

# FY 14-15 Proposed Budget and Rates Water Transmission System

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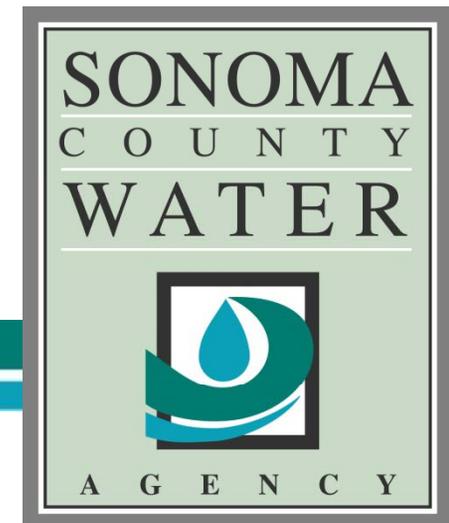
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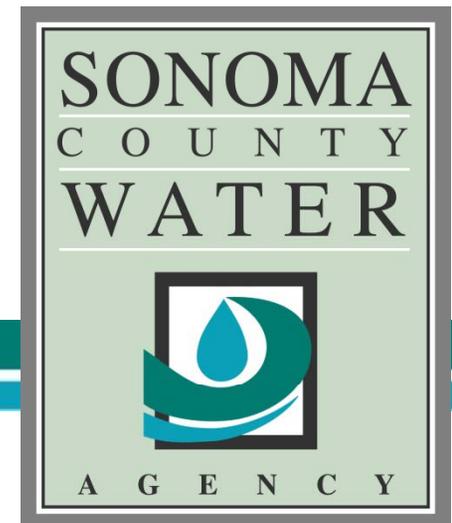
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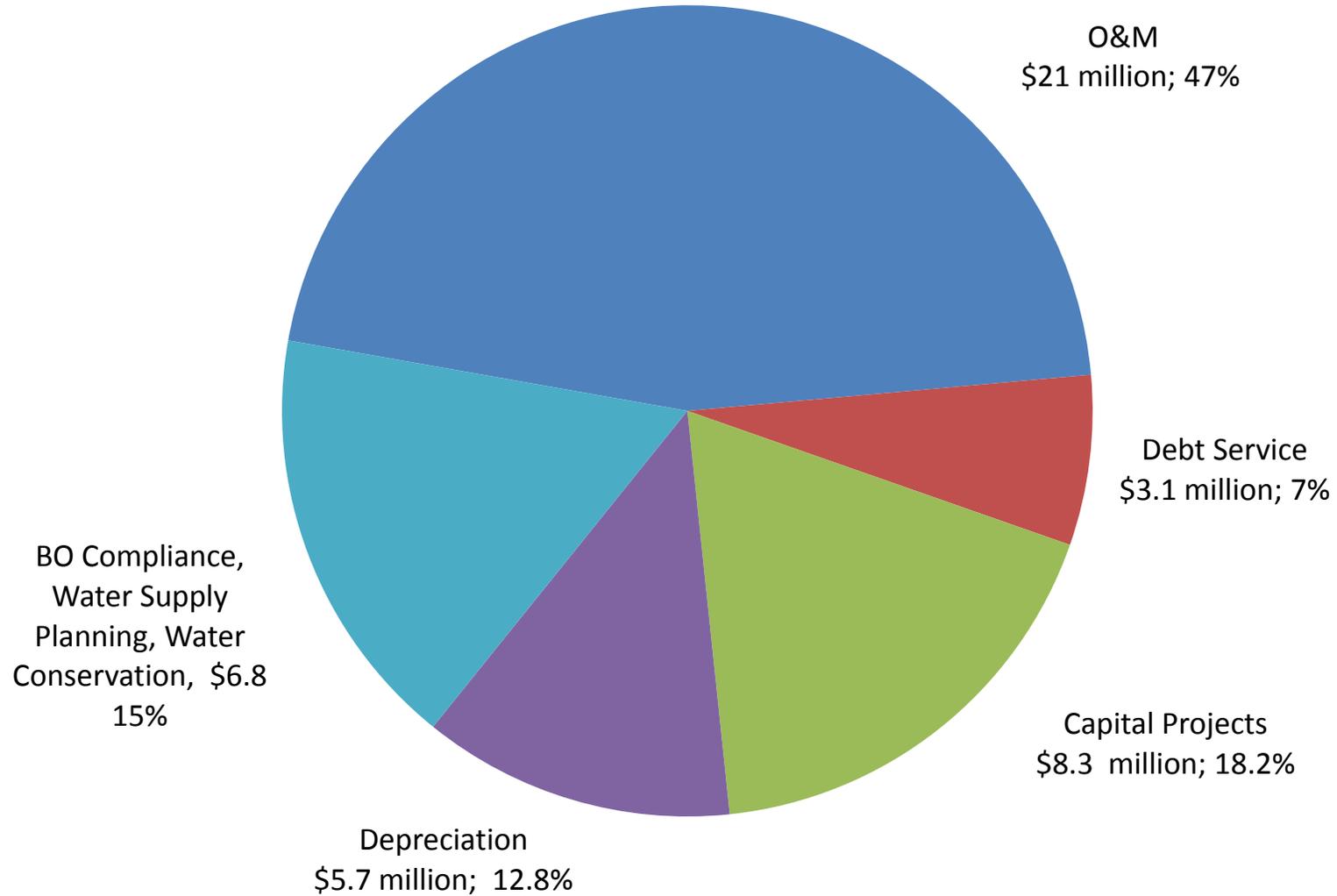


# Agenda

- **The Agency's FY 14-15 Proposed Budget**
- **How rates are set according to the Restructured Agreement for Water Supply**
- **Use of Reserves to avoid steep rate hikes**



# FY 14-15 Budgeted Expenditures \$44.9 million



# Capital Improvement Projects

Project	Category	Amount
Petaluma Aq Relocation – Kastania (Caltrans Project)	Storage	50,000
Ralphine Tanks Flow Thru Conversion	Storage	140,000
24" Oakmont Pipeline Replacement	Storage	100,000
Local Hazard Mitigation Program - Program Design (for Future FEMA Funds)	Pipeline	15,000
LHMP - Program Design (for Future FEMA Funds)	Pipeline	15,000
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Condition Assessment Study	Pipeline	15,000
SBS Electrical Upgrade and Pumping Reliability	Pipeline	220,000
Isolation Valves (FEMA Funds - \$1.9M)	Common	2,800,000
Mirabel Fish Screen/Fish Ladder (Dept of Fish and Wildlife Funds - \$1.18M)	Common	775,000
RR Crossing (FEMA Funds - \$2.9M)	Common	150,000
MW Creek Crossing (FEMA Funds - \$2.8M)	Common	310,000
Collector 6 Liquefaction Mitigation (for Future FEMA Funds)	Common	40,000
Collectors 3 and 5 Liquefaction Mitigation Predesign (for Future FEMA Funds)	Common	200,000
Mirabel-River Road Fiber Optic Cable (Install with RR Crossing Project)	Common	100,000
RDS Pump Replacement	Common	350,000
Caisson 6 Vaults	Common	150,000
Wohler Motor Replacements	Common	350,000
pH Pump Replacement	Common	100,000
Water Agency Westside Facility - offsetting revenue \$365,000	Common	365,000
SCADA Software and Hardware	Common	750,000
SCADA Upgrade	Common	1,250,000
		8,260,000
	Storage	290,000
	Pipeline	280,000
	Common	7,690,000



# Rate Setting Calculation

Cost of Operations  
and Maintenance

Water Sold

=

Cost of Water

(Dollars per acre-foot)

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Water Sold = Lesser of:

Average of last 3  
years annual  
water deliveries

or

Last 12 months  
of actual water  
deliveries

# Proposed Rates for FY 14-15

Charge / Aqueduct	Santa Rosa Aqueduct	
Deliveries (Acre-Feet)	51,211	46,000
O&M	\$470.86	\$471.40
Water Management Planning	\$4.88	\$0.97
Watershed Planning & Restoration	\$81.15	\$79.01
Recycled Water	\$15.05	\$11.56
Water Conservation	\$35.34	\$39.35
<b>Total O&amp;M</b>	<b>\$607.28</b>	<b>\$602.29</b>
Storage & Common Bond/Loan Charges	\$83.92	\$92.89
Sonoma Aqueduct Bond/Loan Charge		
<b>Prime Contractors</b>	<b>\$691.20</b>	<b>\$695.18</b>
<b><u>Discretionary Charges</u></b>		
Capital Charges - <i>to build fund balance for future projects</i>	\$29.00	\$19.50
Local Recycled Water Tier 2 Program	\$16.00	\$16.00
<b>Prime Contractors</b>	<b>\$45.00</b>	<b>\$35.50</b>
<b>Total Prime Contractors</b>	<b>\$736.20</b>	<b>\$730.68</b>
Total Overall Increase:	4.38%	3.60%



# Historical Perspective

	FY 10-11	FY 11-12	FY 12-13	FY 13-14	FY 14-15	Average
<b>Water Transmission Budget (Millions)</b>	\$40.5	\$37.8	\$48.3	\$41.3	\$44.9	\$42.56
<b>Budgeted Deliveries (Acre Feet)</b>	49,853	47,848	45,960	48,609	46,000	47,654
<b>SR Aqueduct Rate</b>	\$603.92	\$634.11	\$672.03	\$705.30	\$730.68	\$669.21
<b>Rate % Change from PY</b>	6.93%	5.00%	5.98%	4.95%	3.60%	5.29%

# City of Santa Rosa - Impact to Average Consumer

## Sample Bill - Water Portion Only

SCWA Increase of 3.6% equates to a pass-through to Santa Rosa customers of 1.5% on the water usage charge

	tg		July Increase	New Amount
Water Usage Tier 1	5.2	\$24.91	\$0.37	\$25.28
Water Usage Tier 2	3.5	\$19.29	\$0.29	\$19.58
Water Fixed Charge		\$11.92	0	\$11.92
		<b>\$56.12</b>	<b>\$0.66</b>	<b>\$56.78</b>

tg = thousand gallons

# TAC Recommended Budget on February 3rd

- **Recommended:**
  - **Budgeted Deliveries of 46,000 Acre Feet**
  - **Budget of \$44.9 Million**
  - **Rate Increases of 3.19% to 3.60%**

# Next Steps

- **Presentation to City of Santa Rosa - Today**
- **Recommendation by WAC on April 7<sup>th</sup>**
- **Adoption by the Board of Directors – by April 30**

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# Primary Factors Affecting Rate Increase

<b>Factors</b>	<b>Impact on Rates (Approx.)</b>
Decreased Water Deliveries (48,609-46,000AF)	+5.37%
Watershed Planning and Restoration	-.25%
Use of Fund Balance and Net Reduction in Expenses	-4.07%
Aqueduct Capital Funding and Local Project Funding	+2.55%
<b>Overall Increase</b>	<b>3.60%</b>