

Fiscal Year 2025/26 Water, Wastewater, Regional Reuse and Storm Water and Creeks O&M and CIP Budgets

Board of Public Utilities
Study Session
April 3, 2025

Nick Harvey
Deputy Director - Administration

Overview

- Fund Overview
- Water, Local Wastewater and Storm Water and Creeks Budgets
- Staff Assumptions
- CIP Review
- Remaining Budget Schedule

Fund Overview

- Water
- Wastewater
- Regional Reuse
- Storm Water and Creeks

Water Enterprise Funding

Water Enterprise Fiscal Year 2023-24

- Funded by
 - Rates – \$47.3m
 - Approximately 54,000 water accounts
 - Water usage and fixed rates
 - Varied tiers
 - Fees – \$12.2m
 - Demand fees
 - Miscellaneous fees

Wastewater Enterprise Funding

Wastewater Enterprise Fiscal Year 2023-24

- Funded by
 - Rates – \$72.1m
 - Approximately 50,000 sewer accounts
 - Sewer usage and fixed rates
 - Single tier rate – varies by strength of discharge
 - Fees – \$16.9m
 - Demand fees
 - South Park Sanitation maintenance
 - Miscellaneous fees

Regional Water Reuse Funding

Regional Enterprise

- Funded by five partner agencies
 - Operating costs distributed based on flow
 - Debt service payments are calculated based on when debt was incurred and type of project
 - CIP costs distributed per the Subregional Agreement
 - Santa Rosa's share is paid by the Wastewater Fund

Storm Water and Creeks Funding

Storm Water Enterprise

- In 1996, City Council added Title 16 to the City Code creating a storm water enterprise
 - To comply with the MS4 National Pollutant Discharge Elimination System (NPDES) permit requirements
 - To reduce flooding, property damage, erosion, and storm water degradation in the City
- Annual parcel assessment for creek restoration, water quality improvement, and drainage improvements
- Supplemental funding provided by City's General Fund (increasingly limited)
- Capital Improvement Program (CIP) supplemental funding from Capital Facilities Fees, Gas Tax, and Grants

Storm Water Assessment

- Funding used for regulatory compliance
 - Funding is insufficient for infrastructure improvements
- Funding split is Storm Water 47%, Creeks 53%
- Annual escalator based on Consumer Price Index (CPI)
- FY 2024/25 - \$41.34 per equivalent residential unit
- Billed with property taxes by Sonoma County Assessor

Regulatory Requirements

- Water and sewer rate payer funding governed by Proposition 218
 - May not intermingle funds
 - May not subsidize customers
 - Must charge for cost for services
 - Rates approved through public hearing process
- Regional funding
 - Santa Rosa pays from sewer rate payer funds
 - Governed by the Subregional Agreement
- Storm Water funding
 - Allowed for both Storm Water and Creeks
 - Vote required to increase other than approved CPI

Staff Assumptions

- Water and Wastewater use projected to increase 1.1%
 - 1.1% growth assumption, flat demand – Consistent with 2024 Water and Wastewater rate study
- Wastewater use will remain flat
- Development will stay stable, strong interest earnings
- Rates will increase per current schedule

	July 2025	July 2026	July 2027	July 2028	July 2029
Water Usage	6%	6%	6%	7%	7%
Water Fixed	6%	6%	6%	7%	7%
Sewer Usage	5%	5%	5%	5%	5%
Sewer Fixed	5%	5%	5%	5%	5%

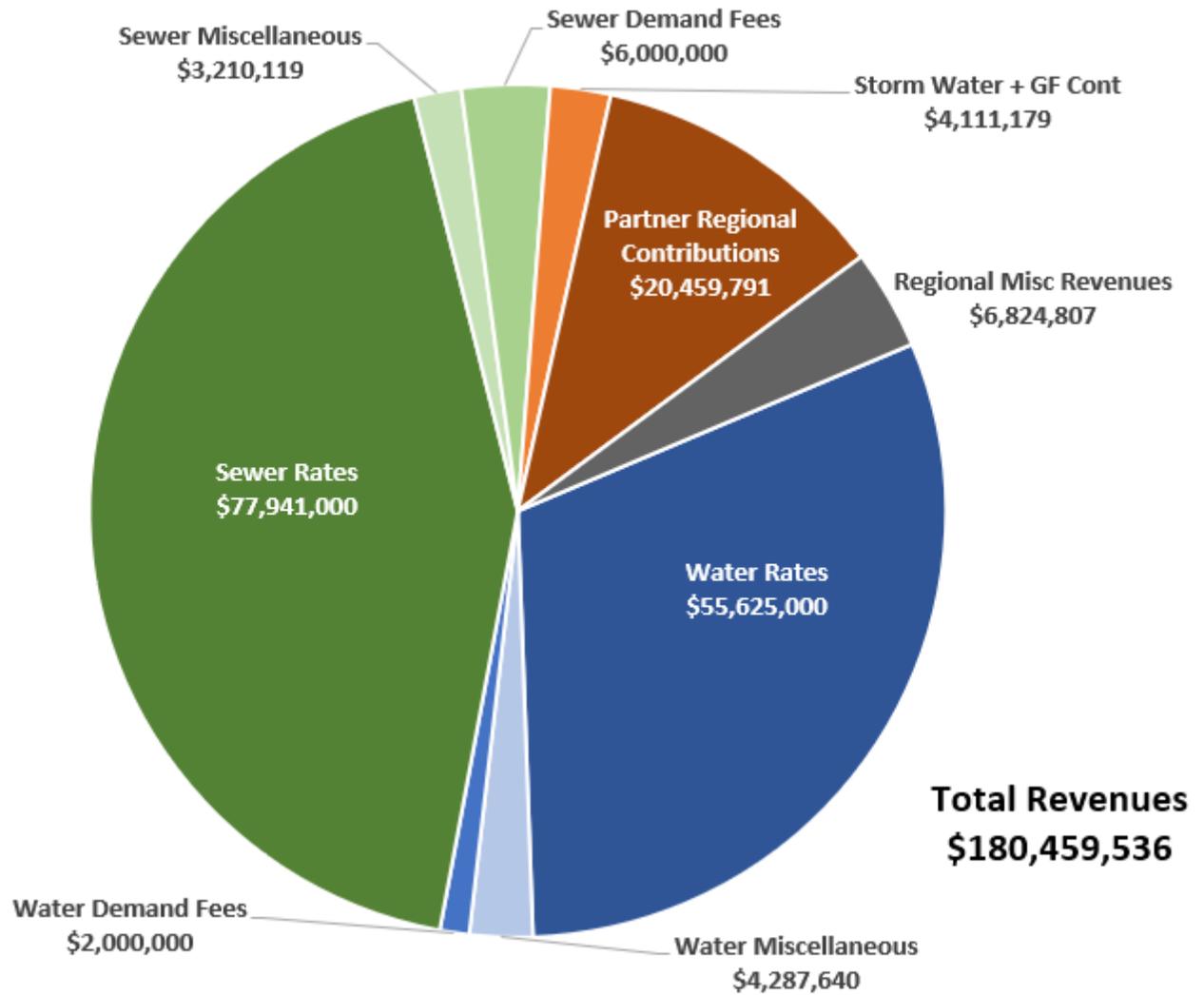
Expenditure Increases

- Salary Increases
 - 9% Across-the-board
 - Accounts for 4% COLA and Maximum 5% Equity for Class & Comp
 - 6 potential re-classifications and 4 potential additional positions in Regional Enterprise
 - 1 potential re-classification in the Local Sewer Enterprise
- Electricity
- Water Purchase
- Operations and Maintenance Projects

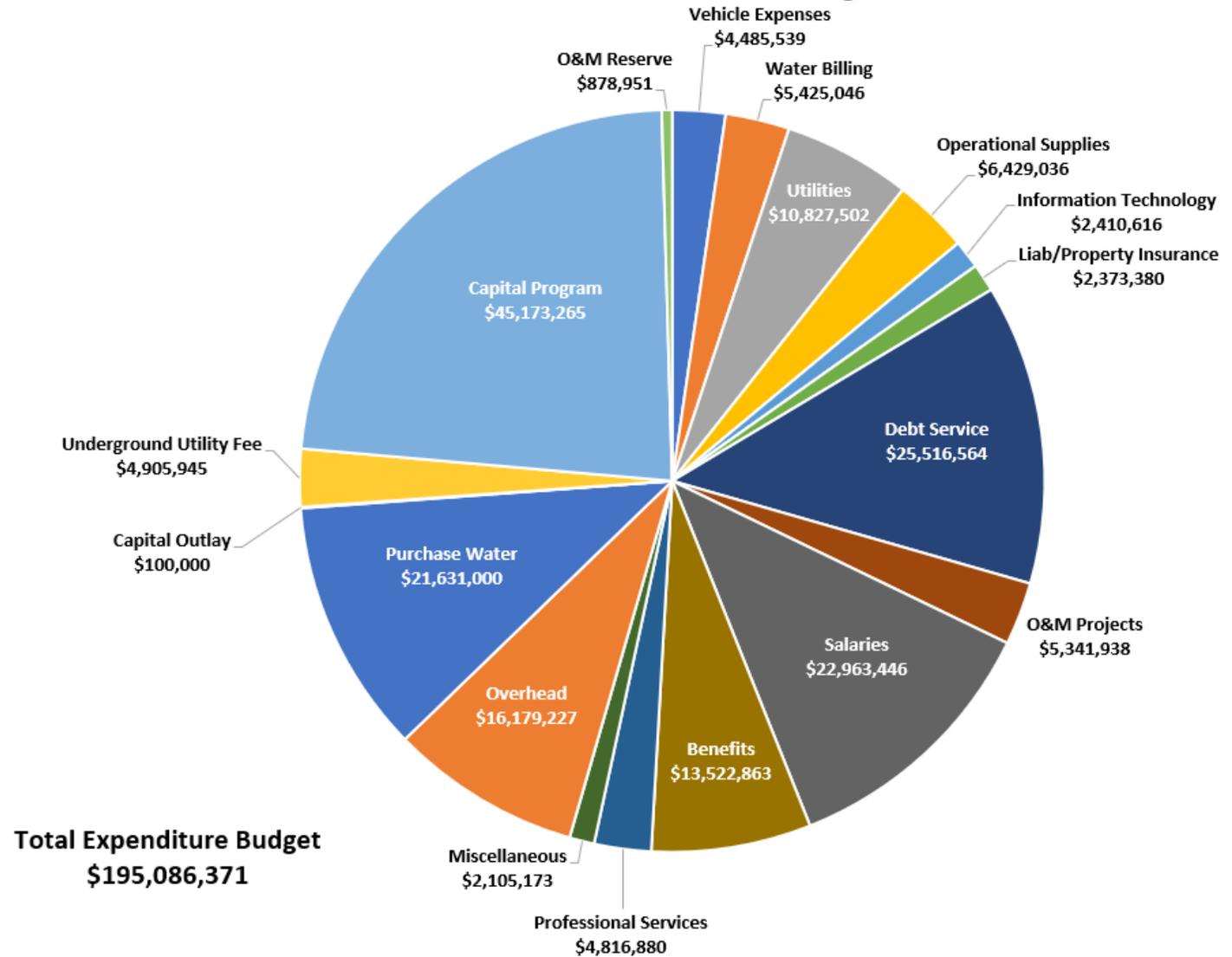
Water, Local WW and Storm Water and Creeks O&M Increases

- Water Fund – 3.8%
- Wastewater Fund – 11.9%
- Regional Reuse Fund – 11%
- Storm Water and Creeks Funds – 1%
 - \$746K (22.7%) funded by General Fund
 - \$2.54M (77.3%) funded by Enterprise Funds

Water, Local WW & SW Total Revenues 2025-26



Water, Local WW & SW Total Budget 2025-26



Water Operations

Expenditure Object	2024-25 Total Request	2025-26 Total Request	Change	%
1611 - Water Utility Operations				
Operations and Maintenance Projects	\$1,934,825	\$125,000	(\$1,809,825)	-93.5
Salaries	\$4,845,506	\$4,975,234	\$129,728	2.7
Benefits	\$3,392,617	\$3,327,038	(\$65,579)	-1.9
Professional Services	\$471,970	\$415,410	(\$56,560)	-12.0
Misc - Training, Leases, Equip Rent, etc.	\$545,650	\$572,197	\$26,547	4.9
Vehicle Replacement and Maintenance	\$1,500,837	\$1,564,136	\$63,299	4.2
Water Billing Services	\$2,418,767	\$2,821,024	\$402,257	16.6
Utilities	\$1,465,528	\$1,995,656	\$530,128	36.2
Purchase of Water	\$19,724,320	\$21,631,000	\$1,906,680	9.7
Operational Supplies	\$1,298,837	\$1,328,930	\$30,093	2.3
Information Technology	\$592,051	\$644,223	\$52,172	8.8
Total Liab/Property Insurance	\$426,160	\$421,016	(\$5,144)	-1.2
Internal & External Overhead	\$5,750,100	\$6,335,494	\$585,394	10.2
Capital Outlay	\$83,000	\$0	(\$83,000)	100.0
Total Water Utility Operations	\$44,450,168	\$46,156,358	\$1,706,190	3.8

Purchase of Water

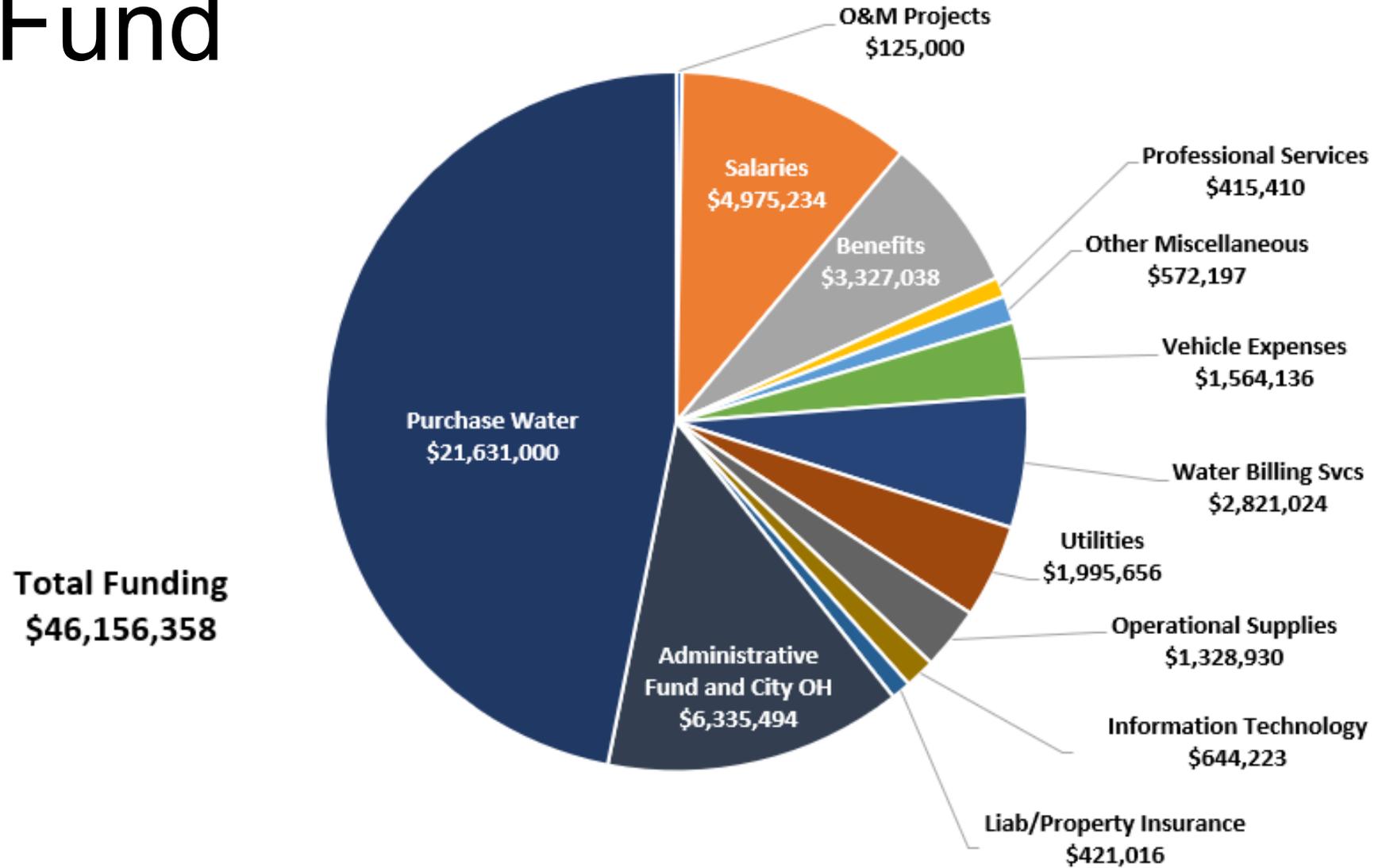
Volume of water increasing by 1.1%

- Growth only – No increased demand expected

Sonoma Water rate increase

- 8.68%

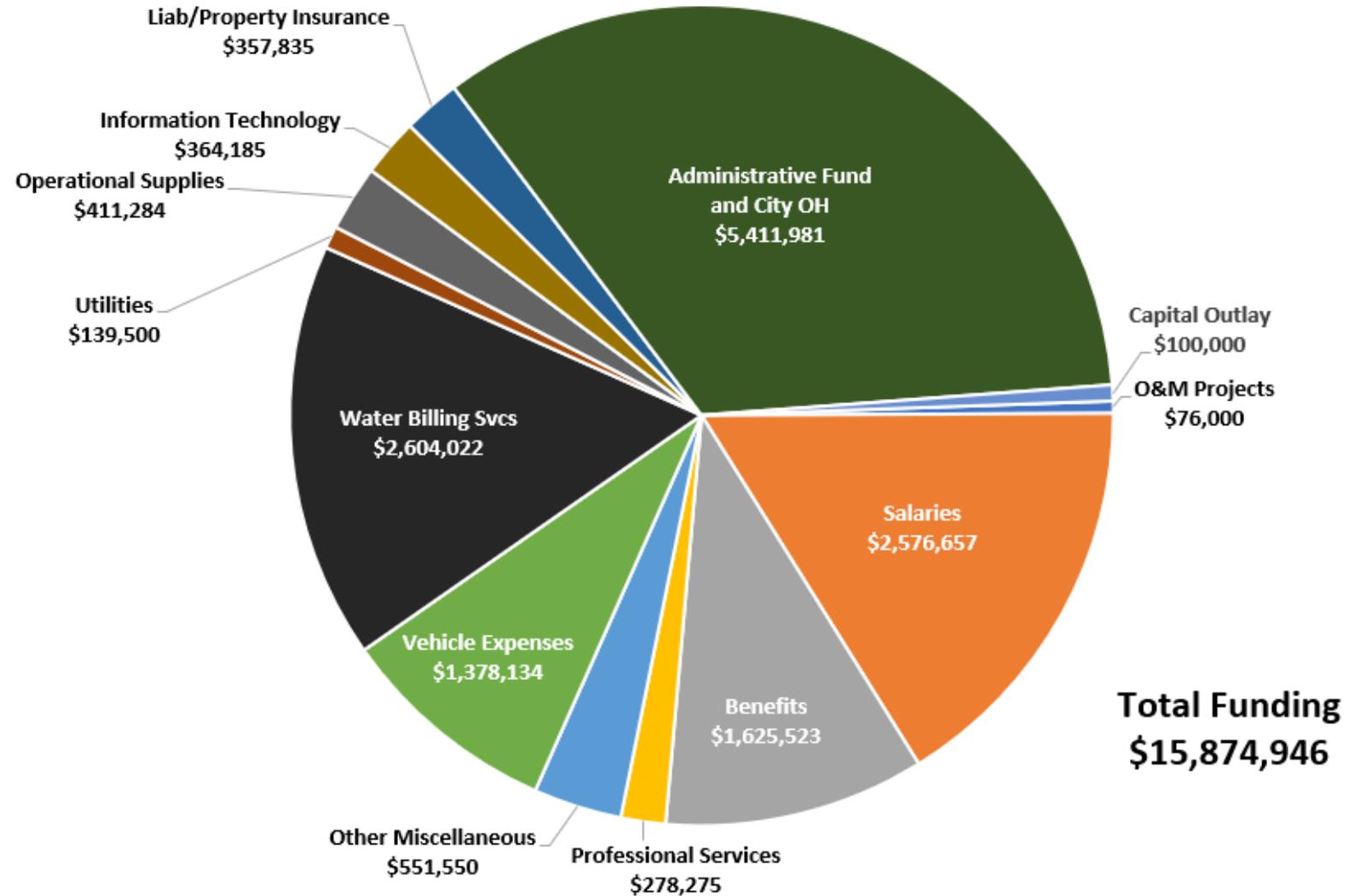
Water Fund



Wastewater Operations

Expenditure Object	2024-25 Total Request	2025-26 Total Request	Change	%
1621 - Local Wastewater Utility Fund				
Operations and Maintenance Projects	\$66,011	\$76,000	\$9,989	15.1
Salaries	\$2,317,688	\$2,576,657	\$258,969	11.2
Benefits	\$1,577,056	\$1,625,523	\$48,467	3.1
Professional Services	\$258,275	\$278,275	\$20,000	7.7
Misc - Training, Leases, Equip Rent, etc.	\$468,550	\$551,550	\$83,000	17.7
Vehicle Replacement and Maintenance	\$1,304,740	\$1,378,134	\$73,394	5.6
Water Billing Services	\$2,232,708	\$2,604,022	\$371,314	16.6
Utilities	\$109,220	\$139,500	\$30,280	27.7
Operational Supplies	\$419,035	\$411,284	(\$7,751)	-1.8
Information Technology	\$334,703	\$364,185	\$29,482	8.8
Total Liab/Property Insurance	\$204,177	\$357,835	\$153,658	75.3
Internal & External Overhead	\$4,888,680	\$5,411,981	\$523,301	10.7
Capital Outlay	\$0	\$100,000	\$100,000	100.0
Total- Local Wastewater Utility	\$14,180,843	\$15,874,946	1,694,103	11.9

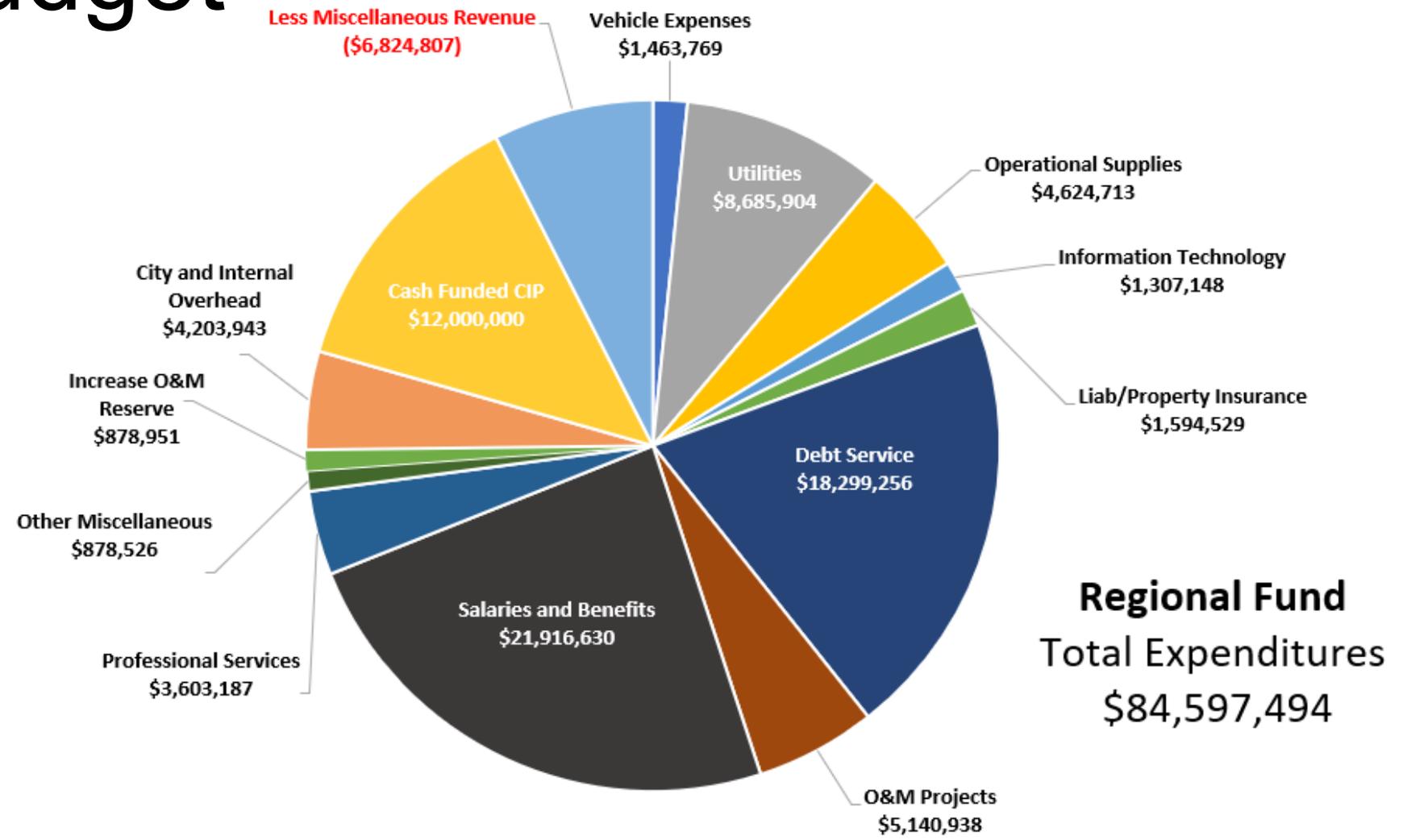
Wastewater Fund



Regional Operations

Expenditure Object	2024-25 Total Request	2025-26 Total Request	Change	%
1631 - Regional Operations				
Operations and Maintenance Projects	\$2,680,739	\$5,140,938	\$2,460,199	91.8
Salaries	\$12,202,384	\$14,081,855	\$1,879,471	15.4
Benefits	\$7,746,473	\$7,834,775	\$88,302	1.1
Professional Services	\$4,595,634	\$3,603,187	(\$92,447)	-21.6
Misc - Training, Leases, Equip Rent, etc.	\$833,630	\$878,526	\$44,896	5.4
Vehicle Replacement and Maintenance	\$1,460,941	\$1,463,769	\$2,828	0.2
Utilities	\$6,822,229	\$8,685,904	\$1,863,675	27.3
Operational Supplies	\$4,624,335	\$4,624,713	\$378	0.0
Information Technology	\$1,204,863	\$1,307,148	\$102,285	8.5
Total Liab/Property Insurance	\$1,789,829	\$1,594,529	(\$195,300)	-10.9
Debt Service	\$271,583	\$0	(\$271,583)	-100.0
Internal & External Overhead	\$3,885,056	\$4,203,943	\$318,887	8.2
Capital Outlay	\$14,000	\$0	(\$14,000)	-100.0
Total 1631 - Regional Operations	\$48,131,696	\$53,419,287	\$5,287,591	11.0

Regional Budget



Refund Reserve History

<i>Refund Reserve</i>	Santa Rosa	Rohnert Park	Cotati	Sebastopol	SPCSD	Total
2014-2015	\$0.00	\$727,418.87	\$11,015.71	\$78,611.94	\$132,955.24	\$950,001.76
2015-2016	\$2,516,050.87	\$401,559.29	\$63,410.62	\$193,872.73	\$162,171.68	\$3,337,065.19
2016-2017	\$791,021.99	\$785,048.90	\$148,989.30	\$82,461.70	\$118,057.73	\$1,925,579.62
2017-2018	\$4,209,021.16	\$199,493.31	\$99,461.11	\$90,918.22	\$105,412.63	\$4,704,306.43
2018-2019	\$1,681,886.86	(\$439,231.74)	(\$134,896.25)	\$67,040.31	(\$48,200.46)	\$1,126,598.72
2019-2020	\$4,229,712.03	\$1,121,685.20	(\$219,815.33)	\$231,470.53	\$213,981.67	\$5,577,034.10
2020-2021	(\$12,835,572.23)	\$22,620.47	(\$64,019.98)	(\$37,359.51)	\$67,320.27	(\$12,847,010.98)
2021-2022	(\$1,234,908.12)	(\$835,369.67)	(\$45,819.37)	(\$114,261.10)	\$69,371.15	(\$2,160,987.11)
2022-2023	\$2,867.35	\$174,870.18	\$38,872.21	(\$89,283.05)	\$113,285.00	\$240,611.69
2023-2024	\$4,103,746.91	\$1,426,169.19	\$140,076.56	\$160,481.60	\$133,155.99	\$5,963,630.25
Totals	\$3,463,826.82	\$3,584,264.00	\$37,274.58	\$663,953.37	\$1,067,510.90	\$8,816,829.67

Miscellaneous Revenues

Regional Miscellaneous Revenues			
		2024/25	2025/26
		Budgeted	Projected
4511	Property Rentals	\$120,000	\$128,117
4521	Interest on Pooled Investments	\$285,000	\$1,000,000
4635	Sale of Water (recycled) - Retail	\$350,000	\$550,000
4638	Laboratory Services	\$70,000	\$55,000
4639	Tipping Fees	\$3,600,000	\$3,800,000
4690	Miscellaneous Fees and Charges	\$30,000	\$80,000
4853	Miscellaneous	\$10,000	\$90,000
4434	SCWA - Acceptance of Recycled Water	\$1,000	\$1,000
4443	Town of Windsor - Geysers and Environmental Compliance	\$1,086,207	\$1,120,690
	Total	\$5,552,207	\$6,824,807

Fund Summary/Agency Contribution

Fund Summary 2025/26	
	2025/26 Budget
Operating Expenditure Request	\$53,419,287
Regional WW Capital (Cash funded CIP)	\$12,000,000
Additional Operating Reserve needed	\$878,951
Expenditures Change in Operating Reserve	\$66,298,238
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Regional System Reserves for 2025/26	
	\$8,012,893
Geysers Reserves	\$1,250,000
Catastrophic Reserve	\$1,700,000
User Agency Reserve	\$5,000,000
	\$15,565,313
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Agency Contribution Calculation:	
Expenditures Change in Operating Reserve	\$66,298,238
Less Revenue	(\$6,824,807)
Fund Balance Applied	\$0
Agency Contribution	\$59,473,431

Regional Partner Allocations FY 2025/26

	Total 2024/25	2025/26 Budgeted O&M	2025/26 CIP Contribution	2025/26 Debt Service	Total 2025/26	Difference	%
Santa Rosa	\$55,843,336	\$34,868,469	\$8,491,200	\$13,953,227	\$57,312,896	\$1,469,560	2.63%
Rohnert Park	\$13,402,773	\$8,475,613	\$2,364,000	\$2,842,840	\$13,682,453	\$279,680	2.09%
Sebastopol	\$2,133,549	\$1,115,630	\$391,200	\$447,059	\$1,953,889	(\$179,660)	-8.42%
Cotati	\$2,526,356	\$1,543,952	\$354,000	\$661,325	\$2,559,277	\$32,921	1.30%
SPCSD	\$2,170,922	\$1,469,768	\$399,600	\$394,805	\$2,264,173	\$93,251	4.30%
	\$76,076,936	\$47,473,431	\$12,000,000	\$18,299,256	\$77,772,687	\$1,695,751	2.23%

Bond Issuance

- Planning a \$35 million bond issuance to fund the electrical infrastructure replacement at LTP
- Assumption has been built into Santa Rosa's rate modeling as follows:
 - 30-year amortization
 - 5.5% interest rate
 - Estimated debt service payments would be \$2.61 Million per year
 - Estimated annual partner allocations (Same % as CIP):
 - Santa Rosa - \$1.847M
 - RP - \$514K
 - SPCSD - \$87K
 - Sebastopol - \$85K
 - Cotati - \$77K

Operating Fund Reserves

as of June 30, 2024

Water

- **Operating**
 - \$6,132,512
- **Catastrophic**
 - \$5,750,000
- **Undesignated**
 - \$15,362,931
 - +\$470,687

Wastewater

- **Operating**
 - \$1,931,149
- **Catastrophic**
 - \$6,800,000
- **Undesignated**
 - \$14,759,869
 - +\$1,075,173
- **Rate Stabilization**
 - \$1,000,000

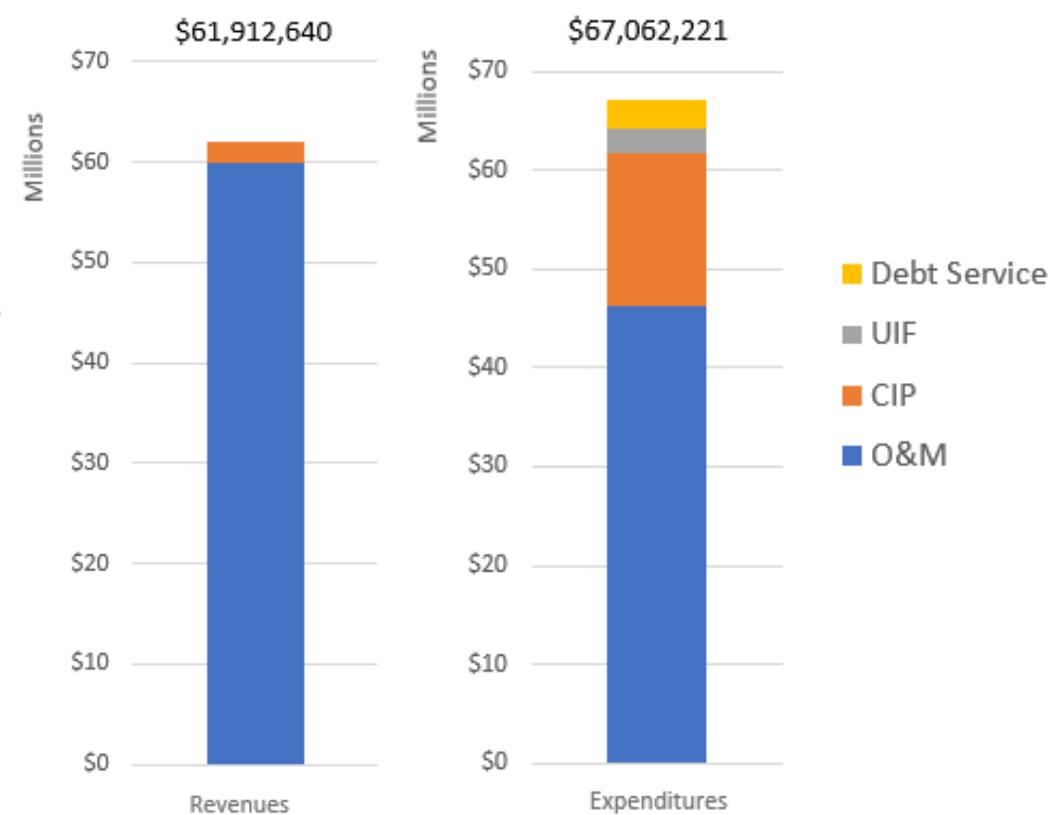
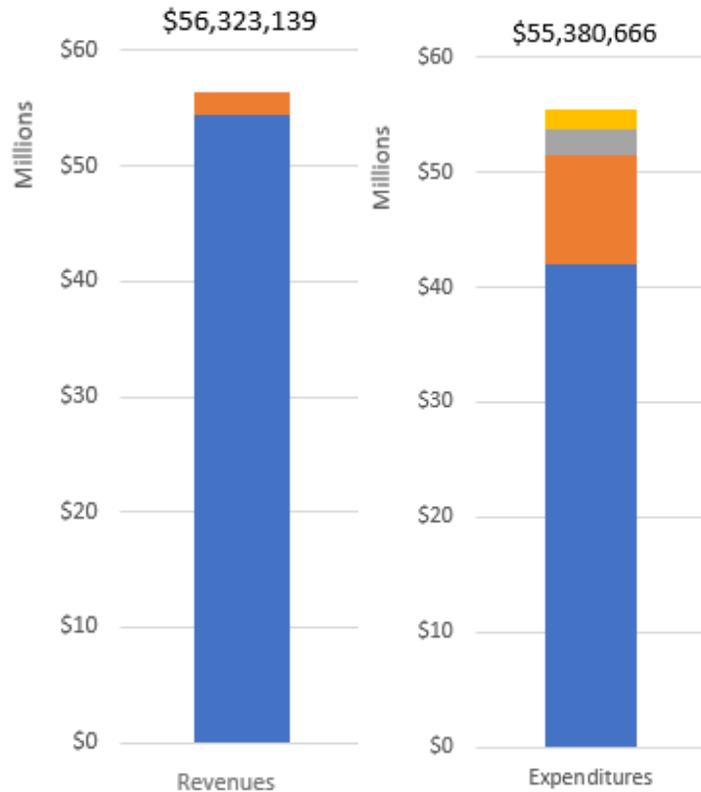
Regional

- **Operating**
 - \$6,053,551
- **Catastrophic**
 - \$1,700,000
- **Refund Reserve**
 - \$8,816,830
 - +\$5.9 mil
- **Geysers**
 - \$1,250,000

Undesignated Fund Balance – Water

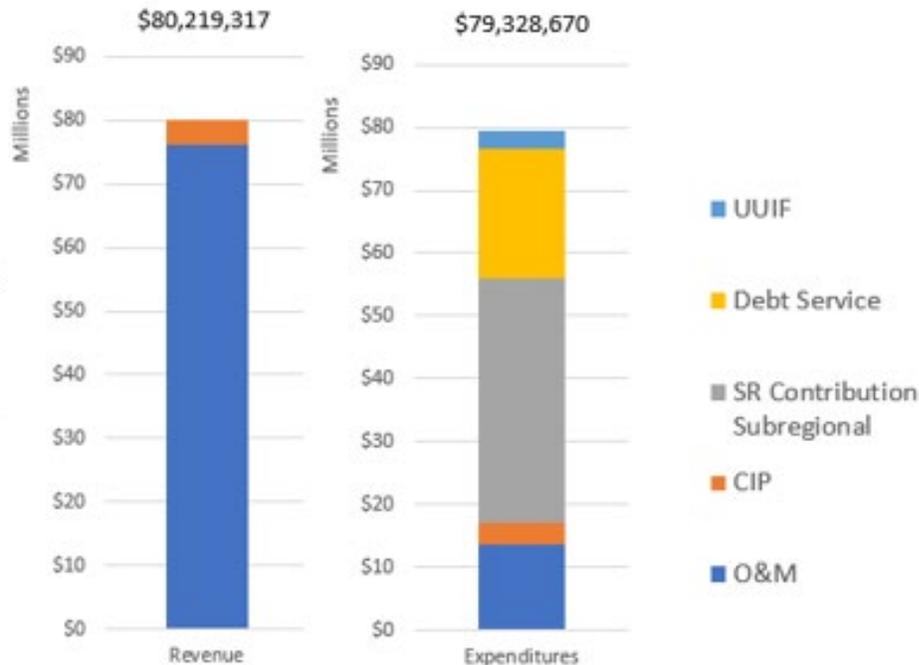
FY 2024/25 Surplus Budget \$942K

FY 2025/26 Deficit Budget (\$5.1M)

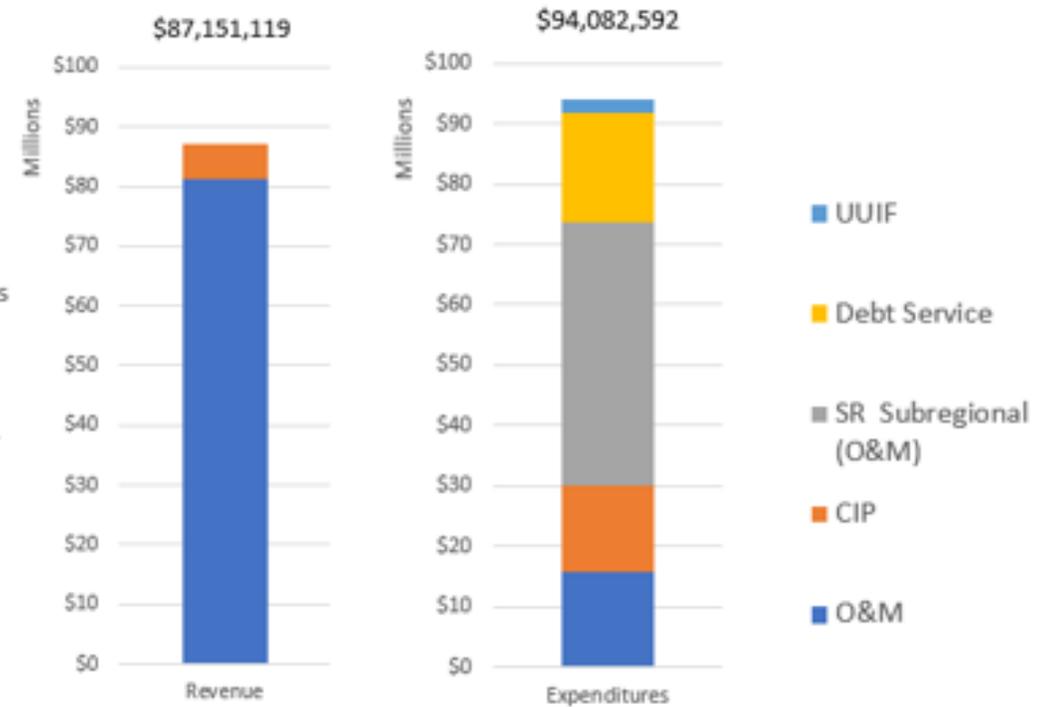


Undesignated Fund Balance – Local Wastewater

FY 2024/25 Surplus Budget \$890K



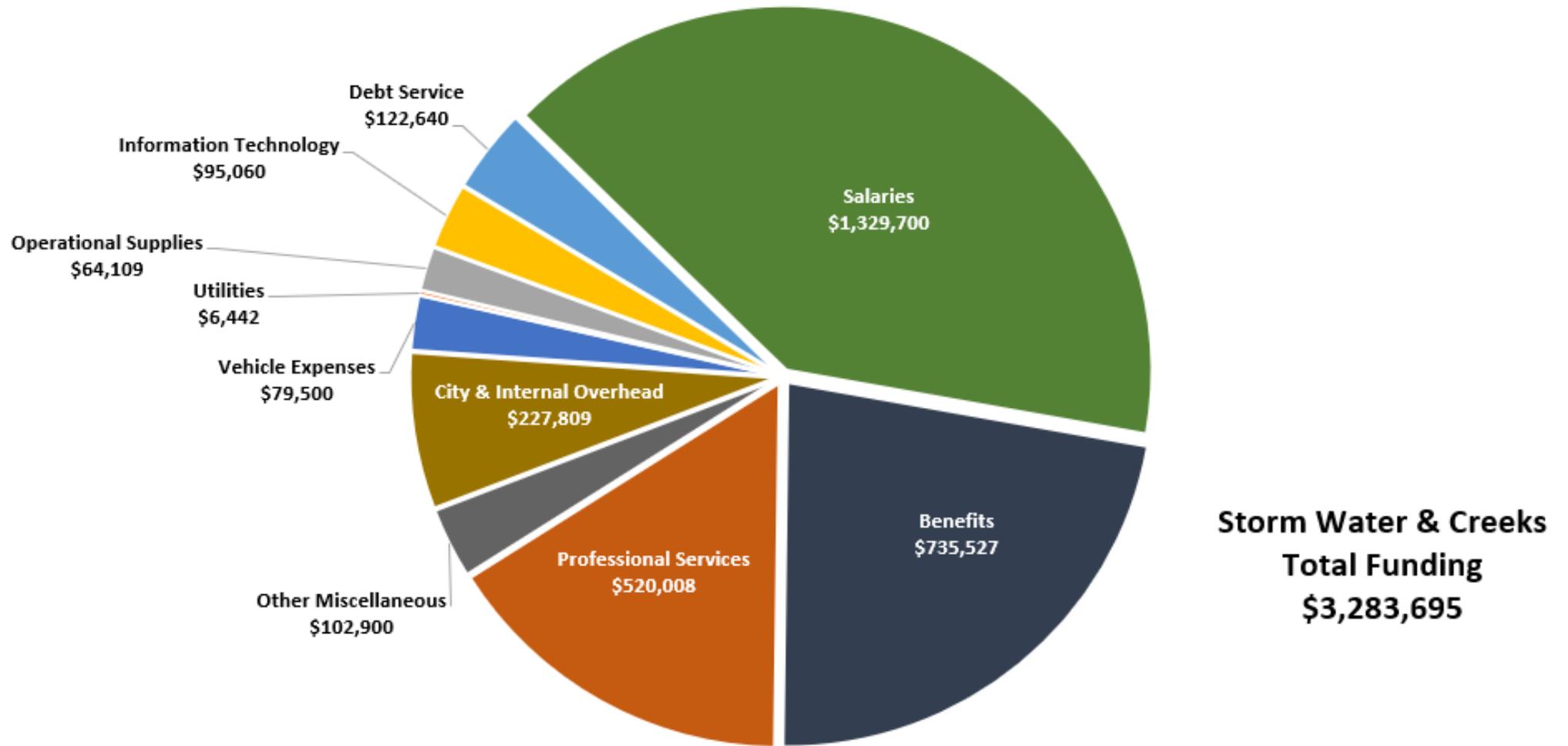
FY 2025/26 Deficit Budget (\$6.9M)



Storm Water and Creeks Operations

Stormwater - Funds 1671,1672 & GF	2024-25 Total Request	2025-26 Total Request	Change	%
Salaries	\$1,289,249	\$1,329,700	\$40,451	3.1
Benefits	\$764,265	\$735,527	-\$28,738	-3.8
Professional Services	\$510,121	\$520,008	\$9,887	1.9
Misc - Training, Leases, Equip Rent, etc.	\$121,150	\$102,900	-\$18,250	-15.1
Vehicle Replacement and Maintenance	\$69,788	\$79,500	\$9,712	13.9
Utilities	\$5,694	\$6,442	\$748	13.1
Operational Supplies	\$64,104	\$64,109	\$5	0.0
Internal & External Overhead	\$214,604	\$227,809	\$13,205	6.2
Debt Service	\$122,639	\$122,640	\$1	0.0
Information Technology	\$90,677	\$95,060	\$4,383	4.8
Total	\$3,252,291	\$3,283,695	\$31,404	1.0

Storm Water and Creeks Fund



Storm Water and Creeks Enterprise Reserves

as of June 30, 2024

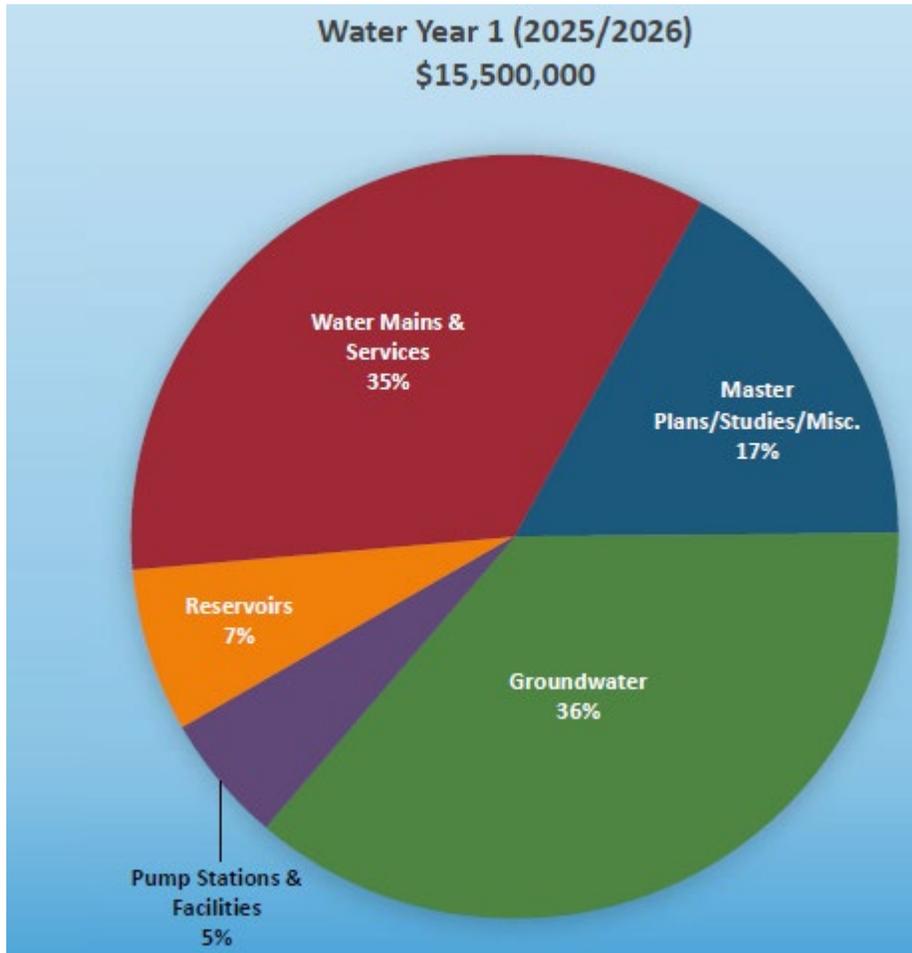
1671 – Storm Water Enterprise – Undesignated \$738,133 (\$6,480)

1672 – Storm Water – Creek Restoration – Undesignated \$1,383,039 \$23,452

CIP Funding

- Proposed Funding
 - Water - \$15.5 Million
 - Wastewater - \$14.3 Million
 - Regional - \$12 Million
 - Storm Water and Creeks - \$3,373,265

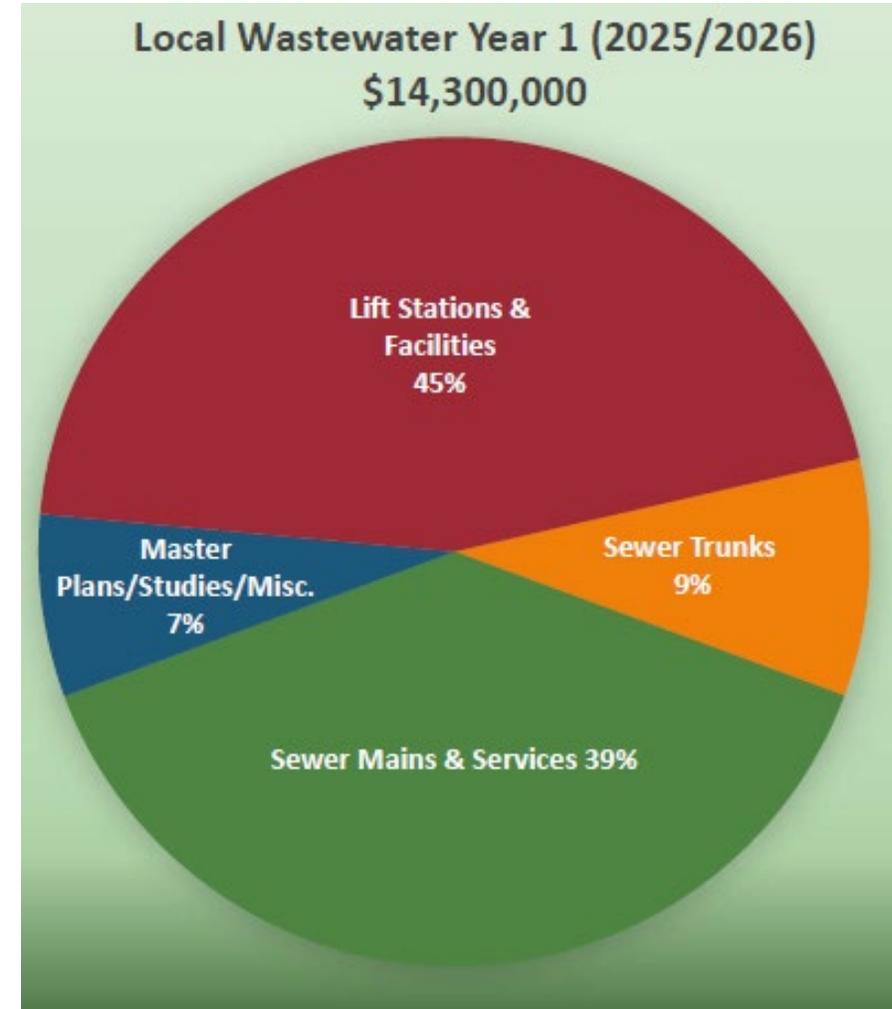
Water CIP 2025/26



- Master Plans/Studies/Misc - \$2,597,000
- Water Mains & Services - \$5,344,000
- Pump Stations & Facilities - \$840,000
- Groundwater - \$5,642,000
- Reservoirs - \$1,077,000

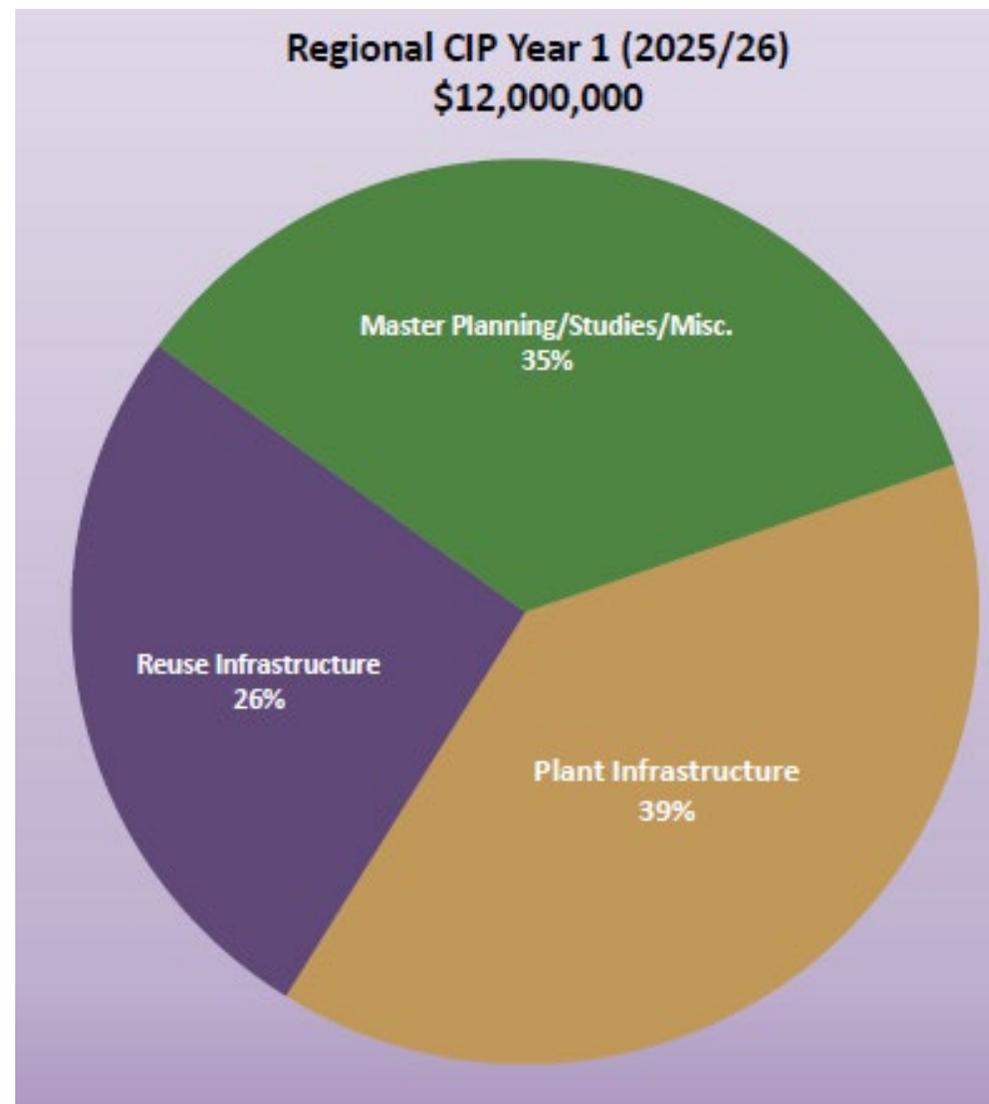
Local Wastewater CIP 2025/26

- Master Plans/Studies/Misc - \$1,018,000
- Sewer Mains & Services - \$5,530,000
- Sewer Trunks - \$1,326,000
- Lift Stations & Facilities - \$6,426,000



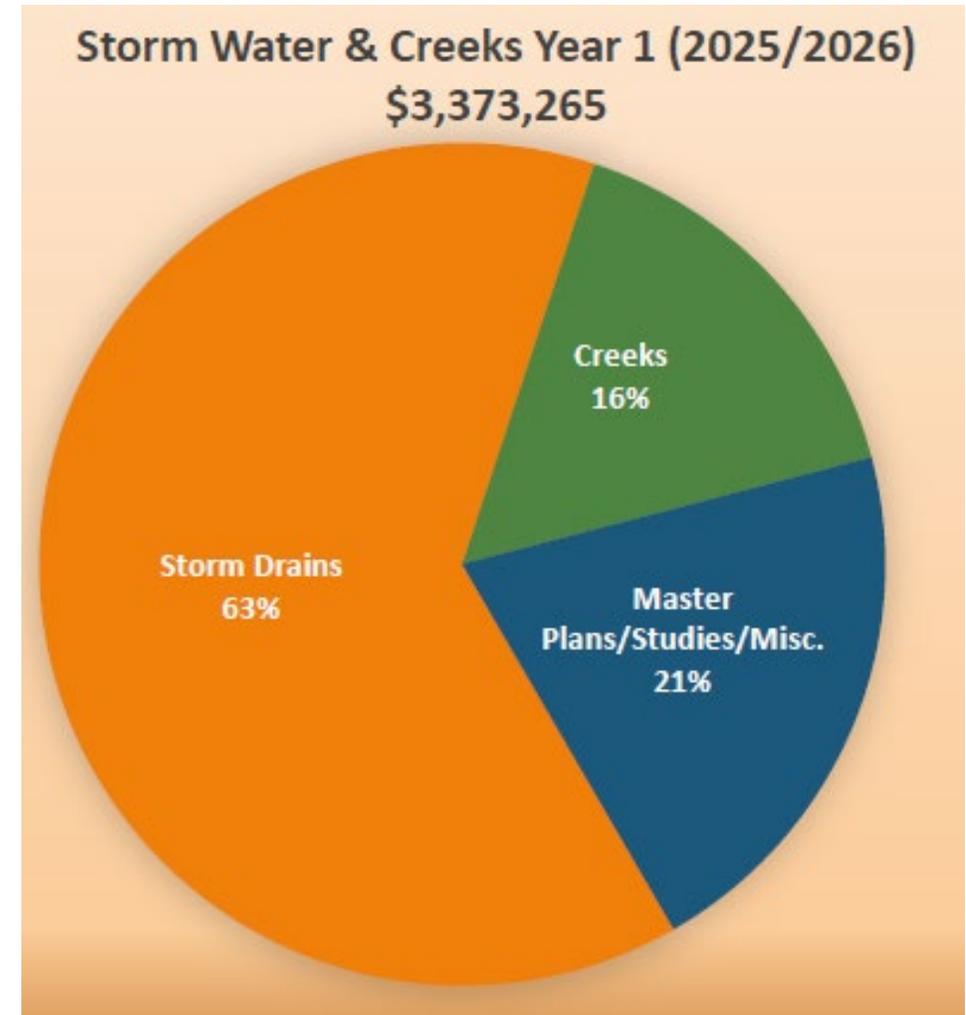
Regional CIP 2025/26

- Plant Infrastructure - \$4,695,000
- Reuse Infrastructure - \$3,139,000
- Master Planning/Studies/Misc - \$4,166,000



Storm Water CIP 2025/26

- Master Planning/Studies/Misc - \$700,001
- Storm Drains - \$2,138,464
- Creeks - \$534,800



Document Overview

IFAS PID 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	- P R O J E C T E D -					5 YEAR TOTAL
										REQUEST 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	\$100,000	\$0	\$0	\$0	\$100,000
2096	86580	Filter Valve Actuators - Phase 2	NEW	\$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	\$900,000	\$0	\$900,000
2100	86582	Filter Influent Pmp Strn Discharge Piping	NEW	\$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	\$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	\$200,000
2104	86585	LTP Fleet Gas Station	NEW	\$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	\$50,000	\$300,000	\$300,000	\$0	\$0	\$850,000
2110	86577	Reclamation System Condition Assessment Analysis - Phase 1	NEW	\$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	\$200,000	\$0	\$0	\$0	\$0	\$200,000
2049	86573	Superstructure Removal Phase 2	NEW	\$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	\$400,000	\$0	\$0	\$0	\$0	\$400,000
2101	86588	Digester Gas Cond Improvements	NEW	\$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	\$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

CIP Project Highlights

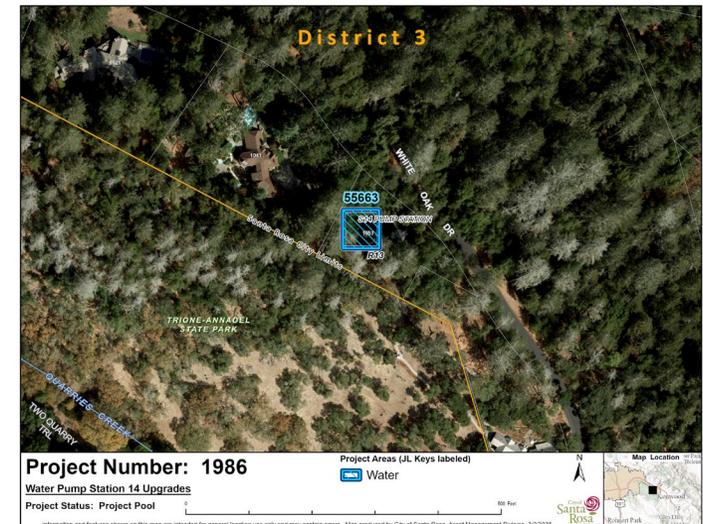
- **Water Projects**
 - Pump Stations
 - Groundwater Program
 - Water Mains & Services
- **Sewer Projects**
 - Sewer Mains & Services
 - Sewer Trunk Lines
- **Storm Water Projects**
 - McMinn Avenue Storm Drain Replacement
- **Regional Projects**
 - Subregional Mitigation Bank Development
 - Delta Pond Standby Generator and Process Boiler Replacements
 - Reclamation Valve Replacement

Water Pump Stations

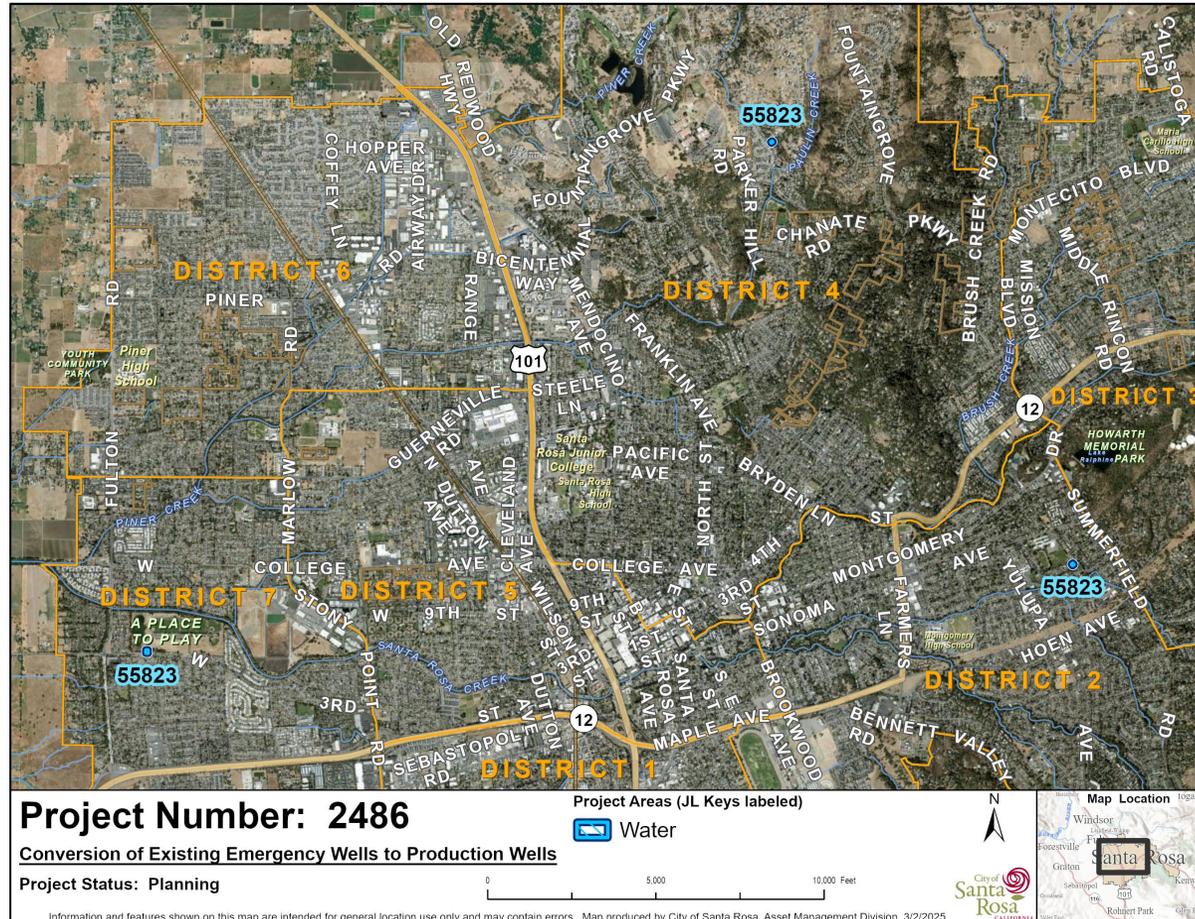
PID 1713 S13 Pump Station Upgrades & PID 1986 S14 Pump Station Upgrades

High Fire Severity Zones

- Install higher capacity water pumps and upgrade electrical equipment
- PID 1713 S13 Project Estimate: \$3.4M
- PID 1986 S14 Project Estimate: \$3.2M
- Design: Year 1
- Construction: Year 2 & 3



Groundwater Program



PID 2486 Conversion of Existing Emergency Wells to Production

- Feasibility evaluation and construction to convert existing emergency wells into production wells
- Total Project Estimate: \$4.5M
- Design: Year 1
- Construction: Year 3 or later

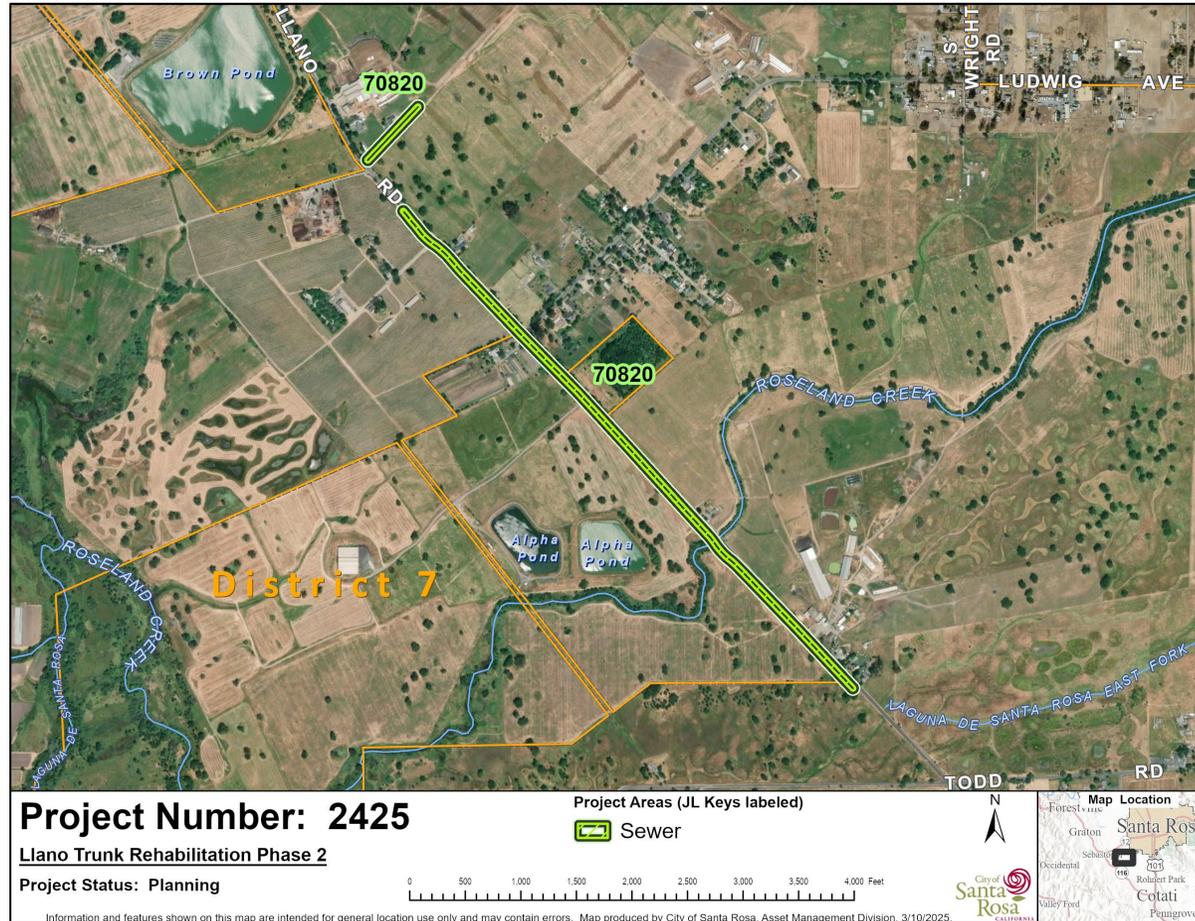
Water and Sewer Main Replacements

PID 0166 Meyers Drive Water and Sewer Main Replacements

- Upsize and replace 6" water mains and 6" to 8" sewer mains installed in 1952
- Water Estimate: \$1.7M
- Sewer Estimate: \$2.2M
- Storm Drain Estimate: \$25k (Design only)
- Currently in Design
- Construction: Year 1



Sewer Trunks



PID 2425 Liano Trunk Rehabilitation Phase 2

- Rehabilitate existing 60" to 66" trunk sewer and manholes
- Total Project Estimate: \$21.8M
- Design: Year 1
- Construction: Year 2 through 5
- Partnering with US Army Corp of Engineers

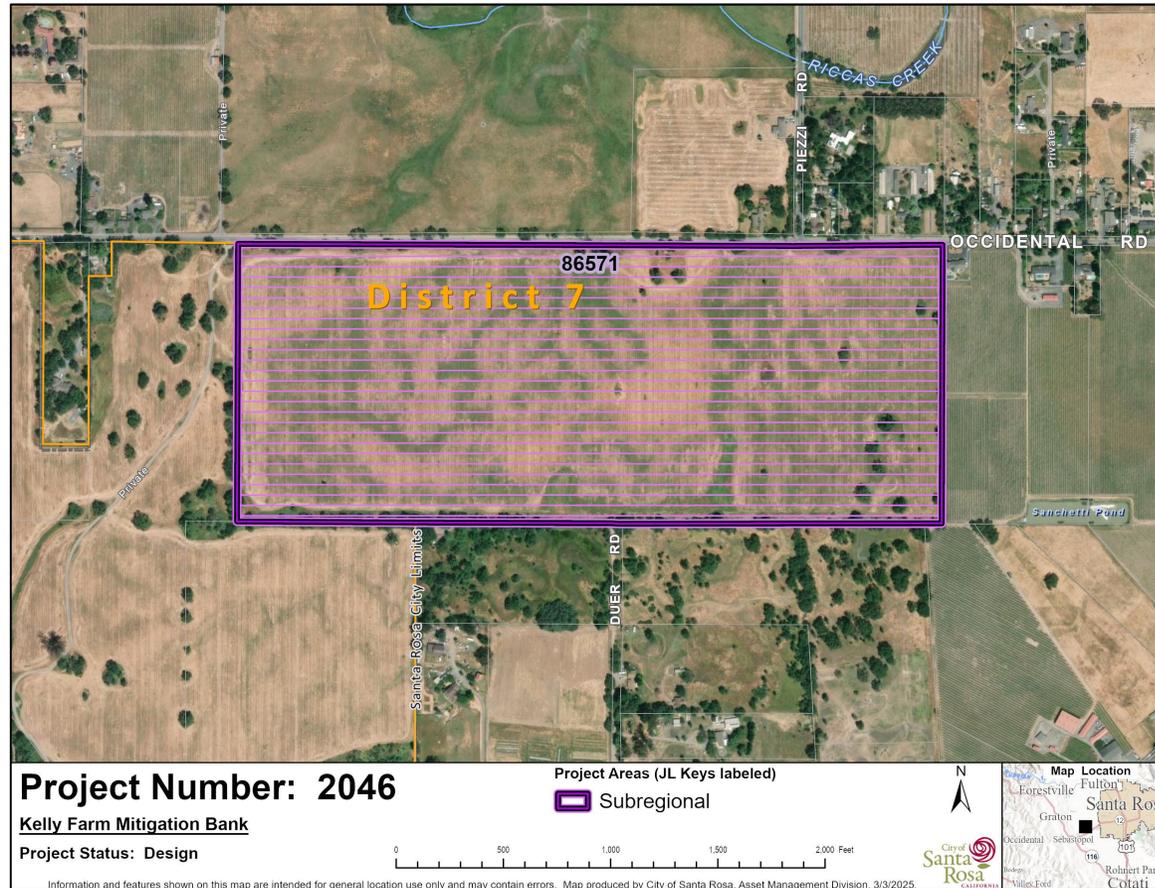
Storm Water

PID 1601 McMinn Avenue Storm Drain Replacement

- Install new storm drain and structures
- Evaluate feasibility for large scale Low Impact Development offsite bank
- Upsize and replace 4" to 6" water mains and 6" sewer mains installed in 1941 to 1964.
- Storm Water Estimate: \$3M
- Water Estimate: \$2.9M
- Sewer Estimate: \$3.8M
- Currently in Design
- Construction: Year 1



Regional



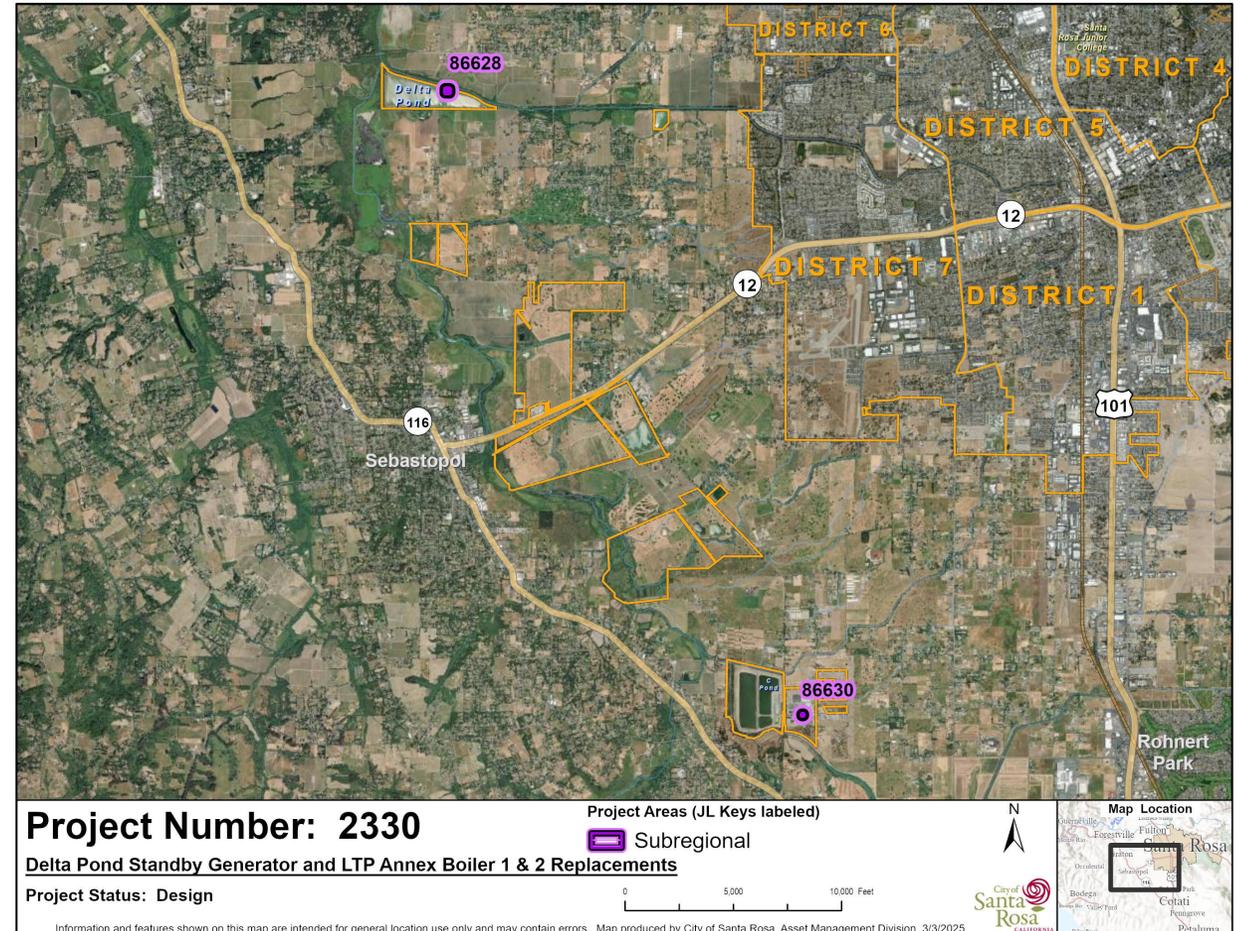
PID 2046 Subregional Mitigation Bank Development

- Creation of ~100 acre California Tiger Salamander (CTS) and wetland mitigation bank
- Cost Estimate: \$7.1M
- Currently in Design
- Construction: Year 1

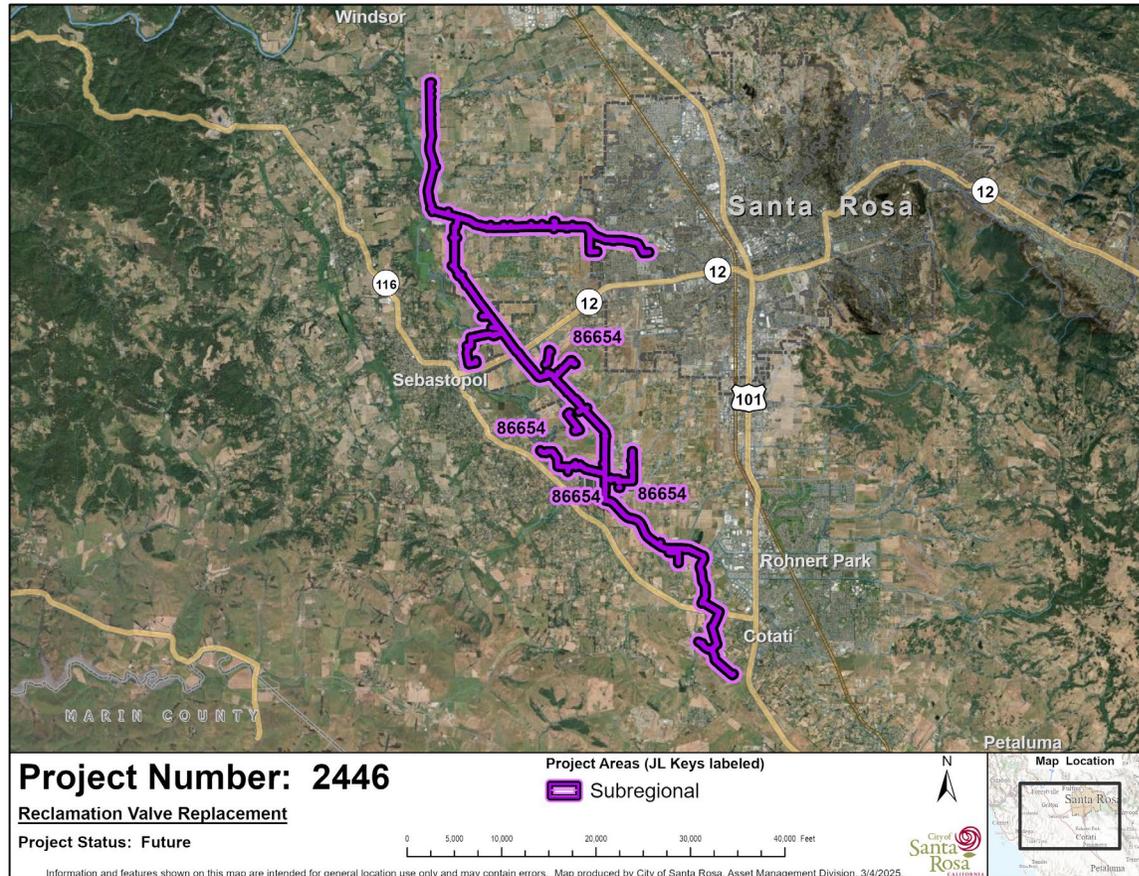
Regional

PID 2330 Delta Pond Standby Generator and Process Boiler Replacements

- Construct new emergency generator at Delta Pond
- Replace existing boiler #1 & 2 at the Laguna Treatment Plant
- Cost Estimate: \$4.5M
- Currently in Design
- Construction: Year 1



Regional



PID 2446 Reclamation Valve Replacement

- Replace valves in the Reuse system that have reached the end of their useful life
- Cost Estimate: \$2.3M
- Design: Year 1
- Construction: Year 2

Remaining Budget Schedule

- **BPU – April 3rd**
 - Regional Budget Recommendation to City Council
- **City Council – April 15th**
 - Preliminary approval of Regional Budget
- **BPU – April 17th**
 - Water, Wastewater and Storm water and Creeks Budget Recommendation to City Council
- **City Council – May 6th & 7th Budget Study Sessions**
- **City Council – June 17th**
 - Budget Adoption

DISCUSSION / QUESTIONS?

CONNECT WITH US!

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