

PRELIMINARY 2018/19 SUBREGIONAL SYSTEM BUDGET AND ALLOCATION OF COSTS



City Council - May 1, 2018

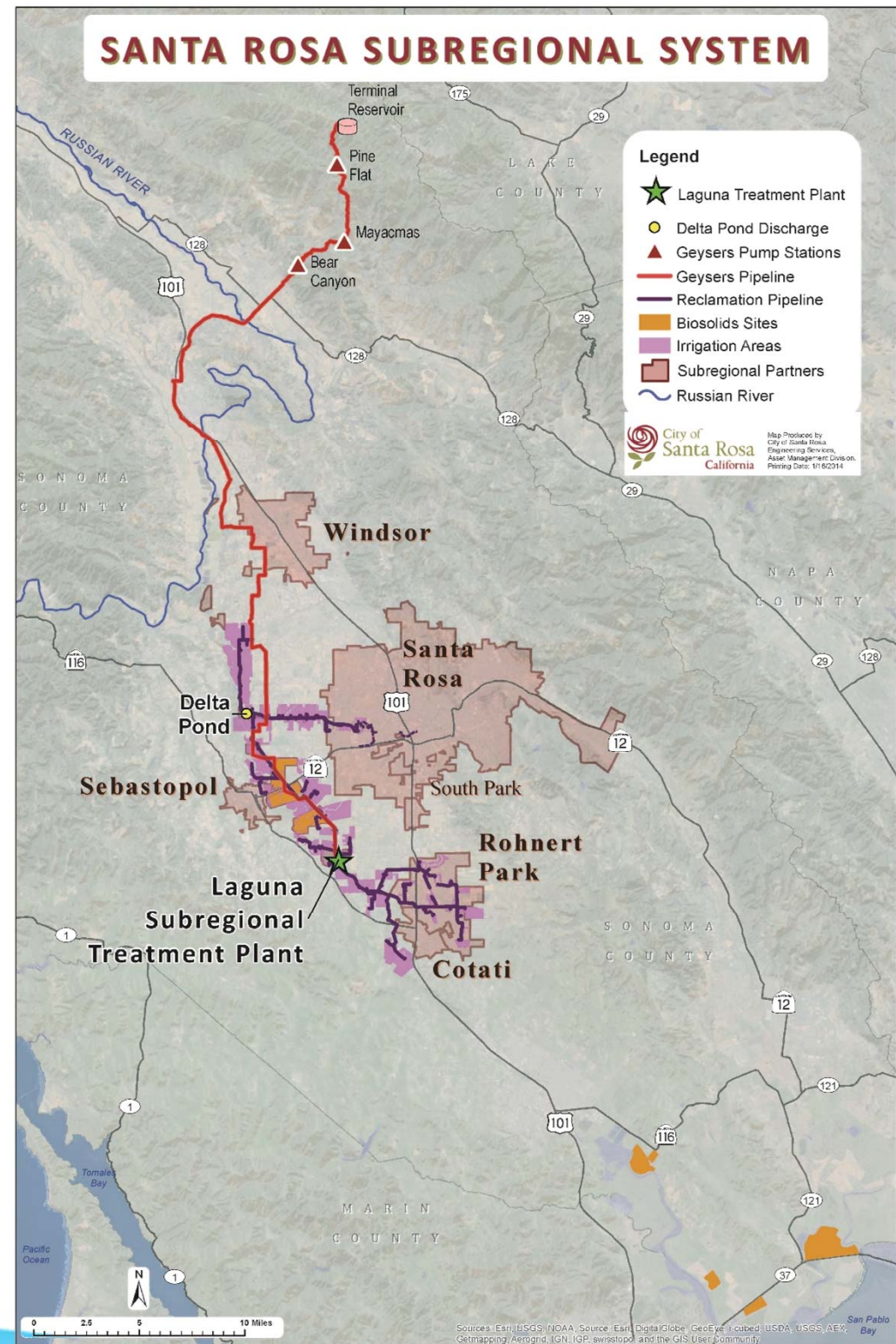


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Kimberly Zunino,
Deputy Director
Water Administration

Subregional System & Wastewater Treatment Plant – Subregional Agreement:

- Santa Rosa
- Rohnert Park
- Cotati
- Sebastopol
- South Park County Sanitation District



Subregional Budget Review Timeline

- 3/1 & 3/15 - Preliminary TAC review of the O&M and CIP requests and preliminary allocations
- 4/5 - Board of Public Utilities Study Session – all Santa Rosa Water and Subregional O&M and CIP
- 4/12 - TAC recommendation to BPU
- 4/19 - BPU recommendation to City Council
- 5/1 - City Council Subregional budget preliminary approval
- 5/2 - Notify User Agencies of operating and debt requirements



2018/19 Subregional Expenditures



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Subregional Operating Expenditures Assure:

- Wastewater treatment operations, recycled water distribution, and biosolids disposal
- NPDES permit compliance activities including monitoring and reporting
- Mandated air quality permitting, monitoring, and reporting activities
- Hazardous materials and waste disposal permitting, monitoring, and reporting activities



Subregional Budget Review

- Operations and Maintenance flat
- Cash funded CIP proposed year 1 budget increased to include UV Project – Diversion Phase
- Debt Service Allocation down from 2017/18



Regional Operations Expenditures

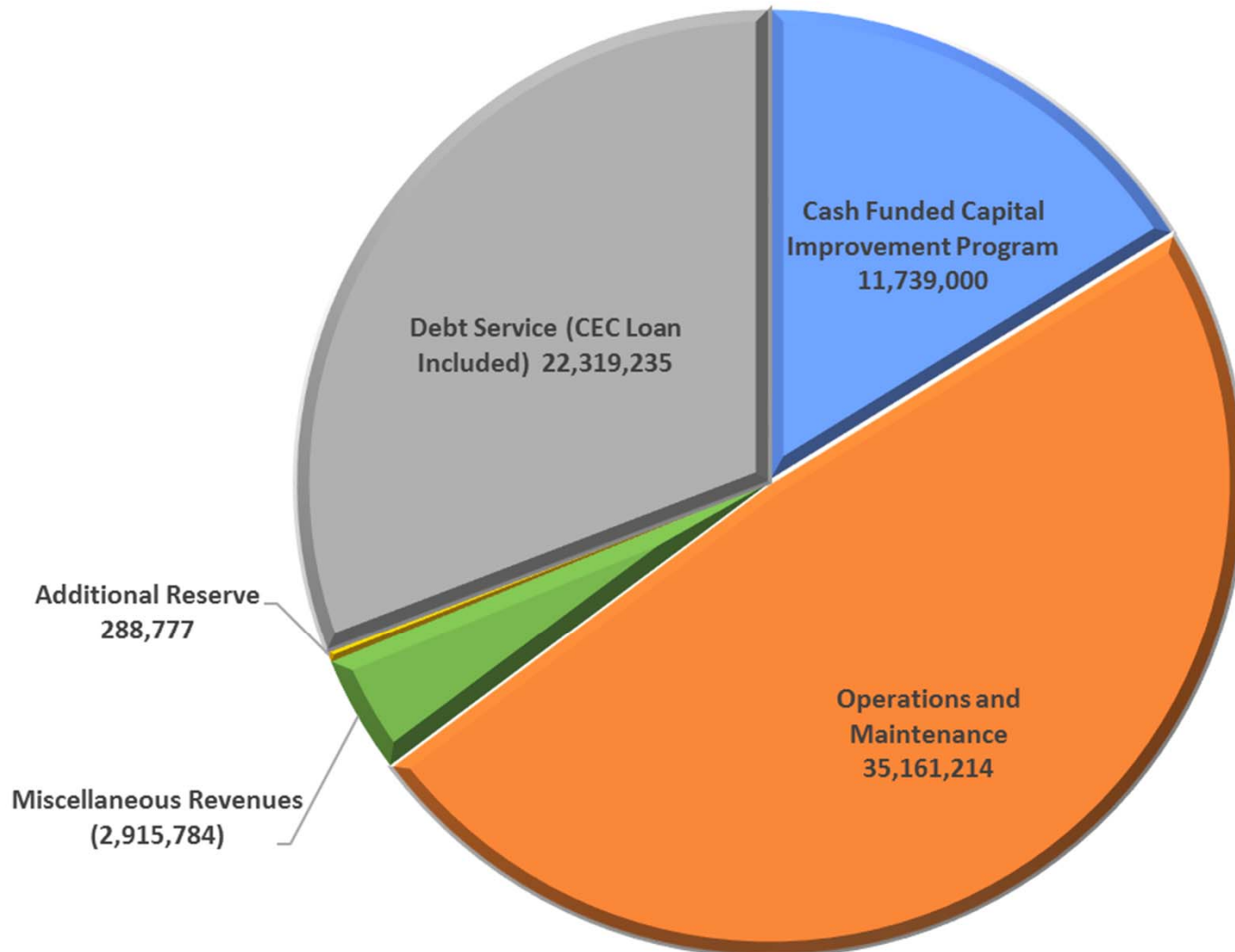
1631 - Subregional Waste Operations

Expenditure Object	2015-16	2016-17	2017-18	2018-19 Total	Change	%
	Actual	Actual	Current Budget	Request		
0000 Total Uncategorized	\$2,047,044	\$1,820,801	\$2,875,846	\$2,512,567	(\$363,279)	-12.6
5100 Total Salaries	\$8,160,315	\$8,680,523	\$10,214,501	\$10,139,163	(\$75,338)	-0.7
5200 Total Benefits	\$4,235,963	\$4,500,126	\$5,061,587	\$5,682,776	\$621,189	12.3
5320 Total Professional Services	\$1,576,100	\$1,838,159	\$2,598,029	\$2,575,039	\$124,115	5.1
5360 Total Other Miscellaneous	\$385,737	\$366,647	\$545,320	\$526,798	(\$18,522)	-3.4
5330 Total Vehicle Expenses	\$728,734	\$822,168	\$997,118	\$975,851	(\$21,267)	-2.1
5331 Total Utilities	\$3,074,974	\$4,027,572	\$4,078,217	\$4,472,650	\$394,433	9.7
5340 Total Operational Supplies	\$2,120,170	\$2,302,170	\$3,643,639	\$2,918,234	(\$872,510)	-23.0
5349 Total Information Technology	\$656,397	\$623,171	\$682,470	\$781,760	\$99,290	14.5
5351 Total Liab/Property Insurance	\$593,263	\$601,279	\$623,357	\$652,457	\$29,100	4.7
5400 Total Indirect Costs	\$2,354,858	\$2,474,732	\$2,995,395	\$3,456,241	\$460,846	226.0
5350 Total Debt Service	\$0	\$153,248	\$127,781	\$417,678	\$289,897	15.4
5500 Total Capital Outlay	\$24,788	\$0	\$297,000	\$50,000	(\$247,000)	-83.2
Fund Total:	\$25,958,343	\$28,210,596	\$35,030,157	\$35,161,214	\$420,954	0.4



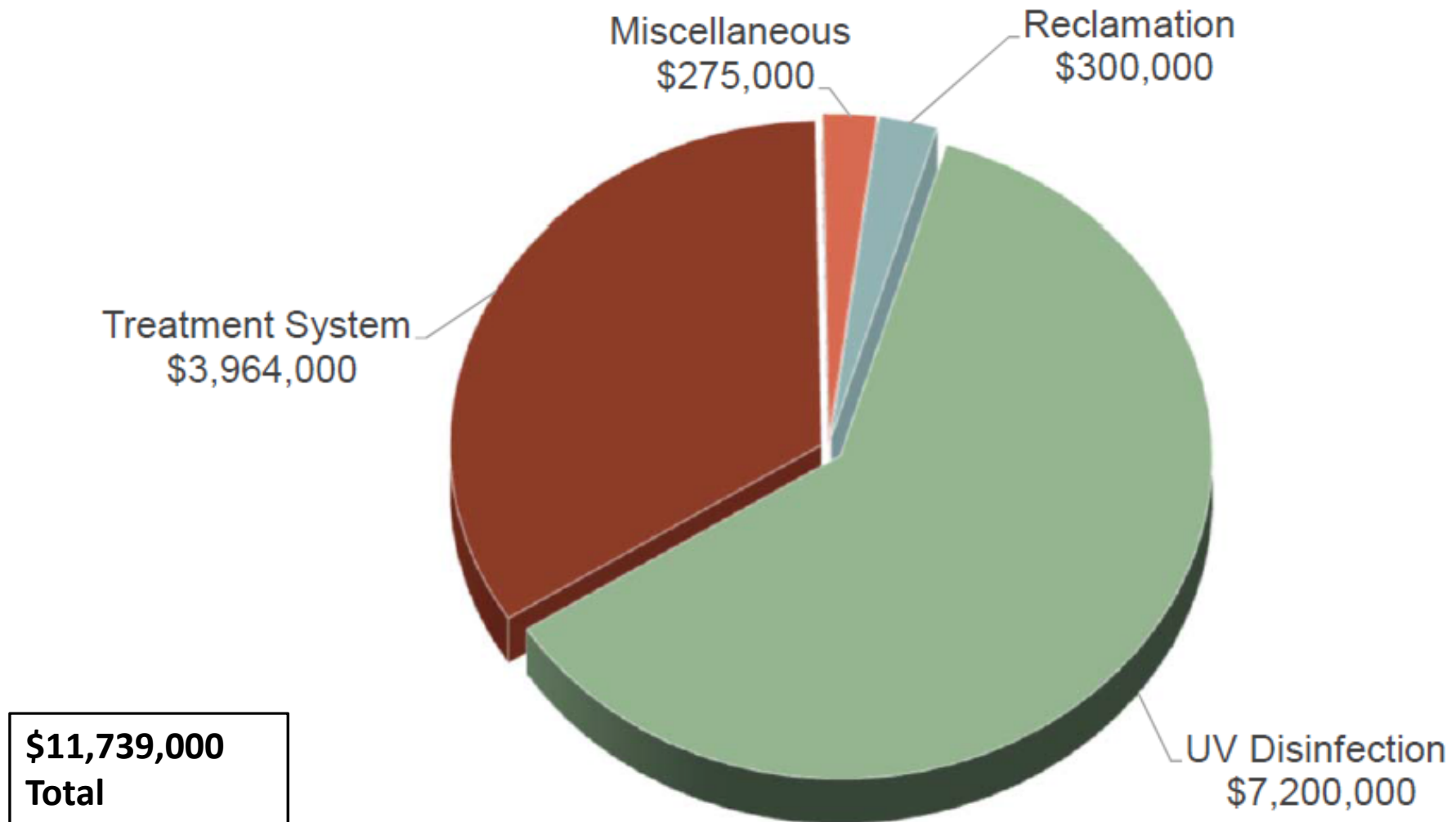
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Subregional Budget Expenditures



Total \$66,592,314

Subregional 2018-19 CIP



Operating and CIP Allocation Based on Flow

	2017/18 Total O&M and CIP Contribution	2018/19 Budgeted O&M	2018/19 CIP Contribution	Total 2018/19	\$ Difference
Santa Rosa	\$26,571,169	\$24,337,660	\$8,753,772	\$33,091,432	\$6,520,263
Rohnert Park	\$6,126,336	\$5,665,842	\$2,037,890	\$7,703,732	\$1,577,396
Sebastopol	\$938,814	\$894,263	\$321,649	\$1,215,912	\$277,098
Cotati	\$845,621	\$714,758	\$257,084	\$971,842	\$126,221
SPCSD	\$1,110,961	\$1,024,812	\$368,605	\$1,393,417	\$282,456
	\$35,592,901	\$32,637,335	\$11,739,000	\$44,376,335	\$8,783,434

Miscellaneous Revenues removed from 2018/19 O&M

Operations and cash funded CIP combined in 2017/18 Total Contribution

Debt Service Allocation Based on Agreements

	2017/18 Debt Service	2018/19 Debt Service	\$ Difference	% Difference
Santa Rosa	\$17,177,726	\$16,942,017	-\$235,709	-1.37%
Rohnert Park	\$3,485,166	\$3,383,155	-\$102,011	-2.93%
Sebastopol	\$655,866	\$598,324	-\$57,542	-8.77%
Cotati	\$836,028	\$826,034	-\$9,994	-1.20%
SPCSD	\$489,146	\$466,577	-\$22,569	-4.61%
	\$22,643,932	\$22,216,107	-\$427,825	-1.89%

Subregional Contribution Allocations 2018/19



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Annual Flow into Plant

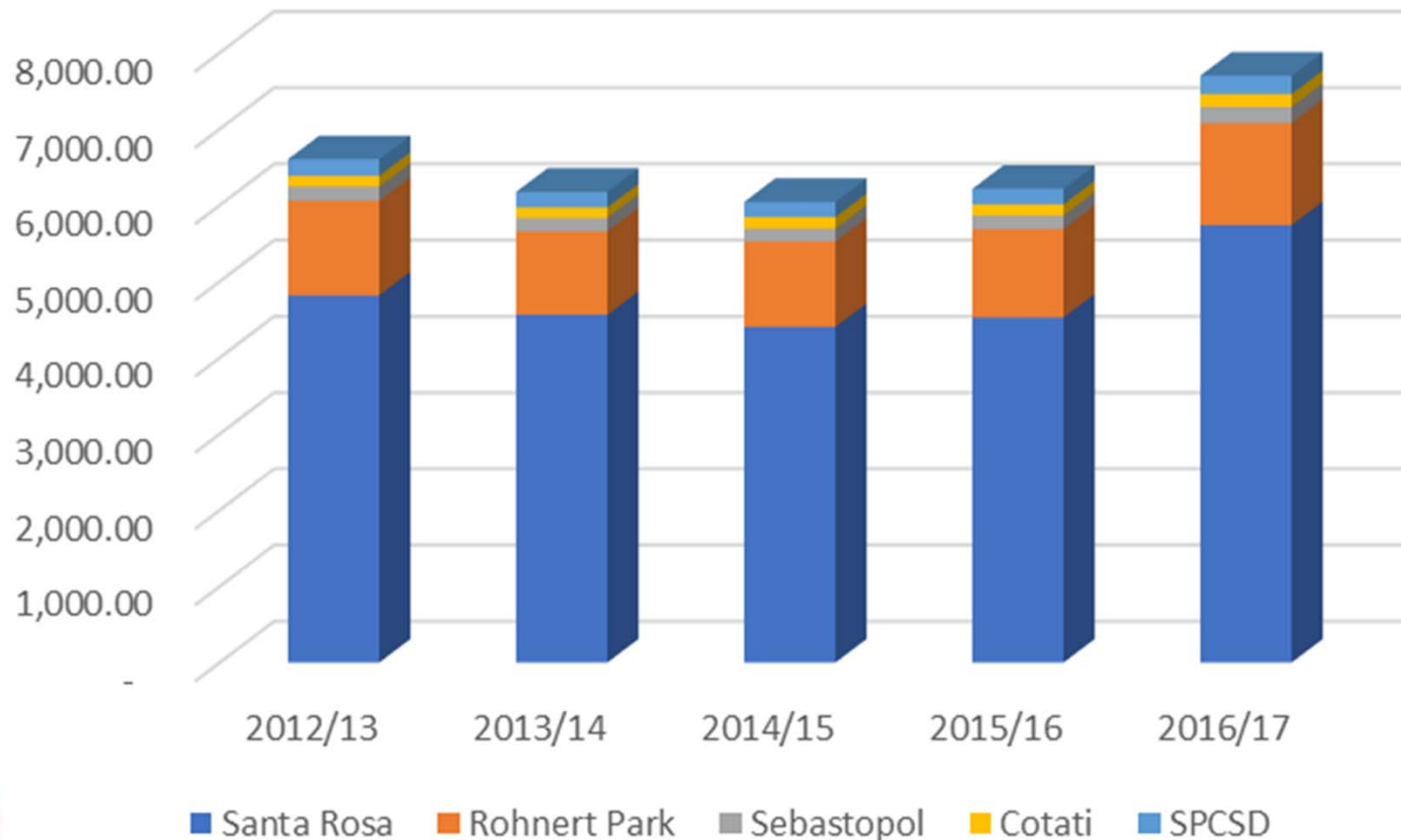
Actual Flows per Annual Memo	2012/13	2013/14	2014/15	2015/16	2016/17	2016/17 %
Santa Rosa	4,819.18	4,564.50	4,405.81	4,528.13	5,741.70	74.57%
Rohnert Park	1,241.48	1,093.78	1,119.63	1,161.02	1,337.22	17.36%
Sebastopol	184.96	176.46	169.65	175.73	211.09	2.74%
Cotati	140.71	136.26	150.46	146.30	168.51	2.19%
SPCSD	218.53	205.67	198.76	203.84	242.01	3.14%
	6,604.86	6,176.67	6,044.31	6,215.02	7,700.53	



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Plant Flows

2012/13 – 2016/17



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Fund Summary 2018/19		
		2018/19 Budget
Operating Expenditure Request		\$35,161,214
Transfers Out:		
City Accounting Software - Fund 0316		
Water Capital Fund (software projects)		
CEC Loan Debt Service Fund		103,127
Subregional WW Capital (Cash funded CIP)		11,739,000
Additional Operating Reserve needed		288,777
Expenditures / Transfers Out / Change in Operating Reserve		\$47,292,118
Subregional System Reserves for 2018/19		
Operating Reserves (15% of projected expenditures)		\$5,274,182
Geysers Reserves		\$1,250,000
Catastrophic Reserve		\$1,700,000
User Agency Reserve		\$5,000,000
		\$13,224,182
Remaining to be Collected		
User Agency Reserve		
Agency Contribution Calculation:		
Expenditures / Transfers Out / Change in Operating Reserve		\$47,292,118
Less Revenue		(\$2,915,784)
Agency Contribution		\$44,376,334

Total Contributions

	2017/18 Total Contribution	2018/19 Budgeted O&M	2018/19 CIP Contribution	2018/19 Debt Service	Total 2018/19	\$ Difference	% Difference No Refund Applied
Santa Rosa	\$43,748,895	\$24,337,660	\$8,753,772	\$16,942,017	\$50,033,449	\$6,284,554	14.4%
Rohnert Park	\$9,611,502	\$5,665,842	\$2,037,890	\$3,383,155	\$11,086,887	\$1,475,385	15.4%
Sebastopol	\$1,594,680	\$894,263	\$321,649	\$598,324	\$1,814,236	\$219,556	13.8%
Cotati	\$1,681,649	\$714,758	\$257,084	\$826,034	\$1,797,876	\$116,227	6.9%
SPCSD	\$1,600,107	\$1,024,812	\$368,605	\$466,577	\$1,859,994	\$259,887	16.2%
	\$58,236,833	\$32,637,335	\$11,739,000	\$22,216,107	\$66,592,442	\$8,355,609	14.3%

Miscellaneous Revenues removed from 2018/19 O&M

Operations and cash funded CIP combined in 2017/18 Total Contribution

Retained Contributions

	Retained Reserves through 2017	2017/18 Applied to Contribution	Estimated Refund 2017/18	Total Estimated Retained Reserves
Santa Rosa	\$2,516,051	\$0	\$781,821	\$3,297,872
Rohnert Park	\$1,128,978	\$624,906	\$949,069	\$1,453,141
Sebastopol	\$272,484	\$85,538	\$190,659	\$377,605
Cotati	\$74,426	\$62,078	\$180,711	\$193,059
SPCSD	\$295,126	\$88,369	\$166,708	\$373,465
	\$4,287,065	\$860,891	\$2,268,968	\$5,695,142

Reserves Applied

Remaining Reserves

	2017/18 Total with Refund Applied	Total 2018/19	Applied Refund 2018/19	Total with Applied 2018/19 Refund	% Difference Refund Applied	Retained Reserves Remainder
Santa Rosa	\$43,748,895	\$50,033,449	\$2,800,000	\$47,233,449	8.0%	\$497,872
Rohnert Park	\$9,611,502	\$11,086,887	\$994,810	\$10,092,077	5.0%	\$458,331
Sebastopol	\$1,594,680	\$1,814,236	\$139,822	\$1,674,414	5.0%	\$237,783
Cotati	\$1,681,649	\$1,797,876	\$32,145	\$1,765,731	5.0%	\$160,914
SPCSD	\$1,600,107	\$1,859,994	\$179,882	\$1,680,112	5.0%	\$193,583
	\$58,236,833	\$66,592,442	\$4,146,658	\$62,445,784		\$1,548,484

DISCUSSION / QUESTIONS?



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