

# Budget Hearings

June 7, 2023

## FRESNO CITY COUNCIL



### Supplemental Packet

#### ITEM(S)

**23-797 Department of Public Utilities**

**Supplement Content: PowerPoint Presentation**

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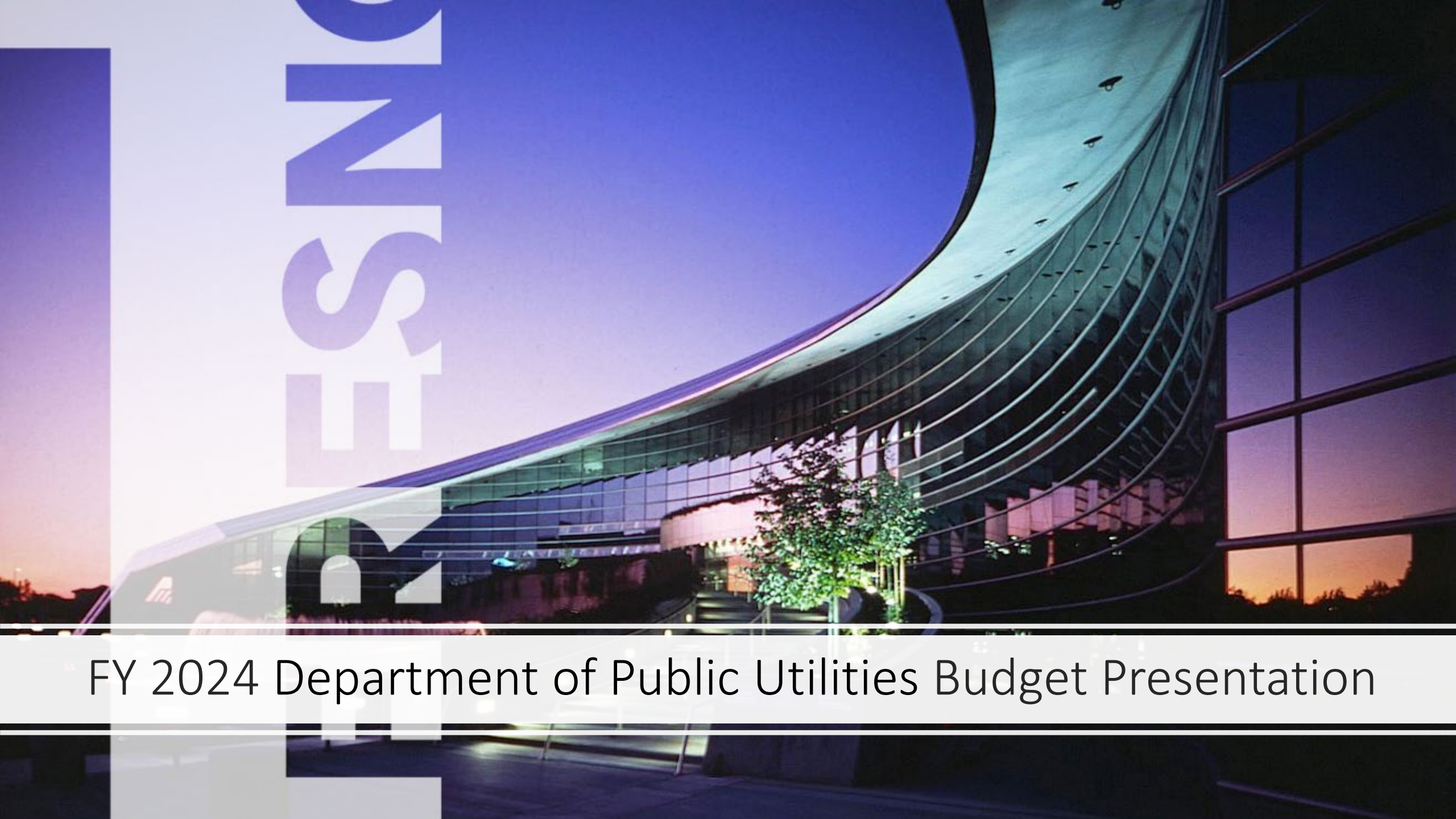
#### *Item(s)*

##### **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.

##### **Americans with Disabilities Act (ADA):**

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# FY 2024 Department of Public Utilities Budget Presentation

# Department of Public Utilities

## Mission Statement

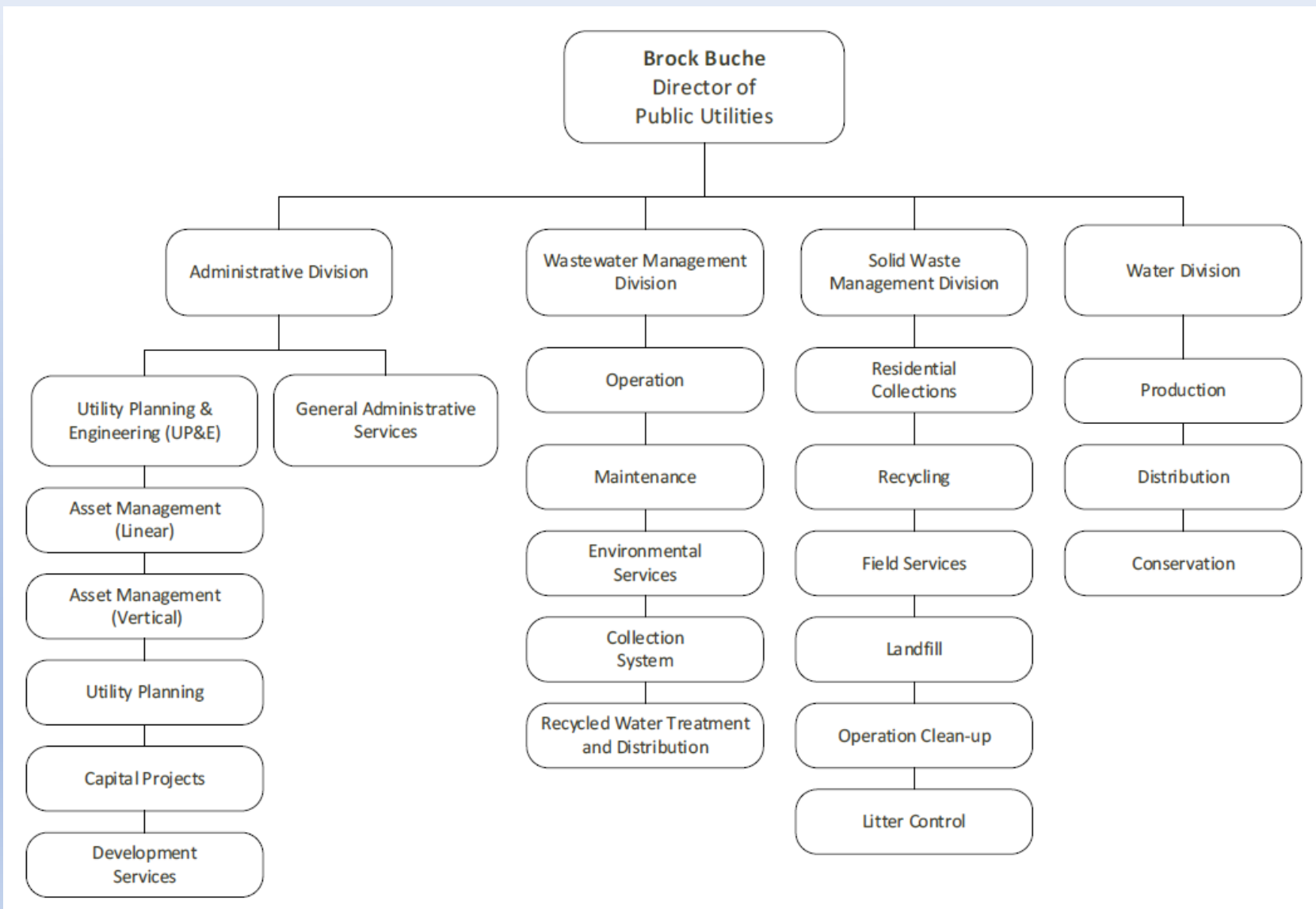
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The Department of Utilities (DPU) is a professional organization that provides reliable, efficient, and affordable water, wastewater, and solid waste services.

DPU is committed to its overall mission of delivering high quality utility services professionally, efficiently, and in an environmentally responsible manner to ensure the health and safety of our community.

# Department of Public Utilities

## Organization Chart



# Department of Public Utilities

## FY 2023 Accomplishments

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- Administration Division relocated to DPU O&M Facility (former Fresno Bee)
- Hired a Grant Coordinator (Business Manager)
- Was awarded a WaterSMART Water Energy and Efficiency Grant from the U.S. Bureau of Reclamation for the Smart Irrigation Controller Direct Install Project
- Began design on Recycled Water Storage Tank & Booster Pump Station
- Began construction on a new ultra-low NOx flare system at RWRF
- Made progress towards SB 1383 compliance
- Beautify Fresno hosted nearly 120 community-based events



# Department of Public Utilities

## FY 2024 Total Budget

Appropriation Type	FY 2021 Actuals	FY2022 Actuals	FY 2023 Amended	FY 2024 Proposed
Personnel	\$51,855,020	\$52,948,587	\$76,953,600	\$76,726,500
Non-Personnel	\$142,528,883	\$143,794,251	\$206,455,600	\$260,816,800
Interdepartmental	\$37,426,519	\$42,581,316	\$57,359,000	\$52,067,400
Total Department Expenditures	\$231,810,422	\$239,324,154	\$340,768,200	\$389,610,700

The following slides break down budget appropriations by division.

# Department of Public Utilities

## FY 2024 Budget – Administration/UP&E

Appropriation Type	FY 2021 Actuals	FY2022 Actuals	FY 2023 Amended	FY 2024 Proposed
Personnel	\$3,147,027	\$2,862,423	\$4,722,600	\$5,830,300
Non-Personnel	\$20,953	\$915,163	\$1,411,000	\$1,190,800
Interdepartmental	\$682,316	\$977,283	\$752,300	\$1,034,100
Total Division Expenditures	\$3,850,297	\$4,754,869	\$6,885,900	\$8,055,200

### Notes

DPU Administration/Utility Planning & Engineering Division’s FY24 Proposed Budget total is \$8,055,200

- Includes \$1,485,400 for DPU Operations & Maintenance Facility O&M Expenditure

# Department of Public Utilities

## FY 2024 Budget – Water Division

Appropriation Type	FY 2021 Actuals	FY2022 Actuals	FY 2023 Amended	FY 2024 Proposed
Personnel	\$18,328,550	\$18,320,271	\$29,772,400	\$27,324,500
Non-Personnel	\$100,020,350	\$78,520,836	\$101,704,000	\$135,138,700
Interdepartmental	\$11,821,057	\$14,473,354	\$28,413,400	\$16,681,700
Total Division Expenditures	\$130,169,958	\$111,314,461	\$159,889,800	\$179,144,900

### Notes

Water Division's expenditures include O&M, Capital, and Debt Service:

FY24 Proposed Budget Total = \$179,144,900

- FY24 O&M = \$86,734,500
- FY24 CIP = \$69,049,000
- FY24 Debt Service = \$ 23,361,400



# Department of Public Utilities

## FY 2024 Budget – Wastewater Management Division

Appropriation Type	FY 2021 Actuals	FY2022 Actuals	FY 2023 Amended	FY 2024 Proposed
Personnel	\$15,586,512	\$16,041,208	\$24,785,600	\$24,574,200
Non-Personnel	\$28,718,082	\$52,184,659	\$84,160,600	\$103,682,700
Interdepartmental	\$9,580,366	\$10,056,563	\$13,033,900	\$11,390,700
Total Division Expenditures	\$53,884,961	\$78,282,431	\$121,980,100	\$139,647,600

### Notes

Wastewater Management Division's expenditures include O&M, Capital, and Debt Service:

FY24 Proposed Budget Total = \$139,647,600

- FY24 O&M = \$58,661,800
- FY24 CIP = \$77,588,400
- FY24 Debt Service = \$3,397,400

# Department of Public Utilities

## FY 2024 Budget – Solid Waste Management Division

Appropriation Type	FY 2021 Actuals	FY2022 Actuals	FY 2023 Amended	FY 2024 Proposed
Personnel	\$13,936,823	\$14,977,113	\$17,673,000	\$18,997,500
Non-Personnel	\$13,551,160	\$12,107,565	\$19,150,100	\$20,804,600
Interdepartmental	\$15,304,711	\$16,822,905	\$15,155,700	\$22,960,900
<b>Total Division Expenditures</b>	<b>\$42,792,693</b>	<b>\$43,907,583</b>	<b>\$51,978,800</b>	<b>\$62,763,000</b>

### Notes

Solid Waste Management Division's expenditures include O&M and Capital:

- FY24 Proposed Budget Total = \$62,763,000
  - FY24 O&M = \$58,907,800
  - FY24 CIP = \$ 3,855,200
- FY24 Proposed Revenue Total = \$62,374,400
  - Including \$3,575,800 from Citywide General Fund Support

# Department of Public Utilities

## FY 2024 # of Budgeted Positions

Position Type	FY 2022 Adopted	FY 2023 Adopted	FY 2023 Amended	FY 2024 Changes	2024 Proposed
Administration <sup>(1)</sup>	37.80	48.55	48.55	4.25	52.80
Water Division <sup>(2)</sup>	195.00	192.00	192.00	2.00	194.00
Wastewater Management Division (WMD) <sup>(3)</sup>	181.00	174.00	174.00	0.25	174.25
Solid Waste Management Division (SWMD) <sup>(4)</sup>	177.00	194.00	194.00	6.00	200.00
Total	590.80	608.55	608.55	12.50	621.05

### Notes

1. The Administration Division's FY 2024 changes of 4.25 FTE equate to thirteen (13) new positions added in FY 2023 at 0.75 FTE each are now budgeted at whole 1.0 FTE each and one (1) position transferred back from the Department of Information Services at 1.0 FTE.
2. The Water Operations Division's FY 2024 changes of 2.0 FTE equate to four (4) new positions added in FY 2023 at 0.75 FTE each are now budgeted at a whole 1.0 FTE each and reallocating one (1) position from the Wastewater Management Division.
3. The WMD's FY 2024 changes of .25 FTE equate to the addition of three (3) new positions at .75 FTE each and reallocating one (1) position at 1.0 FTE to the Water Division and one (1) position at 1.0 FTE to the Solid Waste Division.
4. The SWMD's FY 2024 changes of 6.0 FTE equate to the addition of eight (8) new positions at .75 FTE for the expansion of proactive litter control services (patterned after District 7 Pilot Program) – Beautify Fresno.

# Department of Public Utilities – Water

## FY 2024 Budget - Most Impactful Items

Non-Position Type Budget	2024 Proposed
Water Purchases	\$12,976,300
Utilities	\$14,520,100
Specialty Chemicals and Gases	\$7,438,000
Fleet Acquisitions	\$809,400
Fleet Fuel Charges	\$750,300

### Notes

1. Water Purchases budget includes CVP water deliveries based on a full allocation of 60,000 AF, FID proposed Prop 218 increases of 66% for assessments, and FWA costs for conveyance, pumping and CIP's. Increase of \$6.4 million.
2. Utilities budget includes PG&E rate hikes projected at 11% through September 2023. Increase of \$563,600
3. Specialty Chemicals and Gases budget includes projections for increased surface water production which is more chemical dependent and vendor price. Increase of \$821,700.
4. Fleet Acquisition budget includes additional funding for the replacement of twenty-one (21) vehicles/equipment. Decrease of \$1.0 million compared to FY23.
5. Fleet Fuel Charges includes an increase of \$272,600 based on projected usage and future prices.

# Department of Public Utilities – WMD

## FY 2024 Budget - Most Impactful Items

Non-Position Type Budget	2024 Proposed
Utilities	\$12,332,100
Specialized Services – Biosolids Hauling & Odor Control and Corrosion System	\$6,744,100
Specialty Chemicals and Gases	\$5,112,100
Fleet Service Charges	\$1,382,900
Fleet Fuel Charges	\$672,300

### Notes

1. Utilities budget includes PG&E rate hikes projected at 11% through September 2023 for an increase of \$2,420,400
2. Specialized Services includes an increase of \$563,900 for Biosolids Hauling and increase of \$465,000 for a new service contract to service and maintain a new Odor Control and Corrosion System
3. Specialty Chemicals and Gases includes an increase of \$772,700
4. Fleet Service & Fuel Charges – Total of \$2,055,200

# Department of Public Utilities – SWMD

## FY 2024 Budget - Most Impactful Items

Non-Position Type Budget	2024 Proposed
Fleet Acquisitions	\$9,607,000
Fleet Service Charges	\$7,373,600
Fleet Fuel Charges	\$2,053,200
SB1383 Organic Green Waste	\$1,694,300
Fresno Sanitary Landfill Remediation/Oversight	\$630,000

### Notes

1. Fleet Replacements – Requesting primarily Side Loaders
  - Cost of Side Loader \$595,700 each, 31% increase from FY 2023
  - 57% of Collection Vehicles are at least 7 years or older
2. Fleet Service – 25% Increase from FY 2023
3. Fleet Fuel – 44% Increase from FY 2023
4. SB1383 Organic Green Waste – Increase of \$362,900 for a total \$1,694,301 (\$771,586 grant funded)
5. Fresno Sanitary Landfill Remediation and Oversight – Increase \$277,300 for total \$630,000



# Department of Public Utilities

## FY 2024 Budget – Federal / State Grants

Grant Type	2024 Proposed
State:	
SB 1383 Organic Green Waste	\$771,600
Beverage Container Payment Program	\$135,200
Used Motor Oil Program	\$85,000

### Notes

1. Three (3) State grants total \$991,800 for the SWMD

# Department of Public Utilities

## FY 2024 Budget – New Programs

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Program Type	2024 Proposed
SB 1383 Organic Green Waste	\$1,694,300
Expansion of Litter Control Program	\$600,000

### Notes

1. SB1383 Organic Green Waste Program – State mandate to reduce organic waste disposal and increase edible food recovery
2. Expansion of Proactive Litter Control Program Services – eight (8) new positions and three (3) new vehicles to expand the beautification efforts, patterned after District 7 Pilot Program

# Department of Public Utilities

## Community Outreach – Water Division

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### Water Conservation Program

The City of Fresno is committed to water conservation, the protection of our water supply, and customer education regarding water use. Water conservation restrictions and enforcement procedures are in place to ensure our community is in compliance with statewide conservation regulations, to reduce costs for producing water and processing wastewater, and to protect this precious resource, ensuring its availability for generations to come.

Water Conservation Program goals include:

- Meet the Urban Water Management Plan (UWMP) 2020 conservation goal
- Comply with all local and state laws and regulations related to water use
- Deliver professional, courteous customer service and water conservation education to the public by offering Leak Surveys, Timer Tutorials, Landscape Consultations, and multiple Rebates.

# Department of Public Utilities

## Community Outreach – WMD

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### Fats, Oils, and Grease (FOG) Program

The purpose of the FOG Program is 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.

# Department of Public Utilities

## Community Outreach – SWMD

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### Beautify Fresno

Beautify Fresno is the Mayor's vision to create a sustainable, citywide effort to clean Fresno's neighborhoods by empowering residents to help make Fresno a cleaner, greener, more beautiful place to live.

We connect with the community through:

- Promoting events on social media platforms
- Engaging residents at community meetings
- Providing Hispanic, Hmong and Punjabi centric events
- Building relationships with local businesses, organizations, non-profits, churches, service clubs, and schools
- Presenting an anti-litter campaign through local media

# Department of Public Utilities

## Community Outreach – SWMD

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### Recycling Program

The City of Fresno Recycling Program is a constant presence in the community, guiding residents through the process of how to recycle correctly at home and the importance of recycling. Our main goal is education through community interaction.

Recycling education and outreach programs include:

- School education presentations and outreach events
- Used Motor Oil Program – Collection of used motor oil and used motor oil filters for recycling
- A messaging focus on natural resources, the importance of recycling, recycling correctly, how to use the three carts (**Green**, **Gray**, **Blue**), household hazardous waste resources, used motor oil and filter recycling, bottles and cans recycling, and information about upcoming programs and legislation





# QUESTIONS