

# Budget Study Session

Local Water and Wastewater O&M, CIP  
Budget Review  
April 16, 2020

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Deputy Director Administration



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# Our mission:

Protecting public health  
by sustaining water  
resources, infrastructure  
and the environment



# Overview

- COVID-19 Considerations
- FEMA Project Update
- Local Water & Wastewater Operations Budgets
- Revenue vs. Expenditures
- UV Bond Funding Update
- Reserves
- CIP Review – All Funds
- Budget Schedule



# COVID-19 Considerations

- Analyzing usage data and forecasting revenue impacts
- Suspending delinquent fees and offering payment plans
- Re-established service and ceased turn offs
- Revisiting H2O Program
- Following Federal and State Legislation
- Increased staff protections
  - Increased cleaning of common areas
  - PPE increases
  - Shift adjustments
    - Prepares for possible quarantines
    - Decreases staff interaction



# Water FEMA Projects

	Process Step	CRC Gross Cost	Less Insurance & 406 Costs	Net CRC Approval	City Share (Fed & State Removed)	Current Status
Sewer Lift Station 1	Obligated	\$ 1,003,736.85	(820,773.00)	\$ 182,963.85	\$ 11,435.24	Pre Bid
Sewer Lift Station 20	Obligated	\$ 2,150,200.38	(569,968.00)	\$ 1,580,232.38	\$ 98,764.52	Pre Bid
Utilities-Sewer Lift Stations	Obligated	\$ 483,815.00	(458,890.69)	\$ 24,924.31	\$ 1,557.77	
Potable Water	Obligated	\$ 1,267,132.00	(557,252.96)	\$ 709,879.04	\$ 44,367.44	Pre Bid
Citywide Meter Rplacement	Obligated	\$ 1,994,738.00	-	\$ 1,994,738.00	\$ 124,671.13	In Construction
Sewer Lift Station 2	Pending	\$ 3,646,511.41	(663,028.00)	\$ 2,983,483.41	\$ 186,467.71	Pre Bid
Contaminated Water Supply	Obligated	\$ 5,565,353.64	-	\$ 5,565,353.64	\$ 347,834.60	Completed
Sewer Lateral Plugging	Obligated	\$ 147,450.00	-	\$ 147,450.00	\$ 9,215.63	Completed

**Total Water Obligation \$824,314**

# Mitigation Grants

- Back-up Generators Water/Wastewater Facilities
  - Approved
  - \$4,490,084
- Flood Mitigation Regional Plan
  - In process
  - Up to \$10,000,000
- Seismic Water Supply Improvements
  - Waitlisted

# Local Water and Wastewater Operations & Maintenance 2020/21



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# Fund Changes

- Departmentwide Budget - Flat
- Administrative Fund up – 0.7%
- Water Fund down – 0.9%
- Wastewater Fund up – Flat
- Regional Fund up – 0.6%



# Budget Changes

- Salaries down – \$381,594 or -2.0%
- Benefits up – \$216,769 or 1.5%
- Water Billing down – \$295,481 or – 5.8%
  - Decrease in staffing
- Electricity up – estimated 20-25%
  - Moving to Evergreen – (expenditures not budget)
- Vehicle Expenses – flat
- IT allocation up – 5%



# Water Operations

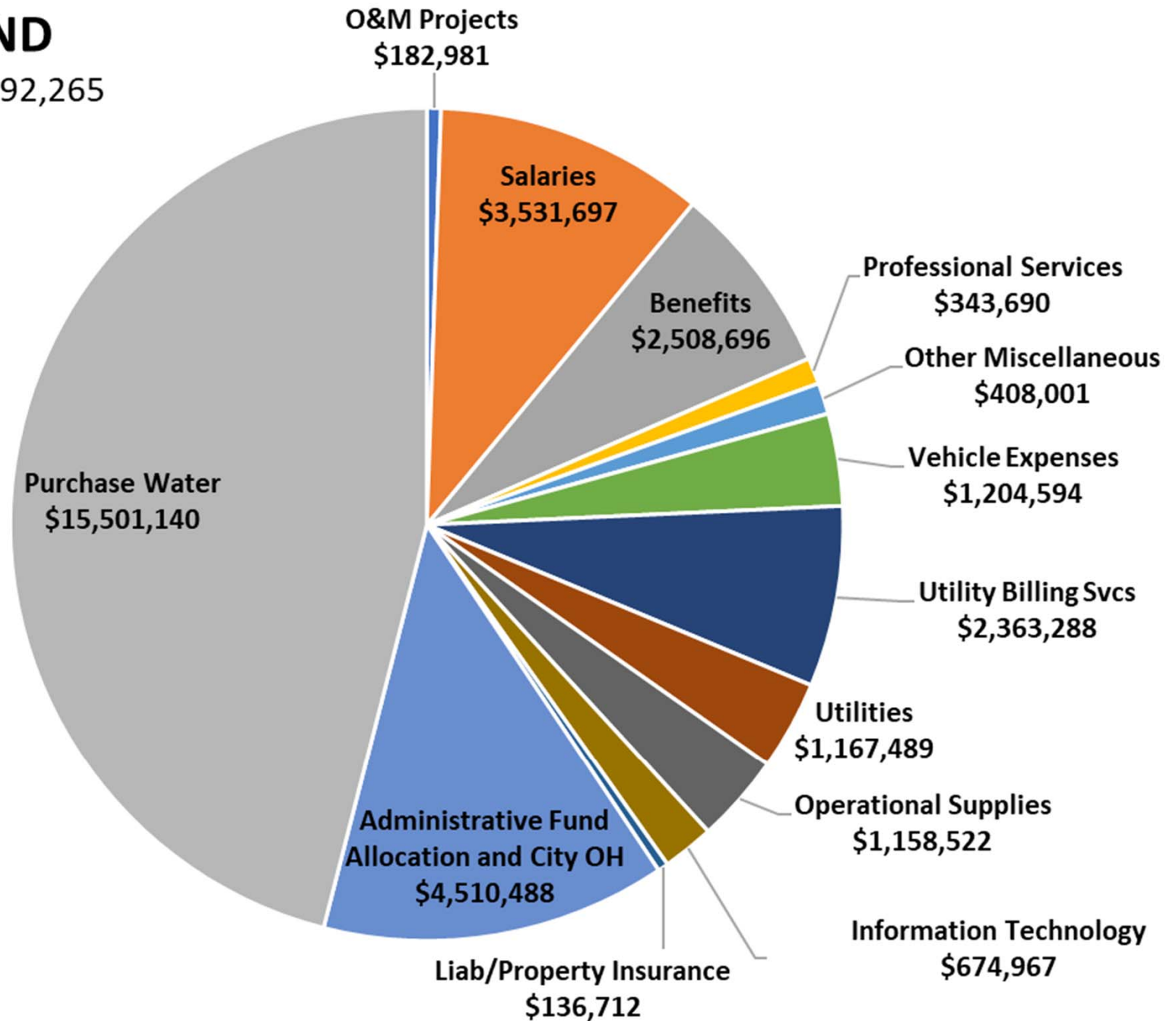
Expenditure Object	2019-20 Total Request	2020-21 Total Request	Change	%
0000 Total Uncategorized	\$654,381	\$182,981	(\$471,400)	-72.0
5100 Total Salaries	\$3,851,857	\$3,531,697	(\$320,160)	-8.3
5200 Total Benefits	\$2,548,383	\$2,508,696	(\$39,687)	-1.6
5320 Total Professional Services	\$359,362	\$343,690	(\$15,672)	-4.4
5360 Total Other Miscellaneous	\$421,501	\$408,001	(\$13,500)	-3.2
5330 Total Vehicle Expenses	\$1,244,093	\$1,204,594	(\$39,499)	-3.2
5325 Total Utility Billing Svcs	\$2,424,296	\$2,363,288	(\$61,008)	-2.5
5331 Total Utilities	\$1,064,375	\$1,167,489	\$103,114	9.7
5332 Total Purchase Water	\$14,728,616	\$15,501,140	\$772,524	5.2
5340 Total Operational Supplies	\$1,167,546	\$1,158,522	(\$9,024)	-0.8
5349 Total Information Technology	\$648,575	\$674,967	\$26,392	4.1
5351 Total Liab/Property Insurance	\$107,339	\$136,712	\$29,373	27.4
5400 Total Indirect Costs	\$4,636,815	\$4,510,488	(\$126,327)	-2.7
5500 Total Capital Outlay	\$147,000		(\$147,000)	100.0
<b>Total Water Utility Operations</b>	<b>\$34,004,139</b>	<b>\$33,692,265</b>	<b>(\$311,874)</b>	<b>-0.9</b>



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# WATER FUND

Total Funding \$33,692,265



# Wastewater Operations

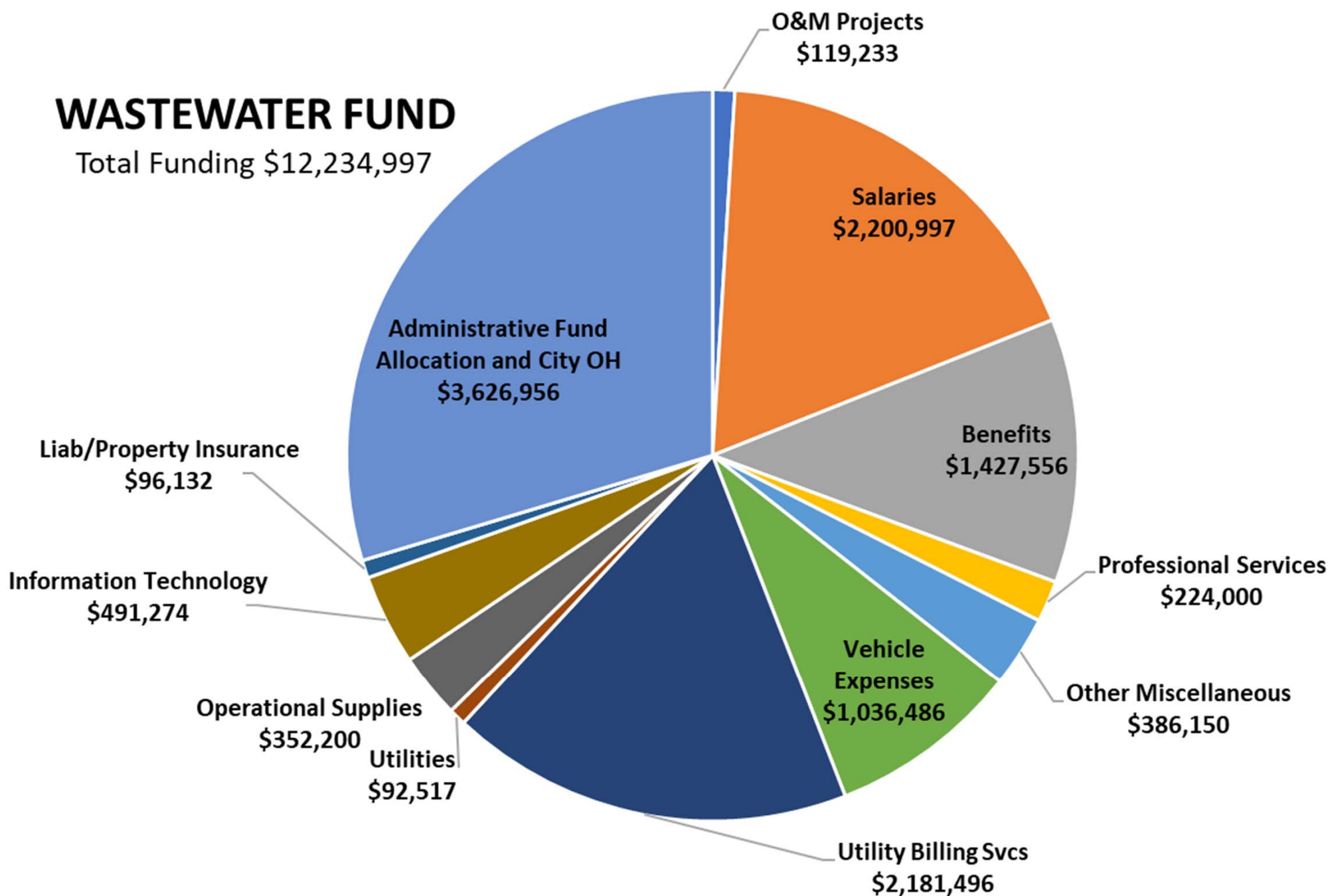
Expenditure Object	2019-20 Total Request	2020-21 Total Request	Change	%
0000 Total Uncategorized	\$107,833	\$119,233		0.0
5100 Total Salaries	\$2,038,650	\$2,200,997	\$162,347	8.0
5200 Total Benefits	\$1,333,464	\$1,427,556	\$94,092	7.1
5320 Total Professional Services	\$234,173	\$224,000	(\$10,173)	-4.3
5360 Total Other Miscellaneous	\$499,900	\$386,150	(\$113,750)	-22.8
5330 Total Vehicle Expenses	\$1,050,224	\$1,036,486	(\$13,738)	-1.3
5325 Total Utility Billing Svcs	\$2,237,811	\$2,181,496	(\$56,315)	-2.5
5331 Total Utilities	\$85,650	\$92,517	\$6,867	8.0
5340 Total Operational Supplies	\$336,600	\$352,200	\$15,600	4.6
5349 Total Information Technology	\$474,081	\$491,274	\$17,193	3.6
5351 Total Liab/Property Insurance	\$58,024	\$96,132	\$38,108	65.7
5400 Total Indirect Costs	\$3,765,749	\$3,626,956	(\$138,793)	-3.7
5500 Total Capital Outlay	\$0	\$0	\$0	0.0
<b>Total- Local Wastewater Utility</b>	<b>\$12,222,159</b>	<b>\$12,234,997</b>	<b>1,438</b>	<b>0.0</b>



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# WASTEWATER FUND

Total Funding \$12,234,997



# Purchase of Water

- Volume of water budgeting flat
- Sonoma Water – Pass through rate increase
  - Wholesale Rate
    - Increasing 5.3%
    - \$918.30 to \$966.95 per acre foot
  - Pass through
    - Increasing usage charge 2.3%
    - \$0.96 increase to average residential bill
  - Sonoma Water Board currently scheduled to consider April 21<sup>st</sup>



# 5 Year Rate Schedule

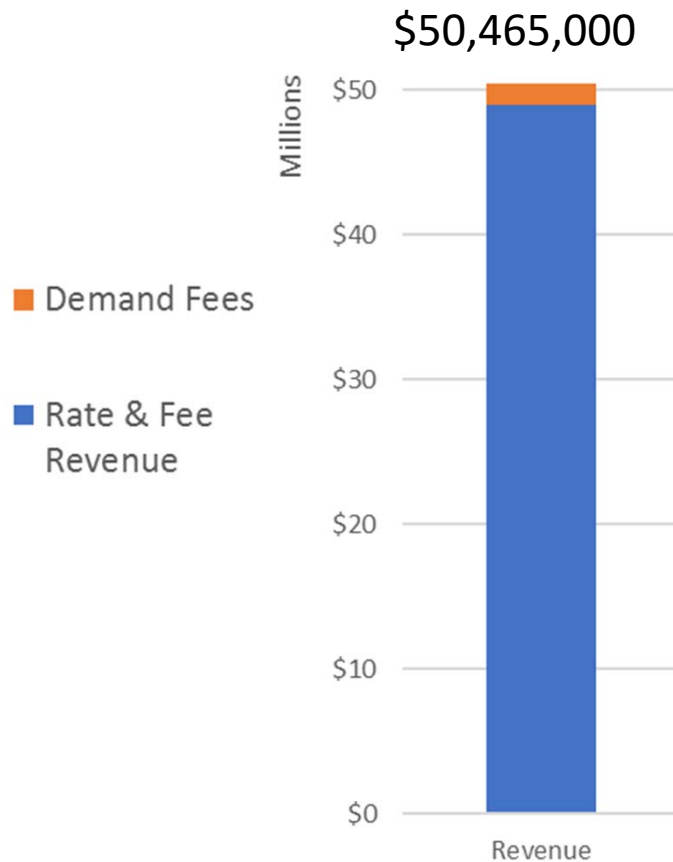
	2016/17	2017/18	2018/19	2019/20	2020/21
Water Usage	0%	0%	0%	0%	0%
Water Fixed	5%	5%	5%	5%	5%
Sewer Usage	<del>3%</del> 2%	3%	3%	2.5%	2.5%
Sewer Fixed	3%	3%	3%	2.5%	2.5%



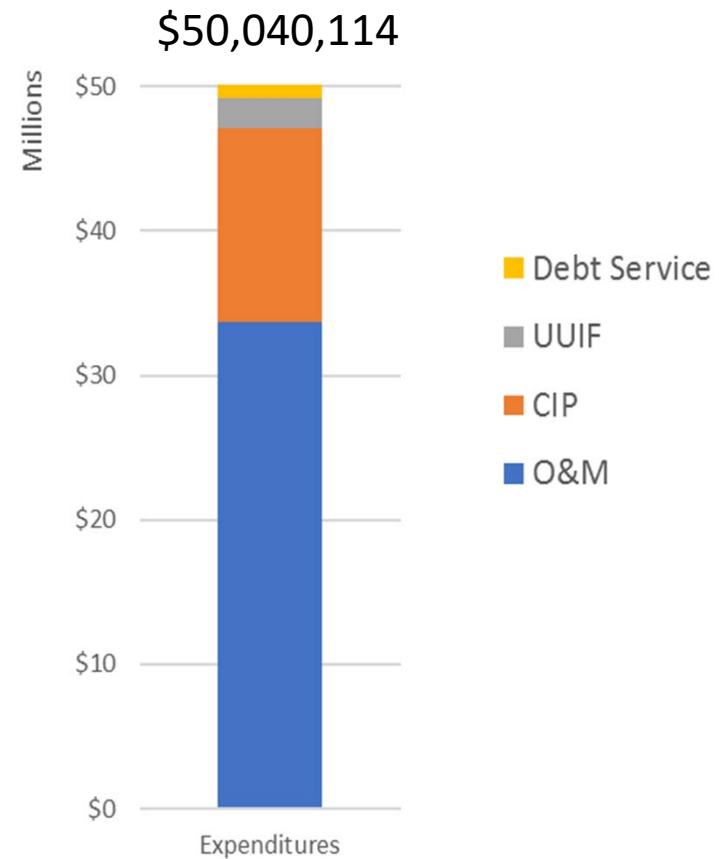
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# Water Fund

## Revenues



## Expenditures

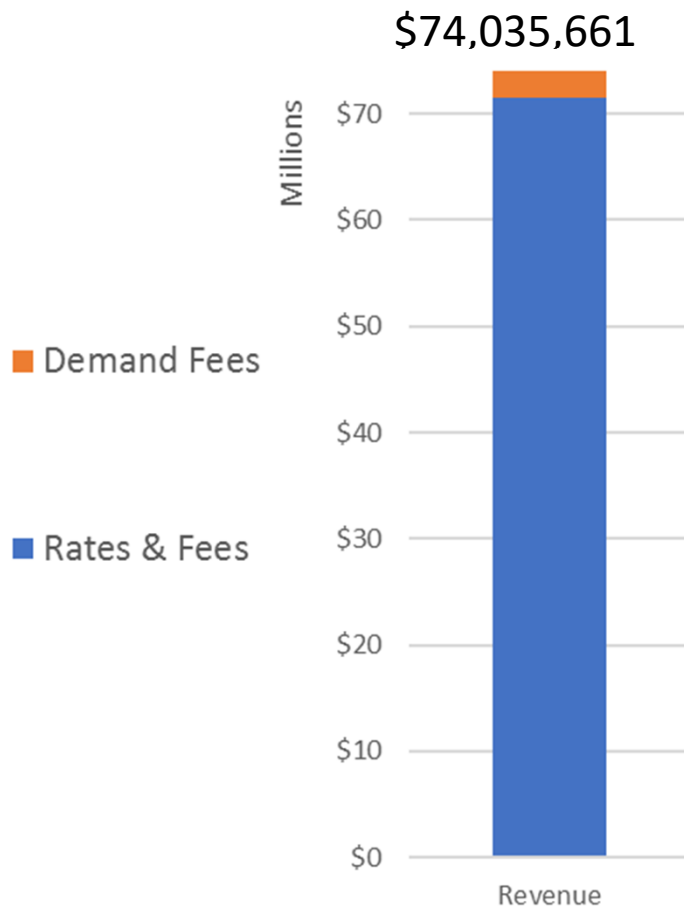


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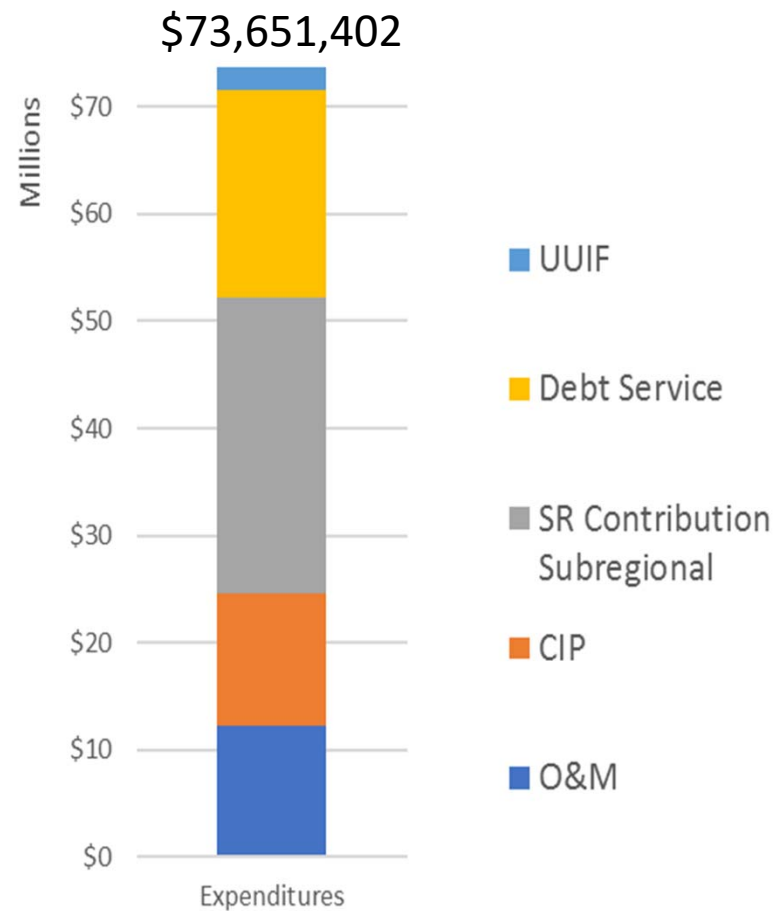


# Wastewater Fund

## Revenues



## Expenditures



# Operations and Maintenance Discussions / Questions?



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# Reserves

June 30, 2019

## Water

- **Operating**
  - \$4,469,075
- **Catastrophic**
  - \$5,750,000
- **Undesignated**
  - \$9,024,633

## Wastewater

- **Operating**
  - \$1,482,624
- **Rate Stabilization**
  - \$1,000,000
- **Catastrophic**
  - \$6,800,000
- **Undesignated**
  - \$10,486,157

# 2020-21 Capital Improvement Program Budget Review



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# Santa Rosa Water - Assets



621 Miles of Water Mains  
591 Miles of Sewer Main



23 Reservoirs



12,215- Sewer Manholes



20 Pump Stations  
17 Sewer Lift Stations



28,537 Water Valves



6,360 Hydrants



Geysers Operations



Laguna Treatment Plant

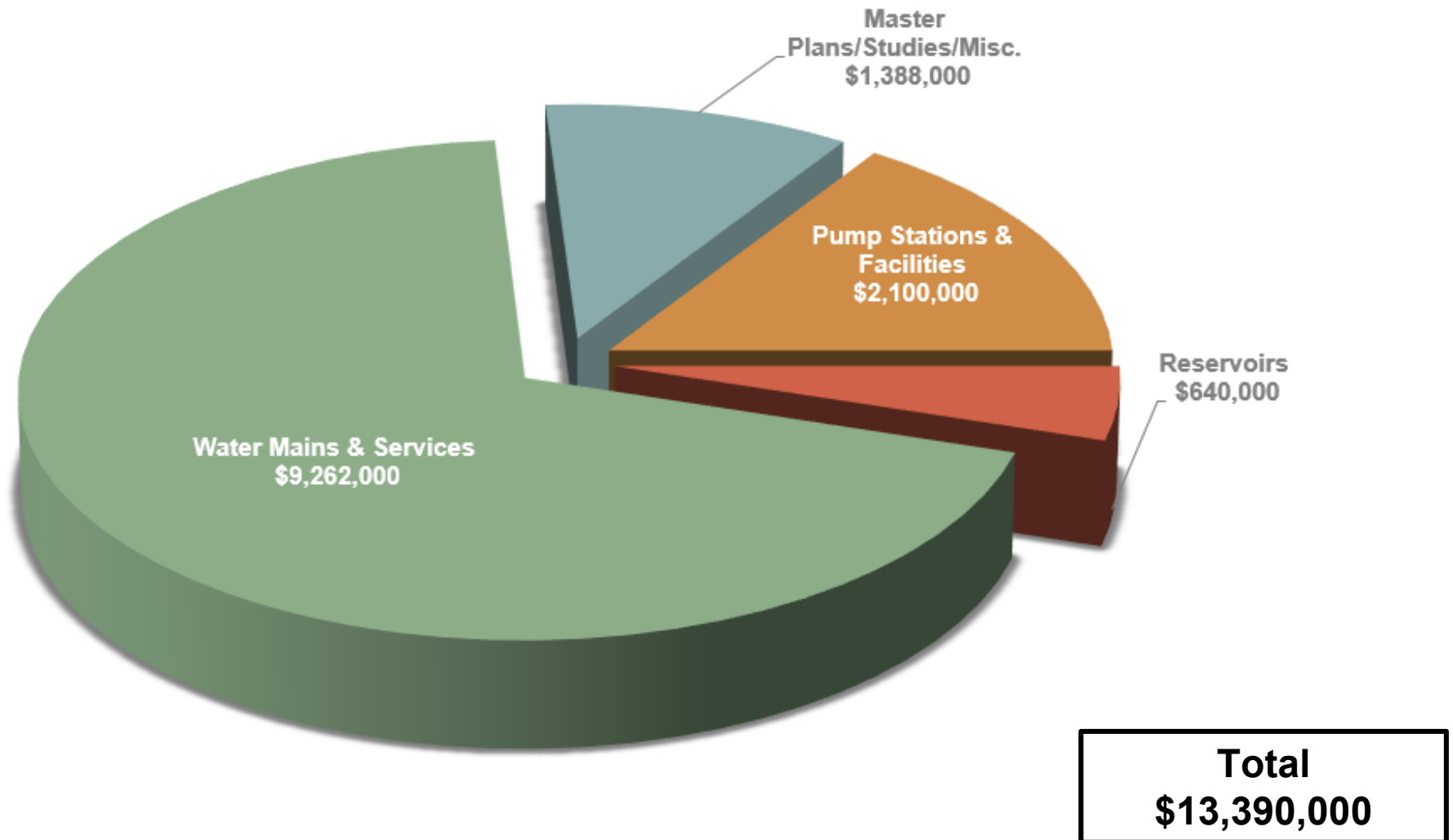
# CIP Funding

- Prioritizing projects
- Planned Funding
  - Water - \$13,390,000
  - Wastewater - \$12,360,000
  - Regional - \$7,000,000

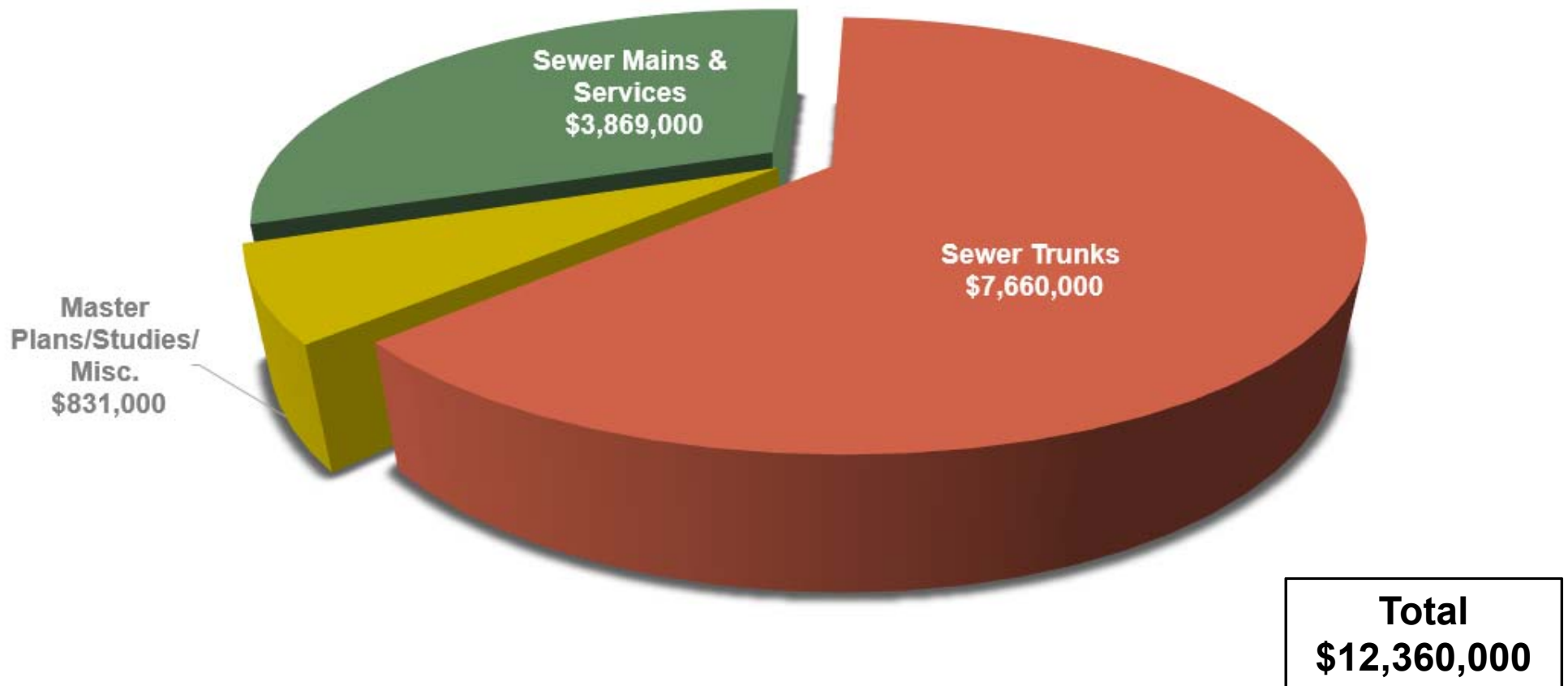


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# Santa Rosa Water 2020-21 CIP Proposed Water



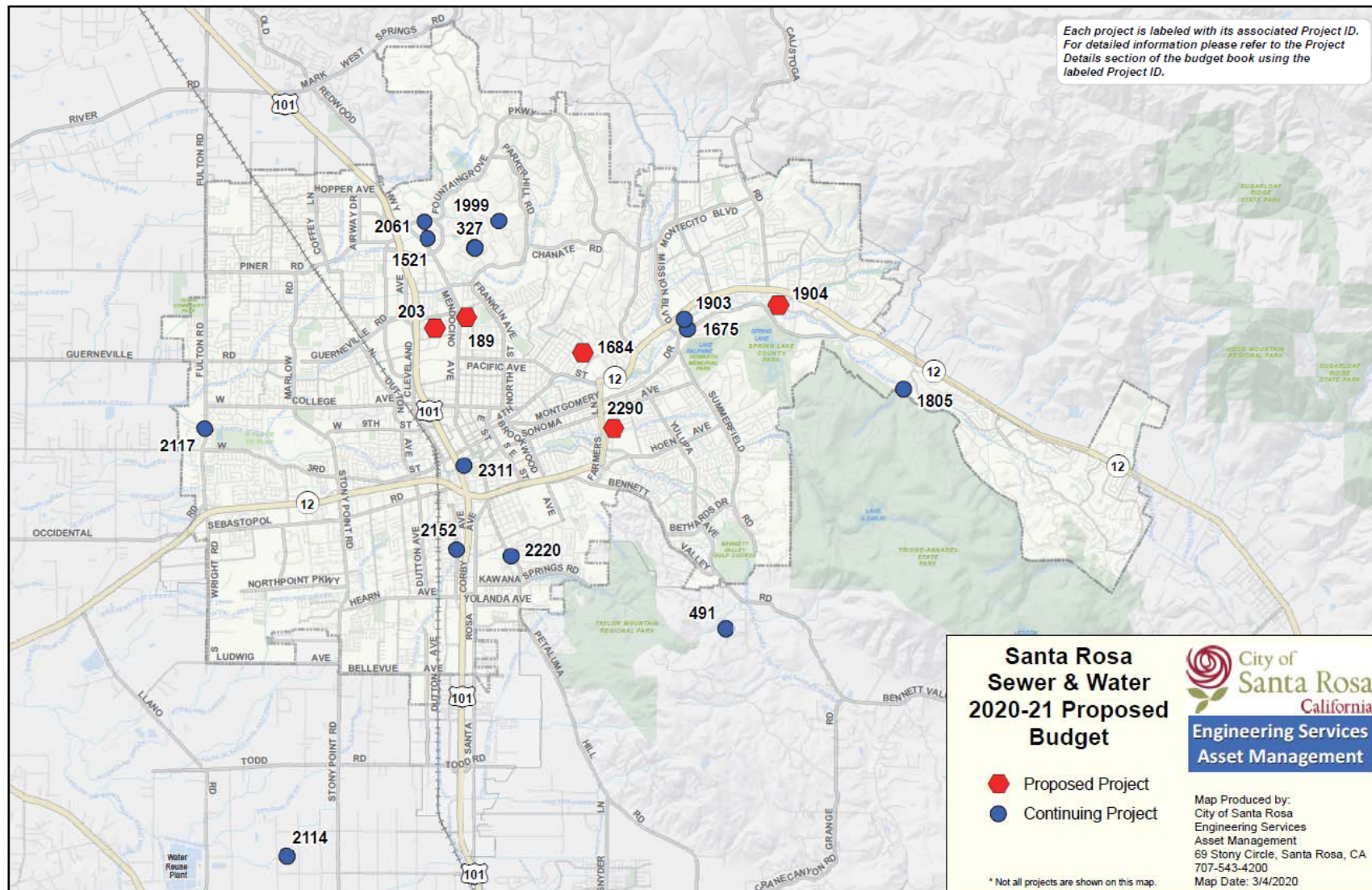
# Santa Rosa Water 2020-21 CIP Proposed Wastewater





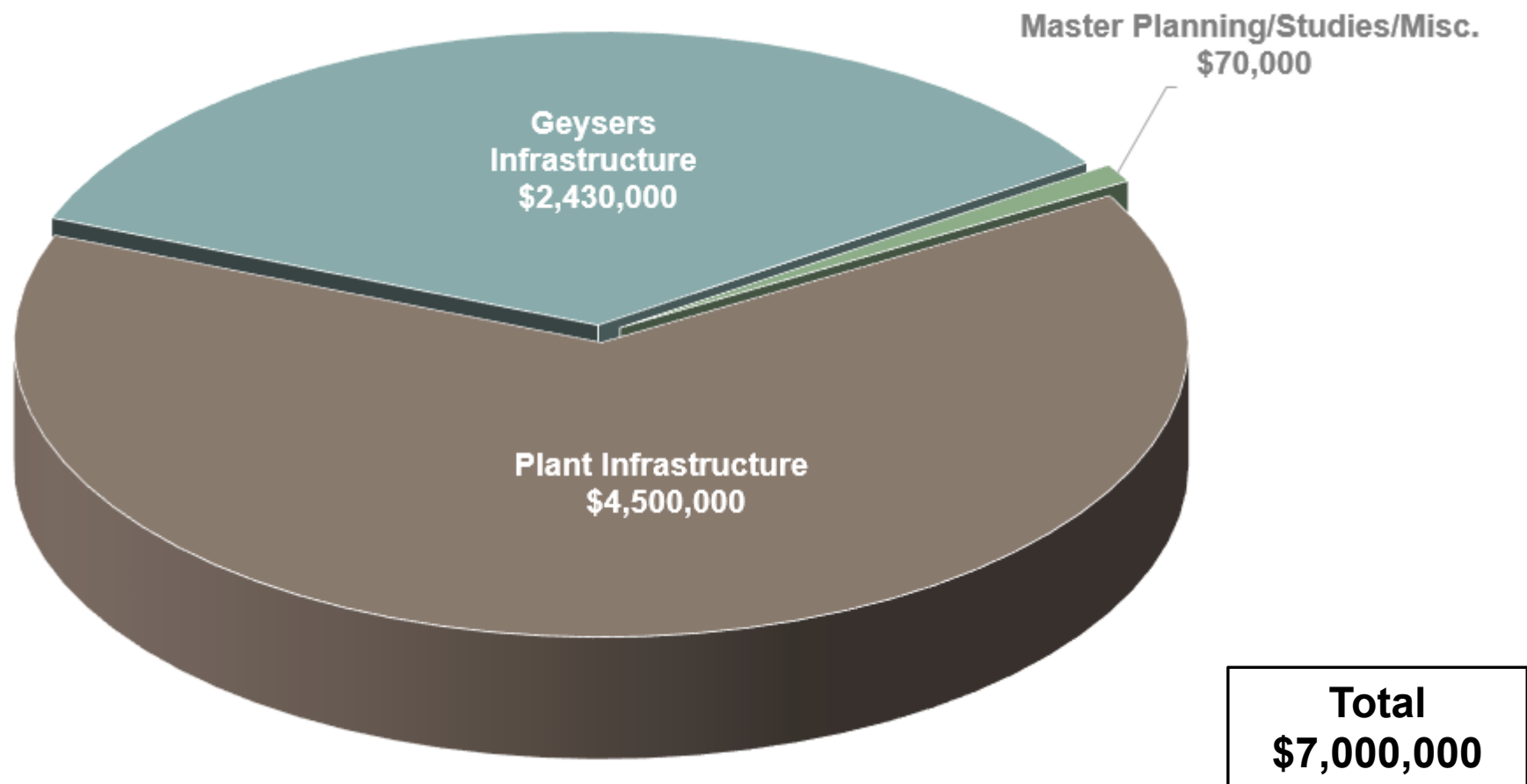
# CIP Project Locations

## Water and Wastewater



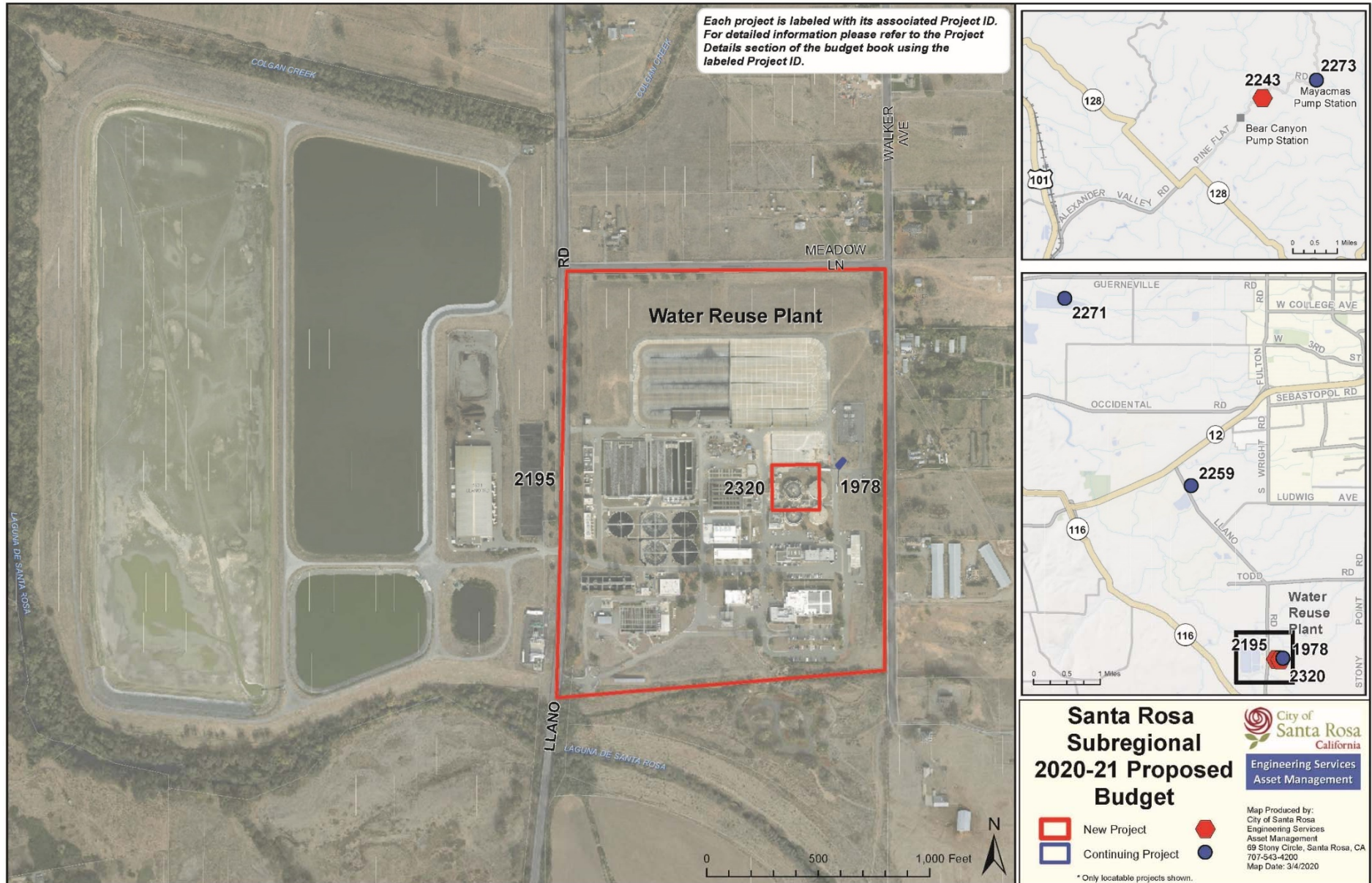
# Santa Rosa Water 2020-21 CIP

## Proposed Regional





# Regional CIP Project Locations



# CIP DISCUSSION / QUESTIONS?



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# Current Budget Schedule

- **BPU – May 7<sup>th</sup>**
  - Budget Recommendation to City Council
- **City Council – April 28<sup>th</sup>**
  - Preliminary approval of Regional Budget
- **City Council – May 19<sup>th</sup>**
  - Budget Study Sessions
- **City Council – June 23<sup>rd</sup>**
  - Budget Adoption

# DISCUSSION / QUESTIONS?



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# CONNECT WITH US!

CALL: 707.543.4200

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VISIT: SRCITY.ORG/WATER



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