

Fiscal Year 2024/25 Water, Wastewater, Regional, and Storm water and Creeks O&M and CIP Budgets Recommendation

Board of Public Utilities
April 4, 2024

Nick Harvey
Acting Deputy Director - Administration



Overview

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

Staff Assumptions

- Water use projected to increase 1%
 - Growth only – No demand growth
- Wastewater use will remain flat
- Development will stay stable
- Rates will increase per current schedule

	July 2021	July 2022	July 2023	July 2024
Water Usage	2%	3%	3%	4%
Water Fixed	2%	3%	3%	4%
Sewer Usage	2%	2%	2%	2%
Sewer Fixed	2%	2%	2%	2%

Expenditure Increases

- Salary Increases
 - No COLAS Local or SW – 2.5% assumption for Regional
- Costs of Chemicals and Electricity
- Water Purchase
- Insurance Premiums
- Outside Services
- Staffing Changes
 - New Recycled Water Supervisor – Replacing Skilled Maintenance Worker
 - New Trucked Waste Coordinator – Replacing Department Application Specialist
 - New Technical Applications Specialist (TAS) – Replacing Dept Technology Coordinator (DTC)
 - Water Reuse Engineer moved from Asset Management to Regional

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

- Water Fund – 5.9%
- Wastewater Fund – (-1.9%)
- Regional Fund – 8.5%
- Storm Water and Creeks Funds – 20%
 - \$746k (19.9%) funded by General Fund
 - \$3.2M (80.1%) funded by Enterprise Funds

Water Operations

Expenditure Object	2023-24 Total Request	2024-25 Total Request	Change	%
1611 - Water Utility Operations				
Operations and Maintenance Projects	\$185,069	\$125,000	(\$60,069)	-32.5
Salaries	\$4,475,680	\$4,546,183	\$70,503	1.6
Benefits	\$3,151,978	\$3,316,742	\$164,764	5.2
Professional Services	\$357,410	\$471,970	\$114,560	32.1
Misc - Training, Leases, Equip Rent, etc.	\$535,150	\$545,650	\$10,500	2.0
Vehicle Replacement and Maintenance	\$1,372,623	\$1,500,837	\$128,214	9.3
Water Billing Services	\$2,227,303	\$2,340,436	\$113,133	5.1
Utilities	\$1,338,528	\$1,465,528	\$127,000	9.5
Purchase of Water	\$17,833,000	\$19,724,320	\$1,891,320	10.6
Operational Supplies	\$1,308,690	\$1,298,837	(\$9,853)	-0.8
Information Technology	\$819,444	\$592,051	(\$227,393)	-27.7
Total Liab/Property Insurance	\$289,945	\$426,160	\$136,215	47.0
Internal & External Overhead	\$5,776,306	\$5,580,590	(\$195,716)	-3.4
Capital Outlay	\$0	\$83,000	\$83,000	100.0
Total Water Utility Operations	\$39,671,126	\$42,017,304	\$2,346,178	5.9

Purchase of Water

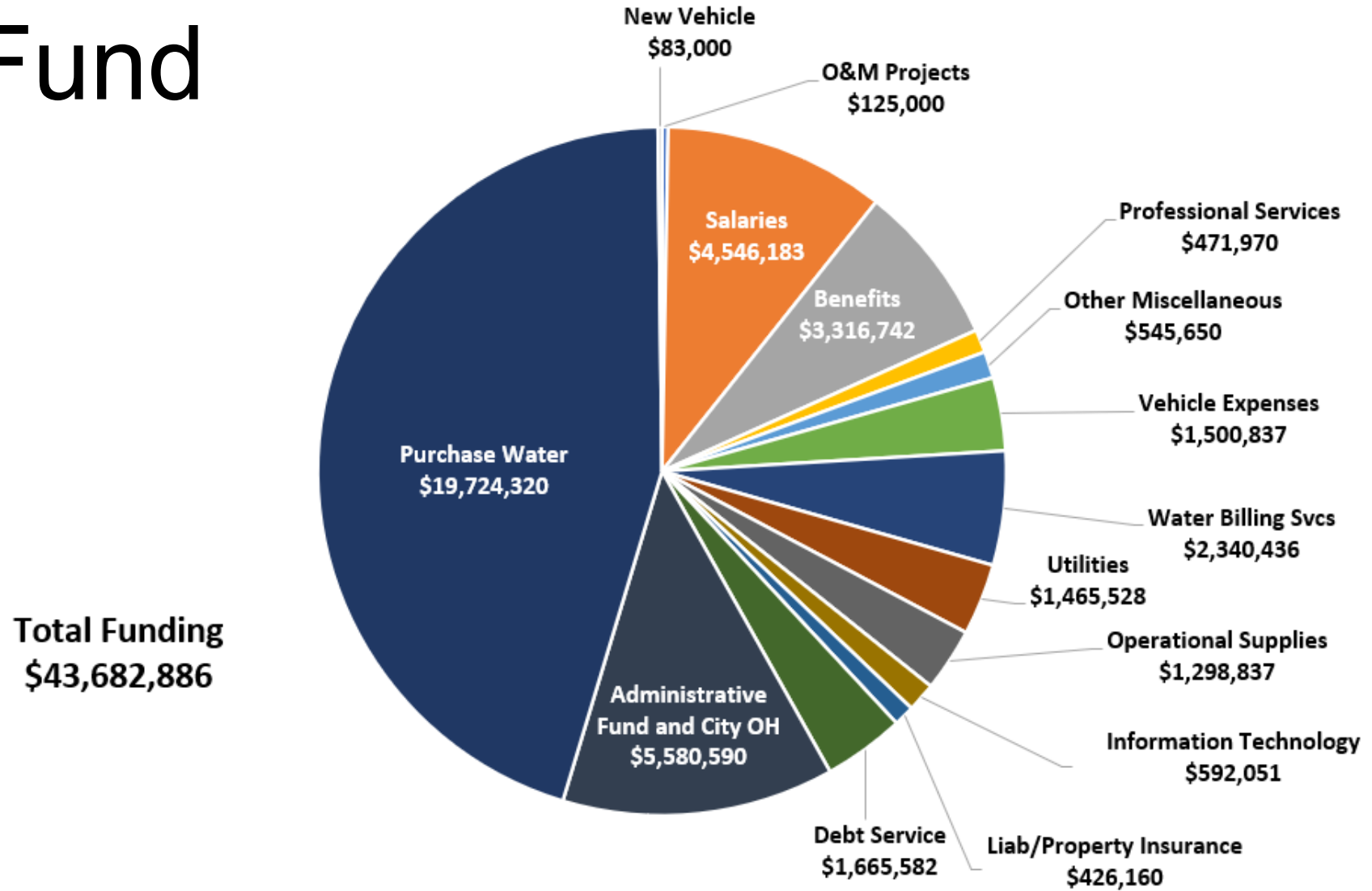
Volume of water increasing by 1%

- Growth only – No increased demand expected

Sonoma Water rate increase

- 9.88%

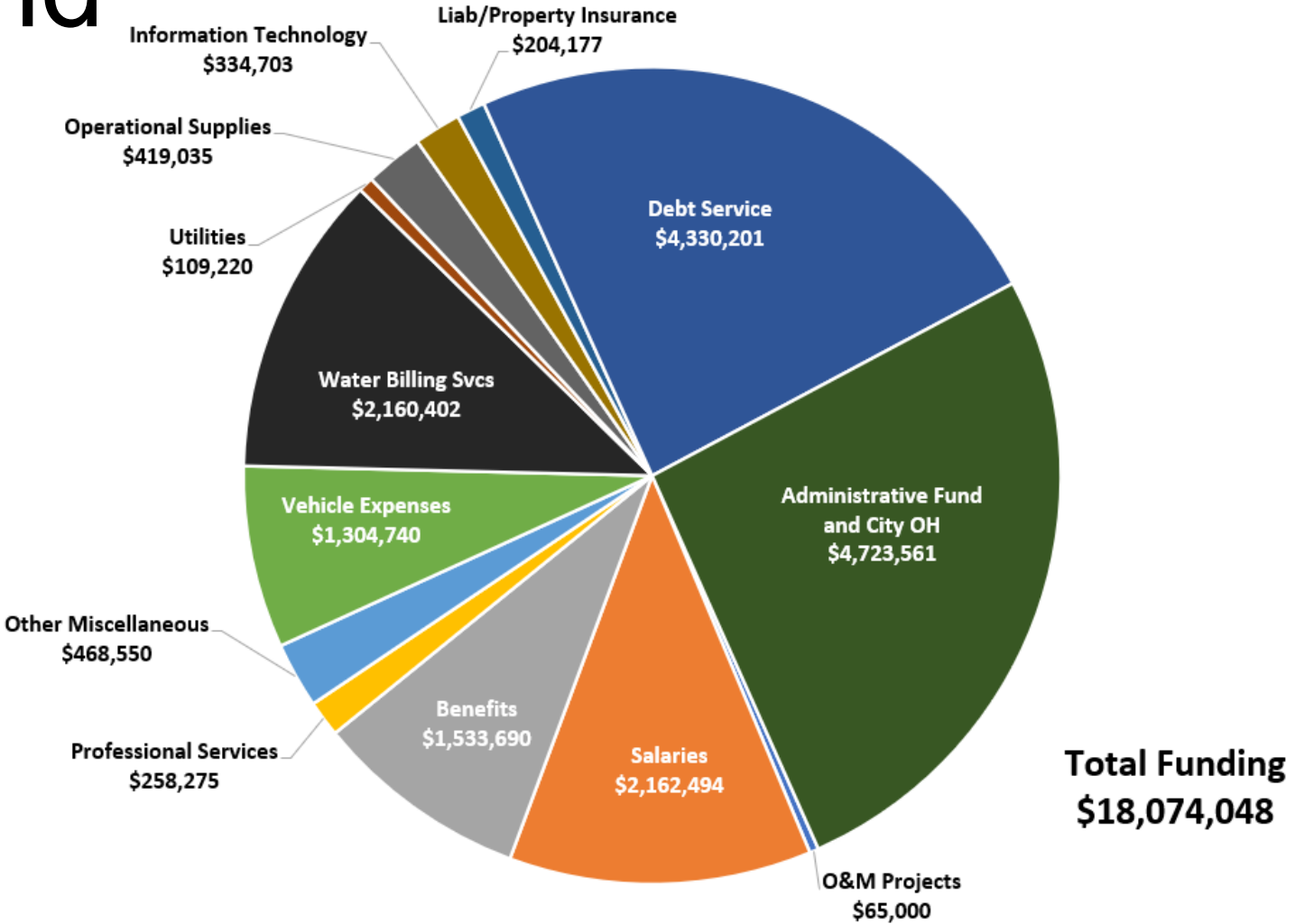
Water Fund



Wastewater Operations

Expenditure Object	2023-24 Total Request	2024-25 Total Request	Change	%
1621 - Local Wastewater Utility Fund				
Operations and Maintenance Projects	\$133,000	\$65,000	(\$68,000)	-51.1
Salaries	\$2,218,306	\$2,162,494	(\$55,812)	-2.5
Benefits	\$1,561,356	\$1,533,690	(\$27,666)	-1.8
Professional Services	\$234,500	\$258,275	\$23,775	10.1
Misc - Training, Leases, Equip Rent, etc.	\$468,550	\$468,550	\$0	0.0
Vehicle Replacement and Maintenance	\$1,273,418	\$1,304,740	\$31,322	2.5
Water Billing Services	\$2,055,972	\$2,160,402	\$104,430	5.1
Utilities	\$86,720	\$109,220	\$22,500	25.9
Operational Supplies	\$401,134	\$419,035	\$17,901	4.5
Information Technology	\$585,726	\$334,703	(\$251,023)	-42.9
Total Liab/Property Insurance	\$164,075	\$204,177	\$40,102	24.4
Internal & External Overhead	\$4,752,184	\$4,723,561	(\$28,623)	-0.6
Capital Outlay	\$70,000	\$0	(\$70,000)	100.0
Total- Local Wastewater Utility	\$14,004,941	\$13,743,847	-261,094	-1.9

Wastewater Fund



Operating Fund Reserves

as of June 30, 2023

Water

- **Operating**
 - \$5,223,341
- **Catastrophic**
 - \$5,750,000
- **Undesignated**
 - \$14,892,243
 - *\$21.3M in 2022*

Wastewater

- **Operating**
 - \$1,846,792
- **Catastrophic**
 - \$6,800,000
- **Undesignated**
 - \$6,800,000
 - *\$17.1M in 2022*
- **Rate Stabilization**
 - \$1,000,000

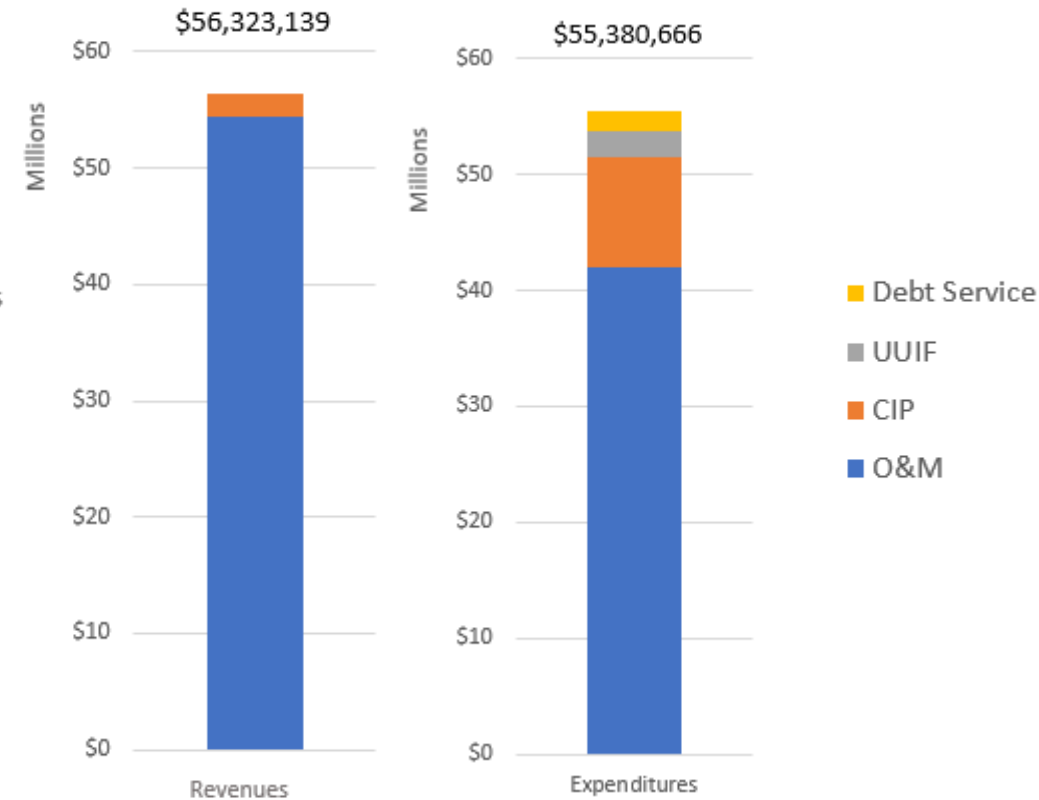
Regional

- **Operating**
 - \$1,785,606
- **Catastrophic**
 - \$6,053,551
- **Partner Agency Refund Reserve**
 - \$2,853,199
 - *\$2.6M in 2022*

Undesignated Fund Balance – Water

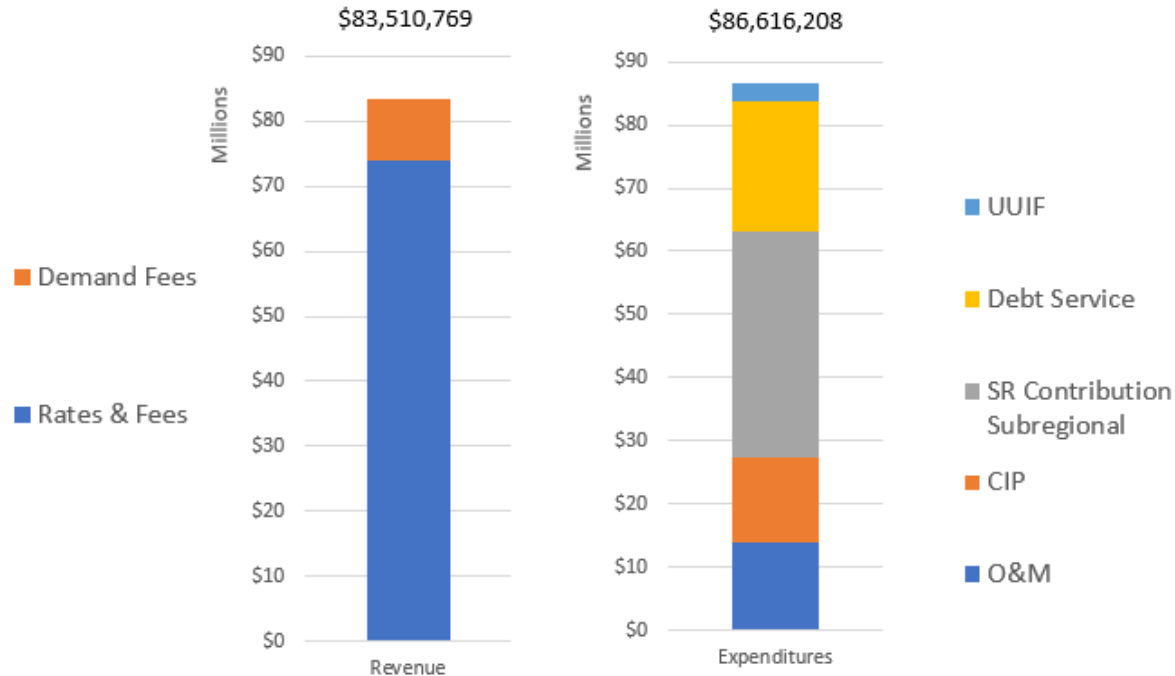
FY 2023/24 Deficit Budget (\$3.6 Million)

FY 2024/25 Surplus Budget (\$942k)

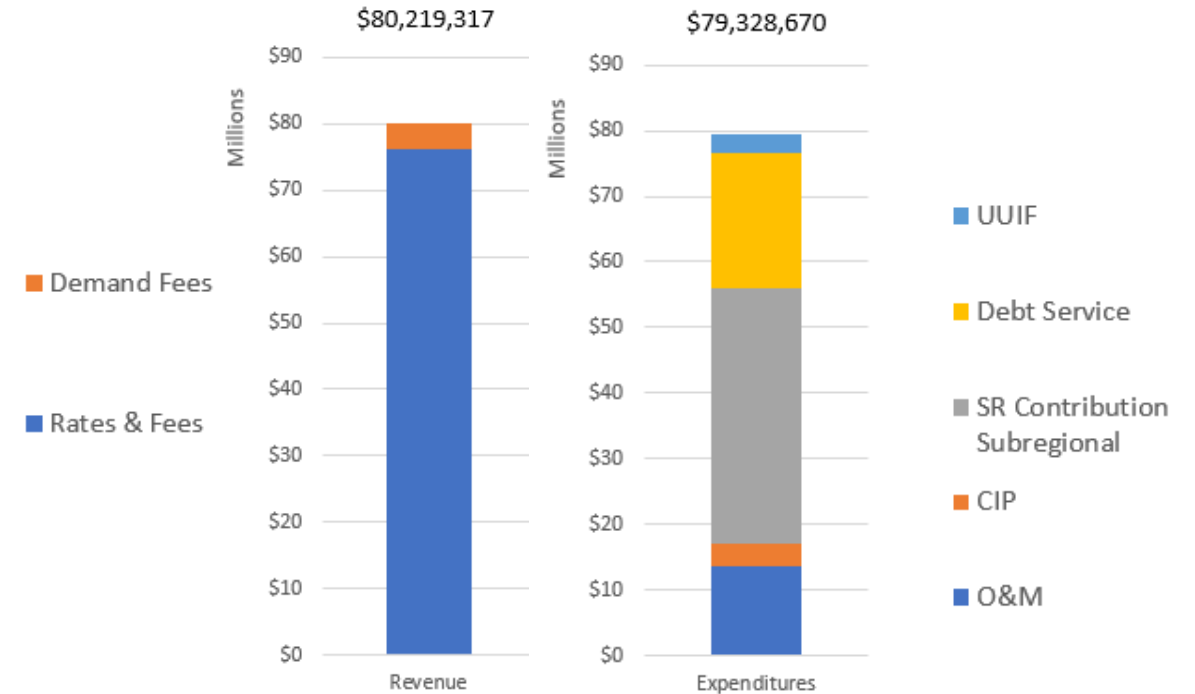


Undesignated Fund Balance – Local Wastewater

FY 2023/24 Deficit Budget (\$3.1 Million)



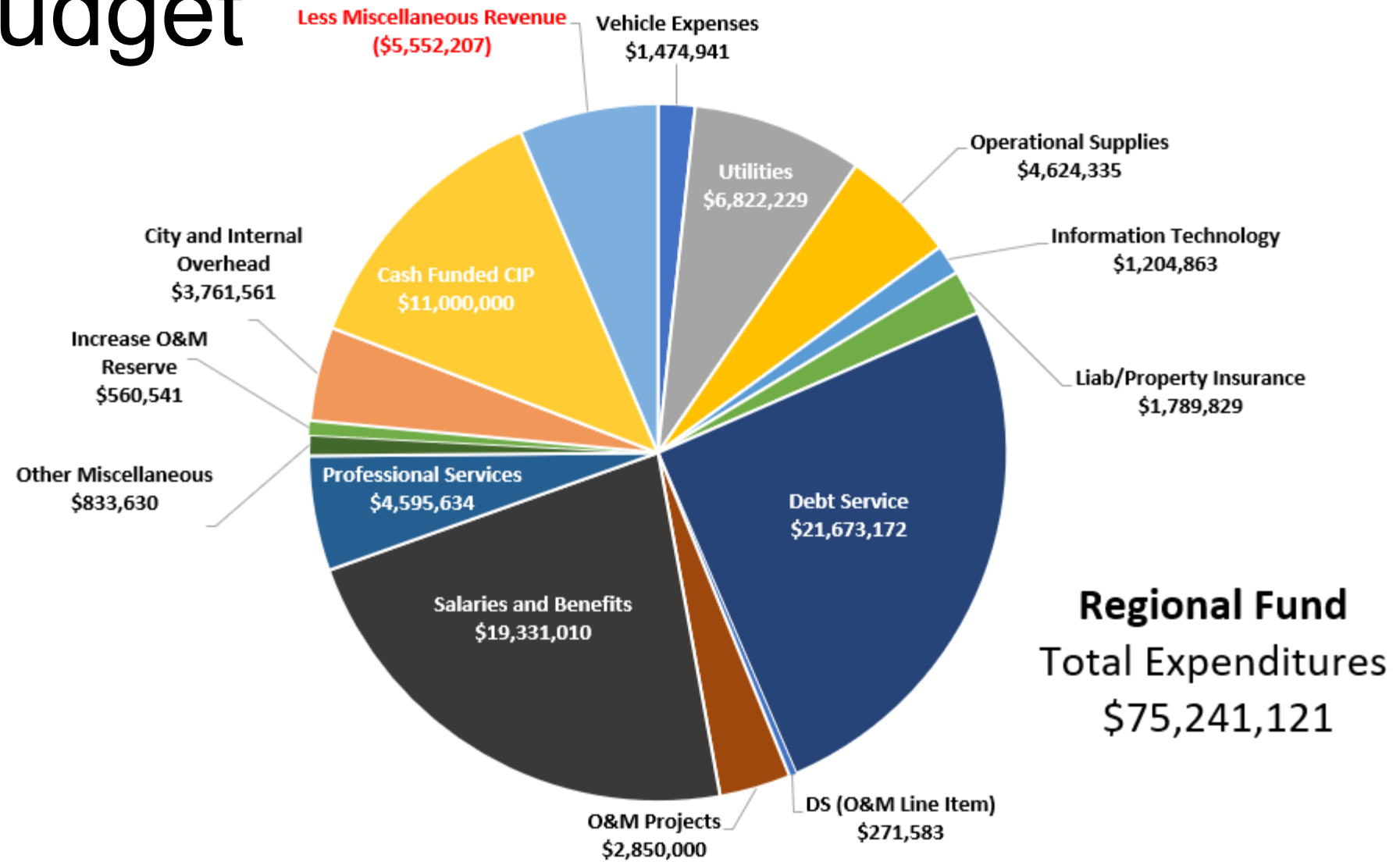
FY 2024/25 Surplus Budget (\$890k)



Regional Operations

Expenditure Object	2023-24 Total Request	2024-25 Total Request	Change	%
1631 - Regional Operations				
Operations and Maintenance Projects	\$3,429,304	\$2,850,000	(\$579,304)	-16.9
Salaries	\$10,808,995	\$11,699,319	\$890,324	8.2
Benefits	\$7,201,491	\$7,631,691	\$430,200	6.0
Professional Services	\$4,003,125	\$4,595,634	\$592,509	14.8
Misc - Training, Leases, Equip Rent, etc.	\$856,914	\$833,630	(\$23,284)	-2.7
Vehicle Replacement and Maintenance	\$1,336,329	\$1,460,941	\$124,612	9.3
Utilities	\$5,701,249	\$6,822,229	\$1,120,980	19.7
Operational Supplies	\$4,294,781	\$4,624,335	\$329,554	7.7
Information Technology	\$970,116	\$1,204,863	\$234,747	24.2
Total Liab/Property Insurance	\$1,415,336	\$1,789,829	\$374,493	26.5
Debt Service	\$271,584	\$271,583	(\$1)	-0.0
Internal & External Overhead	\$3,533,451	\$3,761,561	\$228,110	6.5
Capital Outlay	\$0	\$14,000	\$14,000	100.0
Total 1631 - Regional Operations	\$43,822,675	\$47,559,615	\$3,736,940	8.5

Regional Budget



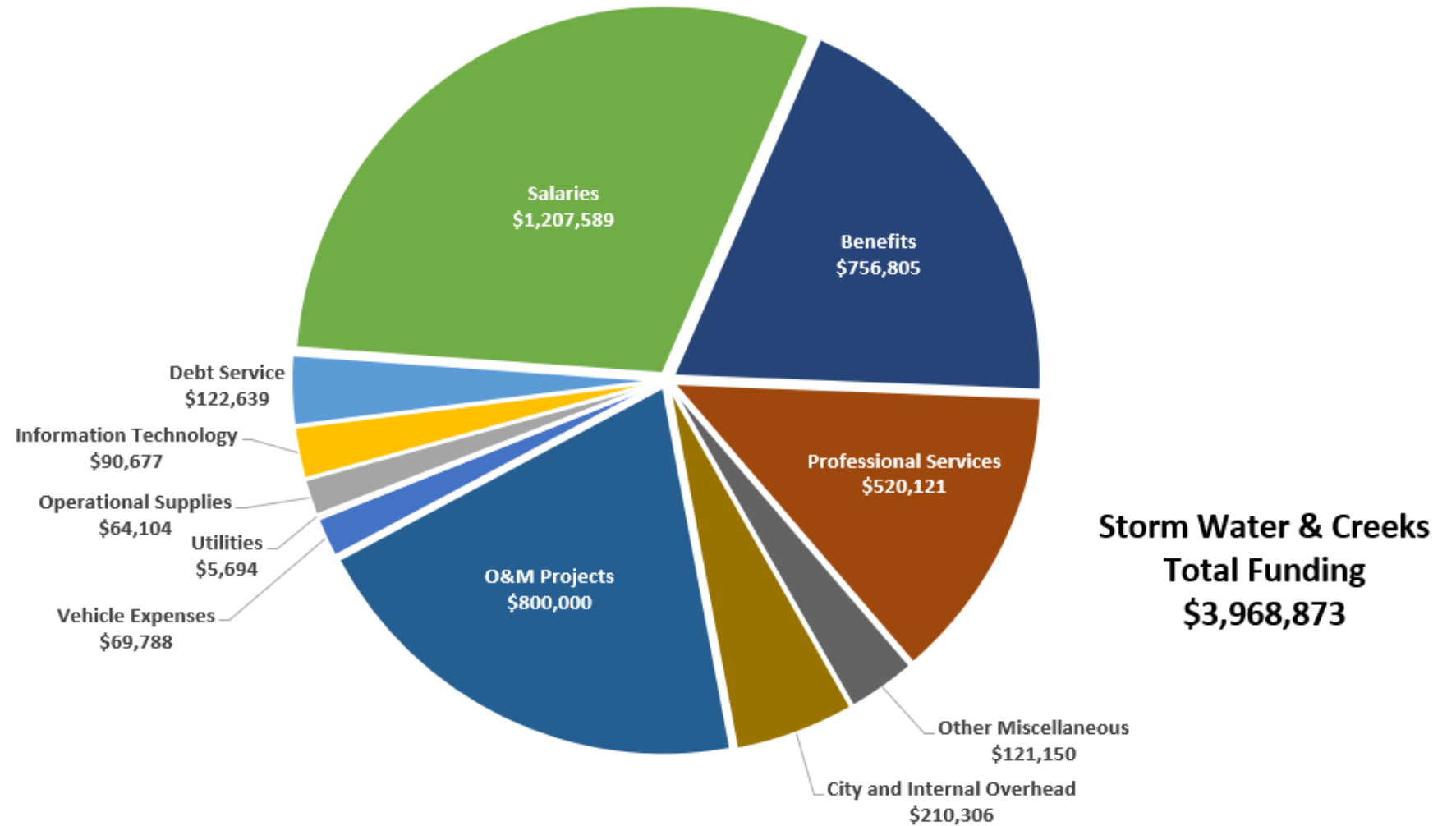
Regional Partner Allocations FY 2024/25

	Total 2023/24	2024/25 Budgeted O&M	2024/25 CIP Contribution	2024/25 Debt Service	Total 2024/25	Difference	Increase
Santa Rosa	\$52,597,462	\$31,271,888	\$7,783,600	\$16,173,829	\$55,229,317	\$2,631,855	5.00%
Rohnert Park	\$12,941,228	\$7,558,814	\$2,167,000	\$3,528,543	\$13,254,357	\$313,129	2.42%
Sebastopol	\$2,152,842	\$1,081,275	\$358,600	\$672,443	\$2,112,318	-\$40,524	-1.88%
Cotati	\$2,348,951	\$1,397,974	\$324,500	\$776,433	\$2,498,907	\$149,956	6.38%
SPCSD	\$2,066,403	\$1,257,997	\$366,300	\$521,924	\$2,146,221	\$79,818	3.86%
	\$72,106,886	\$42,567,949	\$11,000,000	\$21,673,172	\$75,241,121	\$3,134,235	4.35%

Storm Water and Creeks Operations

Stormwater - Funds 1671,1672 & GF	2023-24 Total Request	2024-25 Total Request	Change	%
Operations and Maintenance Projects	\$500,000	\$800,000	\$300,000	60.0
Salaries	\$1,115,429	\$1,207,589	\$92,160	8.3
Benefits	\$675,162	\$756,805	\$81,643	12.1
Professional Services	\$386,921	\$520,121	\$133,200	34.4
Misc - Training, Leases, Equip Rent, etc.	\$121,650	\$121,150	-\$500	-0.4
Vehicle Replacement and Maintenance	\$55,991	\$69,788	\$13,797	24.6
Utilities	\$5,694	\$5,694	\$0	0.0
Operational Supplies	\$28,675	\$64,104	\$35,429	123.6
Internal & External Overhead	\$191,820	\$210,306	\$18,486	9.6
Debt Service	\$122,640	\$122,639	-\$1	0.0
Information Technology	\$90,821	\$90,677	-\$144	-0.2
Total	\$3,294,803	\$3,968,873	\$674,070	20.5

Storm Water and Creeks Fund



Storm water and Creeks Enterprise Reserves

as of June 30, 2023

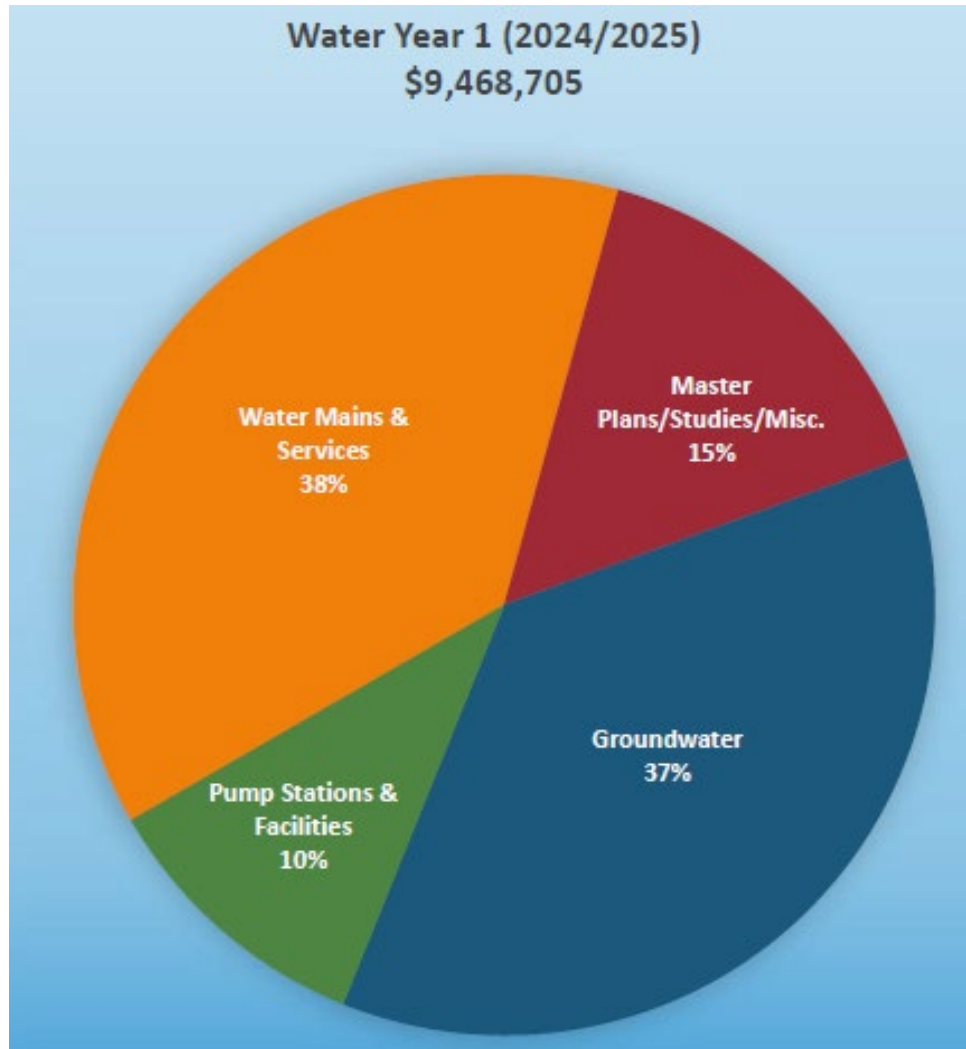
1671 – Storm Water Enterprise – Undesignated \$744,613

1672 – Storm Water – Creek Restoration – Undesignated \$1,359,587

CIP Funding

- Proposed Funding
 - Water - \$9,468,705 (\$15,068,705 Planned - \$5.6M reduction)
 - Wastewater - \$3,310,000 (\$13,910,415 Planned - \$10.6M reduction)
 - Regional - \$11,000,000 – As planned
 - Storm Water and Creeks - \$1,657,634

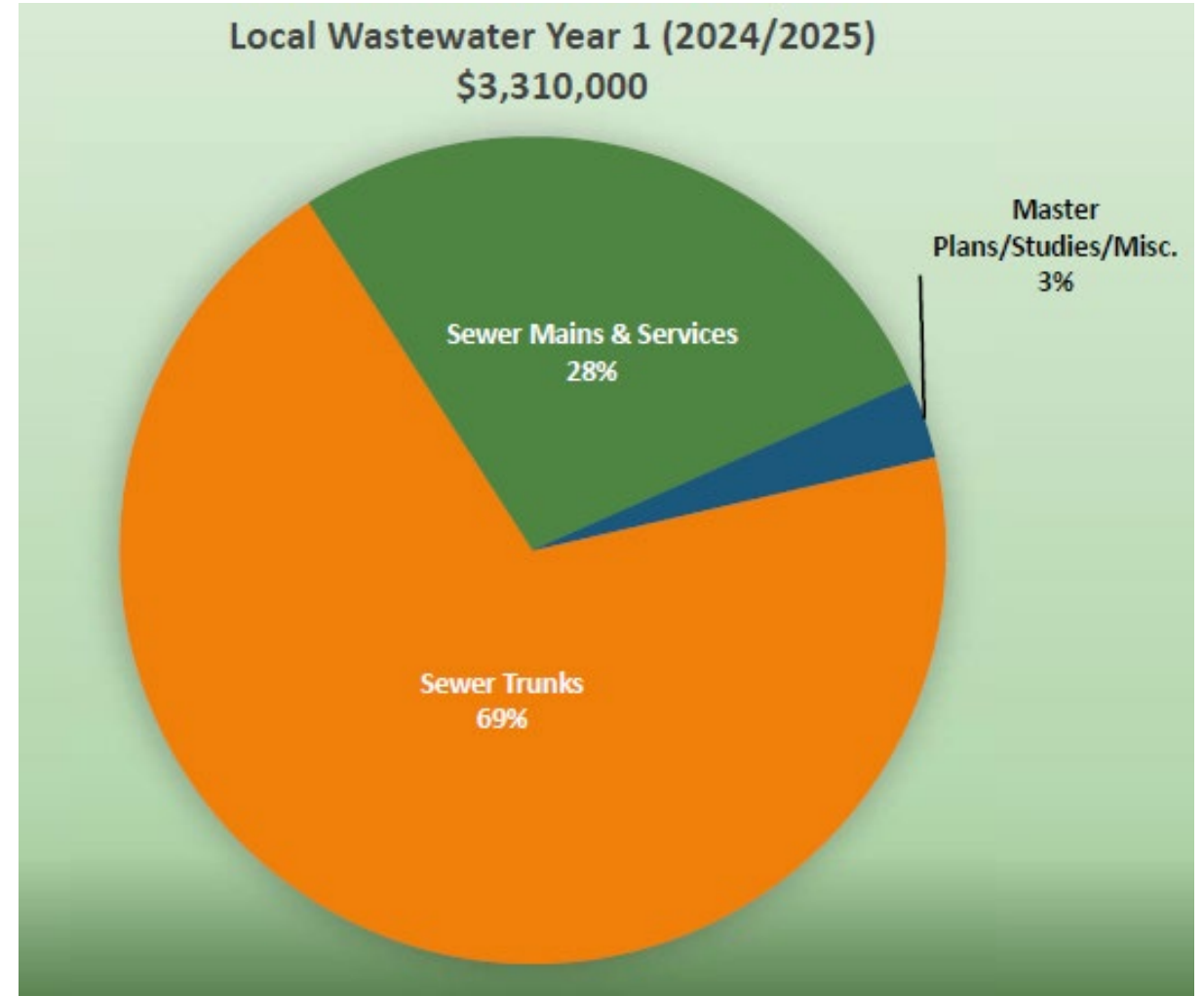
Water CIP 2024/25



- Master Plans/Studies/Misc - \$1,435,000
- Water Mains & Services - \$3,560,000
- Pump Stations & Facilities - \$1,000,000
- Groundwater - \$3,473,705

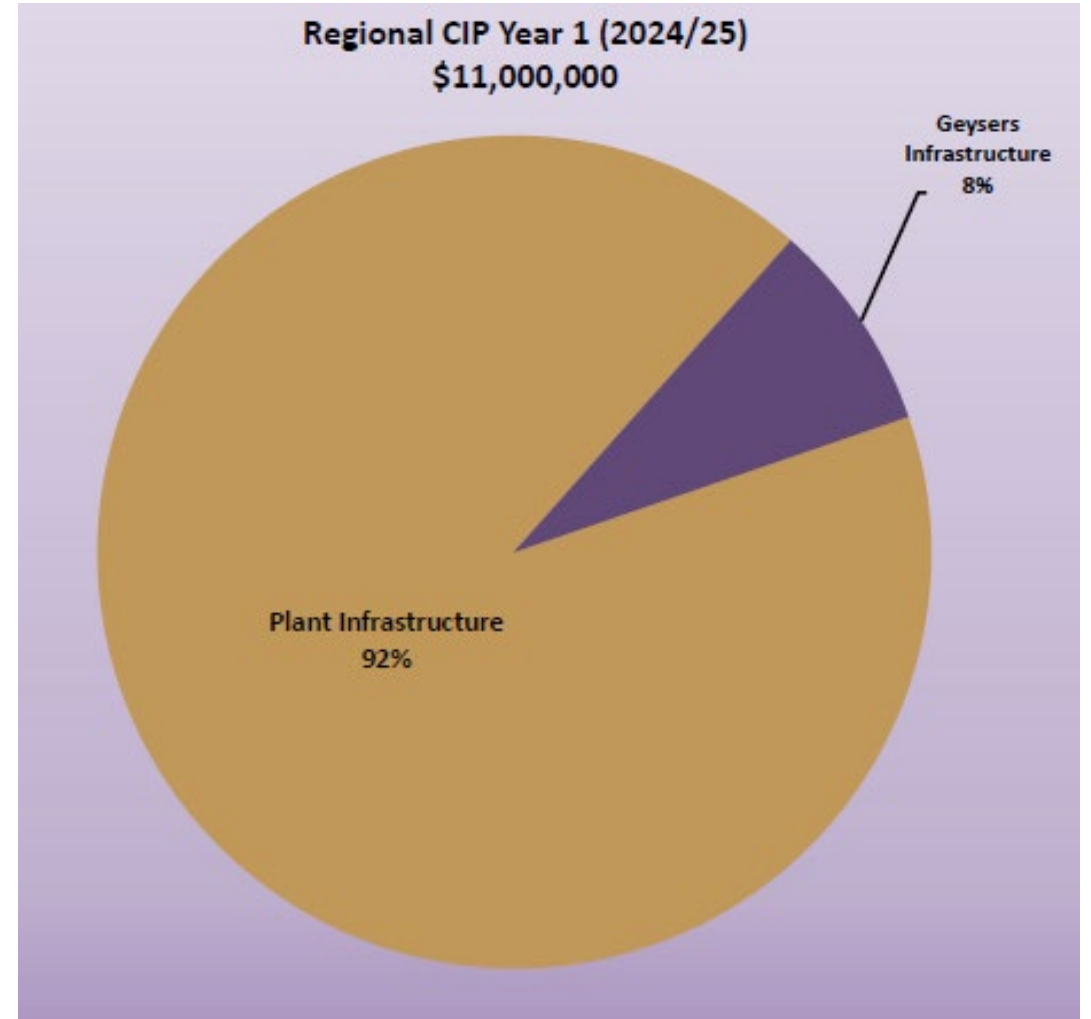
Local Wastewater CIP 2024/25

- Master Plans/Studies/Misc - \$100,000
- Sewer Mains & Services - \$910,000
- Sewer Trunks - \$2,300,000



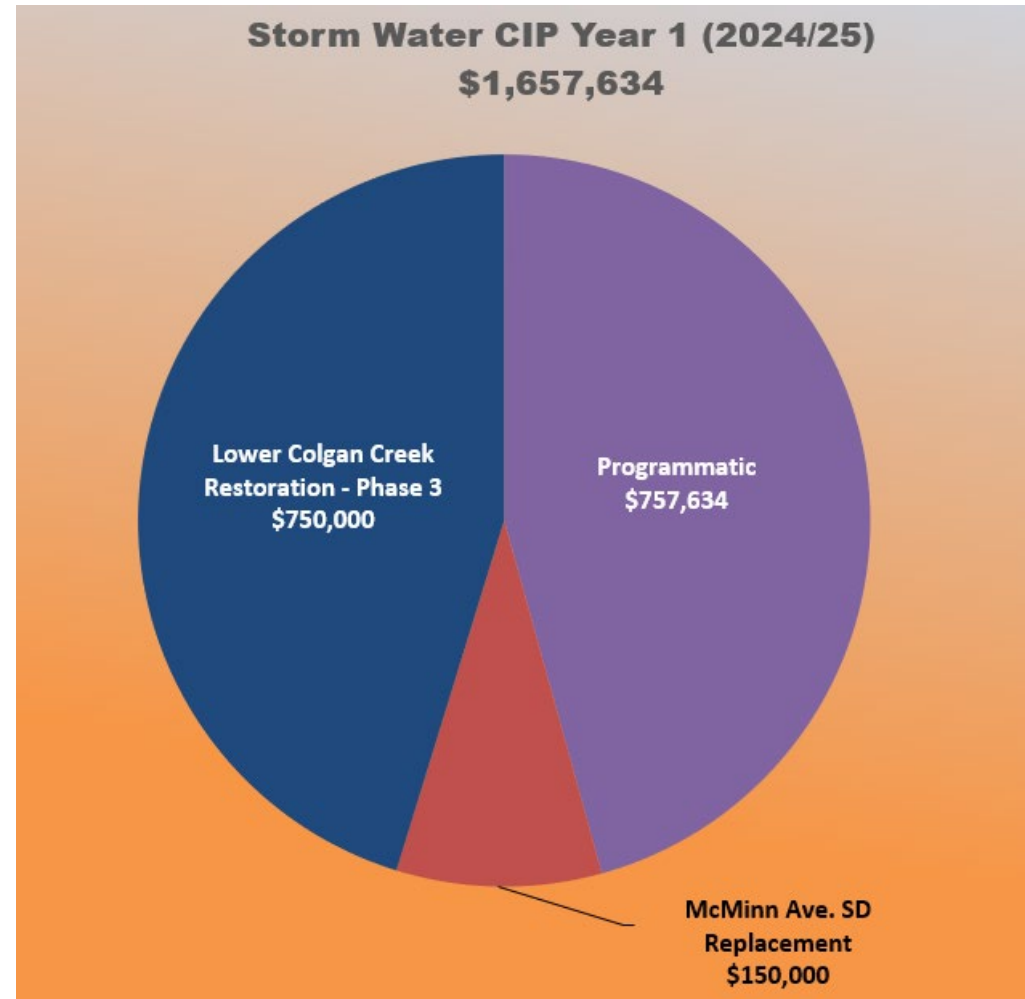
Regional CIP 2024/25

- Plant Infrastructure - \$10,100,000
- Geysers Infrastructure - \$900,000



Storm Water CIP 2024/25

- Programmatic Projects (General maintenance/On-Call etc.) - \$757,634
- McMinn Ave Storm Drain Replacement - \$150k
- Lower Colgan Creek Restoration Phase 3 - \$750k



Remaining Budget Schedule

- **City Council – April 16th**
 - Preliminary approval of Regional Budget
- **City Council – May 7th & 8th**
 - Budget Study Sessions
- **City Council – June 18th**
 - Budget Adoption

Recommendation

It is recommended by Santa Rosa Water, the Budget Review Subcommittee and the Subregional Technical Advisory Committee, that the Board of Public Utilities, by resolution, recommend that the City Council approve the Fiscal Year 2024/25 Water Fund, Local Wastewater Fund, Regional Reuse and Storm Water and Creeks Fund Operation and Maintenance, Capital Improvement and Debt Service Budget and resulting cost allocations.