

Preliminary Regional Water Reuse Budget Approval

Regional O&M and CIP Budget and
User Agency Contribution Review

April 27, 2021

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Deputy Director Administration



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Overview

- Budget Drivers / Changes
- Expenditure Distribution
- Total Contribution
- Partner Contributions
- CIP Review
- Budget Schedule



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Budget Drivers

- Labor
 - Twenty-four hour operation
- Regulatory Compliance
 - NPDES Permit
 - Bay Area Air Quality Permit
 - Recycled water use requirements
- Geysers
 - Required deliveries per agreement
- Treatment Plant
 - 52 years old



FY 2021/22 Budget Drivers

- Debt Service UV Bond \$2,133,000
 - Expected at \$3,000,000
- Professional Services – Lystek \$1,098,521
 - Saves \$8.7m over 20 years
 - Reduction in significant future capital needs as facility was in need of large repairs
- O&M Projects – UV System maintenance \$427,500
 - Aging system and new compliance requirements
- CHP Engines and Generators - \$230,000
 - Due for 24,000 hour service

Fund Changes

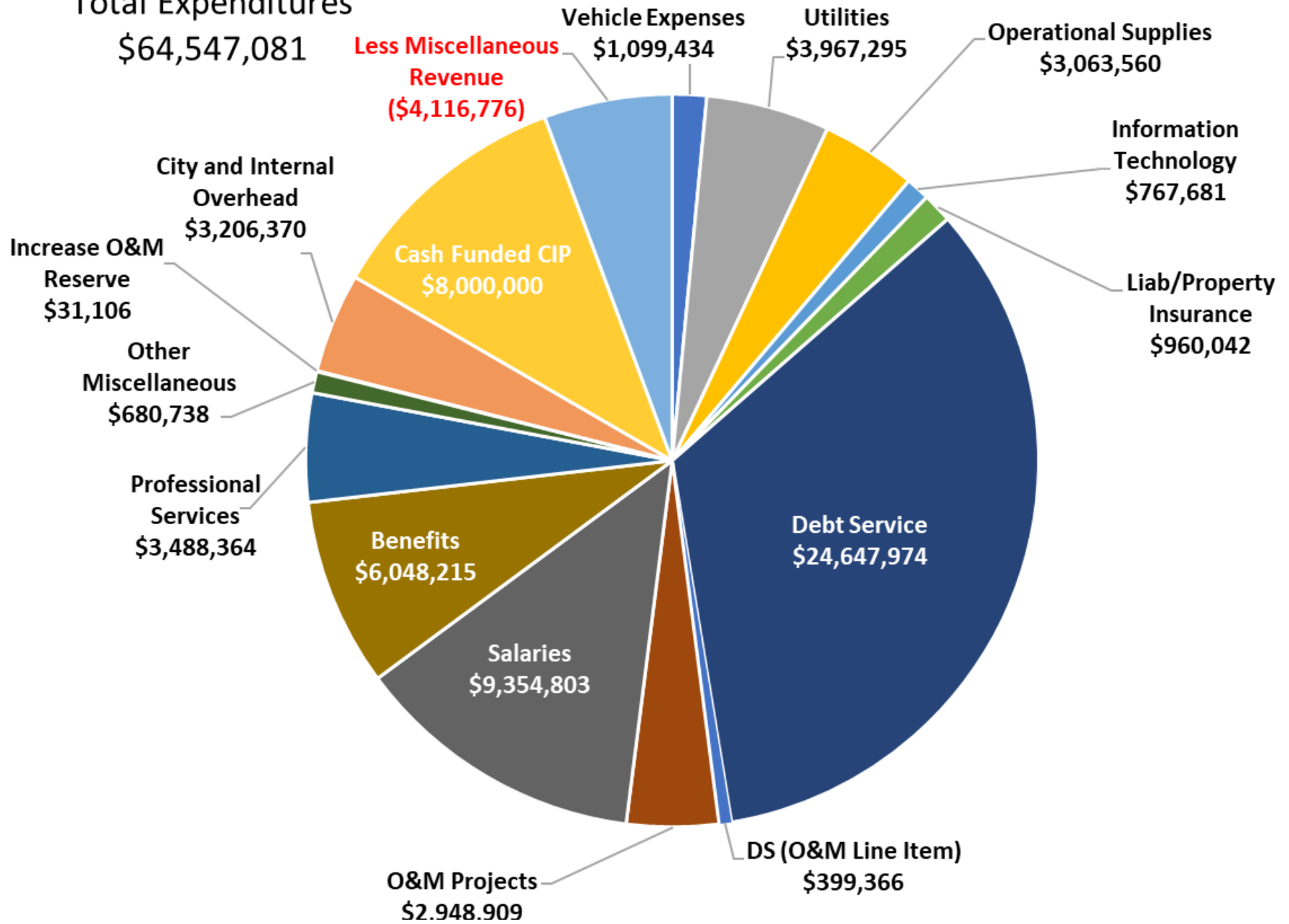
- Departmentwide Budgets - Flat
- Regional O&M Budget up – 1.6%
 - O&M maintenance projects increasing
 - Regulatory requirements for UV System
 - Professional services increasing
 - Lystek agreement
- Debt Service increasing – 9%
 - UV system replacement funding secured in 2020

Regional Fund

Total Expenditures

\$64,547,081

Less Miscellaneous Revenue
(\$4,116,776)



Fund Summary 2021/22		
		2021/22 Budget
Operating Expenditure Request		\$35,984,777
Transfers Out:		
Regional WW Capital (Cash funded CIP)		\$8,000,000
Additional Operating Reserve needed		\$31,106
Expenditures / Transfers Out / Change in Operating Reserve		\$44,015,883
Regional System Reserves for 2021/22		
Operating Reserves (15% of expenditures)	\$5,304,170	
Geysers Reserves	\$1,250,000	
Catastrophic Reserve	\$1,700,000	
User Agency Reserve	\$5,000,000	
	\$13,254,170	
Agency Contribution Calculation:		
Expenditures / Transfers Out / Change in Operating Reserve		\$44,015,883
Less Revenue		(\$4,116,776)
Fund Balance Applied		\$0
Agency Contribution		\$39,899,107

Total Allocation

	Total 2020/21	2021/22 Budgeted O&M	2021/22 CIP Contribution	2021/22 Debt Service	Total 2021/22	Difference
Santa Rosa	\$44,721,273	\$23,126,853	\$5,660,800	\$18,618,834	\$47,406,487	\$2,685,213
Rohnert Park	\$10,507,069	\$5,901,335	\$1,576,000	\$3,888,491	\$11,365,826	\$858,757
Sebastopol	\$1,650,401	\$797,478	\$260,800	\$689,391	\$1,747,669	\$97,268
Cotati	\$2,005,950	\$1,084,570	\$236,000	\$894,936	\$2,215,506	\$209,555
SPCSD	\$1,705,115	\$988,872	\$266,400	\$556,322	\$1,811,594	\$106,480
	\$60,589,808	\$31,899,107	\$8,000,000	\$24,647,974	\$64,547,081	\$3,957,273

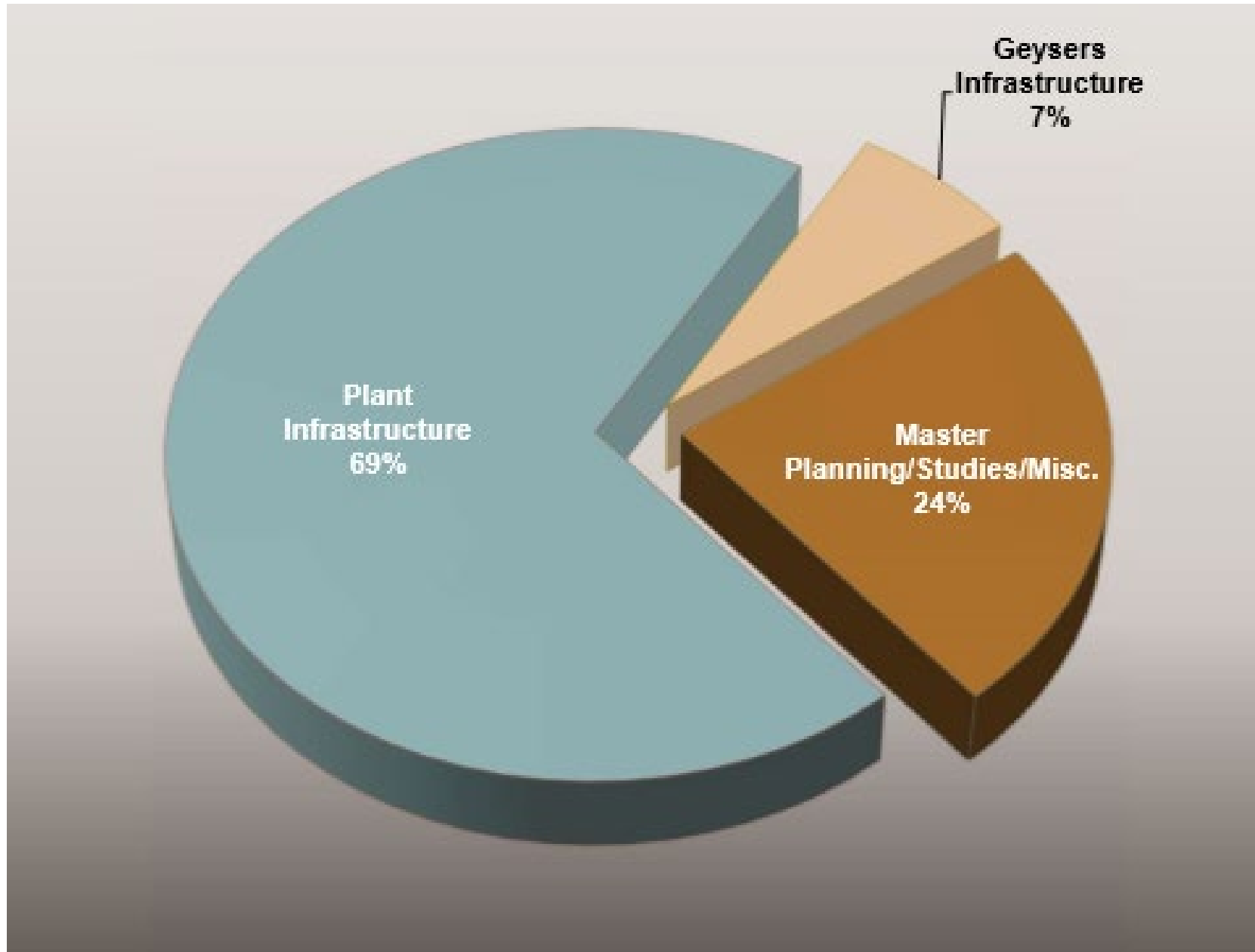
*Miscellaneous Revenues removed from 2021/22 O&M
User Agencies may apply refund reserve*

2021/22 Capital Improvement Program Budget Review



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Proposed 2020-21 CIP



Budget Schedule

- **City Council** – April 27th
 - Consideration of Preliminary Regional Budget
- **City Council** – May 11th & 12th
 - Budget Study Session
- **City Council** – June 22nd
 - Budget Adoption

Recommendation

It is recommended by Santa Rosa Water, the Subregional Technical Advisory Committee and the Board of Public Utilities that the Council, by resolution, approve the Preliminary FY 2021/22 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, 2021.

REGIONAL DISCUSSION / QUESTIONS?



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