

CITY OF SANTA ROSA  
CITY COUNCIL

TO: MAYOR AND CITY COUNCIL  
SUBJECT: SONOMA COUNTY WATER AGENCY 2014/15 WATER  
TRANSMISSION BUDGET AND WATER RATE INCREASE  
STAFF PRESENTER: ROCKY VOGLER, SENIOR WATER RESOURCES  
PLANNER – WATER AND ENGINEERING RESOURCES  
UTILITIES DEPARTMENT  
AGENDA ACTION: MOTION

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ISSUE(S)

Should the Council, by motion, authorize Santa Rosa's Water Advisory Committee (WAC) representative to vote in favor of approving the proposed 2014/15 Sonoma County Water Agency's water transmission budget and water rate increase request?



COUNCIL GOALS AND STRATEGIES

“Council Goal 2; Promote a City Organization that is Sustainable and Maintains Employee Morale, Productivity and Effectiveness - Strategic Objective 1; Live within our means; develop strategies to restore fiscal stability”, is supported by this action.

BACKGROUND

Sonoma County Water Agency (SCWA) staff presented the 2014/15 Water Transmission System budget to the WAC on February 3, 2014. Based on budget documents provided by SCWA, the proposed wholesale water rate for the City of Santa Rosa will increase 3.60% or from \$705.30 per acre foot to \$ 730.68 per acre foot. Significant items in the 2014/15 SCWA budget are as follows:

- (1) Due to the drought, projected water deliveries are approximately 5,200 acre feet lower than the three year annual average (51,211 vs. 46,000 AFY).
- (2) The Restructured Agreement provides an alternative mechanism to estimate water deliveries based on drought or other water-supply reductions.
- (3) The reduction in deliveries due to the drought would have resulted in a 12-13% rate increase. However, \$6.6M in reserves is being utilized to adjust the rates downward to 3.60%.

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(4) If deliveries exceed 46,000 AF, the revenue collected will be used for future projects and to smooth FY 15-16 rates.

(5) There was a net increase in SCWA's Operations and Maintenance budget of 4.8% or from \$449.72 per acre foot to \$471.40 per acre foot.

(6) The Santa Rosa Aqueduct Fund which funds repair and upgrades to the Santa Rosa Aqueduct was funded by \$19.50 an acre foot.

On February 3, 2014, the Technical Advisory Committee (TAC) to the WAC voted unanimously to recommend the proposed 2014/15 SCWA water transmission budget and rate increase for approval to the WAC.

It is anticipated that the Board of Public Utilities, at the February 20, 2014 meeting, will vote to recommend that the Council authorize Santa Rosa's WAC representative vote in favor of approving the proposed 2014/15 SCWA water transmission budget and water rate increase request at its meeting on February 20, 2014.

### ANALYSIS

The WAC is an advisory committee to the SCWA Board of Directors. One City Councilmember serves as the City's WAC Representative.

On April 7, 2014 the WAC is scheduled to vote on whether or not to recommend approval of the proposed 2014/15 SCWA water transmission budget and water rate increase request to the SCWA Board of Directors.

### RECOMMENDATION

It is recommended by the Department of Utilities and the Board of Public Utilities that Council, by motion, authorize Santa Rosa's WAC representative to vote in favor of approving the proposed 2014/15 SCWA water transmission budget and water rate increase request.

Author: Rocky Vogler

Attachments:

- FY 14-15 Sonoma County Water Agency Water Transmission Budget