

# FY 2023-24 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 22-23 Adopted	FY 23-24 Requested	Percent Change	FY 22-23 Adopted	FY 23-24 Requested	Percent Change
Operations	\$2,459,538	\$1,659,500	(32.53%)	(\$50,347)	\$135,380	(368.89%)
Construction	495,000	989,021	99.80%	(106,046)	(768,479)	624.67%
<b>TOTAL:</b>	<b>\$2,954,538</b>	<b>\$2,648,521</b>	<b>(10.36%)</b>	<b>(\$156,393)</b>	<b>(\$633,099)</b>	<b>304.81%</b>

**C. Staffing Summary**

No staffing is allocated to this fund.

**D. Workload Summary**

Workload Indicator	FY 21-22 Actual	FY 22-23 Budget Estimate	FY 22-23 Revised Estimate	FY 23-24 Projected	Change from FY 22-23 Budget Estimate
Total ESDs	273	273	273	273	0.00%
Total APNs	99	99	99	99	0.00%

**E. Summary of Issues and Significant Changes**

The requested rate per equivalent single family dwelling (ESD) for FY 23-24 annual service charges is \$2,866 representing a 4.9% increase from FY 22-23. Annual sewer service charge revenue, adjusted for the anticipated number of ESDs and an estimated delinquency factor, is projected to increase from the FY 22-23 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 23-24 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 2023-24 BUDGET**  
**BUDGET SECTION SUMMARY**

Section Title:

<b>OCCIDENTAL COUNTY SANITATION DISTRICT</b>
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**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 2023-24 BUDGET**  
**SUMMARY OF REVENUES AND EXPENDITURES**

**Fund: OCCIDENTAL CSD - OPERATIONS**

**Fund/Department ID: 43101-33060100**

Account No. and Title	Adopted 2022-23	Requested 2023-24	Difference	Percent Change
<b>REVENUES:</b>				
<b><u>TAXES</u></b>				
40003 Direct Charges-CY	\$305,025	\$319,900	\$14,875	4.88%
40202 Direct Charges - PY	0	0	0	N/A
40999 Penalties/Costs on Taxes	0	0	0	N/A
<b>Subtotal Taxes</b>	<b>\$305,025</b>	<b>\$319,900</b>	<b>\$14,875</b>	<b>4.88%</b>
<b><u>INTERGOVERNMENTAL</u></b>				
42358 State Other Funding	\$0	\$0	\$0	N/A
42461 Federal Other Funding	15,000	0	(15,000)	(100.00%)
42610 Other Government Agencies	2,100,000	1,100,000	(1,000,000)	(47.62%)
<b>Subtotal Intergovernmental</b>	<b>\$2,115,000</b>	<b>\$1,100,000</b>	<b>(\$1,015,000)</b>	<b>(47.99%)</b>
<b><u>USE OF MONEY</u></b>				
44002 Interest on Pooled Cash	\$2,160	\$15,000	\$12,840	594.44%
<b>Subtotal Use of Money</b>	<b>\$2,160</b>	<b>\$15,000</b>	<b>\$12,840</b>	<b>594.44%</b>
<b><u>CHARGES FOR SERVICES</u></b>				
45221 Sewer/Water Usage Fee	\$87,700	\$89,220	\$1,520	1.73%
<b>Subtotal Charges for Services</b>	<b>\$87,700</b>	<b>\$89,220</b>	<b>\$1,520</b>	<b>1.73%</b>
<b>TOTAL REVENUES</b>	<b>\$2,509,885</b>	<b>\$1,524,120</b>	<b>(\$985,765)</b>	<b>(39.28%)</b>

**EXPENDITURES:**

**SERVICES AND SUPPLIES**

51061 Maintenance - Equipment	\$485,000	\$250,000	(\$235,000)	(48.45%)
51201 Administration Services	5,100	3,000	(2,100)	(41.18%)
51205 Advertising/Marketing	200	100	(100)	(50.00%)
51206 Accounting/Auditing Services	9,900	10,100	200	2.02%
51211 Legal Services	3,000	2,000	(1,000)	(33.33%)
51231 Testing/Analysis	11,000	5,000	(6,000)	(54.55%)
51241 Outside Printing & Binding	500	100	(400)	(80.00%)
51244 Permits/License/Fees	10,000	12,400	2,400	24.00%
51401 Rents & Leases-Equipment	5,400	500	(4,900)	(90.74%)
51601 Training/Conference Expenses	0	250	250	N/A
51803 Other Contract Services	208,800	80,000	(128,800)	(61.69%)
51902 Telecommunication Usage	800	500	(300)	(37.50%)
51916 County Services	6,000	3,500	(2,500)	(41.67%)
51917 District Operations Chgs	685,238	650,000	(35,238)	(5.14%)

**FY 2023-24 BUDGET**  
**SUMMARY OF REVENUES AND EXPENDITURES**

**Fund: OCCIDENTAL CSD - OPERATIONS**

**Fund/Department ID: 43101-33060100**

Account No. and Title	Adopted 2022-23	Requested 2023-24	Difference	Percent Change
<b><u>EXPENDITURES:</u></b>				
<b><u>SERVICES AND SUPPLIES (Contd.)</u></b>				
51921 Equipment Usage Charges	213,000	121,750	(91,250)	(42.84%)
52071 Materials and Supplies Expense	500	700	200	40.00%
52081 Medical/Lab Supplies	50	50	0	0.00%
52091 Memberships/Certifications	50	50	0	0.00%
52141 Minor Equipment/Small Tools	3,000	3,000	0	0.00%
52171 Water Conservation Prog	2,000	2,000	0	0.00%
52193 Utilities-Power	24,000	30,000	6,000	25.00%
<b><i>Subtotal Services and Supplies</i></b>	<b><u>\$1,673,538</u></b>	<b><u>\$1,175,000</u></b>	<b><u>(\$498,538)</u></b>	<b><u>(29.79%)</u></b>
 <b><u>OTHER CHARGES</u></b>				
53402 Depreciation Expense	\$171,000	\$175,000	\$4,000	2.34%
53501 Contributions/Donations	0	7,000	7,000	N/A
<b><i>Subtotal Other Charges</i></b>	<b><u>\$171,000</u></b>	<b><u>\$182,000</u></b>	<b><u>\$11,000</u></b>	<b><u>6.43%</u></b>
 <b><u>OTHER FINANCING USES</u></b>				
57011 Transfers out-within a Fund	\$600,000	\$300,000	(\$300,000)	(50.00%)
<b><i>Subtotal Other Financing Uses</i></b>	<b><u>\$600,000</u></b>	<b><u>\$300,000</u></b>	<b><u>(\$300,000)</u></b>	<b><u>(50.00%)</u></b>
 <b><u>FIXED ASSETS</u></b>				
19840 Acq-WIP-Equipment	\$15,000	\$2,500	(\$12,500)	(83.33%)
<b><i>Subtotal Fixed Assets</i></b>	<b><u>\$15,000</u></b>	<b><u>\$2,500</u></b>	<b><u>(\$12,500)</u></b>	<b><u>(83.33%)</u></b>
<b>TOTAL EXPENDITURES</b>	<b><u>\$2,459,538</u></b>	<b><u>\$1,659,500</u></b>	<b><u>(\$800,038)</u></b>	<b><u>(32.53%)</u></b>
<b>TOTAL NET COST</b> <i>(Expenditures Minus Revenues)</i>	<b><u>(\$50,347)</u></b>	<b><u>\$135,380</u></b>	<b><u>\$185,727</u></b>	<b><u>(368.89%)</u></b>

## FY 2023-24 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 22-23 budget. The rate will increase 4.9% from \$2,732 to \$2,866.

ESDs times annual rate:	118 x	\$2,866	\$338,200
Less Estimated Delinquency Factor:	5.4%		(18,300)
			\$319,900

(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

**42461 Federal Other Funding**

This records an anticipated reimbursement of a Local Hazard Mitigation Plan grant.

**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.

Estimated Average Cash Balance		\$600,000
Projected Interest Rate		2.50%
Projected/Planned Interest on Pooled Cash		\$15,000

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 23-24 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 \$2,732 to \$2,866.

ESDs x Annual Charge	31.1	x	\$2,866	=	\$89,220
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# FY 2023-24 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.

FY 23-24 Planned Maintenance-Equipment:

Pond Level Controls	\$20,000
Update Lift Station Manual	20,000
Pond Treatment	40,000
Disposal Fees (annual charge)	170,000
	\$250,000

**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.

**51401 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:

FY 23-24 Planned Contract Services:

Multi-year agreement - audit	25,000
Planning	30,000
Regulatory Permitting Assistance	10,000
TPW Pavement Preservation	15,000
	80,000

**FY 2023-24 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.

***51921 Equipment Usage Charges***

This item is requested to provide funds for equipment usage.

***52081 Medical/Lab Supplies***

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

***52091 Memberships/Certifications***

This account records membership dues/certificates.

***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.

***53501 Contributions***

This account records SCADA allocations of \$7,000 for FY23-24.

**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. FY 23-24 planned transfer of \$300,000 for Occidental-Graton Pipeline Project.

**FY 2023-24 BUDGET**  
**CHARACTER JUSTIFICATION**

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

**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 2023-24 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 21-22	Estimated FY 22-23	Requested FY 23-24
<b>Undesignated/Unreserved <u>BEGINNING</u> Retained Earnings</b>			
<b>Available for Budgeting (See Detailed Components Below)</b>	<b>\$719,985</b>	<b>\$246,777</b>	<b>\$468,124</b>
<b>Annual Revenues and Expenditures:</b>			
Revenues - Increase retained earnings	1,322,691	2,509,885	1,524,120
Expenditures - (Decrease) retained earnings	(2,149,169)	(2,459,538)	(1,659,500)
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<b>Net Surplus or Deficit - Inc/(Dec) to retained earnings</b>	<b>(826,478)</b>	<b>50,347</b>	<b>(135,380)</b>
<b>Adjustments to Reserves/Encumbrances:</b>			
Depreciation (53402)	161,595	171,000	175,000
Post Audit Adjustment	-	-	-
Unrealized Gain/loss	7,547	-	-
Change in Encumbrance	184,128	-	-
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<b>Net Adjustment - Increase/(Decrease) to Retained Earnings</b>	<b>353,270</b>	<b>171,000</b>	<b>175,000</b>
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<b>Undesignated/Unreserved <u>ENDING</u> Retained Earnings</b>			
<b>Available for Budgeting</b>	<b>\$246,777</b>	<b>\$468,124</b>	<b>\$507,744</b>
<b>Target Fund Balance</b>	<b>\$643,660</b>	<b>\$792,452</b>	<b>\$587,500</b>
<i>Over/(Under) Target Fund Balance</i>	(\$396,883)	(\$324,327)	(\$79,756)
<b>Total Increase/(Decrease) in Retained Earnings for Fiscal Year</b>			
<i>(Difference between Beginning and Ending Balance)</i>	<b>(\$473,208)</b>	<b>\$221,347</b>	<b>\$39,620</b>
<b><u>Retained Earnings Components at Beginning of FY</u></b>	<b>7/1/2021</b>	<b>7/1/2022</b>	
Cash	\$904,475	\$248,581	
Other Receivables (Flat Charges)	57,241	27,084	
Accounts Payable	(39,050)	-	
Accounts Receivable	30,550	24,844	
Retention Receivable	13	-	
Due from Other Governments	-	(10,737)	
Encumbrances	(209,198)	(25,070)	
Vouchers Payable	(24,046)	(17,925)	
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<b>Total Beginning Retained Earnings</b>	<b>\$ 719,985</b>	<b>\$ 246,777</b>	

**FY 2023-24 BUDGET**  
**SUMMARY OF REVENUES AND EXPENDITURES**

**Fund: OCCIDENTAL CSD - CONSTRUCTION**

**Fund/Department ID: 43102-33060200**

Account No. and Title	Adopted 2022-23	Requested 2023-24	Difference	Percent Change
<b>REVENUES:</b>				
<b><u>USE OF MONEY</u></b>				
44002 Interest on Pooled Cash	\$1,046	\$7,500	\$6,454	617.02%
<b>Subtotal Use of Money</b>	<b>\$1,046</b>	<b>\$7,500</b>	<b>\$6,454</b>	<b>617.02%</b>
<b><u>MISCELLANEOUS REVENUE</u></b>				
46021 Capital Grants-Federal	\$0	\$0	\$0	N/A
42461 Federal Other Funding	0	1,450,000	1,450,000	N/A
<b>Subtotal Miscellaneous Revenue</b>	<b>\$0</b>	<b>\$1,450,000</b>	<b>\$1,450,000</b>	<b>N/A</b>
<b><u>OTHER FINANCING SOURCES</u></b>				
47101 Transfers In -within a Fund	\$600,000	\$300,000	(\$300,000)	(50.00%)
<b>Subtotal Other Financing Sources</b>	<b>\$600,000</b>	<b>\$300,000</b>	<b>(\$300,000)</b>	<b>(50.00%)</b>
<b>TOTAL REVENUES</b>	<b>\$601,046</b>	<b>\$1,757,500</b>	<b>\$1,156,454</b>	<b>192.41%</b>
<b>EXPENDITURES:</b>				
<b><u>FIXED ASSETS</u></b>				
19832 CIP - Infrastructure	\$495,000	\$989,021	\$494,021	99.80%
<b>Subtotal Fixed Assets</b>	<b>\$495,000</b>	<b>\$989,021</b>	<b>\$494,021</b>	<b>99.80%</b>
<b>TOTAL EXPENDITURES</b>	<b>\$495,000</b>	<b>\$989,021</b>	<b>\$494,021</b>	<b>99.80%</b>
<b>TOTAL NET COST</b> <i>(Expenditures Minus Revenues)</i>	<b>(\$106,046)</b>	<b>(\$768,479)</b>	<b>(\$662,433)</b>	<b>624.67%</b>

**FY 2023-24 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	\$300,000
Projected Interest Rate	2.50%
Projected/Planned Interest on Pooled Cash	\$7,500

**Character Title:** Intergovernmental Revenues **Character No.:** 43102-33060200-42

**42461 Federal Other Funding**

This account records Federal grants anticipated to fund Occidental-Graton Pipeline project.

**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 \$300,000 for FY 23-24.

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

**19832 CIP-Infrastructure**

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

<u>Planned Projects for FY 23-24:</u>	<b>Project No.</b>	<b>Amount</b>	
Automation Project	O0053	\$150,000	NT
Occidental-Graton Pipeline	O0058/59/60	839,021	PH

**FY 2023-24 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 21-22	Estimated FY 22-23	Requested FY 23-24
<b>Undesignated/Unreserved <u>BEGINNING</u> Retained Earnings</b>			
<b>Available for Budgeting</b> (See Detailed Components Below)	<b>\$113,349</b>	<b>\$764,130</b>	<b>\$510,997</b>
<b>Annual Revenues and Expenditures:</b>			
Revenues - Increase retained earnings	710,295	\$601,046	1,757,500
Expenditures - (Decrease) retained earnings	(90,820)	(\$854,179)	(989,021)
<b>Net Surplus or Deficit</b> - Inc/(Dec) to retained earnings	619,474	(253,133)	768,479
<b>Adjustments to Reserves/Encumbrances:</b>			
Change in Encumbrance	28,794	-	-
Post Audit Adjustment	-	-	-
Unrealized Gain/loss	2,513	-	-
<b>Net Adjustment</b> - Increase/(Decrease) to Retained Earnings	31,307	-	-
<b>Undesignated/Unreserved <u>ENDING</u> Retained Earnings</b>			
<b>Available for Budgeting</b>	<b>\$764,130</b>	<b>\$510,997</b>	<b>\$1,279,476</b>
<b>Total Increase/(Decrease) in Retained Earnings for Fiscal Year</b> <i>(Difference between Beginning and Ending Balance)</i>	<b>\$650,781</b>	<b>(\$253,133)</b>	<b>\$768,479</b>
<b><u>Retained Earnings Components at Beginning of FY</u></b>	<b>7/1/2021</b>	<b>7/1/2022</b>	
Cash	\$154,234	\$764,131	
Vouchers Payable	-	-	
Accounts Payable	-	-	
Retention Payable	(12,091)	-	
Encumbrances	(28,794)	-	
<b>Total Beginning Retained Earnings</b>	<b>\$113,349</b>	<b>\$764,131</b>	