

**SOCWA Budget  
Baseline Assumptions  
& Schedule  
2024/2025 Fiscal Year  
January 16, 2024**

# Baseline Budget Assumptions

## ➤ January 16, 2024 – Base Assumptions & Schedule Review

### ❖ Base Budget Assumptions

#### ❖ Headcount:

- Add (1) FTE in Environmental, Split between Pretreatment and Laboratory
- Engineering remains at full staffing, (3 positions)
- Scenarios will be completed for alternative operations of SOCWA's Treatment Plants based on the Direction of the Board
- Admin Headcount remains Flat and Staff will continue to work Efficiency Improvements

Department	FY 2022-23 Budget	FY 2023-24 Budget
Operations	40	39
Environmental Compliance & Safety	10	10
Engineering	3	3
Administration	8	8
IT	1	1
<b>Total</b>	<b>62</b>	<b>61</b>

# Baseline Budget Assumptions

- ❖ Contractual Obligations
  - COLA, X %, MOU TBD; negotiations are underway (December CPI, 3.5%, November, 2.8%)
  - Average 3% Merit Increase
  
  - Expected Inflationary and supply chain increases:
    - Electricity, 10% JBL & RTP, 20% CTP
    - Natural Gas, 13.2%
    - Chemicals, varies
    - O&M Maintenance & Services
    - Biosolids Hauling, 9% increase

# Baseline Budget Assumptions

## O&M Budget Assumptions

- Flows are to be reviewed at the Engineering Committee and made available to Member Agencies for comment.
- SMWD Flows and Solids to JBL (PC2) will include Oso Plant flows through 2025.
- CPUC past and projected rate increases are used to calculate most utility cost changes:
  - JBL and RTP Electricity (JBL TOU-PAT-1-G/PA3-CPPD/A3-P/M & RTP-TOU-8-E) – 10%
  - Increase electricity usage for expected outages for upcoming Cogen 60,000-hour service (2 months)
  - CTP Electricity (TOU-PA-3-D) – 20%
  - Natural Gas – 13.2%
- Inflation for non-labor expenses is assumed at an average of 3%.
- Long-term contract rates are used to budget contracted supplies and services.
- O&M Budget Assumptions
- Biosolids 9% increase due to fewer operating days for the lowest cost option Prima Deshecha Landfill (new restrictions placed on hot and windy days)
- Increased training budget due to employee needs
- Budgets to electrify fleet starting in FY24-25
  - Adding EV charging stations at each site (est. \$50,000 per site)
  - Replace two (2) propane forklifts (circa 2008 units) with electric units
  - Program the replacement of the Peterbilt and Ford Crane in the large CIP with electric vehicles (based on ongoing staff review of expected life TBD)
  - All future fleet purchases to be electric, unless diesel for emergency response

# Baseline Budget Assumptions

## Compliance Budget Assumptions

- Add one (1) FTE: Split between Pretreatment and Laboratory based on increased workload from new regulations including newly passed DPR.
- Plume Tracking completion resulting in sharp budget reductions for PC5 & PC24
- Intensive monitoring of the Southern California Bight will slightly increase monitoring services.
- Additional management services for climate change adaption & air toxics compliance regulations pending approval
- Salt and Nutrient Management Plan completion in FY 24-25 with support needed for Master Recycled Water Waste Discharge permit needed.
- Molecular technologies for beach monitoring consumables are expected to increase by 5%
- Management support services for the development of research priorities are expected to increase by 5%
- Water Quality fees set by SWRCB to increase all budgets by an estimated 15%
- Pretreatment and safety budgets inflation increase by 3%

# Baseline Budget Assumptions

- January 16, 2024 – Base Assumptions & Schedule Review
  - ❖ Capital Program Approach
    - 2-year budget being updated for Engineering Committee review
    - Actual spending will depend on hiring two additional engineers (budget based on full staffing)

# Finance Committee Budget Schedule

A Schedule will be presented at the next meeting.