

MEMORANDUM

To: Water Advisory Committee April 4, 2019
From: Drew McIntyre, TAC Chair
Subject: Approve FY 2019/20 Sonoma County Water Agency Water Transmission System Budget
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RECOMMENDED ACTION: WAC approve the FY2019/20 SCWA WTS Budget

Attached is the proposed Sonoma County Water Agency Water Transmission System (WTS) Budget for Fiscal Year 2019/20. Agency staff previously met with the TAC budget subcommittee during January and February of this year to refine the budget. During this process the proposed rate increase of 5.99% was reduced to 4.6%. The proposed budget also includes the transfer of \$338,000 in excess reserves from the Water Management Planning account to the Recycled Water/Local Supply account to fund a final payment to Marin Municipal Water District for their Local Recycled Water Tier 2 (LRT2) project. This transfer has no impact on the water rates.

At the March 4th TAC meeting, the TAC members received a presentation from the Agency on the proposed budget and, at the recommendation of the budget subcommittee, the TAC voted unanimously to recommend approval by the WAC.

The budget proposes increased deliveries next year at 43,870 acre feet (a 5% increase over the current year budget). The total rate is \$918.30/AF for the Santa Rosa and Petaluma Aqueducts and \$1,048.80/AF for the Sonoma Aqueduct, an increase of 4.6% to 4.77% from FY 2018/19. This rate increase is within the 4%-6% range projected in the long range financial plan.

Agency staff will make a presentation on the budget to the WAC at the April 8 meeting. On an as requested basis, Agency staff has already made budget presentations to the majority of Water Contractors during the month of March.

RECOMMENDATION:

WAC approve the FY 2019/20 SCWA Water Transmission System Budget.