

Regular Council Meeting

June 4, 2025

FRESNO CITY COUNCIL



Supplement Packet

ITEM(S)

(ID 25-721)

Department of Public Utilities

Contents of Supplement: Presentation

Supplemental Information:

Any agenda related public documents received and distributed to a majority of the City Council after the Agenda Packet is printed are included in Supplemental Packets. Supplemental Packets are produced as needed. The Supplemental Packet is available for public inspection in the City Clerk's Office, 2600 Fresno Street, during normal business hours (main location pursuant to the Brown Act, G.C. 54957.5(2)). In addition, Supplemental Packets are available for public review at the City Council meeting in the City Council Chambers, 2600 Fresno Street. Supplemental Packets are also available on-line on the City Clerk's website.

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CITY OF FRESNO
CITY CLERK'S OFFICE



MAYOR'S PROPOSED BUDGET FY 2026

Department of Public Utilities

Budget Presentation

JUNE 4, 2025

Department of Public Utilities

FY 2026 Total Budget

Category	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Amended	FY 2026 Proposed
Personnel	\$ 50,944,446	\$ 54,898,129	\$ 66,930,200	\$ 64,248,200
Non-Personnel	76,488,875	112,052,280	108,252,400	111,888,300
Interdepartmental	41,892,065	38,696,485	42,644,400	42,030,500
Operating Subtotal	\$ 169,325,387	\$ 205,646,893	\$ 217,827,000	\$ 218,167,000
Debt Service	26,553,443	26,524,460	32,433,600	33,145,600
Capital	36,091,691	42,226,760	136,114,900	140,717,500
Total	\$ 231,970,521	\$ 274,398,113	\$ 386,375,500	\$ 392,030,100



Department of Public Utilities

FY 2026 Total Budget – Administration / Utilities Planning & Engineering

Category	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Amended	FY 2026 Proposed
Personnel	\$ 3,039,578	\$ 3,348,587	\$ 3,931,600	\$ 4,203,600
Non-Personnel	1,296,967	1,013,153	1,703,300	1,403,300
Interdepartmental	821,094	1,059,523	1,856,500	2,017,000
Total	\$ 5,157,639	\$ 5,421,263	\$ 7,491,400	\$ 7,623,900



Department of Public Utilities

FY 2026 Total Budget – Solid Waste Management Division

Category	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Amended	FY 2026 Proposed
Personnel	\$ 15,186,261	\$ 16,666,901	\$ 20,346,600	\$ 19,632,900
Non-Personnel	10,866,763	13,288,926	16,952,500	17,093,500
Interdepartmental	12,361,098	13,795,372	13,113,700	14,682,400
Operating Subtotal	\$ 38,414,122	\$ 43,751,199	\$ 50,412,800	\$ 51,408,800
Capital	1,098,047	1,044,989	4,830,400	3,332,500
Total	\$ 39,512,169	\$ 44,796,188	\$ 55,243,200	\$ 54,741,300

Notes

1. General Fund personnel attrition rate of 6.18% in FY 2025 increased to 11.18%, or \$158,000, in FY 2026
2. Solid Waste Enterprise personnel attrition rate of 6.18% accounted for in FY 2026
3. Community Sanitation personnel attrition rate of 6.18% accounted for in FY 2026



Department of Public Utilities

FY 2026 Total Budget – Water Division

Category	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Amended	FY 2026 Proposed
Personnel	\$ 16,999,822	\$ 17,863,649	\$ 22,000,600	\$ 20,713,800
Non-Personnel	39,403,962	59,064,835	56,336,800	61,488,400
Interdepartmental	18,755,274	14,314,150	15,424,100	14,840,800
Operating Subtotal	\$ 75,159,059	\$ 91,242,634	\$ 93,761,500	\$ 97,043,000
Capital	13,000,815	17,514,546	69,887,400	64,859,600
Debt Service	23,155,217	23,127,087	27,451,900	27,356,100
Total	\$ 111,315,091	\$ 131,884,264	\$ 191,100,800	\$ 189,258,700

Notes

1. Personnel Water Enterprise attrition rate of 6.18% accounted for in FY 2026
2. Includes Downtown Water Go Biz Grant in operating subtotal



Department of Public Utilities

FY 2026 Total Budget – Wastewater Management Division

Category	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Amended	FY 2026 Proposed
Personnel	\$ 15,351,816	\$ 16,987,662	\$ 20,651,400	\$ 19,697,900
Non-Personnel	24,896,335	38,685,366	33,259,800	31,903,100
Interdepartmental	10,199,679	9,527,005	12,250,100	10,490,300
Operating Subtotal	\$ 50,447,830	\$ 65,200,033	\$ 66,161,300	\$ 62,091,300
Capital	21,992,828	23,667,225	61,397,100	72,525,400
Debt Service	3,398,226	3,397,376	4,981,700	5,789,500
Total	\$ 75,838,884	\$ 92,264,634	\$ 132,540,100	\$ 140,406,200

Notes

1. Personnel Wastewater Operating attrition rate of 6.18% accounted for in FY 2026
2. Includes Downtown Water Go Biz Grant in operating subtotal



Department of Public Utilities

FY 2026 Budgeted Positions

Category	FY 2024 Adopted	FY 2025 Adopted	FY 2025 Amended	FY 2026 Changes	FY 2026 Proposed
Administration	52.80	36.30	36.30	3.00	39.30
Solid Waste Management	200.00	202.00	202.00	0.00	202.00
Water	194.00	201.00	201.00	1.75	202.75
Wastewater Management	174.25	181.00	181.00	2.50	183.50
Total	621.05	620.30	620.30	7.25	627.55

Notes: The Department is adding a total of 5 new positions.

1. Administration Division is adding 1 Licensed Engineer Manager and 1 Project Administrator at 0.75 FTE each and making whole 6 positions added in FY 2025
2. Water Division is adding 1 Projects Administrator and transferred 1 Water Systems Telemetry & DC Specialist from the Information Services Department
3. Wastewater Management Division is adding 2 Staff Assistants and making whole 4 positions added in FY 2025



Department of Public Utilities

FY 2026 Operational Impacts – Solid Waste Management Division

Description	FY 2026 Proposed
1) Vehicle Replacements	\$ 470,900
2) Hazardous Waste Support	\$ 72,800
3) Move from MSC to DPU Operations Building	\$ 28,600

Notes:

1. Replacement of 21 vehicles that have reached the end of their useful life as part of 5-year Rate Plan.
2. The Solid Waste Management Division will be coordinating efforts for pickup and disposal of Citywide Hazardous Waste by managing open contracts with on call contracted providers and providing staff at secure sites, coordinate pickups, and manage drop off locations for minor containable items.
3. Costs associated with moving 30 office staff to the DPU Operations Building from the Municipal Services Center.



Department of Public Utilities

FY 2026 Operational Impacts – Water Division

Description	FY 2026 Proposed
1) Water Purchases	\$ 14,057,900
2) Specialized Services/Tech	\$ 3,225,200
3) Vehicle Replacements	\$ 195,500
4) Non-Revenue Water (NRW) Crew	\$ 110,900
5) Equipment	\$ 34,400

Notes:

1. This includes Central Valley Project (CVP) water deliveries based on a full allocation of 60,000 Acre Feet (AF) which is a 10% hike in assessments from Fresno Irrigation District (FID); and Friant Water Authority (FWA) costs for conveyance, pumping and capital improvement projects. Increase of \$742,700.
2. This includes increases in the annual service charges for the Badger Beacon meter contract and BSK Associates contract. The Badger Beacon SaaS product and services is required to continue providing water utility billing services to the City's approximate 141,500 accounts. The contract with BSK Associates is required to continue providing Laboratory Testing services for potable and non-potable water analysis. Total increase of \$598,500.
3. The addition of a Projects Administrator will enable oversight of the entire NRW program and its objectives: reduce water loss, enhance billing accuracy, improve system efficiency, sustainability, and conservation.
4. Replacement of 6 vehicles that have reached the end of their useful life.
5. New and replacement computer and communication equipment for staff.



Department of Public Utilities

FY 2026 Operational Impacts – Wastewater Management Division

Description	FY 2026 Proposed
1) Technology Replacement Purchase <ul style="list-style-type: none"> ➤ FOG Software ➤ LTE Cradle Devices for use at Sanitary Sewer Lift Stations 	\$ 86,100
2) Two new Staff Assistants and vehicle	\$ 129,100

Notes:

1. This includes the replacement of the current new Fats, Oils, and Greases (FOG) program management system as the application is being phased out. The new system will allow the FOG program to become more proactive instead of reactive. Additionally, to upgrade to a Verizon LTE cradle system to transmit SCADA System data and surveillance feed at Sanitary Sewer Lift Stations.
2. New staff will establish a dedicated team to Quality Control all incoming CCTV footage from gravity sewer mains and access structures. This will enable the Collection System Maintenance workgroup to proactively inspect infrastructure.



Department of Public Utilities

FY 2026 Budget – Major Capital Improvement Projects

Division	Project Name	FY 2026 Proposed
Wastewater Management Division	1) Biosolids Processing Improvements (Cake Pump)	\$ 10,480,200
Wastewater Management Division	2) Renewable Natural Gas Diversion	\$ 10,075,500
Wastewater Management Division	3) Sewer Rehab – Ashlan/ Gettysburg/ Milburn/ Cedar	\$ 8,660,300
Water Division	4) Leaky Acres Improvements	\$ 4,643,100
Water Division	5) Northwest Fresno Recharge Basin	\$ 3,532,700
Split project with Water, SWMD and WMD	6) DPU O&M Facility site improvements	\$ 5,969,500



Department of Public Utilities

Federal & State Grants

Description	FY 2026 Proposed
Federal:	
1) Water Drought Resiliency	\$ 805,900
State:	
1) Leaky Acres Groundwater Recharge	\$ 4,643,100
2) Expanded Lawn to Garden	\$ 3,266,600
3) CalRecycle Grants	\$ 732,200

Notes:

1. The proposed Project will install wellhead treatment to remove both hydrogen sulfide and manganese from groundwater produced at Well 345-1 to bolster the City's available groundwater supplies for greater drought resiliency.
2. Leaky Acre improvements will substantially increase recharge basin percolation rates and provide greater operational efficiency.
3. Expanded Lawn to Garden Rebate Program to increase conservation of potable water used for residential and commercial irrigation.
4. CalRecycle grants support recycling efforts in beverage container redemption, organics diversion, and Hazardous Waste.



Department of Public Utilities

Program & Project Highlights

Description	FY 2026 Proposed
1) Water – Expanded Lawn to Garden	\$ 3,266,600
2) SWMD – Equipment Replacement	\$ 470,900
3) SWMD – Hazardous Waste Disposal	\$ 72,800
4) SWMD – Bulky Item Pickup	\$ 0
5) WMD – RWRF Energy Efficiency Projects	\$ 0

Notes:

1. 97 current applications out of a goal of 820 –96 Residential and 1 Commercial. Grant funded.
2. SWMD – Equipment replacement Lease to Purchase 13 Side Loaders, 2 Rear Loaders, 2 Claws, 1 Sweeper and 3 Pickups.
3. SWMD – coordinate efforts for pick-up and disposal of Citywide hazardous waste by managing open contracts with on-call providers and provide staffing.
4. SWMD – One-time scheduled bulky item pickup begins July 1st. No additional charge, included in SW service rate.
5. WMD – RWRF energy efficiency projects, aeration system and electrical upgrades, and control strategy improvements. Ongoing payments out of escrow account.



Department of Public Utilities

Community Outreach Highlights – Water Division

➤ Water Conservation Program

1. The City of Fresno is committed to water conservation, the protection of our water supply, and customer education regarding water use.
2. Eye on Water Mobile app available for customers.
3. Deliver professional, courteous customer service and water conservation education to the public by offering Leak Surveys, Timer Tutorials, Landscape Consultations, and multiple rebates.
4. Organized and hosted multiple community events, successfully educating and engaging over 1,000 customers.
5. CART Program: Mentoring high school students in environmental science by measuring water efficiency of drip irrigation on 100 lavender plants.



Department of Public Utilities

Community Outreach Highlights – Solid Waste Management Division

- **Recycling** and Organics outreach efforts continue with our presence in the community with education efforts for recycling, especially with organics food waste disposal.
 1. 67 School Education presentations reaching 7,488 students.
 2. 29 outreach events reaching 7,822 people.
 3. Used Motor Oil Program collected 7,246 gallons of used motor oil and 16,200 used motor oil filters for recycling.
 4. Ramp up outreach efforts for SB1383 with distribution of organics kitchen pails for residents and expanded media education.
 5. Direct community engagement to reduce recyclables contamination.
- **Beautify Fresno** hosts approximately 150 cleanup and beautification events each year, engaging over 9,000 volunteers and partnering with more than 375 organizations. These efforts result in the removal of over 118,000 pounds of trash, the elimination of more than 100,000 square feet of graffiti, and the planting of 100 trees annually.
- **Beautify Quads** - teams divided into four city quadrants to maximize litter abatement. Since July 1, 2024, removed more than 2.5 million pounds of trash.



Department of Public Utilities

Community Outreach Highlights – Wastewater Management Division

➤ **Fats, Oils, and Grease (FOG) Program**

Expand emphasis on the FOG Program to reduce Sanitary Sewer Overflows (SSOs) and blockages, and to protect public health and the environment by minimizing public exposure to unsanitary conditions. By controlling the discharge of FOG to the collection system, excessive buildup in sewer lines can be lessened, thereby increasing the system's operating efficiency and reducing the number of sewer line blockages and overflows.



Questions

