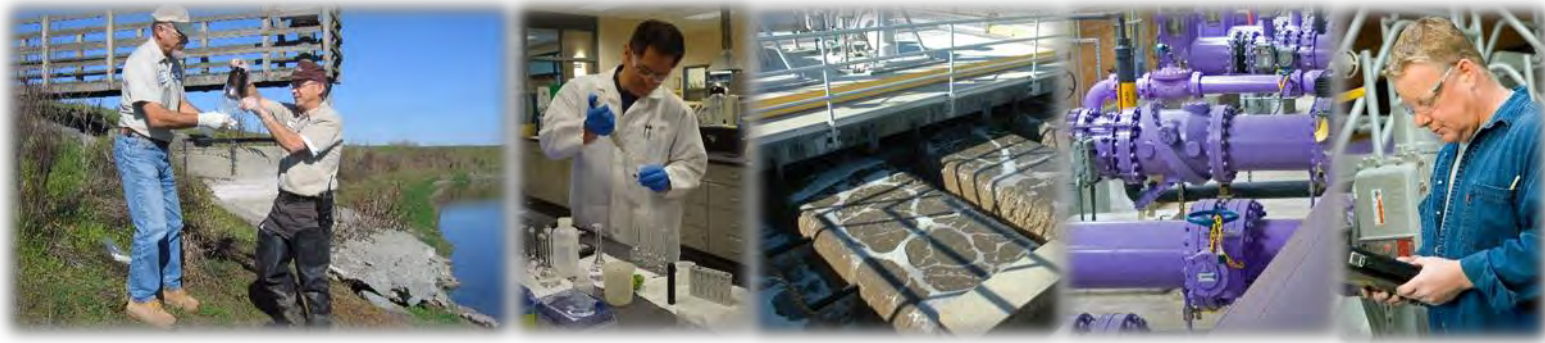


Regional Technical Advisory Committee Meeting March 10, 2022



Nick Harvey
Administrative Analyst



OUR FUTURE IN EVERY DRÖP

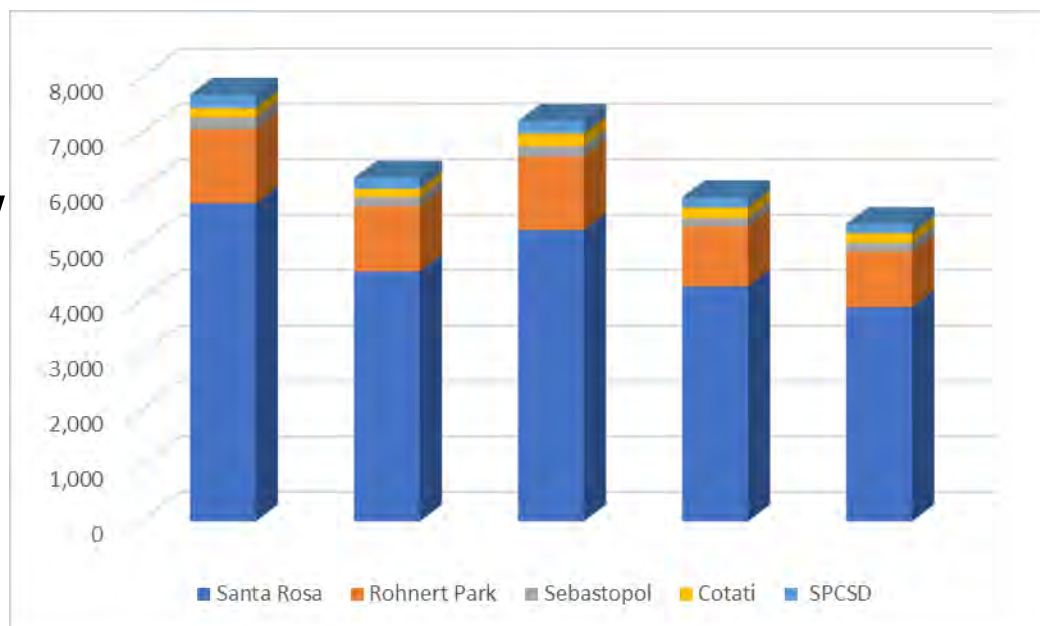
Overview

- Annual flows
- Expenditures
- CIP
- Revenues
- Allocation
- Budget Schedule



Annual Flow

In Million Gallons



| Actual Annual Flows | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2020/21 Percentage |
|---------------------|----------|----------|----------|----------|----------|--------------------|
| Santa Rosa | 5,741.70 | 4,512.33 | 5,259.45 | 4,240.24 | 3,867.02 | 72.04% |
| Rohnert Park | 1,337.22 | 1,173.63 | 1,327.10 | 1,083.91 | 1,006.29 | 18.75% |
| Sebastopol | 211.09 | 169.85 | 187.91 | 147.05 | 151.42 | 2.82% |
| Cotati | 168.51 | 147.77 | 225.04 | 196.87 | 177.04 | 3.30% |
| SPCSD | 242.01 | 200.61 | 230.58 | 183.63 | 166.31 | 3.10% |
| | 7,700.53 | 6,204.19 | 7,230.08 | 5,851.70 | 5,368.08 | |



OUR FUTURE IN EVERY DROP

Increases

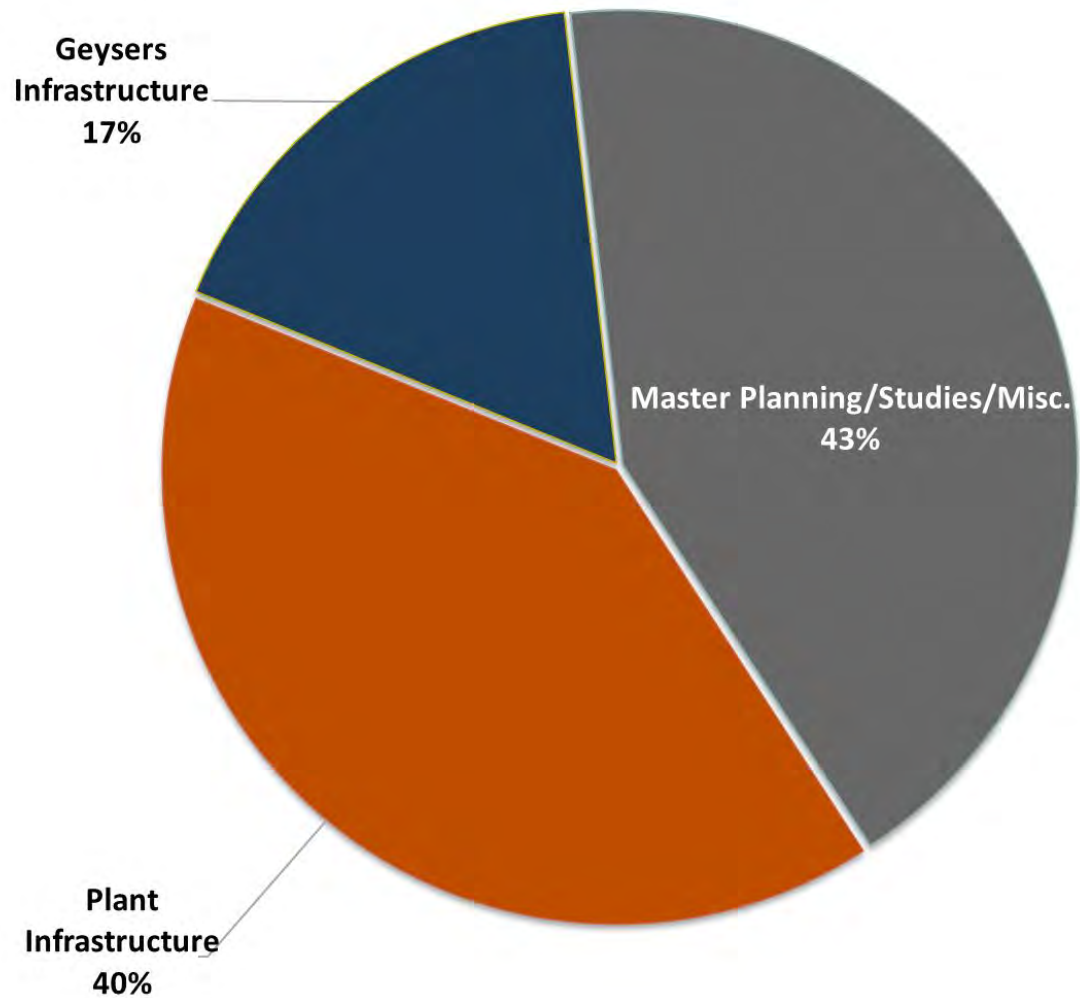
- Salaries - \$828,492
 - Two years of increases at 5.5%
 - Employee wellness - \$500 per employee
- Benefits – \$930k
- Professional Services – \$400k
 - Biosolids, accreditation program requirements
- O&M Projects – \$1.2m
 - Phosphorous credits, continued failures
- Energy, Vehicle, Operational Supplies, Insurance and IT- \$1.3m
- CIP - \$1m
- Additional staff – Supervising Lab Analyst - \$160k
 - Not included until approved

Regional Operations

| Expenditure Object | 2020-21 Total Request | 2022-23 Total Request | Change | % |
|---|-----------------------|-----------------------|--------------------|-------------|
| 1631 - Regional Operations | | | | |
| Operations and Maintenance Projects | \$2,948,909 | \$4,237,489 | \$1,288,580 | 43.7 |
| Salaries | \$9,354,803 | \$10,183,295 | \$828,492 | 8.9 |
| Benefits | \$6,048,215 | \$6,544,517 | \$496,302 | 8.2 |
| Professional Services | \$3,488,364 | \$3,889,258 | \$400,894 | 11.5 |
| Misc - Training, Leases, Equip Rent, etc. | \$680,738 | \$690,771 | \$10,033 | 1.5 |
| Vehicle Replacement and Maintenance | \$1,099,434 | \$1,205,039 | \$105,605 | 9.6 |
| Utilities | \$3,967,295 | \$4,172,186 | \$204,891 | 5.2 |
| Operational Supplies | \$3,063,560 | \$3,683,110 | \$619,550 | 20.2 |
| Information Technology | \$767,681 | \$858,214 | \$90,533 | 11.8 |
| Total Liab/Property Insurance | \$960,042 | \$1,283,696 | \$323,654 | 33.7 |
| Debt Service | \$399,366 | \$271,584 | (\$127,782) | -32.0 |
| Internal & External Overhead | \$3,206,370 | \$3,397,935 | \$191,565 | 6.0 |
| Total 1631 - Regional Operations | \$35,984,777 | \$40,417,094 | \$4,432,317 | 12.3 |

Capital Improvement Program

\$9,000,000



OUR FUTURE IN EVERY DRÖP

Projected Miscellaneous Revenues

| | 2020/21 | 2022/23 |
|--|--------------------|--------------------|
| | Budgeted | Projected |
| Property Rentals | \$90,000 | \$120,000 |
| Interest on Pooled Investments | \$500,000 | \$500,000 |
| Sale of Water (recycled) - Retail | \$220,000 | \$250,000 |
| Sale of Water (recycled) - Wholesale | \$20,000 | \$20,000 |
| Laboratory Services | \$85,000 | \$85,000 |
| High Strength Tipping Charges | \$1,800,000 | \$3,000,000 |
| Miscellaneous Fees and Charges | \$7,500 | \$10,000 |
| Miscellaneous | \$25,000 | \$25,000 |
| Calpine - per Agreement | \$300,000 | \$300,000 |
| SCWA - Acceptance of Recycled Water | \$1,000 | \$1,000 |
| Town of Windsor - Geysers and Environmental Compliance | \$982,759 | \$1,017,241 |
| Dairy Waste Loan Payments | \$100,000 | \$100,000 |
| Total | \$4,131,259 | \$5,428,241 |



OUR FUTURE IN EVERY DRÖP

Fund Summary 2022/23

| | 2022/23 Budget |
|---|-----------------------|
| Operating Expenditure Request | \$40,417,094 |
| Regional WW Capital (Cash funded CIP) | \$9,000,000 |
| Additional Operating Reserve needed | \$664,848 |
| Expenditures Change in Operating Reserve | \$50,081,942 |

Regional System Reserves for 2022/23

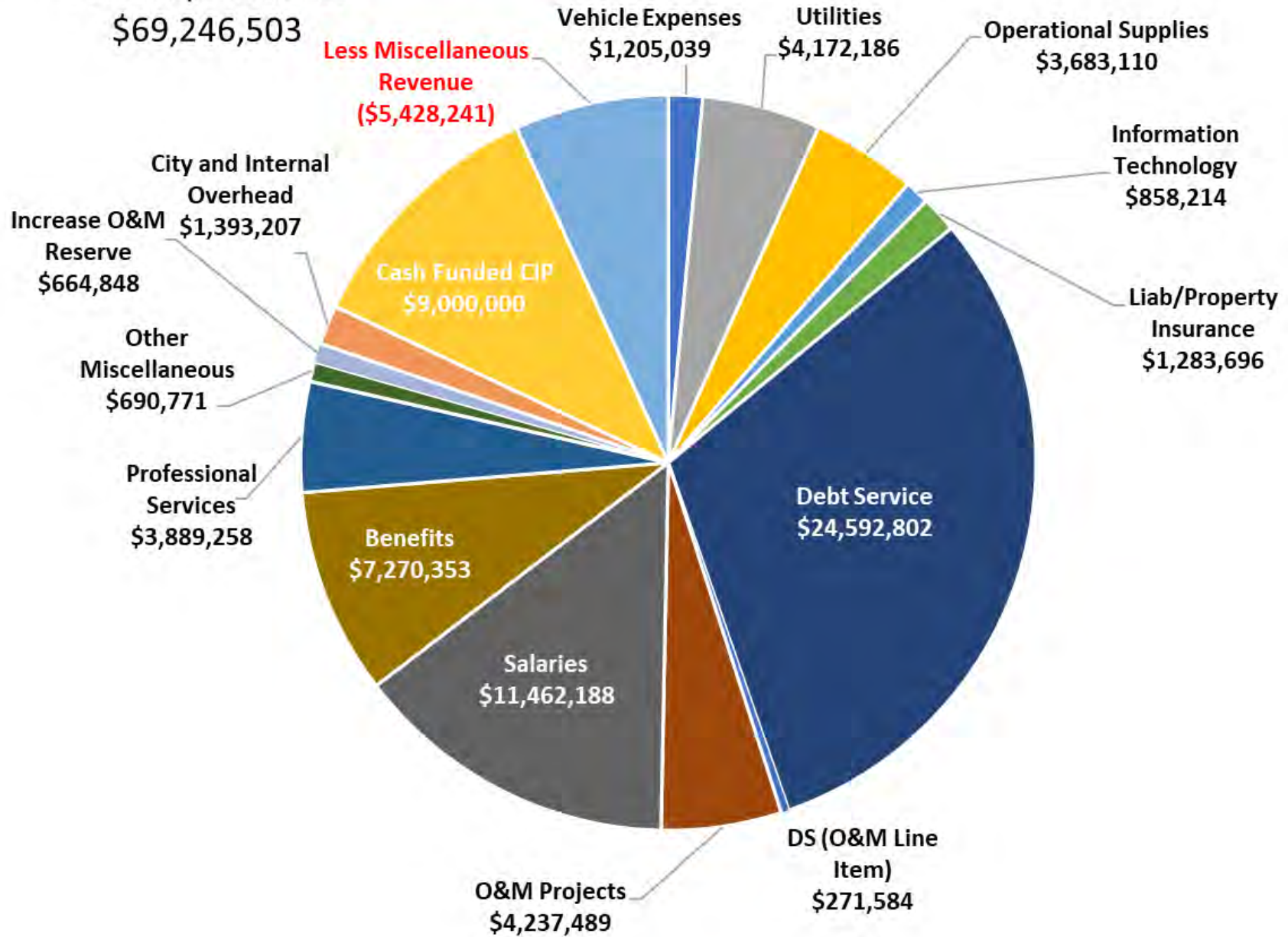
| | |
|--|---------------------|
| Operating Reserves (15% of expenditures) | \$6,095,843 |
| Geysers Reserves | \$1,250,000 |
| Catastrophic Reserve | \$1,700,000 |
| User Agency Reserve | \$5,000,000 |
| | \$13,254,170 |

Agency Contribution Calculation:

| | |
|--|---------------------|
| Expenditures Change in Operating Reserve | \$50,081,942 |
| Less Revenue | (\$5,428,241) |
| Fund Balance Applied | \$0 |
| Agency Contribution | \$44,653,701 |

Regional Fund

Total Expenditures
\$69,246,503



Refund Reserve

| <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 |

Santa Rosa moved fund balance to wastewater fund

Total 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 | Applied Fund Balance | Total | Increase with Fund Balance |
|--------------|------------------|----------------------------|-----------------------------|-----------------------------|----------------------------|------------------|-------------|----------------------------|--------------|----------------------------------|
| Santa Rosa | \$47,406,487 | \$25,848,933 | \$6,368,400 | \$32,217,333 | \$18,488,988 | \$50,706,321 | \$3,299,834 | \$400,000 | \$50,306,321 | 6.12% |
| Rohnert Park | \$11,365,826 | \$6,595,935 | \$1,773,000 | \$8,368,935 | \$3,923,369 | \$12,292,304 | \$926,478 | \$240,000 | \$12,052,304 | 6.04% |
| Sebastopol | \$1,747,669 | \$891,343 | \$293,400 | \$1,184,743 | \$719,116 | \$1,903,859 | \$156,190 | \$50,000 | \$1,853,859 | 6.08% |
| Cotati | \$2,215,506 | \$1,212,226 | \$265,500 | \$1,477,726 | \$888,408 | \$2,366,134 | \$150,628 | \$0 | \$2,366,134 | 6.80% |
| SPCSD | \$1,811,594 | \$1,105,265 | \$299,700 | \$1,404,965 | \$572,921 | \$1,977,886 | \$166,291 | \$56,000 | \$1,921,886 | 6.09% |
| | \$64,547,081 | \$35,653,701 | \$9,000,000 | \$44,653,701 | \$24,592,802 | \$69,246,503 | \$4,699,422 | \$746,000 | \$68,500,503 | 6.12% |

Miscellaneous Revenues removed from 2022/23 O&M

Budget Schedule

- **Regional Partners** – March 10th , April 7th
- **BPU Budget Subcommittee** –
 - February 23rd , March 15th and 30th
- **BPU** – April 7th
 - Budget Study Session
- **BPU** – April 21st
 - Budget Recommendation to City Council
- **City Council** – April 26th
 - Preliminary approval of Regional Budget
- **City Council** – May 10th & 11th
 - Budget Study Sessions
- **City Council** – June 21st
 - Budget Adoption

DISCUSSION / QUESTIONS?



OUR FUTURE IN EVERY DRÖP

Rate Modeling



OUR FUTURE IN EVERY DRÖP