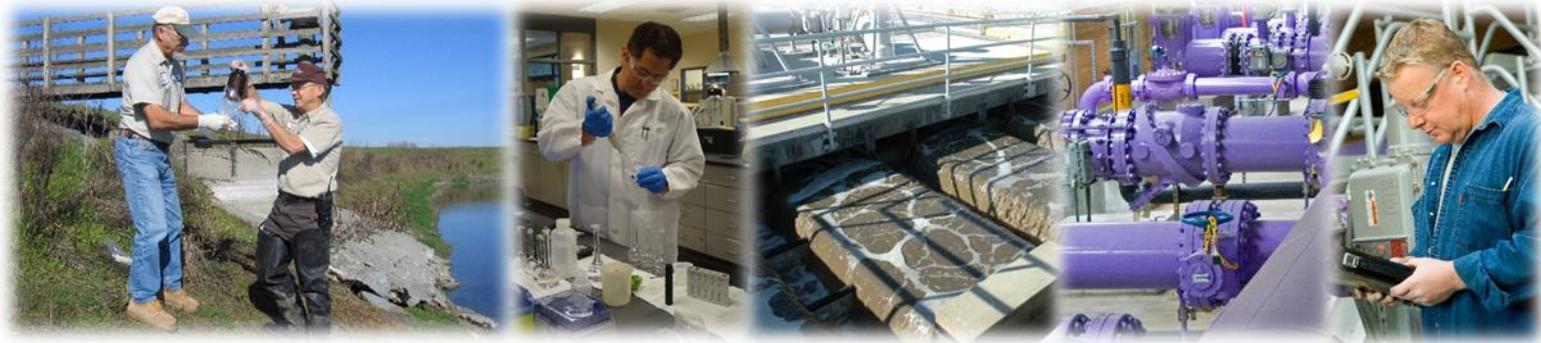


Regional Technical Advisory Committee Meeting

March 3, 2020



Kimberly Zunino
Deputy Director Administration



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Overview

- O&M Budget Detail
- Annual flows
- Estimated Revenue
- Allocation
- 2020/21 Bond Funding
 - Cash Funding Options
- Budget Schedule



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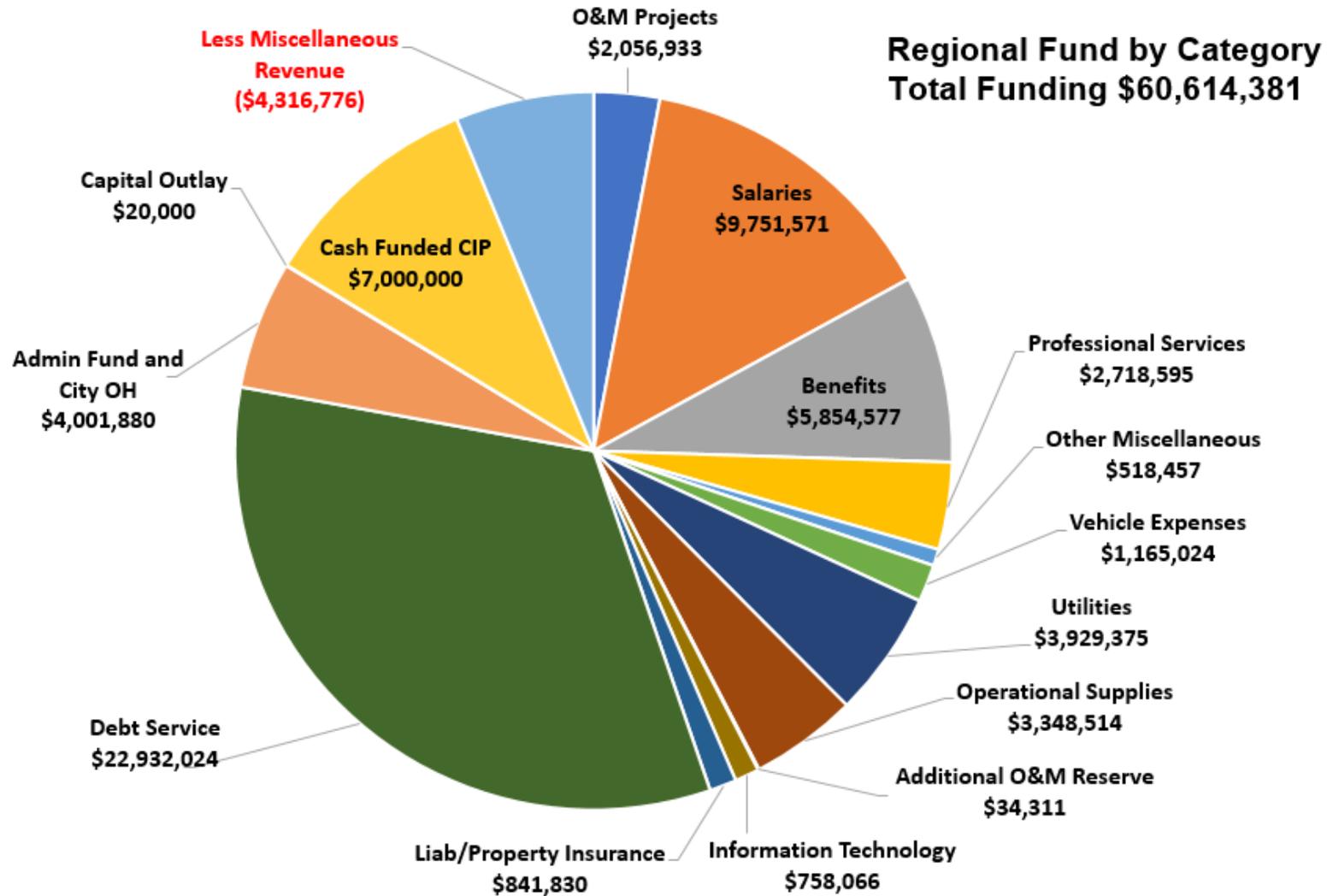
Regional Operations

Expenditure Object	2019-20 Total Request	2020-21 Total Request	Change	%
1631 - Regional Operations				
0000 Total Uncategorized	\$1,663,583	\$2,056,933	\$393,350	23.6
5100 Total Salaries	\$9,949,301	\$9,751,571	(\$197,730)	-2.0
5200 Total Benefits	\$5,737,163	\$5,854,577	\$117,414	2.0
5320 Total Professional Services	\$2,681,896	\$2,718,595	\$36,699	1.4
5360 Total Other Miscellaneous	\$508,782	\$518,457	\$9,675	1.9
5330 Total Vehicle Expenses	\$1,124,792	\$1,165,024	\$40,232	3.6
5331 Total Utilities	\$4,404,325	\$3,929,375	(\$474,950)	-10.8
5340 Total Operational Supplies	\$3,183,594	\$3,348,514	\$164,920	5.2
5349 Total Information Technology	\$711,670	\$758,066	\$46,396	6.5
5351 Total Liab/Property Insurance	\$697,429	\$841,830	\$144,401	20.7
5350 Total Debt Service	\$417,678	\$417,678	\$0	0.0
5400 Total Indirect Costs	\$4,073,546	\$4,001,880	(\$71,666)	-1.8
5500 Total Capital Outlay	\$0	\$20,000	\$20,000	0.0
Total 1631 - Regional Operations	\$35,153,759	\$35,382,500	\$228,741	0.7

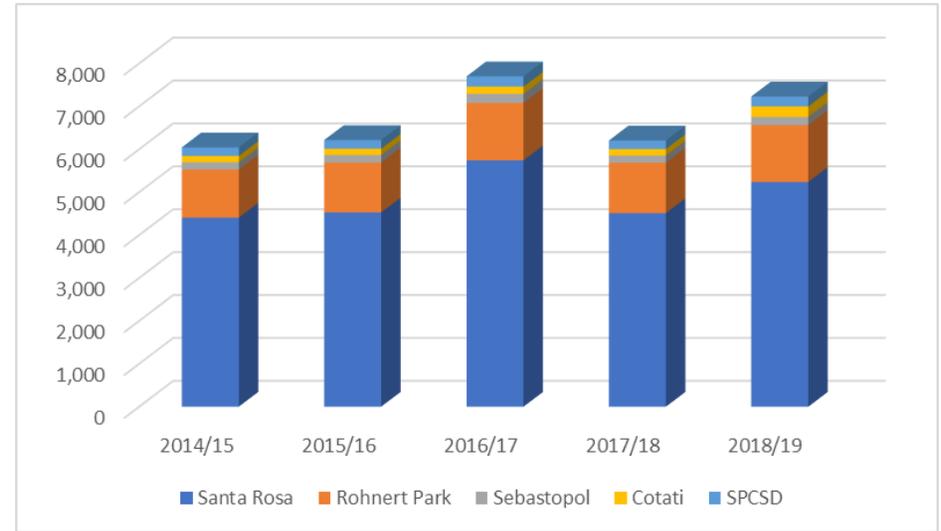


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Total Regional Budget



Annual Flow In Million Gallons



Flows	2014/15	2015/16	2016/17	2017/18	2018/19	2018/19 %
Santa Rosa	4,405.81	4,528.13	5,741.70	4,512.33	5,236.83	72.4%
Rohnert Park	1,119.63	1,161.02	1,337.22	1,173.63	1,327.10	18.4%
Sebastopol	169.65	175.73	211.09	169.85	187.91	2.6%
Cotati	150.46	146.30	168.51	147.77	246.42	3.4%
SPCSD	198.76	203.84	242.01	200.61	231.82	3.2%
	6,044.31	6,215.02	7,700.53	6,204.19	7,230.08	



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Estimated Regional Miscellaneous Revenues

	2018/19	2019/20	2020/21
	Actual	Budgeted	Projected
Property Rentals	\$102,478	\$90,000	\$90,000
Interest on Pooled Investments	\$884,711	\$100,000	\$500,000
Compost Sales	\$18,350	\$110,000	\$0
Sale of Water (recycled) - Retail	\$271,645	\$250,000	\$220,000
Sale of Water (recycled) - Wholesale	\$15,466	\$23,000	\$20,000
Laboratory Services	\$1,450	\$85,000	\$85,000
Dumping Charges at Plants including High Strength Tipping	\$2,152,548	\$1,800,000	\$2,000,000
Miscellaneous Fees and Charges	\$12,883	\$7,500	\$7,500
Miscellaneous	\$42,205	\$25,000	\$25,000
Calpine - per Agreement	\$300,000	\$300,000	\$300,000
SCWA - Acceptance of Recycled Water	\$1,000	\$0	\$1,000
Town of Windsor - Geysers and Environmental Compliance	\$904,626	\$913,793	\$968,276
Dairy Waste Loan Payments	\$106,278	\$118,000	\$100,000
Total	\$4,813,640	\$3,822,293	\$4,316,776



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Fund Summary 2020/21		
		2020/21 Budget
Operating Expenditure Request		\$35,382,500
Transfers Out:		
City Accounting Software - Fund 0316		
Water Capital Fund (software projects)		
CEC Loan Debt Service Fund		0
Regional WW Capital (Cash funded CIP)		7,000,000
Additional Operating Reserve needed		34,311
Expenditures / Transfers Out / Change in Operating Reserve		\$42,416,811
Regional System Reserves for 2020/21		
Operating Reserves (15% of projected expenditures)		\$5,307,375
Geysers Reserves		\$1,250,000
Catastrophic Reserve		\$1,700,000
User Agency Reserve		\$5,000,000
		\$13,257,375
Agency Contribution Calculation:		
Expenditures / Transfers Out / Change in Operating Reserve		\$42,416,811
Less Revenue		(\$4,316,776)
Agency Contribution		\$38,100,035

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	\$22,525,755	\$4,953,200	\$17,145,137	\$44,624,092	-\$143,173
Rohnert Park	\$10,507,656	\$5,709,966	\$1,379,000	\$3,441,259	\$10,530,225	\$22,569
Sebastopol	\$1,620,981	\$808,601	\$228,200	\$614,239	\$1,651,040	\$30,059
Cotati	\$1,742,534	\$1,057,401	\$206,500	\$836,111	\$2,100,012	\$357,478
SPCSD	\$1,682,126	\$998,311	\$233,100	\$477,600	\$1,709,011	\$26,885
	\$60,320,562	\$31,100,035	\$7,000,000	\$22,514,346	\$60,614,381	\$293,819

Miscellaneous Revenues removed from 2020/21 O&M

2020/21 Bond Funding

- UV / Diversion Project - \$70m
 - Previously funded \$6m to be applied
 - Total need prior to applying cash \$64m
- Direction on cash funding
 - Application of refund reserve and/or additional cash funding



Bond Funding Scenario

Project Cost:	\$70,000,000	Interest Rate:	3.00%
Subregional Funding	\$6,000,000	Term (years):	30
Total Potential Debt:	\$64,000,000	Cost of Issuance:	\$ 495,000

Partner	Project Responsibility		Debt Responsibility
SPSD	3.33%	\$2,131,200	\$2,131,200
Rohnert Park	19.70%	\$12,608,000	\$12,608,000
Sebastapol	3.26%	\$2,086,400	\$2,086,400
Cotati	2.95%	\$1,888,000	\$1,888,000
Santa Rosa	70.76%	\$45,286,400	\$45,286,400

Estimated Annual Debt Service	Year 1 (6 months)	Year 2	Year 3	Year 4	Year 5
SPCSD	\$57,731	\$115,531	\$115,389	\$115,375	\$115,481
Rohnert Park	\$341,529	\$683,472	\$682,635	\$682,546	\$683,176
Sebastapol	\$56,517	\$113,102	\$112,964	\$112,949	\$113,054
Cotati	\$51,143	\$102,347	\$102,222	\$102,209	\$102,303
Santa Rosa	\$1,226,731	\$2,454,947	\$2,451,940	\$2,451,622	\$2,453,886
Total	\$1,733,650	\$3,469,400	\$3,465,150	\$3,464,700	\$3,467,900

Estimated Annual Debt Service

Refund Reserve Totals

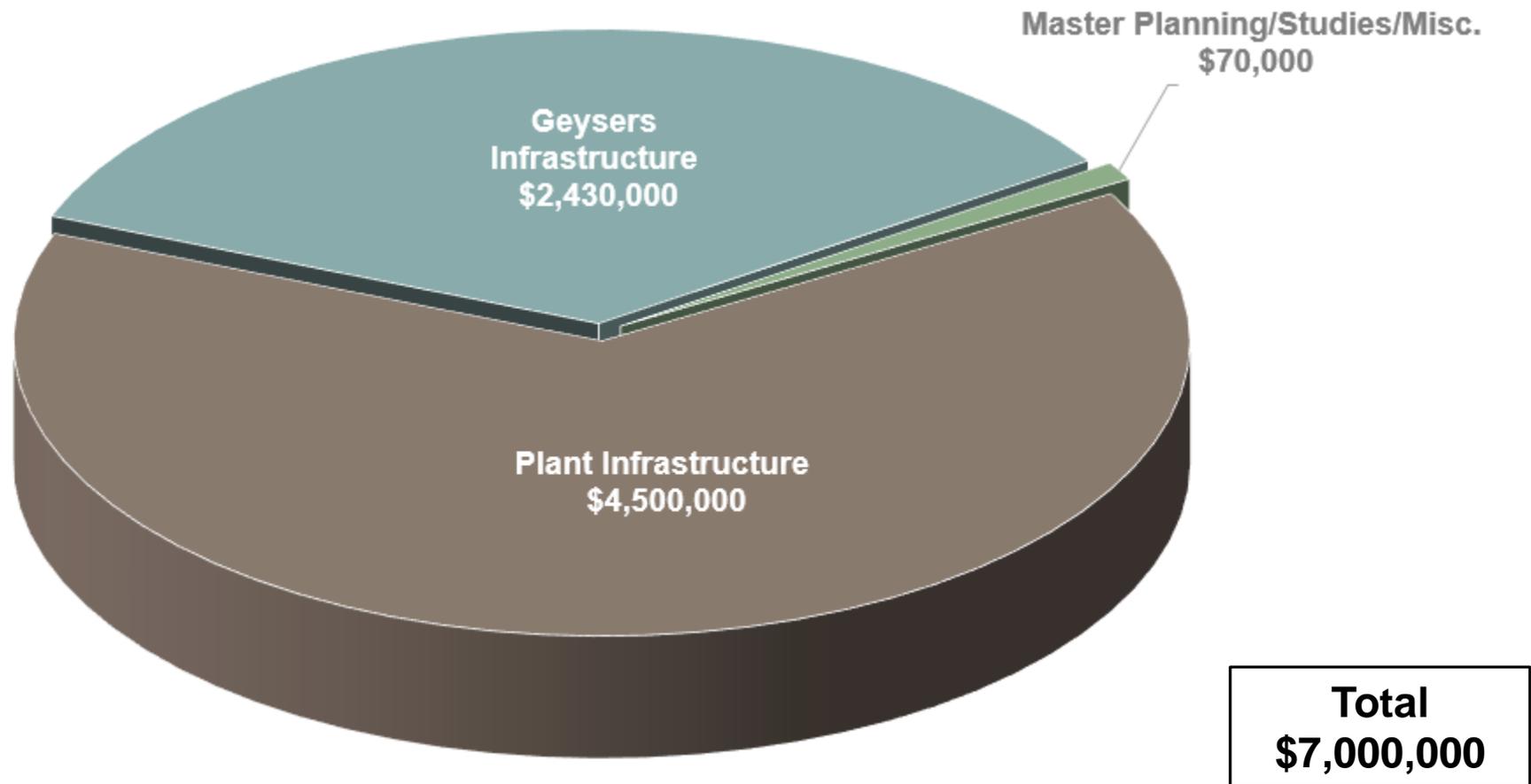
Subregional O&M Refund	Totals
SPCSD	\$518,597
Rohnert Park	\$2,113,520
Sebastopol	\$445,865
Cotati	\$322,877
Santa Rosa	\$7,516,094

Estimated Annual Debt Service – Various % Applications

Estimated Annual Debt Service	90% Refund Applied	50% Refund Applied	No Cash Applied
SPCSD	\$90,233	\$101,464	\$115,401
Rohnert Park	\$580,376	\$626,121	\$682,700
Sebastopol	\$91,353	\$101,007	\$112,975
Cotati	\$86,598	\$93,586	\$102,232
**Santa Rosa	\$1,912,918	\$1,912,658	\$1,910,693

*** All Scenarios = Santa Rosa Cash Contribution of \$10m*

Santa Rosa Water 2020-21 CIP Proposed Regional



2020-21 Proposed CIP Subregional Project Highlights

- Northerly Slope Protection
Delta Pond
 - PID 2271
- Geysers Pipeline
Expansion Joints
Replacement
 - PID 2243



Budget Schedule

- **Regional Partners** – March 3rd, March 12th & April 2nd
 - April 2nd if necessary
- **BPU Budget Subcommittee** – March 10th & 23rd
- **BPU** – April 2nd
 - O&M, CIP and Regional Study Session
- **BPU** – April 16th
 - Budget Recommendation to City Council
- **City Council** – April 28th
 - Preliminary approval of Regional Budget
- **City Council** – May 5th & 6th
 - Budget Study Sessions
- **City Council** – June 23rd
 - Budget Adoption

DISCUSSION / QUESTIONS?



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Variation Example

	Cash					
	Project Responsibility		Financed	Debt Responsibility		
SPCSDD	3.33%	\$2,131,200	\$2,131,200	\$0	0.00%	100% of resp
Rohnert Park	19.70%	\$12,608,000	\$1,902,166	\$10,705,834	21.67%	90% of reserve
Sebastapol	3.26%	\$2,086,400	\$401,276	\$1,685,124	3.41%	90% of reserve
Cotati	2.95%	\$1,888,000	\$161,438	\$1,726,562	3.49%	50% of reserve
Santa Rosa	70.76%	\$45,286,400	\$10,000,000	\$35,286,400	71.42%	\$10,000,000

Estimated Annual Debt Service	Year 1	Year 2	Year 3	Year 4	Year 5
SPCSDD	\$0	\$0	\$0	\$0	\$0
Rohnert Park	\$290,131	\$579,579	\$579,785	\$579,763	\$580,598
Sebastapol	\$45,667	\$91,227	\$91,260	\$91,256	\$91,387
Cotati	\$46,790	\$93,470	\$93,504	\$93,500	\$93,635
Santa Rosa	\$956,270	\$1,910,291	\$1,910,969	\$1,910,898	\$1,913,648
Total	\$2,677,718	\$2,674,568	\$2,675,518	\$2,675,418	\$2,679,268



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