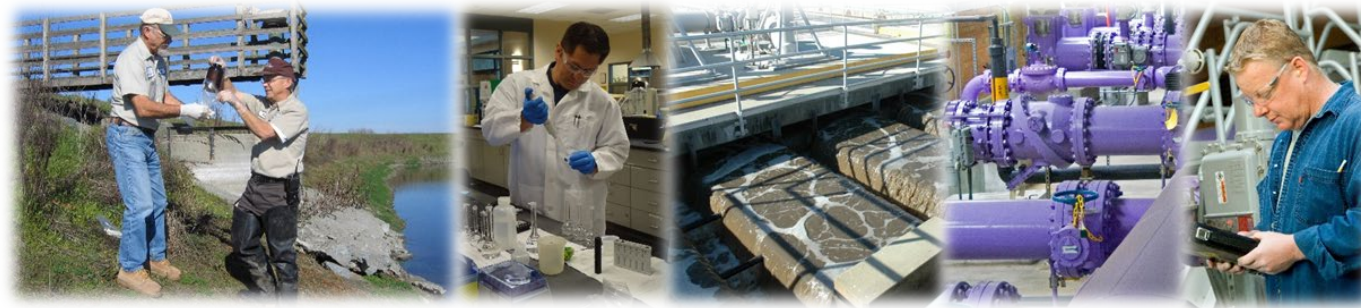


# Regional Technical Advisory Committee Meeting

February 13, 2025



Nick Harvey  
Deputy Director - Administration

# Overview

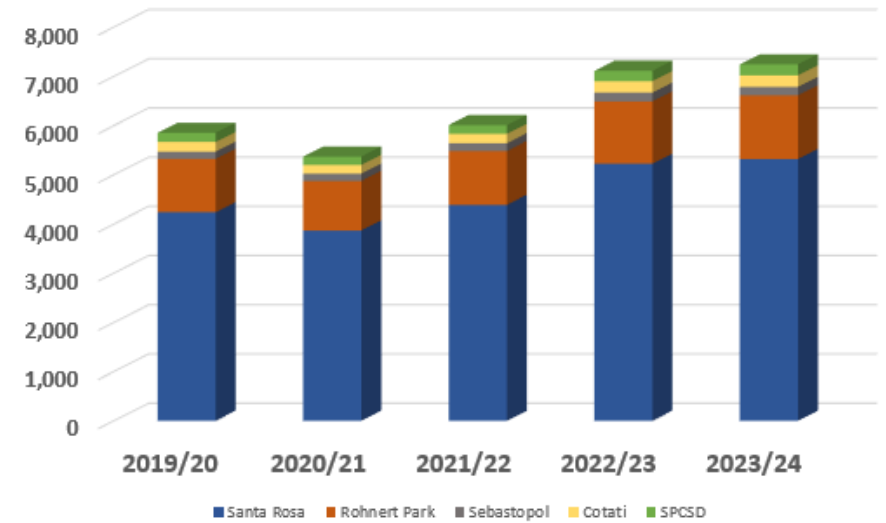
- Preliminary Increases
- Annual flows
- Miscellaneous Revenue
- Financial Model & Assumptions
- Budget Schedule



# Preliminary Increases

- Salary/Benefits Increases
  - Finance Assuming 9% increases across-the-board
    - 4% COLA
    - 5% Equity Adjustments due to class & comp study
- Fleet Costs
  - Fleet costs increasing between 4% - 15% based on increased parts, labor and replacement costs
- Expected PG&E Rate Increases
- Staffing Changes
  - Proposing some reclassifications

# Annual Flow In Million Gallons



Actual Annual Flows	2019/20	2020/21	2021/22	2022/23	2023/24	2023/24 Percentage
Santa Rosa	4,240.24	3,867.02	4,388.95	5,225.50	5,320.77	73.45%
Rohnert Park	1,083.91	1,006.29	1,095.25	1,263.07	1,293.34	17.85%
Sebastopol	147.05	151.42	158.75	180.68	170.24	2.35%
Cotati	196.87	177.04	190.73	233.60	235.60	3.25%
SPCSD	183.63	166.31	175.00	210.21	224.28	3.10%
	5,851.70	5,368.08	6,008.68	7,113.06	7,244.23	100.00%

# Estimated Regional 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
	<b>Total</b>	<b>\$5,552,207</b>	<b>\$6,824,807</b>



# 2023-24 Allocation

	<b>Total 2023/24</b>	<b>2024/25 Budgeted O&amp;M</b>	<b>2024/25 CIP Contribution</b>	<b>2024/25 Debt Service</b>	<b>Total 2024/25</b>	<b>Difference</b>
Santa Rosa	\$52,597,462	\$31,448,830	\$7,783,600	\$16,173,829	\$55,406,259	\$2,808,797
Rohnert Park	\$12,941,228	\$7,601,583	\$2,167,000	\$3,528,543	\$13,297,126	\$355,898
Sebastopol	\$2,152,842	\$1,087,393	\$358,600	\$672,443	\$2,118,436	(\$34,406)
Cotati	\$2,348,951	\$1,405,884	\$324,500	\$776,433	\$2,506,817	\$157,866
SPCSD	\$2,066,403	\$1,265,115	\$366,300	\$521,924	\$2,153,339	\$86,936
	<b>\$72,106,886</b>	<b>\$42,808,805</b>	<b>\$11,000,000</b>	<b>\$21,673,172</b>	<b>\$75,481,977</b>	<b>\$3,375,091</b>

*Miscellaneous Revenues removed from O&M*

# Refund Reserve

<i>Refund Reserve</i>	<b>Santa Rosa</b>	<b>Rohnert Park</b>	<b>Cotati</b>	<b>Sebastopol</b>	<b>SPCSD</b>	<b>Total</b>
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	(\$12,835,574.20)	\$22,620.47	(\$64,019.98)	(\$37,359.51)	\$67,320.27	(\$12,847,012.95)
2021-2022	(\$1,234,908.12)	(\$835,369.68)	(\$45,819.37)	(\$114,261.10)	\$69,371.15	(\$2,160,987.12)
<b>Totals</b>	<b>(\$642,789.41)</b>	<b>\$1,983,224.62</b>	<b>(\$141,674.19)</b>	<b>\$592,754.82</b>	<b>\$821,069.91</b>	<b>\$2,612,585.75</b>

# Financial Model Assumptions

- Labor – 9% 2025/26, 4% 2026/27, (3.5% future)
- Benefits – 3.6% 2025/26 (2% future)
- Cash funded capital program – Increase \$1m per year
- Electricity – 4.5% escalation
- Chemicals – 4.5% escalation
- Assumed debt service on \$35 million revenue bonds @ 5.5% interest rate
- Agency Flows – use average 5-year



# Regional Financial Model

	Forecast FY 2026	Forecast FY 2027	Forecast FY 2028	Forecast FY 2029	Forecast FY 2030	Forecast FY 2031	Forecast FY 2032	Forecast FY 2033	Forecast FY 2034	Forecast FY 2035
	4.26%	3.34%	3.36%	3.35%	4.20%	-2.14%	3.48%	1.79%	11.91%	2.22%

## Revenue

### Charges to User Agencies for O&M and Capital Program

Cotati	\$1,778,000	\$1,867,000	\$1,958,000	\$2,052,000	\$2,148,000	\$2,247,000	\$2,345,000	\$2,445,000	\$2,548,000	\$2,625,000
Rohnert Park	\$10,114,000	\$10,632,000	\$11,166,000	\$11,713,000	\$12,274,000	\$12,849,000	\$13,415,000	\$13,997,000	\$14,596,000	\$15,015,000
Santa Rosa	\$38,862,000	\$40,827,000	\$42,858,000	\$44,937,000	\$47,069,000	\$49,259,000	\$51,413,000	\$53,628,000	\$55,911,000	\$57,553,000
Sebastapol	\$1,438,000	\$1,514,000	\$1,593,000	\$1,673,000	\$1,754,000	\$1,838,000	\$1,920,000	\$2,005,000	\$2,092,000	\$2,149,000
SPCWD	\$1,698,000	\$1,785,000	\$1,875,000	\$1,967,000	\$2,061,000	\$2,158,000	\$2,253,000	\$2,351,000	\$2,452,000	\$2,522,000
<b>Sub-Total</b>	<b>\$53,890,000</b>	<b>\$56,625,000</b>	<b>\$59,450,000</b>	<b>\$62,342,000</b>	<b>\$65,306,000</b>	<b>\$68,351,000</b>	<b>\$71,346,000</b>	<b>\$74,426,000</b>	<b>\$77,599,000</b>	<b>\$79,864,000</b>

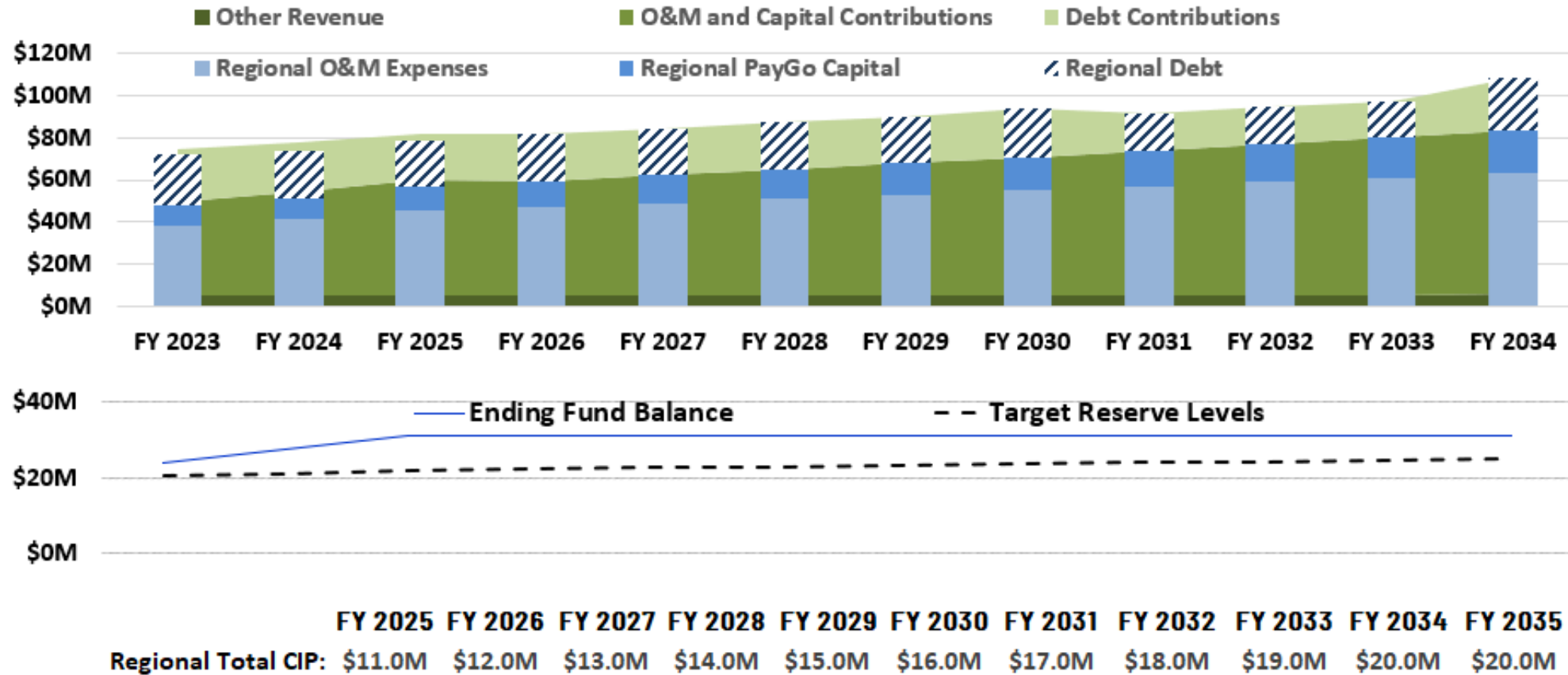
### Charges to User Agencies for Existing Debt

Cotati	\$710,542	\$710,906	\$711,500	\$712,420	\$725,568	\$556,984	\$559,631	\$501,792	\$674,191	\$647,408
Rohnert Park	\$2,966,391	\$2,966,567	\$2,967,168	\$2,969,821	\$3,134,319	\$2,252,522	\$2,252,389	\$2,047,894	\$4,136,857	\$4,323,367
Santa Rosa	\$14,847,675	\$14,854,940	\$14,866,179	\$14,885,643	\$15,323,460	\$11,760,472	\$11,821,460	\$10,623,834	\$15,781,701	\$15,529,007
Sebastapol	\$465,085	\$464,688	\$463,999	\$464,319	\$572,956	\$337,983	\$336,877	\$307,676	\$675,578	\$715,440
South Park	\$403,678	\$403,346	\$402,768	\$403,035	\$494,003	\$297,726	\$296,804	\$272,470	\$678,652	\$730,803
<b>Sub-Total</b>	<b>\$19,393,372</b>	<b>\$19,400,448</b>	<b>\$19,411,615</b>	<b>\$19,435,237</b>	<b>\$20,250,305</b>	<b>\$15,205,687</b>	<b>\$15,267,161</b>	<b>\$13,753,666</b>	<b>\$21,946,979</b>	<b>\$21,946,025</b>

### Projected Additional Debt Service by Agency

Cotati	\$65,000	\$65,000	\$65,000	\$65,000	\$65,000	\$65,000	\$65,000	\$65,000	\$65,000	\$65,000
Rohnert Park	\$470,000	\$470,000	\$470,000	\$470,000	\$470,000	\$470,000	\$470,000	\$470,000	\$470,000	\$470,000
Santa Rosa	\$1,920,000	\$1,920,000	\$1,920,000	\$1,920,000	\$1,920,000	\$1,920,000	\$1,920,000	\$1,920,000	\$1,920,000	\$1,920,000
Sebastapol	\$78,000	\$78,000	\$78,000	\$78,000	\$78,000	\$78,000	\$78,000	\$78,000	\$78,000	\$78,000
South Park	\$78,000	\$78,000	\$78,000	\$78,000	\$78,000	\$78,000	\$78,000	\$78,000	\$78,000	\$78,000
<b>Sub-Total</b>	<b>\$2,611,000</b>	<b>\$2,611,000</b>	<b>\$2,611,000</b>	<b>\$2,611,000</b>	<b>\$2,611,000</b>	<b>\$2,611,000</b>	<b>\$2,611,000</b>	<b>\$2,611,000</b>	<b>\$2,611,000</b>	<b>\$2,611,000</b>

# Regional Reserve Projections



*Does not include future financing for critical infrastructure needs*

# Budget Schedule

- **Regional Partners** – March 13<sup>th</sup>
- **BPU Budget Subcommittee** – TBD
  - Follow up dates TBD
- **BPU** – April 17<sup>th</sup>
  - Budget Recommendation to City Council
- **City Council** – April 15<sup>th</sup>
  - Preliminary approval of Regional Budget
- **City Council** – May 6<sup>th</sup> & 7<sup>th</sup>
  - Budget Study Sessions
- **City Council** – June 17<sup>th</sup>
  - Budget Hearings & Adoption

# DISCUSSION / QUESTIONS?