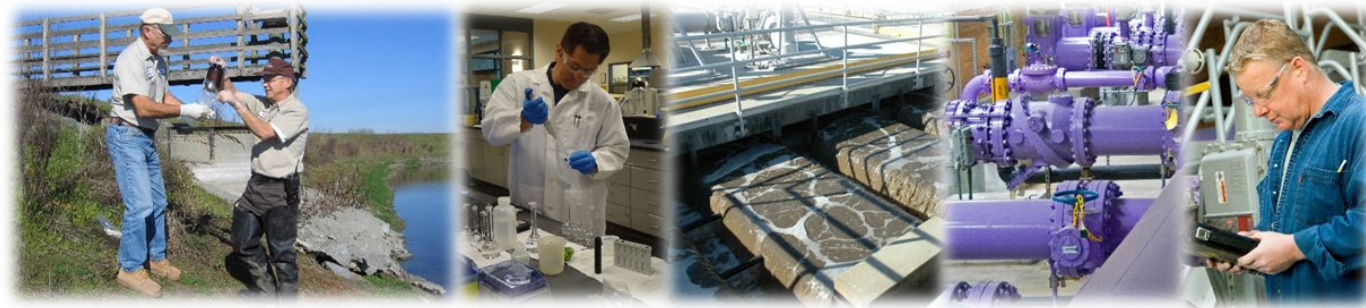


Regional Technical Advisory Committee Meeting

February 9, 2023



Nick Harvey
Budget and Financial Analysis Manager

Overview

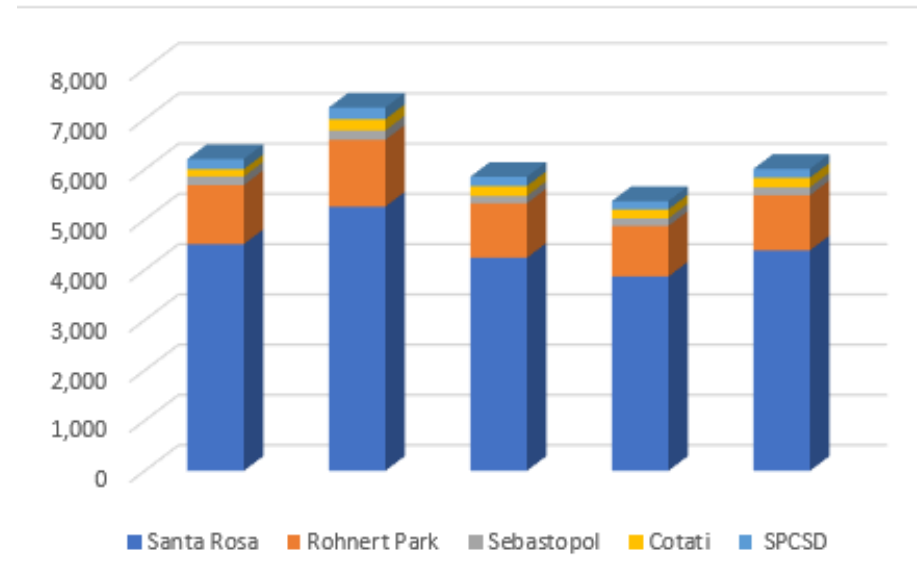
- Preliminary Increases
- Annual flows
- Miscellaneous Revenue
- Financial Model & Assumptions
- Budget Schedule



Preliminary Increases

- Salary Increases Current Fiscal Year
 - 2.5% increase July 2023
- Costs of Chemicals
- Expected PG&E Rate Increases
- Operations Maintenance Projects
 - Funding for NPDES Permit
- One Additional Staff
 - Wastewater Operator Supervisor

Annual Flow In Million Gallons



Actual Annual Flows	2017/18	2018/19	2019/20	2020/21	2021/22	2021/22 Percentage
Santa Rosa	4,512.33	5,259.45	4,240.24	3,867.02	4,388.95	73.04%
Rohnert Park	1,173.63	1,327.10	1,083.91	1,006.29	1,095.25	18.23%
Sebastopol	169.85	187.91	147.05	151.42	158.75	2.64%
Cotati	147.77	225.04	196.87	177.04	190.73	3.17%
SPCSD	200.61	230.58	183.63	166.31	175.00	2.91%
	6,204.19	7,230.08	5,851.70	5,368.08	6,008.68	

Estimated Regional Miscellaneous Revenues

		2022/23	2023/24
		Budgeted	Projected
4511	Property Rentals	\$120,000	\$120,000
4521	Interest on Pooled Investments	\$500,000	\$330,000
4635	Sale of Water (recycled) - Retail	\$250,000	\$300,000
4645	Sale of Water (recycled) - Wholesale	\$20,000	\$20,000
4638	Laboratory Services	\$85,000	\$85,000
4639	High Strength Tipping Charges	\$3,000,000	\$3,200,000
4690	Miscellaneous Fees and Charges	\$10,000	\$20,000
4853	Miscellaneous	\$25,000	\$25,000
4646	Calpine - per Agreement	\$300,000	\$300,000
4434	SCWA - Acceptance of Recycled Water	\$1,000	\$1,000
4443	Town of Windsor - Geysers and Environmental Compliance	\$1,017,241	\$1,051,724
4908	Dairy Waste Loan Payments	\$100,000	\$0
	Total	\$5,428,241	\$5,452,724

2022-23 Allocation

	Total 2021/22	2022/23 Budgeted O&M	2022/23 CIP Contribution	Sub Total O&M and CIP	2022/23 Debt Service	Total 2022/23	Difference
Santa Rosa	\$47,406,487	\$25,848,933	\$6,368,400	\$32,217,333	\$18,488,988	\$50,706,321	\$3,299,834
Rohnert Park	\$11,365,826	\$6,595,935	\$1,773,000	\$8,368,935	\$3,923,369	\$12,292,304	\$926,478
Sebastopol	\$1,747,669	\$891,343	\$293,400	\$1,184,743	\$719,116	\$1,903,859	\$156,190
Cotati	\$2,215,506	\$1,212,226	\$265,500	\$1,477,726	\$888,408	\$2,366,134	\$150,628
SPCSD	\$1,811,594	\$1,105,265	\$299,700	\$1,404,965	\$572,921	\$1,977,886	\$166,291
	\$64,547,081	\$35,653,701	\$9,000,000	\$44,653,701	\$24,592,802	\$69,246,503	\$4,699,422

Miscellaneous Revenues removed from O&M

Applied fund balances 2021/22

Rohnert Park - \$472,000

Sebastopol - \$68,750

Refund Reserve

Santa Rosa moved fund balance to wastewater fund

<i>Refund Reserve</i>	Santa Rosa	Rohnert Park	Cotati	Sebastopol	SPCSD	Total
2014-2015	\$0.00	\$727,418.87	\$11,015.71	\$78,611.94	\$132,955.24	\$950,001.76
2015-2016	\$2,516,050.87	\$401,559.29	\$63,410.62	\$193,872.73	\$162,171.68	\$3,337,065.19
2016-2017	\$791,021.99	\$785,048.90	\$148,989.30	\$82,461.70	\$118,057.73	\$1,925,579.62
2017-2018	\$4,209,021.16	\$199,493.31	\$99,461.11	\$90,918.22	\$105,412.63	\$4,704,306.43
2018-2019	\$1,681,886.86	(\$439,231.74)	(\$134,896.25)	\$67,040.31	(\$48,200.46)	\$1,126,598.72
2019-2020	\$4,229,712.03	\$1,121,685.20	(\$219,815.33)	\$231,470.53	\$213,981.67	\$5,577,034.10
2020-2021	(\$12,835,574.23)	\$22,620.47	(\$64,019.82)	(\$37,359.51)	\$67,320.27	(\$12,847,012.82)
Totals	\$592,119	\$2,818,594	(\$95,855)	\$707,016	\$751,699	\$4,773,573

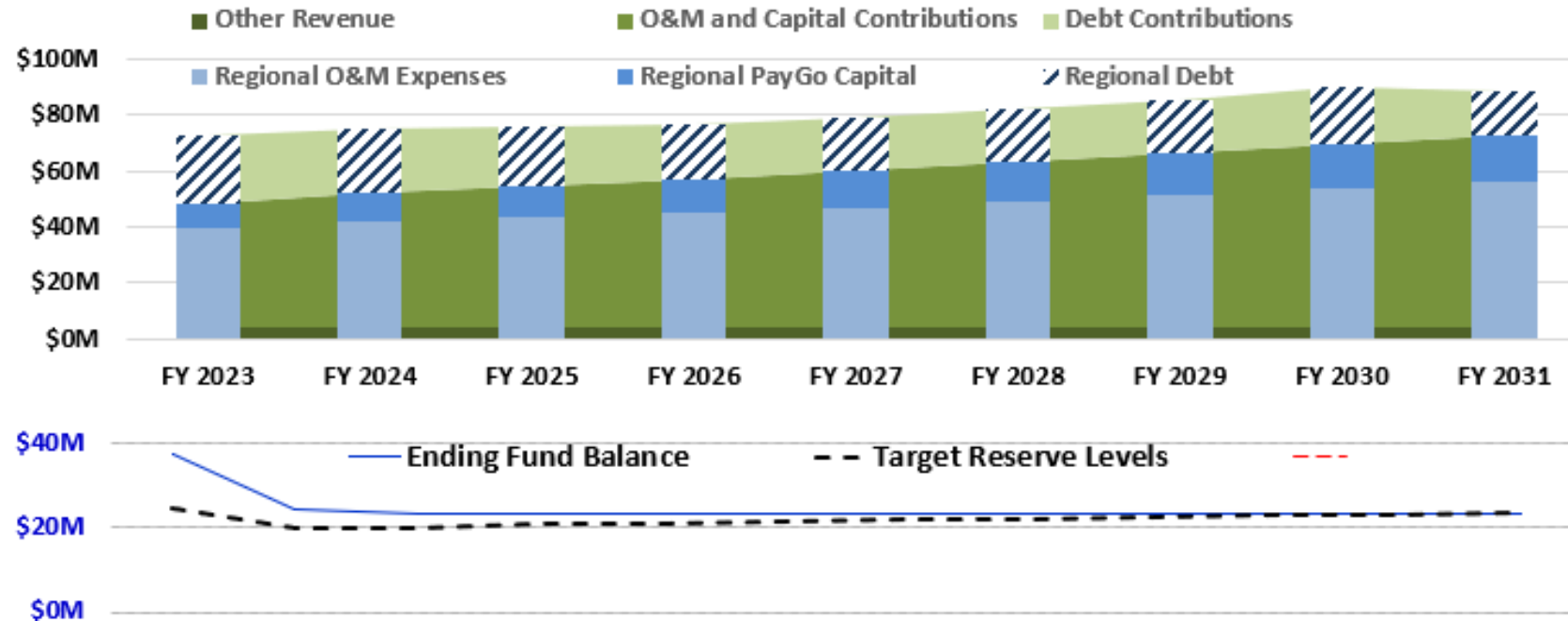
Financial Model Assumptions

- Labor – 2.5% 2023/34 (5% future)
- Benefits – 3% per year
- One additional FTE 2023/24; no additional in future years, likely will be needed
- Cash funded capital program – \$1m per year
- Electricity – 15% 2023/24 (10% future)
- Chemicals – 5%
- NPDES Permit - \$500k yearly
- No future debt service included; likely will be needed
- Agency Flows
 - SR – 72.5%
 - RP – 18.5%
 - Cotati – 3.4%
 - SPCSD – 3.1%
 - Sebastopol – 2.5%

Regional Financial Model

	Forecast FY 2024	Forecast FY 2025	Forecast FY 2026	Forecast FY 2027	Forecast FY 2028	Forecast FY 2029	Forecast FY 2030	Forecast FY 2031
	2.90%	1.97%	0.45%	4.13%	4.09%	4.09%	5.15%	-1.88%
Charges to User Agencies for O&M and Capital Program								
Cotati	\$1,570,000	\$1,661,000	\$1,745,000	\$1,842,000	\$1,942,000	\$2,045,000	\$2,153,000	\$2,265,000
Rohnert Park	\$8,908,000	\$9,441,000	\$9,934,000	\$10,496,000	\$11,076,000	\$11,676,000	\$12,298,000	\$12,945,000
Santa Rosa	\$34,267,000	\$36,288,000	\$38,157,000	\$40,296,000	\$42,505,000	\$44,792,000	\$47,165,000	\$49,635,000
Sebastapol	\$1,264,000	\$1,342,000	\$1,414,000	\$1,496,000	\$1,580,000	\$1,668,000	\$1,758,000	\$1,851,000
SPCWD	\$1,496,000	\$1,585,000	\$1,668,000	\$1,763,000	\$1,860,000	\$1,961,000	\$2,065,000	\$2,174,000
Sub-Total	\$47,505,000	\$50,317,000	\$52,918,000	\$55,893,000	\$58,963,000	\$62,142,000	\$65,439,000	\$68,870,000
Charges to User Agencies for Existing Debt								
Cotati Subreg	\$804,000	\$750,000	\$671,000	\$672,000	\$672,000	\$673,000	\$691,000	\$518,000
Rohnert Park SubReg	\$3,932,000	\$3,738,000	\$3,330,000	\$3,332,000	\$3,333,000	\$3,336,000	\$3,502,000	\$2,659,000
Santa Rosa SubReg	\$16,746,000	\$15,609,000	\$13,992,000	\$13,999,000	\$14,006,000	\$14,024,000	\$14,574,000	\$10,919,000
Sebastopol SubReg	\$862,000	\$836,000	\$730,000	\$730,000	\$730,000	\$731,000	\$829,000	\$626,000
South Park SubReg	\$652,000	\$641,000	\$573,000	\$574,000	\$574,000	\$575,000	\$646,000	\$476,000
Sub-Total	\$22,996,000	\$21,574,000	\$19,296,000	\$19,307,000	\$19,315,000	\$19,339,000	\$20,242,000	\$15,198,000

Regional Reserve Projections



FY 2022 FY 2023 FY 2024 FY 2025 FY 2026 FY 2027 FY 2028 FY 2029 FY 2030 FY 2031

Partner Contribution Change from Prior Year: 6.50% 6.14% 2.90% 1.97% 0.45% 4.13% 4.09% 4.09% 5.15% -1.88%

Budget Schedule

- **Regional Partners** – March 9th , April 6th
- **BPU Budget Subcommittee** –
 - Dates Pending
- **BPU** – April 21st
 - Budget Recommendation to City Council
- **City Council** – April 25th
 - Preliminary approval of Regional Budget
- **City Council** – May 9th & 10th
 - Budget Study Sessions
- **City Council** – June 20th
 - Budget Adoption

DISCUSSION / QUESTIONS?