

**DATE:** March 19, 2015  
**TO:** BOARD OF PUBLIC UTILITIES  
**FROM:** LINDA REED, DEPUTY DIRECTOR - ADMINISTRATION  
**SUBJECT:** SONOMA COUNTY WATER AGENCY 2015/16 WATER TRANSMISSION BUDGET AND WATER RATE INCREASE  
**ACTION:** MOTION

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**ISSUE:**

Should the Board of Public Utilities make a recommendation to the City Council regarding Council's direction to its Water Advisory Committee (WAC) representative regarding the Sonoma County Water Agency's proposed 2015/16 budget and water rate increase?

**BACKGROUND:**

Sonoma County Water Agency (SCWA) staff presented the proposed 2015/16 Water Transmission System budget to the SCWA Technical Advisory Committee (TAC) on March 2, 2015. The SCWA proposed to increase rates for wholesale water on the Santa Rosa Aqueduct by 4.16% or from \$730.68 per acre foot to \$761.05 per acre foot. Significant factors driving the 2015/16 SCWA budget are as follows:

1. Per the Restructured Agreement, estimated water deliveries are 50,590 acre feet – the lower of the previous 12 months or the past three years.
2. There was a net increase in SCWA's Operations and Maintenance budget of 7.28% or from \$471.40 per acre foot to \$505.70 per acre foot.
3. The Water Management Planning Sub-Charge is increased from \$0.97 to \$5.44 per acre foot to fund the SCWA Urban Water Master Plan which updated every five years.
4. The Santa Rosa Aqueduct Capital Charge, which is classified as a discretionary charge remains at \$19.50 an acre foot to accumulate funding for capital projects specific to the Santa Rosa Aqueduct.

5. The Local Recycled Water Tier 2 Conservation Program (LRT2) which funds grants to contractors for the development of local water supply is funded by \$16.00 per acre foot. This will complete the agreed upon funding for this round of LRT2 funding and Santa Rosa should receive a final payment from this funding in 2015/16 of \$1,157,233.

**ANALYSIS:**

The WAC is an advisory committee to the SCWA Board of Directors. The City's WAC Representative is Council Member Tom Schwedhelm. On April 6, 2015 the WAC is scheduled to vote on whether or not to recommend the SCWA budget for approval to the SCWA Board of Directors.

The BPU recommendation to the City Council regarding Council's direction to its WAC member on the SCWA budget and proposed water rate increases is scheduled to be considered by the City Council at its meeting on March 31, 2015.

**RECOMMENDATION:**

The Utilities Department recommends that the Board, by motion, consider the SCWA budget and proposed water rate increase and, by motion, make a recommendation to the City Council regarding Council's direction to its Water Advisory Committee representative.

Attachment:

- Water Transmission FY 2015/16 Draft Budget Rates