

Approval of the Preliminary Fiscal Year 2023/24 Regional Water Reuse System O&M and CIP Budgets

City Council

April 25, 2023

Nick Harvey

Budget and Financial Analysis Manager

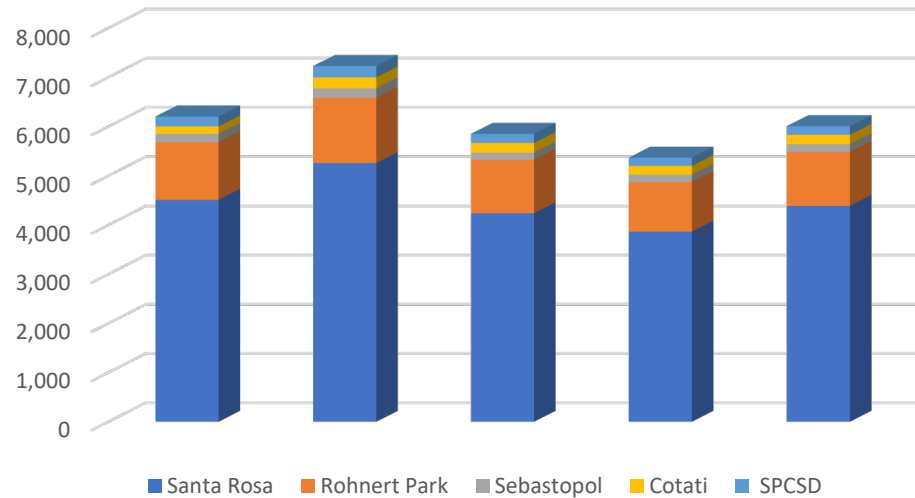
Regional Overview

- Proposed Budget
- User Agency Contribution Allocations
- CIP Review
- Remaining Budget Schedule



Annual Flow

(In Million Gallons)



Actual Annual Flows	2017/18	2018/19	2019/20	2020/21	2021/22	2021/22 Percentage
Santa Rosa	4,512.33	5,259.45	4,240.24	3,867.02	4,388.95	73.04%
Rohnert Park	1,173.63	1,327.10	1,083.91	1,006.29	1,095.25	18.23%
Sebastopol	169.85	187.91	147.05	151.42	158.75	2.64%
Cotati	147.77	225.04	196.87	177.04	190.73	3.17%
SPCSD	200.61	230.58	183.63	166.31	175.00	2.91%
	6,204.19	7,230.08	5,851.70	5,368.08	6,008.68	

Expenditure Increases

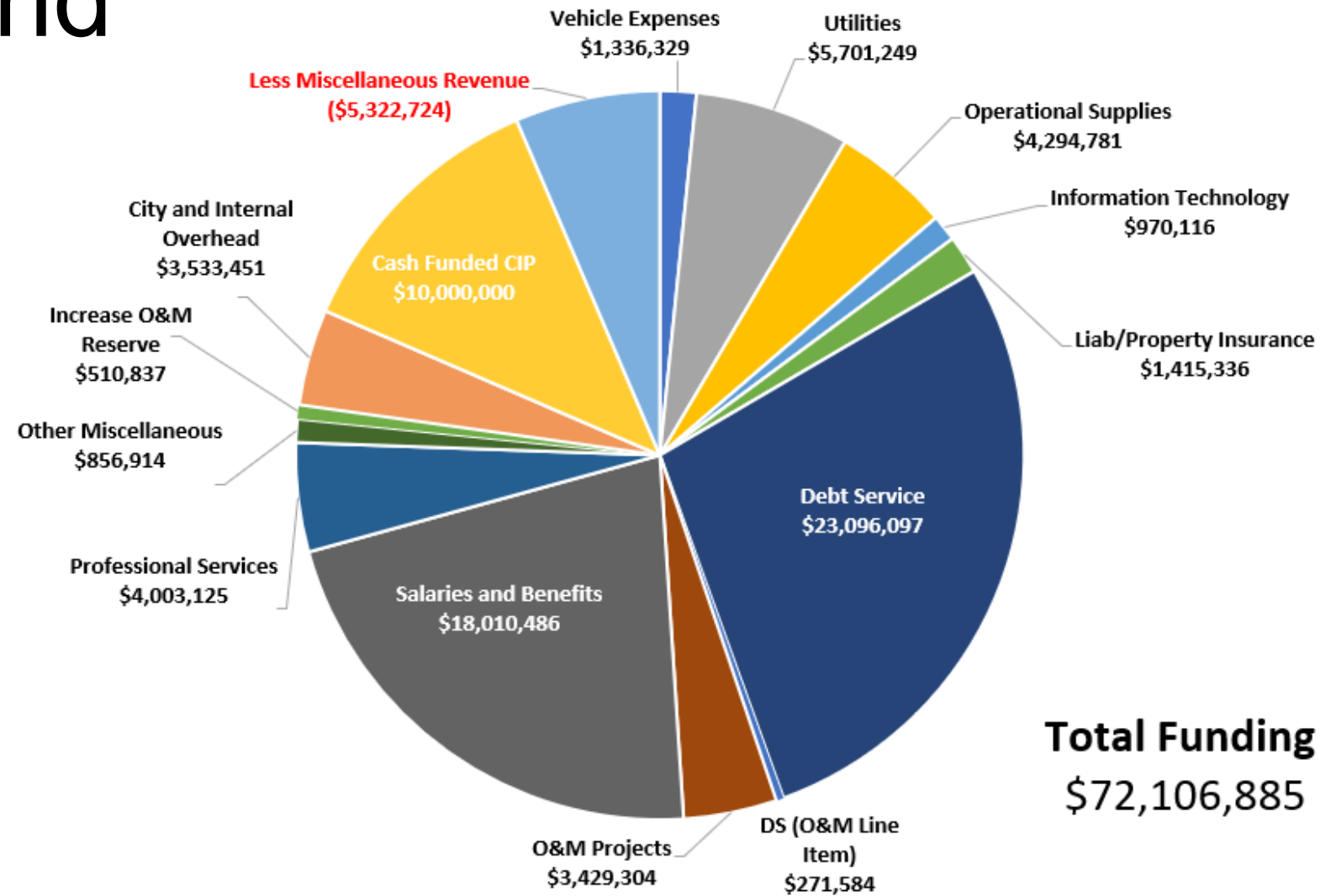
- Cash funded CIP
- Salary Increases
 - 2.5% increase July 2023
- Costs of Chemicals
- Electricity
- City Overhead
- Vehicle Costs
- Staffing Changes
 - New Wastewater Operations Supervisor - Regional



Regional Operations

Expenditure Object	2022-23 Total Request	2023-24 Total Request	Change	%
1631 - Regional Operations				
Operations and Maintenance Projects	\$4,237,489	\$3,429,304	(\$808,185)	-19.1
Salaries	\$10,269,798	\$10,808,995	\$539,197	5.3
Benefits	\$6,612,679	\$7,201,491	\$588,812	8.9
Professional Services	\$3,889,258	\$4,003,125	\$113,867	2.9
Misc - Training, Leases, Equip Rent, etc.	\$690,771	\$856,914	\$166,143	24.1
Vehicle Replacement and Maintenance	\$1,205,039	\$1,336,329	\$131,290	10.9
Utilities	\$4,172,186	\$5,701,249	\$1,529,063	36.6
Operational Supplies	\$3,683,110	\$4,294,781	\$611,671	16.6
Information Technology	\$858,214	\$970,116	\$111,902	13.0
Total Liab/Property Insurance	\$1,283,696	\$1,415,336	\$131,640	10.3
Debt Service	\$271,584	\$271,584	\$0	0.0
Internal & External Overhead	\$3,401,384	\$3,533,451	\$132,067	3.9
Total 1631 - Regional Operations	\$40,575,208	\$43,822,675	\$3,247,467	8.0

Regional Fund



Regional Reserves

as of June 30,2022

- **Operating**
 - \$5,407,402
- **Catastrophic**
 - \$1,700,000
- **Partner Agency
Refund Reserve**
 - \$2,612,586

Miscellaneous Revenues

Regional Miscellaneous Revenues			
		2022/23	2023/24
		Budgeted	Projected
4511	Property Rentals	\$120,000	\$120,000
4521	Interest on Pooled Investments	\$500,000	\$500,000
4635	Sale of Water (recycled) - Retail	\$250,000	\$300,000
4645	Sale of Water (recycled) - Wholesale	\$20,000	\$20,000
4638	Laboratory Services	\$85,000	\$85,000
4639	High Strength Tipping Charges	\$3,000,000	\$3,200,000
4690	Miscellaneous Fees and Charges	\$10,000	\$20,000
4853	Miscellaneous	\$25,000	\$25,000
4646	Calpine - per Agreement	\$300,000	\$0
4434	SCWA - Acceptance of Recycled Water	\$1,000	\$1,000
4443	Town of Windsor - Geysers and Environmental	\$1,017,241	\$1,051,724
4908	Dairy Waste Loan Payments	\$100,000	\$0
	Total	\$5,428,241	\$5,322,724

Fund Summary/Agency Contribution

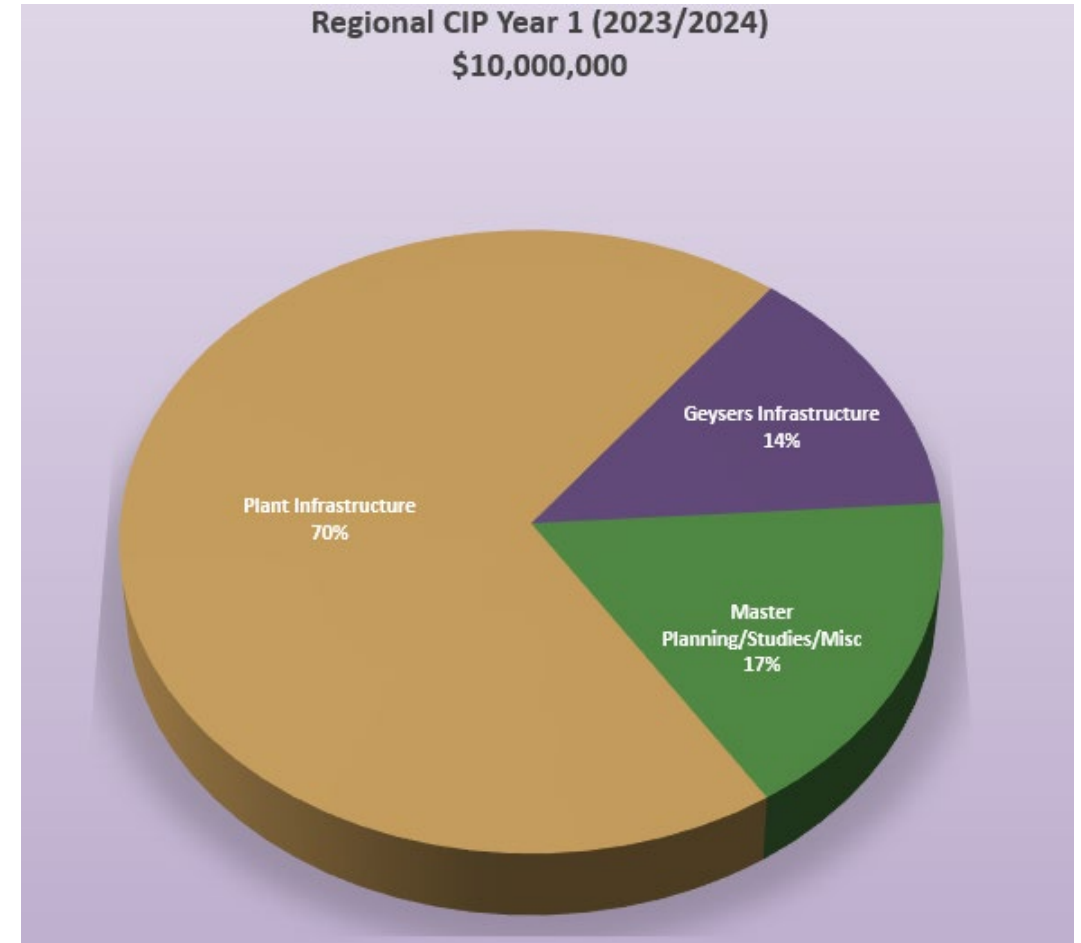
Fund Summary 2023/24	
	2023/24 Budget
Operating Expenditure Request	\$43,822,675
Regional WW Capital (Cash funded CIP)	\$10,000,000
Additional Operating Reserve needed	\$510,837
Expenditures + Change in Operating Reserve	\$54,333,512
Regional System Reserves for 2023/24	
Operating Reserves (15% of expenditures)	\$6,062,564
Geysers Reserves	\$1,250,000
Catastrophic Reserve	\$1,700,000
User Agency Reserve	\$5,000,000
	\$14,012,564
Agency Contribution Calculation:	
Expenditures + Change in Operating Reserve	\$54,333,512
Less Revenue	(\$5,322,724)
Fund Balance Applied	\$0
Agency Contribution	\$49,010,788

Regional Partner Allocations FY 2023/24

	Total 2022/23	2023/24 Budgeted O&M	2023/24 CIP Contribution	2023/24 Debt Service	Total 2023/24	Difference
Santa Rosa	\$50,838,148	\$28,497,381	\$7,076,000	\$17,024,081	\$52,597,462	\$1,759,314
Rohnert Park	\$12,325,942	\$7,111,667	\$1,970,000	\$3,859,561	\$12,941,228	\$615,286
Sebastopol	\$1,908,404	\$1,029,885	\$326,000	\$796,957	\$2,152,842	\$244,438
Cotati	\$2,372,316	\$1,236,642	\$295,000	\$817,309	\$2,348,951	-\$23,365
SPCSD	\$1,983,522	\$1,135,214	\$333,000	\$598,189	\$2,066,403	\$82,881
	\$69,428,332	\$39,010,788	\$10,000,000	\$23,096,097	\$72,106,885	\$2,678,553

Regional CIP Funding

- Geysers Infrastructure - \$1,350,000
- Master Planning/Studies/Misc - \$1,688,000
- Plant Infrastructure – \$6,962,000



Plant Infrastructure

PID 2096 LTP Filter Valve Replacement Phase 2

- Replaces the Valves in Cells 9-14

Total Project Estimate: \$1,435,000

Design & Construction: Year 1



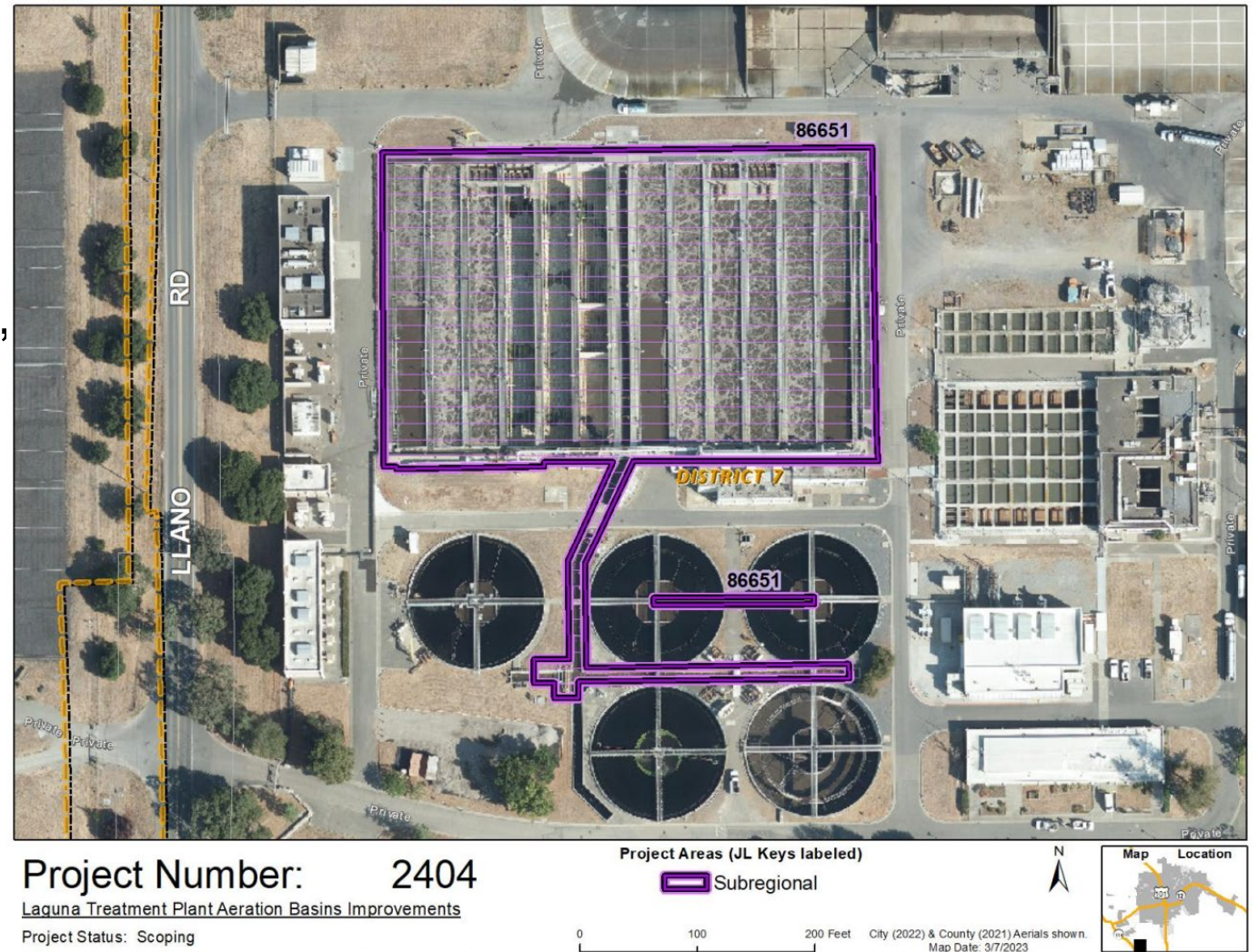
Plant Infrastructure

PID 2404 LTP Aeration Basins Improvements

- New aeration basin low pressure pipes, fitting and valves
- Refurbish channels

Total Project Estimate: \$2,350,000

Design Year 1&2



Geysers Infrastructure

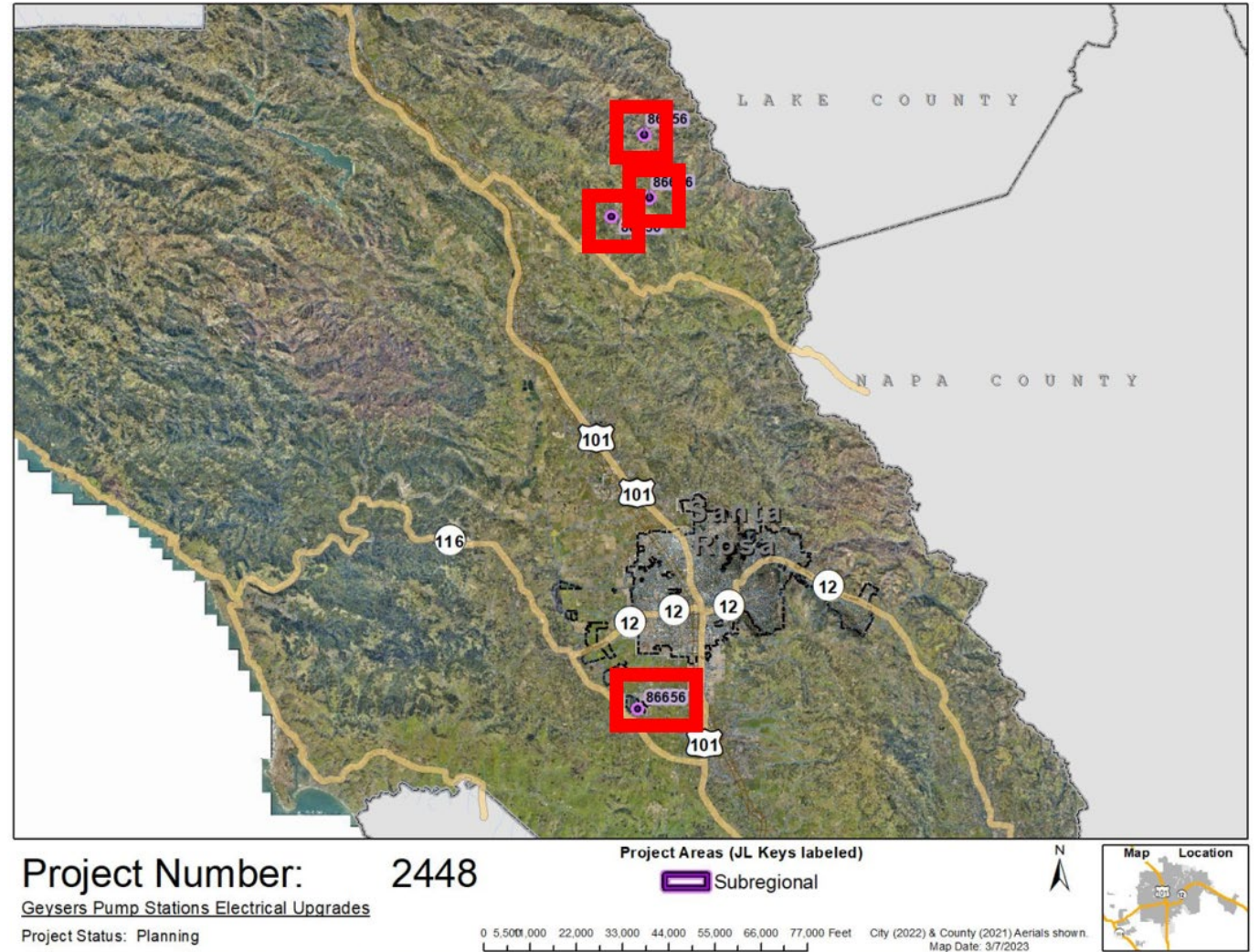
PID 2448 Geysers Pump Stations Electrical Upgrades

Initial Work

- Condition Assessment & Design

Total Estimate: \$4,850,000

Design: Year 1



Remaining Budget Schedule

- **City Council – May 8th & 9th**
 - Budget Study Sessions
- **City Council – June 20th**
 - Budget Adoption

Recommendation

It is recommended by the Board of Public Utilities, the Subregional Technical Advisory Committee, and Santa Rosa Water that the Council, by resolution, approve the Preliminary Fiscal Year 2023/24 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 2023.

QUESTIONS?