

FY 2025-26 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 24-25 Adopted	FY 25-26 Requested	Percent Change	FY 24-25 Adopted	FY 25-26 Requested	Percent Change
Operations	\$1,616,428	\$1,409,387	(12.81%)	\$378	(\$98,333)	(26114.02%)
Bonds	0	0	N/A	0	0	N/A
Construction	0	550,000	N/A	(26,000)	532,180	(2146.85%)
TOTAL:	\$1,616,428	\$1,959,387	21.22%	(\$25,622)	\$433,847	(1793.26%)

C. Staffing Summary

No staffing is allocated to this index.

D. Workload Summary

Workload Indicator	FY 23-24 Actual	FY 24-25 Budget Estimate	FY 24-25 Revised Estimate	FY 25-26 Projected	Change from FY 24-25 Budget Estimate
Total ESDs	553	554	562	556	0.36%
Total APNs	380	381	381	379	(0.52%)

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 25-26 annual sewer service charges for Penngrove SZ is \$2,298 per ESD, which represents a 7.8% increase over FY 24-25.

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 2025-26 BUDGET
SUMMARY OF REVENUES AND EXPENDITURES

Fund: SANITATION ZONE 1 - PENNGROVE - OPERATIONS

Fund/Department ID: 44505-33120100

Account No. and Title	Adopted 2024-25	Requested 2025-26	Difference	Percent Change
REVENUES:				
<u>TAXES</u>				
40003 Direct Charges-CY	\$1,031,350	\$1,087,100	\$55,750	5.41%
40202 Direct Charges - PY	2,000	0	(2,000)	(100.00%)
40999 Penalties/Costs on Taxes	1,000	0	(1,000)	(100.00%)
Subtotal Taxes	\$1,034,350	\$1,087,100	\$52,750	5.10%
<u>INTERGOVERNMENTAL REVENUE</u>				
42461 Federal Funding	\$0	\$0	\$0	N/A
Subtotal Intergovernmental Revenue	\$0	\$0	\$0	N/A
<u>USE OF MONEY</u>				
44002 Interest on Pooled Cash	\$13,000	\$10,920	(\$2,080)	(16.00%)
Subtotal Use of Money	\$13,000	\$10,920	(\$2,080)	(16.00%)
<u>CHARGES FOR SERVICES</u>				
45221 Sewer/Water Usage Fee	\$18,700	\$19,700	\$1,000	5.35%
Subtotal Charges for Services	\$18,700	\$19,700	\$1,000	5.35%
<u>OTHER FINANCING SOURCES</u>				
47101 Trans in - Within a Fund	\$550,000	\$390,000	(\$160,000)	(29.09%)
Subtotal Other Financing Sources	\$550,000	\$390,000	(\$160,000)	(29.09%)
TOTAL REVENUES	\$1,616,050	\$1,507,720	(\$108,330)	(6.70%)

EXPENDITURES:

SERVICES AND SUPPLIES

51061 Maintenance - Equipment	\$347,000	\$15,000	(\$332,000)	(95.68%)
51201 Administration Services	7,950	10,000	2,050	25.79%
51211 Legal Services	200	2,400	2,200	1100.00%
51241 Outside Printing & Binding	0	0	0	N/A
51244 Permits/License/Fees	2,440	4,000	1,560	63.93%
51401 Rents & Leases-Equipment	0	350	350	N/A
51509 SCADA	64,378	63,400	(978)	(1.52%)
51803 Other Contract Services	114,250	350,500	236,250	206.78%
51902 Telecommunication Usage	300	300	0	0.00%
51917 District Operations Charges	230,180	68,467	(161,713)	(70.26%)
51921 Equipment Usage Charges	20,780	22,370	1,590	7.65%
52143 Computer Software/Licensing Fees	2,000	2,000	0	0.00%
52162 Special Departmental Expense	671,150	720,800	49,650	7.40%
52171 Water Conservation Program	1,000	200	(800)	(80.00%)
52193 Utilities	10,500	11,600	1,100	10.48%
52194 Utilities-Water	300	300	0	0.00%
Subtotal Services and Supplies	\$1,472,428	\$1,271,687	(\$200,741)	(13.63%)

FY 2025-26 BUDGET
SUMMARY OF REVENUES AND EXPENDITURES

Fund: **SANITATION ZONE 1 - PENNGROVE - OPERATIONS**

Fund/Department ID: **44505-33120100**

Account No. and Title	Adopted 2024-25	Requested 2025-26	Difference	Percent Change
<u>OTHER CHARGES</u>				
53402 Depreciation Expense	\$129,000	\$129,000	\$0	0.00%
53501 Contributions	0	2,000	2,000	N/A
<i>Subtotal Other Charges</i>	<u>\$129,000</u>	<u>\$131,000</u>	<u>\$2,000</u>	<u>1.55%</u>
<u>OTHER FINANCING USES</u>				
57011 Transfers out-within a Fund	\$0	\$0	\$0	N/A
<i>Subtotal Other Financing Uses</i>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>N/A</u>
<u>FIXED ASSETS</u>				
19841 Acq-WIP-Intangible	15,000	6,700	(8,300)	(55.33%)
<i>Subtotal Fixed Assets</i>	<u>\$15,000</u>	<u>\$6,700</u>	<u>(\$8,300)</u>	<u>(55.33%)</u>
TOTAL EXPENDITURES	\$1,616,428	\$1,409,387	(\$207,041)	(12.81%)
TOTAL NET COST <i>(Expenditures Minus Revenues)</i>	\$378	(\$98,333)	(\$98,711)	(26114.02%)

FY 2025-26 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 FY 24-25 budget. The rate will increase 7.8%, from \$2,132 to \$2,298.

ESDs times annual rate:	478.76	x	\$2,298		#####
Less Estimated Delinquency Factor:	1.2%				(13,090)
					#####

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			\$364,000
Projected Interest Rate			3.00%
Projected/Planned Interest on Pooled Cash			\$10,920

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 25-26 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 \$2,132 to \$2,298

ESDs x Annual Charge	8.58	x	\$2,298	=	\$19,700
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Character Title: Other Financing Character No.: 44405-33120100-47

47102 Transfers In - btwn Govtl Funds

There is a planned operating transfer for FY 25-26 in the amount of: \$390,000

FY 2025-26 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.
The following projects are planned for the forthcoming year:

FY 25-26 Planned Maintenance-Equipment:

Manhole rehabilitation & access gates	P0007M001	DC	\$ 10,000
Flood Barrier at Lift Station Gate & Door			5,000
			\$ 15,000

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.

51244 Permits/License/Fees

This account records the cost of all permits.

51509 SCADA

This account records SCADA allocations FY25-26.

SCADA		\$ 63,400
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51803 Other Contract Services

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

FY 25-26 Planned Contract Services:

Collection System Inspection	DC		\$ 3,500
Collection System Rehabilitation and Repairs	DC		50,000
Manhole rehabilitation in Flood Zone			100,000
Sanitation Planning	KB		20,000
SMART Lids monitoring	DC		5,000
Arc Flash Studies	SG		11,500
Sanitation Code & Standards Update	BD		20,000
SECAP Update	KB		30,000
Leete Generator Electroical As Needed	UO		\$ 3,500
Waste Hauling	DB		\$ 100,000
Rate Study			7,000
			\$ 350,500

51902 Telecommunication Usage

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

FY 2025-26 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

51917 District Operations Charges

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

FY 25-26 Planned Staff Work:

Collection System Inspection	DC	\$ 10,500
Collection System Rehabilitation and Repairs	DC	\$ 16,667
Easement Maintenance	DC	\$ 15,000
Manhole rehabilitation in Flood Zone		\$ 10,000
SMART Lids monitoring	DC	\$ 5,000
Arc Flash Studies	SG	\$ 1,300
Sanitation Code & Standards Update	BD	\$ 5,000
SERP Update & SSMP Audit	KB	\$ 5,000
		\$ 68,467

51921 Equipment Usage Charges

This account records the cost of equipment usage.

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.

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.

53501 Contributions

This account records Emergency Inventory Procurement.

FY 2025-26 BUDGET
CHARACTER JUSTIFICATION

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

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. There is no planned transfer for FY 25-26.

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

19820 Machinery and Equipment

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

FY 2025-26 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 23-24	Estimated FY 24-25	Requested FY 25-26
Undesignated/Unreserved <u>BEGINNING</u> Fund Balance			
Available for Budgeting (See Detailed Components Below)	\$490,422	\$319,063	\$364,012
Annual Revenues and Expenditures:			
Revenues - Increase fund balance	1,153,559	1,616,050	1,507,720
Expenditures - (Decrease) fund balance	(1,347,954)	(1,700,101)	(1,409,387)
Net Surplus or Deficit - Increase/(Decrease) to fund balance	(194,395)	(84,051)	98,333
Adjustments to Reserves/Encumbrances:			
Depreciation	123,013	129,000	129,000
Technical Adjustments - 1st Quarter	-	-	-
Unrealized Gain/Loss	(31,820)	-	-
Long-Term Receivable	(2,277)	-	-
Change in prepaid expense	123	-	-
Change in Encumbrance	(66,003)	-	-
Rounding	-	-	-
Post Audit Adjustment	(1)	-	-
Net Adjustment - Increase/(Decrease) to Fund Balance	23,035	129,000	129,000
Undesignated/Unreserved <u>ENDING</u> Fund Balance			
Available for Budgeting	\$319,063	\$364,012	\$591,345
<i>Target Fund Balance</i>	<i>\$610,609</i>	<i>\$805,547</i>	<i>\$635,844</i>
<i>Over/(Under) Target Fund Balance</i>	<i>(\$291,547)</i>	<i>(\$441,535)</i>	<i>(\$44,499)</i>
Total Increase/(Decrease) in Fund Balance for Fiscal Year <i>(Difference between Beginning and Ending Balance)</i>	(\$171,359)	\$44,949	\$227,333
<u>Fund Balance Components at Beginning of FY</u>	7/1/2023	7/1/2024	
Equity in Pooled Cash	\$1,179,237	\$1,132,879	
Accounts Receivable (AR Module)			
Other Receivables (Flat Charges)	22,908	9,223	
Retention Receivable			
Accounts Payable			
Vouchers Payable	(9,475)	(31,198)	
Due to Federal			
Due To Other Governments	(683,043)	(706,633)	
Unearned Revenue			
Encumbrances	(19,205)	(85,208)	
Total Beginning Fund Balance	\$490,422	\$319,063	

FY 2025-26 BUDGET
SUMMARY OF REVENUES AND EXPENDITURES

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

Account No. and Title	Adopted 2024-25	Requested 2025-26	Difference	Percent Change
REVENUES:				
<u>USE OF MONEY</u>				
44002 Interest on Pooled Cash	\$26,000	\$17,820	(\$8,180)	(31.46%)
Subtotal Use of Money	\$26,000	\$17,820	(\$8,180)	(31.46%)
<u>OTHER FINANCING SOURCES</u>				
47101 Trans in - Within a Fund	\$0	\$0	\$0	N/A
Subtotal Other Financing Sources	\$0	\$0	\$0	N/A
TOTAL REVENUES	\$26,000	\$17,820	(\$8,180)	(31.46%)
EXPENDITURES:				
<u>FIXED ASSETS</u>				
19831 CIP - Bldg & Impr	\$0	\$0	\$0	N/A
19832 CIP - Infrastructure	0	550,000	550,000	N/A
Subtotal Fixed Assets	\$0	\$550,000	\$550,000	N/A
TOTAL EXPENDITURES	\$0	\$550,000	\$550,000	N/A
TOTAL NET COST <i>(Expenditures Minus Revenues)</i>	(\$26,000)	\$532,180	\$558,180	(2146.85%)

FY 2025-26 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	\$594,000
Projected Interest Rate	3.00%
Projected/Planned Interest on Pooled Cash	\$17,820

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. There is no planned transfer for FY 25-26.

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

19831 CIP - Building & Improvements

This account reflects funds for future capital improvement projects.

FY 25-26 Planned projects:

Replace/Upsize Force Main Phase 1	\$	550,000
	\$	550,000

FY 2025-26 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 23-24	Estimated FY 24-25	Requested FY 25-26
Undesignated/Unreserved <u>BEGINNING</u> Fund Balance			
Available for Budgeting (See Detailed Components Below)	\$805,791	\$831,310	\$857,310
Annual Revenues and Expenditures:			
Revenues - Increase fund balance	27,498	26,000	17,820
Expenditures - (Decrease) fund balance	-	-	(550,000)
Net Surplus or Deficit - Increase/(Decrease) to fund balance	27,498	26,000	(532,180)
Adjustments to Reserves/Encumbrances:			
Change in Encumbrances		-	-
Unrealized Gain/Loss	(1,979)	-	-
Net Adjustment - Increase/(Decrease) to Fund Balance	(1,979)	-	-
Undesignated/Unreserved <u>ENDING</u> Fund Balance			
Available for Budgeting	\$831,310	\$857,310	\$325,130
Total Increase/(Decrease) in Fund Balance for Fiscal Year <i>(Difference between Beginning and Ending Balance)</i>	\$25,519	\$26,000	(\$532,180)
<u>Fund Balance Components at Beginning of FY</u>	7/1/2023	7/1/2024	
Equity in Pooled Cash	\$805,791	\$831,310	
Retention Receivable			
Due from Federal AR			
Accounts Payable			
Retention Payable			
Vouchers Payable			
Encumbrances			
Total Beginning Fund Balance	\$805,791	\$831,310	

