

FY 2021-22 BUDGET BUDGET SECTION SUMMARY

Section Title:

SANITATION ZONE - PENNGROVE

A. Program Description

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

B. Financial Summary

Section	GROSS EXPENDITURES			NET COST/USE OF FUND BALANCE		
	FY 20-21 Adopted	FY 21-22 Requested	Percent Change	FY 20-21 Adopted	FY 21-22 Requested	Percent Change
Operations	\$1,291,200	\$1,111,800	(13.89%)	\$17,515	\$33,610	91.89%
Bonds	0	0	N/A	0	0	N/A
Construction	154,140	193,118	25.29%	(1,422)	128,218	(9116.74%)
TOTAL:	\$1,445,340	\$1,304,918	(9.72%)	\$16,093	\$161,828	905.58%

C. Staffing Summary

No staffing is allocated to this index.

D. Workload Summary

Workload Indicator	FY 19-20 Actual	FY 20-21 Budget Estimate	FY 20-21 Revised Estimate	FY 21-22 Projected	Change from FY 20-21 Budget Estimate
Total ESDs	549	549	549	550	0.18%
Total APNs	377	377	377	378	0.27%

E. Summary of Issues and Significant Changes

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

The proposed FY 21-22 annual sewer service charges for Penngrove SZ is \$1,692 per ESD, which represents a 4.0% increase over FY 20-21.

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

F. Summary of Reduction Options

No reduction options are proposed.

G. Attachments

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

FY 2021-22 BUDGET
SUMMARY OF REVENUES AND EXPENDITURES

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

Account No. and Title	Adopted 2020-21	Requested 2021-22	Difference	Percent Change
REVENUES:				
<u>TAXES</u>				
40003 Direct Charges-CY	\$841,793	\$882,890	\$41,097	4.88%
40202 Direct Charges - PY	7,000	2,000	(5,000)	(71.43%)
40999 Penalties/Costs on Taxes	2,000	1,000	(1,000)	(50.00%)
Subtotal Taxes	\$850,793	\$885,890	\$35,097	4.13%
<u>USE OF MONEY</u>				
44002 Interest on Pooled Cash	\$8,240	\$2,500	(\$5,740)	(69.66%)
Subtotal Use of Money	\$8,240	\$2,500	(\$5,740)	(69.66%)
<u>INTERGOVERNMENTAL REVENUE</u>				
42441 Federal FEMA Disaster Funding	\$0	\$0	\$0	N/A
Subtotal Intergovernmental Revenue	\$0	\$0	\$0	N/A
<u>CHARGES FOR SERVICES</u>				
45221 Sewer/Water Usage Fee	\$14,652	\$14,800	\$148	1.01%
Subtotal Charges for Services	\$14,652	\$14,800	\$148	1.01%
<u>MISCELLANEOUS REVENUE</u>				
46022 Capital Grants State	\$0	\$0	\$0	N/A
46040 Miscellaneous Revenue	0	0	0	N/A
Subtotal Miscellaneous Revenue	\$0	\$0	\$0	N/A
<u>OTHER FINANCING SOURCES</u>				
47101 Trans in - Within a Fund	\$400,000	\$175,000	(\$225,000)	(56.25%)
Subtotal Other Financing Sources	\$400,000	\$175,000	(\$225,000)	(56.25%)
TOTAL REVENUES	\$1,273,685	\$1,078,190	(\$195,495)	(15.35%)

EXPENDITURES:

SERVICES AND SUPPLIES

51061 Maintenance - Equipment	\$20,000	\$12,000	(\$8,000)	(40.00%)
51201 Administration Services	7,000	7,600	600	8.57%
51205 Advertising/Marketing Svc	0	0	0	N/A
51211 Legal Services	500	200	(300)	(60.00%)
51241 Outside Printing & Binding	500	300	(200)	(40.00%)

FY 2021-22 BUDGET
SUMMARY OF REVENUES AND EXPENDITURES

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

Account No. and Title	Adopted 2020-21	Requested 2021-22	Difference	Percent Change
<u>SERVICES AND SUPPLIES (cont'd)</u>				
51244 Permits/License/Fees	2,500	2,900	400	16.00%
51401 Rents & Leases-Equipment	1,000	800	(200)	(20.00%)
51803 Other Contract Services	90,000	18,000	(72,000)	(80.00%)
51902 Telecommunication Usage	500	300	(200)	(40.00%)
51917 District Operations Charges	210,000	189,830	(20,170)	(9.60%)
51921 Equipment Usage Charges	20,000	23,205	3,205	16.03%
52141 Minor Equipment/Small Tools	500	0	(500)	(100.00%)
52142 Computer Equipment/Accessories	500	0	(500)	(100.00%)
52143 Computer Software/Licensing Fees	2,000	3,300	1,300	65.00%
52162 Special Departmental Expense	690,700	700,000	9,300	1.35%
52171 Water Conservation Program	2,500	5,000	2,500	100.00%
52193 Utilities	13,500	9,065	(4,435)	(32.85%)
52194 Utilities-Water	500	300	(200)	(40.00%)
<i>Subtotal Services and Supplies</i>	\$1,062,200	\$972,800	(\$89,400)	(8.42%)
<u>OTHER CHARGES</u>				
53402 Depreciation Expense	\$74,000	\$74,000	\$0	0.00%
<i>Subtotal Other Charges</i>	\$74,000	\$74,000	\$0	0.00%
<u>OTHER FINANCING USES</u>				
57011 Transfers out-within a Fund	\$150,000	\$60,000	(\$90,000)	(60.00%)
<i>Subtotal Other Financing Uses</i>	\$150,000	\$60,000	(\$90,000)	(60.00%)
<u>FIXED ASSETS</u>				
19820 Machinery & Equipment	\$0	\$0	\$0	N/A
19841 Acq-WIP-Intangible	5,000	5,000	0	0.00%
<i>Subtotal Fixed Assets</i>	\$5,000	\$5,000	\$0	0.00%
TOTAL EXPENDITURES	\$1,291,200	\$1,111,800	(\$179,400)	(13.89%)
TOTAL NET COST <i>(Expenditures Minus Revenues)</i>	\$17,515	\$33,610	\$16,095	91.89%

FY 2021-22 BUDGET CHARACTER JUSTIFICATION

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

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

40003 Direct Charges - CY

Flat charge revenue from annual service charges is expected to increase from the adopted FY20-21 budget. The rate will increase 4.0%, from \$1,628 to \$1,692.

ESDs times annual rate:	541.25	x	\$1,692		\$915,790
Less Estimated Delinquency Factor:			3.3%		(29,900)
					\$885,890

40202 Direct Charges - PY

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

40999 Penalties / Costs on Taxes

This item records penalties paid on delinquent sewer service charges.

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

44002 Interest on Pooled Cash

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

Estimated Average Cash Balance	\$250,000
Projected Interest Rate	1.00%
Projected/Planned Interest on Pooled Cash	\$2,500

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

45221 Sewer/Water Usage Fee

This account records annual sewer service charges for entities that are invoiced, rather than collected as flat charges on the tax roll, and for new hook-ups as they occur during the year. The Sanitation Rate Ordinance requires that charges be collected at the time permits are issued. The properties are then added to the tax roll master listing and collected through account 40003, Direct Charges-CY. In the following year based on projected FY 21-22 ESDs, the Zone will experience an increase in revenue from invoiced entities. The budgeted revenue reflects an increase in the annual sewer service charge from \$1,628 to \$1,692.

ESDs x Annual Charge	8.75	x	\$1,692	=	\$14,800
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Character Title: Miscellaneous Revenue **Character No.:** 44505-33120100-46

46022 Capital Grants State

This records an anticipated Caltrans reimbursement of a force main relocation project .

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

47101 Transfer in - W/in a Fund

This account records a transfer from SCWA General Fund to provide funds to operate the treatment plant.

FY 2021-22 BUDGET CHARACTER JUSTIFICATION

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

Character Title: Services and Supplies **Character No.:** 44505-33120100-51&52

51061 Maintenance - Equipment

This account records the cost for routine maintenance of equipment.
Planned non-routine work for FY 21-22 includes manhole rehabilitation & access gates (\$10,000).

51201 Administration Services

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

51211 Legal Services

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

51241 Outside Printing & Binding

This account represents the cost of printing services.

51244 Permits/License/Fees

This account records the cost of all permits.

51401 Rents/Leases-Equipment

This account represents the cost for rents and leases of equipment.

51803 Other Contract Services

This account reflects expenses for outside contract services as may be necessary.

Permitting Assistance	\$	8,000
Other Contract Services as-needed		10,000
	\$	18,000

51902 Telecommunication Usage

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

51917 District Operations Charges

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

51921 Equipment Usage Charges

This account records the cost of equipment usage.

52141 Minor Equipment/Small Tools

This account records the cost of minor equipment or small tools.

52142 Computer Equipment/Accessories

This account records the cost of various computer items.

52143 Computer Software/Licensing Fees

This item provides funds for various software packages.

52162 Special Departmental Expense

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

**FY 2021-22 BUDGET
CHARACTER JUSTIFICATION**

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

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

52171 Water Conservation Program

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

52193 Utilities

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

52194 Utilities Water

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

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

53402 Depreciation

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

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

19820 Machinery and Equipment

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

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

55011 Appropriations for Contingencies

This account provides funding for unanticipated expenditures or revenue shortfalls.

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

57011 Transfers out-within A Fund

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

FY 21-22 planned transfer for the Penngrove Lift Station Flood Resiliency Project (\$60,000).

FY 2021-22 BUDGET
STATEMENT OF SPECIAL FUND ACTIVITY

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

DESCRIPTION OF FUND ACTIVITY	Actual FY 19-20	Estimated FY 20-21	Requested FY 21-22
Undesignated/Unreserved <u>BEGINNING</u> Fund Balance			
Available for Budgeting (See Detailed Components Below)	\$94,034	\$243,582	\$290,521
Annual Revenues and Expenditures:			
Revenues - Increase fund balance	1,150,952	1,264,060	1,078,190
Expenditures - (Decrease) fund balance	(1,044,030)	(1,291,121)	(1,111,800)
Net Surplus or Deficit - Increase/(Decrease) to fund balance	<u>106,922</u>	<u>(27,061)</u>	<u>(33,610)</u>
Adjustments to Reserves/Encumbrances:			
53402 - Depreciation	49,532	74,000	74,000
Unrealized Gain/Loss	673	-	-
Change in prepaid expense	5,120		
Change in Encumbrance	(12,700)	-	-
Net Adjustment - Increase/(Decrease) to Fund Balance	<u>42,625</u>	<u>74,000</u>	<u>74,000</u>
Undesignated/Unreserved <u>ENDING</u> Fund Balance			
Available for Budgeting	\$243,582	\$290,521	\$330,911
Target Fund Balance	\$422,248	\$531,061	\$486,400
<i>Over/(Under) Target Fund Balance</i>	(\$178,666)	(\$240,539)	(\$155,489)
Total Increase/(Decrease) in Fund Balance for Fiscal Year <i>(Difference between Beginning and Ending Balance)</i>	\$149,548	\$46,939	\$40,390
<u>Fund Balance Components at Beginning of FY</u>	7/1/19	7/1/20	
Equity in Pooled Cash	\$462,215	\$811,856	
Accounts Receivable (AR Module)	16,413	-	
Other Receivables (Flat Charges)	13,166	15,943	
Retention Receivable	-	-	
Accounts Payable	-	-	
Vouchers Payable	(387,876)	(561,567)	
Prepaid Expense	-	-	
Due from State AR	66	-	
Encumbrances	(9,950)	(22,650)	
Total Beginning Fund Balance	<u>\$94,034</u>	<u>\$243,582</u>	

FY 2021-22 BUDGET
SUMMARY OF REVENUES AND EXPENDITURES

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

Account No. and Title	Adopted 2020-21	Requested 2021-22	Difference	Percent Change
REVENUES:				
<u>USE OF MONEY</u>				
44002 Interest on Pooled Cash	\$5,562	\$4,900	(\$662)	(11.90%)
Subtotal Use of Money	\$5,562	\$4,900	(\$662)	(11.90%)
<u>OTHER FINANCING SOURCES</u>				
47101 Trans in - Within a Fund	\$150,000	\$60,000	(\$90,000)	(60.00%)
Subtotal Other Financing Sources	\$150,000	\$60,000	(\$90,000)	(60.00%)
TOTAL REVENUES	\$155,562	\$64,900	(\$90,662)	(58.28%)
EXPENDITURES:				
<u>FIXED ASSETS</u>				
19831 CIP - Bldg & Impr	\$30,000	\$0	(\$30,000)	(100.00%)
19832 CIP - Infrastructure	124,140	193,118	68,978	55.56%
Subtotal Fixed Assets	\$154,140	\$193,118	\$38,978	25.29%
TOTAL EXPENDITURES	\$154,140	\$193,118	\$38,978	25.29%
TOTAL NET COST <i>(Expenditures Minus Revenues)</i>	(\$1,422)	\$128,218	\$129,640	(9116.74%)

FY 2021-22 BUDGET CHARACTER JUSTIFICATION

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

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

44002 Interest on Pooled Cash

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

Estimated Average Cash Balance	\$490,000
Projected Interest Rate	1.00%
Projected/Planned Interest on Pooled Cash	\$4,900

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

47101 Transfers In - within a Fund

This account reflects the transfer of cash from the Operations Fund to the Construction Fund to finance the capital replacement program. If the Operations Fund does not have sufficient cash available to finance planned capital projects, the transfer will not be made and any uncompleted projects will be rescheduled and rebudgeted in the next fiscal year. Planned FY 21/22 transfer of \$60,000.

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

19832 CIP - Infrastructure

This account reflects funds for replacement of lift station pumps (\$193,118).

FY 2021-22 BUDGET
STATEMENT OF SPECIAL FUND ACTIVITY

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

DESCRIPTION OF FUND ACTIVITY	Actual FY 19-20	Estimated FY 20-21	Requested FY 21-22
Undesignated/Unreserved <u>BEGINNING</u> Fund Balance			
Available for Budgeting (See Detailed Components Below)	\$332,080	\$410,765	\$196,426
Annual Revenues and Expenditures:			
Revenues - Increase fund balance	192,753	819,446	64,900
Expenditures - (Decrease) fund balance	(136,864)	(1,033,785)	(193,118)
Net Surplus or Deficit - Increase/(Decrease) to fund balance	<u>55,888</u>	<u>(214,339)</u>	<u>(128,218)</u>
Adjustments to Reserves/Encumbrances:			
Change in Encumbrances	21,704	-	-
Unrealized Gain/Loss	1,093	-	-
Net Adjustment - Increase/(Decrease) to Fund Balance	<u>22,797</u>	<u>-</u>	<u>-</u>
Undesignated/Unreserved <u>ENDING</u> Fund Balance			
Available for Budgeting	\$410,765	\$196,426	\$68,208
Total Increase/(Decrease) in Fund Balance for Fiscal Year <i>(Difference between Beginning and Ending Balance)</i>	\$78,685	(\$214,339)	(\$128,218)
<u>Fund Balance Components at Beginning of FY</u>	<u>7/1/19</u>	<u>7/1/20</u>	
Equity in Pooled Cash	\$398,690	\$413,975	
Retention Receivable	3,209	3,209	
Due from Federal AR	4,435	33,763	
Vouchers Payable	(26,335)	(13,966)	
Encumbrances	(47,919)	(26,215)	
Total Beginning Fund Balance	<u>\$332,080</u>	<u>\$410,766</u>	