

BPU Budget Subcommittee

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

March 26, 2025

Nick Harvey
Deputy Director - Administration

Overview

- Water, Local Wastewater, Regional Reuse and Storm Water and Creeks Budgets
- CIP Review
- Budget Schedule
- Recommendation

Staff Assumptions

- Water deliveries projected to increase 1.1%
 - Based on growth assumption consistent with financial model
- Wastewater use will remain flat – sewer caps
- Development will stay stable
- Rates will increase per current proposed 5-year 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%

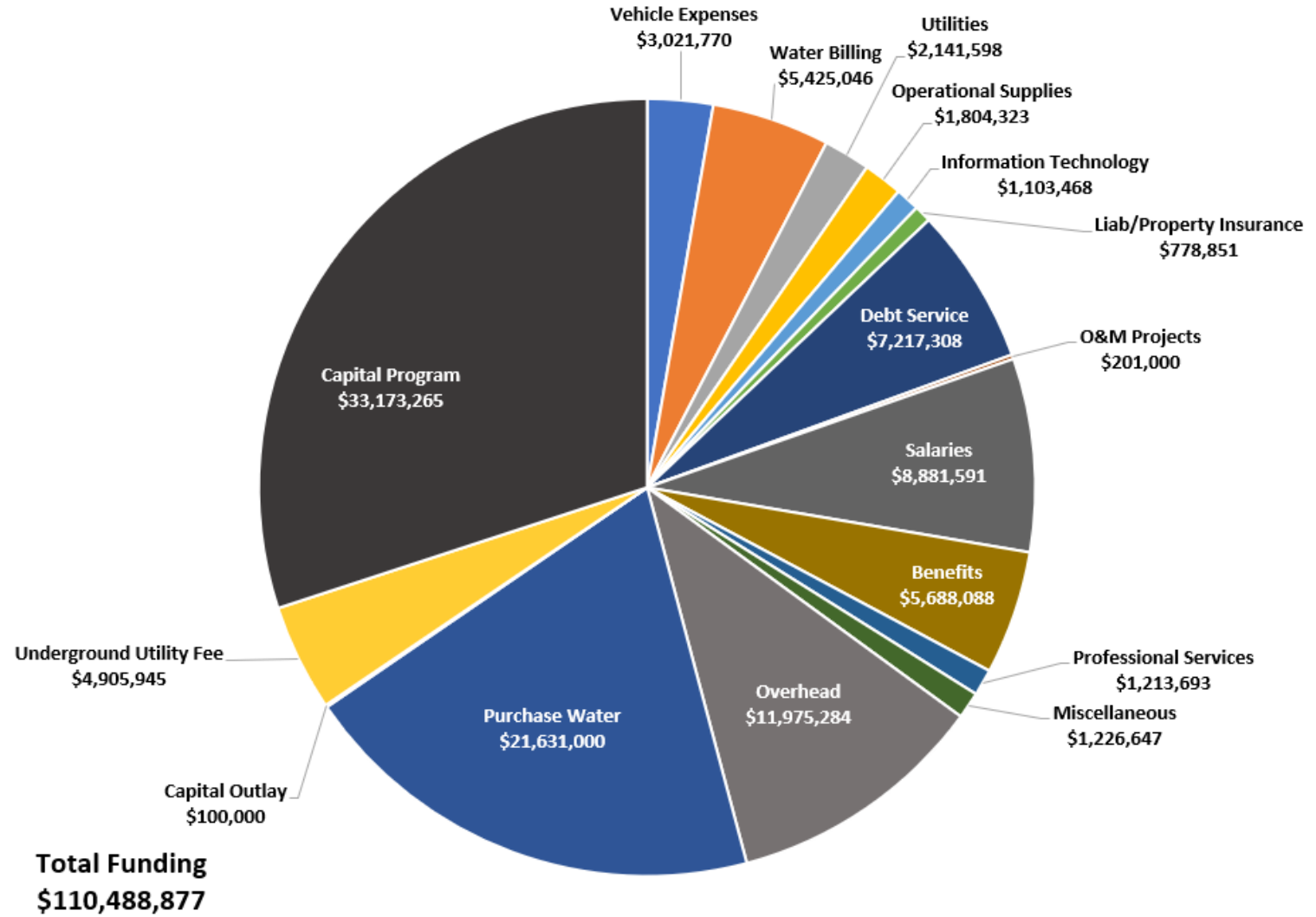
Expenditure Increases

- Salaries
 - 9% Salary increases department-wide (4% MOU + 5% Class & Comp)
 - Local Sewer: 1 potential re-classification (not yet approved)
 - Regional: 6 potential re-classifications and 4 additional positions (not yet approved)
- Electricity
- Water Purchase
- Insurance Premiums
- Internal and external overhead
- Operations and Maintenance Projects

Water, Local WW, Regional Reuse 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 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

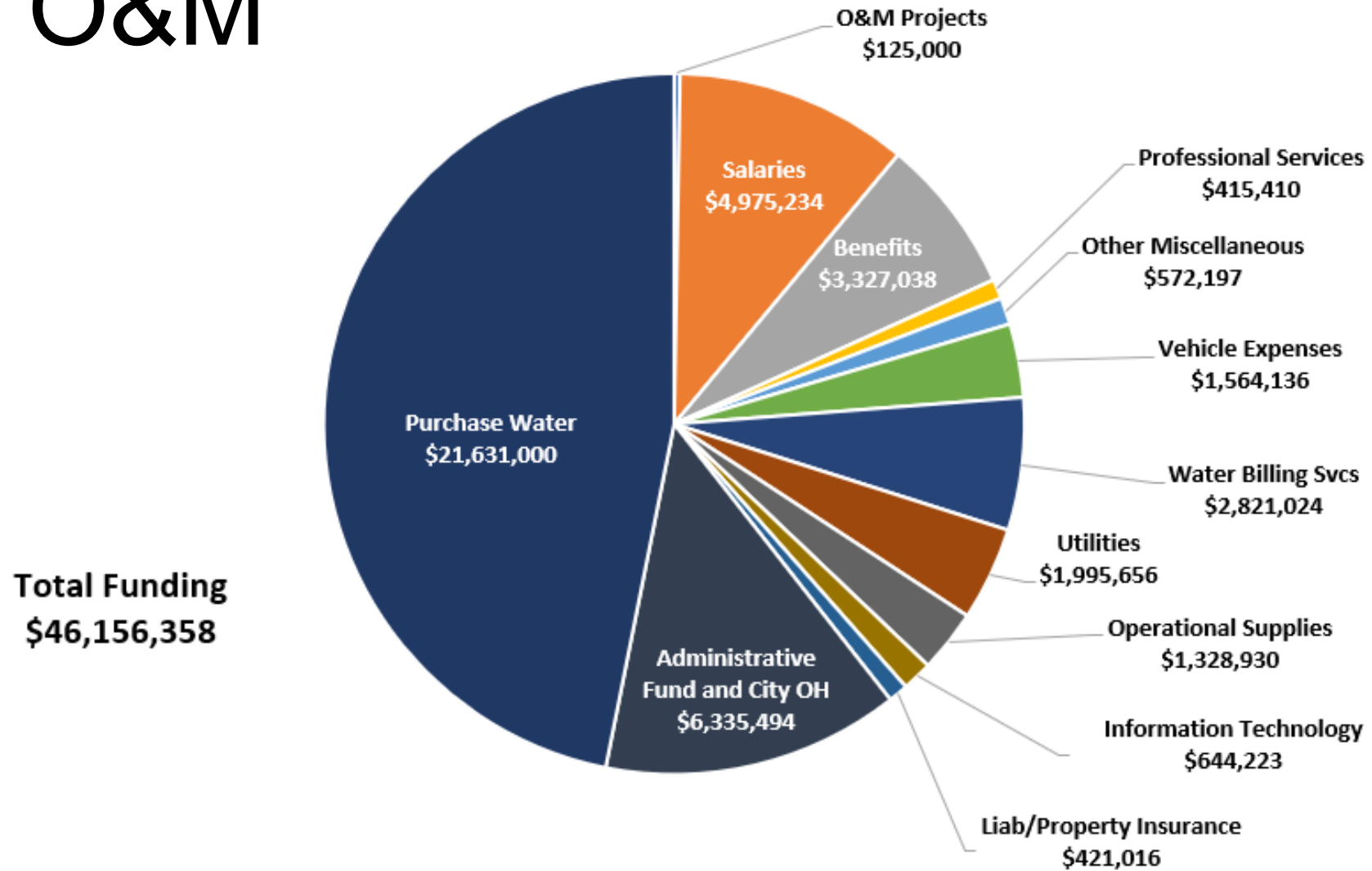
Volume of water increasing by 1.1%

- Growth only – No increased demand expected

Sonoma Water rate increase

- 8.86%

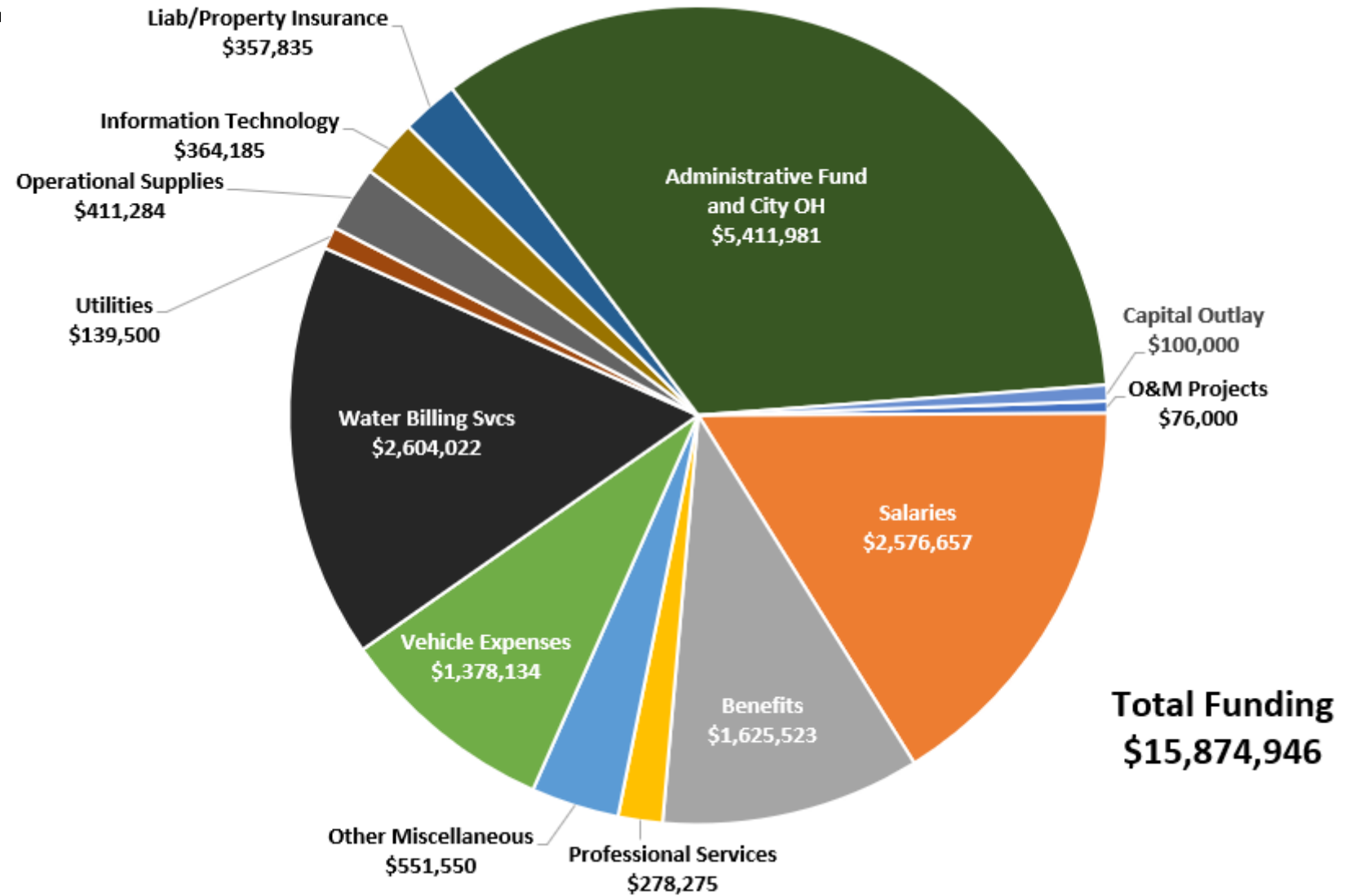
Water O&M



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

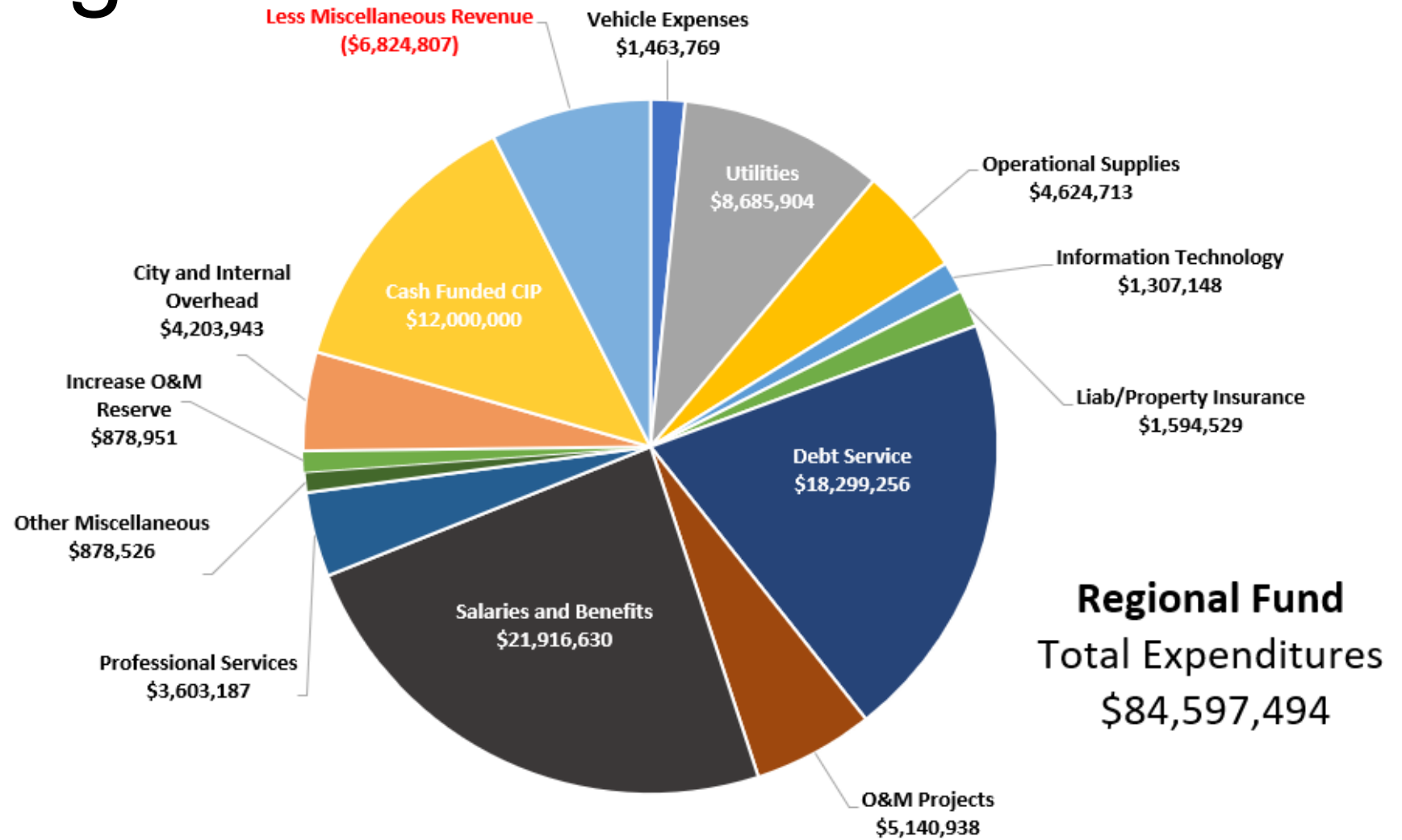
Wastewater



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

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
 - Rohnert Park - \$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

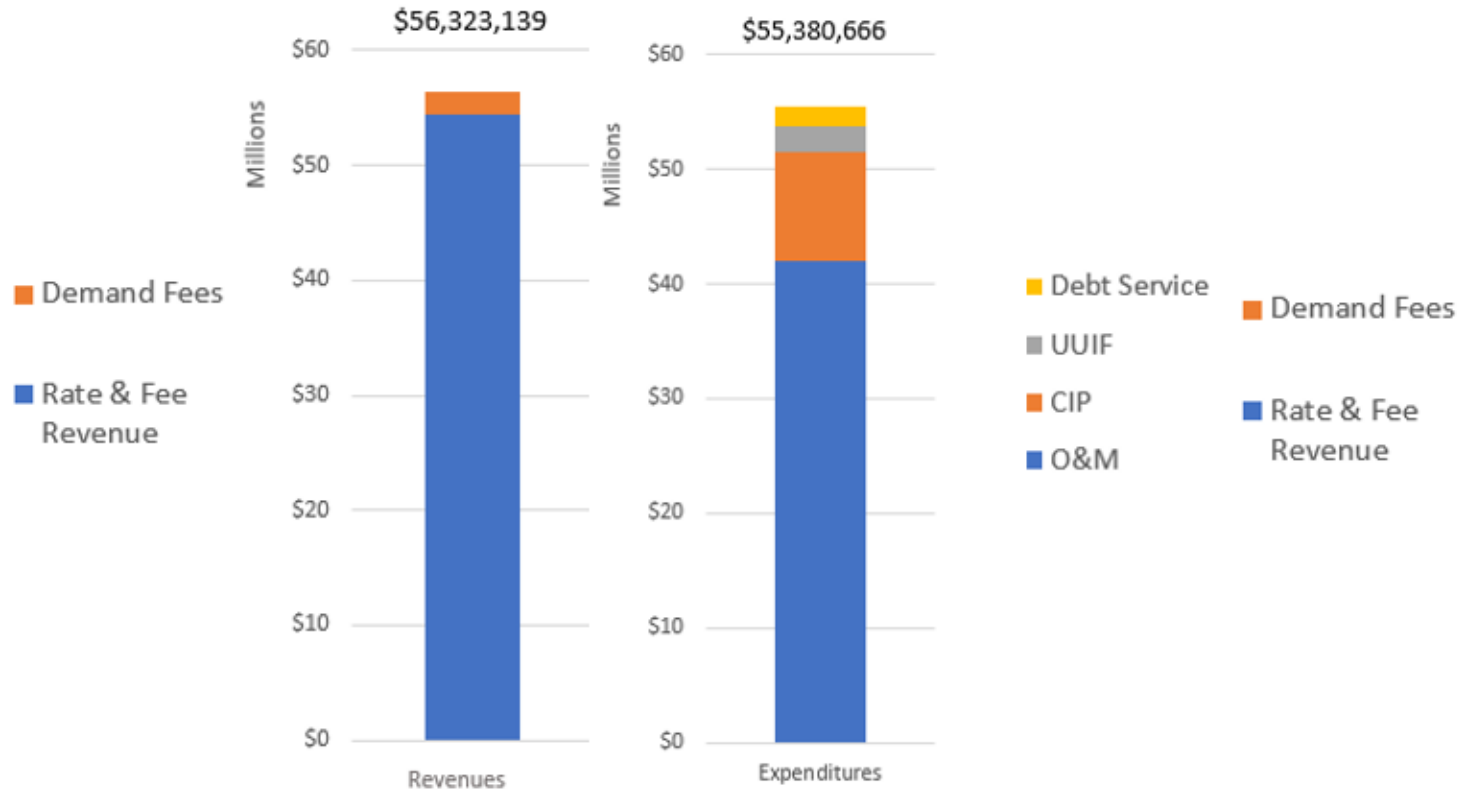
- **Operating**
 - \$1,931,149
- **Catastrophic**
 - \$6,800,000
- **Undesignated**
 - \$14,759,869
 - +\$1,075,173
- **Rate Stabilization**
 - \$1,000,000

Regional

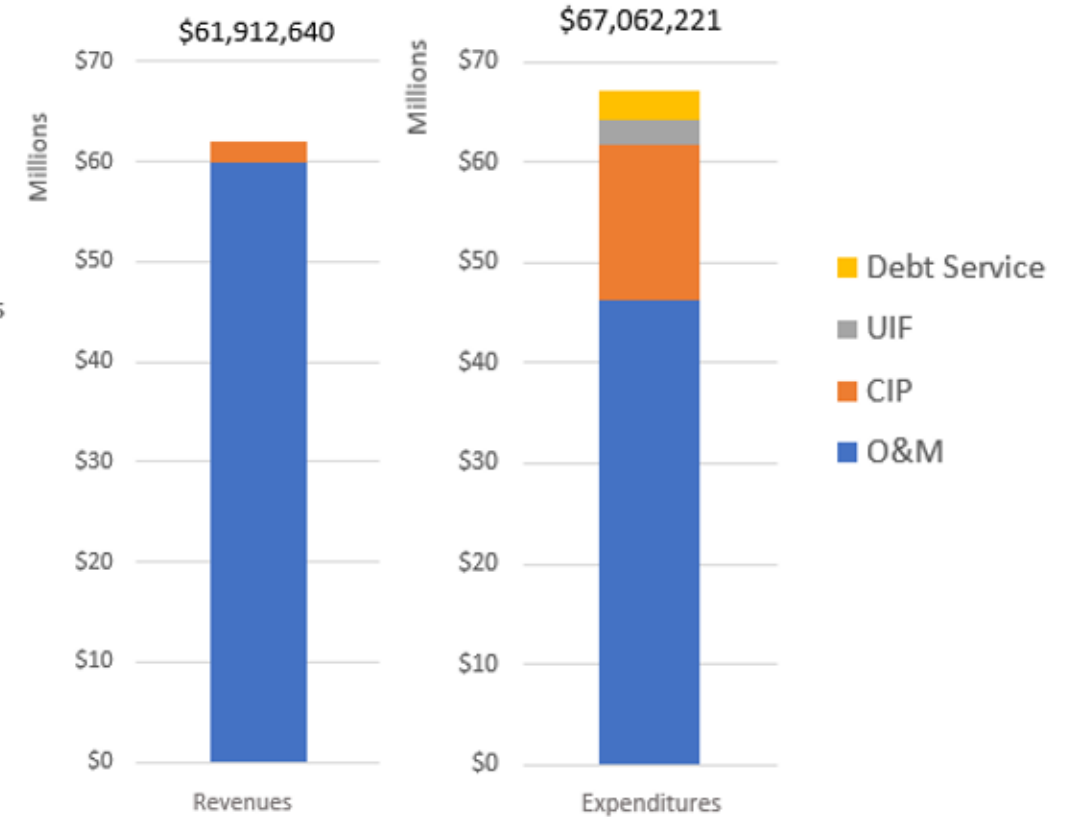
- **Operating**
 - \$6,053,551
- **Catastrophic**
 - \$1,700,000
- **Refund Reserve**
 - \$8,816,830
 - +\$5.9 mil
- **Geysers**
 - \$1,250,000

Undesignated Fund Balance – Water

FY 2024/25 Surplus Budget \$942K



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

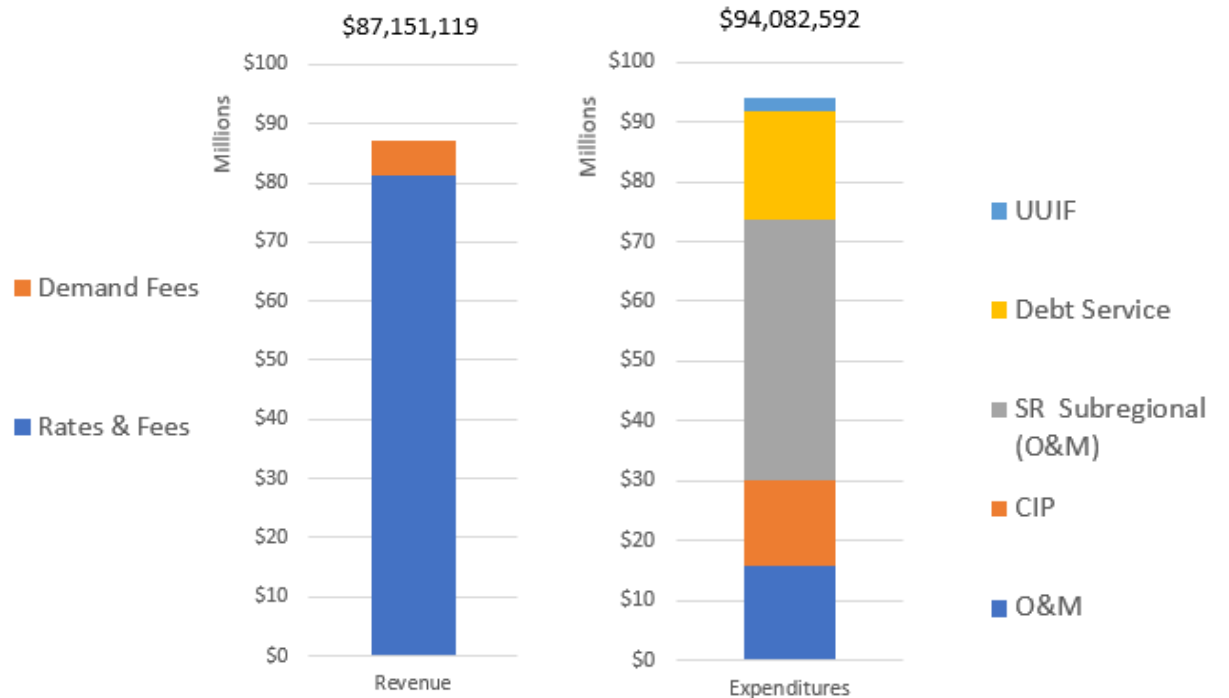


Undesignated Fund Balance – Local Wastewater

FY 2024/25 Surplus Budget \$890K



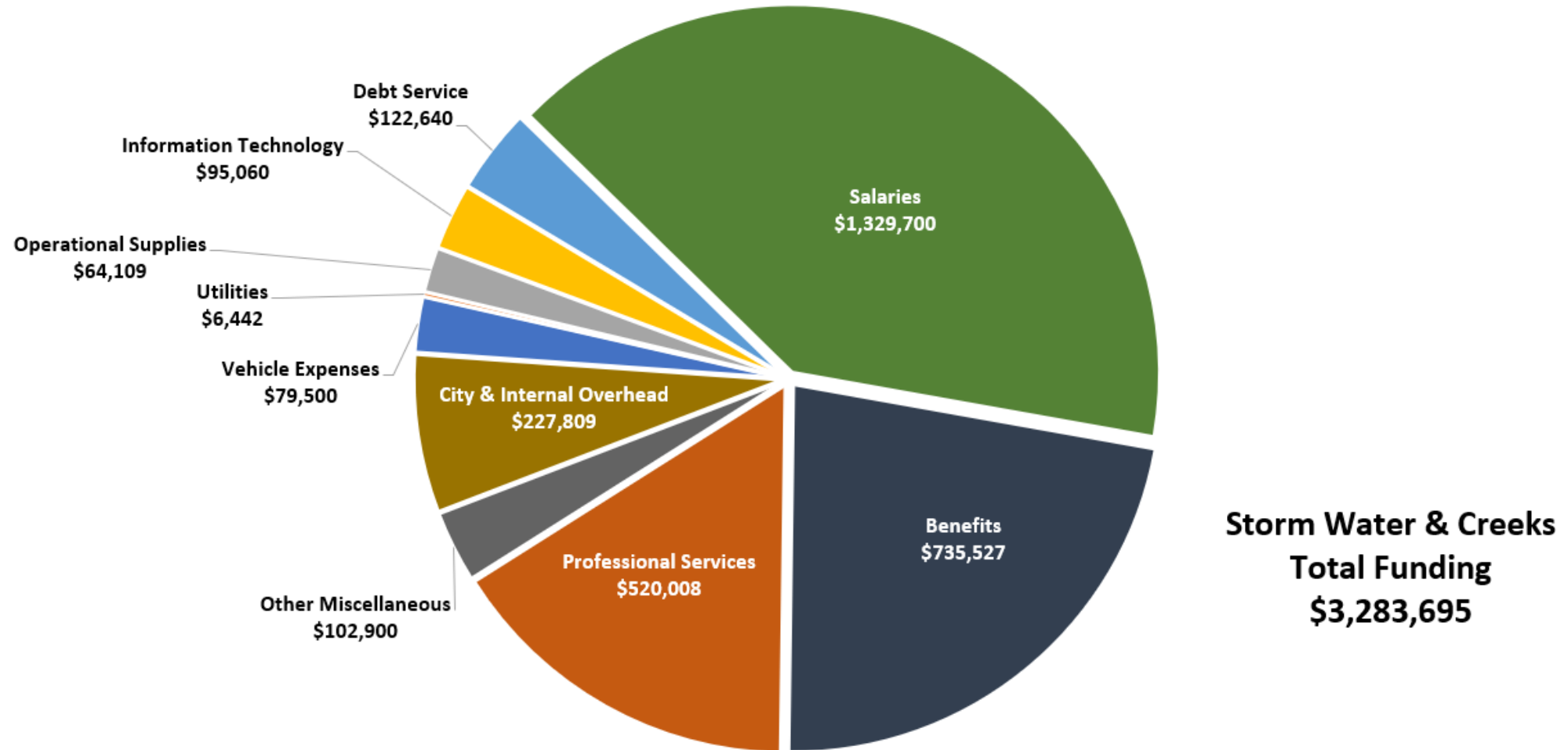
FY 2025/26 Deficit Budget (\$6.9M)



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 O&M



Storm Water and Creeks Enterprise Reserves

as of June 30,2024

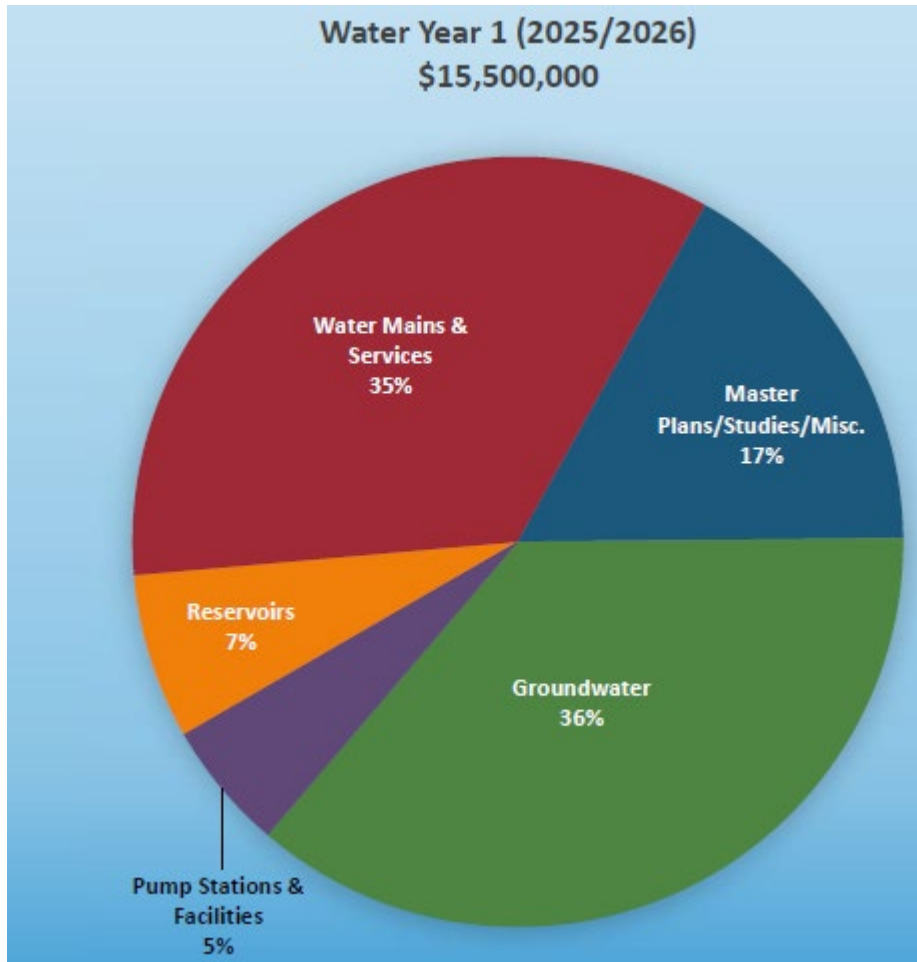
1671 – Storm Water Enterprise – Undesignated \$738,133 (\$6,480)

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

CIP Funding

- Proposed Funding
 - Water - \$15.5 Million
 - Wastewater - \$14.3 Million
 - Regional - \$12,000,000 – \$1 Million increase
 - Storm Water and Creeks - \$3,373,265

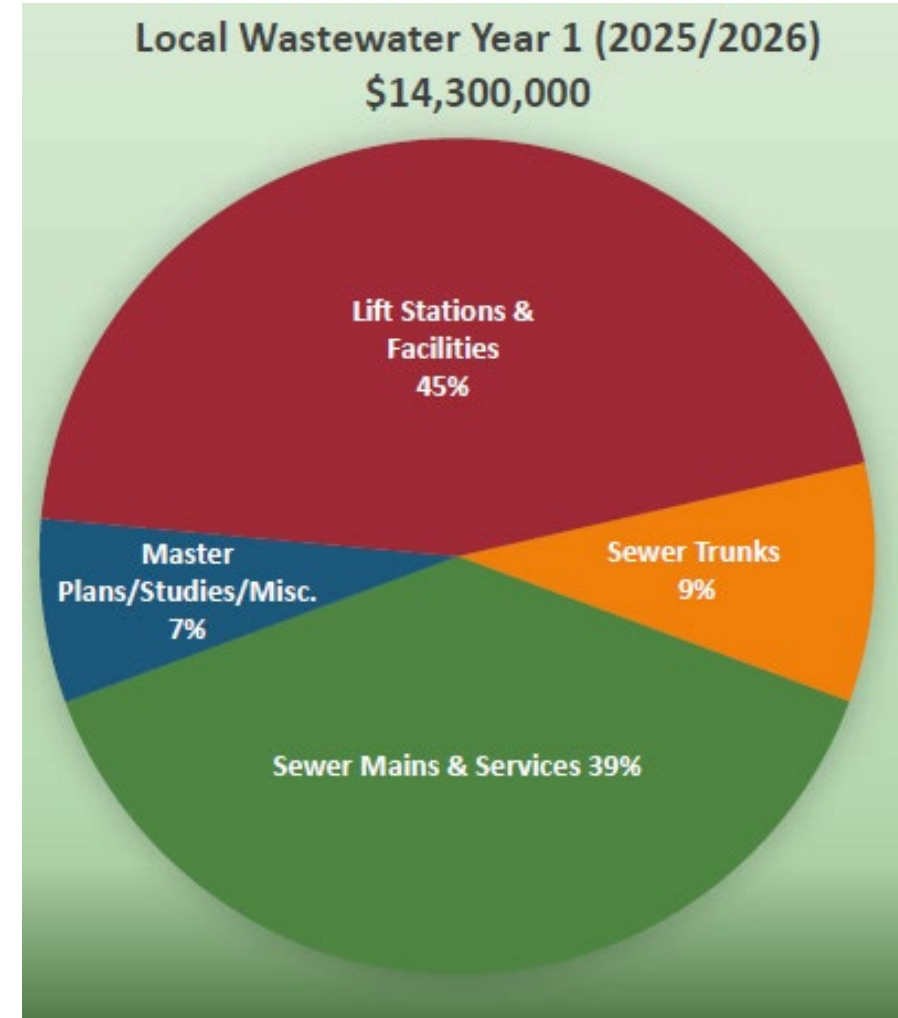
Water CIP 2025/26



- 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

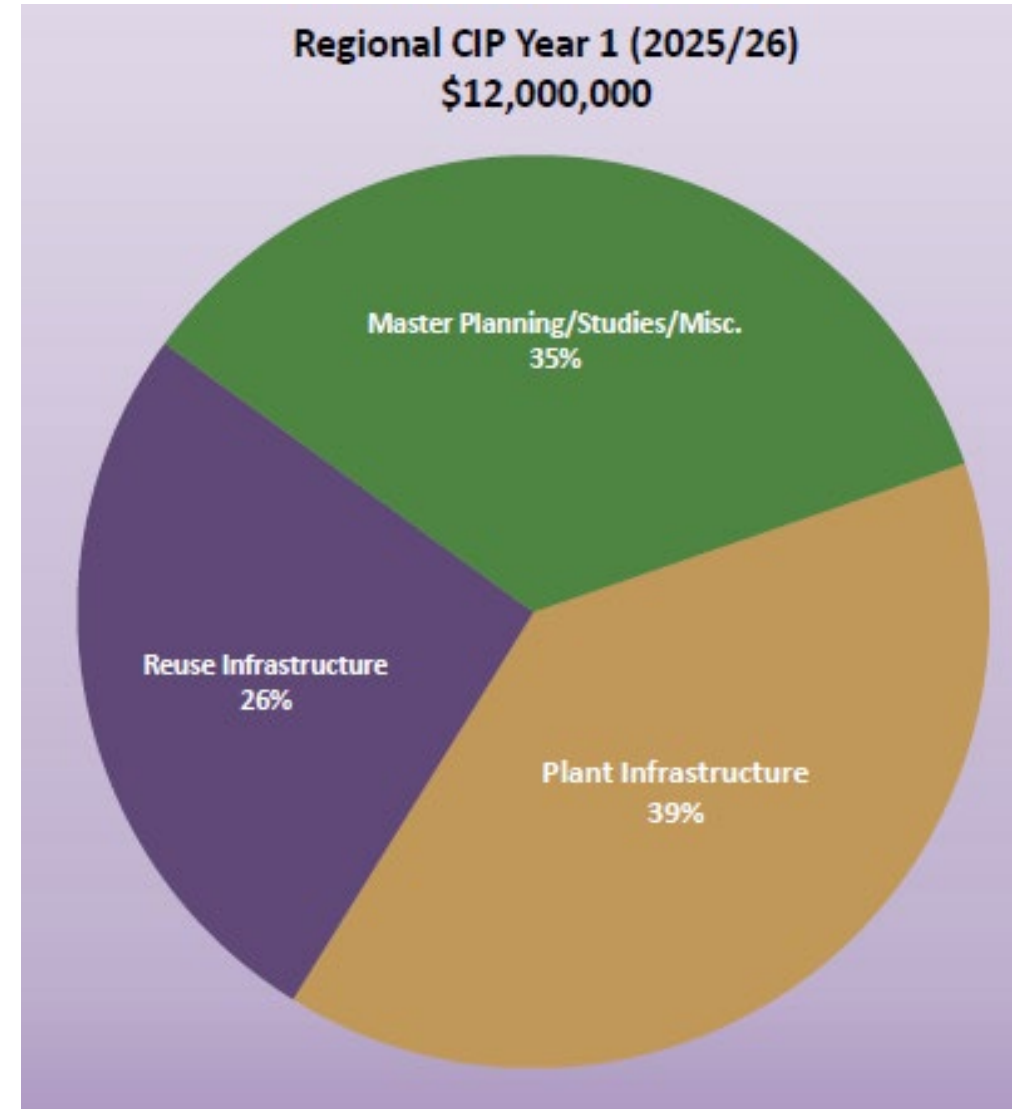
Local Wastewater CIP 2025/26

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



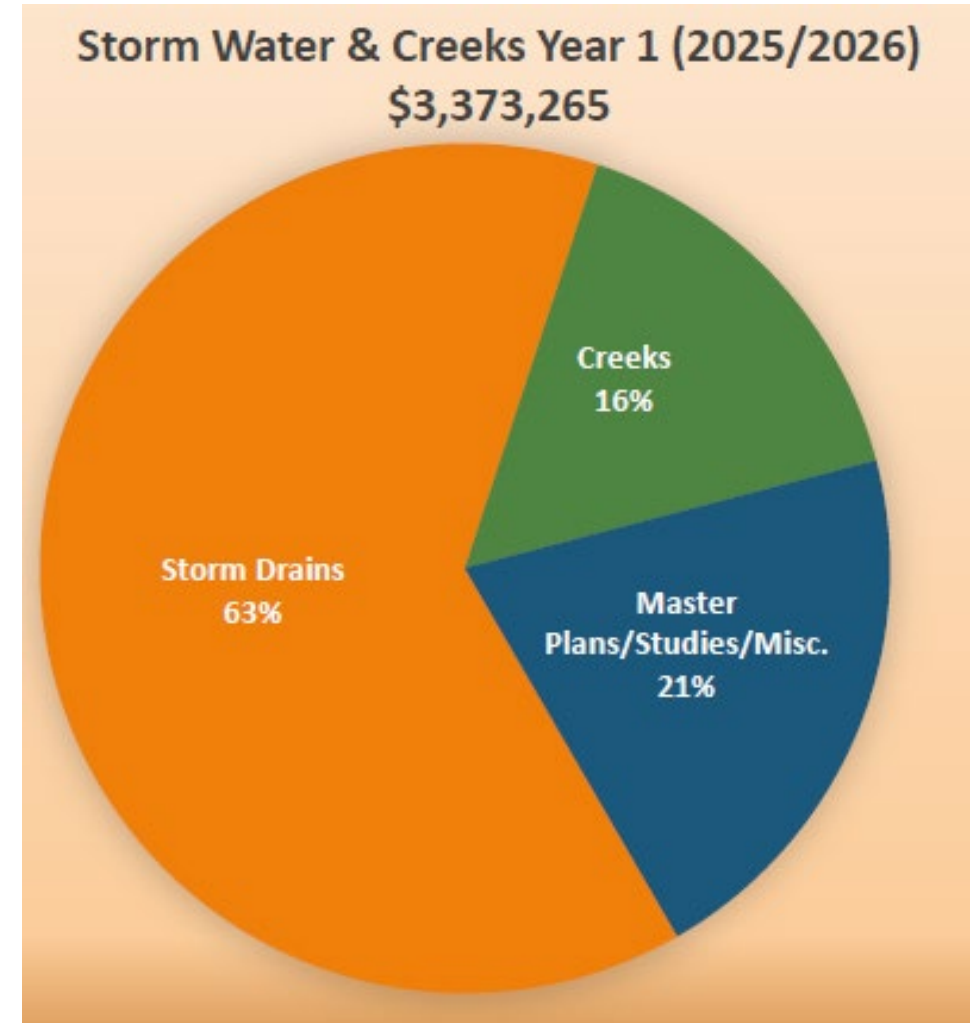
Regional CIP 2025/26

- 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			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
PID	Key	Project Title									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	\$0	\$900,000	\$900,000
2100	86582	Filter Influent Pmp Stn Discharge Piping	NEW	\$0	\$0	\$0		\$0	\$0	\$0	\$0	\$50,000	\$0	\$0	\$350,000	\$400,000
2102	86583	Biosolid Agitator Pos Ctl Improvements	NEW	\$0	\$0	\$0		\$0	\$0	\$0	\$0	\$0	\$250,000	\$0	\$0	\$250,000
2103	86584	LTP Booster Stn 1 Replacement	NEW	\$0	\$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	\$0	\$0	\$300,000	\$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

CIP Project Highlights

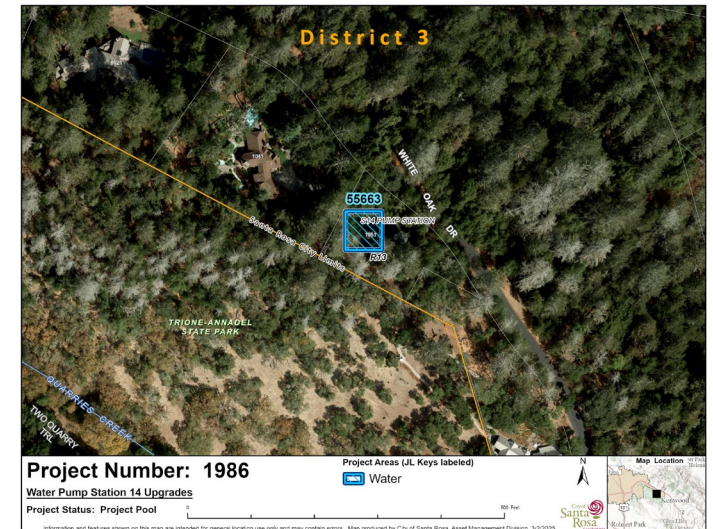
- **Water Projects**
 - Pump Stations
 - Groundwater Program
 - Water Mains & Services
- **Sewer Projects**
 - Sewer Mains & Services
 - Sewer Trunk Lines
- **Storm Water Projects**
 - McMinn Avenue Storm Drain Replacement
- **Regional Projects**
 - Subregional Mitigation Bank Development
 - Delta Pond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

Water Pump Stations

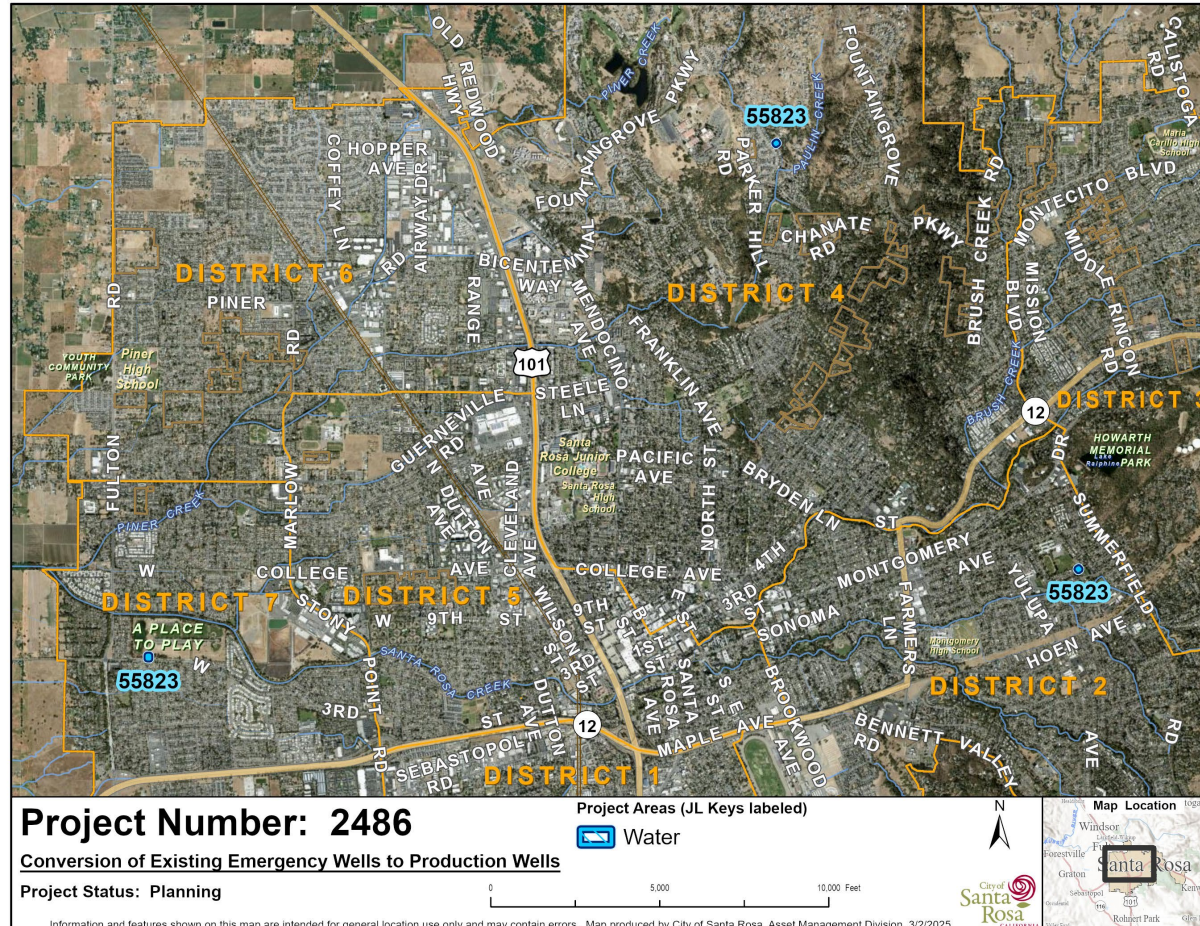
PID 1713 S13 Pump Station Upgrades & PID 1986 S14 Pump Station Upgrades

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

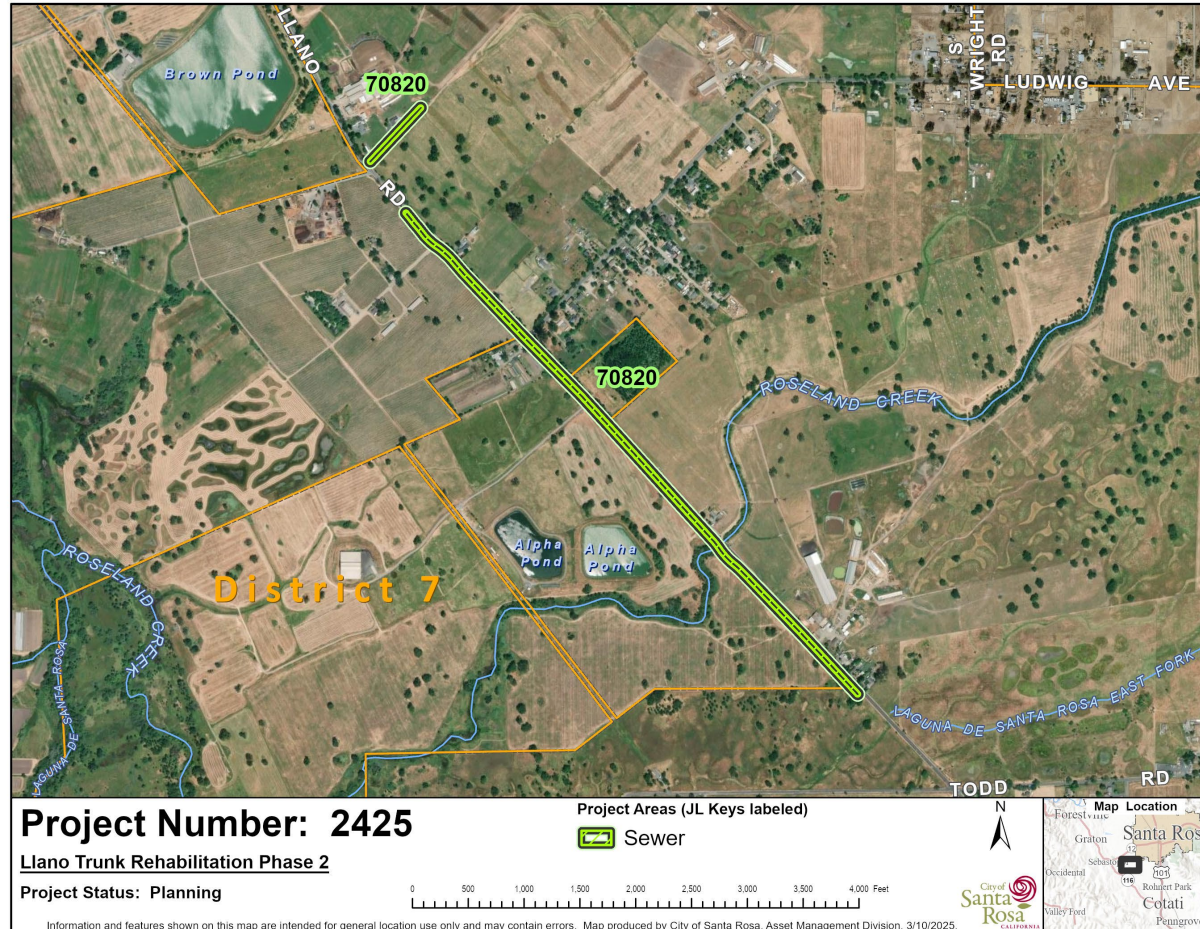
Water and Sewer Main Replacements

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

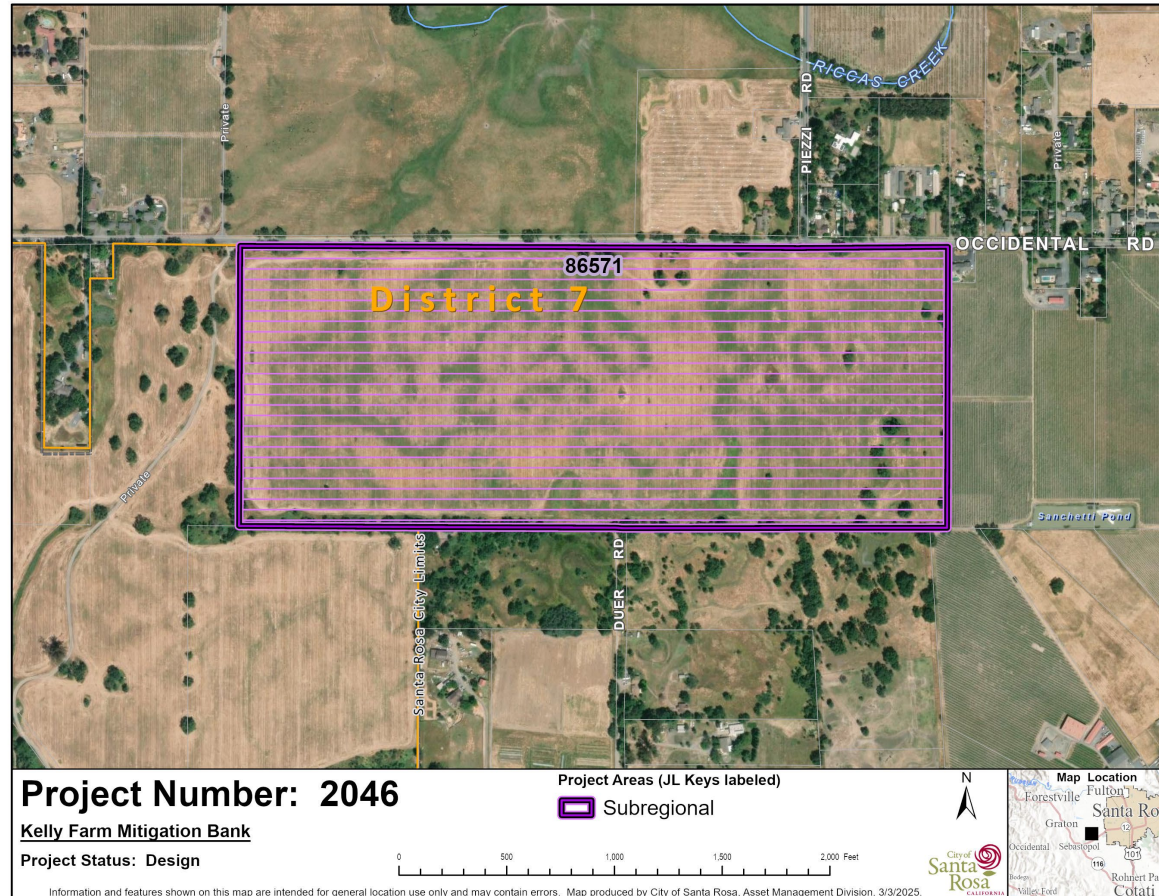
Storm Water

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



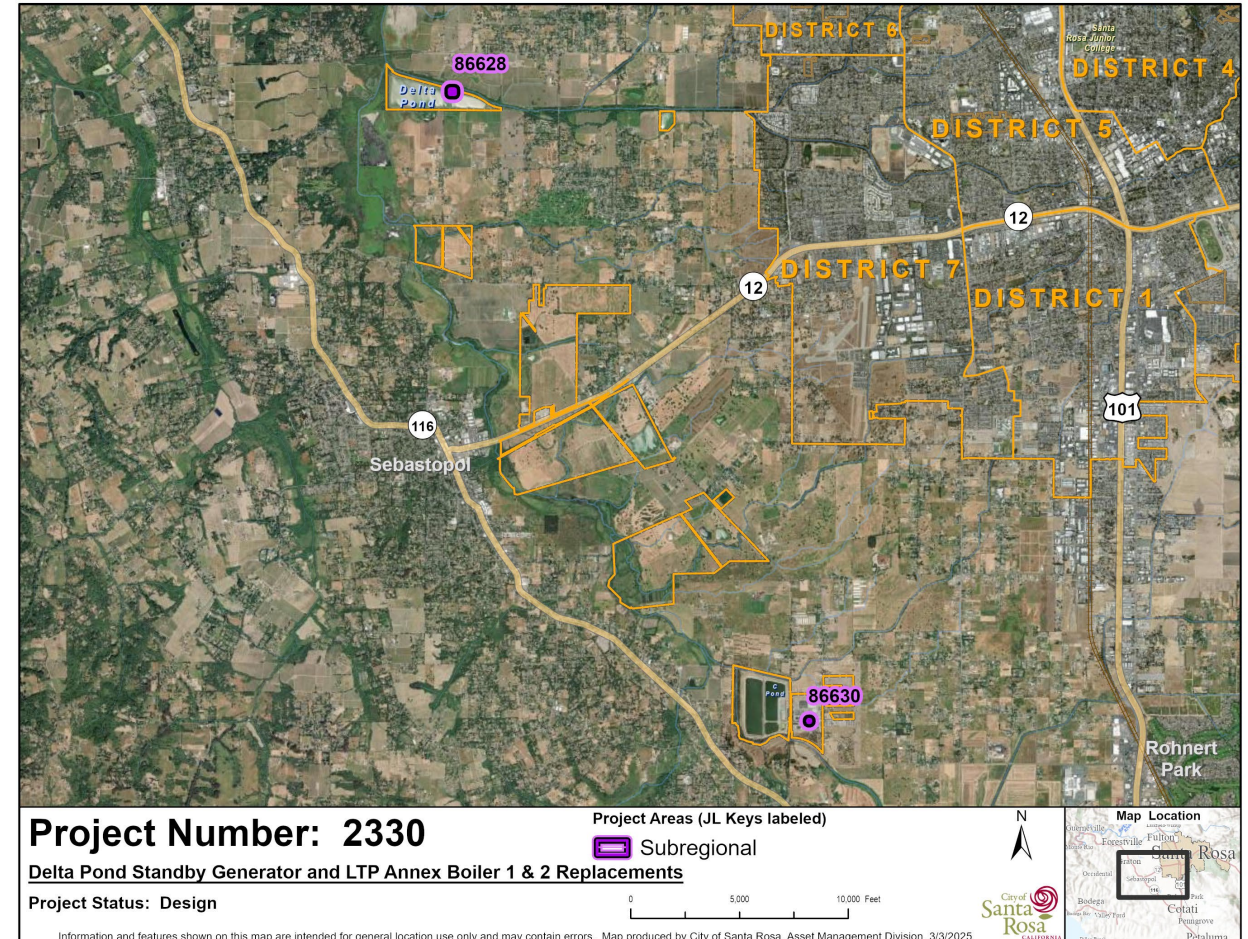
PID 2046 Subregional Mitigation Bank Development

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

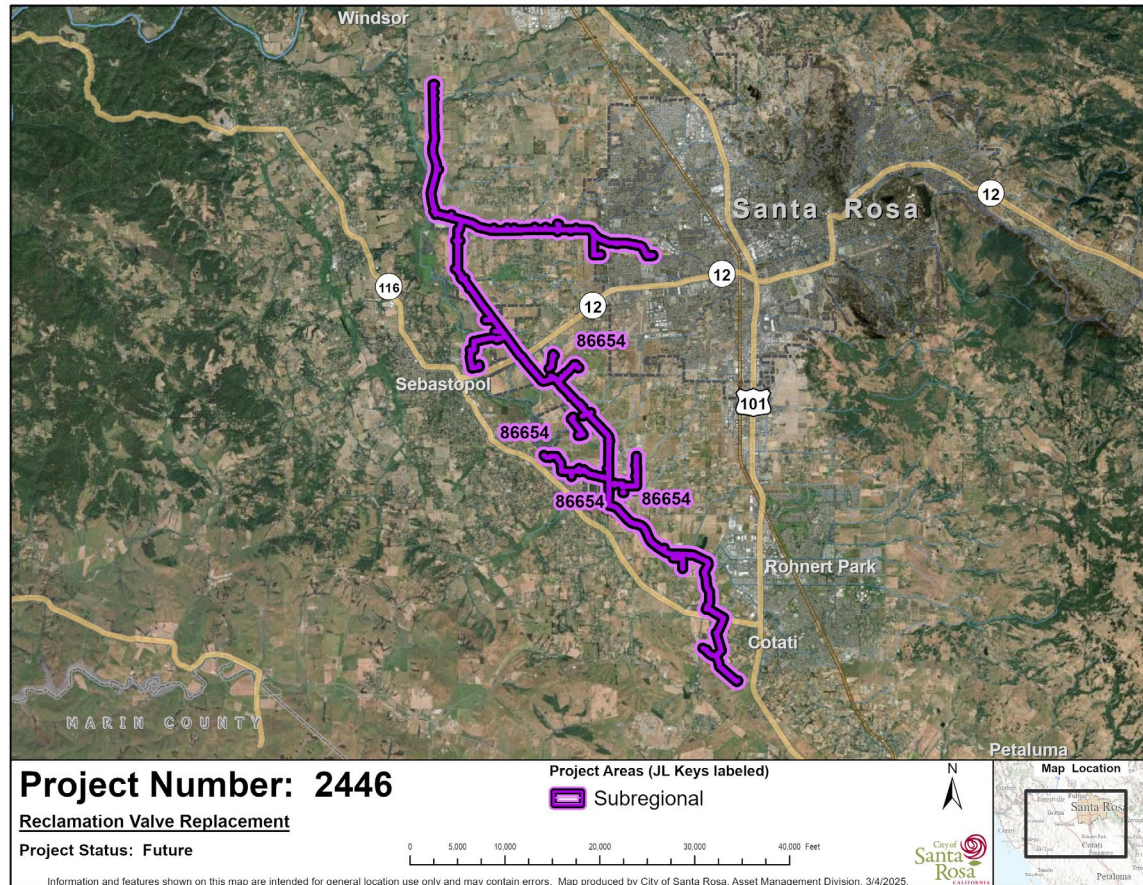
Regional

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

Budget Schedule

- **SubTAC** – April 3rd
 - Regional Budget Review and Recommendation by Partner Agencies
- **BPU** – April 3rd
 - O&M and CIP Study Session
 - Recommendation of FY 2025/26 Regional Reuse Budget & Allocations
- **City Council** – April 15th
 - Preliminary approval of Regional Budget
- **BPU** – April 17th
 - Recommendation of FY 2025/26 Water, Wastewater, and Storm water and Creeks Budget
- **City Council** – May 6th & 7th
 - Budget Study Sessions
- **City Council** – June 17th
 - Budget Adoption

DISCUSSION / QUESTIONS?

Recommendation

It is recommended by Santa Rosa Water that the Board of Public Utilities Budget Review Subcommittee, by motion, recommend that the Board of Public Utilities approve the Fiscal Year 2025/26 Water, Local Wastewater, Regional Reuse and Storm water and Creeks Enterprise operations and maintenance and capital expenditure appropriation requests

CONNECT WITH US!

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