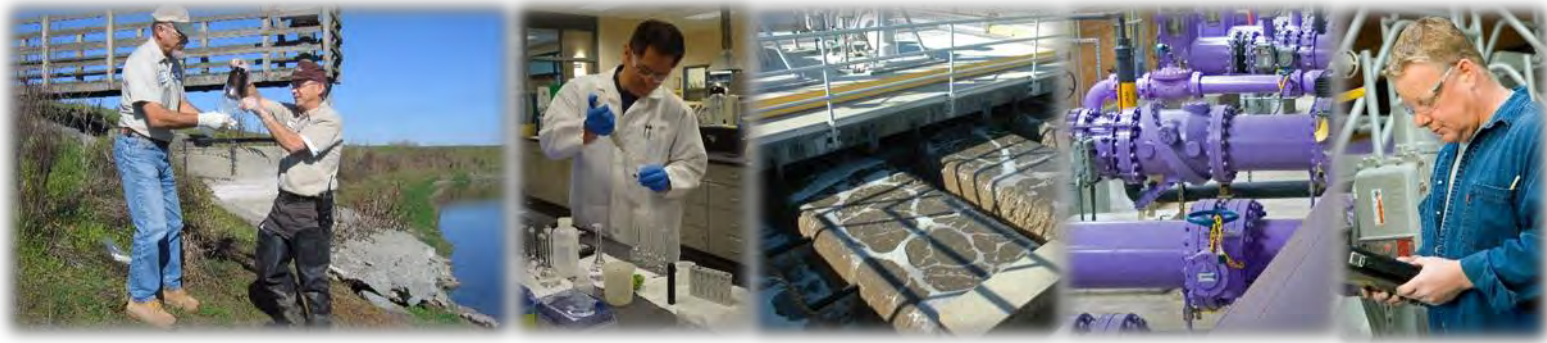


Regional Technical Advisory Committee Meeting

April 7, 2022



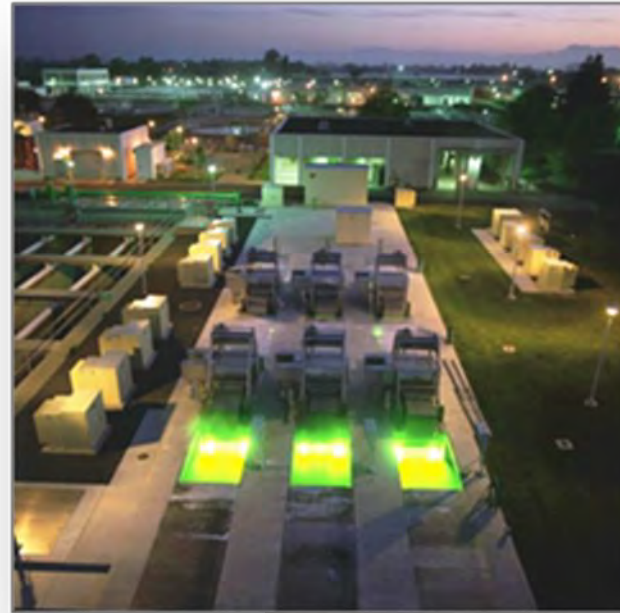
Kimberly Zunino
Deputy Director Administration



OUR FUTURE IN EVERY DROP

Overview

- Updates
- O&M Expenditures
- CIP
- Revenues
- Allocation
- Budget Schedule



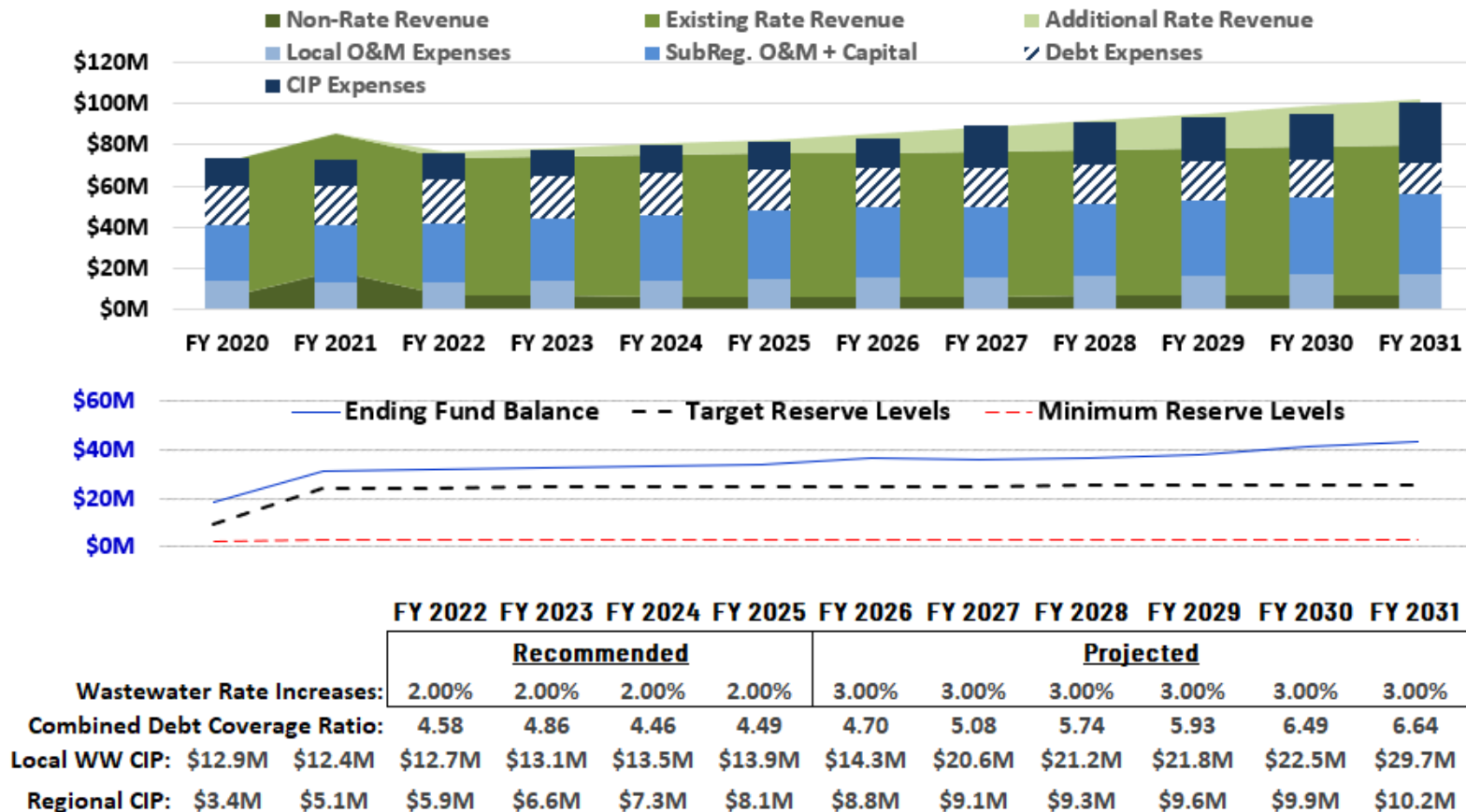
Unfunded Liability

115 Trust Development

- Purpose for Trust
 - Build Trust Balance to Achieve 100% Funded Status
 - Water = \$3.5m – fully fund with undesignated fund balance
 - Local Wastewater = \$900k – fully fund with undesignated fund balance
 - Regional = \$3.2m – work on strategy for full funding
- Benefits
 - Reaching 100% funded status as early as possible
 - Would not burden future ratepayers for the pension of current employees
 - Establishes a clear goal for the fund tied to pension stabilization
- Risks
 - Will require funding for regional
 - Possible future liability
 - Current budget funding for POB could be used moving forward

Financial Model Update

- Professional services agreement in process



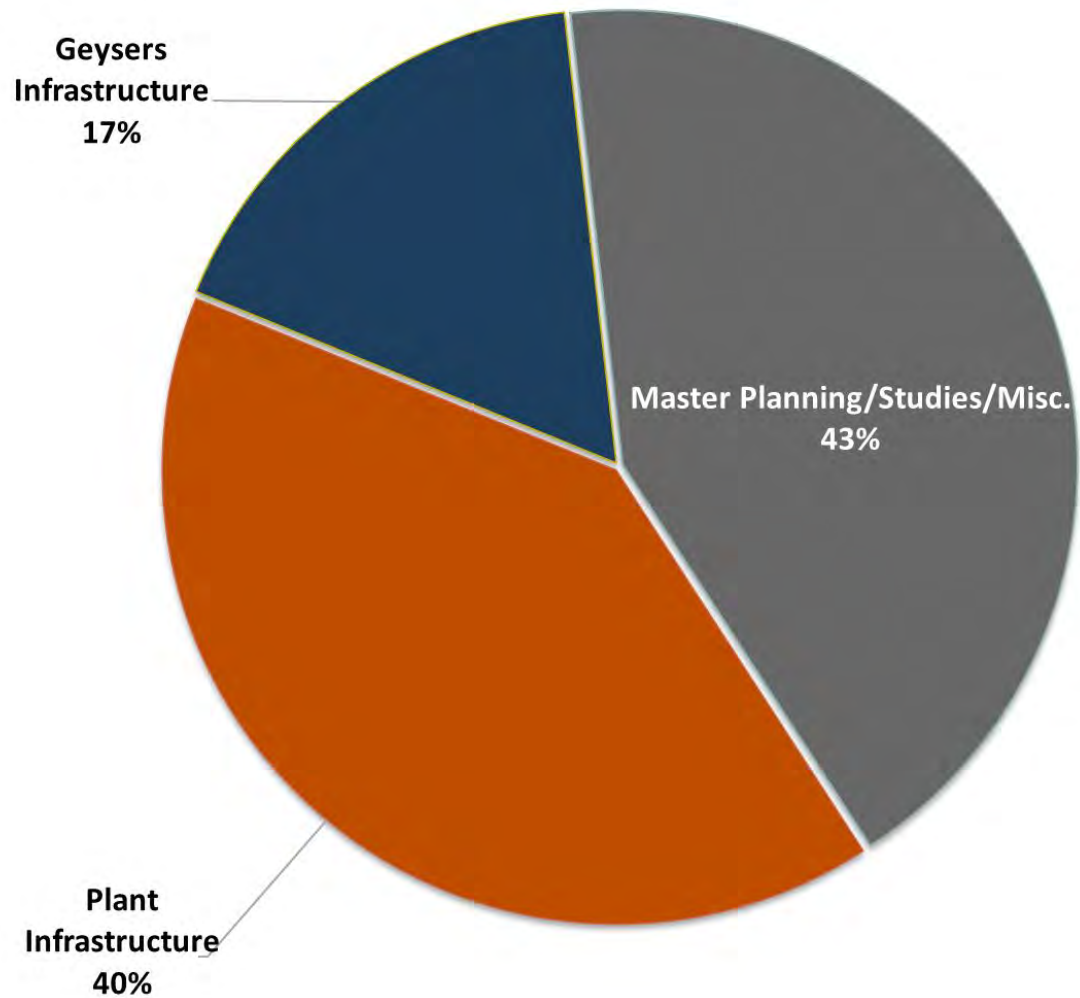
****SRW Wastewater Model**

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



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 DROP

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

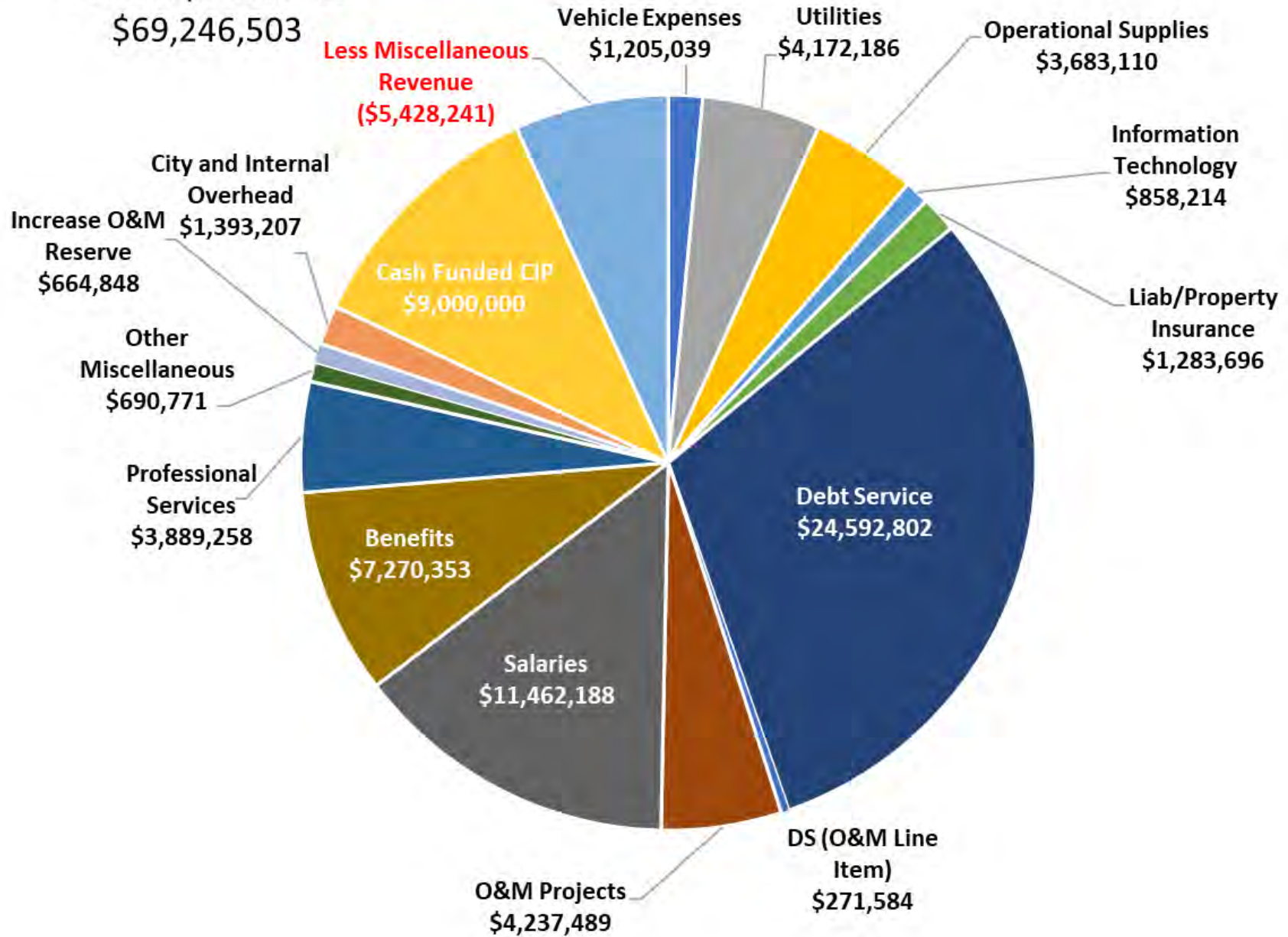
Agency Contribution Calculation:

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



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
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
Rohnert Park	\$11,365,826	\$6,595,935	\$1,773,000	\$8,368,935	\$3,923,369	\$12,292,304	\$926,478	\$472,000	\$11,820,304
Sebastopol	\$1,747,669	\$891,343	\$293,400	\$1,184,743	\$719,116	\$1,903,859	\$156,190	\$68,750	\$1,835,109
Cotati	\$2,215,506	\$1,212,226	\$265,500	\$1,477,726	\$888,408	\$2,366,134	\$150,628	\$0	\$2,366,134
SPCSD	\$1,811,594	\$1,105,265	\$299,700	\$1,404,965	\$572,921	\$1,977,886	\$166,291	\$0	\$1,977,886
	\$64,547,081	\$35,653,701	\$9,000,000	\$44,653,701	\$24,592,802	\$69,246,503	\$4,699,422	\$940,750	\$68,305,753

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

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