

Approval of the Preliminary Fiscal Year 2024/25 Regional Water Reuse System O&M and CIP Budgets

City Council

April 16, 2024

Nick Harvey
Acting Deputy Director - Administration



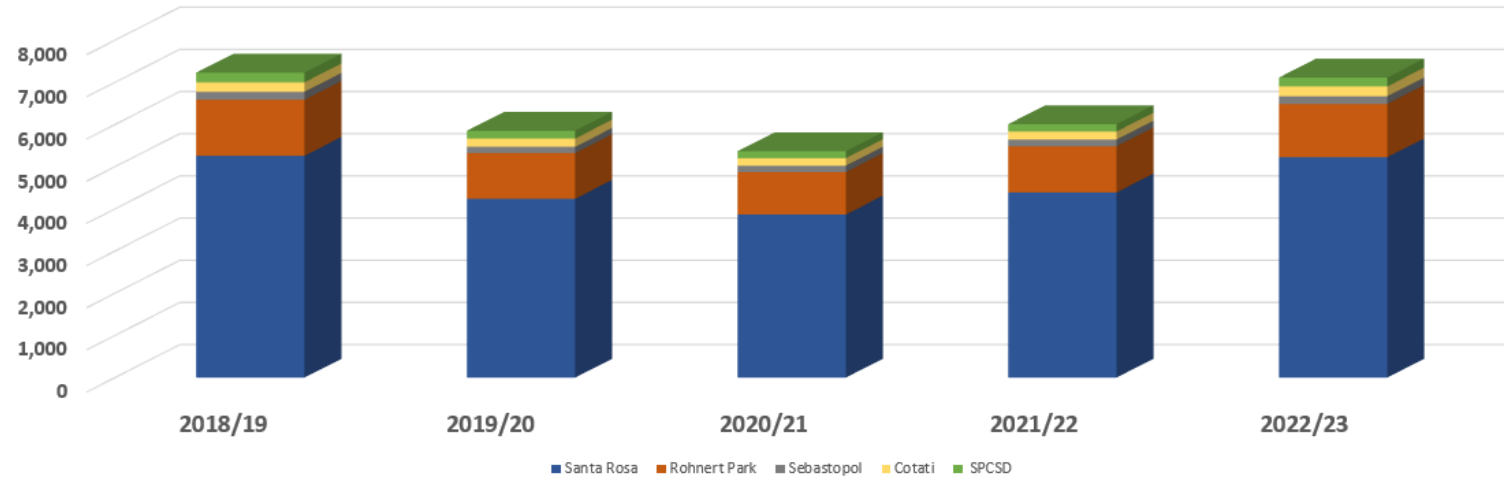
Regional Overview

- Proposed Budget
- User Agency Contribution Allocations
- CIP Review
- Remaining Budget Schedule



Annual Flow

(In Million Gallons)



Actual Annual Flows	2018/19	2019/20	2020/21	2021/22	2022/23	2022/23 Percentage
Santa Rosa	5,259.45	4,240.24	3,867.02	4,388.95	5,225.50	73.46%
Rohnert Park	1,327.10	1,083.91	1,006.29	1,095.25	1,263.07	17.76%
Sebastopol	187.91	147.05	151.42	158.75	180.68	2.54%
Cotati	225.04	196.87	177.04	190.73	233.60	3.28%
SPCSD	230.58	183.63	166.31	175.00	210.21	2.96%
Total	7,230.08	5,851.70	5,368.08	6,008.68	7,113.06	100.00%

Expenditure Increases

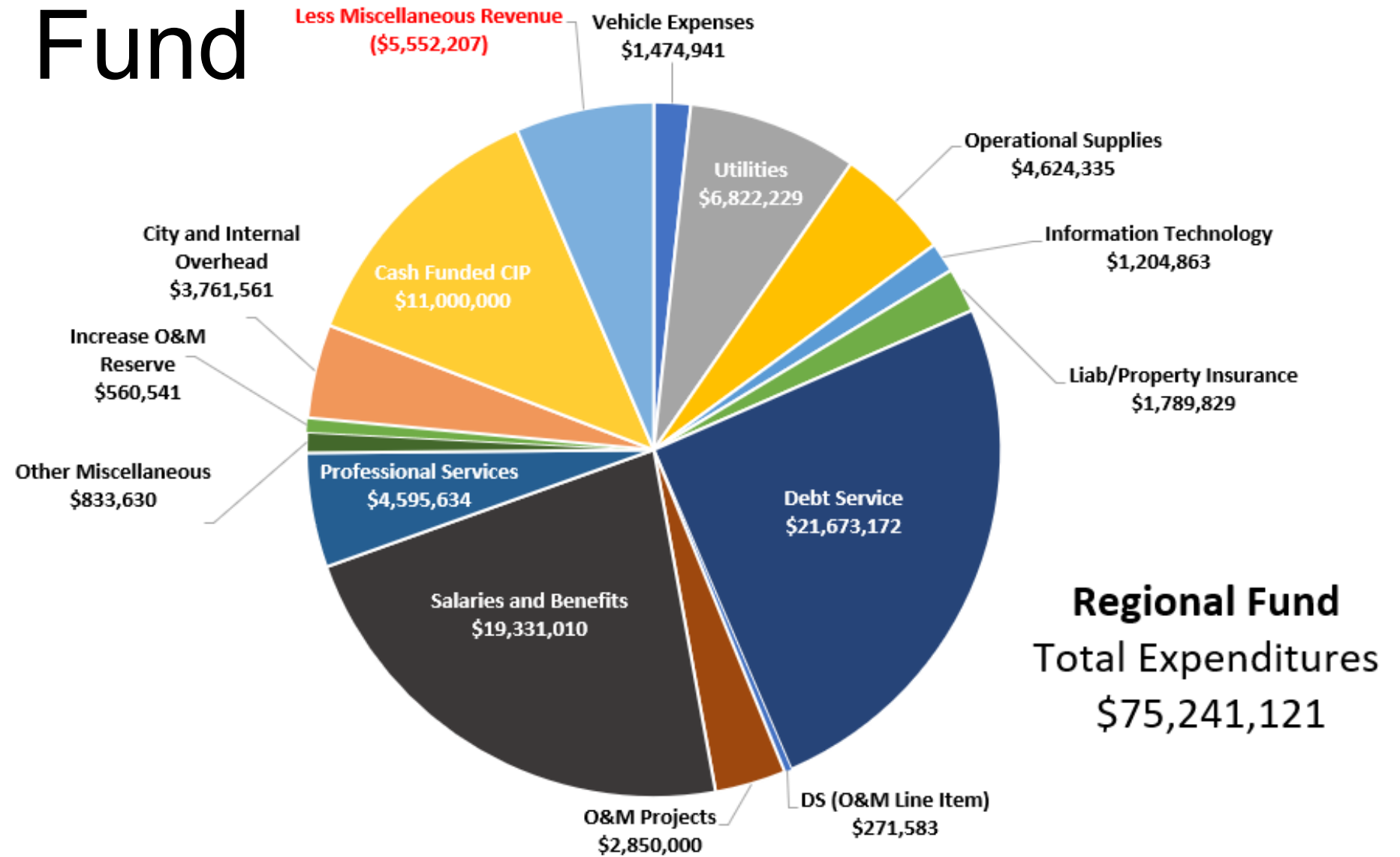
- Salaries & Benefits - \$1.3M
 - 2.5% COLA July 1, 2024
 - 1 Skilled Maintenance Worker replaced with Recycled Water Supervisor
 - 1 Dept Application Specialist replaced with Trucked Waste Coordinator
 - Water Reuse Engineer Moved to Regional
 - Increased OT
- Professional Services - \$593K
- Vehicles, Insurance & IT - \$748K
- Operational Supplies - \$330K
- Utilities - \$1.1M
- CIP - \$1M



Regional Operations

Expenditure Object	2023-24 Total Request	2024-25 Total Request	Change	%
1631 - Regional Operations				
Operations and Maintenance Projects	\$3,429,304	\$2,850,000	(\$579,304)	-16.9
Salaries	\$10,808,995	\$11,699,319	\$890,324	8.2
Benefits	\$7,201,491	\$7,631,691	\$430,200	6.0
Professional Services	\$4,003,125	\$4,595,634	\$592,509	14.8
Misc - Training, Leases, Equip Rent, etc.	\$856,914	\$833,630	(\$23,284)	-2.7
Vehicle Replacement and Maintenance	\$1,336,329	\$1,460,941	\$124,612	9.3
Utilities	\$5,701,249	\$6,822,229	\$1,120,980	19.7
Operational Supplies	\$4,294,781	\$4,624,335	\$329,554	7.7
Information Technology	\$970,116	\$1,204,863	\$234,747	24.2
Total Liab/Property Insurance	\$1,415,336	\$1,789,829	\$374,493	26.5
Debt Service	\$271,584	\$271,583	(\$1)	-0.0
Internal & External Overhead	\$3,533,451	\$3,761,561	\$228,110	6.5
Capital Outlay	\$0	\$14,000	\$14,000	100.0
Total 1631 - Regional Operations	\$43,822,675	\$47,559,615	\$3,736,940	8.5

Regional Fund



Regional Reserves

as of June 30, 2023

- **Operating**
 - \$6,053,551
- **Catastrophic**
 - \$1,700,000
- **Partner Agency Refund Reserve**
 - \$2,853,199

<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	(\$12,835,572.23)	\$22,620.47	(\$64,019.98)	(\$37,359.51)	\$67,320.27	(\$12,847,010.98)
2021-2022	(\$1,234,908.12)	(\$835,369.67)	(\$45,819.37)	(\$114,261.10)	\$69,371.15	(\$2,160,987.11)
2022-2023	\$2,867.35	\$174,870.18	\$38,872.21	(\$89,283.05)	\$113,285.00	\$240,611.69
Totals	(\$639,920.09)	\$2,158,094.81	(\$102,801.98)	\$503,471.77	\$934,354.91	\$2,853,199.42

Miscellaneous Revenues

Regional Miscellaneous Revenues			
		2023/24	2024/25
		Budgeted	Projected
4511	Property Rentals	\$120,000	\$120,000
4521	Interest on Pooled Investments	\$500,000	\$285,000
4635	Sale of Water (recycled) - Retail	\$300,000	\$350,000
4645	Sale of Water (recycled) - Wholesale	\$20,000	\$0
4638	Laboratory Services	\$85,000	\$70,000
4639	Tipping Fees	\$3,200,000	\$3,600,000
4690	Miscellaneous Fees and Charges	\$20,000	\$30,000
4853	Miscellaneous	\$25,000	\$10,000
4434	SCWA - Acceptance of Recycled Water	\$1,000	\$1,000
4443	Town of Windsor - Geysers and Environmental Compliance	\$1,051,724	\$1,086,207
	Total	\$5,322,724	\$5,552,207

Fund Summary/Agency Contribution

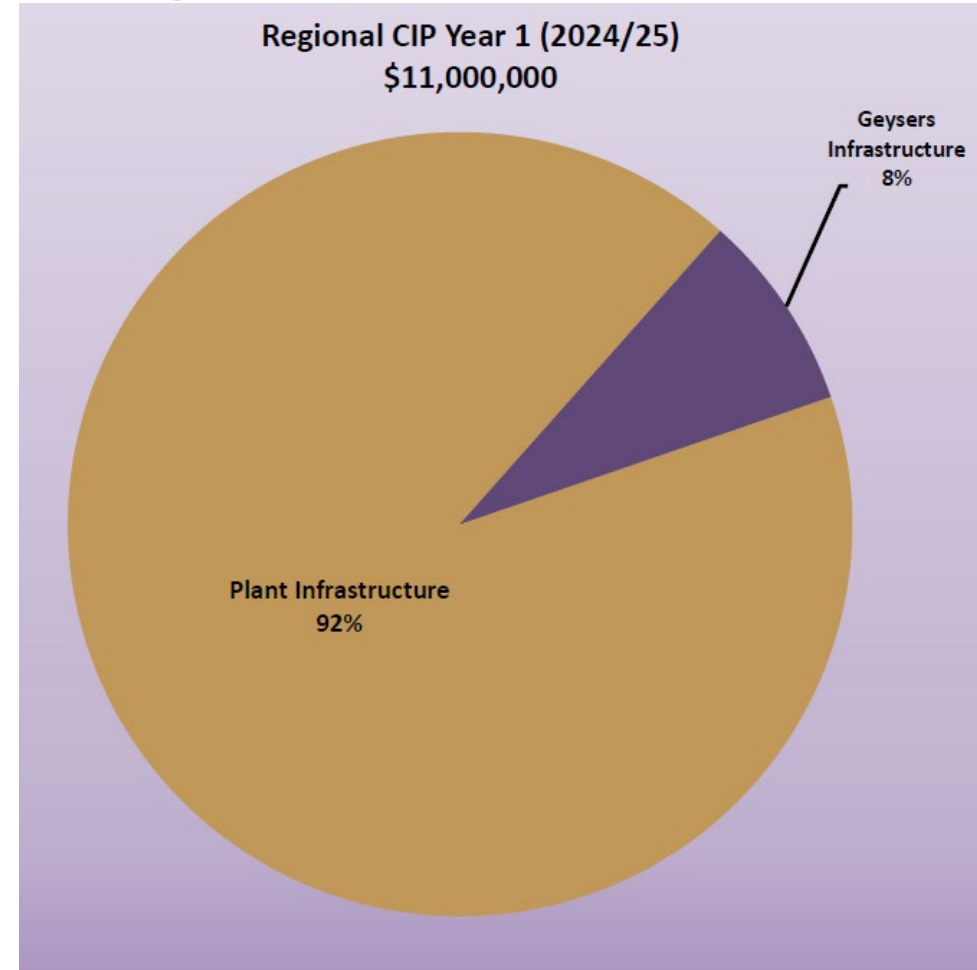
Fund Summary 2024/25	
	2024/25 Budget
Operating Expenditure Request	\$47,559,615
Regional WW Capital (Cash funded CIP)	\$11,000,000
Additional Operating Reserve needed	\$560,541
Expenditures Change in Operating Reserve	\$59,120,156
Regional System Reserves for 2024/25	
Operating Reserves (15% of expenditures)	\$7,133,942
Geysers Reserves	\$1,250,000
Catastrophic Reserve	\$1,700,000
User Agency Reserve	\$5,000,000
	\$14,012,564
Agency Contribution Calculation:	
Expenditures Change in Operating Reserve	\$59,120,156
Less Revenue	(\$5,552,207)
Fund Balance Applied	\$0
Agency Contribution	\$53,567,949

Regional Partner Allocations FY 2024/25

	Total 2023/24	2024/25 Budgeted O&M	2024/25 CIP Contribution	2024/25 Debt Service	Total 2024/25	Difference	Increase
Santa Rosa	\$52,597,462	\$31,271,888	\$7,783,600	\$16,173,829	\$55,229,317	\$2,631,855	5.00%
Rohnert Park	\$12,941,228	\$7,558,814	\$2,167,000	\$3,528,543	\$13,254,357	\$313,129	2.42%
Sebastopol	\$2,152,842	\$1,081,275	\$358,600	\$672,443	\$2,112,318	-\$40,524	-1.88%
Cotati	\$2,348,951	\$1,397,974	\$324,500	\$776,433	\$2,498,907	\$149,956	6.38%
SPCSD	\$2,066,403	\$1,257,997	\$366,300	\$521,924	\$2,146,221	\$79,818	3.86%
	\$72,106,886	\$42,567,949	\$11,000,000	\$21,673,172	\$75,241,121	\$3,134,235	4.35%

Regional CIP Funding

- Geysers Infrastructure - \$900K
- Plant Infrastructure – \$10.1M



PID 2468 LTP Electrical Infrastructure Improvements

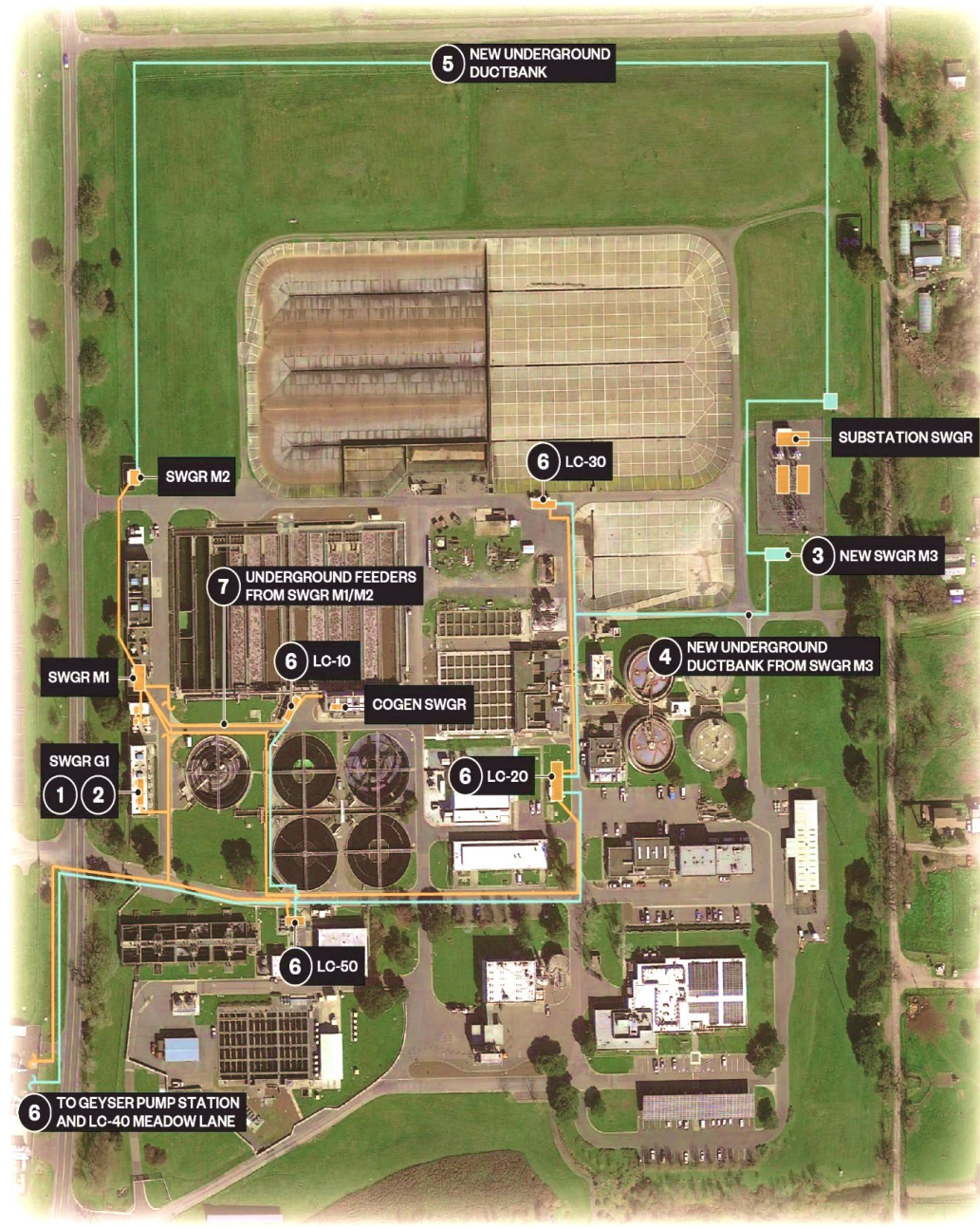
Project in Design.

FY24-25 proposed funding \$8,000,000 for purchase of long lead electrical equipment.

Some equipment has 2-3 year lead time.

Project Components being replaced

1. SWGR G1 (Emergency Generator Switchgear)
2. Standby Power System Redundancy
3. Replace SWGR M1
4. Install new Switchgear M3 near Substation.
5. Install duct bank system from new SWGR M3 to Load Centers.
6. Convert 15kV overhead to underground.
7. Replace Existing Load Centers.
8. Replace existing 15kV cables from SWGR M1/M2 to Load Centers.



PID 2488 Reclamation Pump Station E Building Upgrade

Current building has exceeded its useful line and needs to be replaced.

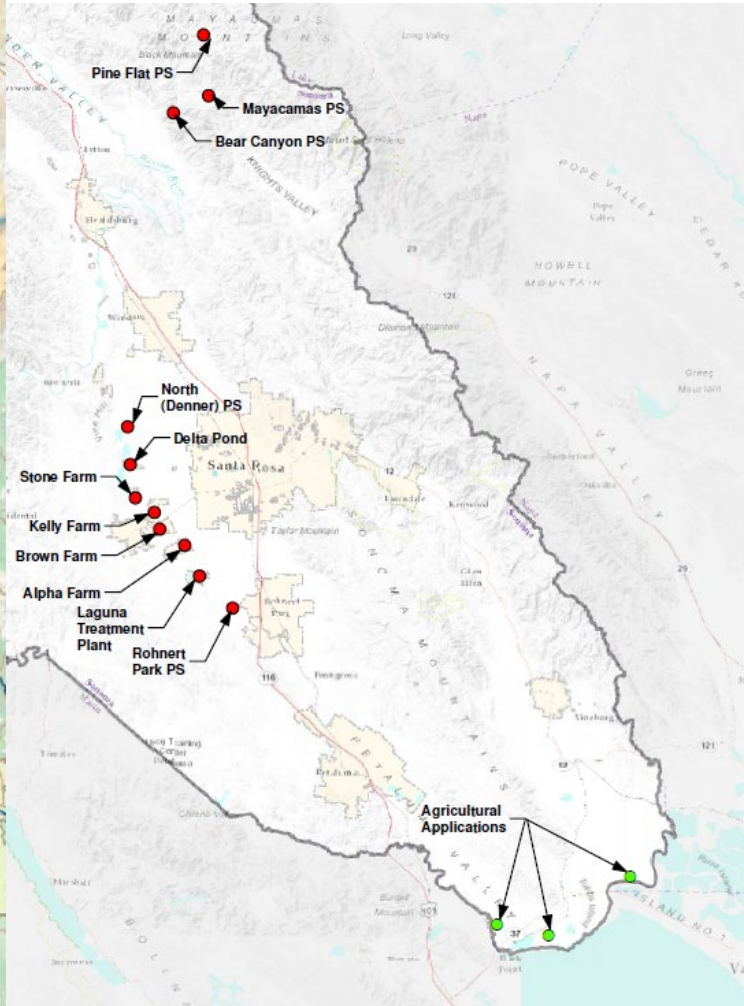
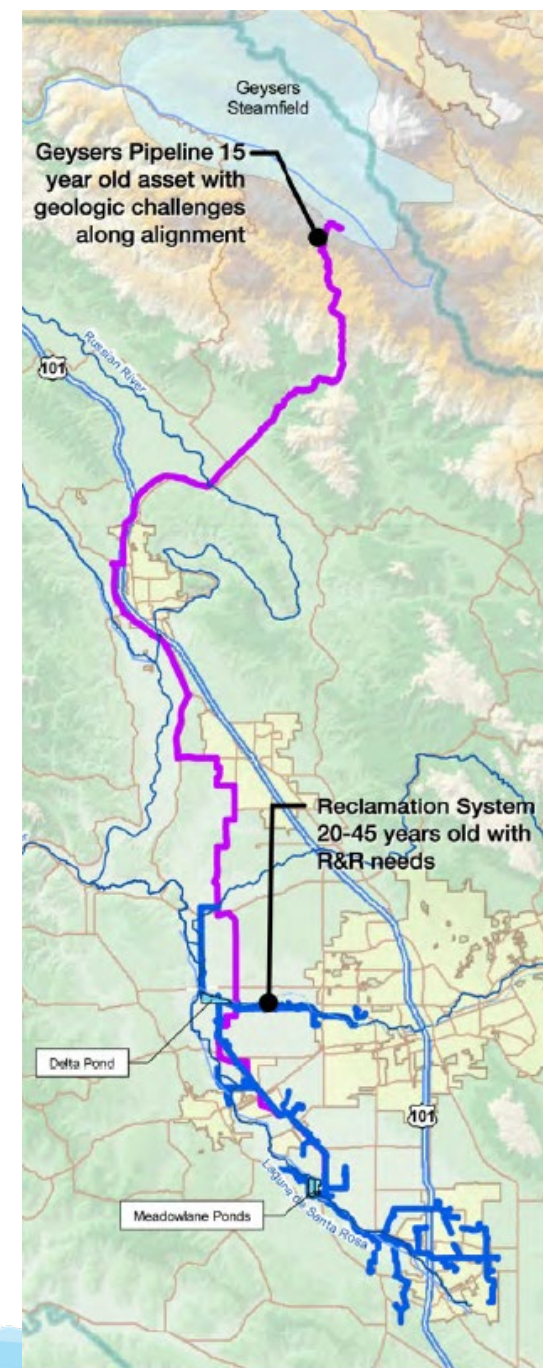
This project will also replace the gravel floor with a concrete floor.

- Estimated Project Cost:
 - \$500,000.
- Estimated Project Schedule.
 - Completed by July 2025



PID 2448 Geysers Pump Station Electrical Upgrades

- Pumps and their electrical control equipment are some of the most critical assets on the Geysers Pipeline.
- Many key components of the electrical control equipment have reached the end of their useful lives and are no longer supported by the company that manufactured them.
- 2023-2024 FUNDING:
 - \$1,350,000
 - Purchase New Pump VFD's (Variable Frequency Drives).
- Year 1 Budget 2024-2025:
 - \$500,000
 - Begin to Purchase new Pump Soft Starters with improved lockout/tagout features.



Remaining Budget Schedule

- **City Council – May 7th & 8th**
 - Budget Study Sessions
- **City Council – June 18th**
 - Budget Adoption

Recommendation

It is recommended by the Board of Public Utilities, the Subregional Technical Advisory Committee, and Santa Rosa Water that the Council, by resolution, approve the Preliminary Fiscal Year 2024/25 Regional Water Reuse System Operating and Maintenance, Capital Improvement, and Debt Service Budget and Allocation of Costs for the purpose of notifying the Regional Water Reuse User Agencies of their allocation of such costs by May 1, 2024.

QUESTIONS?