% |
| Wet Weather Mitig | 42,000 | 42,000 | 0.00% | 10,100 | 9,940 | (1.58%) |
| TOTAL: | \$30,731,518 | \$33,803,276 | 10.00% | \$5,185,914 | \$6,310,914 | 21.69% |

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 | 17,504 | 17,515 | 17,530 | 17,609 | 0.54% |
| TOTAL APNs | 10,445 | 10,445 | 10,467 | 10,483 | 0.36% |

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 2020-21 BUDGET BUDGET SECTION SUMMARY

Section Title:

| |
|--|
| SONOMA VALLEY COUNTY SANITATION DISTRICT |
|--|

E. Summary of Issues and Significant Changes (continued)

FY 20-21 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 3.5% for FY 20-21.

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

| Account No. and Title | Adopted 2019-20 | Requested 2020-21 | Difference | Percent Change |
|--|---------------------|----------------------|------------------|-------------------|
| REVENUES: | | | | |
| <u>TAXES</u> | | | | |
| 40003 Direct Charges-CY | \$15,813,048 | \$15,938,308 | \$125,260 | 0.79% |
| 40202 Direct Charges - PY | 180,000 | 150,000 | (30,000) | (16.67%) |
| 40999 Penalties/Costs on Taxes | 48,000 | 40,000 | (8,000) | (16.67%) |
| Subtotal Taxes | \$16,041,048 | \$16,128,308 | \$87,260 | 0.54% |
| <u>USE OF MONEY</u> | | | | |
| 44002 Interest on Pooled Cash | \$40,850 | \$44,290 | \$3,440 | 8.42% |
| 44101 Rent - Real Estate | 11,000 | 11,000 | 0 | 0.00% |
| Subtotal Use of Money | \$51,850 | \$55,290 | \$3,440 | 6.63% |
| <u>CHARGES FOR SERVICES</u> | | | | |
| 45221 Sewer/Water Usage Fee | \$2,202,788 | \$2,273,332 | \$70,544 | 3.20% |
| 45301 Charges for Services | 30,000 | 30,000 | 0 | 0.00% |
| 45316 Water Conservation | 16,480 | 16,974 | 494 | 3.00% |
| Subtotal Charges for Services | \$2,249,268 | \$2,320,306 | \$71,038 | 3.16% |
| <u>ADMINISTRATIVE CONTROL ACCOUNT</u> | | | | |
| 49002 Advances | \$4,060,000 | \$0 | (\$4,060,000) | (100.00%) |
| 49003 Advances Clearing | (4,060,000) | 0 | 4,060,000 | (100.00%) |
| Subtotal Admin. Control Account | \$0 | \$0 | \$0 | N/A |
| TOTAL REVENUES | \$18,342,166 | \$18,503,905 | \$161,739 | 0.88% |

EXPENDITURES:

SERVICES AND SUPPLIES

| | | | | |
|------------------------------------|-----------|-----------|-------------|-----------|
| 51032 Janitorial Services | \$2,000 | \$6,000 | \$4,000 | 200.00% |
| 51061 Maintenance - Equipment | 0 | 497,500 | 497,500 | N/A |
| 51076 Maint - FACOPS | 2,140,900 | 0 | (2,140,900) | (100.00%) |
| 51201 Administration Costs | 110,000 | 130,000 | 20,000 | 18.18% |
| 51205 Advertising/Marketing | 0 | 1,000 | 1,000 | N/A |
| 51206 Accounting/Auditing Services | 7,000 | 10,000 | 3,000 | 42.86% |
| 51211 Legal Services | 25,000 | 45,000 | 20,000 | 80.00% |
| 51231 Testing/Analysis | 45,000 | 140,000 | 95,000 | 211.11% |
| 51241 Outside Printing & Binding | 12,000 | 15,000 | 3,000 | 25.00% |
| 51244 Permits/License/Fees | 55,000 | 75,000 | 20,000 | 36.36% |
| 51253 County Counsel - Litigation | 0 | 300,000 | 300,000 | N/A |
| 51401 Rents & Leases-Equipment | 13,000 | 13,000 | 0 | 0.00% |
| 51601 Training/Conference Expenses | 0 | 2,500 | 2,500 | N/A |
| 51602 Business Travel/Mileage | 0 | 1,000 | 1,000 | N/A |
| 51803 Other Contract Services | 788,367 | 2,130,144 | 1,341,777 | 170.20% |
| 51902 Telecommunication Usage | 8,000 | 8,000 | 0 | 0.00% |
| 51916 County Services | 65,000 | 65,000 | 0 | 0.00% |
| 51917 District Operations Chgs | 5,649,653 | 6,035,000 | 385,347 | 6.82% |

FY 2020-21 BUDGET SUMMARY OF REVENUES AND EXPENDITURES

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

| Account No. and Title | Adopted 2019-20 | Requested 2020-21 | Difference | Percent Change |
|---|---------------------|----------------------|--------------------|-------------------|
| <u>SERVICES AND SUPPLIES (continued)</u> | | | | |
| 51921 Equipment Usage Charges | 430,000 | 450,000 | 20,000 | 4.65% |
| 52061 Fuel/Gas/Oil | 7,000 | 7,000 | 0 | 0.00% |
| 52072 Chemicals | 350,000 | 450,000 | 100,000 | 28.57% |
| 52081 Medical/Laboratory Supplies | 30,000 | 33,000 | 3,000 | 10.00% |
| 52091 Memberships/Certifications | 20,000 | 25,000 | 5,000 | 25.00% |
| 52111 Office Supplies | 5,000 | 7,263 | 2,263 | 45.26% |
| 52117 Mail and Postage Supplies | 1,000 | 1,000 | 0 | 0.00% |
| 52141 Minor Equipment/Small Tools | 22,000 | 45,000 | 23,000 | 104.55% |
| 52142 Computer Equip/Accessories | 8,500 | 5,500 | (3,000) | (35.29%) |
| 52143 Software/Licensing Fees | 5,000 | 7,000 | 2,000 | 40.00% |
| 52171 Water Conservation Program | 5,000 | 40,000 | 35,000 | 700.00% |
| 52193 Utilities-Power | 500,000 | 515,000 | 15,000 | 3.00% |
| Subtotal Services and Supplies | \$10,304,420 | \$11,059,907 | \$755,487 | 7.33% |
| <u>OTHER CHARGES</u> | | | | |
| 53103 Interest on LT Debt | \$360,813 | \$103,588 | (\$257,225) | (71.29%) |
| 53402 Depreciation Expense | 4,688,000 | 4,604,000 | (84,000) | (1.79%) |
| 53401 Amortization Expense | 44,000 | 44,000 | 0 | 0.00% |
| Subtotal Other Charges | \$5,092,813 | \$4,751,588 | (\$341,225) | (6.70%) |
| <u>APPROPRIATIONS FOR CONTINGENCIES</u> | | | | |
| 55011 Appropriations for Contingency | \$150,000 | \$0 | (\$150,000) | (100.00%) |
| Subtotal Approp for Contingencies | \$150,000 | \$0 | (\$150,000) | (100.00%) |
| <u>OTHER FINANCING USES</u> | | | | |
| 57011 Transfers out-within a Fund | \$7,046,138 | \$8,551,537 | \$1,505,399 | 21.36% |
| Subtotal Other Financing Uses | \$7,046,138 | \$8,551,537 | \$1,505,399 | 21.36% |
| <u>ADMINISTRATIVE CONTROL ACCOUNT</u> | | | | |
| 59002 Advances | \$239,420 | \$245,645 | \$6,225 | 2.60% |
| 59003 Advances Clearing | (239,420) | (245,645) | (6,225) | 2.60% |
| Subtotal Admin Control Account | \$0 | \$0 | \$0 | N/A |
| <u>FIXED ASSETS</u> | | | | |
| 19820 Machinery & Equipment | \$100,000 | \$103,000 | \$3,000 | 3.00% |
| 19841 Work in Progress - Intang | 43,000 | 44,000 | 1,000 | 2.33% |
| 19851 Intangible Assets - Non-amort | 0 | 0 | 0 | N/A |
| Subtotal Fixed Assets | \$143,000 | \$147,000 | \$4,000 | 2.80% |
| TOTAL EXPENDITURES | \$22,736,371 | \$24,510,032 | \$1,773,661 | 7.80% |
| TOTAL NET COST <i>(Expenditures Minus Revenues)</i> | \$4,394,205 | \$6,006,127 | \$1,611,922 | 36.68% |

FY 2020-21 BUDGET

CHARACTER JUSTIFICATION

Department - Division: Sonoma County Water Agency - Sanitation
Section Title: Sonoma Valley CSD - Operations

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

40003 Direct Charges - CY

Flat charge revenue from annual service charges is expected to increase from the adopted FY 19-20 budget. The rate will increase 3.5%, from \$1,057 to \$1,094.

| | | |
|------------------------------------|------------------|------------------|
| ESDs times annual rate: | 15,452 x \$1,094 | \$16,904,488 |
| Less Estimated Delinquency Factor: | 4.0% | <u>(676,180)</u> |
| | | \$16,228,308 |

(See Account 45221 for Total ESDs)

40202 Direct Charges - PY

This account records the estimated delinquent amount of prior years sewer service charges.

40999 Penalties/Costs on Taxes

This account 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>2.06%</u> |
| Projected Interest on Pooled Cash | \$44,290 |

44101 Rent-Real Estate

This account 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 | 2,078 x \$1,094 | = | \$2,273,332 |
|----------------------|-----------------|---|-------------|

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.

FY 2020-21 BUDGET

CHARACTER JUSTIFICATION

Department - Division: Sonoma County Water Agency - Sanitation
Section Title: Sonoma Valley CSD - Operations

Character Title: Services and Supplies Character No.: 43301-33080100-51 & 52

51032 Janitorial Services

This account provides funds for custodial services.

51061 Maintenance - Equipment

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

Planned Projects Include:

Blower Improvement Project

Amount

\$97,500

51201 Administration Costs

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

51205 Advertising/Marketing

This account represents costs for advertising or marketing for the District.

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.

51253 County Counsel - Litigation

This account covers the costs for potential litigation needs by County Counsel.

51401 Rents/Leases - Equipment

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

51601 Training/Conference Expenses

This account covers the cost of training and conference expenses by Agency staff.

51602 Business Travel/Mileage

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

FY 2020-21 BUDGET

CHARACTER JUSTIFICATION

Department - Division: Sonoma County Water Agency - Sanitation
Section Title: Sonoma Valley CSD - Operations

Character Title: Services and Supplies (continued) Character No.: 43301-33080100-51 & 52

51803 Other Contract Services

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

| | |
|---|-------------|
| Multi-year Agreements | \$176,200 |
| NBWRRA | 150,000 |
| LHMP Update | 175,000 |
| Sanitary Sewer Management Plan & Collection System Modeling | 195,000 |
| SVTP Master Plan | 379,944 |
| Other Contract Services | 250,000 |
| Year End Allocation (Maximo) | 74,000 |
| Roof Replacement Project | 650,000 |
| As-needed Equipment Rentals | 30,000 |
| As-needed Permit & Regulatory Assistance | 50,000 |
| | <hr/> |
| | \$2,130,144 |

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.

Additional Planned Projects Include:

| | |
|----------------------------|-----------|
| Blower Improvement Project | \$2,500 |
| Roof Replacement Project | 25,000 |
| Sewer/Stream Crossing | 36,000 |
| Sonoma Bank Repair | 39,000 |
| | <hr/> |
| | \$102,500 |

51921 Equipment Usage Charges

This account represents funds for Agency equipment usage.

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.

FY 2020-21 BUDGET

CHARACTER JUSTIFICATION

Department - Division: Sonoma County Water Agency - Sanitation
Section Title: Sonoma Valley CSD - Operations

Character Title: Services and Supplies (continued) Character No.: 43301-33080100-51 & 52

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.

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

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 (\$39,001) and Bio-Solids (\$64,587).

53402 Depreciation

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

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 | \$2,051,537 |
| Construction Fund | <u>6,500,000</u> |
| Total Operating Transfer | <u>\$8,551,537</u> |

FY 2020-21 BUDGET

CHARACTER JUSTIFICATION

Department - Division: Sonoma County Water Agency - Sanitation
Section Title: Sonoma Valley CSD - Operations

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 at 2.6% interest. Repayment began FY 15-16 and final payment is scheduled for FY 34-35. The FY 20-21 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 19-20 Principal Payment | (651,910) |
| FY 20-21 Principal Payment | (137,525) |
| | <u>\$2,346,589</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 at 2.6% interest. Repayment began FY 12-13 and final payment is 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 19-20 Principal Payment | (820,280) |
| FY 20-21 Principal Payment | (108,120) |
| | <u>\$1,391,904</u> |

59003 Advances - Clearing

This is the clearing account for account 59002, Advances.

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.

FY 2020-21 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 18-19 | Estimated FY 19-20 | Requested FY 20-21 |
|--|------------------------|------------------------|-----------------------|
| Undesignated/Unreserved <u>BEGINNING</u> Retained Earnings | | | |
| Available for Budgeting (See Detailed Components Below) | \$4,520,011 | \$4,146,130 | \$7,555,590 |
| Annual Revenues and Expenditures: | | | |
| Revenues - Increase retained earnings | 17,139,103 | 18,457,768 | 18,503,905 |
| Expenditures - (Decrease) retained earnings | (20,812,195) | (23,594,664) | (24,510,032) |
| Net Surplus or Deficit - Inc/(Dec) to retained earnings | <u>(3,673,092)</u> | <u>(5,136,896)</u> | <u>(6,006,127)</u> |
| Adjustments to Reserves/Encumbrances: | | | |
| 53402 Depreciation Expense | \$ 3,906,645 | \$ 4,688,000 | \$ 4,604,000 |
| Net Change in Encumbrance | (101,966) | - | - |
| Change in Prepaid Exp | (10,481) | - | - |
| Unrealized Gain/loss | (117,881) | - | - |
| Accrual of Principal Payment-Advances from Other Govts | (239,419) | (245,644) | (252,031) |
| Change in Reserved Fund Balance | 48,043 | - | - |
| Post Audit Adjustment | (213,800) | - | - |
| Advances From Other Gov't | 1 | - | - |
| Advance Principal Expenditure | - | 4,060,000 | - |
| Amortization | 28,069 | 44,000 | 44,000 |
| Advances-ISF Power Resources Fund | - | - | - |
| Net Adjustment - Increase/(Decrease) to Retained Earnings | <u>3,299,211</u> | <u>8,546,356</u> | <u>4,395,969</u> |
| Undesignated/Unreserved <u>ENDING</u> Retained Earnings | | | |
| Available for Budgeting | \$4,146,130 | \$7,555,590 | \$5,945,432 |
| Target Fund Balance | \$4,776,155 | \$4,926,407 | \$5,529,954 |
| Over/(Under) Target Fund Balance | (\$630,025) | \$2,629,183 | \$415,478 |
| Total Increase/(Decrease) in Retained Earnings for Fiscal Year (Difference between Beginning and Ending Balance) | (\$373,881) | \$3,409,460 | (\$1,610,158) |
| <u>Retained Earnings Components at Beginning of FY</u> | <u>7/1/2018</u> | <u>7/1/2019</u> | |
| Cash | \$ 5,237,898 | \$ 4,743,238 | |
| Other Receivables-Flat Charges | 149,006 | 173,613 | |
| Accounts Payable | (5,313) | (14,809) | |
| Due From Other Funds | 52,848 | - | |
| Retention Receivable | 4,363 | 3,042 | |
| Loans Payable-Current | (233,352) | (239,419) | |
| Allowance for Uncollectible Accounts | - | (4,169) | |
| Due from State AR | 2,384 | 3,165 | |
| Vouchers Payable | (200,599) | (292,976) | |
| Accounts Receivable-AR Module | 477,473 | 1,008,160 | |
| Prepaid Expense | 6,386 | - | |
| Due To Other Governments | - | (213,800) | |
| Unearned Revenue | (2,099) | (2,099) | |
| Reserved Fund Balance | (48,043) | - | |
| Interest Payment | (87,177) | (82,686) | |
| Deposit From Others | (2,000) | (1,400) | |
| Contract Retention Payable | - | - | |
| Encumbrances (Contract) | (831,764) | (933,730) | |
| Total Beginning Retained Earnings | <u>\$ 4,520,011</u> | <u>\$ 4,146,130</u> | |

FY 2020-21 BUDGET SUMMARY OF REVENUES AND EXPENDITURES

Fund: SONOMA VALLEY CSD - CONSTRUCTION

Fund/Department ID: 43302-33080200

| Account No. and Title | Adopted 2019-20 | Requested 2020-21 | Difference | Percent Change |
|---|--------------------|----------------------|--------------------|-------------------|
| REVENUES: | | | | |
| <u>USE OF MONEY</u> | | | | |
| 44002 Interest on Pooled Cash | \$104,500 | \$41,200 | (\$63,300) | (60.57%) |
| Subtotal Use of Money | \$104,500 | \$41,200 | (\$63,300) | (60.57%) |
| <u>MISCELLANEOUS REVENUE</u> | | | | |
| 46021 Capital Grants-Federal | \$0 | \$0 | \$0 | N/A |
| 46024 Connection Fees | 0 | 341,000 | 341,000 | N/A |
| Subtotal Miscellaneous Revenue | \$0 | \$341,000 | \$341,000 | N/A |
| <u>OTHER FINANCING SOURCES</u> | | | | |
| 47101 Transfers In -within a Fund | \$5,000,000 | \$6,500,000 | \$1,500,000 | 30.00% |
| Subtotal Other Financing Sources | \$5,000,000 | \$6,500,000 | \$1,500,000 | 30.00% |
| TOTAL REVENUES | \$5,104,500 | \$6,882,200 | \$1,777,700 | 34.83% |
| EXPENDITURES: | | | | |
| <u>FIXED ASSETS</u> | | | | |
| 19832 CIP - Infrastructure | \$7,468,000 | \$8,824,000 | \$1,356,000 | 18.16% |
| Subtotal Fixed Assets | \$7,468,000 | \$8,824,000 | \$1,356,000 | 18.16% |
| TOTAL EXPENDITURES | \$7,468,000 | \$8,824,000 | \$1,356,000 | 18.16% |
| TOTAL NET COST <i>(Expenditures Minus Revenues)</i> | \$2,363,500 | \$1,941,800 | (\$421,700) | (17.84%) |

FY 2020-21 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 | \$2,000,000 |
| Projected Interest Rate | 2.06% |
| Projected/Planned Interest on Pooled Cash | \$41,200 |

Character Title: Miscellaneous Revenue **Character No.:** 43302-33080200-46

46026 Connection Fees

This account reflects the anticipated new sewer connections to the District.

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 (\$6,500,000) 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 rebudgetd 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 20/21:

| | Project No. | Amount |
|----------------------------------|----------------------|-------------|
| Trunk Main Replacement Project | | \$5,674,000 |
| Phase 4A | 0 | |
| Phase 4B.1 | 0 | |
| Phase 4B.2 | 286,000 | |
| Phase 4C | 5,333,000 | |
| Phase 5 | 55,000 | |
| Electrical Resiliency | V0164/V0165 V0054 | 315,000 |
| Local Hazard Mitigation Projects | | 260,000 |
| Headworks Rehabilitation | | 2,575,000 |
| Agua Caliente Creek Crossing | V0073 | 0 |
| | | \$8,824,000 |

FY 2020-21 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 18-19 | Estimated FY 19-20 | Requested FY 20-21 |
|---|---------------------|-----------------------|-----------------------|
| Undesignated/Unreserved <u>BEGINNING</u> Retained Earnings | | | |
| Available for Budgeting (See Detailed Components Below) | \$12,386,340 | \$15,739,766 | \$2,159,294 |
| Annual Revenues and Expenditures: | | | |
| Revenues - Increase retained earnings | 5,904,164 | 6,926,611 | 6,882,200 |
| Expenditures - (Decrease) retained earnings | (1,539,906) | (20,507,083) | (8,824,000) |
| Net Surplus or Deficit - Inc/(Dec) to retained earnings | 4,364,258 | (13,580,472) | (1,941,800) |
| Adjustments to Reserves/Encumbrances: | | | |
| Unrealized Gains/Loss | (172,072) | - | - |
| Gain/Loss on Disposal Capital Assets | (3) | - | - |
| Change in Encumbrances | (838,758) | - | - |
| Net Adjustment - Increase/(Decrease) to Fund Balance | (1,010,832) | - | - |
| Undesignated/Unreserved <u>ENDING</u> Retained Earnings | | | |
| Available for Budgeting | \$15,739,766 | \$2,159,294 | \$217,494 |
| Total Increase/(Decrease) in Retained Earnings for Fiscal Year <i>(Difference between Beginning and Ending Balance)</i> | \$3,353,426 | (\$13,580,472) | (\$1,941,800) |
| <u>Retained Earnings Components at Beginning of FY</u> | 7/1/2018 | 7/1/2019 | |
| Cash | \$12,835,993 | \$16,961,574 | |
| Accounts Payable | (12,318) | (29,837) | |
| Due to Other Governments | (52,848) | - | |
| Retention Receivable | - | - | |
| Due from Federal AR | 57,216 | - | |
| Due from State AR | 102,000 | - | |
| Accounts Payable | (122,562) | (27,436) | |
| Contract Retention Payable | (95,364) | - | |
| Encumbrances (Contract) | (325,777) | (1,164,535) | |
| Total Beginning Retained Earnings | \$12,386,340 | \$15,739,766 | |

FY 2020-21 BUDGET SUMMARY OF REVENUES AND EXPENDITURES

Fund: SONOMA VALLEY CSD - REVENUE BONDS

Fund/Department ID: 43305-33080800

| Account No. and Title | Adopted 2019-20 | Requested 2020-21 | Difference | Percent Change |
|---|----------------------|----------------------|-------------------|-------------------|
| REVENUES: | | | | |
| <u>USE OF MONEY</u> | | | | |
| 44002 Interest on Pooled Cash | \$17,100 | \$18,540 | \$1,440 | 8.42% |
| Subtotal Use of Money | \$17,100 | \$18,540 | \$1,440 | 8.42% |
| <u>OTHER FINANCING SOURCES</u> | | | | |
| 47101 Transfers In-within a Fund | \$1,603,165 | \$1,608,565 | \$5,400 | 0.34% |
| Subtotal Other Financing Sources | \$1,603,165 | \$1,608,565 | \$5,400 | 0.34% |
| TOTAL REVENUES | \$1,620,265 | \$1,627,105 | \$6,840 | 0.42% |
| EXPENDITURES: | | | | |
| <u>SERVICES AND SUPPLIES</u> | | | | |
| 51242 Bank Charges | \$3,500 | \$3,000 | (\$500) | (14.29%) |
| Subtotal Services and Supplies | \$3,500 | \$3,000 | (\$500) | (14.29%) |
| <u>OTHER CHARGES</u> | | | | |
| 53103 Interest on LT Debt | \$393,450 | \$344,350 | (\$49,100) | (12.48%) |
| 53104 Other Interest Expense | 6,215 | 6,215 | \$0 | 0.00% |
| Subtotal Other Charges | \$399,665 | \$350,565 | (\$49,100) | (12.29%) |
| <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 | \$1,200,000 | \$1,255,000 | \$55,000 | 4.58% |
| 59005 Admin Control Acct-Clearing | (\$1,200,000) | (1,255,000) | (55,000) | 4.58% |
| Subtotal Administrative Control | \$0 | \$0 | \$0 | N/A |
| TOTAL EXPENDITURES | \$403,165 | \$353,565 | (\$49,600) | (12.30%) |
| TOTAL NET COST <i>(Expenditures Minus Revenues)</i> | (\$1,217,100) | (\$1,273,540) | (\$56,440) | 4.64% |

FY 2020-21 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 | 2.06% |
| Projected/Planned Interest on Pooled Cash | \$18,540 |

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 20-21.

Character Title: Administrative Control Account Character No.: 43305-33080800-59

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 19-20 Principal Payments | (2,235,000) |
| FY 20-21 Principal Payments | (1,255,000) |
| | \$8,615,000 |

59005 Admin Control Acct-Clearing

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

FY 2020-21 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 18-19 | Estimated FY 19-20 | Requested FY 20-21 |
|---|---------------------|-----------------------|-----------------------|
| Undesignated/Unreserved <u>BEGINNING</u> Retained Earnings | | | |
| Available for Budgeting (See Detailed Components Below) | \$1,297,513 | \$1,355,167 | \$1,323,482 |
| Annual Revenues and Expenditures: | | | |
| Revenues - Increase retained earnings | 1,753,796 | 1,620,265 | 1,627,105 |
| Expenditures - (Decrease) retained earnings | (432,980) | (403,165) | (353,565) |
| Net Surplus or Deficit - Inc/(Dec) to retained earnings | 1,320,816 | 1,217,100 | 1,273,540 |
| Adjustments to Reserves/Encumbrances: | | | |
| Enterprise - Principal | (1,200,000) | (1,255,000) | (1,300,000) |
| Change in Mature Bonds Payable | (37,722) | - | - |
| Capitalized Interest | - | | |
| Change in Cash w/Trustee Rsvd for Debt Service | (26,181) | - | - |
| Amortization of Debt Refunding | 58,064 | 6,215 | 6,215 |
| Amortization of Premium | (62,545) | - | - |
| Discount on Revenue Bonds Payable | 5,221 | - | - |
| Change in Matured Bonds Payable | - | - | - |
| Net Adjustment - Increase/(Decrease) to Retained Earnings | (1,263,163) | (1,248,785) | (1,293,785) |
| Undesignated/Unreserved <u>ENDING</u> Retained Earnings | | | |
| Available for Budgeting | \$1,355,167 | \$1,323,482 | \$1,303,237 |
| Total Increase/(Decrease) in Retained Earnings for Fiscal Year <i>(Difference between Beginning and Ending Balance)</i> | \$57,654 | (\$31,685) | (\$20,245) |
| <u>Fund Balance Components at Beginning of FY</u> | 7/1/2018 | 7/1/2019 | |
| Cash | \$ 2,638,463 | \$ 2,729,105 | |
| Cash with Trustee | 879,961 | 906,142 | |
| Cash with Trustee Res for Debt Service | (879,961) | (906,142) | |
| Matured Principal Payable | (1,155,000) | (1,200,000) | |
| Interest Payable | (185,950) | (173,938) | |
| Total Beginning Fund Balance | \$ 1,297,513 | \$ 1,355,167 | |

DRAFT

FY 2020-21 BUDGET SUMMARY OF REVENUES AND EXPENDITURES

Fund: SONOMA VALLEY CSD - SRF LOAN
Fund/Department ID: 43307-33080500

| Account No. and Title | Adopted 2019-20 | Requested 2020-21 | Difference | Percent Change |
|---|--------------------|----------------------|------------------|-------------------|
| REVENUES: | | | | |
| USE OF MONEY | | | | |
| 44002 Interest on Pooled Cash | \$3,800 | \$4,120 | \$320 | 8.42% |
| Subtotal Use of Money | \$3,800 | \$4,120 | \$320 | 8.42% |
| Other Financing Sources | | | | |
| 47101 Transfers In-within a Fund | \$442,973 | \$442,972 | (\$1) | (0.00%) |
| Subtotal Other Financing Sources | \$442,973 | \$442,972 | (\$1) | (0.00%) |
| TOTAL REVENUES | \$446,773 | \$447,092 | \$319 | 0.07% |
| EXPENDITURES: | | | | |
| OTHER CHARGES | | | | |
| 53103 Interest on LT Debt | \$81,982 | \$73,679 | (\$8,303) | (10.13%) |
| Subtotal Other Charges | \$81,982 | \$73,679 | (\$8,303) | (10.13%) |
| OTHER FINANCING USES | | | | |
| 57011 Transfers out-within a Fund | \$0 | \$0 | \$0 | N/A |
| Subtotal Other Financing Uses | \$0 | \$0 | \$0 | N/A |
| ADMINISTRATIVE CONTROL ACCOUNT | | | | |
| 59004 Admin Control Acct | \$360,991 | \$369,293 | \$8,302 | 2.30% |
| 59005 Admin Control Acct-Clearing | (360,991) | (369,293) | (8,302) | 2.30% |
| Subtotal Administrative Control | \$0 | \$0 | \$0 | N/A |
| TOTAL EXPENDITURES | \$81,982 | \$73,679 | (\$8,303) | (10.13%) |
| TOTAL NET COST <i>(Expenditures Minus Revenues)</i> | (\$364,791) | (\$373,413) | (\$8,622) | 2.36% |

FY 2020-21 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 | 2.06% |
| Projected/Planned Interest on Pooled Cash | \$4,120 |

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 20-21.

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 20-21 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 19-20 Principal Payments: | (3,804,075) |
| FY 20-21 Principal Payments: | (369,293) |
| Outstanding Loan Amount | <u>\$2,834,134</u> |

59005 Admin Control Acct-Clearing

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

FY 2020-21 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 18-19 | Estimated FY 19-20 | Requested FY 20-21 |
|---|--------------------|-----------------------|-----------------------|
| Undesignated/Unreserved <u>BEGINNING</u> Retained Earnings | | | |
| Available for Budgeting (See Detailed Components Below) | \$182,137 | \$185,894 | \$181,392 |
| Annual Revenues and Expenditures: | | | |
| Revenues - Increase retained earnings | 457,949 | 446,773 | 447,092 |
| Expenditures - (Decrease) retained earnings | (84,828) | (81,982) | (73,679) |
| | 373,122 | 364,791 | 373,413 |
| Net Surplus or Deficit - Inc/(Dec) to retained earnings | | | |
| Adjustments to Reserves/Encumbrances: | | | |
| Enterprise - Principal | - | - | - |
| Advances - Principal Expenditure | (360,990) | (369,293) | (377,787) |
| Capitalized Interest | - | - | - |
| Unrealized Gain/Loss | (8,373) | - | - |
| Increase in Matured Bonds Payable | - | - | - |
| | (369,363) | (369,293) | (377,787) |
| Net Adjustment - Increase/(Decrease) to Retained Earnings | | | |
| | (369,363) | (369,293) | (377,787) |
| Undesignated/Unreserved <u>ENDING</u> Retained Earnings | | | |
| Available for Budgeting | \$185,894 | \$181,392 | \$177,018 |
| Total Increase/(Decrease) in Retained Earnings for Fiscal Year <i>(Difference between Beginning and Ending Balance)</i> | \$3,757 | (\$4,502) | (\$4,374) |
| <u>Fund Balance Components at Beginning of FY</u> | 7/1/2018 | 7/1/2019 | |
| Cash | \$593,513 | \$600,116 | |
| Interest Payable | (58,502) | (53,232) | |
| Due to Other Government | (352,874) | (360,990) | |
| Total Beginning Fund Balance | \$182,137 | \$185,894 | |

FY 2020-21 BUDGET SUMMARY OF REVENUES AND EXPENDITURES

Fund: SONOMA VALLEY CSD - SRF LOAN RESERVE
Fund/Department ID: 43308-33080600

| Account No. and Title | Adopted 2019-20 | Requested 2020-21 | Difference | Percent Change |
|---|--------------------|----------------------|----------------|-------------------|
| REVENUES: | | | | |
| <u>USE OF MONEY</u> | | | | |
| 44002 Interest on Pooled Cash | \$3,192 | \$3,461 | \$269 | 8.42% |
| <i>Subtotal Use of Money</i> | \$3,192 | \$3,461 | \$269 | 8.42% |
| <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 | \$3,192 | \$3,461 | \$269 | 8.42% |
| TOTAL NET COST <i>(Expenditures Minus Revenues)</i> | (\$3,192) | (\$3,461) | (\$269) | 8.42% |

FY 2020-21 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>2.06%</u> |
| Projected/Planned Interest on Pooled Cash | \$3,461 |

FY 2020-21 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 18-19 | Estimated FY 19-20 | Requested FY 20-21 |
|---|--------------------|-----------------------|-----------------------|
| Undesignated/Unreserved <u>BEGINNING</u> Retained Earnings | | | |
| Available for Budgeting (See Detailed Components Below) | \$368,455 | \$376,074 | \$379,266 |
| Annual Revenues and Expenditures: | | | |
| Revenues - Increase retained earnings | 12,834 | 3,192 | 3,461 |
| Expenditures - (Decrease) retained earnings | - | - | - |
| Net Surplus or Deficit - Inc/(Dec) to retained earnings | 12,834 | 3,192 | 3,461 |
| Adjustments to Reserves/Encumbrances: | | | |
| Unrealized Gain/loss | -5,215 | - | - |
| Net Adjustment - Increase/(Decrease) to Retained Earnings | (5,215) | - | - |
| Undesignated/Unreserved <u>ENDING</u> Retained Earnings | | | |
| Available for Budgeting | \$376,074 | \$379,266 | \$382,727 |
| Total Increase/(Decrease) in Retained Earnings for Fiscal Year <i>(Difference between Beginning and Ending Balance)</i> | \$7,619 | \$3,192 | \$3,461 |
| <u>Fund Balance Components at Beginning of FY</u> | 7/1/2018 | 7/1/2019 | |
| Cash | \$368,455 | \$376,074 | |
| Total Beginning Fund Balance | \$368,455 | \$376,074 | |

FY 2020-21 BUDGET SUMMARY OF REVENUES AND EXPENDITURES

Fund: SONOMA VALLEY CSD - STATE LOAN RESERVE

Fund/Department ID: 43309-33080700

| Account No. and Title | Adopted 2019-20 | Requested 2020-21 | Difference | Percent Change |
|---|--------------------|----------------------|----------------|-------------------|
| REVENUES: | | | | |
| <u>USE OF MONEY</u> | | | | |
| 44002 Interest on Pooled Cash | \$1,577 | \$1,710 | \$133 | 8.42% |
| Subtotal Use of Money | \$1,577 | \$1,710 | \$133 | 8.42% |
| <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 | \$1,577 | \$1,710 | \$133 | 8.42% |
| TOTAL NET COST <i>(Expenditures Minus Revenues)</i> | (\$1,577) | (\$1,710) | (\$133) | 8.42% |

FY 2020-21 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 | <u>2.06%</u> |
| Projected/Planned Interest on Pooled Cash | \$1,710 |

FY 2020-21 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 18-19 | Estimated FY 19-20 | Requested FY 20-21 |
|---|--------------------|-----------------------|-----------------------|
| Undesignated/Unreserved <u>BEGINNING</u> Retained Earnings | | | |
| Available for Budgeting (See Detailed Components Below) | \$158,391 | \$161,667 | \$163,244 |
| Annual Revenues and Expenditures: | | | |
| Revenues - Increase retained earnings | 5,517 | 1,577 | 1,710 |
| Expenditures - (Decrease) retained earnings | - | - | - |
| Net Surplus or Deficit - Inc/(Dec) to retained earnings | 5,517 | 1,577 | 1,710 |
| Adjustments to Reserves/Encumbrances: | | | |
| Unrealized Gain/loss | -2,241 | - | - |
| Net Adjustment - Increase/(Decrease) to Retained Earnings | (2,241) | - | - |
| | - | - | - |
| Undesignated/Unreserved <u>ENDING</u> Retained Earnings | | | |
| Available for Budgeting | \$161,667 | \$163,244 | \$164,954 |
| Total Increase/(Decrease) in Retained Earnings for Fiscal Year <i>(Difference between Beginning and Ending Balance)</i> | \$3,276 | \$1,577 | \$1,710 |
| <u>Fund Balance Components at Beginning of FY</u> | 7/1/2018 | 7/1/2019 | |
| Cash | \$158,391 | \$161,667 | |
| Total Beginning Fund Balance | \$158,391 | \$161,667 | |

FY 2020-21 BUDGET SUMMARY OF REVENUES AND EXPENDITURES

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

| Account No. and Title | Adopted 2019-20 | Requested 2020-21 | Difference | Percent Change |
|---|--------------------|----------------------|----------------|-------------------|
| REVENUES: | | | | |
| <u>USE OF MONEY</u> | | | | |
| 44002 Interest on Pooled Cash | \$1,900 | \$2,060 | \$160 | 8.42% |
| Subtotal Use of Money | \$1,900 | \$2,060 | \$160 | 8.42% |
| <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 | \$31,900 | \$32,060 | \$160 | 0.50% |
| 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> | \$10,100 | \$9,940 | (\$160) | (1.58%) |

FY 2020-21 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 | 2.06% |
| Projected/Planned Interest on Pooled Cash | \$2,060 |

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 2020-21 BUDGET STATEMENT OF SPECIAL FUND ACTIVITY

Department: Sonoma County Water Agency - Sanitation
Fund: Sonoma Valley CSD - Wet Weather Mitigation
Fund/Department ID: 43310-33081000

| DESCRIPTION OF FUND ACTIVITY | Actual FY 18-19 | Estimated FY 19-20 | Requested FY 20-21 |
|---|--------------------|-----------------------|-----------------------|
| Undesignated/Unreserved <u>BEGINNING</u> Retained Earnings | | | |
| Available for Budgeting (See Detailed Components Below) | \$305,485 | \$311,536 | 313,436 |
| Annual Revenues and Expenditures: | | | |
| Revenues - Increase retained earnings | 9,695 | 31,900 | 32,060 |
| Expenditures - (Decrease) retained earnings | (11,960) | (42,000) | (42,000) |
| Net Surplus or Deficit - Inc/(Dec) to retained earnings | (2,264) | (10,100) | (9,940) |
| Adjustments to Reserves/Encumbrances: | | | |
| Unrealized Gain/loss | (3,645) | - | - |
| Depreciation | 11,960 | \$12,000 | \$12,000 |
| Net Adjustment - Increase/(Decrease) to Retained Earnings | 8,315 | 12,000 | 12,000 |
| Undesignated/Unreserved <u>ENDING</u> Retained Earnings | | | |
| Available for Budgeting | \$311,536 | \$313,436 | \$315,496 |
| Total Increase/(Decrease) in Retained Earnings for Fiscal Year <i>(Difference between Beginning and Ending Balance)</i> | \$6,051 | \$1,900 | \$2,060 |
| <u>Fund Balance Components at Beginning of FY</u> | 7/1/2018 | 7/1/2019 | |
| Cash | \$185,485 | \$311,536 | |
| Accounts Receivable-AR Module | 120,000 | 0 | |
| Total Beginning Fund Balance | \$305,485 | \$311,536 | |

FY 2020-21 BUDGET

BUDGET SECTION SUMMARY

Section Title:

SOUTH PARK COUNTY SANITATION DISTRICT

A. Program Description

This budget finances administration of a collection system and pumping stations which serve the South Park area. Raw sewage is transported to the City of Santa Rosa (City) for treatment and disposal. Treatment and disposal are covered by an agreement between the two entities.

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 | \$4,026,553 | \$8,440,378 | 109.62% | (\$203,741) | \$4,046,915 | (2086.30%) |
| Revenue Bonds | \$50,122 | \$43,370 | (13.47%) | (\$172,281) | (\$173,398) | 0.65% |
| Construction | \$375,000 | \$375,000 | 0.00% | (\$166,800) | (\$4,675,800) | (2703.24%) |
| TOTAL: | \$4,451,675 | \$8,858,748 | 99.00% | (\$542,822) | (\$802,283) | 47.80% |

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 | 4,251 | 4,267 | 4,285 | 4,312 | 1.05% |
| TOTAL APNs | 2,082 | 2,066 | 2,112 | 2,124 | 2.81% |

E. Summary of Issues and Significant Changes

The requested rate per equivalent single family dwelling (ESD) for FY 20-21 annual service charges is \$1,037, representing a 3.5% increase from FY 19-20. Annual sewer service charge revenue, adjusted for the anticipated number of ESDs and an estimated delinquency factor.

The South Park County Sanitation District (District) provides service to the South Park area using a gravity collection system. Wastewater from the District is treated and disposed of by the City at the Laguna Subregional Treatment Plant on Llano Road. In July of 1996, the City accepted responsibility, under contract, for the operation and routine maintenance of the collection system.

An agreement between the City and District was executed in 2012 relating to: (1) the possible eventual dissolution of the District and transfer of the facilities to the City, (2) the District's debt payment obligations, and potential origination of new debt, (3) District infrastructure improvements which are currently planned or may be planned in the future, (4) issues related to Clean Up and Abatement Order No. R1-2007-0040 from the North Coast Regional Water Quality Control Board, (5) the changeover of billings and collections, and (6) the responsibilities related to operation and maintenance of the District facilities.

FY 2020-21 BUDGET

BUDGET SECTION SUMMARY

Section Title:

SOUTH PARK COUNTY SANITATION DISTRICT

E. Summary of Issues and Significant Changes (continued)

On December 22, 1998 the NCRWQCB released a draft Cleanup and Abatement Order (CAO) for halogenated volatile compounds (HVOC) found in soil and groundwater in the vicinity of Sebastopol Road and West Avenue in the District's service area. The draft CAO specified that HVOCs found in the soil and groundwater are the result of the discharge of these chemicals from dry cleaning operations into the District's collection system. The draft CAO further specifies that the HVOCs subsequently leaked from the collection system to adjacent soil and groundwater. Potential costs for investigation, remediation, and legal work related to the draft CAO are substantial (\$2-10 million). The District, County of Sonoma, and NCRWQCB continue to work cooperatively to deal with this issue.

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: SOUTH PARK CSD - OPERATIONS

Fund/Department ID: 43401-33090100

| Account No. and Title | Adopted 2019-20 | Requested 2020-21 | Difference | Percent Change |
|---------------------------------------|--------------------|----------------------|------------------|-------------------|
| REVENUES: | | | | |
| <u>TAXES</u> | | | | |
| 40003 Direct Charges-CY | \$4,042,298 | \$4,201,526 | \$159,228 | 3.94% |
| 40202 Direct Charges - PY | 37,000 | 37,000 | 0 | 0.00% |
| 40999 Penalties/Costs on Taxes | 11,000 | 9,000 | (2,000) | (18.18%) |
| Subtotal Taxes | \$4,090,298 | \$4,247,526 | \$157,228 | 3.84% |
| <u>USE OF MONEY</u> | | | | |
| 44002 Interest on Pooled Cash | \$41,800 | \$41,200 | (\$600) | (1.44%) |
| Subtotal Use of Money | \$41,800 | \$41,200 | (\$600) | (1.44%) |
| <u>CHARGES FOR SERVICES</u> | | | | |
| 45221 Sewer/Water Usage Fee | \$98,196 | \$104,737 | \$6,541 | 6.66% |
| Subtotal Charges for Services | \$98,196 | \$104,737 | \$6,541 | 6.66% |
| <u>MISCELLANEOUS REVENUE</u> | | | | |
| 46210 Refunds | \$0 | \$0 | \$0 | N/A |
| Subtotal Miscellaneous Revenue | \$0 | \$0 | \$0 | N/A |
| TOTAL REVENUES | \$4,230,294 | \$4,393,463 | \$163,169 | 3.86% |

EXPENDITURES:

SERVICES AND SUPPLIES

| | | | | |
|---------------------------------------|--------------------|--------------------|-----------------|--------------|
| 51061 Maintenance - Equipment | \$0 | \$0 | \$0 | N/A |
| 51201 Administration Costs | 22,000 | 35,000 | 13,000 | 59.09% |
| 51206 Accounting/Auditing Services | 5,000 | 10,000 | 5,000 | 100.00% |
| 51209 Info Tech Svs (Non ISD) | 0 | 0 | 0 | N/A |
| 51211 Legal Services | 5,000 | 5,000 | 0 | 0.00% |
| 51241 Outside Printing & Binding | 800 | 2,500 | 1,700 | 212.50% |
| 51244 Permits/License/Fees | 800 | 4,000 | 3,200 | 400.00% |
| 51502 Sewer Capacity Charges | 1,803,900 | 1,858,000 | 54,100 | 3.00% |
| 51803 Other Contract Services | 650,000 | 626,600 | (23,400) | -3.60% |
| 51916 County Services | 0 | 2,000 | 2,000 | N/A |
| 51917 District Operations Chgs | 75,000 | 75,000 | 0 | 0.00% |
| 51921 Equipment Usage Charges | 500 | 600 | 100 | 20.00% |
| Subtotal Services and Supplies | \$2,563,000 | \$2,618,700 | \$55,700 | 2.17% |

FY 2020-21 BUDGET

SUMMARY OF REVENUES AND EXPENDITURES

Fund: SOUTH PARK CSD - OPERATIONS

Fund/Department ID: 43401-33090100

OTHER CHARGES

| | | | | |
|-------------------------------|------------------|------------------|--------------------|-----------------|
| 53402 Depreciation Expense | \$719,000 | \$603,000 | (\$116,000) | (16.13%) |
| Subtotal Other Charges | \$719,000 | \$603,000 | (\$116,000) | (16.13%) |

APPROPRIATIONS FOR CONTINGENCIES

| | | | | |
|--|-----------------|------------|-------------------|------------------|
| 55011 Appropriations for Contingency | \$20,000 | \$0 | (\$20,000) | (100.00%) |
| Subtotal Approp for Contingencies | \$20,000 | \$0 | (\$20,000) | (100.00%) |

OTHER FINANCING USES

| | | | | |
|--------------------------------------|------------------|--------------------|--------------------|----------------|
| 57011 Transfers out-within a Fund | \$719,553 | \$5,213,678 | \$4,494,125 | 624.57% |
| Subtotal Other Financing Uses | \$719,553 | \$5,213,678 | \$4,494,125 | 624.57% |

FIXED ASSETS

| | | | | |
|-------------------------------------|----------------|----------------|------------|--------------|
| 19851 Intangible Assets - Non-amort | \$5,000 | \$5,000 | \$0 | 0.00% |
| Subtotal Fixed Assets | \$5,000 | \$5,000 | \$0 | 0.00% |

| | | | | |
|---------------------------|--------------------|--------------------|--------------------|----------------|
| TOTAL EXPENDITURES | \$4,026,553 | \$8,440,378 | \$4,413,825 | 109.62% |
|---------------------------|--------------------|--------------------|--------------------|----------------|

| | | | | |
|---|--------------------|--------------------|--------------------|-------------------|
| TOTAL NET COST <i>(Expenditures Minus Revenues)</i> | (\$203,741) | \$4,046,915 | \$4,250,656 | (2086.30%) |
|---|--------------------|--------------------|--------------------|-------------------|

FY 2020-21 BUDGET

CHARACTER JUSTIFICATION

Department - Division: Sonoma County Water Agency - Sanitation
Section Title: South Park CSD - Operations

Character Title: Taxes **Character No.:** 43401-33090100-40

40003 Direct Charges - CY

Flat charge revenue from annual service charges is expected to increase from the adopted FY 19-20 budget. The rate will increase 3.5%, from \$1,002 to \$1,037.

| | | |
|------------------------------------|-----------------|--------------------|
| ESDs times annual rate: | 4,201 x \$1,037 | \$4,356,437 |
| Less Estimated Delinquency Factor: | 2.5% | (108,911) |
| | | <u>\$4,247,526</u> |

(See account 45221 for Total ESDs)

40202 Direct Charges - PY

This account records the estimated delinquent amount of prior years sewer service charges.

40999 Penalties/Costs on Taxes

This account records penalties paid on delinquent sewer service charges.

Character Title: Use of Money **Character No.:** 43401-33090100-44

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 | \$2,000,000 |
| Projected Interest Rate | 2.06% |
| Projected/Planned Interest on Pooled Cash | <u>\$41,200</u> |

Character Title: Charges for Services **Character No.:** 43401-33090100-45

45221 Sewer/Water Usage Fees

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, the following year.

Based on projected FY 20-21 ESDs, the District will experience an increase in revenue from invoiced entities.

| | | | |
|----------------------|---------------|---|-----------|
| ESDs x Annual Charge | 101 x \$1,037 | = | \$104,737 |
|----------------------|---------------|---|-----------|

FY 2020-21 BUDGET

CHARACTER JUSTIFICATION

Department - Division: Sonoma County Water Agency - Sanitation
Section Title: South Park CSD - Operations

Character Title: Services and Supplies

Character No.: 43401-33090100-51 & 52

51201 Administration Costs

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

51206 Accounting/Auditing Services

This account represents the cost of accounting and audit services provided by an outside certified public accounting service.

51211 Legal Services

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

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.

51502 Sewer Capacity Charges

South Park CSD participates with the cities of Santa Rosa, Rohnert Park, Cotati and Sebastopol in the Santa Rosa Subregional Sewage System. Santa Rosa provides the treatment for raw sewage for the other participating entities. This payment, required by agreement, is South Park's share (based on capacity needs) of the cost of operations and improvements to the subregional facilities and the bonds used to finance them. Prior to the annexation of the Roseland area of South Park by the City of Santa Rosa, the South Park CSD's sewer capacity charge was based on a capacity in the Subregional Wastewater Treatment Plant of 700,000 gallons per day.

51803 Other Contract Services

This account records the cost of collection system maintenance paid to the City of Santa Rosa and any other non-routine projects.

51916 County Services

This account records the expense for special district accounting services.

51917 District Operations

This account is used primarily to record staff time associated with maintaining the sanitation master user listing for the District, as well as management and administrative time associated with negotiating and administering agreements with the City.

51921 Equipment Usage Charges

This account provides funds for equipment usage.

Character Title: Other Charges

Character No.: 43401-33090100-53

53402 Depreciation

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

FY 2020-21 BUDGET

CHARACTER JUSTIFICATION

Department - Division: Sonoma County Water Agency - Sanitation
Section Title: South Park CSD - Operations

Character Title: Fixed Assets Character No.: 43401-33090100-19

19851 Intangible Assets - Non-amort

This account records sewer easement dedications.

Character Title: Other Financing Uses Character No.: 43401-33090100-57

57011 Transfers out-within a Fund

This account reflects the transfer of cash from the Operations Fund to the 2000 Revenue Bond Fund necessary to satisfy the annual debt service payment on the bonds \$213,678. The amount to be transferred is determined from the debt service schedule for the bonds. In addition, \$5,000,000 will be transfer to the Construction Fund for planned capital projects.

FY 2020-21 BUDGET STATEMENT OF SPECIAL FUND ACTIVITY

Department: Sonoma County Water Agency - Sanitation
Fund: South Park CSD - Operations
Fund/Department ID: 43401-33090100

| DESCRIPTION OF FUND ACTIVITY | Actual FY 18-19 | Estimated FY 19-20 | Requested FY 20-21 |
|---|------------------------|------------------------|------------------------|
| Undesignated/Unreserved <u>BEGINNING</u> Retained Earnings | | | |
| Available for Budgeting (See Detailed Components Below) | \$2,947,080 | \$5,617,773 | \$6,550,093 |
| Annual Revenues and Expenditures: | | | |
| Revenues - Increase retained earnings | 5,137,793 | 4,246,898 | \$4,393,463 |
| Expenditures - (Decrease) retained earnings | (3,905,825) | (4,033,578) | (\$8,440,378) |
| Net Surplus or Deficit - Inc/(Dec) to retained earnings | 1,231,967 | 213,320 | (4,046,915) |
| Adjustments to Reserves/Encumbrances: | | | |
| 53402 Depreciation Expense | 462,172 | 719,000 | 603,000 |
| Unrealized Gain/loss | (86,300) | - | - |
| Pollution Remediation Obligation | 52,873 | | |
| Change In Encumbrances | 1,009,980 | - | - |
| Net Adjustment - Increase/(Decrease) to Retained Earnings | 1,438,725 | 719,000 | 603,000 |
| Undesignated/Unreserved <u>ENDING</u> Retained Earnings | | | |
| Available for Budgeting | \$5,617,770 | \$6,550,093 | \$3,106,178 |
| Target Fund Balance | \$1,220,110 | \$1,285,013 | \$1,309,350 |
| <i>Over/(Under) Target Fund Balance</i> | <i>\$4,397,661</i> | <i>\$5,265,081</i> | <i>\$1,796,828</i> |
| Total Increase/(Decrease) in Retained Earnings for Fiscal Year <i>(Difference between Beginning and Ending Balance)</i> | \$2,670,690 | \$932,320 | (\$3,443,915) |
| <u>Retained Earnings Components at Beginning of FY</u> | 7/1/2018 | 7/1/2019 | |
| Cash | \$4,951,229 | \$5,671,304 | |
| Accounts Receivable - AR Module | \$34,212 | \$46,389 | |
| Other Receivables | 63,759 | 109,569 | |
| Vouchers Payable | (67) | (186,852) | |
| Accounts Payable | (1,445) | (22,637) | |
| Contract Retention Payable | (830) | - | |
| Unearned Revenue | (1,089,798) | - | |
| Encumbrances | (1,009,980) | - | |
| Total Beginning Retained Earnings | \$2,947,080 | \$5,617,773 | |

FY 2020-21 BUDGET SUMMARY OF REVENUES AND EXPENDITURES

Fund: SOUTH PARK CSD - CONSTRUCTION

Fund/Department ID: 43402-33090200

| Account No. and Title | Adopted 2019-20 | Requested 2020-21 | Difference | Percent Change |
|---|--------------------|----------------------|----------------------|-------------------|
| REVENUES: | | | | |
| <u>USE OF MONEY</u> | | | | |
| 44002 Interest on Pooled Cash | \$41,800 | \$41,200 | (\$600) | (1.44%) |
| Subtotal Use of Money | \$41,800 | \$41,200 | (\$600) | (1.44%) |
| <u>MISCELLANEOUS REVENUE</u> | | | | |
| 46024 Connection Fees | \$0 | \$9,600 | \$9,600 | N/A |
| Subtotal Miscellaneous Revenue | \$0 | \$9,600 | \$9,600 | 100.00% |
| <u>OTHER FINANCING SOURCES</u> | | | | |
| 47101 Transfers In -within a Fund | \$500,000 | \$5,000,000 | \$4,500,000 | 900.00% |
| Subtotal Other Financing Sources | \$500,000 | \$5,000,000 | \$4,500,000 | 900.00% |
| TOTAL REVENUES | \$541,800 | \$5,050,800 | \$4,509,000 | 832.23% |
| EXPENDITURES: | | | | |
| <u>FIXED ASSETS</u> | | | | |
| 19832 CIP - Infrastructure | \$375,000 | \$375,000 | \$0 | 0.00% |
| Subtotal Fixed Assets | \$375,000 | \$375,000 | \$0 | 0.00% |
| TOTAL EXPENDITURES | \$375,000 | \$375,000 | \$0 | 0.00% |
| TOTAL NET COST <i>(Expenditures Minus Revenues)</i> | (\$166,800) | (\$4,675,800) | (\$4,509,000) | (2703.24%) |

FY 2020-21 BUDGET CHARACTER JUSTIFICATION

Department - Division: Sonoma County Water Agency - Sanitation
Section Title: South Park CSD - Construction

Character Title: Use of Money Character No.: 43402-33090200-44

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 | \$2,000,000 |
| Projected Interest Rate | <u>2.06%</u> |
| Projected/Planned Interest on Pooled Cash | \$41,200 |

The fund balance remaining in the Construction Fund is expected to be reduced as a result of work required to be completed prior to dissolution of the District.

Character Title: Miscellaneous Revenue Character No.: 43402-33090200-46

46024 Connection Fees

This account reflects the anticipated connection fees for new users in FY 20-21.

Character Title: Other Financing Sources Character No.: 43402-33090200-47

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. Budgeted amount for FY 20-21 is \$5,000,000.

Character Title: Fixed Assets Character No.: 43402-33090200-19

19832 CIP-Infrastructure

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

| | Project No. | Amount |
|-------------------------------------|-------------|-----------|
| Future Capital Improvement Projects | TBD | \$375,000 |

FY 2020-21 BUDGET STATEMENT OF SPECIAL FUND ACTIVITY

Department: Sonoma County Water Agency - Sanitation
Fund: South Park CSD - Construction
Fund/Department ID: 43402-33090200

| DESCRIPTION OF FUND ACTIVITY | Actual FY 18-19 | Estimated FY 19-20 | Requested FY 20-21 |
|---|----------------------|-----------------------|-----------------------|
| Undesignated/Unreserved <u>BEGINNING</u> Retained Earnings | | | |
| Available for Budgeting (See Detailed Components Below) | \$3,950,354 | \$2,002,358 | \$2,169,158 |
| Annual Revenues and Expenditures: | | | |
| Revenues - Increase retained earnings | 120,480 | 541,800 | 5,050,800 |
| Expenditures - (Decrease) retained earnings | (3,242,884) | (375,000) | (375,000) |
| Net Surplus or Deficit - Inc/(Dec) to retained earnings | (3,122,405) | 166,800 | 4,675,800 |
| Adjustments to Reserves/Encumbrances: | | | |
| Change in Encumbrance | 1,140,980 | - | - |
| Unrealized Gain/loss | (42,151) | - | - |
| Net Adjustment - Inc/(Dec) to Retained Earnings | 1,098,829 | - | - |
| Undesignated/Unreserved <u>ENDING</u> Retained Earnings | | | |
| Available for Budgeting | \$1,926,778 | \$2,169,158 | \$6,844,958 |
| Total Increase/(Decrease) in Retained Earnings for Fiscal Year <i>(Difference between Beginning and Ending Balance)</i> | (\$2,023,576) | \$166,800 | \$4,675,800 |
| <u>Retained Earnings Components at Beginning of FY</u> | 7/1/2018 | 7/1/2019 | |
| Cash | \$5,802,389 | \$2,448,976 | |
| Accounts Payable | (580,321) | (295,696) | |
| Vouchers Payable | (480) | - | |
| Retention Payable | (45,866) | (66,534) | |
| Encumbrance | (1,225,368) | (84,388) | |
| Total Beginning Retained Earnings | \$3,950,354 | \$2,002,358 | |

FY 2020-21 BUDGET SUMMARY OF REVENUES AND EXPENDITURES

Fund: SOUTH PARK CSD - 2005 REVENUE BONDS

Fund/Department ID: 43403-33090300

| Account No. and Title | Adopted 2019-20 | Requested 2020-21 | Difference | Percent Change |
|-----------------------|--------------------|----------------------|------------|-------------------|
|-----------------------|--------------------|----------------------|------------|-------------------|

REVENUES:

USE OF MONEY

| | | | | |
|-------------------------------|---------|---------|-------|-------|
| 44002 Interest on Pooled Cash | \$2,850 | \$3,090 | \$240 | 8.42% |
|-------------------------------|---------|---------|-------|-------|

| | | | | |
|------------------------------|----------------|----------------|--------------|--------------|
| Subtotal Use of Money | \$2,850 | \$3,090 | \$240 | 8.42% |
|------------------------------|----------------|----------------|--------------|--------------|

OTHER FINANCING SOURCES

| | | | | |
|-----------------------------------|-----------|-----------|-----------|---------|
| 47101 Transfers In -within a Fund | \$219,553 | \$213,678 | (\$5,875) | (2.68%) |
|-----------------------------------|-----------|-----------|-----------|---------|

| | | | | |
|---|------------------|------------------|------------------|----------------|
| Subtotal Other Financing Sources | \$219,553 | \$213,678 | (\$5,875) | (2.68%) |
|---|------------------|------------------|------------------|----------------|

| | | | | |
|-----------------------|------------------|------------------|------------------|----------------|
| TOTAL REVENUES | \$222,403 | \$216,768 | (\$5,635) | (2.53%) |
|-----------------------|------------------|------------------|------------------|----------------|

EXPENDITURES:

SERVICES & SUPPLIES

| | | | | |
|--------------------|---------|-------|-----------|----------|
| 51242 Bank Charges | \$3,000 | \$500 | (\$2,500) | (83.33%) |
|--------------------|---------|-------|-----------|----------|

| | | | | |
|---|----------------|--------------|------------------|-----------------|
| Subtotal Services & Supplies | \$3,000 | \$500 | (\$2,500) | (83.33%) |
|---|----------------|--------------|------------------|-----------------|

OTHER CHARGES

| | | | | |
|---------------------------|----------|----------|-----------|----------|
| 53103 Interest on LT Debt | \$34,505 | \$30,253 | (\$4,252) | (12.32%) |
|---------------------------|----------|----------|-----------|----------|

| | | | | |
|------------------------------|--------|--------|-----|-------|
| 53104 Other Interest Expense | 12,617 | 12,617 | \$0 | 0.00% |
|------------------------------|--------|--------|-----|-------|

| | | | | |
|-------------------------------|-----------------|-----------------|------------------|----------------|
| Subtotal Other Charges | \$47,122 | \$42,870 | (\$4,252) | (9.02%) |
|-------------------------------|-----------------|-----------------|------------------|----------------|

ADMIN CONTROL

| | | | | |
|--------------------------|-----------|-----------|-------|-------|
| 59004 Admin Control Acct | \$182,048 | \$182,925 | \$877 | 0.48% |
|--------------------------|-----------|-----------|-------|-------|

| | | | | |
|-----------------------------------|-----------|-----------|-------|-------|
| 59005 Admin Control Acct-Clearing | (182,048) | (182,925) | (877) | 0.48% |
|-----------------------------------|-----------|-----------|-------|-------|

| | | | | |
|-------------------------------|------------|------------|------------|------------|
| Subtotal Admin Control | \$0 | \$0 | \$0 | N/A |
|-------------------------------|------------|------------|------------|------------|

| | | | | |
|-----------------------|-----------------|-----------------|------------------|-----------------|
| TOTAL EXPENSES | \$50,122 | \$43,370 | (\$6,752) | (13.47%) |
|-----------------------|-----------------|-----------------|------------------|-----------------|

| | | | | |
|---|--------------------|--------------------|------------------|--------------|
| TOTAL NET COST <i>(Expenses Minus Revenues)</i> | (\$172,281) | (\$173,398) | (\$1,117) | 0.65% |
|---|--------------------|--------------------|------------------|--------------|

FY 2020-21 BUDGET CHARACTER JUSTIFICATION

Department - Division: Sonoma County Water Agency - Sanitation
Section Title: South Park CSD - 2005 Revenue Bonds

Character Title: Use of Money **Character No.:** 43403-33090300-44

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 | \$150,000 |
| Projected Interest Rate | 2.06% |
| Projected/Planned Interest on Pooled Cash | \$3,090 |

Character Title: Other Financing Sources **Character No.:** 43403-33090300-47

47101 Transfers In-within a fund

This account will record the operating transfer from the Operations Fund necessary to meet the annual debt service requirements for the bonds.

Character Title: Services and Supplies **Character No.:** 43403-33090300-51

51242 Bank Charges

This account records the annual administrative fees from the trustee for the 2005 Revenue Bonds.

Character Title: Other Charges **Character No.:** 43403-33090300-53

53103 Interest on LT Debt

This account reflects the interest expense of the refunded 2005 Revenue Bonds. Interest on Serial Bonds range from 2.6% to 5.0%.

Character Title: Administrative Control Account **Character No.:** 43403-33090300-59

59004 Admin Control Acct

This account reflects the principal payment for the 2005 Revenue Bonds issued in early FY 05-06 to finance the Capital Replacement Program. Payments began in October 2006 and will continue until October 2026.

| | |
|---|-------------|
| Original Issue | \$3,250,000 |
| Total FY 05-06 through FY 19-20 Principal Payments: | (1,989,783) |
| FY 20-21 Principal Payment: | (182,925) |
| Outstanding Loan Amount | \$1,077,292 |

59005 Admin Control Acct-Clearing

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

FY 2020-21 BUDGET STATEMENT OF SPECIAL FUND ACTIVITY

Department: Sonoma County Water Agency - Sanitation
Fund: South Park CSD - 2005 Revenue Bonds
Fund/Department ID: 43403-33090300

| DESCRIPTION OF FUND ACTIVITY | Actual FY 18-19 | Estimated FY 19-20 | Requested FY 20-21 |
|--|--------------------|-----------------------|-----------------------|
| Undesignated/Unreserved <u>BEGINNING</u> Retained Earnings | | | |
| Available for Budgeting (See Detailed Components Below) | \$227,639 | \$235,172 | \$237,146 |
| Annual Revenues and Expenditures: | | | |
| Revenues - Increase retained earnings | 233,429 | 222,403 | 216,768 |
| Expenditures - (Decrease) retained earnings | (50,540) | (50,122) | (43,370) |
| | 182,889 | 172,281 | 173,398 |
| Net Surplus or Deficit - Inc/(Dec) to retained earnings | | | |
| Adjustments to Reserves/Encumbrances: | | | |
| Revenue Bonds Pay | (1) | - | - |
| Amortization of Bond Refunding | 12,617 | 12,617 | 12,617 |
| Capitalized Interest | - | - | - |
| Unrealized Gain/loss | (5,923) | - | - |
| Admin Control Acct (59004) | (182,047) | (182,924) | (188,501) |
| | (175,354) | (170,307) | (175,884) |
| Net Adjustment - Inc/(Dec) to Retained Earnings | | | |
| Undesignated/Unreserved <u>ENDING</u> Retained Earnings | | | |
| Available for Budgeting | \$235,172 | \$237,146 | \$234,660 |
| Total Increase/(Decrease) in Retained Earnings for Fiscal Year (Difference between Beginning and Ending Balance) | \$7,532 | \$1,974 | (\$2,486) |
| <u>Retained Earnings Components at Beginning of FY</u> | 7/1/2018 | 7/1/2019 | |
| Cash | \$417,884 | \$426,274 | |
| Cash Restricted for Debt Services | - | - | |
| Cash with Fiscal Agent | - | - | |
| Interest Payable | (10,092) | (9,055) | |
| Matured Bonds Payable | (180,153) | (182,047) | |
| | \$227,639 | \$235,172 | |
| Total Beginning Retained Earnings | | | |