



Sonoma Water

Clean. Reliable. Essential. Every day.

FY 2021-2022 Proposed Budget and Rates Water Transmission System

Lynne Rosselli
ADMINISTRATIVE SERVICES
DIVISION MANAGER
707-524-3771

Lynne.Rosselli@scwa.ca.gov

    sonomawater.org

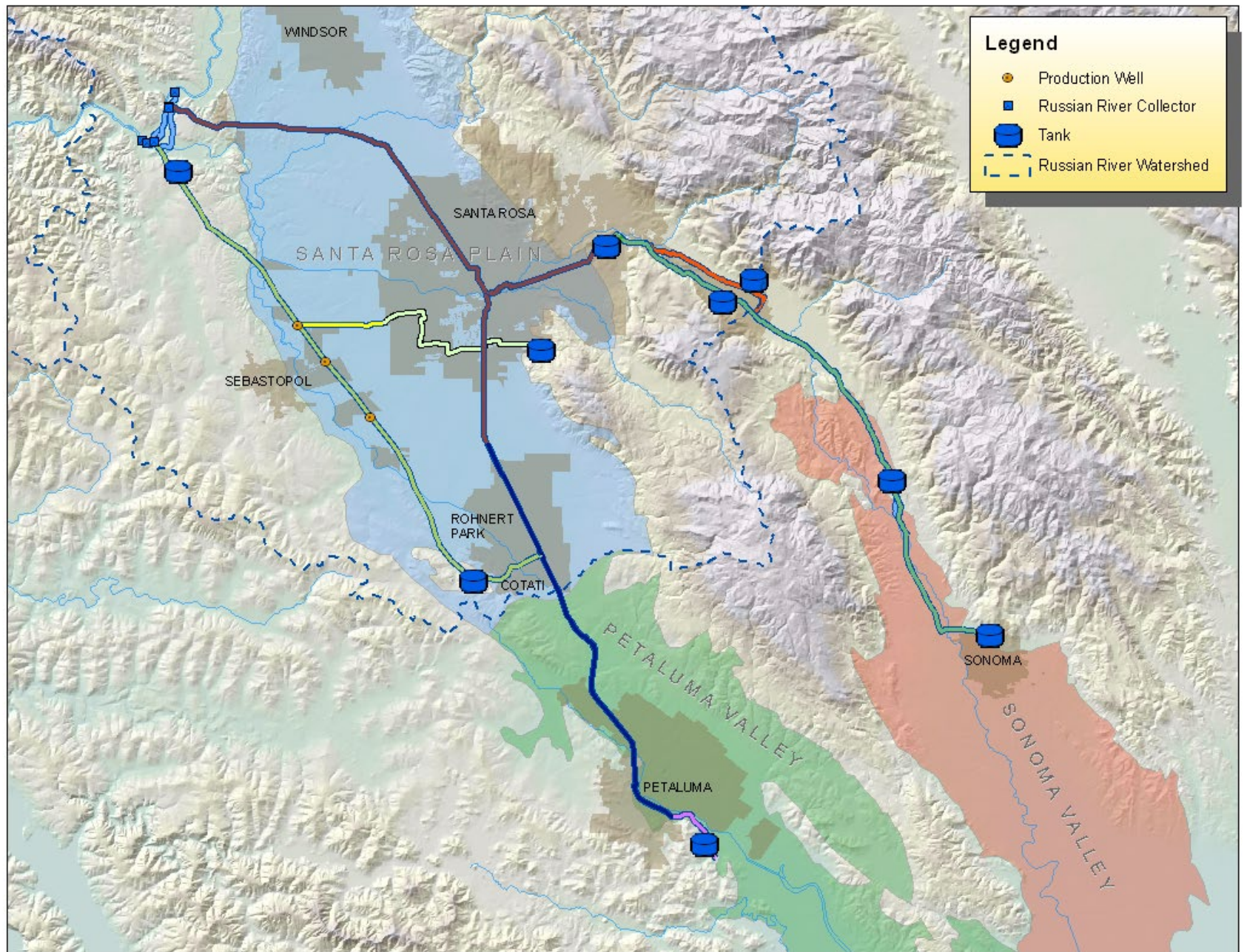
March 1, 2021 TAC
Mtg Agenda Item #3c



Sonoma Water's Enterprises

- Water Supply
- Water Transmission
- Flood Protection
- Wastewater Treatment and Reuse
- Energy and Sustainability





Transparent and Collaborative Process

Restructured Agreement requires our Board of Directors to adopt rates by the end of April each year



- **Review by Technical Advisory Budget Subcommittee – January and February**



- **Technical Advisory Committee Vote on Budget and Rates on March 1**



- **Presentations to City and Town Councils, and Water District Boards in March**



- **Water Advisory Committee Vote on Budget and Rates on April 5**

- **Adoption by Sonoma Water's Board of Directors on April 20.**



Water Transmission System Activities and Funds

- Operations and Maintenance
- Subfunds:
 - Water Management
 - Watershed Planning and Restoration
 - Recycled Water and Local Supply
 - Water Conservation
- Capital Funds:
 - Santa Rosa, Petaluma, and Sonoma Aqueducts
 - Storage Facilities
 - Common Facilities
- Debt Service Funds
 - State Revolving Loan Fund
 - 2012, 2015, and 2019 Revenue Bonds



Sonoma
Water

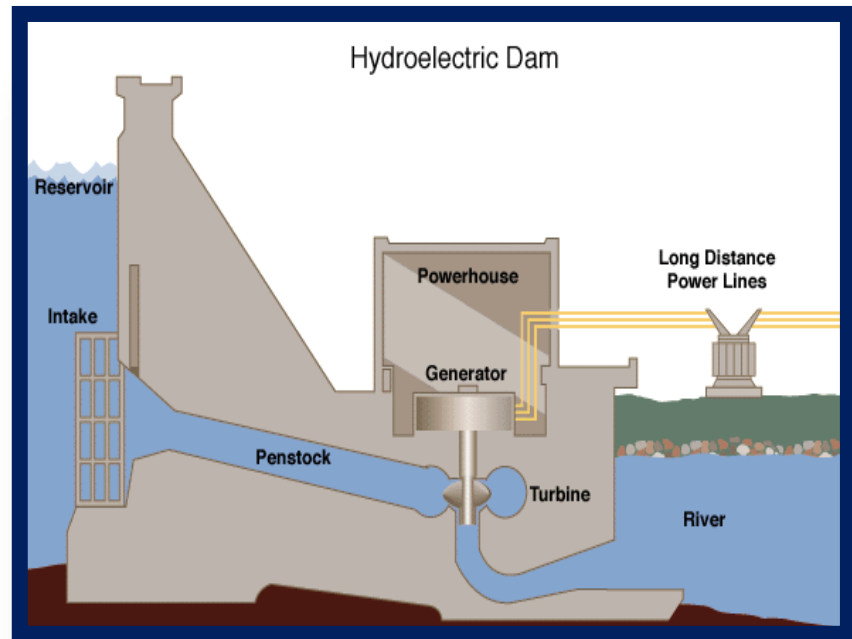
Hazard Mitigation Projects

Ely Booster Pump Station Flood Mitigation	60% Design; Award in FY21-22
Mark West Creek Crossing	90% Design; Award in FY21-22
Russian River Crossing	Awarded in FY20-21; Under Construction in FY21-22
Santa Rosa Creek Crossing	60% Design; Award in FY21-22
Sonoma AQ Crossing of Spring Creek & Bennett Valley Fault Crossing	Preliminary Design FY21-22

FY21-22 Budget: \$5.4M

Other Capital Projects

Sonoma Booster Pump Station Upgrade	Substantial Completion Winter 2021
Mirabel Dam Bladder Replacement	Awarded in FY20-21 Under Construction in FY21-22
Warm Springs Dam Hydroturbine Retrofit	Award July 2021



FY21-22 Budget: \$4.3M

Total FY21-22 Capital
Budget including Hazard
Mitigation Projects: \$9.7M

Operations and Maintenance

Projects

Cathodic Protection - Santa Rosa Aqueduct
and Russian River-Cotati Intertie

Collector Well Pump Set Replacements

Mainline Valve Replacement

Tank Maintenance Program

Studies

Regional Water Supply Resiliency Study

Collector Well Seismic Mitigation Planning

Watershed and Riverbank Filtration Water
Quality Studies

pH System Assessment



Biological Opinion Compliance and Water Conservation

Dry Creek Habitat Enhancement Phase IV:
Anticipate Corps will Construct Summer 2021



**It's a dry year.
Save water with us.**

**Save water now by turning off
your irrigation system.**

Plants need much less water during the winter. Manually water only when the soil below the surface is dry.

For more water saving tips visit
SavingWaterPartnership.org



FY21-22 Biological Opinion
Compliance, Water Supply
Planning, Water
Conservation
\$11.05M

Expenditures Compared to FY 20-21

	FY20-21	FY21-22	
	Budget (in Millions)	Budget (in Millions)	Change (in Millions)
Operations and Maintenance	\$29.81	\$30.54	\$0.74
Capital Projects	\$12.60	\$9.67	(\$2.92)
BO Compliance, Water Supply Planning, Water Conservation	\$11.89	\$11.05	(\$0.84)
Debt Service	\$4.88	\$4.85	(\$0.03)
Totals	\$59.18	\$56.11	(\$3.05)

Grants, Use of Fund Balance,
and Bond Proceeds

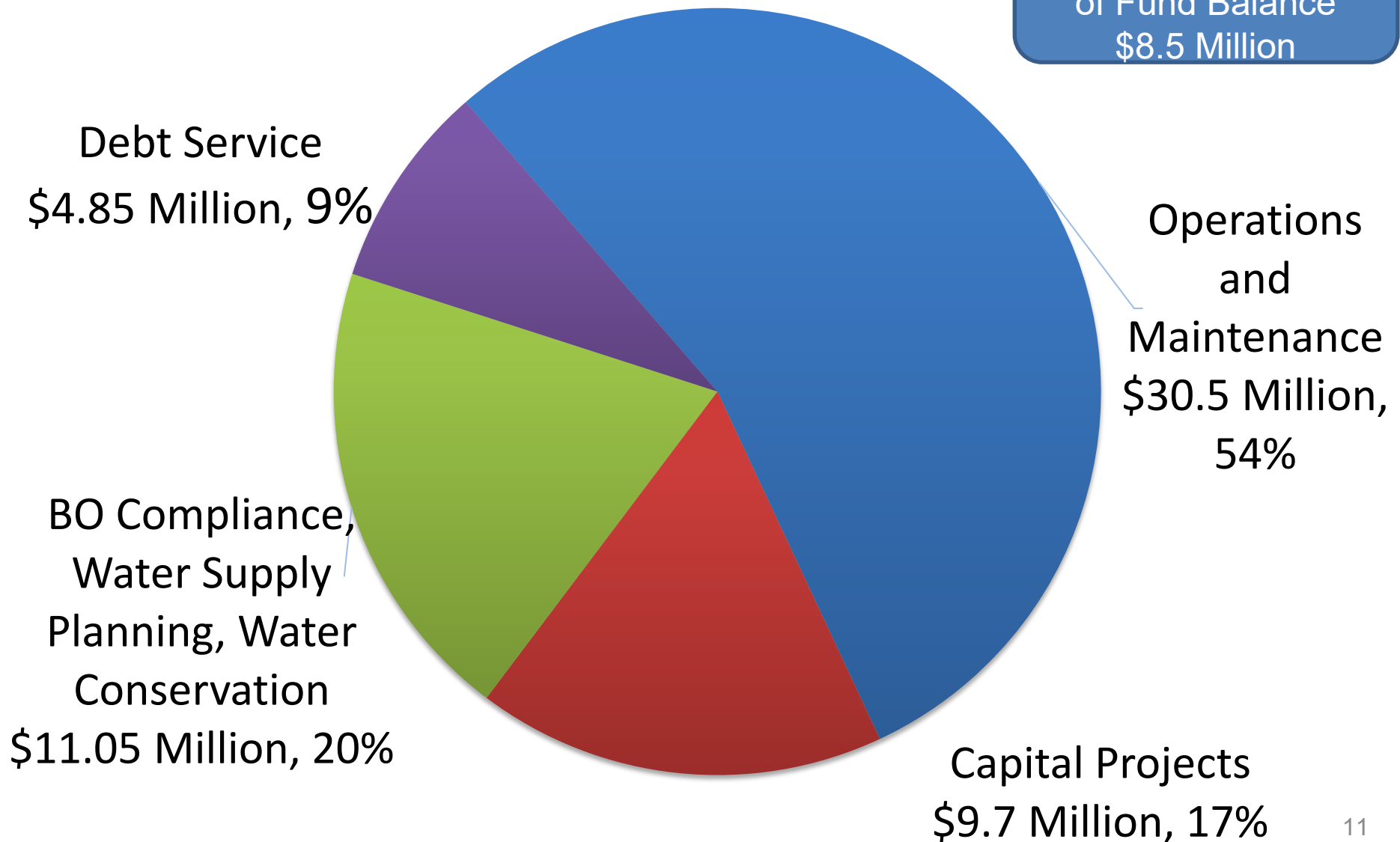
\$16.28

\$8.49

(\$7.79)

FY 21-22 Budgeted Expenditures

Grants, Bond
Proceeds, and Use
of Fund Balance
\$8.5 Million



Rate Setting Calculation (EXAMPLE)

$$\frac{\$46,095,000}{46,095 \text{ AF}} = \$1,000/\text{Acre Foot}$$

Water Sold = Lesser of:

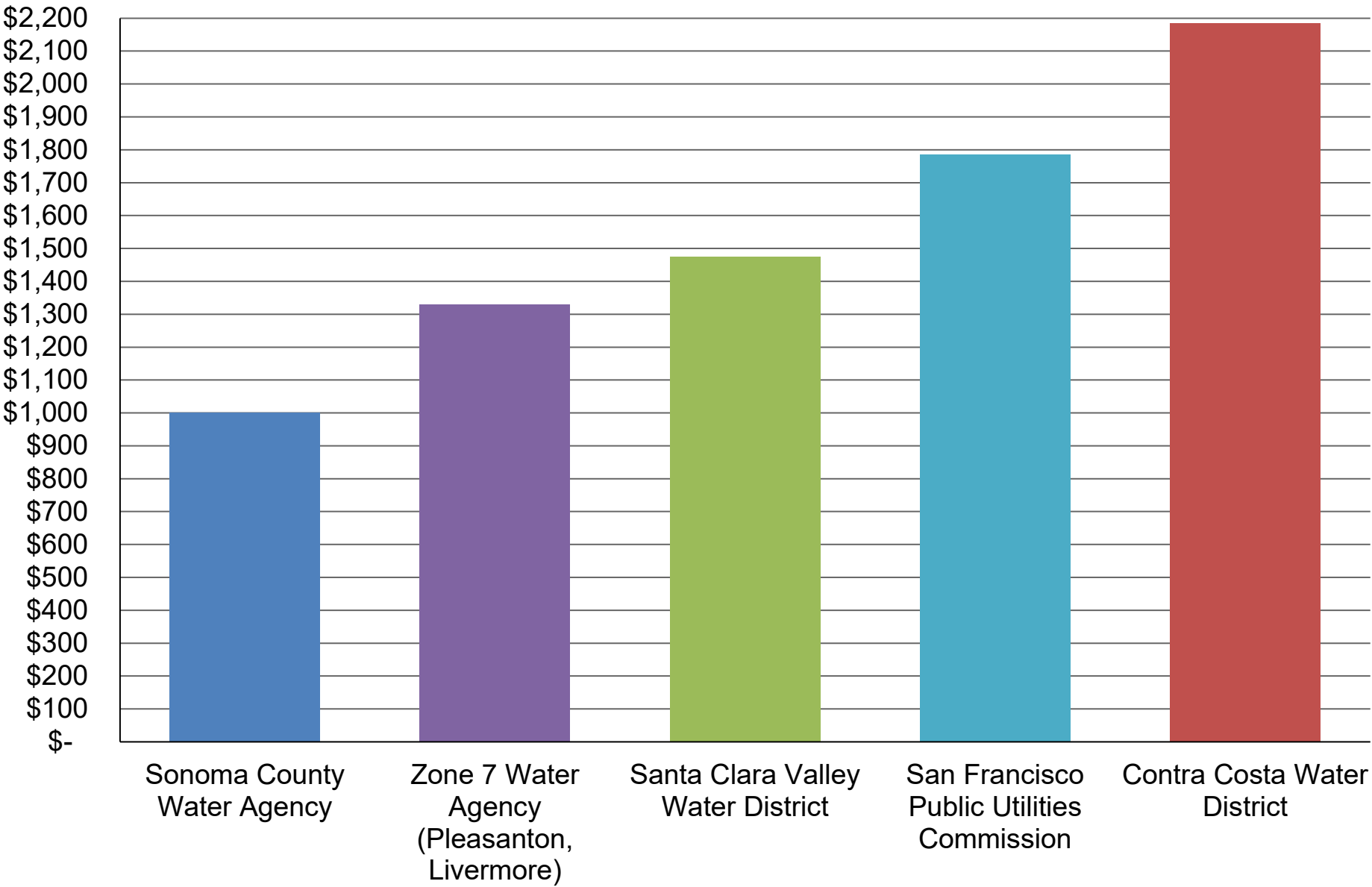
46,095 AF

or

47,748 AF



2021 Wholesale Water Rates Per Acre-Foot



Proposed Rates for FY 21-22

Charge / Aqueduct	Santa Rosa	Petaluma	Sonoma
Deliveries (Acre-Feet)	46,095		
O&M	\$685.92	\$685.92	\$685.92
Water Management Planning	\$0.00	\$0.00	\$0.00
Watershed Planning & Restoration	\$132.66	\$132.66	\$132.66
Recycled Water and Local Supply	\$0.93	\$0.93	\$0.93
Water Conservation	\$44.44	\$44.44	\$44.44
Total O&M	\$863.95	\$863.95	\$863.95
Storage & Common Bond/Loan Charges	\$116.51	\$116.51	\$116.51
Sonoma Aqueduct Bond/Loan Charge			\$126.72
<i>Prime Contractors</i>	\$980.46	\$980.46	\$1,107.18
<u>Discretionary Charges</u>			
Capital Charges - to build fund balance for future projects	\$20.00	\$20.00	\$38.00
<i>Prime Contractors</i>	\$20.00	\$20.00	\$38.00
<i>Total Prime Contractors</i>	\$1,000.46	\$1,000.46	\$1,145.18
Total Overall Increase:	3.47%	3.47%	3.43%

Budget and Rate Reduction Measures

- Reduced rate increase from 6.56% to 4.1%
- Santa Rosa and Petaluma Water Contractors elected to lower Aqueduct Capital Charge to further reduce rate increase to 3.47%
- Sonoma Aqueduct Water Contractors increased Aqueduct Capital Charge to get to 3.43% rate increase
- Savings of approximately \$1.3 million
- Decreased capital project costs
- Increased use of fund balance
- Reduced Water Management Subfund Rate to \$0.00
- Decreased labor costs in Water Conservation
- Rate Increase on Average is approximately \$0.65 per Household per Month



Next Steps

- **Presentations upon Request to City and Town Councils, and Water District Boards in March**
- **Water Advisory Committee Vote on Monday, April 5**
- **Adoption by Sonoma Water's Board – April 20**



**Sonoma
Water**

Lynne Rosselli
Administrative Services Division Manager
Lynne.Rosselli@scwa.ca.gov