



# Sonoma Water

Clean. Reliable. Essential. Every day.

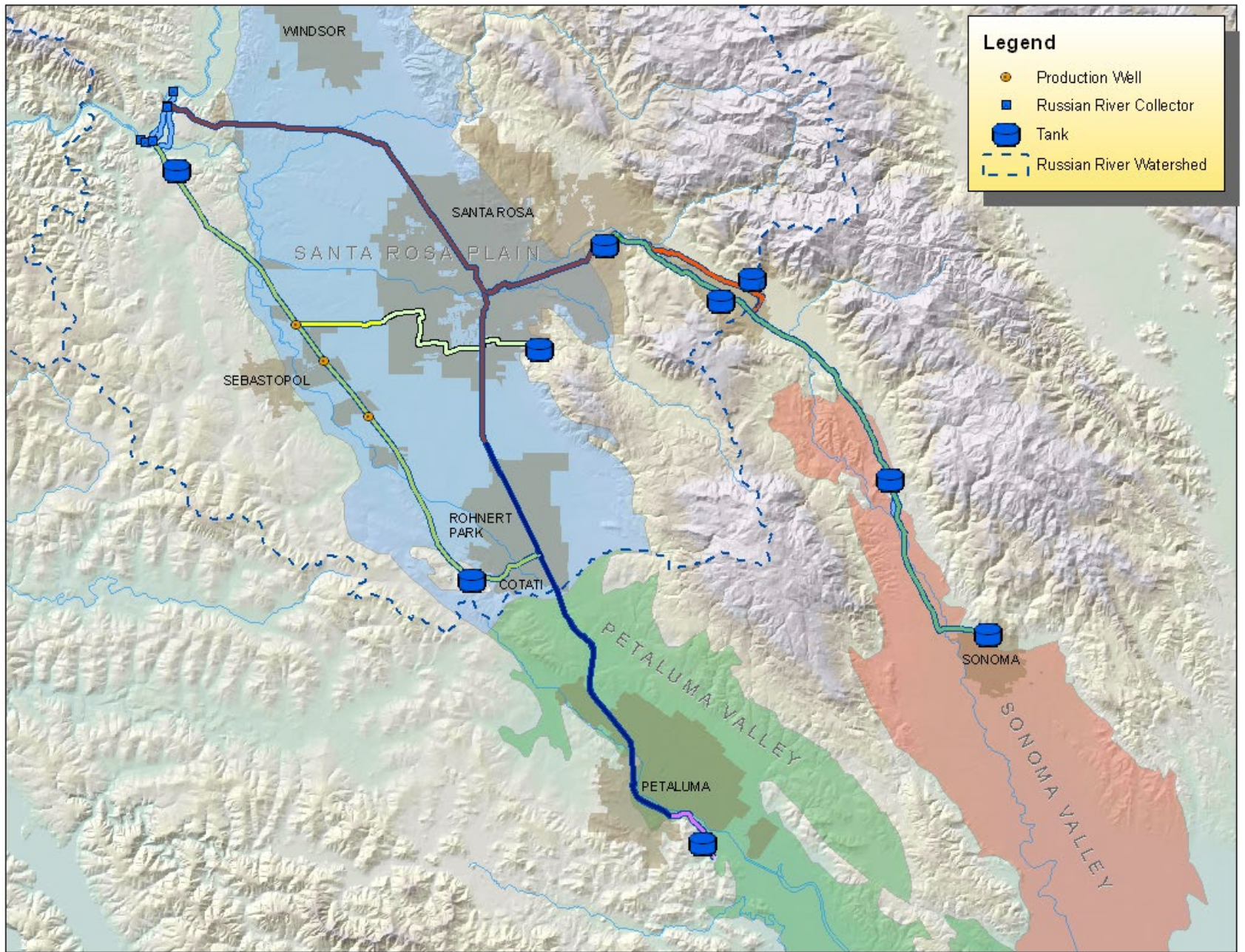
## FY 2022-2023 Proposed Budget and Rates Water Transmission System

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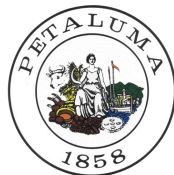
# Transparent and collaborative process to bring rates to Board of Directors by end of April

Technical  
Advisory  
Committee  
(Jan-March)

Water  
Contractor  
Boards &  
Councils  
(March)

Water  
Advisory  
Committee  
(April)

Sonoma  
Water Board  
of Directors  
(April)



# Budget includes multiple water transmission system activities and funds

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



# \$3.2 million budgeted for hazard mitigation projects to reduce risks

Ely Booster Pump Station Flood Mitigation

Mark West Creek Crossing

Russian River Crossing

Santa Rosa Creek Crossing

Seismic Retrofit of Storage Tanks

Bennett Valley Fault Crossing

# \$10.1 million budgeted for other capital projects to increase resiliency

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



# \$38.7 million budgeted for operations and maintenance to protect, improve and maintain system reliability

## 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

# \$13.9 million for Biological Opinion, water supply planning and water conservation

**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](http://SavingWaterPartnership.org)





# 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

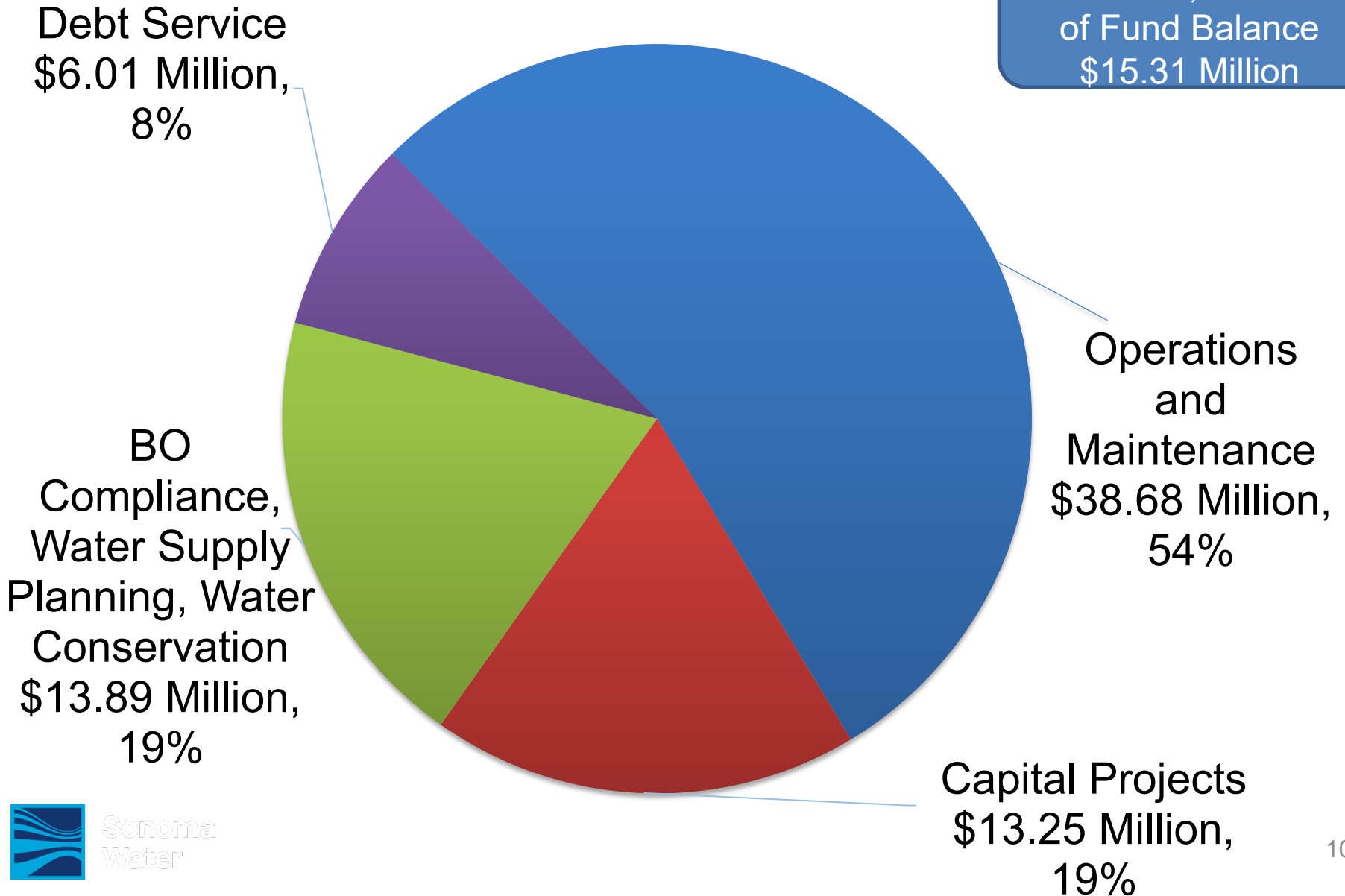
\$8.49

\$15.31

\$6.82

# FY 22-23 Budgeted Expenditures

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



# Example of how rates are calculated

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

Water Sold = Lesser of:

45,748 AF

or

45,788 AF

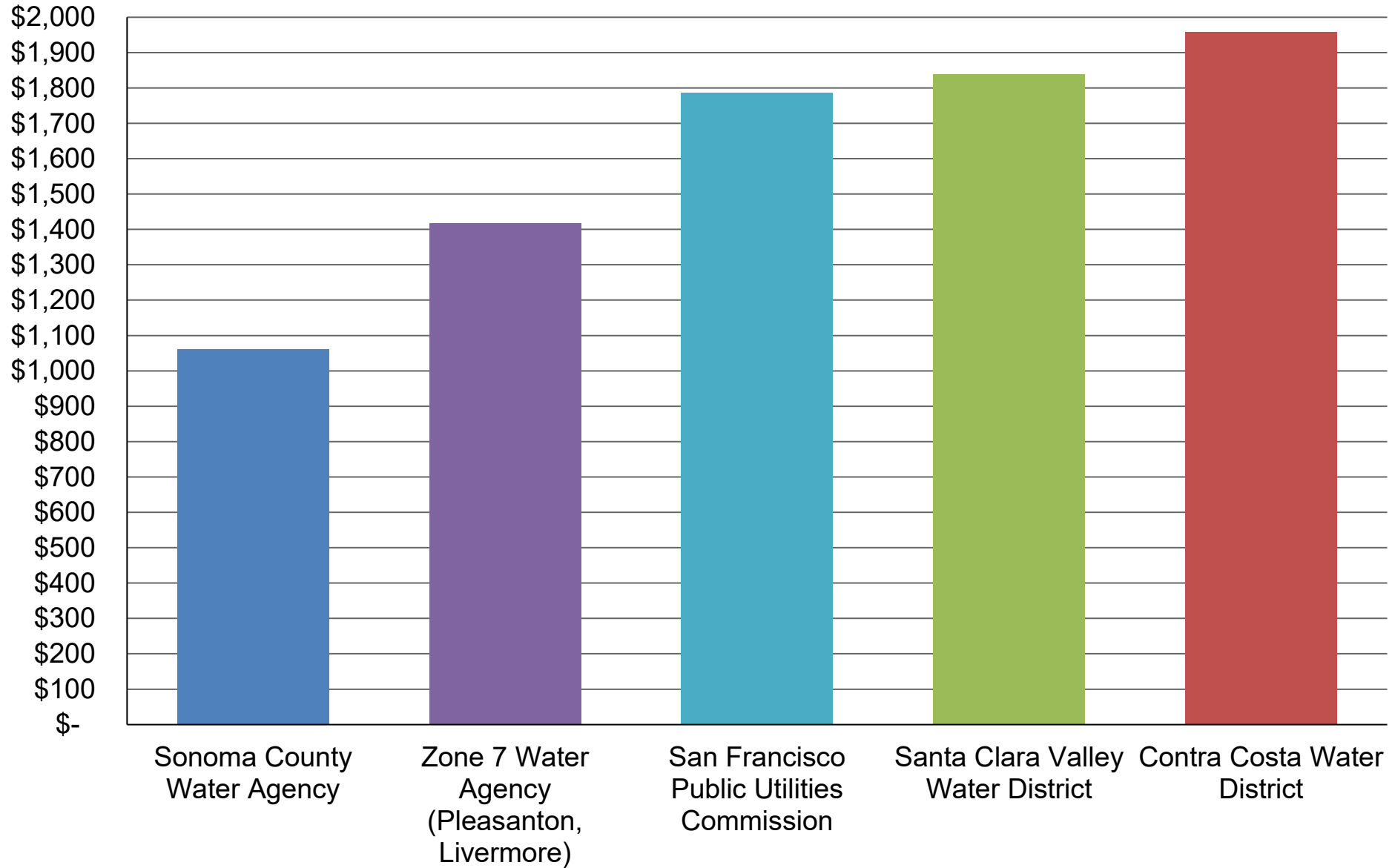
# Budget and rate reduced by working with contractors

- Reduced rate increase from 9.99% to 6.84% by decreasing O&M costs, increased use of fund balance, sale of revenue bonds and offsetting grant revenue
- Water contractors elected to make the following changes to **further reduce rates**:
  - Santa Rosa AQ -- lowered Aqueduct Capital Charge to reduce rate increase to 6.06%
  - Petaluma AQ -- lowered Aqueduct Capital Charge to further reduce rate increase to 6.16%
  - Sonoma Aqueduct customers – kept Aqueduct Capital Charge at \$38/AF resulting in a rate increase of 6.52%

# 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
<b>Total O&amp;M</b>	<b>\$896.93</b>	<b>\$896.93</b>	<b>\$896.93</b>
Storage & Common Bond/Loan Charges	\$153.11	\$153.11	\$153.11
Sonoma Aqueduct Bond/Loan Charge			\$131.87
<b><i>Prime Contractors</i></b>	\$1,050.04	\$1,050.04	\$1,181.90
<b><u>Discretionary Charges</u></b>			
Capital Charges - to build fund balance for future projects	\$11.00	\$12.00	\$38.00
<b><i>Prime Contractors</i></b>	\$11.00	\$12.00	\$38.00
<b><i>Total Prime Contractors</i></b>	<b>\$1,061.04</b>	<b>\$1,062.04</b>	<b>\$1,219.90</b>
Total Overall Increase:	6.06%	6.16%	6.52%

# 2022 wholesale water rates per Acre-Foot



# Next steps

- Unanimously Recommended by Technical Advisory Committee – March 7
- Water Advisory Committee Vote – April 4
- Adoption by Sonoma Water's Board – April 19

# No Customer or Rate Impacts

- Water charges increasing 3% on 7/1/2022
  - Per rate schedule approved in 2021
- Pass through of wholesale rate to customers removed in 2021
  - No impact to customer or current rate schedule
- Santa Rosa Water Financial Model
  - Included 6% annual wholesale rate increase in rate development





**Sonoma  
Water**

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