

Preliminary Regional Water Reuse Budget Approval

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

April 26, 2022

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Deputy Director Administration



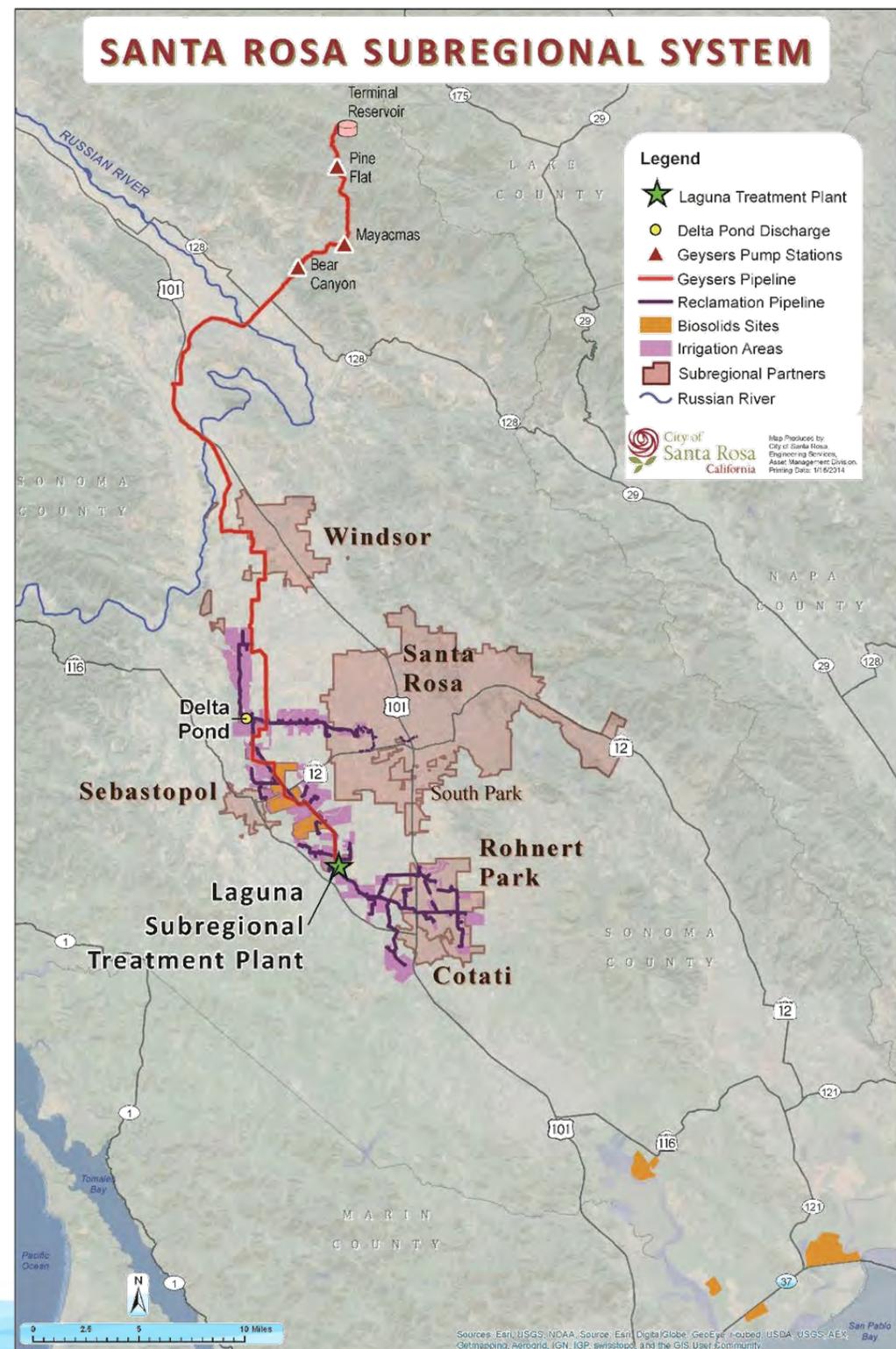
OUR FUTURE IN EVERY DRÖP

Overview

- Budget Drivers / Increases
- Emergency Projects
- Expenditures
- Capital Improvement Budget
- Partner Allocations and Contributions
- Budget Schedule

Subregional System & Wastewater Treatment Plant – Subregional Agreement:

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



OUR FUTURE IN EVERY DROP

Budget Drivers

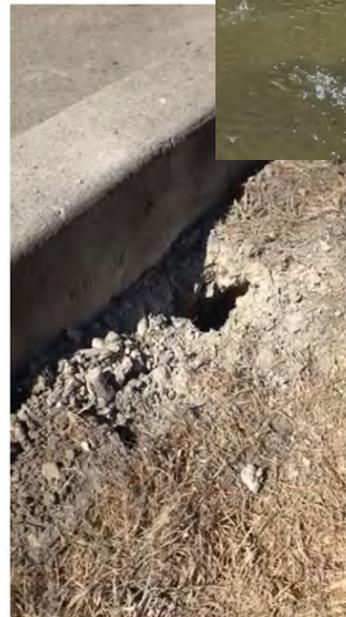
- Labor
 - Twenty-four hour operation
- Regulatory Compliance
 - NPDES Permit
 - Bay Area Air Quality Permit
 - Recycled water use requirements
- Geysers
 - Required deliveries per agreement
- Treatment Plant
 - 52 years old

Increases

- Salaries - \$828,492
 - Two years of increases at 5.5%
 - Employee wellness - \$500 per employee
- Benefits – \$930k
- Professional Services – \$400k
 - Biosolids, accreditation program requirements
- O&M Projects – \$1.2m
 - Phosphorous credits, continued failures
- Energy, Vehicle, Operational Supplies, Insurance and IT- \$1.3m
- CIP - \$1m
- Additional staff – Supervising Lab Analyst - \$160k
 - Not included until approved

Emergency Projects

- October 24, 2021
 - Storm Response & Recovery
- November 30, 2021
 - Aeration Pipe Failure
- December 24, 2021
 - Polymer Spill



Emergency Projects cont.

- December 28, 2021
 - Sink Hole
- January 8, 2022
 - Digester Plug
- January 22, 2022
 - Recycled Water Line Break



Regional Operations

Expenditure Object	2020-21 Total Request	2022-23 Total Request	Change	%
1631 - Regional Operations				
Operations and Maintenance Projects	\$2,948,909	\$4,237,489	\$1,288,580	43.7
Salaries	\$9,354,803	\$10,183,295	\$828,492	8.9
Benefits	\$6,048,215	\$6,544,517	\$496,302	8.2
Professional Services	\$3,488,364	\$3,889,258	\$400,894	11.5
Misc - Training, Leases, Equip Rent, etc.	\$680,738	\$690,771	\$10,033	1.5
Vehicle Replacement and Maintenance	\$1,099,434	\$1,205,039	\$105,605	9.6
Utilities	\$3,967,295	\$4,172,186	\$204,891	5.2
Operational Supplies	\$3,063,560	\$3,683,110	\$619,550	20.2
Information Technology	\$767,681	\$858,214	\$90,533	11.8
Total Liab/Property Insurance	\$960,042	\$1,283,696	\$323,654	33.7
Debt Service	\$399,366	\$271,584	(\$127,782)	-32.0
Internal & External Overhead	\$3,206,370	\$3,397,935	\$191,565	6.0
Total 1631 - Regional Operations	\$35,984,777	\$40,417,094	\$4,432,317	12.3

Fund Summary 2022/23

	2022/23 Budget
Operating Expenditure Request	\$40,417,094
Regional WW Capital (Cash funded CIP)	\$9,000,000
Additional Operating Reserve needed	\$664,848
Expenditures Change in Operating Reserve	\$50,081,942

Regional System Reserves for 2022/23

Operating Reserves (15% of expenditures)	\$6,095,843	
Geysers Reserves	\$1,250,000	
Catastrophic Reserve	\$1,700,000	
User Agency Reserve	\$5,000,000	
	\$13,254,170	

Agency Contribution Calculation:

Expenditures Change in Operating Reserve	\$50,081,942	
Less Revenue	(\$5,428,241)	
Fund Balance Applied	\$0	
Agency Contribution	\$44,653,701	

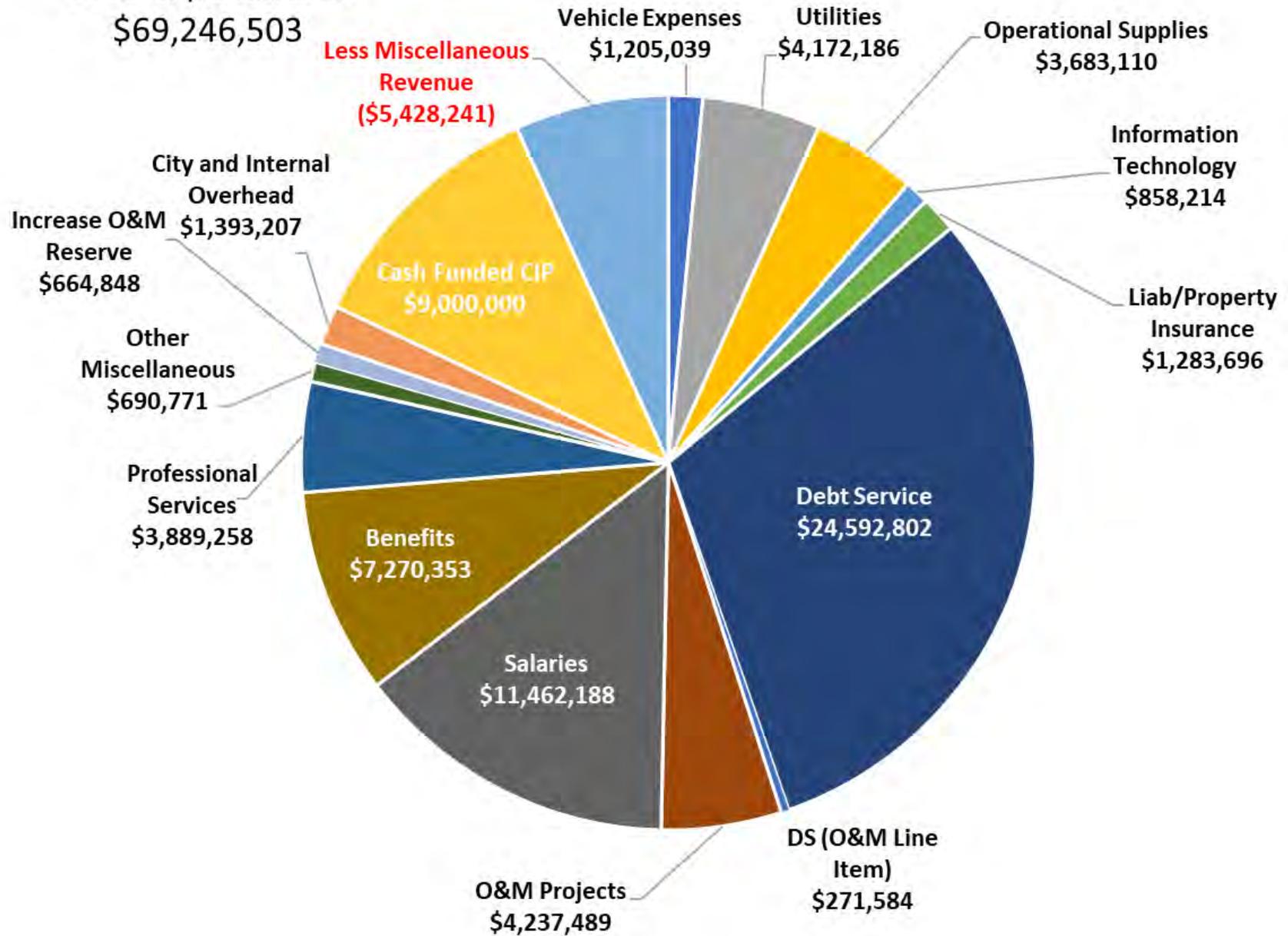
Total Allocation

	Total 2021/22	2022/23 Budgeted O&M	2022/23 CIP Contribution	Sub Total O&M and CIP	2022/23 Debt Service	Total 2022/23	Difference
Santa Rosa	\$47,406,487	\$25,848,933	\$6,368,400	\$32,217,333	\$18,488,988	\$50,706,321	\$3,299,834
Rohnert Park	\$11,365,826	\$6,595,935	\$1,773,000	\$8,368,935	\$3,923,369	\$12,292,304	\$926,478
Sebastopol	\$1,747,669	\$891,343	\$293,400	\$1,184,743	\$719,116	\$1,903,859	\$156,190
Cotati	\$2,215,506	\$1,212,226	\$265,500	\$1,477,726	\$888,408	\$2,366,134	\$150,628
SPCSD	\$1,811,594	\$1,105,265	\$299,700	\$1,404,965	\$572,921	\$1,977,886	\$166,291
	\$64,547,081	\$35,653,701	\$9,000,000	\$44,653,701	\$24,592,802	\$69,246,503	\$4,699,422

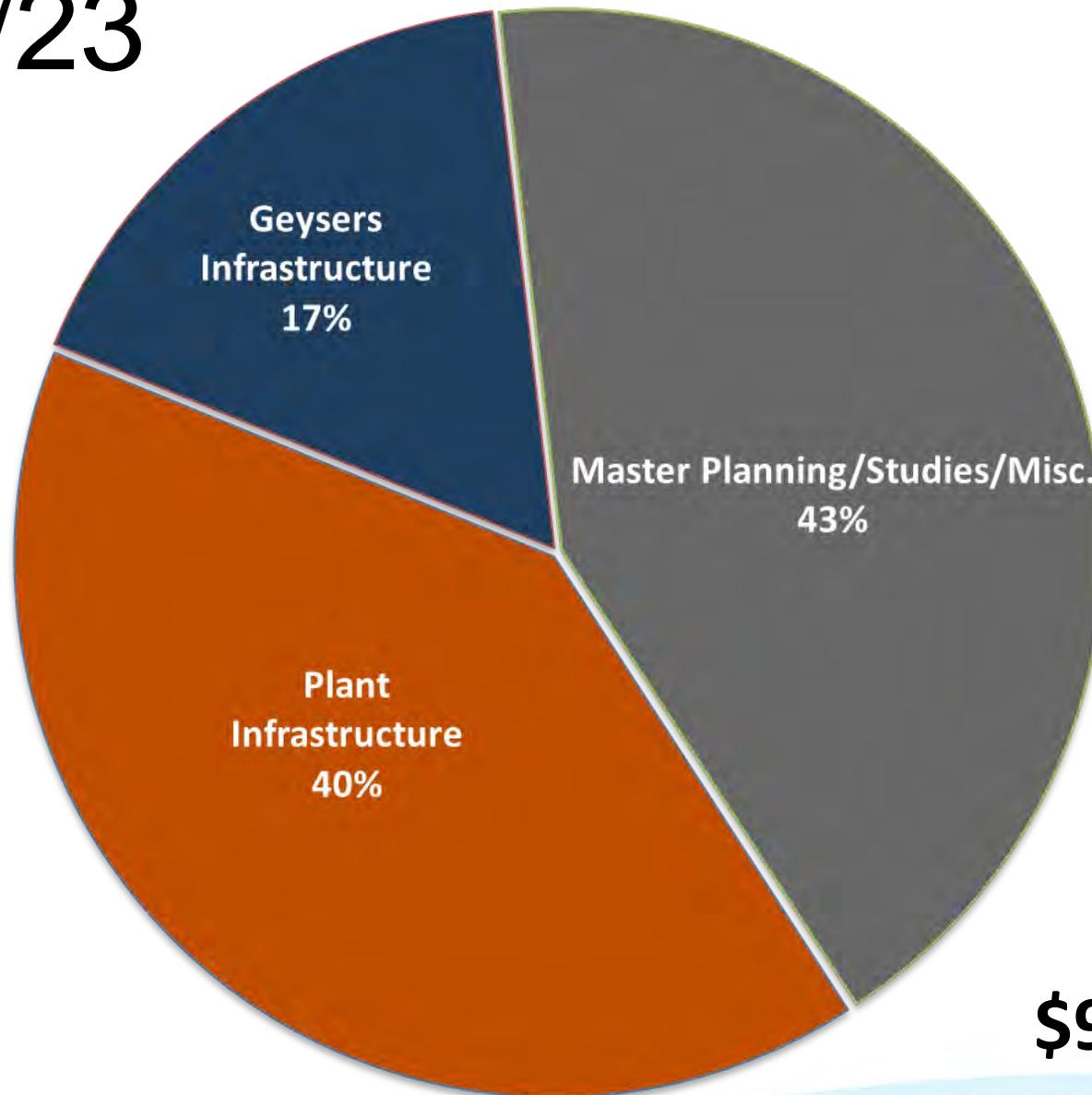
Miscellaneous Revenues removed from 2022/23 O&M

Regional Fund

Total Expenditures
\$69,246,503



Capital Improvement Program 2022/23



\$9,000,000

Budget Schedule

- **Regional Partners** – March 10th , April 7th
- **BPU Budget Subcommittee** – February 23rd & March 15th
- **BPU** – April 7th
 - Budget Study Session
- **BPU** – April 21st
 - Budget Recommendation to City Council
- **City Council** – April 26th
 - Preliminary approval of Regional Budget
- **City Council** – May 10th & 11th
 - Budget Study Sessions
- **City Council** – June 21st
 - 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 2022/23 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 2022.

REGIONAL DISCUSSION / QUESTIONS?



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