

FY 2024-25 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 23-24 Adopted	FY 24-25 Requested	Percent Change	FY 23-24 Adopted	FY 24-25 Requested	Percent Change
Operations	\$1,305,500	\$1,616,428	23.82%	\$292,970	\$408	(99.86%)
Bonds	0	0	N/A	0	0	N/A
Construction	0	0	N/A	(7,500)	(26,000)	246.67%
TOTAL:	\$1,305,500	\$1,616,428	23.82%	\$285,470	(\$25,592)	(108.96%)

C. Staffing Summary

No staffing is allocated to this index.

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	552	556	553	554	(0.36%)
Total APNs	380	380	380	381	0.26%

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 24-25 annual sewer service charges for Penngrove SZ is \$2,132 per ESD, which represents a 8.0% increase over FY 23-24.

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 2024-25 BUDGET
SUMMARY OF REVENUES AND EXPENDITURES

Fund: SANITATION ZONE 1 - PENNGROVE - OPERATIONS

Fund/Department ID: 44505-33120100

Account No. and Title	Adopted 2023-24	Requested 2024-25	Difference	Percent Change
<i>REVENUES:</i>				
<u>TAXES</u>				
40003 Direct Charges-CY	\$979,330	\$1,031,320	\$51,990	5.31%
40202 Direct Charges - PY	2,000	2,000	0	0.00%
40999 Penalties/Costs on Taxes	1,000	1,000	0	0.00%
<i>Subtotal Taxes</i>	<u>\$982,330</u>	<u>\$1,034,320</u>	<u>\$51,990</u>	<u>5.29%</u>
<u>INTERGOVERNMENTAL REVENUE</u>				
42461 Federal Funding	\$0	\$0	\$0	N/A
<i>Subtotal Intergovernmental Revenue</i>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>N/A</u>
<u>USE OF MONEY</u>				
44002 Interest on Pooled Cash	\$12,500	\$13,000	\$500	4.00%
<i>Subtotal Use of Money</i>	<u>\$12,500</u>	<u>\$13,000</u>	<u>\$500</u>	<u>4.00%</u>
<u>CHARGES FOR SERVICES</u>				
45221 Sewer/Water Usage Fee	\$17,700	\$18,700	\$1,000	5.65%
<i>Subtotal Charges for Services</i>	<u>\$17,700</u>	<u>\$18,700</u>	<u>\$1,000</u>	<u>5.65%</u>
<u>OTHER FINANCING SOURCES</u>				
47101 Trans in - Within a Fund	\$0	\$550,000	\$550,000	N/A
<i>Subtotal Other Financing Sources</i>	<u>\$0</u>	<u>\$550,000</u>	<u>\$550,000</u>	<u>N/A</u>
TOTAL REVENUES	<u>\$1,012,530</u>	<u>\$1,616,020</u>	<u>\$603,490</u>	<u>59.60%</u>

EXPENDITURES:

SERVICES AND SUPPLIES

51061 Maintenance - Equipment	\$57,000	\$347,000	\$290,000	508.77%
51201 Administration Services	8,400	7,950	(450)	(5.36%)
51211 Legal Services	300	200	(100)	(33.33%)
51241 Outside Printing & Binding	0	0	0	N/A
51244 Permits/License/Fees	3,600	2,440	(1,160)	(32.22%)
51401 Rents & Leases-Equipment	0	0	0	N/A
51509 SCADA	0	64,378	64,378	N/A
51803 Other Contract Services	270,000	114,250	(155,750)	(57.69%)
51902 Telecommunication Usage	300	300	0	0.00%
51917 District Operations Charges	170,000	230,180	60,180	35.40%
51921 Equipment Usage Charges	10,100	20,780	10,680	105.74%
52143 Computer Software/Licensing Fees	2,000	2,000	0	0.00%
52162 Special Departmental Expense	621,000	671,150	50,150	8.08%

FY 2024-25 BUDGET
SUMMARY OF REVENUES AND EXPENDITURES

Fund: SANITATION ZONE 1 - PENNGROVE - OPERATIONS

Fund/Department ID: 44505-33120100

52171	Water Conservation Program	500	1,000	500	100.00%
52193	Utilities	10,500	10,500	0	0.00%
52194	Utilities-Water	300	300	0	0.00%
	Subtotal Services and Supplies	\$1,154,000	\$1,472,428	\$318,428	27.59%

Account No. and Title	Adopted 2023-24	Requested 2024-25	Difference	Percent Change
<u>OTHER CHARGES</u>				
53402 Depreciation Expense	\$130,000	\$129,000	(\$1,000)	(0.77%)
53501 Contributions	16,500	0	(16,500)	(100.00%)
Subtotal Other Charges	\$146,500	\$129,000	(\$17,500)	(11.95%)
<u>OTHER FINANCING USES</u>				
57011 Transfers out-within a Fund	\$0	\$0	\$0	N/A
Subtotal Other Financing Uses	\$0	\$0	\$0	N/A
<u>FIXED ASSETS</u>				
19841 Acq-WIP-Intangible	5,000	15,000	10,000	200.00%
Subtotal Fixed Assets	\$5,000	\$15,000	\$10,000	200.00%
TOTAL EXPENDITURES	\$1,305,500	\$1,616,428	\$310,928	23.82%
TOTAL NET COST <i>(Expenditures Minus Revenues)</i>	\$292,970	\$408	(\$292,562)	(99.86%)

FY 2024-25 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 23-24 budget. The rate will increase 8.0%, from \$1,974 to \$2,132.

ESDs times annual rate:	491.00	x	\$2,132		\$1,046,810
Less Estimated Delinquency Factor:	1.2%				(12,490)
					\$1,034,320

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				\$400,000
Projected Interest Rate				3.25%
Projected/Planned Interest on Pooled Cash				\$13,000

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 24-25 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 \$1,974 to \$2,132.

ESDs x Annual Charge	8.80	x	\$2,132		= \$18,700
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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 24-25 Planned Maintenance-Equipment:

FY 2024-25 BUDGET CHARACTER JUSTIFICATION

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

SMART Building- Relocate Force Main at Corona Road		\$ 165,000
Manhole rehabilitation & access gates	P0007M001	10,000
Petaluma TMDL Collection System Repairs	P0009M001	40,000
Waste Hauling	P0006M014	100,000
Flood Barrier at Lift Station Gate & Door		5,000
Asphalt at Lift Station Repave Wet Well		25,000
Emergency Inventory (tbd)		2,000
TMDL (complete Phase 1 repairs)		-
		\$ 347,000

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 FY24-25.

SCADA	\$ 64,378
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51803 Other Contract Services

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

FY 24-25 Planned Contract Services:

TPW Pavement Preservation	\$ 20,000
Sanitation Code & Standards Update	20,000
Sanitation Planning	40,000
SMART Lids monitoring	5,000
Arc Flash Studies	12,250
Sewer Manhole Inspection (MACP AI Inspection Software)	3,500
Leete Generator Electroical As Needed	3,500
Forcemain Capacity Investigation-Condition Assesment	10,000
	\$ 114,250

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.

FY 24-25 Planned Staff Work:

Petaluma TMDL Collection System Repairs	\$ 20,000
Waste Hauling	\$ 10,000
Sanitation Planning	\$ 20,000
Sewer Manhole Inspection	\$ 20,000

FY 2024-25 BUDGET CHARACTER JUSTIFICATION

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

Brush Clearing of Siphons and Manhole near creeks	\$ 10,000
Forcemain Capacity Investigation-Condition Assessment	\$ 20,000
Sanitation Code & Standards Update	\$ 5,000
Arc Flash Studies	\$ 2,000
TPW Pavement Preservation	\$ 5,000
	\$ 112,000

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 SCADA allocations of \$16,500 for FY23-24.

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 24-25.

FY 2024-25 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 22-23	Estimated FY 23-24	Requested FY 24-25
Undesignated/Unreserved <u>BEGINNING</u> Fund Balance			
Available for Budgeting (See Detailed Components Below)	\$890,865	\$490,422	\$327,452
Annual Revenues and Expenditures:			
Revenues - Increase fund balance	1,241,628	1,012,530	1,616,020
Expenditures - (Decrease) fund balance	(1,834,226)	(1,305,500)	(1,616,428)
Net Surplus or Deficit - Increase/(Decrease) to fund balance	<u>(592,598)</u>	<u>(292,970)</u>	<u>(408)</u>
Adjustments to Reserves/Encumbrances:			
Depreciation	125,372	130,000	129,000
Unrealized Gain/Loss	(3,588)	-	-
Change in prepaid expense	(3,756)		
Change in Encumbrance	74,126	-	-
Post Audit Adjustment	2		
Net Adjustment - Increase/(Decrease) to Fund Balance	<u>192,156</u>	<u>130,000</u>	<u>129,000</u>
Undesignated/Unreserved <u>ENDING</u> Fund Balance			
Available for Budgeting	\$490,422	\$327,452	\$456,044
Target Fund Balance	\$643,273	\$531,994	\$736,214
<i>Over/(Under) Target Fund Balance</i>	(\$152,851)	(\$204,541)	(\$280,170)
Total Increase/(Decrease) in Fund Balance for Fiscal Year <i>(Difference between Beginning and Ending Balance)</i>	(\$400,443)	(\$162,970)	\$128,592
<u>Fund Balance Components at Beginning of FY</u>	<u>7/1/2022</u>	<u>7/1/2023</u>	
Equity in Pooled Cash	\$1,437,654	\$1,179,237	
Accounts Receivable (AR Module)	143,850		
Other Receivables (Flat Charges)	2,763	22,908	
Retention Receivable	-		
Accounts Payable	-		
Vouchers Payable	(592,702)	(9,475)	
Due to Federal	(6,870)		
Due To Other Governments		(683,043)	
Unearned Revenue	(499)		
Encumbrances	(93,331)	(19,205)	
Total Beginning Fund Balance	<u>\$890,865</u>	<u>\$490,422</u>	

FY 2024-25 BUDGET
SUMMARY OF REVENUES AND EXPENDITURES

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

Account No. and Title	Adopted 2023-24	Requested 2024-25	Difference	Percent Change
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REVENUES:

USE OF MONEY

44002 Interest on Pooled Cash	\$7,500	\$26,000	\$18,500	246.67%
Subtotal Use of Money	\$7,500	\$26,000	\$18,500	246.67%

OTHER FINANCING SOURCES

47101 Trans in - Within a Fund	\$0	\$0	\$0	N/A
Subtotal Other Financing Sources	\$0	\$0	\$0	N/A

TOTAL REVENUES	\$7,500	\$26,000	\$18,500	246.67%
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EXPENDITURES:

FIXED ASSETS

19831 CIP - Bldg & Impr	\$0	\$0	\$0	N/A
19832 CIP - Infrastructure	0	0	0	N/A
Subtotal Fixed Assets	\$0	\$0	\$0	N/A

TOTAL EXPENDITURES	\$0	\$0	\$0	N/A
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TOTAL NET COST <i>(Expenditures Minus Revenues)</i>	(\$7,500)	(\$26,000)	(\$18,500)	246.67%
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**FY 2024-25 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	\$800,000
Projected Interest Rate	3.25%
Projected/Planned Interest on Pooled Cash	\$26,000

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 24-25.

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

19831 CIP - Building & Improvements

This account reflects funds for future capital improvement projects.

FY 24-25 Planned projects:

Replace/Upsize Force Main Phase 1		
budget request of \$249,700 not submitted before deadline.	\$	-

FY 2024-25 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 22-23	Estimated FY 23-24	Requested FY 24-25
Undesignated/Unreserved <u>BEGINNING</u> Fund Balance			
Available for Budgeting (See Detailed Components Below)	\$349,041	\$805,792	\$813,292
Annual Revenues and Expenditures:			
Revenues - Increase fund balance	493,436	7,500	26,000
Expenditures - (Decrease) fund balance	(63,923)	-	-
Net Surplus or Deficit - Increase/(Decrease) to fund balance	<u>429,514</u>	<u>7,500</u>	<u>26,000</u>
Adjustments to Reserves/Encumbrances:			
Change in Encumbrances	21,516	-	-
Unrealized Gain/Loss	5,721	-	-
Net Adjustment - Increase/(Decrease) to Fund Balance	<u>27,237</u>	<u>-</u>	<u>-</u>
Undesignated/Unreserved <u>ENDING</u> Fund Balance			
Available for Budgeting	\$805,792	\$813,292	\$839,292
Total Increase/(Decrease) in Fund Balance for Fiscal Year <i>(Difference between Beginning and Ending Balance)</i>	\$456,751	\$7,500	\$26,000
<u>Fund Balance Components at Beginning of FY</u>	<u>7/1/2022</u>	<u>7/1/2023</u>	
Equity in Pooled Cash	\$290,865	\$805,791	
Retention Receivable	5,736		
Due from Federal AR	95,040		
Accounts Payable	-		
Retention Payable	(21,084)		
Vouchers Payable	-		
Encumbrances	(21,516)		
Total Beginning Fund Balance	<u>\$349,041</u>	<u>\$805,791</u>	