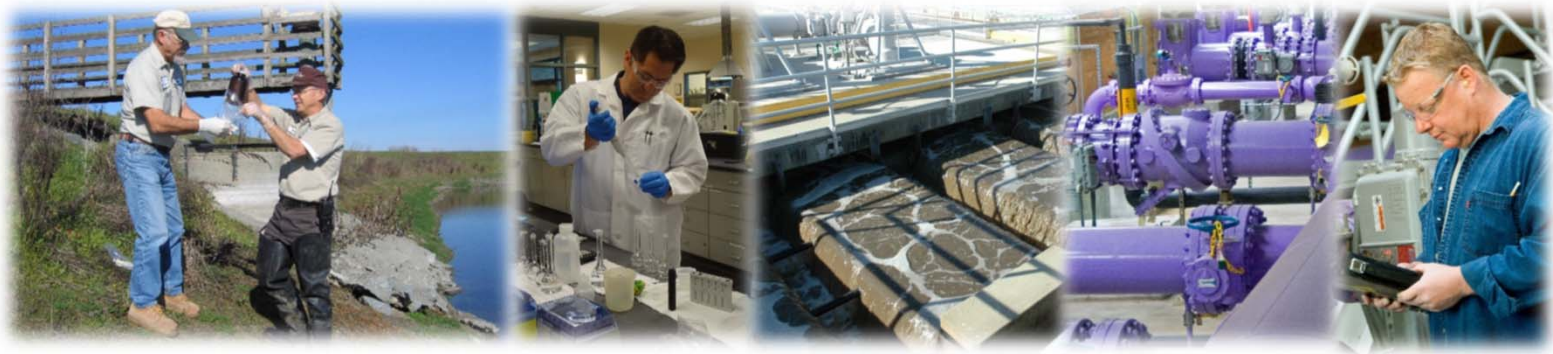


# PRELIMINARY 2019/20 SUBREGIONAL SYSTEM BUDGET AND ALLOCATION OF COSTS



City Council – April 30, 2019

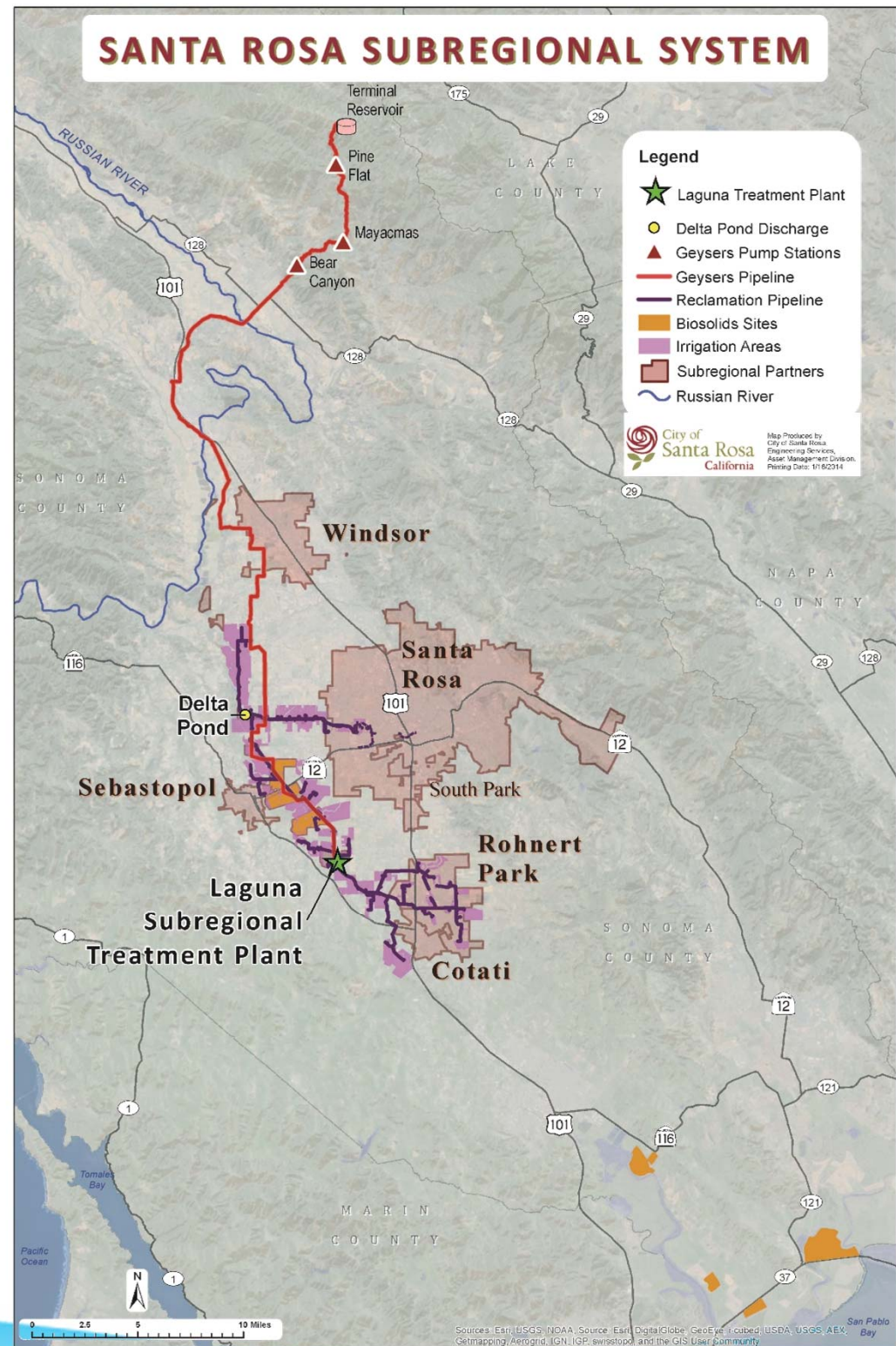


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Kimberly Zunino,  
Deputy Director  
Water Administration

# Subregional System & Wastewater Treatment Plant – Subregional Agreement:

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



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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



# Budget Highlights

- O&M Budget up 0.7%
- Cash funded CIP increase \$1m per agreement by partners
- Salaries down **1.7%**
  - Moved one support staff to another fund
  - Deleted one position
- Benefits up 1.0%
- Electricity up 10%
- Vehicle Expenditures up 15%

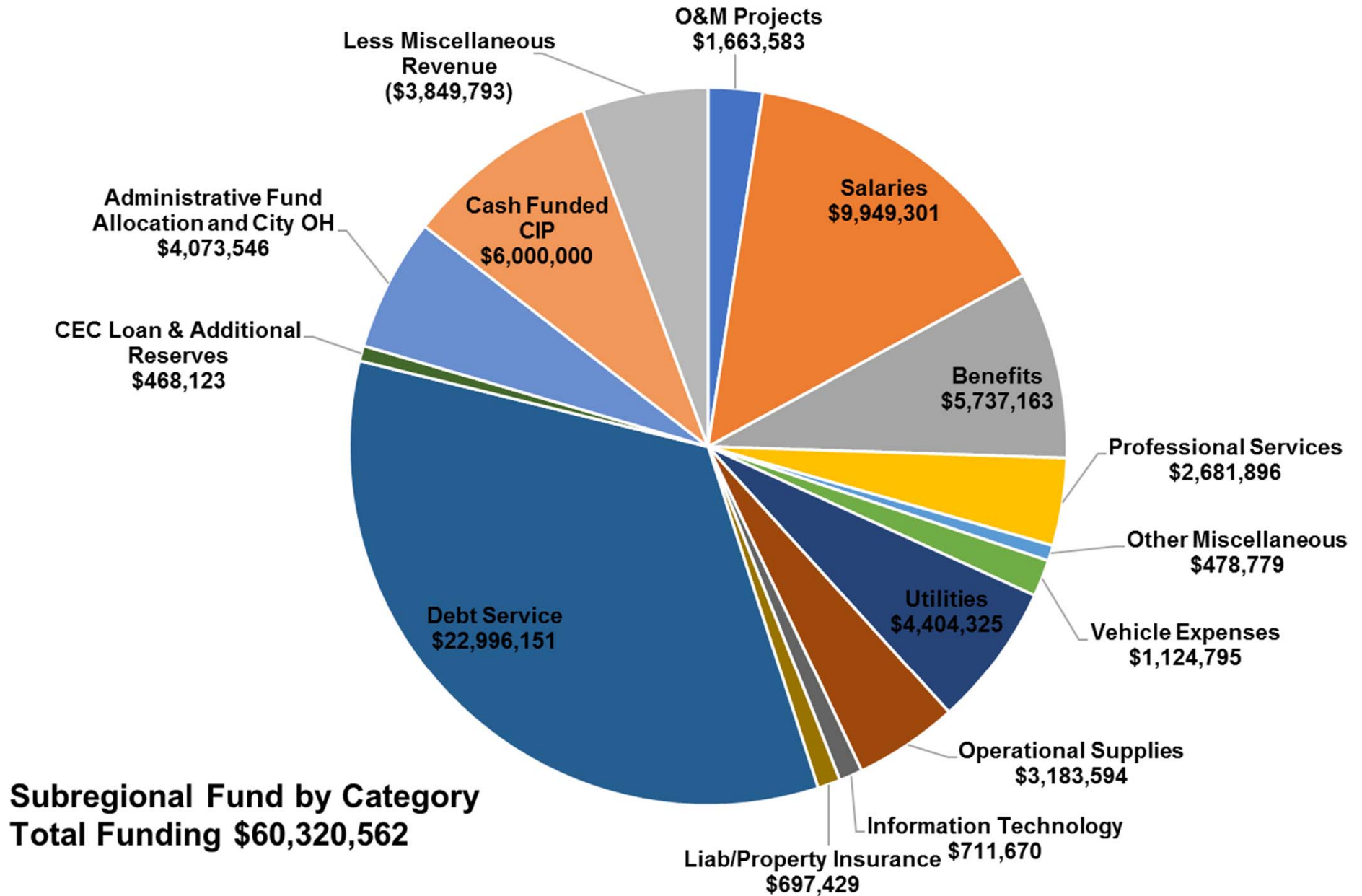




# Expenditures by Category

<b>O&amp;M Projects</b>	<b>\$1,663,583</b>
<b>Salaries</b>	<b>\$9,949,301</b>
<b>Benefits</b>	<b>\$5,737,163</b>
<b>Professional Services</b>	<b>\$2,681,896</b>
<b>Other Miscellaneous</b>	<b>\$478,779</b>
<b>Vehicle Expenses</b>	<b>\$1,124,795</b>
<b>Utilities</b>	<b>\$4,404,325</b>
<b>Operational Supplies</b>	<b>\$3,183,594</b>
<b>Information Technology</b>	<b>\$711,670</b>
<b>Liab/Property Insurance</b>	<b>\$697,429</b>
<b>Debt Service</b>	<b>\$22,996,151</b>
<b>CEC Loan &amp; Additional Reserves</b>	<b>\$468,123</b>
<b>Administrative Fund Allocation and</b>	<b>\$4,073,546</b>
<b>Cash Funded CIP</b>	<b>\$6,000,000</b>
<b>Less Miscellaneous Revenue</b>	<b>(\$3,849,793)</b>
<b>TOTAL</b>	<b>\$60,320,562</b>

# Expenditures by Category



**Fund Summary 2019/20**

	<b>2019/20 Budget</b>
<b>Operating Expenditure Request</b>	\$35,153,759
<b>Transfers Out:</b>	
City Accounting Software - Fund 0316	
Water Capital Fund (software projects)	
CEC Loan Debt Service Fund	51,563
Subregional WW Capital (Cash funded CIP)	6,000,000
Additional Operating Reserve needed	(1,118)
<b>Expenditures / Transfers Out / Change in Operating Reserve</b>	<b>\$41,204,204</b>
<b>Subregional System Reserves for 2019/20</b>	
<b>Operating Reserves (15% of projected expenditures)</b>	<b>\$5,273,064</b>
<b>Geysers Reserves</b>	<b>\$1,250,000</b>
<b>Catastrophic Reserve</b>	<b>\$1,700,000</b>
<b>User Agency Reserve</b>	<b>\$5,000,000</b>
	<b>\$13,223,064</b>
<b>Agency Contribution Calculation:</b>	
Expenditures / Transfers Out / Change in Operating Reserve	\$41,204,204
Less Revenue	(\$3,849,793)
<b>Agency Contribution</b>	<b>\$37,354,411</b>

# Estimated Regional Miscellaneous Revenues

<b>Regional Miscellaneous Revenues</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>
	<b>Actual</b>	<b>Budgeted</b>	<b>Projected</b>
Property Rentals	\$114,141	\$90,000	\$90,000
Interest on Pooled Investments	\$490,282	\$100,000	\$100,000
Compost Sales	\$110,973	\$110,000	\$110,000
Sale of Water (recycled) - Retail	\$238,764	\$250,000	\$250,000
Sale of Water (recycled) - Wholesale	\$15,165	\$23,000	\$23,000
Laboratory Services	\$136,115	\$85,000	\$85,000
Dumping Charges at Plants including High Strength Tipping	\$1,640,911	\$900,000	\$1,800,000
Miscellaneous Fees and Charges	\$19,737	\$7,500	\$7,500
Miscellaneous	\$112,906	\$25,000	\$25,000
Calpine - per Agreement	\$300,336	\$300,000	\$300,000
SCWA - Acceptance of Recycled Water	\$1,000	\$0	\$0
Town of Windsor - per Geysers Agreement	\$569,153	\$879,310	\$913,793
Town of Windsor - Environmental Compliance Contract	\$20,000	\$20,000	\$20,000
Energy Rebates including PG&E SGIP Refund	\$210,000	\$0	Complete
Cost Reimbursement	\$6,421	\$7,500	\$7,500
Dairy Waste Loan Payments	\$105,093	\$118,474	\$118,000
	<b>\$4,090,997</b>	<b>\$2,915,784</b>	<b>\$3,849,793</b>



# Annual Flow into Plant

## In Million Gallons

Actual Flows per Annual Memo	2013/14	2014/15	2015/16	2016/17	2017/18	2017/18 %
Santa Rosa	4,564.50	4,405.81	4,528.13	5,741.70	4,512.33	72.73%
Rohnert Park	1,093.78	1,119.63	1,161.02	1,337.22	1,173.63	18.92%
Sebastopol	176.46	169.65	175.73	211.09	169.85	2.74%
Cotati	136.26	150.46	146.30	168.51	147.77	2.38%
SPCSD	205.67	198.76	203.84	242.01	200.61	3.23%
	6,176.67	6,044.31	6,215.02	7,700.53	6204.19	



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# CIP Calculation FY 2019/20

## 5 Year Average in Million Gallons

- Request to distribute CIP based on 5 year average
  - Avoids large fluctuations
  - Consistent with 5 year CIP plan
  - Approved by SubTAC 4/4/2019 & BPU 4/18/2019

5 Year Average Flows	2013/14	2014/15	2015/16	2016/17	2017/18	5 Year Average	5 Year Average Percentage
Santa Rosa	4,564.50	4,405.81	4,528.13	5,741.70	4,512.33	4,750.49	73.44%
Rohnert Park	1,093.78	1,119.63	1,161.02	1,337.22	1,173.63	1,177.06	18.20%
Sebastopol	176.46	169.65	175.73	211.09	169.85	180.56	2.79%
Cotati	136.26	150.46	146.30	168.51	147.77	149.86	2.32%
SPCSD	205.67	198.76	203.84	242.01	200.61	210.18	3.25%
	6,176.67	6,044.31	6,215.02	7,700.53	6,204.19	6,468.14	

# Total Allocation

## CIP Calculated by 5 Year Average

1 Year O&M - 5 Year CIP Flow Basis	2018/19 Total Contribution	2019/20 Budgeted O&M	2019/20 CIP Contribution	2019/20 Debt Service	Total 2019/20	\$ Difference	% Difference No Refund Applied
Santa Rosa	\$47,233,449	\$22,804,063	\$4,406,400	\$17,556,802	\$44,767,265	-\$2,466,184	-5.2%
Rohnert Park	\$10,092,077	\$5,932,255	\$1,092,000	\$3,483,401	\$10,507,656	\$415,579	4.1%
Sebastopol	\$1,674,414	\$859,111	\$167,400	\$594,470	\$1,620,981	-\$53,433	-3.2%
Cotati	\$1,765,731	\$746,235	\$139,200	\$857,099	\$1,742,534	-\$23,197	-1.3%
SPCSD	\$1,680,112	\$1,012,747	\$195,000	\$474,379	\$1,682,126	\$2,014	0.1%
	\$62,445,783	\$31,354,411	\$6,000,000	\$22,966,151	\$60,320,562	-\$2,125,221	-3.4%

***1 year deviation for flow calculation on CIP  
CIP based on 5 year average flows  
O&M based on single previous year's flows***

# Subregional Budget Schedule

- **Subregional Technical Advisory Committee – 3 meetings**
  - February 14th – O&M and staff assumptions reviewed
  - March 14th – Detailed O&M and CIP
  - April 4th – O&M & CIP budget recommendation
- **BPU Budget Subcommittee – 3 meetings**
  - February 27<sup>th</sup> – O&M and staff assumptions reviewed
  - March 7<sup>th</sup> – Detailed O&M, CIP& FEMA project review
  - March 28<sup>th</sup> – O&M & CIP budget recommendation
- **BPU – April 18<sup>th</sup>**
  - Budget Recommendation to City Council
- **City Council – April 30<sup>th</sup>**
  - Preliminary approval of Subregional Budget
- **Notify User Agencies – May 1<sup>st</sup>**
- **City Council – May 21<sup>st</sup> & 22<sup>nd</sup>**
  - Budget Study Sessions

# QUESTIONS?



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# CONNECT WITH US!

CALL: 707.543.4200

EMAIL: [SRWATER@SRCITY.ORG](mailto:SRWATER@SRCITY.ORG)

VISIT: SRCITY.ORG/WATER



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