

FY 2024-25 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 23-24 Adopted	FY 24-25 Requested	Percent Change	FY 23-24 Adopted	FY 24-25 Requested	Percent Change
Operations	\$1,659,500	\$1,627,918	(1.90%)	\$135,380	\$215,268	59.01%
Construction	989,021	417,800	(57.76%)	(768,479)	369,050	(148.02%)
TOTAL:	\$2,648,521	\$2,045,718	(22.76%)	(\$633,099)	\$584,318	(192.29%)

C. Staffing Summary

No staffing is allocated to this fund.

D. Workload Summary

Workload Indicator	FY 22-23 Actual	FY 23-24 Budget Estimate	FY 23-24 Revised Estimate	FY 24-25 Projected	Change from FY 23-24 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 24-25 annual service charges is \$3,006 representing a 4.9% increase from FY 23-24. Annual sewer service charge revenue, adjusted for the anticipated number of ESDs and an estimated delinquency factor, is projected to increase from the FY 23-24 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 24-25 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.

F. Summary of Reduction Options

No reduction options are proposed.

FY 2024-25 BUDGET
BUDGET SECTION SUMMARY

Section Title:

OCCIDENTAL COUNTY SANITATION DISTRICT

G. Attachments

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

FY 2024-25 BUDGET
SUMMARY OF REVENUES AND EXPENDITURES

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

Account No. and Title	Adopted 2023-24	Requested 2024-25	Difference	Percent Change
REVENUES:				
<u>TAXES</u>				
40003 Direct Charges-CY	\$319,900	\$335,600	\$15,700	4.91%
40202 Direct Charges - PY	0	0	0	N/A
40999 Penalties/Costs on Taxes	0	0	0	N/A
Subtotal Taxes	\$319,900	\$335,600	\$15,700	4.91%
<u>INTERGOVERNMENTAL</u>				
42358 State Other Funding	\$0	\$0	\$0	N/A
42461 Federal Other Funding	0	0	0	N/A
42610 Other Government Agencies	1,100,000	970,000	(130,000)	(11.82%)
Subtotal Intergovernmental	\$1,100,000	\$970,000	(\$130,000)	(11.82%)
<u>USE OF MONEY</u>				
44002 Interest on Pooled Cash	\$15,000	\$16,250	\$1,250	8.33%
Subtotal Use of Money	\$15,000	\$16,250	\$1,250	8.33%
<u>CHARGES FOR SERVICES</u>				
45221 Sewer/Water Usage Fee	\$89,220	\$90,800	\$1,580	1.77%
Subtotal Charges for Services	\$89,220	\$90,800	\$1,580	1.77%
TOTAL REVENUES	\$1,524,120	\$1,412,650	(\$111,470)	(7.31%)

EXPENDITURES:

SERVICES AND SUPPLIES

51061 Maintenance - Equipment	\$250,000	\$211,000	(\$39,000)	(15.60%)
51201 Administration Services	3,000	4,130	1,130	37.67%
51205 Advertising/Marketing	100	210	110	110.00%
51206 Accounting/Auditing Services	10,100	10,300	200	1.98%
51211 Legal Services	2,000	4,000	2,000	100.00%
51231 Testing/Analysis	5,000	7,840	2,840	56.80%
51241 Outside Printing & Binding	100	200	100	100.00%
51244 Permits/License/Fees	12,400	15,000	2,600	20.97%
51401 Rents & Leases-Equipment	500	4,560	4,060	812.00%
51509 SCADA	0	33,318		
51601 Training/Conference Expenses	250	3,070	2,820	1128.00%
51803 Other Contract Services	80,000	158,500	78,500	98.13%
51902 Telecommunication Usage	500	500	0	0.00%
51916 County Services	3,500	4,660	1,160	33.14%
51917 District Operations Chgs	650,000	711,980	61,980	9.54%

FY 2024-25 BUDGET
SUMMARY OF REVENUES AND EXPENDITURES

Fund: OCCIDENTAL CSD - OPERATIONS

Fund/Department ID: 43101-33060100

Account No. and Title	Adopted 2023-24	Requested 2024-25	Difference	Percent Change
EXPENDITURES:				
<u>SERVICES AND SUPPLIES (Contd.)</u>				
51921 Equipment Usage Charges	121,750	250,000	128,250	105.34%
52071 Materials and Supplies Expense	700	3,000	2,300	328.57%
52081 Medical/Lab Supplies	50	50	0	0.00%
52091 Memberships/Certifications	50	1,500	1,450	2900.00%
52141 Minor Equipment/Small Tools	3,000	3,390	390	13.00%
52143 Software/Licensing Fees	0	210		
52171 Water Conservation Prog	2,000	500	(1,500)	(75.00%)
52193 Utilities-Power	30,000	32,000	2,000	6.67%
Subtotal Services and Supplies	\$1,175,000	\$1,459,918	\$251,390	21.39%
<u>OTHER CHARGES</u>				
53402 Depreciation Expense	\$175,000	\$158,000	(\$17,000)	(9.71%)
53501 Contributions/Donations	7,000	0	(7,000)	(100.00%)
Subtotal Other Charges	\$182,000	\$158,000	(\$24,000)	(13.19%)
<u>OTHER FINANCING USES</u>				
57011 Transfers out-within a Fund	\$300,000	\$0	(\$300,000)	(100.00%)
Subtotal Other Financing Uses	\$300,000	\$0	(\$300,000)	(100.00%)
<u>FIXED ASSETS</u>				
19840 Acq-WIP-Equipment	\$2,500	\$10,000	\$7,500	300.00%
Subtotal Fixed Assets	\$2,500	\$10,000	\$7,500	300.00%
TOTAL EXPENDITURES	\$1,659,500	\$1,627,918	(\$65,110)	(3.92%)
TOTAL NET COST <i>(Expenditures Minus Revenues)</i>	\$135,380	\$215,268	\$46,360	34.24%

FY 2024-25 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 23-24 budget. The rate will increase 4.9% from \$2,866 to \$3,006.

ESDs times annual rate:	114 x \$3,006		\$342,700
Less Estimated Delinquency Factor:	2.1%		(7,100)
			\$335,600

(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		\$500,000
Projected Interest Rate		3.25%
Projected/Planned Interest on Pooled Cash		\$16,250

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 24-25 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 \$2,866 to \$3,006.

ESDs x Annual Charge	30.2 x \$3,006	=	\$90,800
----------------------	----------------	---	----------

FY 2024-25 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 24-25 Planned Maintenance-Equipment:

Automation Project	\$0
Pond Treatment	40,000
Emergency Inventory	1,000
ALW Disposal Fees	170,000
	\$211,000

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.

51509 SCADA

This account records SCADA allocations FY24-25.

SCADA	\$ 33,318
-------	-----------

51803 Other Contract Services

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

FY 2024-25 BUDGET CHARACTER JUSTIFICATION

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

FY 24-25 Planned Contract Services:

Multi-year agreement - audit	10,500
Master Plan	100,000
Sanitation Planning	25,000
Regulatory Permitting Assistance	-
Sanitation Code & Standards Update	-
Hazardous Materials Assistance	3,000
TPW Pavement Preservation	20,000
	158,500

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.

FY 2024-25 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. There is no planned transfer for FY 24-25.

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 2024-25 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 22-23	Estimated FY 23-24	Requested FY 24-25
Undesignated/Unreserved <u>BEGINNING</u> Retained Earnings			
Available for Budgeting (See Detailed Components Below)	\$246,777	\$ 812,506	\$527,126
Annual Revenues and Expenditures:			
Revenues - Increase retained earnings	2,664,577	1,524,120	1,412,650
Expenditures - (Decrease) retained earnings	(2,209,153)	(1,984,500)	(1,627,918)
	<hr/>	<hr/>	<hr/>
Net Surplus or Deficit - Inc/(Dec) to retained earnings	455,424	(460,380)	(215,268)
Adjustments to Reserves/Encumbrances:			
Depreciation (53402)	153,261	175,000	-
Post Audit Adjustment	(27,616)	-	-
Unrealized Gain/loss	-	-	-
Change in prepaid expense	(12,685)	-	-
Change in Encumbrance	(2,654)	-	-
	<hr/>	<hr/>	<hr/>
Net Adjustment - Increase/(Decrease) to Retained Earnings	110,306	175,000	-
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Undesignated/Unreserved <u>ENDING</u> Retained Earnings			
Available for Budgeting	\$812,507	\$527,126	\$311,858
Target Fund Balance	\$723,180	\$763,025	\$729,959
<i>Over/(Under) Target Fund Balance</i>	\$89,327	(\$235,899)	(\$418,101)
Total Increase/(Decrease) in Retained Earnings for Fiscal Year <i>(Difference between Beginning and Ending Balance)</i>	\$565,730	(\$285,380)	(\$215,268)
<u>Retained Earnings Components at Beginning of FY</u>	7/1/2022	7/1/2023	
Cash	\$248,581	\$666,502	
Other Receivables (Flat Charges)	27,084	28,056	
Accounts Payable	-	-	
Accounts Receivable	24,844	145,983	
Retention Receivable	-	-	
Due from Other Governments	(10,737)		

Encumbrances	(25,070)	(27,724)
Vouchers Payable	(17,925)	(311)
Total Beginning Retained Earnings	\$ 246,777	\$ 812,506

FY 2024-25 BUDGET
SUMMARY OF REVENUES AND EXPENDITURES

Fund: OCCIDENTAL CSD - CONSTRUCTION

Fund/Department ID: 43102-33060200

Account No. and Title	Adopted 2023-24	Requested 2024-25	Difference	Percent Change
REVENUES:				
<u>USE OF MONEY</u>				
44002 Interest on Pooled Cash	\$7,500	\$48,750	\$41,250	550.00%
Subtotal Use of Money	\$7,500	\$48,750	\$41,250	550.00%
<u>MISCELLANEOUS REVENUE</u>				
46021 Capital Grants-Federal	\$0	\$0	\$0	N/A
42461 Federal Other Funding	1,450,000	0	(1,450,000)	(100.00%)
Subtotal Miscellaneous Revenue	\$1,450,000	\$0	(\$1,450,000)	(100.00%)
<u>OTHER FINANCING SOURCES</u>				
47101 Transfers In -within a Fund	\$300,000	\$0	(\$300,000)	(100.00%)
Subtotal Other Financing Sources	\$300,000	\$0	(\$300,000)	(100.00%)
TOTAL REVENUES	\$1,757,500	\$48,750	(\$1,708,750)	(97.23%)
EXPENDITURES:				
<u>FIXED ASSETS</u>				
19832 CIP - Infrastructure	\$989,021	\$417,800	(\$571,221)	(57.76%)
Subtotal Fixed Assets	\$989,021	\$417,800	(\$571,221)	(57.76%)
TOTAL EXPENDITURES	\$989,021	\$417,800	(\$571,221)	(57.76%)
TOTAL NET COST <i>(Expenditures Minus Revenues)</i>	(\$768,479)	\$369,050	\$1,137,529	(148.02%)

FY 2024-25 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	\$1,500,000
Projected Interest Rate	3.25%
Projected/Planned Interest on Pooled Cash	\$48,750

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 no planned transfer for FY 24-25.

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 24-25:</u>	Project No.	Amount
Occidental-Graton Pipeline	O0058/59/60	217,800
Graton CSD Connection Fees (tbd)		200,000
		417,800

FY 2024-25 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 22-23	Estimated FY 23-24	Requested FY 24-25
Undesignated/Unreserved <u>BEGINNING</u> Retained Earnings			
Available for Budgeting (See Detailed Components Below)	\$764,131	\$1,199,898	\$1,305,930
Annual Revenues and Expenditures:			
Revenues - Increase retained earnings	592,821	\$1,757,500	48,750
Expenditures - (Decrease) retained earnings	(175,386)	(\$1,651,468)	(417,800)
Net Surplus or Deficit - Inc/(Dec) to retained earnings	417,435	106,032	(369,050)
Adjustments to Reserves/Encumbrances:			
Change in Encumbrance		-	-
Post Audit Adjustment	-	-	-
Unrealized Gain/loss	18,332	-	-
Net Adjustment - Increase/(Decrease) to Retained Earnings	18,332	-	-
Undesignated/Unreserved <u>ENDING</u> Retained Earnings			
Available for Budgeting	\$1,199,898	\$1,305,930	\$936,880
Total Increase/(Decrease) in Retained Earnings for Fiscal Year <i>(Difference between Beginning and Ending Balance)</i>	\$435,767	\$106,032	(\$369,050)
<u>Retained Earnings Components at Beginning of FY</u>	7/1/2022	7/1/2023	
Cash	\$764,131	\$1,199,898	
Vouchers Payable	-	-	
Accounts Payable	-	-	
Retention Payable		-	
Encumbrances		-	
Total Beginning Retained Earnings	\$764,131	\$1,199,898	