

APPROVAL OF THE FY 2025/26 REGIONAL REUSE SYSTEM OPERATING AND MAINTENANCE, CAPITAL IMPROVEMENT AND DEBT SERVICE BUDGET AND ALLOCATION OF COSTS – RECOMMENDATION TO CITY COUNCIL

Board of Public Utilities
Report
April 3, 2025

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Deputy Director - Administration

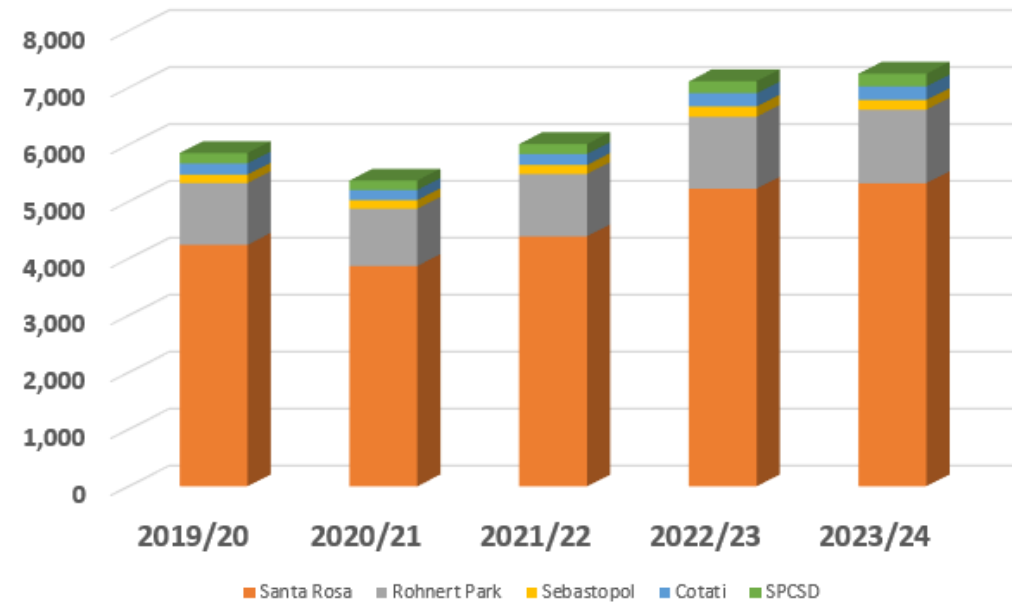
Overview

- Annual flows
- Expenditures
- Revenues
- Allocation
- CIP
- Recommendation



Annual Flow

(In Million Gallons)

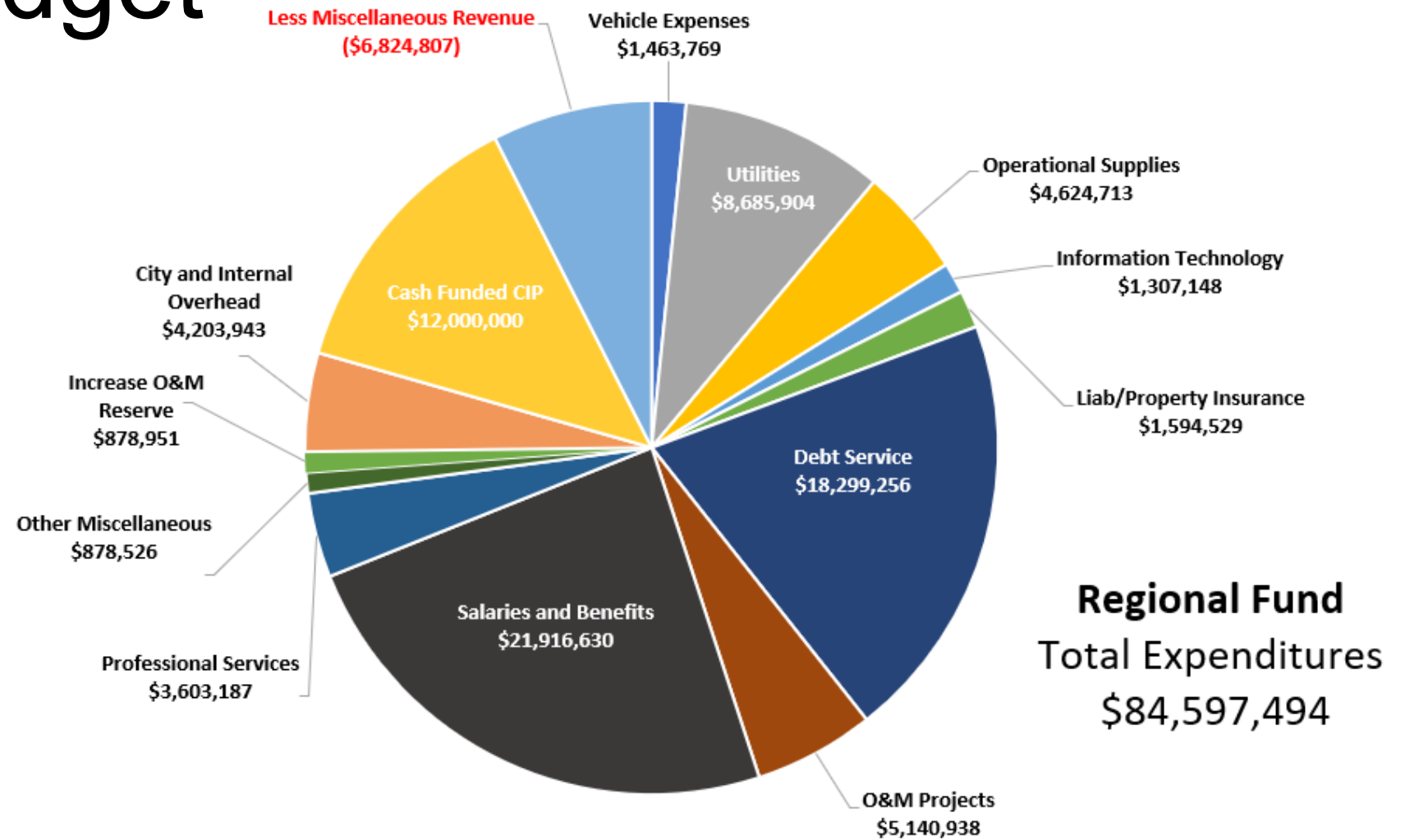


Actual Annual Flows	2019/20	2020/21	2021/22	2022/23	2023/24	2023/24 Percentage
Santa Rosa	4,240.24	3,867.02	4,388.95	5,225.50	5,320.77	73.45%
Rohnert Park	1,083.91	1,006.29	1,095.25	1,263.07	1,293.34	17.85%
Sebastopol	147.05	151.42	158.75	180.68	170.24	2.35%
Cotati	196.87	177.04	190.73	233.60	235.60	3.25%
SPCSD	183.63	166.31	175.00	210.21	224.28	3.10%
	5,851.70	5,368.08	6,008.68	7,113.06	7,244.23	100.00%

Regional Operations

Expenditure Object	2024-25 Total Request	2025-26 Total Request	Change	%
1631 - Regional Operations				
Operations and Maintenance Projects	\$2,680,739	\$5,140,938	\$2,460,199	91.8
Salaries	\$12,202,384	\$14,081,855	\$1,879,471	15.4
Benefits	\$7,746,473	\$7,834,775	\$88,302	1.1
Professional Services	\$4,595,634	\$3,603,187	(\$92,447)	-21.6
Misc - Training, Leases, Equip Rent, etc.	\$833,630	\$878,526	\$44,896	5.4
Vehicle Replacement and Maintenance	\$1,460,941	\$1,463,769	\$2,828	0.2
Utilities	\$6,822,229	\$8,685,904	\$1,863,675	27.3
Operational Supplies	\$4,624,335	\$4,624,713	\$378	0.0
Information Technology	\$1,204,863	\$1,307,148	\$102,285	8.5
Total Liab/Property Insurance	\$1,789,829	\$1,594,529	(\$195,300)	-10.9
Debt Service	\$271,583	\$0	(\$271,583)	-100.0
Internal & External Overhead	\$3,885,056	\$4,203,943	\$318,887	8.2
Capital Outlay	\$14,000	\$0	(\$14,000)	-100.0
Total 1631 - Regional Operations	\$48,131,696	\$53,419,287	\$5,287,591	11.0

Regional Budget



Miscellaneous Revenues

Regional Miscellaneous Revenues			
		2024/25	2025/26
		Budgeted	Projected
4511	Property Rentals	\$120,000	\$128,117
4521	Interest on Pooled Investments	\$285,000	\$1,000,000
4635	Sale of Water (recycled) - Retail	\$350,000	\$550,000
4638	Laboratory Services	\$70,000	\$55,000
4639	Tipping Fees	\$3,600,000	\$3,800,000
4690	Miscellaneous Fees and Charges	\$30,000	\$80,000
4853	Miscellaneous	\$10,000	\$90,000
4434	SCWA - Acceptance of Recycled Water	\$1,000	\$1,000
4443	Town of Windsor - Geysers and Environmental Compliance	\$1,086,207	\$1,120,690
	Total	\$5,552,207	\$6,824,807

Fund Summary/Agency Contribution

Fund Summary 2025/26	
	2025/26 Budget
Operating Expenditure Request	\$53,419,287
Regional WW Capital (Cash funded CIP)	\$12,000,000
Additional Operating Reserve needed	\$878,951
Expenditures Change in Operating Reserve	\$66,298,238
Regional System Reserves for 2025/26	
	\$8,012,893
Geysers Reserves	\$1,250,000
Catastrophic Reserve	\$1,700,000
User Agency Reserve	\$5,000,000
	\$15,565,313
Agency Contribution Calculation:	
Expenditures Change in Operating Reserve	\$66,298,238
Less Revenue	(\$6,824,807)
Fund Balance Applied	\$0
Agency Contribution	\$59,473,431

Regional Partner Allocations FY 2025/26

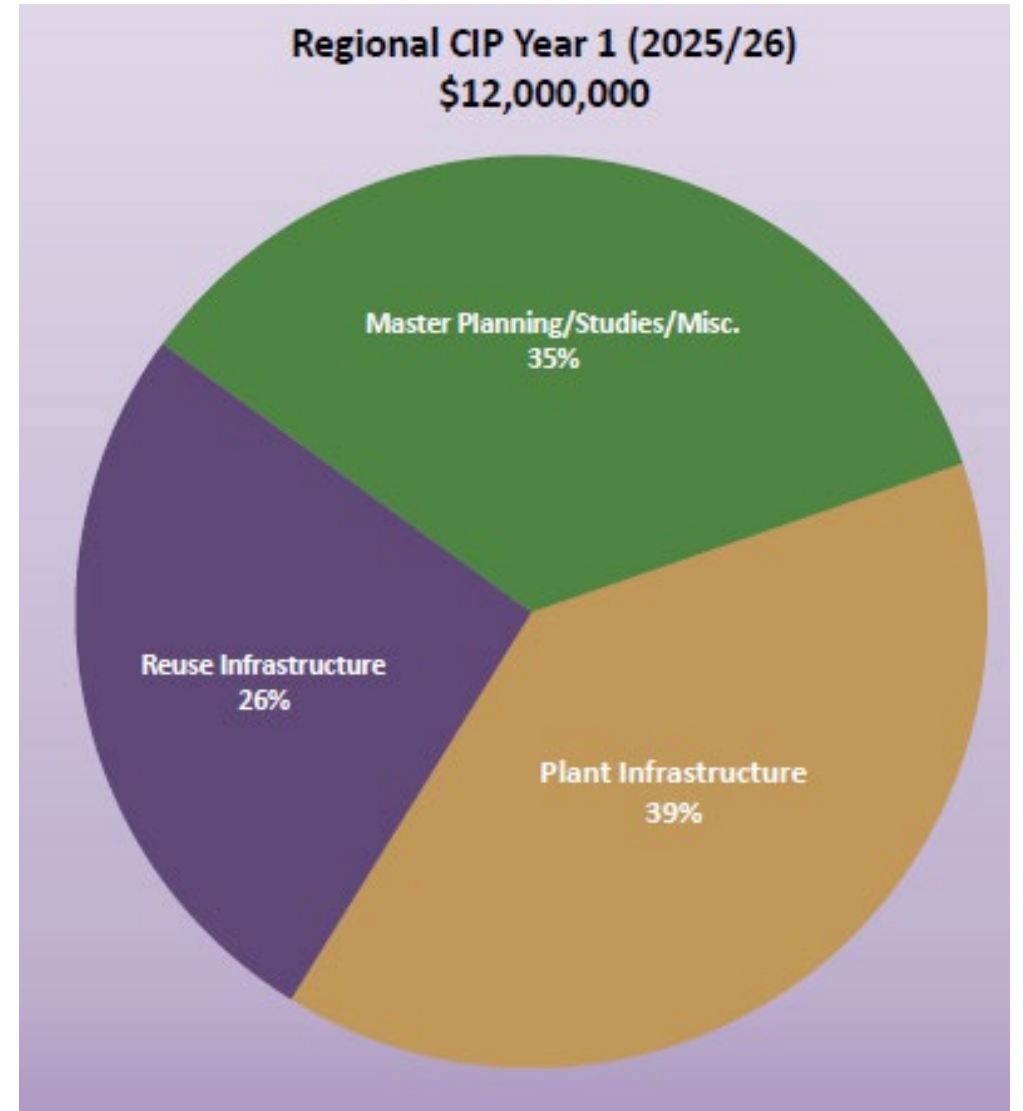
	Total 2024/25	2025/26 Budgeted O&M	2025/26 CIP Contribution	2025/26 Debt Service	Total 2025/26	Difference	%
Santa Rosa	\$55,843,336	\$34,868,469	\$8,491,200	\$13,953,227	\$57,312,896	\$1,469,560	2.63%
Rohnert Park	\$13,402,773	\$8,475,613	\$2,364,000	\$2,842,840	\$13,682,453	\$279,680	2.09%
Sebastopol	\$2,133,549	\$1,115,630	\$391,200	\$447,059	\$1,953,889	(\$179,660)	-8.42%
Cotati	\$2,526,356	\$1,543,952	\$354,000	\$661,325	\$2,559,277	\$32,921	1.30%
SPCSD	\$2,170,922	\$1,469,768	\$399,600	\$394,805	\$2,264,173	\$93,251	4.30%
	\$76,076,936	\$47,473,431	\$12,000,000	\$18,299,256	\$77,772,687	\$1,695,751	2.23%

Bond Issuance

- Planning a \$35 million bond issuance to fund the electrical infrastructure replacement at LTP
- Assumption has been built into Santa Rosa's rate modeling as follows:
 - 30-year amortization
 - 5.5% interest rate
 - Estimated debt service payments would be \$2.61 Million per year
 - Estimated annual partner allocations (Same % as CIP):
 - Santa Rosa - \$1.847M
 - RP - \$514K
 - SPCSD - \$87K
 - Sebastopol - \$85K
 - Cotati - \$77K

Regional CIP 2025/26

- Plant Infrastructure - \$4,695,000
- Reuse Infrastructure - \$3,139,000
- Master Planning/Studies/Misc - \$4,166,000



Recommendation

It is recommended by the Budget Review Subcommittee, the Subregional Technical Advisory Committee (SubTAC) and Santa Rosa Water staff that the Board of Public Utilities, by resolution, recommend that the City Council approve the 2025/26 Regional System Operations and Maintenance, Capital Improvement and Debt Service Budgets and resulting cost allocations.

DISCUSSION / QUESTIONS?

CONNECT WITH US!

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