

FY 2020/21 Regional Water Reuse Operating and Maintenance, Capital Improvement and Debt Service Budget and Cost Allocation

BPU Meeting
April 16, 2020

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Deputy Director Administration



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Overview

- Budget Drivers / Changes
- Revenues vs. Expenditures
- Expenditure Distribution
- Total Contribution
- Partner Contributions
- UV Bond Funding Update
- CIP Review
- Budget Schedule



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
 - 51 years old



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COVID19 Considerations

- Analyzing flow rates and revenue impacts
- Suspending delinquent fees and offering payment plans
- Re-established service and ceased turn offs
- Revisiting H2O Program
- Following Federal and State Legislation
- Increased staff protections
 - Increased cleaning of common areas
 - PPE increases
 - Shift adjustments
 - Prepares for possible quarantines
 - Decreases staff interaction



Fund Changes

- Budget Review
 - Staff reviewed 6 years of expenditure
 - Analyzed wet weather expenditures
 - Carefully considered O&M projects
- Department wide Budget - Flat
- Regional Fund up – 0.6%
 - Electricity increases
 - NPDES Permit Process

Budget Changes

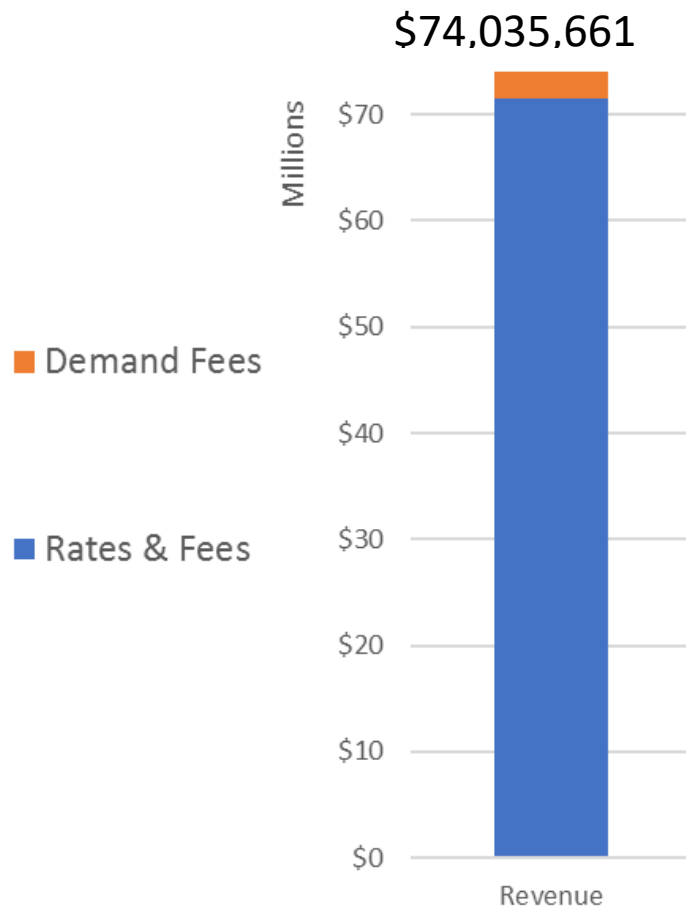
- Salaries down – \$197,730 or -2.0%
- Benefits up – \$117,414 or 2%
- Electricity up – estimated 20-25%
 - Moving to Evergreen – (expenditures not budget)
- Vehicle Expenses – flat
- IT allocation up – 6.5%



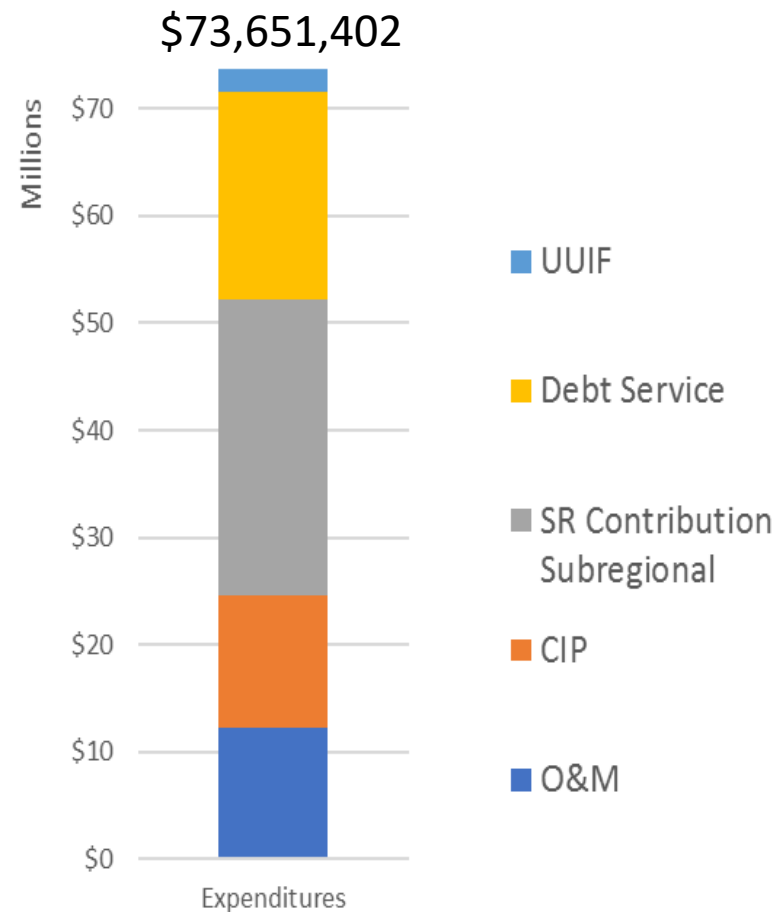
Wastewater Fund

Santa Rosa's Contribution Paid by WW Revenues

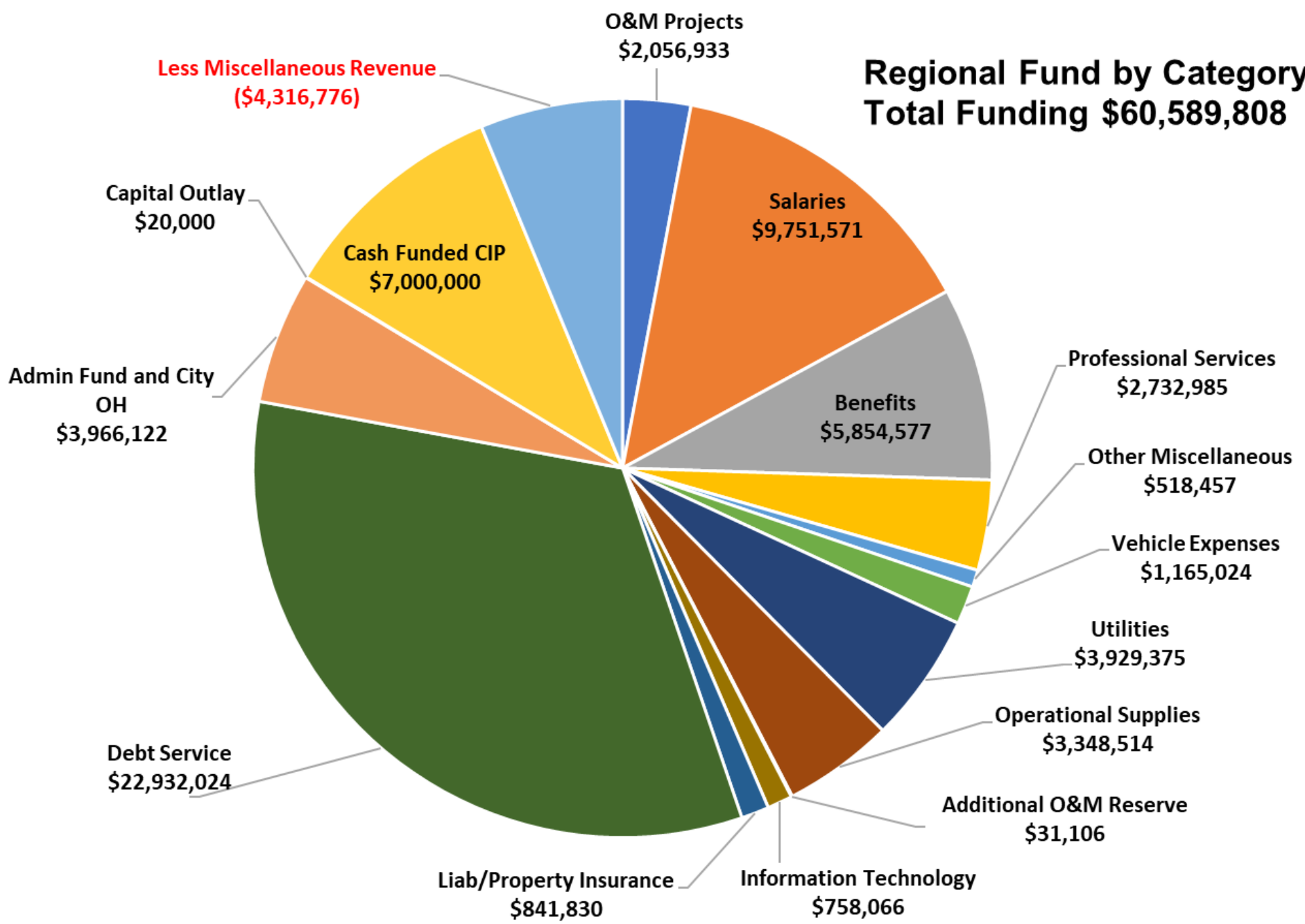
Revenues



Expenditures



Regional Fund by Category Total Funding \$60,589,808



Fund Summary 2020/21		
		2020/21 Budget
Operating Expenditure Request		\$35,361,132
Transfers Out:		
Regional WW Capital (Cash funded CIP)		\$7,000,000
Additional Operating Reserve needed		\$31,106
Expenditures / Transfers Out / Change in Operating Reserve		\$42,392,238
Regional System Reserves for 2020/21		
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		\$42,392,238
Less Revenue		(\$4,316,776)
Agency Contribution		\$38,075,462

Total Allocation

	Total 2019/20	2020/21 Budgeted O&M	2020/21 CIP Contribution	2020/21 Debt Service	Total 2020/21	Difference
Santa Rosa	\$44,767,265	\$22,622,936	\$4,953,200	\$17,145,137	\$44,721,273	-\$45,992
Rohnert Park	\$10,507,656	\$5,686,810	\$1,379,000	\$3,441,259	\$10,507,069	-\$587
Sebastopol	\$1,620,981	\$807,962	\$228,200	\$614,239	\$1,650,401	\$29,420
Cotati	\$1,742,534	\$963,339	\$206,500	\$836,111	\$2,005,950	\$263,416
SPCSD	\$1,682,126	\$994,415	\$233,100	\$477,600	\$1,705,115	\$22,989
	\$60,320,562	\$31,075,462	\$7,000,000	\$22,514,346	\$60,589,808	\$269,246

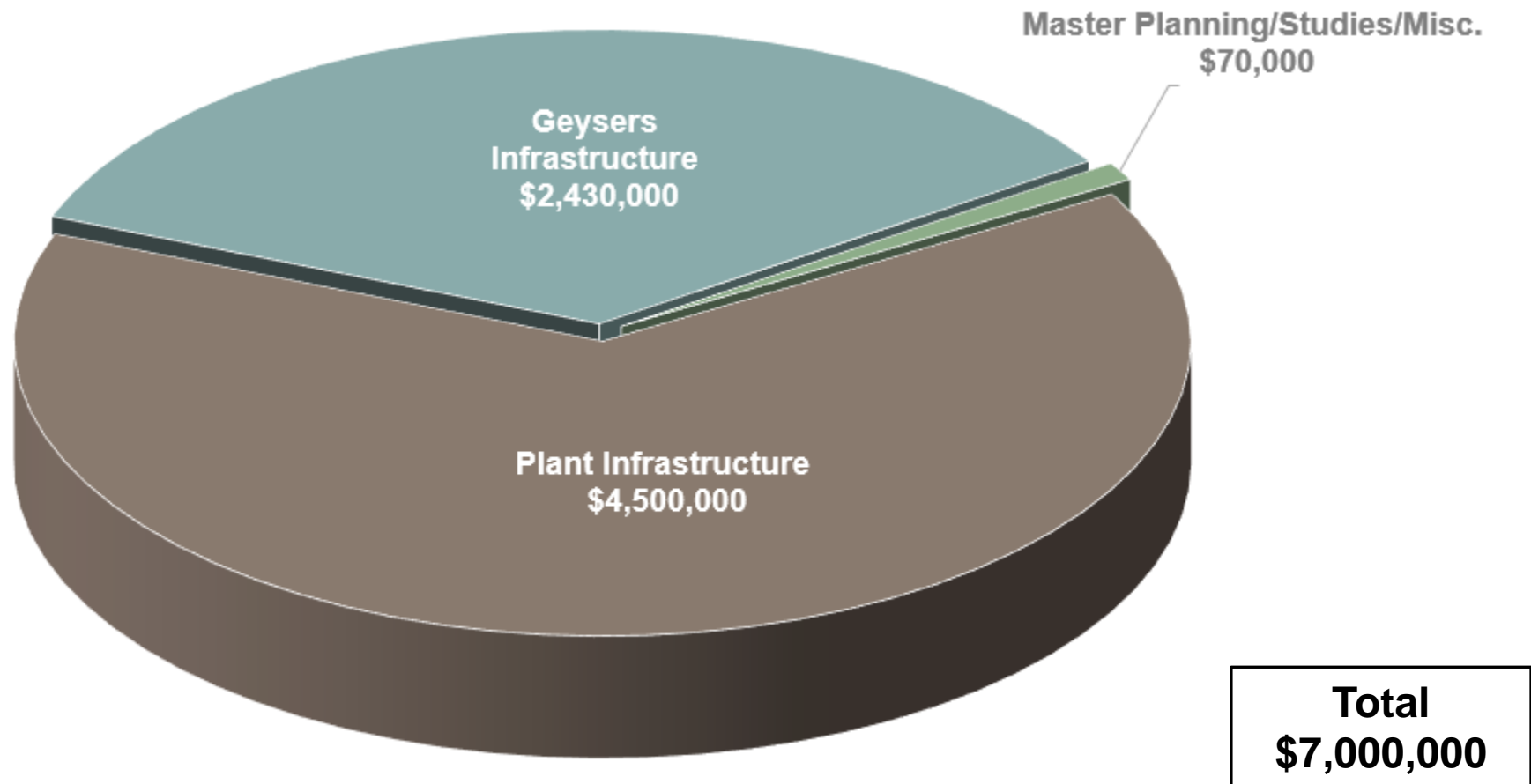
Miscellaneous Revenues removed from 2020/21 O&M

2020-21 Capital Improvement Program Budget Review



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Santa Rosa Water 2020-21 CIP Proposed Subregional



Budget Schedule

- **BPU – April 16th**
 - Budget Recommendation to City Council
- **City Council – April 28th**
 - Preliminary approval of Regional Budget
- **City Council – May 19th (Current Schedule)**
 - Budget Study Sessions
- **City Council – June 23rd**
 - Budget Adoption

Recommendation

It is recommended by Santa Rosa Water and the Regional Technical Advisory Committee that the Board of Public Utilities, by resolution, recommend that the City Council approve the Preliminary FY 2020/21 Regional Water Reuse System Operating and Maintenance, Capital Improvement, and Debt Service Budget and Allocation of Costs for the purpose of notifying the participating Regional Water Reuse User Agencies of their allocation of such by May 2020

REGIONAL DISCUSSION / QUESTIONS?



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