

SR WATER RESERVE POLICY UPDATE

City Council

May 31, 2016

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Interim Director – Santa Rosa Water



OUR FUTURE IN EVERY DRÖP



Our mission:

Protecting public health
by sustaining water
resources, infrastructure
and the environment



Santa Rosa Water Reserve Policy

- Council Policy 000-57
 - Last update 2012
- In accord with the Association of California Water Agencies (ACWA) Policy Principles and Guidelines for Water Districts issued in 2005

Reasons for Reserves

- Available when needed for specific purposes
 - Must be reasonable and specific
- Sound financial management
 - Favorably affects bond ratings
 - Balances fluctuations in revenue
- Ensures ability to carry out our mission in times of trouble
 - Available for unforeseen costs or events

Specific Reserves

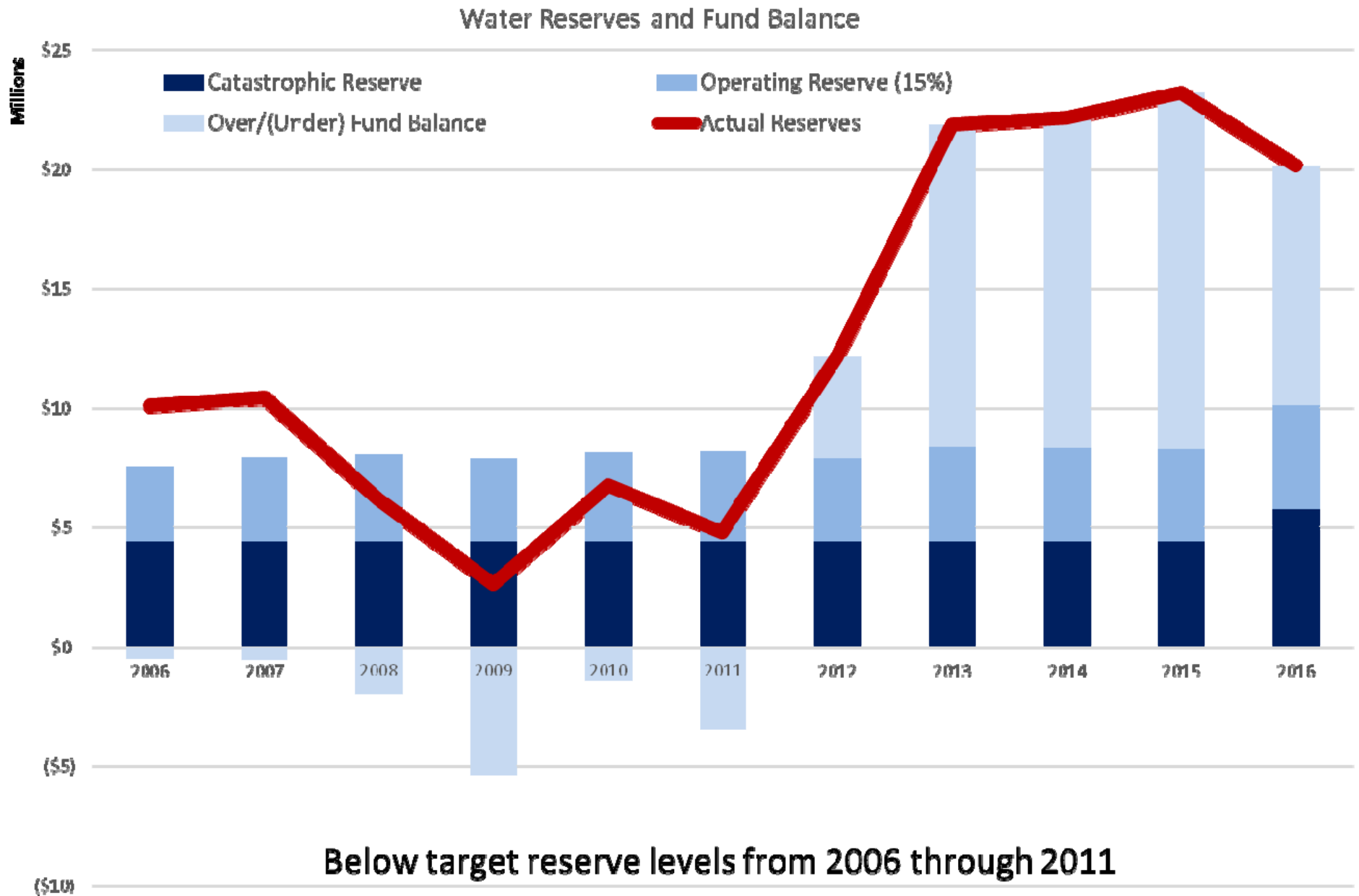
- Operating Reserves – 15% of Operations and Maintenance budget
- Bond Specified and Designated Reserves
- Geysers Reserve
- Subregional User Agency Reserve
- Catastrophic Reserve

Catastrophic Reserve

- 2015 Rate Study recommendation
 - Increase current reserve target by 30% to account for construction index increase since 2006

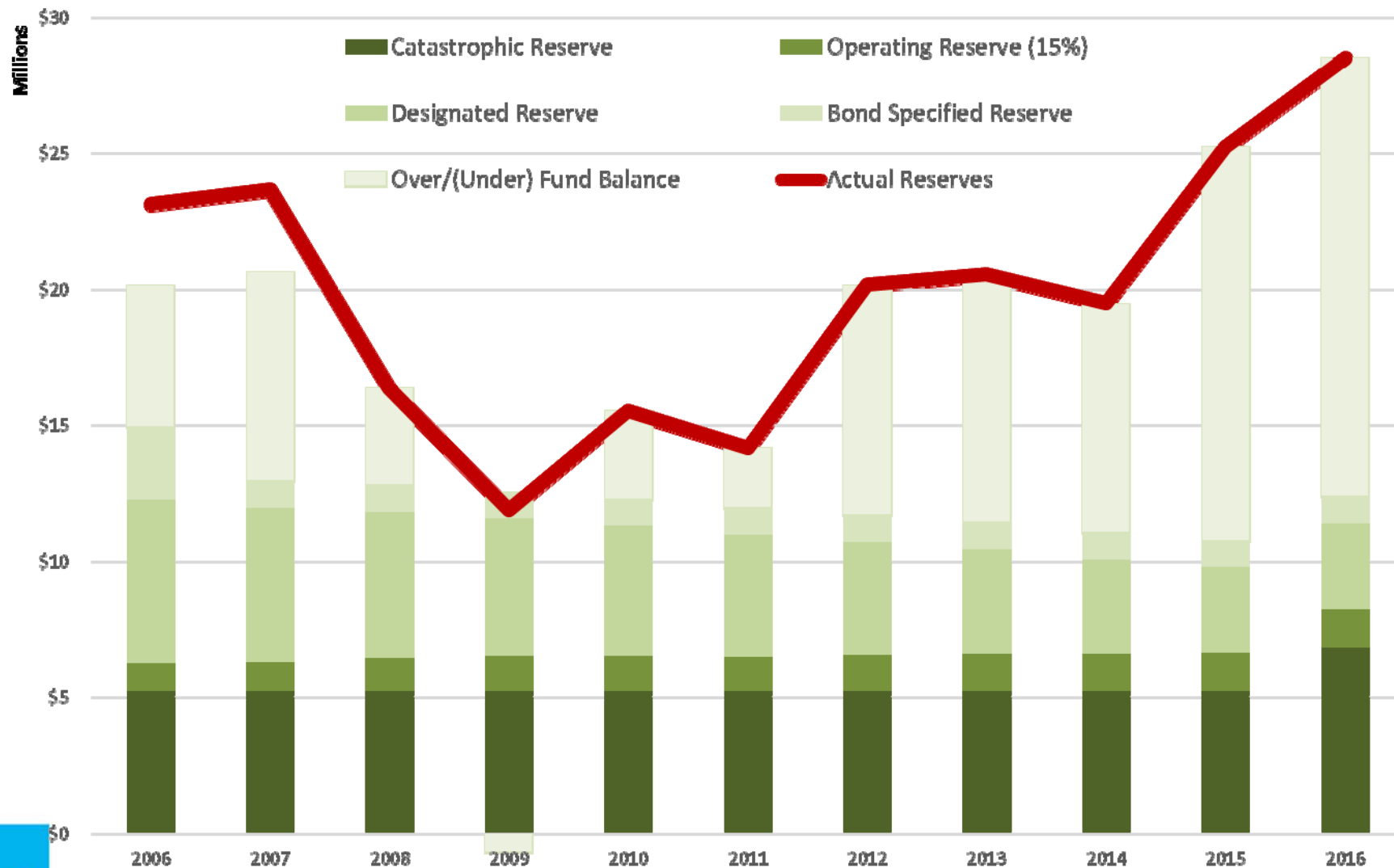
Catastrophic Reserves			
	Water	Wastewater	Subregional
Recommended	\$5,750,000	\$6,800,000	\$1,700,000
Current	\$4,400,000	\$5,200,000	\$1,300,000
Difference	\$1,350,000	\$1,600,000	\$400,000

Historical Reserve Balance - Water



Historical Reserve Balance - Wastewater

Wastewater Fund Reserve / Fund Balance



Recommendation

It is recommended by the Board of Public Utilities and Water Department staff that the Council, by resolution, approve update of the Santa Rosa Water Reserve Policy to increase the current catastrophic reserve levels by 30% as per the 2015 Rate Study recommendations.

CONNECT WITH US!

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