



**Sonoma Water**  
Clean. Reliable. Essential. Every day.

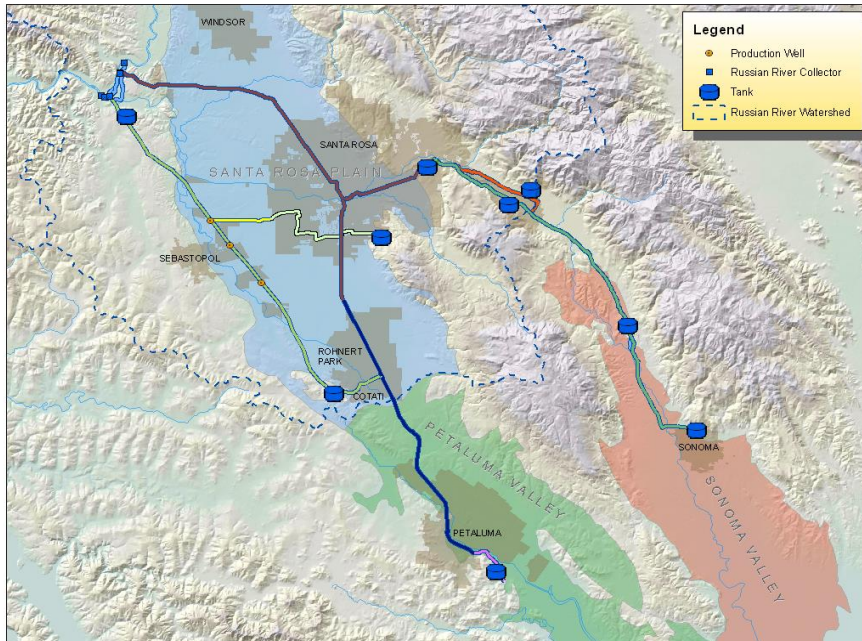
FY 2024-2025  
Proposed Budget and Rates  
Water Transmission System

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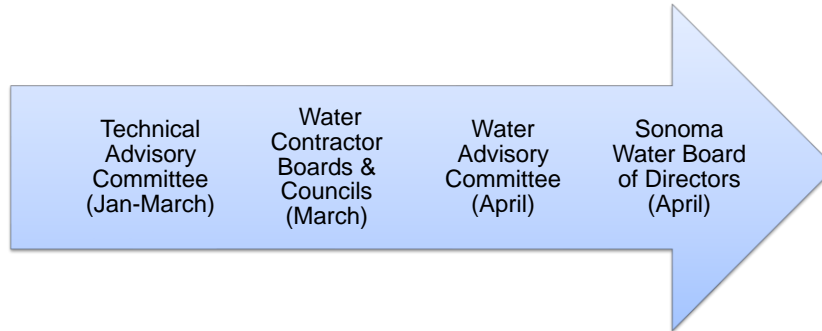
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## Transparent and collaborative process to bring rates to Board of Directors by end of April



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## Budget includes multiple water transmission system activities and funds

- Operations and Maintenance
- Four Subfunds
- Five Capital Funds
- Debt Service Funds

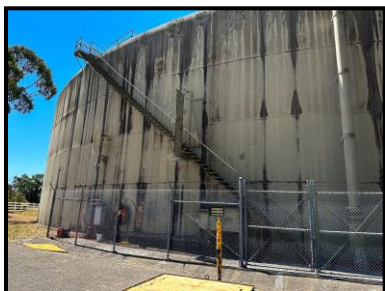


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## Challenges

- Fully Volumetric Rate
- Low Water Deliveries
- Aging Infrastructure
- Maintenance Needs
- Increased Repairs
- Natural Hazard Vulnerabilities



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**\$8.46 million budgeted for hazard mitigation projects to reduce risks**

Bennett Valley Fault Crossing
Ely Booster Pump Station Flood Mitigation
Collector 3 and 5 Liquefaction Mitigation
RDS Pump and Motor Control Center Replacement
Seismic Retrofit of Storage Tanks
Wilfred Booster Station



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## \$7.20 million budgeted for other capital projects to increase resiliency

Kawana-Ralphine SBS Pipeline
Mirabel/Wohler Storage Building
Mirabel Fiber Resiliency
Occidental Road and Sebastopol Road Wells
Ralphine Tanks Flow Thru Conversion
Warm Springs Dam Hydroturbine Retrofit
Water System Treatment Upgrades
Wohler Bridge Fiber Optic Cable



Total FY24-25 Capital Budget including Hazard Mitigation Projects:



\$15.66M

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## \$45.41 million budgeted for operations and maintenance to protect, improve and maintain system reliability

<b>Projects</b>
Aqueduct Cathodic Protection
Collector Well, Vault, Pump, Pipeline, Valve Rehabilitations/Replacements
Emergency Inventory Procurement
SCADA Improvements
Tank Recoats & Tank Maintenance Program
<b>Studies</b>
Arc Flash Studies
DeMuth Property Hydrogeologic Investigation
Groundwater Banking Feasibility Study
Regional Water Supply Resiliency Study
Transmission System Master Plan, Modeling & Condition Assessments Programs



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## \$7.53 million for Biological Opinion, Water Supply Planning and Water Conservation

**IS YOUR TOILET RUNNING?  
BETTER CATCH IT!**

A leaky toilet is no joke and could cost you a lot of \$\$\$

**TAKE THE DYE TAB CHALLENGE**  
Test your toilet(s) to see if you have a sneaky leak.

**SHARE YOUR RESULTS**  
Visit us online to enter your toilet test results and be entered to win a \$25 gift card.

REQUEST FREE DYE TABS

[SavingWaterPartnership.org/challenge](http://SavingWaterPartnership.org/challenge)



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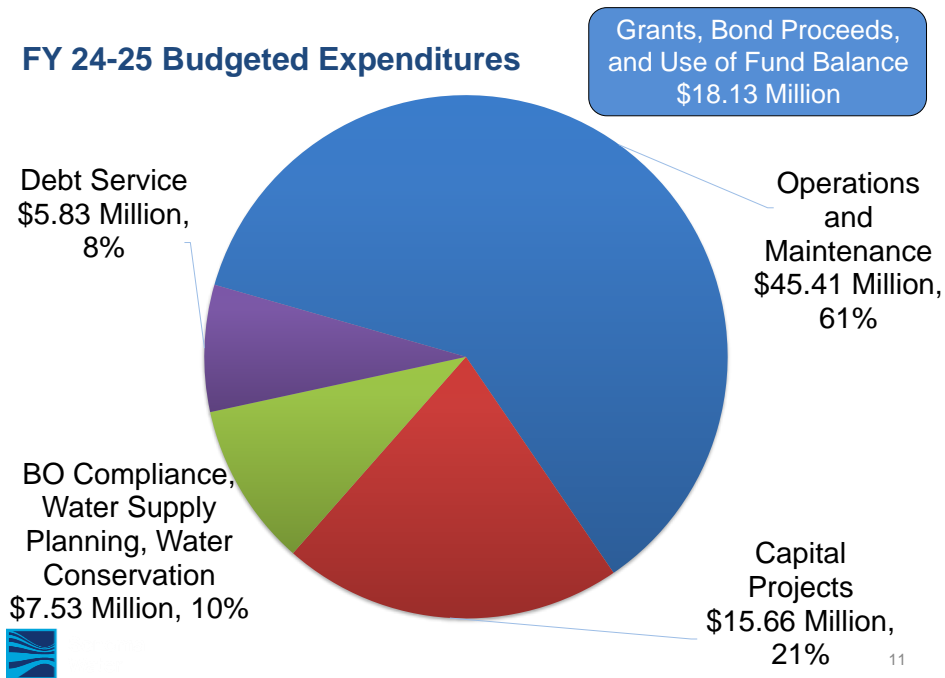
## Expenditures compared to FY 23-24

	FY23-24	FY24-25	
	Budget (in Millions)	Budget (in Millions)	Change (in Millions)
Operations and Maintenance	\$40.41	\$45.41	\$5.00
Capital Projects	\$12.28	\$15.66	\$3.39
BO Compliance, Water Supply Planning, Water Conservation	\$9.78	\$7.53	(\$2.25)
Debt Service	\$5.83	\$5.83	\$0.00
Totals	\$68.30	\$74.43	\$6.14

Grants, Use of Fund Balance, and Bond Proceeds	\$18.15	\$18.13	(\$0.02)
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## FY 24-25 Budgeted Expenditures



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## Example of how rates are calculated

$$\frac{\$55,204,000}{42,826 \text{ AF}} = \$1,289/\text{Acre Foot}$$

↑ Water Sold: Restructured Agreement requires use of the Lesser amount. Due to the drought, Sonoma Water recommended and WAC approved using 3-year annual average for FY24/25.

$$42,826 \text{ AF} \text{ or } 40,844 \text{ AF}$$

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## Deliveries and Rates

Due to the prescribed fully volumetric rate, budgeted deliveries have a significant impact on rate increases.

Scenario	Deliveries	AF Difference	Rate Increase (SR AQ)
12-Month Actuals	40,844	-1,982	14.58%
3-Year Annual Ave (FY24/25 Budget)	42,826	0	9.88%
44,500 AF	<b>44,500</b>	1,674	<b>5.92%</b>



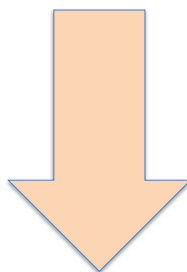
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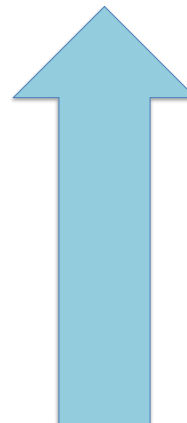
### Steps taken to reduce budget and rate



Deferred non-routine maintenance projects = \$8.9 million



Budgeted off the 3-year annual average rather than the 12-month actuals



Use of grants, bond proceeds, and fund balance = \$18.13 million

#### Result:

Rate increase dropped from over 14.57% to 9.88%

Total cost per gallon is \$0.004

Budgeted use of \$2.25M in Prudent Reserve

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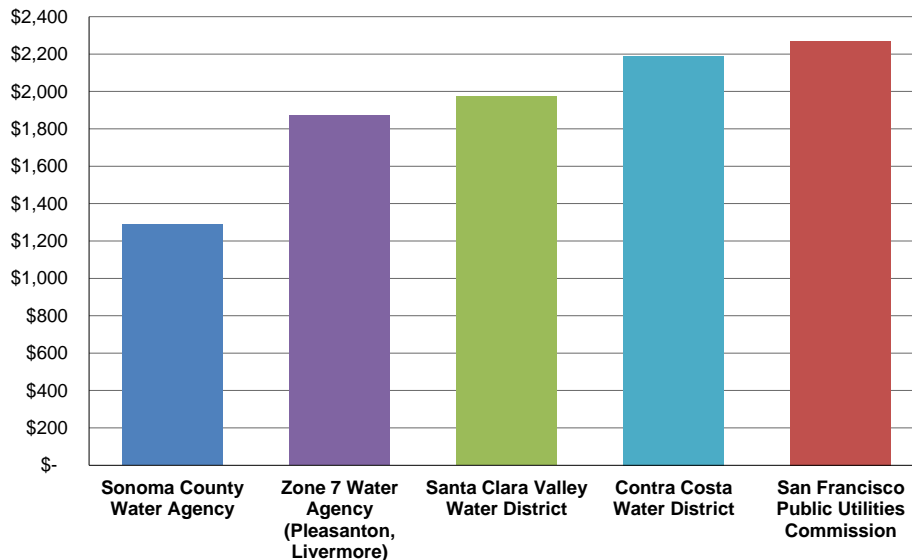
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## Proposed Rates for FY 24-25

Charge / Aqueduct	Santa Rosa	Petaluma	Sonoma
Deliveries (Acre-Feet)	42,826		
O&M	\$1,015.39	\$1,015.39	\$1,015.39
Water Management Planning	\$0.35	\$0.35	\$0.35
Watershed Planning & Restoration	\$40.04	\$40.04	\$40.04
Recycled Water and Local Supply	\$0.00	\$0.00	\$0.00
Water Conservation	\$59.55	\$59.55	\$59.55
<b>Total O&amp;M</b>	<b>\$1,115.33</b>	<b>\$1,115.33</b>	<b>\$1,115.33</b>
Storage & Common Bond/Loan Charges	\$162.69	\$162.69	\$162.69
Sonoma Aqueduct Bond/Loan Charge			\$145.49
<b>Prime Contractors</b>	\$1,278.02	\$1,278.02	\$1,423.51
<b>Discretionary Charges</b>			
Capital Charges - to build fund balance for future projects	\$11.00	\$0.00	\$34.90
<b>Prime Contractors</b>	\$11.00	\$0.00	\$34.90
<b>Total Prime Contractors</b>	<b>\$1,289.02</b>	<b>\$1,278.02</b>	<b>\$1,458.41</b>
Total Overall Increase:	9.88%	9.98%	8.14%

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## 2024 wholesale water rates per Acre-Foot



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## Next steps

- Approved by The Technical Advisory Committee on March 4.
- Water Advisory Committee Vote – April 8
- Adoption by Sonoma Water’s Board – April 16



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## Sonoma Water Videos Investing in our infrastructure

Available in English and Spanish at  
[www.youtube.com/@sonomawater/videos](http://www.youtube.com/@sonomawater/videos)

[Value of water: A brief video on the value of our water supply](#)

[We are Sonoma Water: Where your water comes from](#)

[Water storage tank maintenance: A brief video on how we are working to keep our water storage facilities upgraded, reliable for today and future generations](#)

[Maintaining the Sonoma booster station: Keeping the drinking water flowing to Sonoma, Valley of the Moon Water District one booster station at a time!](#)

[Aqueduct corrosion protection program: A brief video on work to combat corrosion in our aqueduct](#)

[Russian River Aqueduct Crossing: Ensuring safe delivery of drinking water](#)



[Dry Creek habitat restoration: Protecting our natural pipeline, habitat](#)




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