

BPU FY 2021/22 Budget Study Session

O&M, CIP and Regional
Preliminary Review
April 1, 2021



Santa Rosa Water | Our Future in Every Drop



Our mission:

Protecting public health
by sustaining water
resources, infrastructure
and the environment



Overview

- Staff Assumptions
- Preliminary Operations Budgets
- Preliminary Regional Operations Budget and Partner Contributions
- Preliminary CIP Review – All Funds
- Budget Schedule



Staff Assumptions

- Reducing projected water use by 10%
- Wastewater projected use will reduce slightly
- Demand fees will increase
- All other revenues will remain flat
- Rates will increase per proposed schedule



Operations & Maintenance

2021/22



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Fund Changes

- Administrative Fund down – -2.8%
- Water Fund down – -0.6%
- Wastewater Fund up – 2.8%
- Subregional Fund up – 1.6%

Budget Changes

- Salaries down – **\$709,605** or **-2.7%**
- Benefits up – \$391,853 or 3.1%
- Water Billing down – **\$68,687** or **-1.5%**
- Utilities up – \$255,513 or 4.7%
- Vehicle Expenses up – \$113,443 or 3.3%
- Insurance – up \$195,216 or 18%



Water Operations

Expenditure Object	2020-21 Total Request	2021-22 Total Request	Change	%
1611 - Water Utility Operations				
Operations and Maintenance Projects	\$182,981	\$228,343	\$45,362	24.8
Salaries	\$3,656,697	\$3,746,611	\$89,914	2.5
Benefits	\$2,508,696	\$2,717,201	\$208,505	8.3
Professional Services	\$343,690	\$311,410	(\$32,280)	-9.4
Misc - Training, Leases, Equip Rent, etc.	\$408,001	\$423,162	\$15,161	3.7
Vehicle Replacement and Maintenance	\$1,204,594	\$1,242,897	\$38,303	3.2
Water Billing Services	\$2,363,288	\$2,327,570	(\$35,718)	-1.5
Utilities	\$1,167,489	\$1,384,686	\$217,197	18.6
Purchase of Water	\$15,501,140	\$14,437,103	(\$1,064,037)	-6.9
Operational Supplies	\$1,158,522	\$1,139,650	(\$18,872)	-1.6
Information Technology	\$674,967	\$680,389	\$5,422	0.8
Total Liab/Property Insurance	\$136,712	\$186,014	\$49,302	36.1
Internal & External Overhead	\$4,510,488	\$4,785,634	\$275,146	6.1
Total Water Utility Operations	\$33,817,265	\$33,610,670	(\$206,595)	-0.6%



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Wastewater Operations

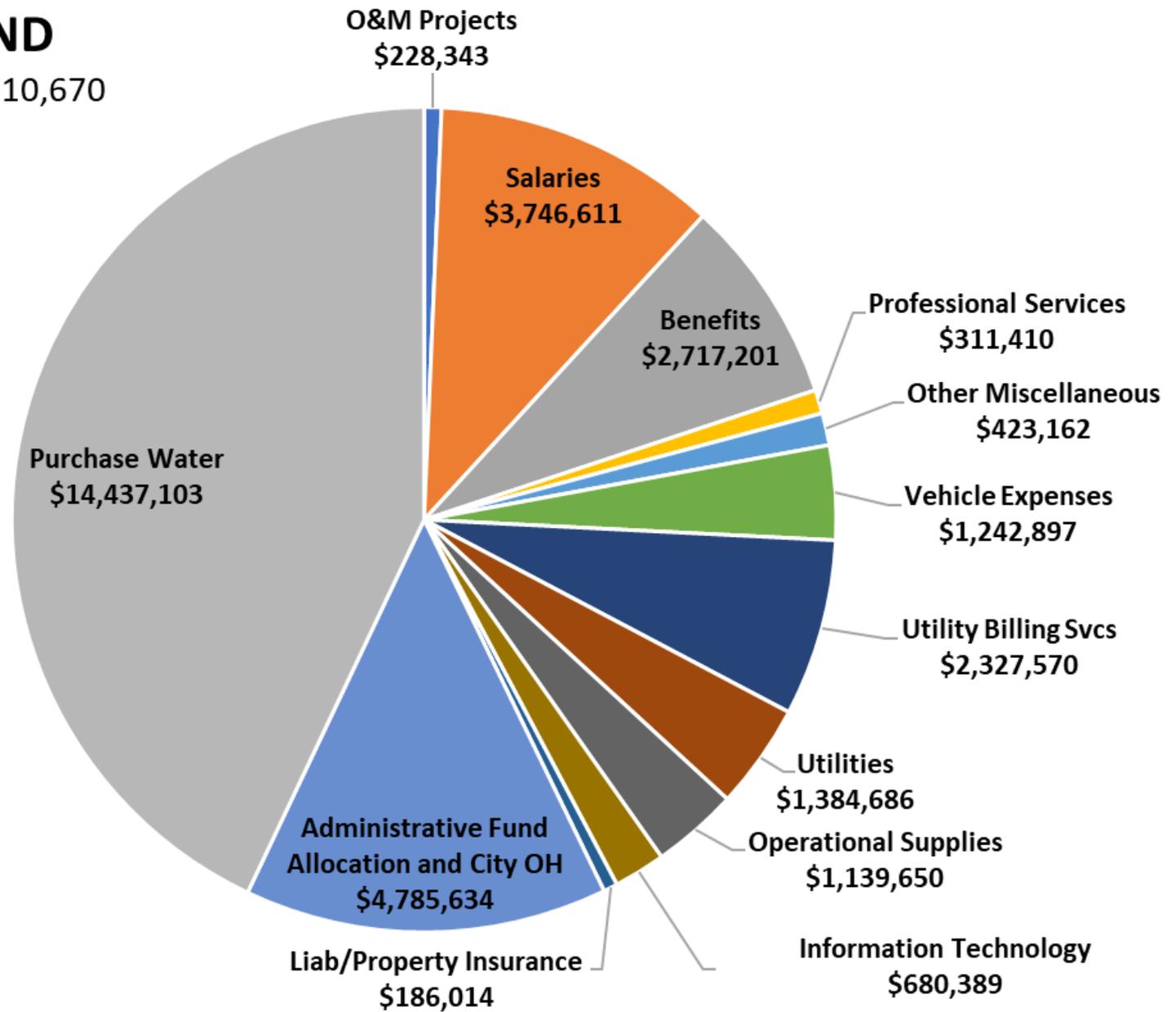
Expenditure Object	2020-21 Total Request	2021-22 Total Request	Change	%
1621 - Local Wastewater Utility Fund				
Operations and Maintenance Projects	\$119,233	\$113,943	(\$5,290)	-4.4
Salaries	\$2,200,997	\$2,069,048	(\$131,949)	-6.0
Benefits	\$1,427,556	\$1,412,183	(\$15,373)	-1.1
Professional Services	\$224,000	\$217,000	(\$7,000)	-3.1
Misc - Training, Leases, Equip Rent, etc.	\$386,150	\$407,650	\$21,500	5.6
Vehicle Replacement and Maintenance	\$1,036,486	\$1,177,216	\$140,730	13.6
Water Billing Services	\$2,181,496	\$2,148,527	(\$32,969)	-1.5
Utilities	\$92,517	\$92,913	\$396	0.4
Operational Supplies	\$352,200	\$387,400	\$35,200	10.0
Information Technology	\$491,274	\$493,651	\$2,377	0.5
Total Liab/Property Insurance	\$96,132	\$123,834	\$27,702	28.8
Internal & External Overhead	\$3,635,933	\$3,945,238	\$309,305	8.5
Total- Local Wastewater Utility	\$12,243,974	\$12,588,603	344,629	2.8



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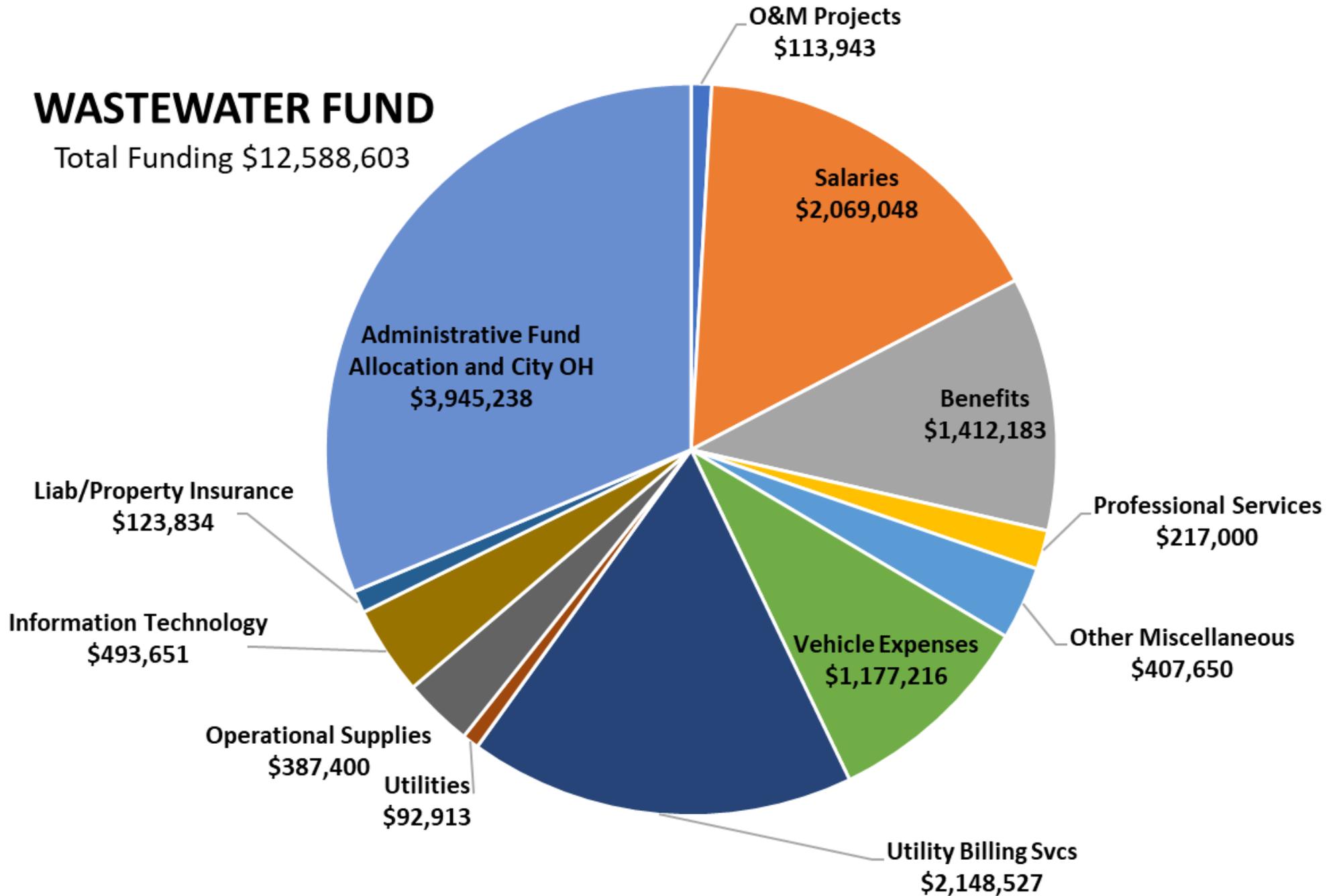
WATER FUND

Total Funding \$33,610,670



WASTEWATER FUND

Total Funding \$12,588,603



Purchase of Water

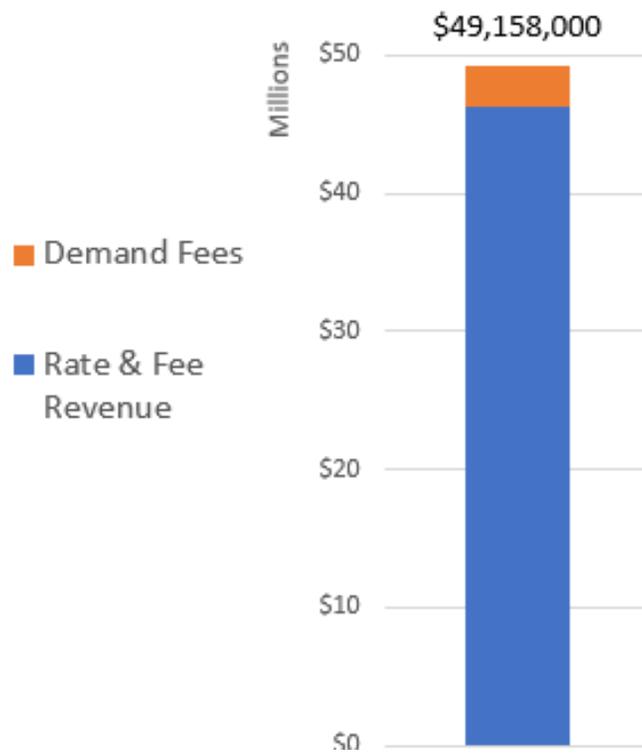
- Volume reduced by 10%
 - Based on normal year not current
- Sonoma Water increase 3.47%
 - From \$966.95/Acre-foot to \$1,000.46/Acre-foot



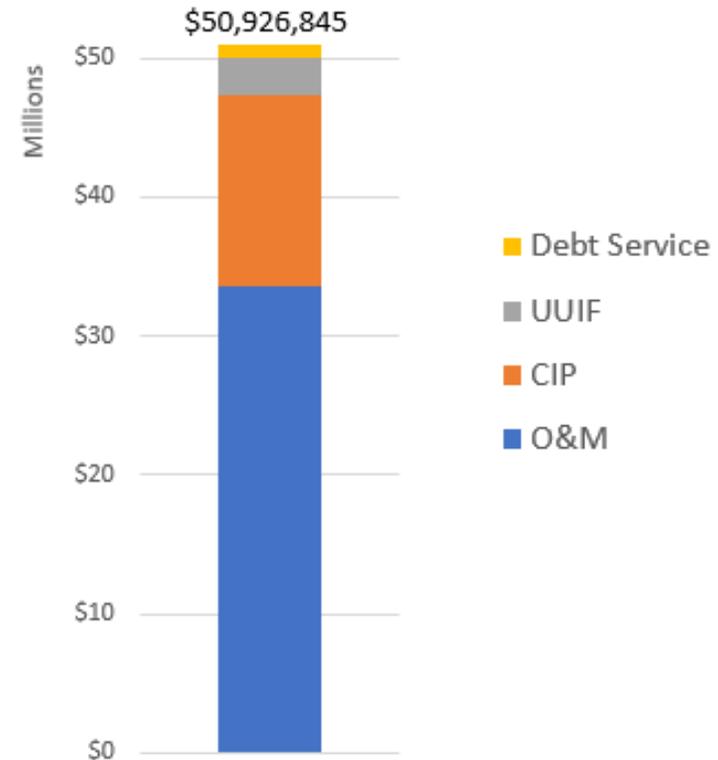
Water Fund

Revenues to Expenditures

Revenue



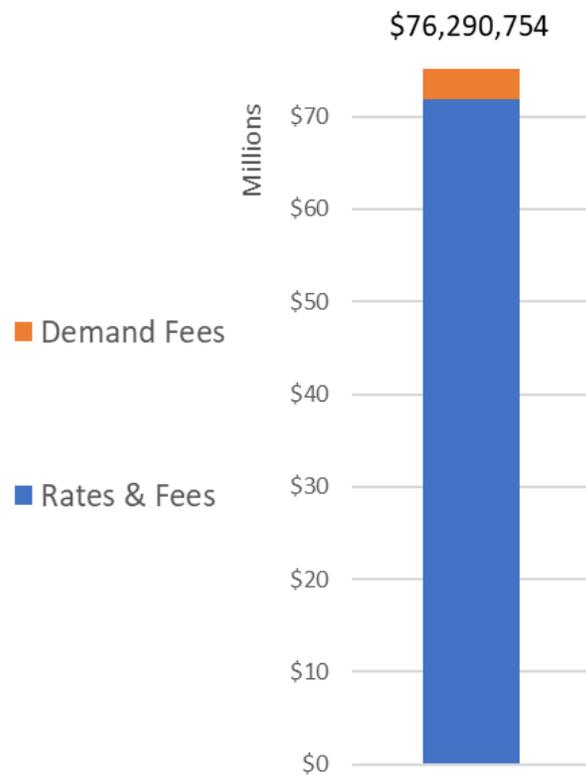
Expenditures



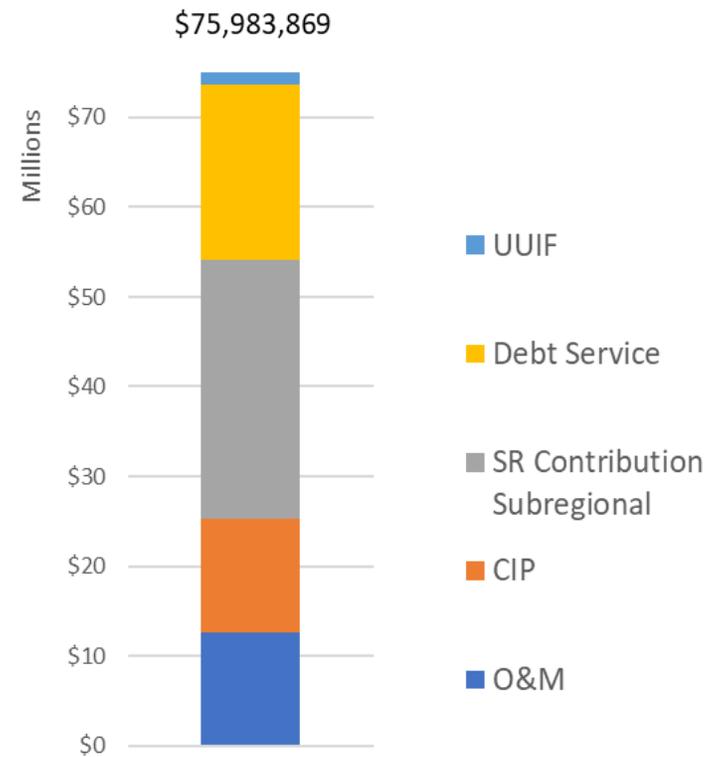
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Wastewater Fund Revenues to Expenditures

Revenues



Expenditures



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Regional Contribution Allocations 2021/22



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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



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FY 2021/22 Budget Drivers

- Debt Service UV Bond \$2,133,000
 - Expected at \$3,000,000
- Professional Services – Lystek \$1,098,521
 - Saves \$8.7m over 20 years
 - Reduction in significant future capital needs as facility was in need of large repairs
- O&M Projects – UV System maintenance \$427,500
 - Aging system and new compliance requirements
- CHP Engines and Generators - \$230,000
 - Due for 24,000 hour service

Fund Changes

- Departmentwide Budgets - Flat
- Regional O&M Budget up – 1.6%
 - O&M maintenance projects increasing
 - Regulatory requirements for UV System
 - Professional services increasing
 - Lystek agreement
- Debt Service increasing – 9%
 - UV system replacement funding secured in 2020

Regional Operations

Expenditure Object	2020-21 Total Request	2021-22 Total Request	Change	%
1631 - Regional Operations				
Operations and Maintenance Projects	\$2,081,933	\$2,948,909	\$866,976	41.6
Salaries	\$9,766,571	\$9,354,803	(\$411,768)	-4.2
Benefits	\$5,854,577	\$6,048,215	\$193,638	3.3
Professional Services	\$2,732,985	\$3,488,364	\$755,379	27.6
Misc - Training, Leases, Equip Rent, etc.	\$518,457	\$680,738	\$162,281	31.3
Vehicle Replacement and Maintenance	\$1,165,024	\$1,099,434	(\$65,590)	-5.6
Utilities	\$3,929,375	\$3,967,295	\$37,920	1.0
Operational Supplies	\$3,348,514	\$3,063,560	(\$284,954)	-8.5
Information Technology	\$758,066	\$767,681	\$9,615	1.3
Total Liab/Property Insurance	\$841,830	\$960,042	\$118,212	14.0
Debt Service	\$417,678	\$399,366	(\$18,312)	-4.4
Internal & External Overhead	\$3,966,122	\$3,206,370	(\$759,752)	-19.2
Capital Outlay	\$20,000	\$0	(\$20,000)	0.0
Total 1631 - Regional Operations	\$35,401,132	\$35,984,777	\$583,645	1.6



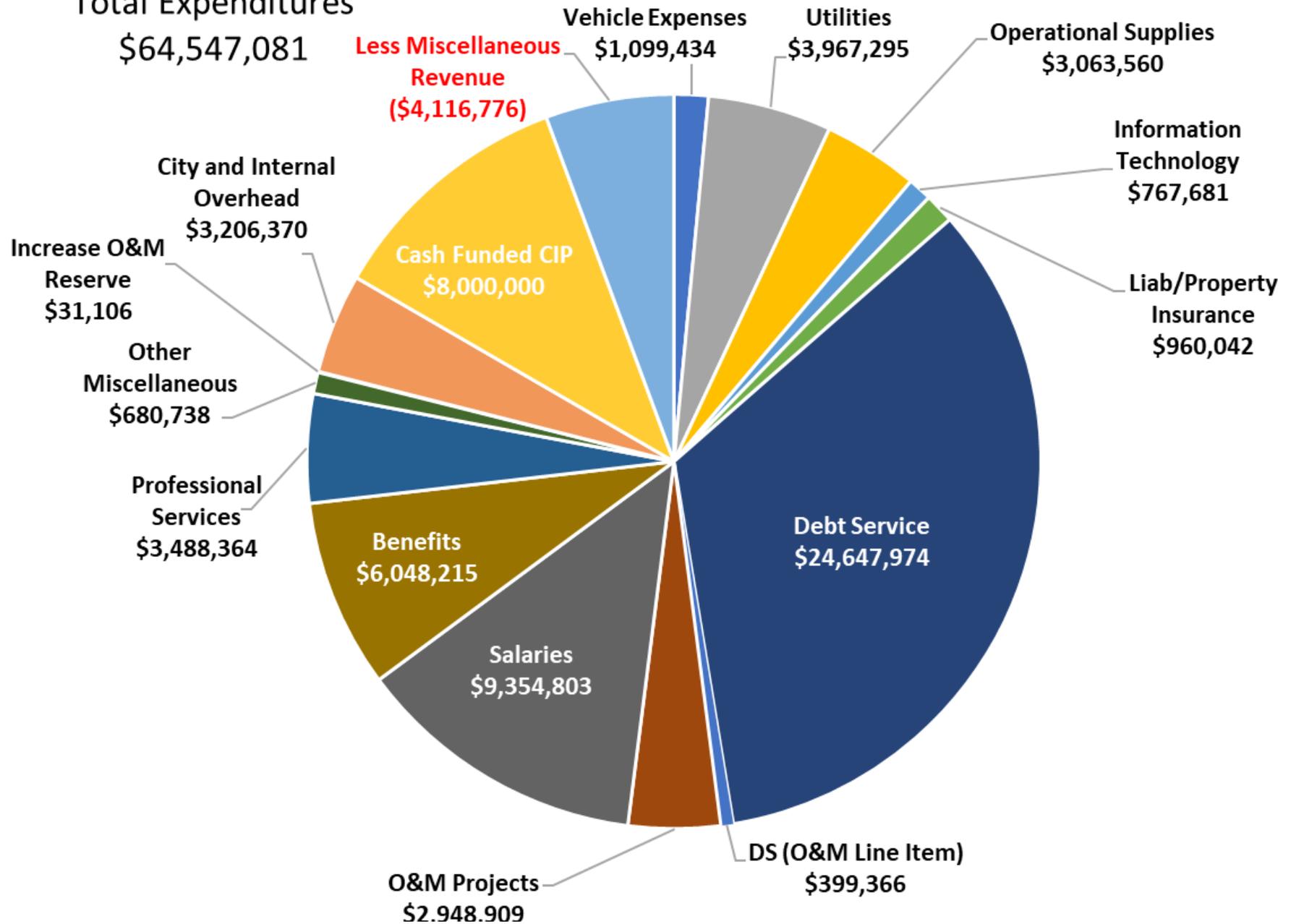
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Regional Fund

Total Expenditures

\$64,547,081

Less Miscellaneous Revenue
(\$4,116,776)



Fund Summary 2021/22		
		2021/22 Budget
Operating Expenditure Request		\$35,984,777
Transfers Out:		
Regional WW Capital (Cash funded CIP)		\$8,000,000
Additional Operating Reserve needed		\$31,106
Expenditures / Transfers Out / Change in Operating Reserve		\$44,015,883
Regional System Reserves for 2021/22		
Operating Reserves (15% of expenditures)	\$5,397,716	
Geysers Reserves	\$1,250,000	
Catastrophic Reserve	\$1,700,000	
User Agency Reserve	\$5,000,000	
	\$13,254,170	
Agency Contribution Calculation:		
Expenditures / Transfers Out / Change in Operating Reserve		\$44,015,883
Less Revenue		(\$4,116,776)
Fund Balance Applied		\$0
Agency Contribution		\$39,899,107

Total Allocation

	Total 2020/21	2021/22 Budgeted O&M	2021/22 CIP Contribution	2021/22 Debt Service	Total 2021/22	Difference
Santa Rosa	\$44,721,273	\$23,126,853	\$5,660,800	\$18,618,834	\$47,406,487	\$2,685,213
Rohnert Park	\$10,507,069	\$5,901,335	\$1,576,000	\$3,888,491	\$11,365,826	\$858,757
Sebastopol	\$1,650,401	\$797,478	\$260,800	\$689,391	\$1,747,669	\$97,268
Cotati	\$2,005,950	\$1,084,570	\$236,000	\$894,936	\$2,215,506	\$209,555
SPCSD	\$1,705,115	\$988,872	\$266,400	\$556,322	\$1,811,594	\$106,480
	\$60,589,808	\$31,899,107	\$8,000,000	\$24,647,974	\$64,547,081	\$3,957,273

*Miscellaneous Revenues removed from 2021/22 O&M
User Agencies may apply refund reserve*

Capital Improvement Program Budget 2021/22



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Santa Rosa Water - Assets



625 Miles of Water Mains
596 Miles of Sewer Main



23 Reservoirs



12,354 Sewer Manholes



20 Pump Stations
17 Sewer Lift Stations



29,122 Water Valves



6,478 Hydrants



Geysers Operations



Laguna Treatment Plant

CIP Funding

- Prioritizing projects
- Planned Funding
 - Water - \$13,790,000
 - Wastewater - \$12,730,000
 - Regional - \$8,000,000



Document Overview

PID	IFAS Key	Project Title	Funding Type	Carryover From 2015-16	2016-17 Budget Request	2016-17 Mid-Year Revisions	See Note [n]	YTD Expenditures	Current Encumbered	Total Available 2/28/2017	REQUEST - PROJECTED -					5 YEAR TOTAL
											YEAR 1 2017-18	YEAR 2 2018-19	YEAR 3 2019-20	YEAR 4 2020-21	YEAR 5 2021-22	
SUBREGIONAL OPERATIONS																
FUND 1639 - SUBREGIONAL WW CAPITAL FUND																
2093	86579	Reclamation Pipe Replacement	NEW	\$0	\$0	\$0		\$0	\$0	\$0	\$0	\$100,000	\$0	\$0	\$0	\$100,000
2096	86580	Filter Valve Actuators - Phase 2	NEW	\$0	\$0	\$0		\$0	\$0	\$0	\$0	\$0	\$0	\$1,300,000	\$0	\$1,300,000
2098	86581	Seismic Eval and retrofit - LTP Maint Building	NEW	\$0	\$0	\$0		\$0	\$0	\$0	\$0	\$0	\$0	\$900,000	\$0	\$900,000
2100	86582	Filter Influent Pmp Strn Discharge Piping	NEW	\$0	\$0	\$0		\$0	\$0	\$0	\$50,000	\$0	\$0	\$350,000	\$0	\$400,000
2102	86583	Biosolid Agitator Pos Ctl Improvements	NEW	\$0	\$0	\$0		\$0	\$0	\$0	\$0	\$250,000	\$0	\$0	\$0	\$250,000
2103	86584	LTP Booster Strn 1 Replacement	NEW	\$0	\$0	\$0		\$0	\$0	\$0	\$200,000	\$0	\$0	\$0	\$0	\$200,000
2104	86585	LTP Fleet Gas Station	NEW	\$0	\$0	\$0		\$0	\$0	\$0	\$0	\$0	\$0	\$300,000	\$0	\$300,000
1885	86553	Subregional System Master Plan, Phase 2	NEW	\$0	\$0	\$0		\$0	\$0	\$0	\$50,000	\$300,000	\$300,000	\$0	\$0	\$650,000
2110	86577	Reclamation System Condition Assessment Analysis - Phase 1	NEW	\$0	\$0	\$0		\$0	\$0	\$0	\$50,000	\$0	\$0	\$0	\$0	\$50,000
2097	86587	Cmbnd Heat and Power Exhaust Mods	NEW	\$0	\$0	\$0		\$0	\$0	\$0	\$200,000	\$0	\$0	\$0	\$0	\$200,000
2049	86573	Superstructure Removal Phase 2	NEW	\$0	\$0	\$0		\$0	\$0	\$0	\$250,000	\$550,000	\$1,000,000	\$930,000	\$700,000	\$3,430,000
2111	86586	Upsize Geysers connection - Delta Pond	NEW	\$0	\$0	\$0		\$0	\$0	\$0	\$400,000	\$0	\$0	\$0	\$0	\$400,000
2101	86588	Digester Gas Cond Improvements	NEW	\$0	\$0	\$0		\$0	\$0	\$0	\$450,000	\$0	\$0	\$0	\$0	\$450,000
2105	86589	Replace Chillers and HVAC Admin Bldg	NEW	\$0	\$0	\$0		\$0	\$0	\$325,000	\$725,000	\$0	\$0	\$0	\$0	\$725,000
Subtotal - Subregional WW Capital Fund				\$3,369,928	\$3,548,004	\$3,375,000		\$3,507,983	\$1,110,437	\$5,674,513	\$3,080,000	\$4,080,000	\$5,080,000	\$6,080,000	\$7,080,000	\$25,400,000
SUBREGIONAL RESERVES																
523	86458	Subregional CIP Project Contingency	CONT	\$1,000,000	\$0	-\$25,000		\$0	\$0	\$975,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$5,000,000
SUBTOTAL SUBREGIONAL OPERATIONS & RESERVES				\$4,369,928		\$3,350,000		\$3,507,983	\$1,110,437	\$6,649,513	\$4,080,000	\$5,080,000	\$6,080,000	\$7,080,000	\$8,080,000	\$30,400,000

Funding Type:

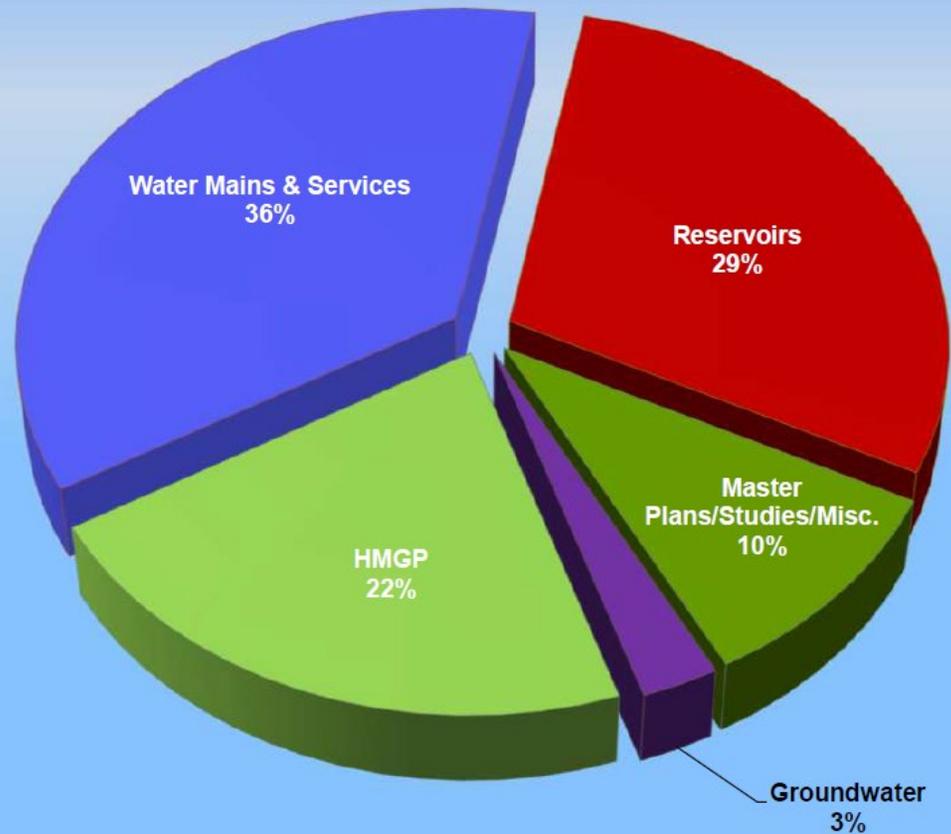
- CANC = Project is expected to be completed by end of current fiscal year
- CONT = Continue project with additional funding
- CO = Carryover project with no additional funding
- NEW = New project with initial funding within five year plan



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Water Proposed 2020-21 CIP

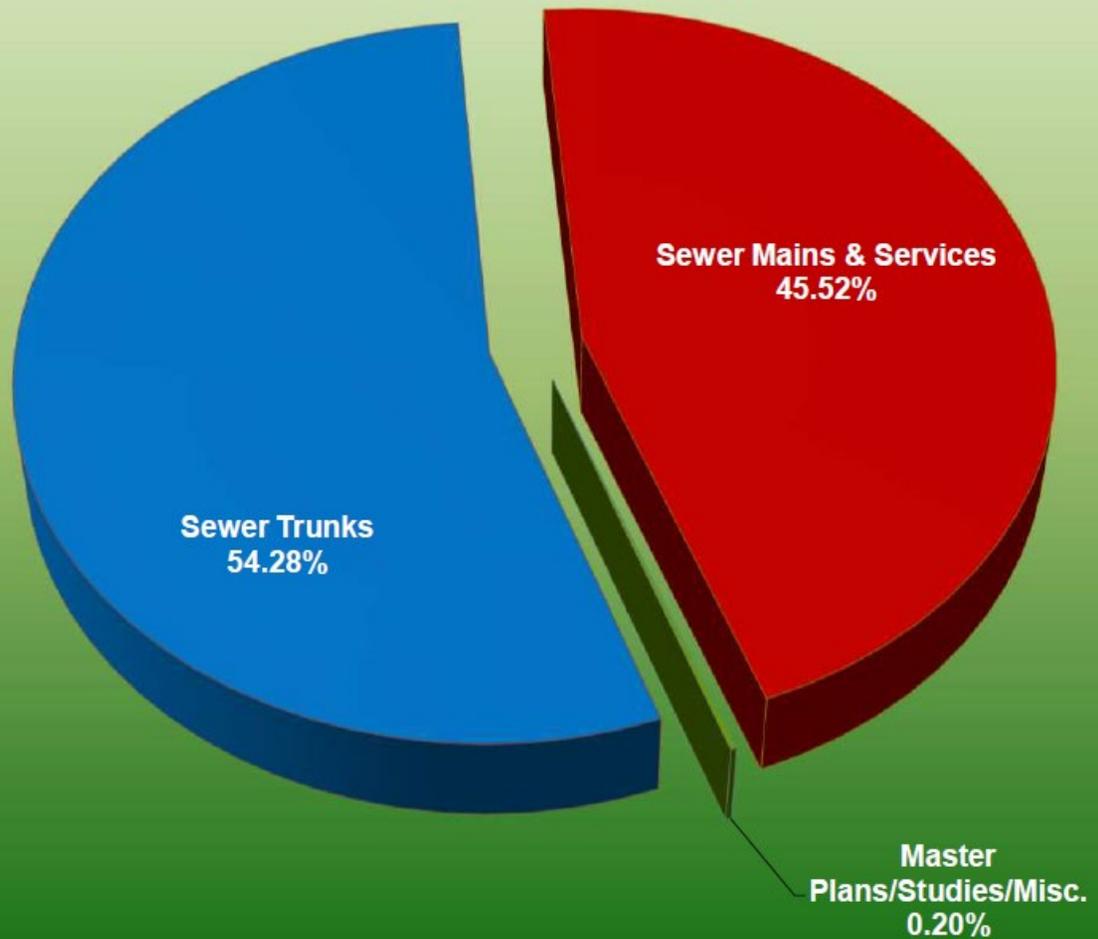
Water Year 1 (2021/22)
\$13,790,000



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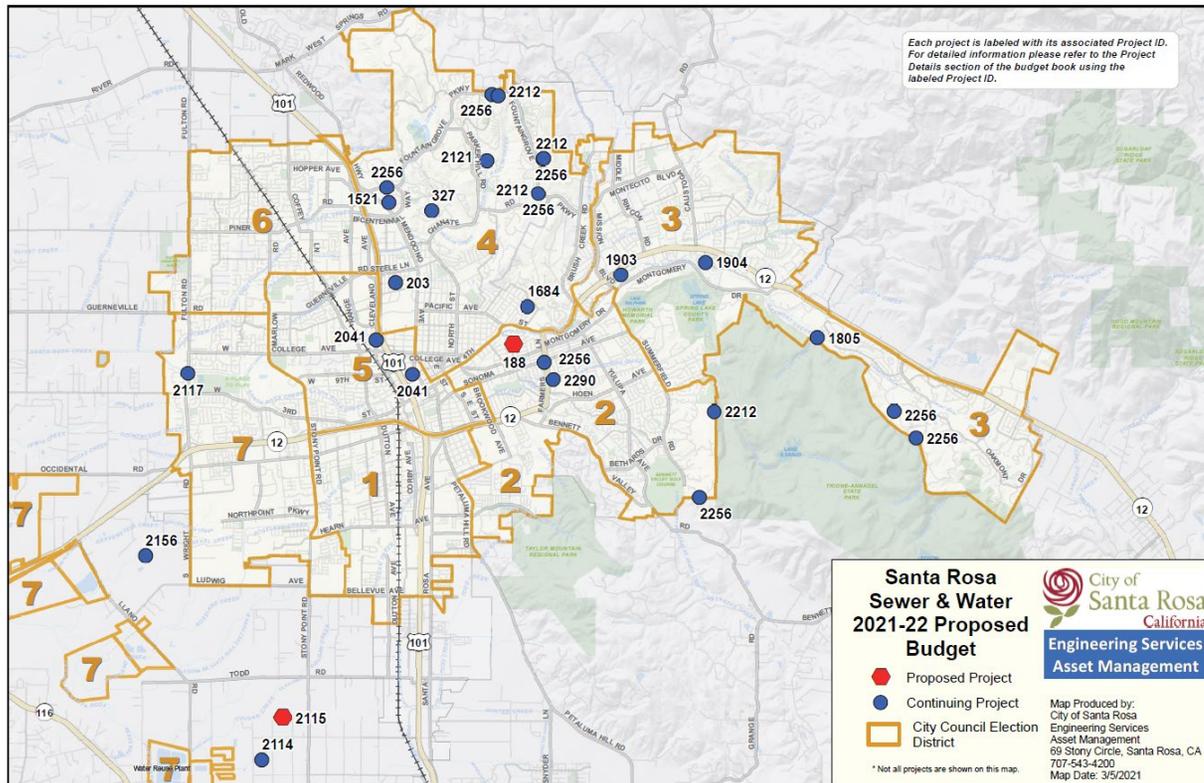
Wastewater Proposed 2020-21 CIP

Local Wastewater Year 1 (2021/22)
\$12,730,000



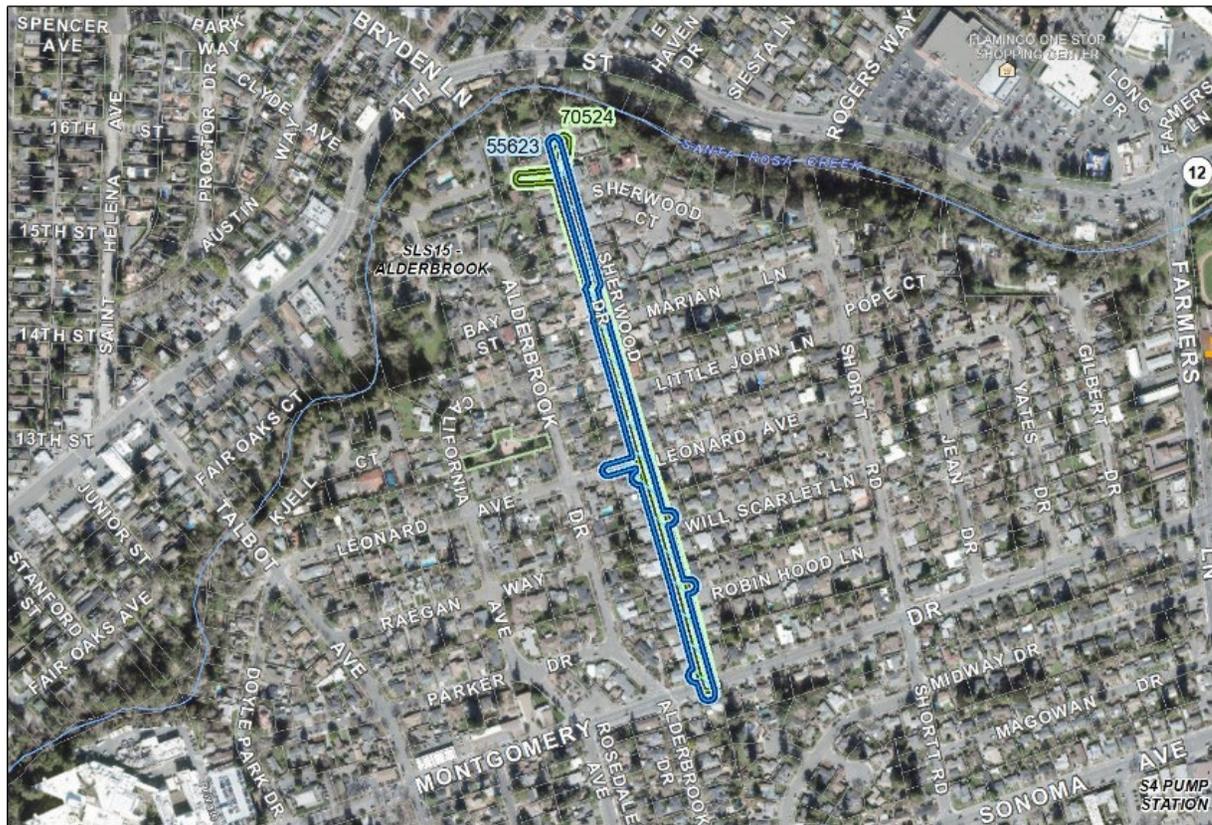
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2021-22 Proposed CIP Local Water and Local Wastewater Highlights



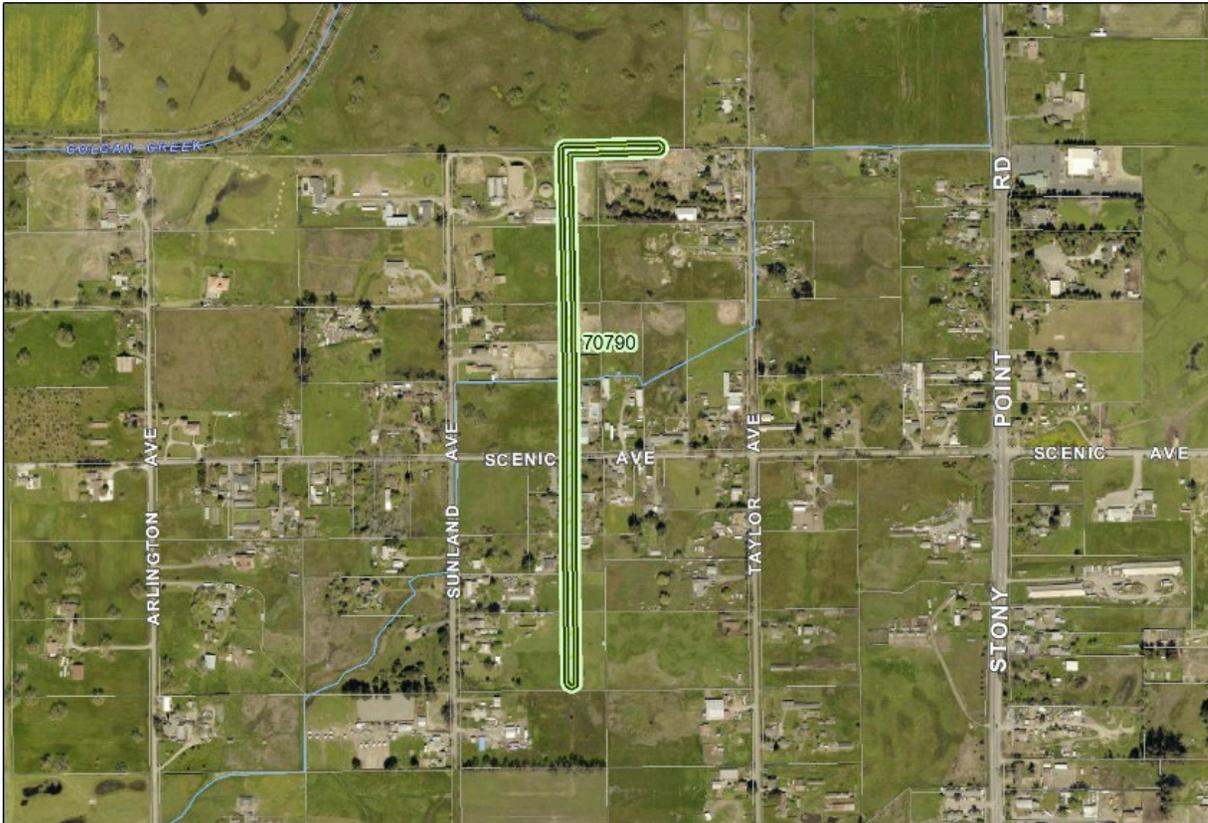
- New Projects
 - PID 188 – Neighborhood Sewer and Water Project
 - PID 2115 – Rehabilitation of Sewer Trunk
- Multiple Continuation Projects
 - Sewer Trunk Projects
 - Realignment
 - Lining
 - Neighborhood Replacement Projects
 - Reservoir and Pump Station Upgrades
 - Undersized fuel tank with deformed walls

2021-22 Proposed CIP Local Water and Local Wastewater Highlights



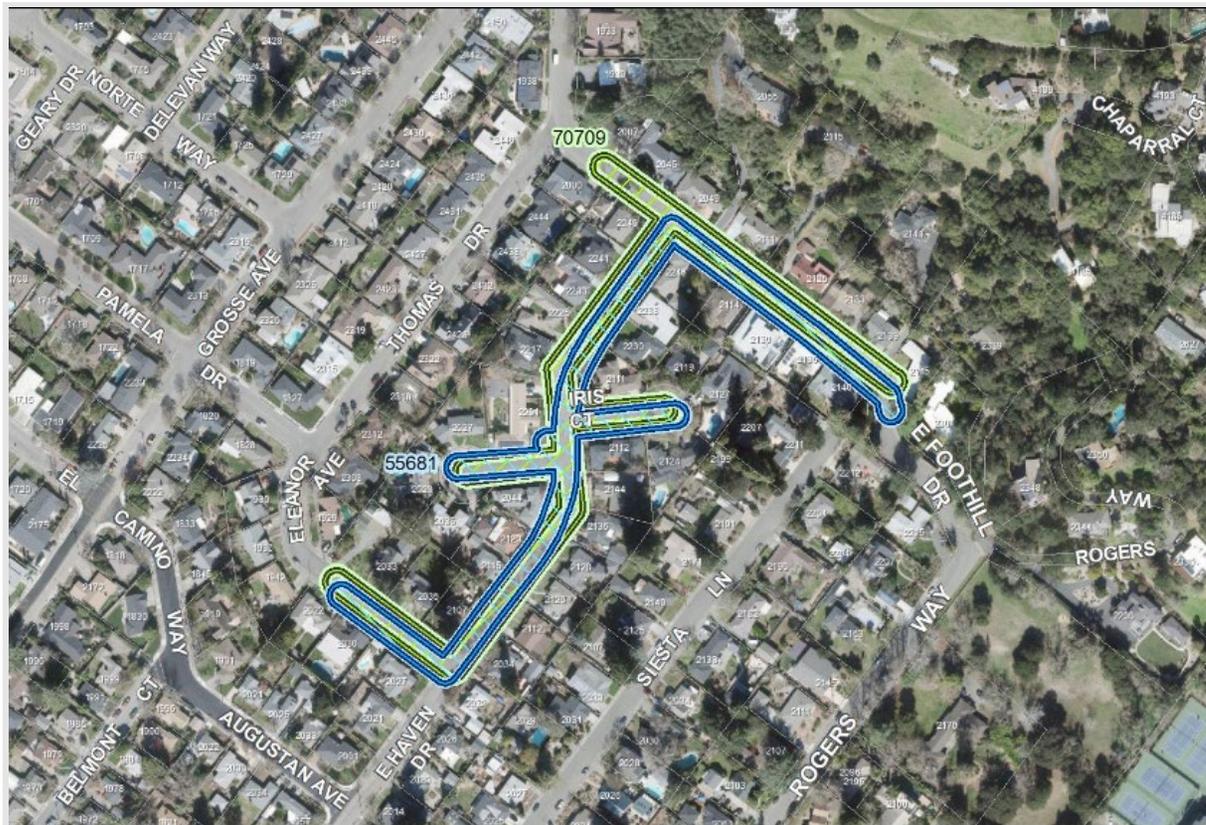
- Sherwood Forest Neighborhood – Phase 1
 - PID 188
- Project Objectives
 - Replace the existing 6–inch and 8-inch AC and CP Sewer Main with 8-inch PVC
 - Replace the existing 4-inch and 6–inch AC and CI Water Main with 8-inch PVC

2021-22 Proposed CIP Local Water and Local Wastewater Highlights



- Robles Trunk Lining – Phase II
 - PID 2115
- Project Objectives
 - Line approximately 2700 feet of 45-inch sewer trunk
 - Phase I – PID 2114 is next segment downstream – currently in design

2021-22 Proposed CIP Local Water and Local Wastewater Highlights



- East Haven and Foothill Drive Sewer and Water Improvements – Phase 6

- PID 1684

- Project Objectives

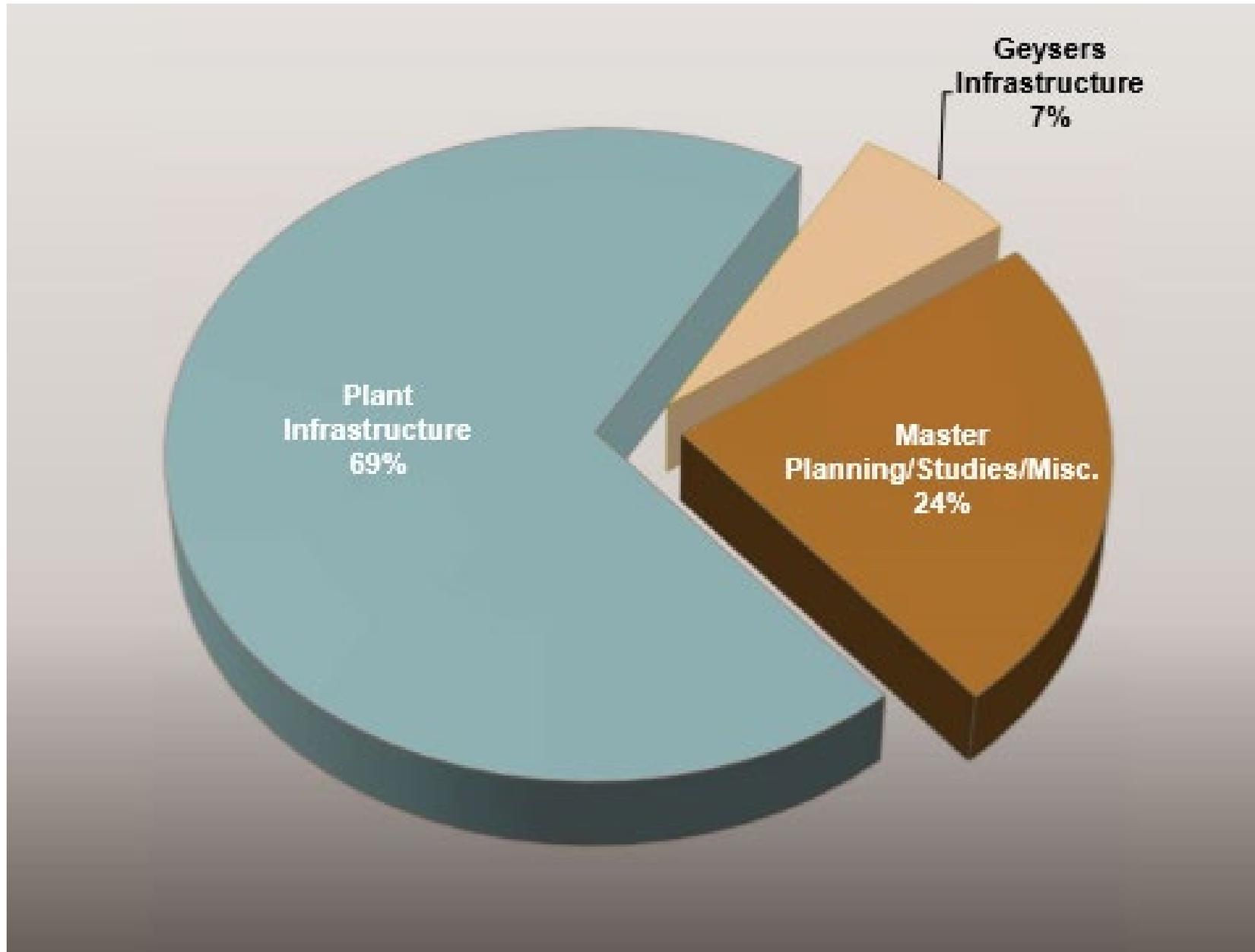
- Replace the existing 6-inch VCP Sewer Main with 8-inch PVC
 - Replace the existing 4-inch 6-inch and 8-inch AC and CI Water Main with 8-inch PVC

2021-22 Proposed CIP Local Water and Local Wastewater Highlights



- Leete Well Rehabilitation
 - PID 2121
- Project Objectives
 - Increase the available supply of emergency groundwater
 - Evaluate the condition of the existing well and pump house
 - Rehabilitate or replace the well and pump house based upon the condition assessment

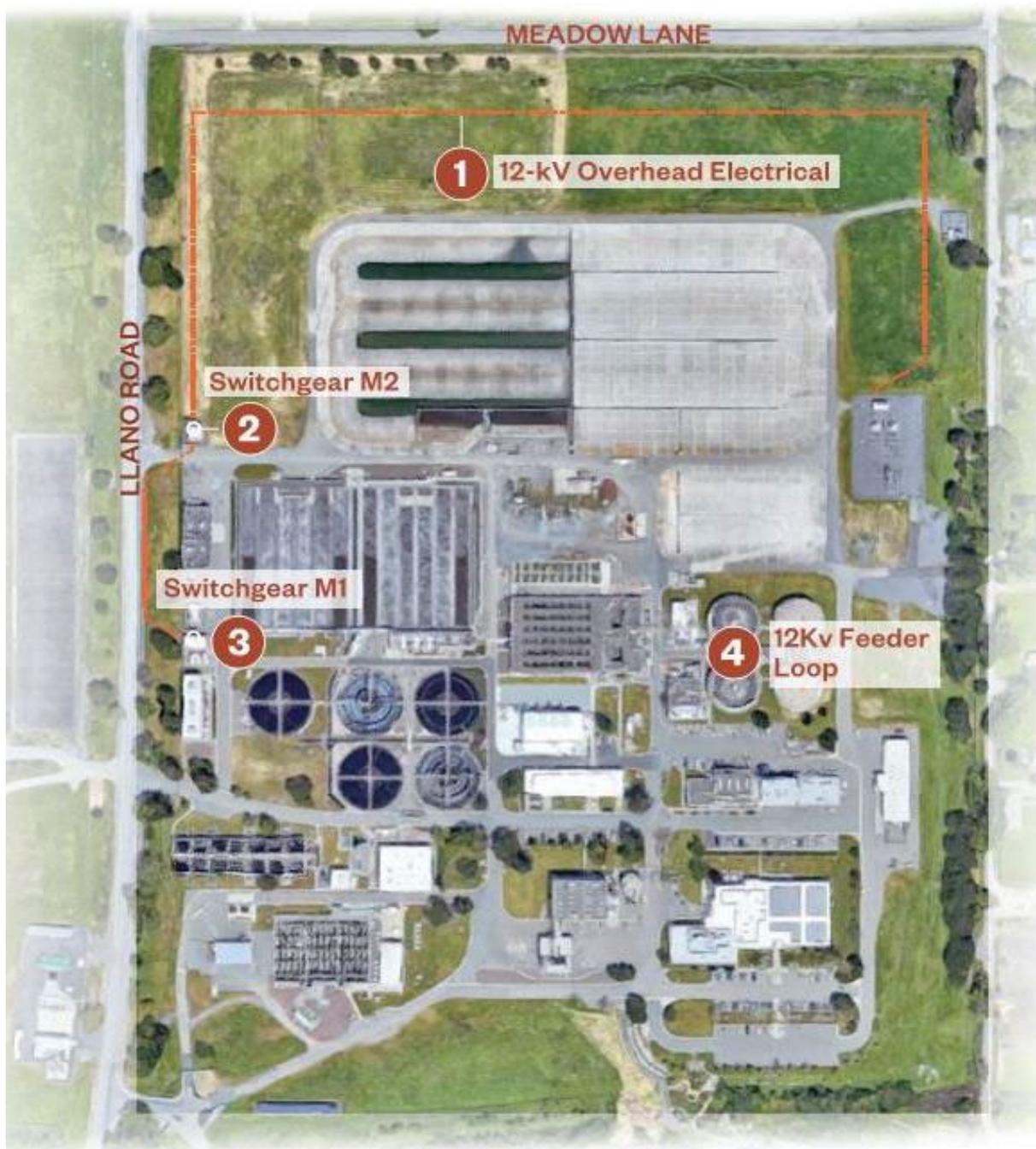
Proposed 2020-21 CIP



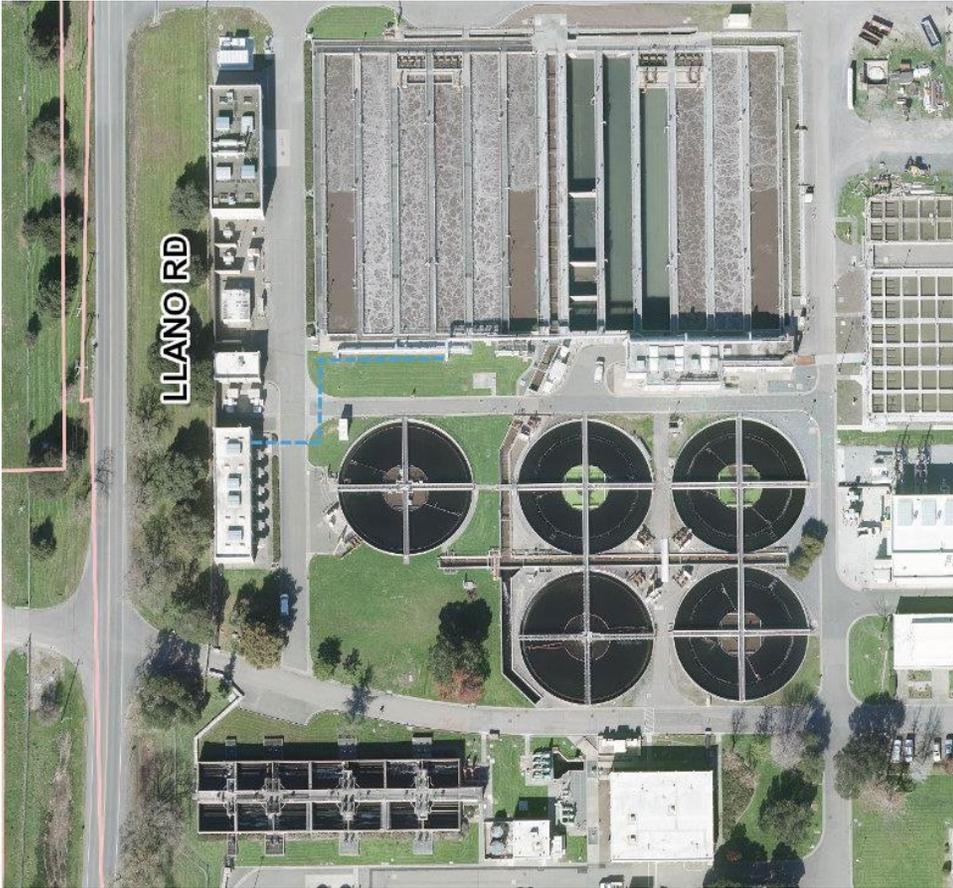
2021-22 Proposed CIP Subregional Project Highlights



- Emergency Generator Fuel Tank Replacement
 - PID 2192
 - Project Funding
 - \$1.5 M
 - Project Criticality
 - Undersized fuel tank with deformed walls
 - Project Scope
 - Replace 15K with 20K
 - Install Gasoline Fueling Dispenser



- LTP Electrical Infrastructure Replacement
 - PID 2050
 - Project Objectives
 - Maintain and improve electrical infrastructure reliability
 - Develop a structured maintenance program
 - Develop a list of prioritized CIP with costs and schedule
 - 2016 Power Master Plan Update



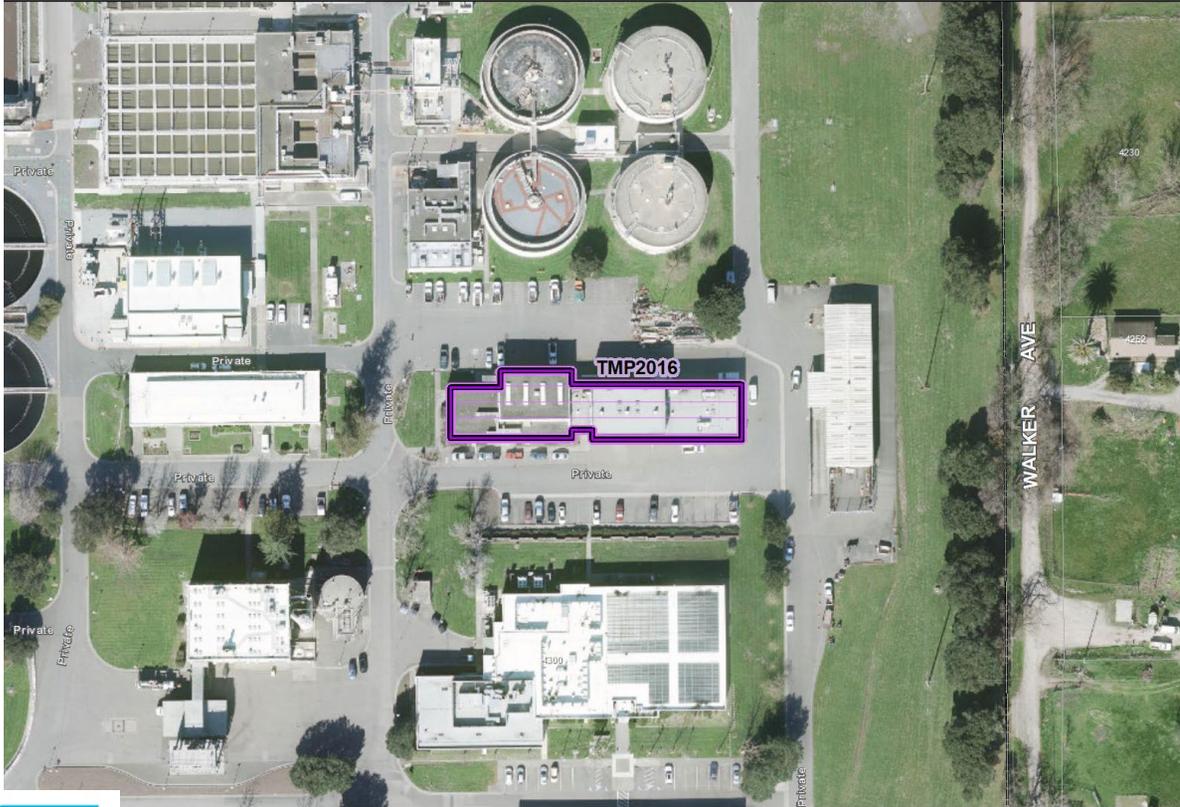
2021-22 Proposed CIP Subregional Project Highlights

- Aeration Basins and Aeration Header Improvements. PID 2366
 - Project Issues
 - Low pressure underground aeration piping leakage
 - Aeration Basins diffusers and piping corrosion

2021-22 Proposed CIP Subregional Project Highlights

- Maintenance Building Roof Improvement

- PID 2367
- Project Urgency
- Project Schedule, Cost and Delivery Method



Number: 2367

Building Roof Improvements

Future

Project Areas (IFAS Charge #'s Labeled)

Subregional



0 100 200 Feet City (2020) & County (2018) Aerials shown. Map Date: 3/1/2021

-Information and features shown on this map are intended for general location use only and may contain errors. Map produced by City of Santa Rosa, Asset Management Division. -

CIP DISCUSSION / QUESTIONS?



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Budget Schedule

- **Regional Partners** – 3 previous meetings
- **BPU Budget Subcommittee** – Met March 8th & 22nd
- **BPU** – April 1st
 - O&M, CIP and Regional Study Session
- **BPU** – April 15th
 - Budget Recommendation to City Council
- **City Council** – April 27th
 - Consideration of Preliminary Regional Budget
- **City Council** – May 11th & 12th
 - Budget Study Sessions
- **City Council** – June 22nd
 - Consideration of Budget

DISCUSSION / QUESTIONS?



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CONNECT WITH US!

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VISIT: SRCITY.ORG/WATER



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