

FY 2023-24 BUDGET

BUDGET SECTION SUMMARY

Section Title:

SANITATION ZONE - SEA RANCH

A. Program Description

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

B. Financial Summary

Section	GROSS EXPENDITURES			NET COST/USE OF FUND BALANCE		
	FY 22-23 Adopted	FY 23-24 Requested	Percent Change	FY 22-23 Adopted	FY 23-24 Requested	Percent Change
Operations	\$1,238,500	\$898,500	(27.45%)	\$192,360	(\$40,080)	(120.84%)
Construction	360,000	50,000	(86.11%)	234,256	6,125	(97.39%)
TOTAL:	\$1,598,500	\$948,500	(40.66%)	\$426,616	(\$33,955)	(107.96%)

C. Staffing Summary

No staffing is allocated to this index.

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	611	611	612	622	1.80%
Total APNs	606	607	614	614	1.15%

E. Summary of Issues and Significant Changes

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

The requested rate per ESD for FY 23-24 annual sewer service charge is \$1,524 representing a 8.9% increase from FY 22-23.

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

Account No. and Title	Adopted 2022-23	Requested 2023-24	Difference	Percent Change
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REVENUES:

TAXES

40003 Direct Charges - CY	\$828,600	\$914,980	\$86,380	10.42%
40202 Direct Charges - PY	1,000	1,000	0	0.00%
40999 Penalties/Costs on Taxes	100	100	0	0.00%
Subtotal Taxes	\$829,700	\$916,080	\$86,380	10.41%

INTERGOVERNMENTAL REVENUES

42461 Federal Other Funding	\$15,000	\$15,000	0	0.00%
Subtotal Intergovernmental Revenues	\$15,000	\$15,000	\$0	0.00%

USE OF MONEY

44002 Interest on Pooled Cash	\$1,440	\$7,500	6,060	420.83%
Subtotal Use of Money	\$1,440	\$7,500	\$6,060	420.83%

OTHER FINANCING

47102 Transfers In - btwn Govtl Funds	\$200,000	\$0	(200,000)	(100.00%)
Subtotal Charges for Other Financing	\$200,000	\$0	(\$200,000)	(100.00%)

TOTAL REVENUES	\$1,046,140	\$938,580	(\$107,560)	(10.28%)
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EXPENDITURES:

SERVICES AND SUPPLIES

51061 Maintenance - Equipment	\$500	\$7,000	\$6,500	1300.00%
51201 Administration Services	6,800	7,100	300	4.41%
51205 Advertising/Marketing Services	0	200	200	N/A
51211 Legal Services	400	1,400	1,000	250.00%
51241 Outside Printing & Binding	500	500	0	0.00%
51244 Permits/License/Fees	44,200	50,500	6,300	14.25%
51401 Rents & Leases - Equipment	0	100	100	N/A
51803 Other Contract Services	754,500	566,500	(188,000)	(24.92%)
51902 Telecommunications Usage	2,700	2,000	(700)	(25.93%)
51917 District Operations Charges	141,400	138,000	(3,400)	(2.40%)
51921 Equipment Usage Charges	2,000	3,200	1,200	60.00%
52141 Minor Equipment/Small Tools	0	500	500	N/A
52171 Water Conservation Program	500	500	0	0.00%
52191 Utilities	13,000	13,000	0	0.00%
Subtotal Services and Supplies	\$966,500	\$790,500	(\$176,000)	(18.21%)

FY 2023-24 BUDGET
SUMMARY OF REVENUES AND EXPENDITURES

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

Account No. and Title	Adopted 2022-23	Requested 2023-24	Difference	Percent Change
<u>OTHER CHARGES</u>				
53402 Depreciation Expense	\$77,000	\$63,000	(\$14,000)	(18.18%)
Subtotal Other Charges	\$77,000	\$63,000	(\$14,000)	(18.18%)
<u>OTHER FINANCING USES</u>				
57011 Transfers out-within a Fund	\$125,000	\$40,000	(\$85,000)	(68.00%)
Subtotal Other Financing Uses	\$125,000	\$40,000	(\$85,000)	(68.00%)
<u>FIXED ASSETS</u>				
19840 Acq-WIP-Equipment	\$60,000	\$5,000	(\$55,000)	(91.67%)
19841 Work in Progress - Intang	10,000	0	(10,000)	(100.00%)
Subtotal Fixed Assets	\$70,000	\$5,000	(\$65,000)	(92.86%)
TOTAL EXPENDITURES	\$1,238,500	\$898,500	(\$215,000)	(17.36%)
TOTAL NET COST <i>(Expenditures Minus Revenues)</i>	\$192,360	(\$40,080)	(\$232,440)	(120.84%)

FY 2023-24 BUDGET CHARACTER JUSTIFICATION

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

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

40003 Direct Charges - CY

Flat charge revenue from annual sewer service charges is expected to increase from the adopted FY 22-23 budget. The rate will increase 8.9%, from \$1,400 to \$1,524.

ESDs times annual rate:	620 x \$1,524	\$944,880
Less Estimated Delinquency Factor:	3.0%	<u>(28,800)</u>
		\$916,080

40202 Direct Charges - PY

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

40999 Penalties / Costs on Taxes

This item records penalties paid on delinquent sewer service charges.

Character Title: Use of Money **Character No.:** 44405-33130100-44

44002 Interest on Pooled Cash

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

Estimated Average Cash Balance	\$300,000
Projected Interest Rate	<u>2.50%</u>
Projected/Planned Interest on Pooled Cash	\$7,500

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

45221 Sewer/Water Usage Fee

This account is used to record annual sewer service charges for entities that are invoiced, rather than collected as flat charges on the tax roll, and for new hook-ups as they occur during the year. The Sanitation Rate Ordinance requires that charges be collected at the time permits are issued. The properties are then added to the tax roll master listing and collected through account 40003 Direct Charges-CY.

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

FY 2023-24 BUDGET CHARACTER JUSTIFICATION

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

Character Title: Other Financing

Character No.: 44405-33130100-47

47102 Transfers In - btwn Govtl Funds

There is a no planned operating transfer for FY 23-24.

Character Title: Services and Supplies

Character No.: 44405-33130100-51 & 52

51061 Maintenance - Equipment

This account records the costs for routine maintenance of equipment.

51201 Administration Services

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

51205 Advertising/Marketing Svc

This account covers the costs of advertisements and other marketing services.

51211 Legal Services

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

51241 Outside Printing & Binding

This account represents the cost of printing services.

51244 Permits/License/Fees

This account records the cost of all permits.

51401 Rents/Leases-Equipment

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

51803 Other Contract Services

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

The Sea Ranch Water Company will operate both the North and Central treatment plants.

The Gualala Community Service District will treat raw wastewater for the North Sea Ranch treatment plant.

FY 23-24 Planned Contract Services:

Sea Ranch Water Company/Gualala Community Service District	\$ 500,000
Planning	20,000
Tree Removal	30,000
Regulatory Permitting Assistance	10,000
	\$ 560,000

51902 Telecommunication Usage

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

FY 2023-24 BUDGET CHARACTER JUSTIFICATION

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

51917 District Operations Charges

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

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

51921 Equipment Usage Charges

This account represents funds for equipment usage.

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 payments made for utilities such as gas and water.

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

53402 Depreciation

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

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

57011 Transfers out-within A Fund

This account reflects the transfer of cash from the Operations Fund to the Construction Fund to finance the Capital Replacement Program. If the Operations Fund does not have sufficient cash available to finance planned capital projects, the transfer will not be made and any uncompleted projects will be rescheduled and rebudgeted in the next fiscal year. There is a planned transfer in FY 23-24 in the amount of \$40,000 for the capital Influent Creek Crossing project.

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

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 23-24 includes budget for Right of Way request.

19841 Work in Progress - Intangible

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

FY 2023-24 BUDGET
STATEMENT OF SPECIAL FUND ACTIVITY

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

DESCRIPTION OF FUND ACTIVITY	Actual FY 21-22	Estimated FY 22-23	Requested FY 23-24
Undesignated/Unreserved <u>BEGINNING</u> Fund Balance			
Available for Budgeting (See Detailed Components Below)	\$488,342	\$555,802	\$300,442
Annual Revenues and Expenditures:			
Revenues - Increase fund balance	769,920	1,046,140	938,580
Expenditures - (Decrease) fund balance	(757,987)	(1,378,500)	(898,500)
Net Surplus or Deficit - Increase/(Decrease) to fund balance	11,933	(332,360)	40,080
Adjustments to Reserves/Encumbrances:			
Depreciation (53402)	31,336	77,000	63,000
Unrealized Gain/Loss	23,766	-	-
Post Audit Adjustment	-		
Change in Encumbrance	425	-	-
Net Adjustment - Increase/(Decrease) to Fund Balance	55,527	77,000	63,000
Undesignated/Unreserved <u>ENDING</u> Fund Balance			
Available for Budgeting	\$555,802	\$300,442	\$403,522
Target Fund Balance	\$363,326	\$573,087	\$395,250
<i>Over/(Under) Target Fund Balance</i>	\$192,477	(\$272,645)	\$8,272
Total Increase/(Decrease) in Fund Balance for Fiscal Year <i>(Difference between Beginning and Ending Balance)</i>	\$67,459	(\$255,360)	\$103,080
<u>Fund Balance Components at Beginning of FY</u>	7/1/2021	7/1/2022	
Equity in Pooled Cash	\$564,936	\$672,642	
Other Receivables	15,738	13,169	
Vouchers Payable	(68,740)	(327)	
Accounts Payable	(14,310)	(111,500)	
Due to Federal	-	(6,154)	
Unearned Revenue	-	(3,158)	
Encumbrances	(9,282)	(8,870)	
Total Beginning Fund Balance	\$488,342	\$555,802	

FY 2023-24 BUDGET
SUMMARY OF REVENUES AND EXPENDITURES

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

Account No. and Title	Adopted 2022-23	Requested 2023-24	Difference	Percent Change
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REVENUES:

USE OF MONEY

44002 Interest on Pooled Cash	\$744	\$3,875	\$3,131	420.83%
Subtotal Use of Money	\$744	\$3,875	\$3,131	420.83%

OTHER FINANCING SOURCES

47101 Trans in - Within a Fund	\$125,000	\$40,000	(\$85,000)	(68.00%)
Subtotal Other Financing Sources	\$125,000	\$40,000	(\$85,000)	(68.00%)

TOTAL REVENUES	\$125,744	\$43,875	(\$81,869)	(65.11%)
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EXPENDITURES:

FIXED ASSETS

19832 CIP- Infrastructure	\$360,000	\$50,000	(\$310,000)	(86.11%)
Subtotal Fixed Assets	\$360,000	\$50,000	(\$310,000)	(86.11%)

TOTAL EXPENDITURES	\$360,000	\$50,000	(\$310,000)	(86.11%)
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TOTAL NET COST	\$234,256	\$6,125	(\$228,131)	(97.39%)
<i>(Expenditures Minus Revenues)</i>				

FY 2023-24 BUDGET CHARACTER JUSTIFICATION

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

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

44002 Interest on Pooled Cash

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

Estimated Average Cash Balance	\$155,000
Projected Interest Rate	<u>2.50%</u>
Projected/Planned Interest on Pooled Cash	\$3,875

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

47101 Trans in - Within A Fund

This account reflects the transfer of cash from the Operations Fund to the Construction Fund to finance the capital replacement program. There is a planned transfer for FY 23-24 in the amount of \$40,000 for the Crossing project.

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

19832 CIP - Infrastructure

This account is used for expenses associated with future facility upgrades. Planned construction projects for FY 23-24 include the Influent Creek Crossing (\$50,000).

FY 2023-24 BUDGET
STATEMENT OF SPECIAL FUND ACTIVITY

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

DESCRIPTION OF FUND ACTIVITY	Actual FY 21-22	Estimated FY 22-23	Requested FY 23-24
Undesignated/Unreserved <u>BEGINNING</u> Fund Balance			
Available for Budgeting (See Detailed Components Below)	\$583,747	\$483,298	\$99,042
Annual Revenues and Expenditures:			
Revenues - Increase fund balance	(\$13,638)	\$125,744	\$43,875
Expenditures - (Decrease) fund balance	(103,400)	(\$510,000)	(50,000)
Net Surplus or Deficit - Increase/(Decrease) to fund balance	(117,038)	(384,256)	(6,125)
Adjustments to Reserves/Encumbrances:			
Unrealized Gain/Loss	16,589	-	-
Net Adjustment - Increase/(Decrease) to Fund Balance	16,589	-	-
Undesignated/Unreserved <u>ENDING</u> Fund Balance			
Available for Budgeting	\$483,298	\$99,042	\$92,917
Total Increase/(Decrease) in Fund Balance for Fiscal Year <i>(Difference between Beginning and Ending Balance)</i>	(\$100,449)	(\$384,256)	(\$6,125)
<u>Fund Balance Components at Beginning of FY</u>	7/1/2021	7/1/2022	
Cash	\$583,747	\$483,298	
Encumbrances	-	-	
Total Beginning Fund Balance	\$583,747	\$483,298	