



Sonoma Water

Clean. Reliable. Essential. Every day.

FY 2022-2023 Proposed Budget and Rates Water Transmission System

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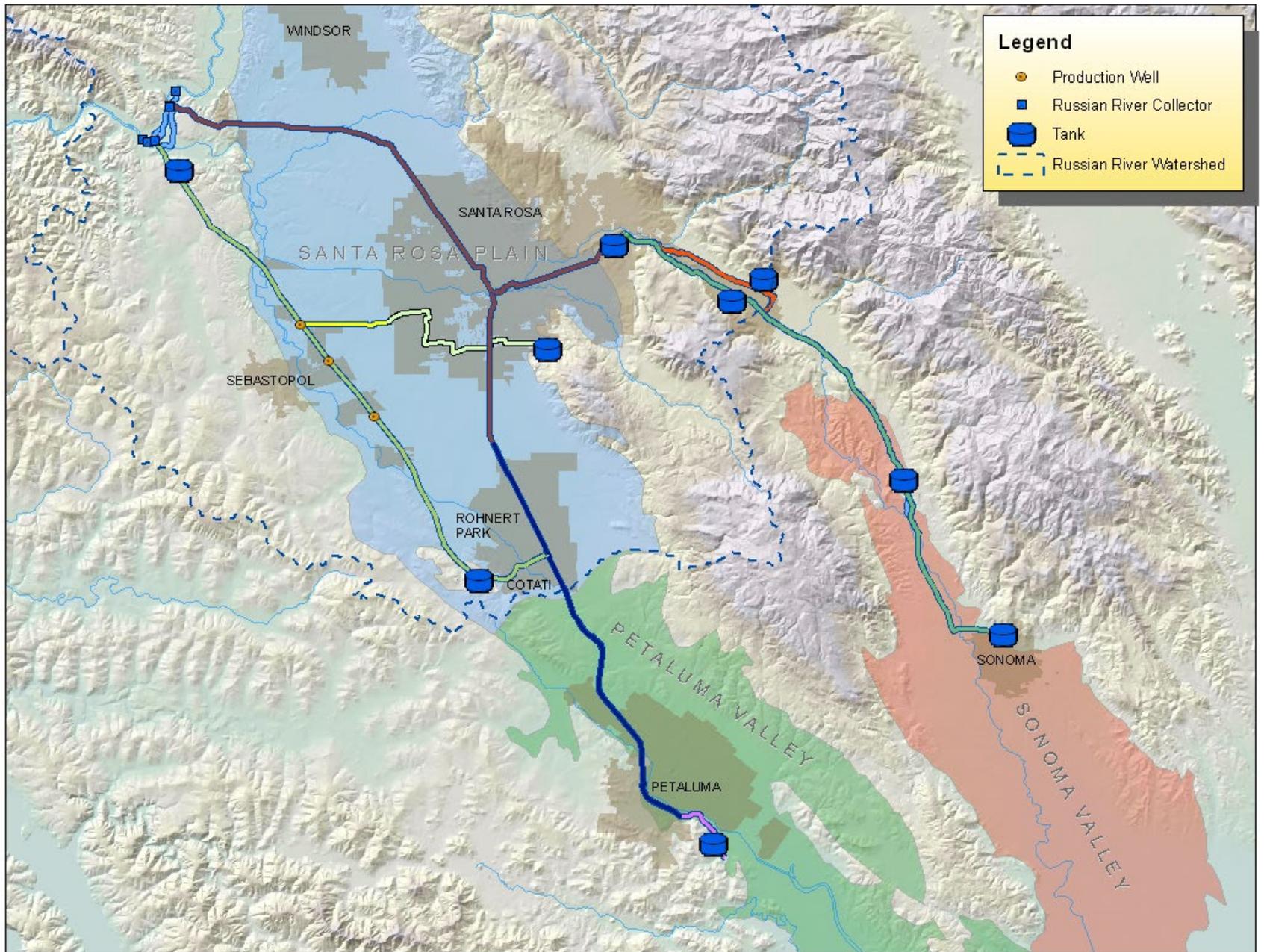
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Sonoma Water's Enterprises

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



Transparent and Collaborative Process

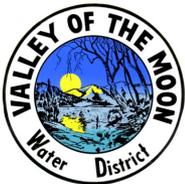
Restructured Agreement requires our Board of Directors to adopt rates by the end of April each year



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



- **Technical Advisory Committee Vote on Budget and Rates on March 7**



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



**NORTH MARIN
WATER DISTRICT**

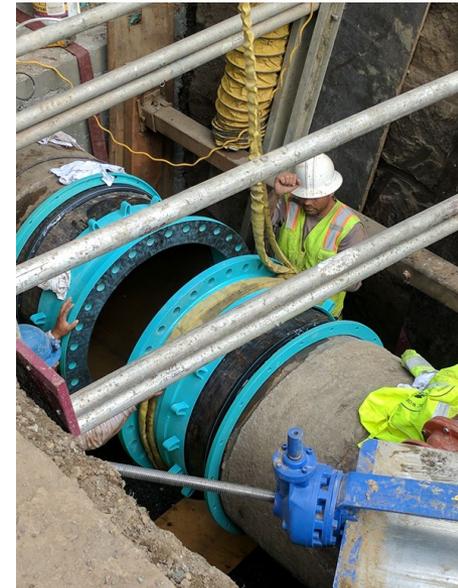
- **Water Advisory Committee Vote on Budget and Rates on April 4**



- **Adoption by Sonoma Water's Board of Directors on April 19.**

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, 2019, and 2022 Revenue Bonds



Sonoma
Water

Hazard Mitigation Projects

Ely Booster Pump Station Flood Mitigation	Award in FY21-22; Offsetting revenue
Mark West Creek Crossing	FY21/22 award; construction summer 22; Offsetting Revenue
Russian River Crossing	Awarded FY20/21; construction commenced FY21/22, completion 22/23; Offsetting Revenue
Santa Rosa Creek Crossing	Funding de-obligated; re-evaluating project design and schedule
Seismic Retrofit of Storage Tanks	Preliminary design; Tied to Tank Recoat schedule
Bennett Valley Fault Crossing	Preliminary design/Consultant selection 22/23

FY22-23 Budget: \$3.2M

Other Capital Projects

FY22-23 Budget: \$10.1M

Kawana-Ralphine SBS Pipeline

Sebastopol/Occidental Wells - Rehab & ASR

Todd Road Well -
Recirculation/Automation/Disposal

Warm Springs Dam Hydroturbine Retrofit



Total FY22-23 Capital Budget including Hazard Mitigation
Projects: \$13.3M

Operations and Maintenance

Projects

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

Collector Well & Well Field Rehabilitations

Emergency Inventory Procurement

Tank Recoats & Tank Maintenance Program

Studies

Regional Water Supply Resiliency Study

Collector Well, AQs, and Tank Seismic Mitigation Study

Watershed and Riverbank Filtration Water Quality Studies

Wohler & Chlorine Storage Facility Assessment



Biological Opinion Compliance and Water Conservation

Dry Creek Habitat Enhancement Phase IV:
Anticipate Corps will Construct Summer 2022



**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



FY22-23 Biological Opinion
Compliance, Water Supply
Planning, Water
Conservation
\$13.9M

Expenditures Compared to FY 21-22

	FY21-22	FY22-23	
	Budget (in Millions)	Budget (in Millions)	Change (in Millions)
Operations and Maintenance	\$30.54	\$38.68	\$8.14
Capital Projects	\$9.67	\$13.25	\$3.58
BO Compliance, Water Supply Planning, Water Conservation	\$11.05	\$13.89	\$2.84
Debt Service	\$4.85	\$6.01	\$1.16
Totals	\$56.11	\$71.83	\$15.72

Grants, Use of Fund Balance,
and Bond Proceeds

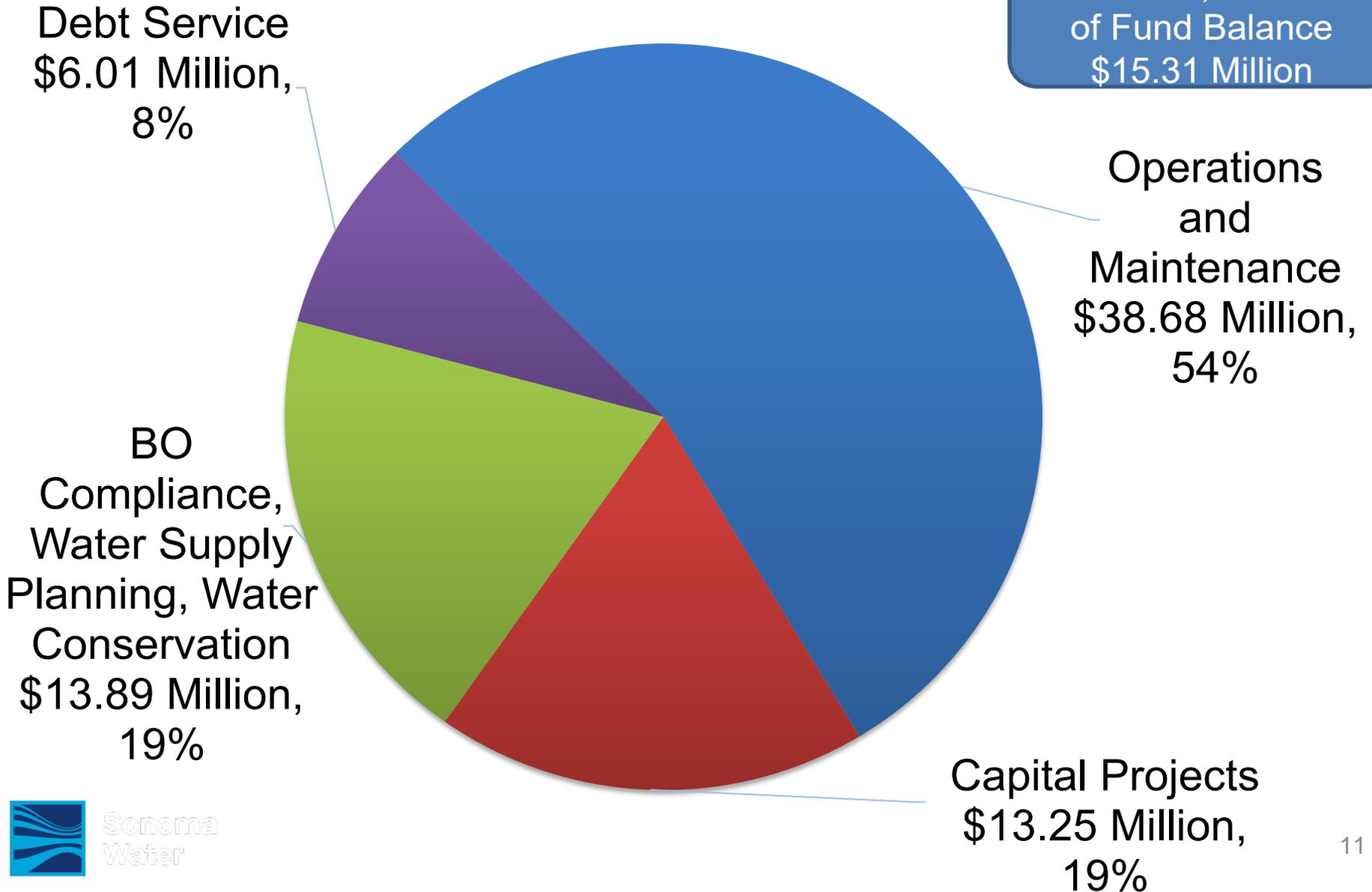
\$8.49

\$15.31

\$6.82

FY 22-23 Budgeted Expenditures

Grants, Bond Proceeds, and Use of Fund Balance
\$15.31 Million



Rate Setting Calculation (EXAMPLE)

$$\frac{\$48,539,000}{45,748 \text{ AF}} = \$1,061 / \text{Acre Foot}$$

Water Sold = Lesser of:

45,748 AF

or

45,788 AF

Proposed Rates for FY 22-23

Charge / Aqueduct	Santa Rosa	Petaluma	Sonoma
Deliveries (Acre-Feet)	45,748		
O&M	\$816.03	\$816.03	\$816.03
Water Management Planning	\$0.20	\$0.20	\$0.20
Watershed Planning & Restoration	\$32.70	\$32.70	\$32.70
Recycled Water and Local Supply	\$0.50	\$0.50	\$0.50
Water Conservation	\$47.50	\$47.50	\$47.50
Total O&M	\$896.93	\$896.93	\$896.93
Storage & Common Bond/Loan Charges	\$153.11	\$153.11	\$153.11
Sonoma Aqueduct Bond/Loan Charge			\$131.87
<i>Prime Contractors</i>	\$1,050.04	\$1,050.04	\$1,181.90
<u>Discretionary Charges</u>			
Capital Charges - to build fund balance for future projects	\$11.00	\$12.00	\$38.00
<i>Prime Contractors</i>	\$11.00	\$12.00	\$38.00
<i>Total Prime Contractors</i>	\$1,061.04	\$1,062.04	\$1,219.90
Total Overall Increase:	6.06%	6.16%	6.52%

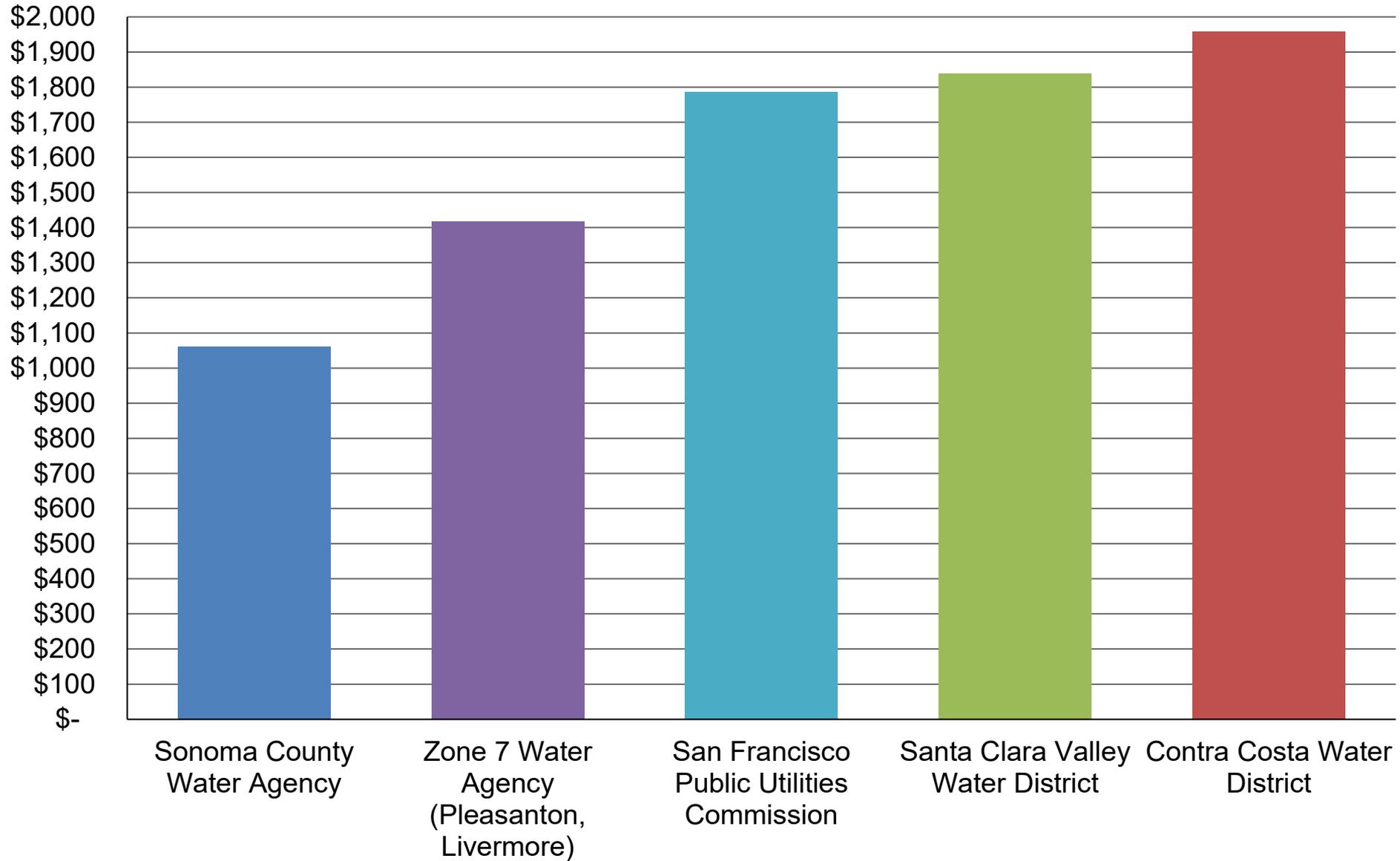
Budget and Rate Reduction Measures

- Reduced rate increase from 9.99% to 6.84%
- Santa Rosa AQ Water Contractors elected to lower Aqueduct Capital Charge to further reduce rate increase to 6.06%
- Petaluma AQ Water Contractors elected to lower Aqueduct Capital Charge to further reduce rate increase to 6.16%
- Sonoma Aqueduct Water Contractors elected to keep Aqueduct Capital Charge at \$38/AF resulting in a rate increase of 6.52%
- Decreased O&M project costs by \$1.47 million
- Increased use of fund balance by \$2.5 million to \$7.2 million
- 2022 sale of \$15M in Revenue Bonds
- \$4.9M in offsetting grant revenue



Total Cost per gallon is \$0.003

2022 Wholesale Water Rates Per Acre-Foot



Next Steps

- **Presentations upon Request to City and Town Councils, and Water District Boards in March**
- **Water Advisory Committee Vote on Monday, April 4**
- **Adoption by Sonoma Water's Board – April 19**



**Sonoma
Water**

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