



# Sonoma Water

Clean. Reliable. Essential. Every day.

## FY 2021-2022 Proposed Budget and Rates Water Transmission System

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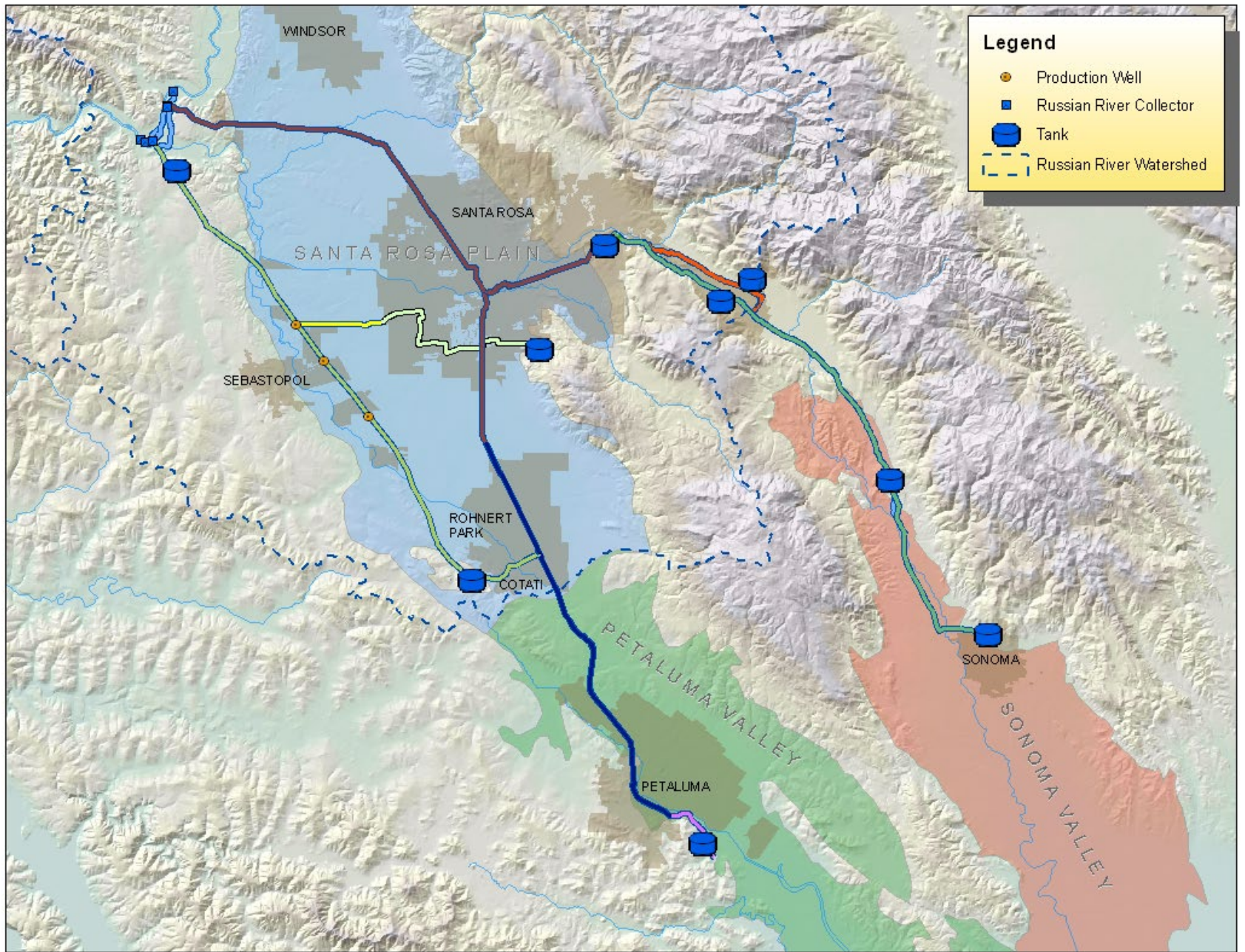
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# Sonoma Water's Enterprises

- Water Supply
- Water Transmission
- Flood Protection
- Wastewater Treatment and Reuse
- Energy and Sustainability



# Transparent and Collaborative Process

Restructured Agreement requires our Board of Directors to adopt rates by the end of April each year



- Review by Technical Advisory Budget Subcommittee – January and February



- Technical Advisory Committee Vote on Budget and Rates on March 1



- Presentations to City and Town Councils, and Water District Boards in March



**NORTH MARIN  
WATER DISTRICT**

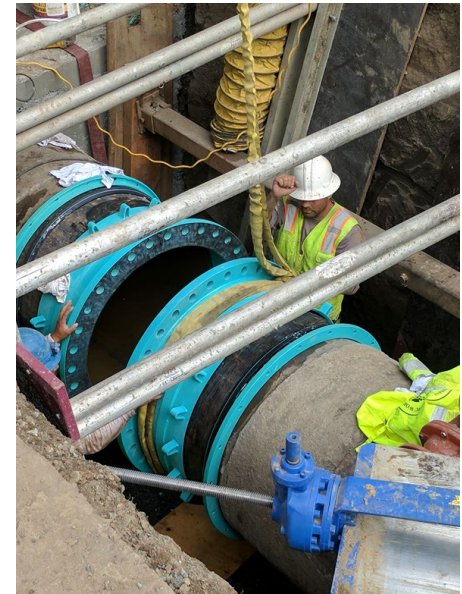
- Water Advisory Committee Vote on Budget and Rates on April 5

- Adoption by Sonoma Water's Board of Directors on April 20.



# Water Transmission System Activities and Funds

- Operations and Maintenance
- Subfunds:
  - Water Management
  - Watershed Planning and Restoration
  - Recycled Water and Local Supply
  - Water Conservation
- Capital Funds:
  - Santa Rosa, Petaluma, and Sonoma Aqueducts
  - Storage Facilities
  - Common Facilities
- Debt Service Funds
  - State Revolving Loan Fund
  - 2012, 2015, and 2019 Revenue Bonds



Sonoma  
Water

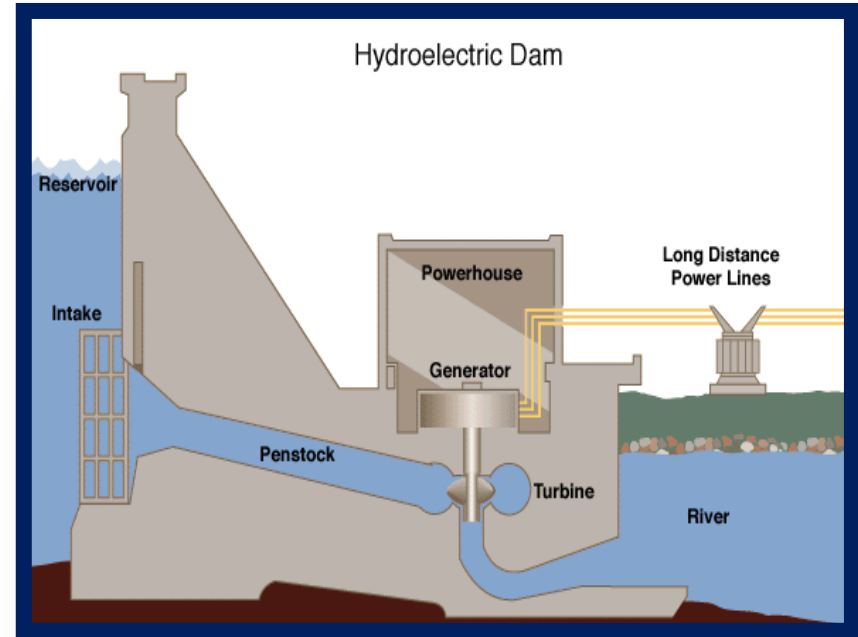
# Hazard Mitigation Projects

Ely Booster Pump Station Flood Mitigation	60% Design; Award in FY21-22
Mark West Creek Crossing	90% Design; Award in FY21-22
Russian River Crossing	Awarded in FY20-21; Under Construction in FY21-22
Santa Rosa Creek Crossing	60% Design; Award in FY21-22
Sonoma AQ Crossing of Spring Creek & Bennett Valley Fault Crossing	Preliminary Design FY21-22

FY21-22 Budget: \$5.4M

# Other Capital Projects

Sonoma Booster Pump Station Upgrade	Substantial Completion Winter 2021
Mirabel Dam Bladder Replacement	Awarded in FY20-21 Under Construction in FY21-22
Warm Springs Dam Hydroturbine Retrofit	Award July 2021



FY21-22 Budget: \$4.3M

Total FY21-22 Capital Budget including Hazard Mitigation Projects: \$9.7M

# Operations and Maintenance

## Projects

Cathodic Protection - Santa Rosa Aqueduct and Russian River-Cotati Intertie

Collector Well Pump Set Replacements

Mainline Valve Replacement

Tank Maintenance Program

## Studies

Regional Water Supply Resiliency Study

Collector Well Seismic Mitigation Planning

Watershed and Riverbank Filtration Water Quality Studies

pH System Assessment





# Biological Opinion Compliance and Water Conservation

Dry Creek Habitat Enhancement Phase IV:  
Anticipate Corps will Construct Summer 2021



**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)



FY21-22 Biological Opinion  
Compliance, Water Supply  
Planning, Water  
Conservation  
\$11.05M

# Expenditures Compared to FY 20-21

	FY20-21	FY21-22	
	Budget (in Millions)	Budget (in Millions)	Change (in Millions)
Operations and Maintenance	\$29.81	\$30.54	\$0.74
Capital Projects	\$12.60	\$9.67	(\$2.92)
BO Compliance, Water Supply Planning, Water Conservation	\$11.89	\$11.05	(\$0.84)
Debt Service	\$4.88	\$4.85	(\$0.03)
Totals	\$59.18	\$56.11	(\$3.05)

Grants, Use of Fund Balance,  
and Bond Proceeds

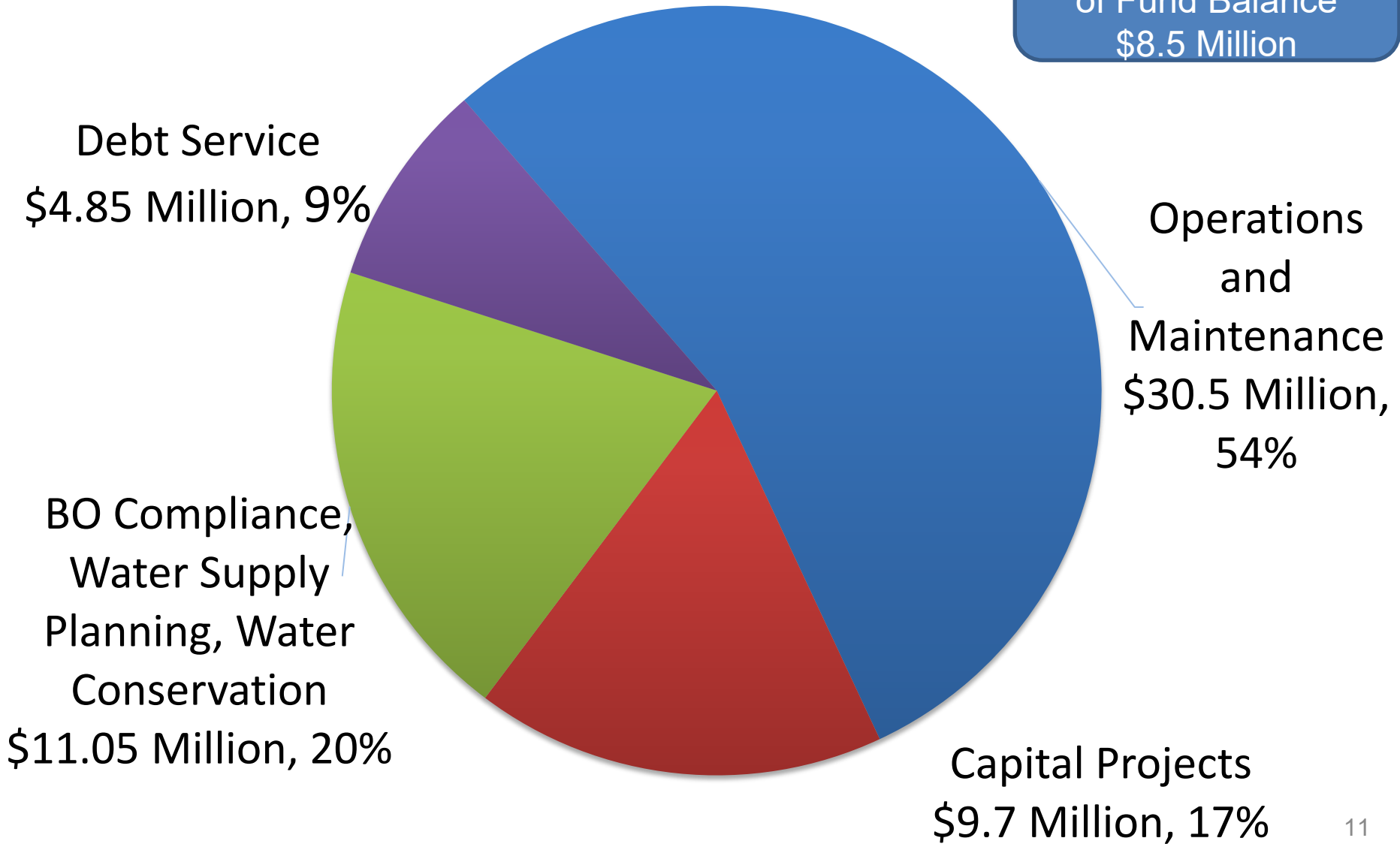
\$16.28

\$8.49

(\$7.79)

# FY 21-22 Budgeted Expenditures

Grants, Bond Proceeds, and Use of Fund Balance  
\$8.5 Million



# Rate Setting Calculation (EXAMPLE)

$$\frac{\$46,095,000}{46,095 \text{ AF}} = \$1,000/\text{Acre Foot}$$

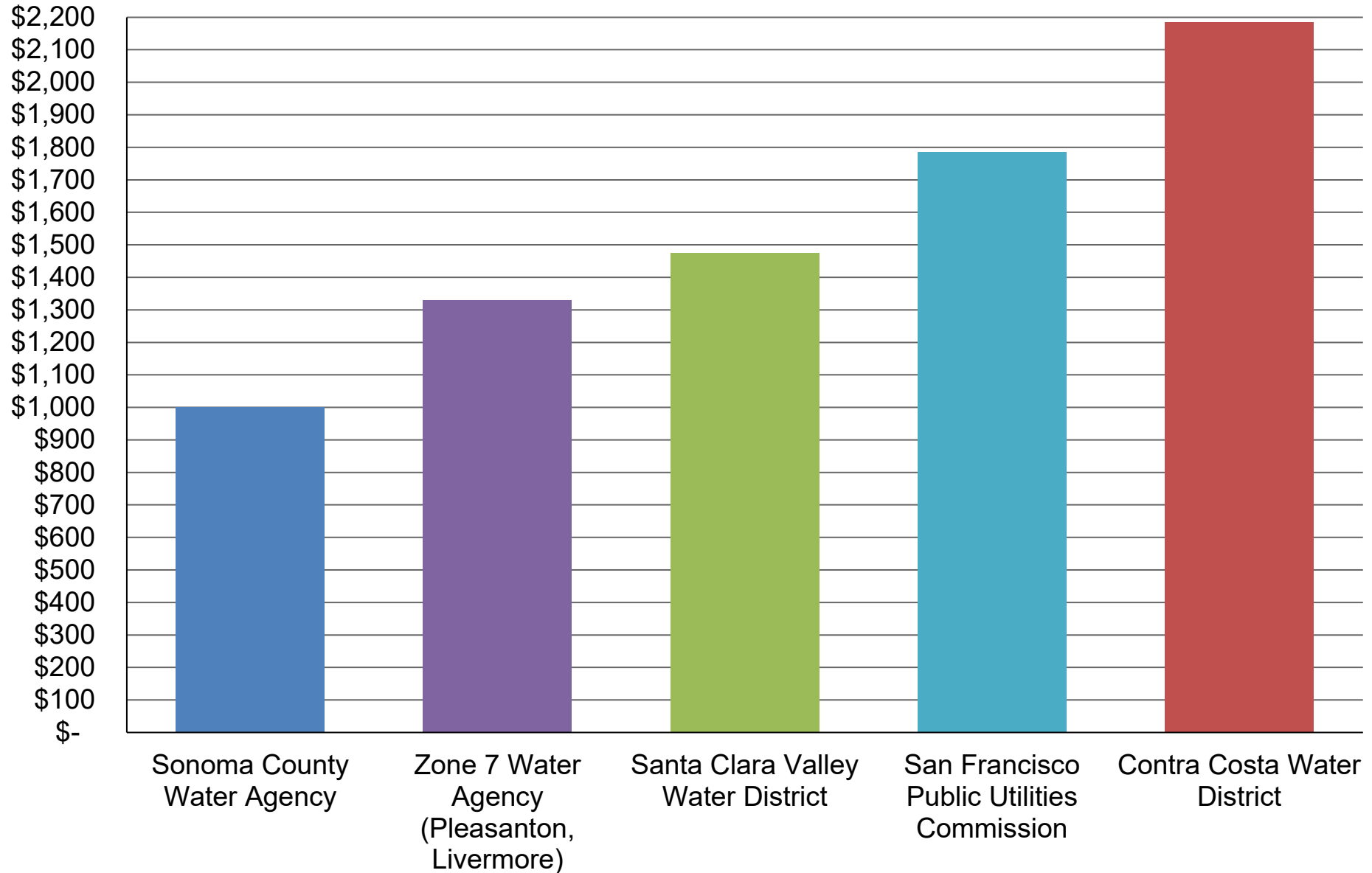
Water Sold = Lesser of:

46,095 AF

or

47,748 AF

# 2021 Wholesale Water Rates Per Acre-Foot



# Proposed Rates for FY 21-22

Charge / Aqueduct	Santa Rosa	Petaluma	Sonoma
Deliveries (Acre-Feet)	46,095		
O&M	\$685.92	\$685.92	\$685.92
Water Management Planning	\$0.00	\$0.00	\$0.00
Watershed Planning & Restoration	\$132.66	\$132.66	\$132.66
Recycled Water and Local Supply	\$0.93	\$0.93	\$0.93
Water Conservation	\$44.44	\$44.44	\$44.44
<b>Total O&amp;M</b>	<b>\$863.95</b>	<b>\$863.95</b>	<b>\$863.95</b>
Storage & Common Bond/Loan Charges	\$116.51	\$116.51	\$116.51
Sonoma Aqueduct Bond/Loan Charge			\$126.72
<b><i>Prime Contractors</i></b>	<b>\$980.46</b>	<b>\$980.46</b>	<b>\$1,107.18</b>
<b><u>Discretionary Charges</u></b>			
Capital Charges - to build fund balance for future projects	\$20.00	\$20.00	\$38.00
<b><i>Prime Contractors</i></b>	\$20.00	\$20.00	\$38.00
<b><i>Total Prime Contractors</i></b>	<b>\$1,000.46</b>	<b>\$1,000.46</b>	<b>\$1,145.18</b>
Total Overall Increase:	3.47%	3.47%	3.43%

# Budget and Rate Reduction Measures

- Reduced rate increase from 6.56% to 4.1%
- Santa Rosa and Petaluma Water Contractors elected to lower Aqueduct Capital Charge to further reduce rate increase to 3.47%
- Sonoma Aqueduct Water Contractors increased Aqueduct Capital Charge to get to 3.43% rate increase
- Savings of approximately \$1.3 million
- Decreased capital project costs
- Increased use of fund balance
- Reduced Water Management Subfund Rate to \$0.00
- Decreased labor costs in Water Conservation
- Rate Increase on Average is approximately \$0.65 per Household per Month

# Next Steps

- **Presentations upon Request to City and Town Councils, and Water District Boards in March**
- **Water Advisory Committee Vote on Monday, April 5**
- **Adoption by Sonoma Water's Board – April 20**





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Water**

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