

**DATE:** February 21, 2013

**TO:** BOARD OF PUBLIC UTILITIES

**FROM:** GLEN WRIGHT, DEPUTY DIRECTOR WATER AND ENGINEERING  
RESOURCES

**SUBJECT:** SONOMA COUNTY WATER AGENCY 2013/14 WATER  
TRANSMISSION SYSTEM BUDGET AND WATER RATE  
INCREASE

**ACTION:** MOTION

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**ISSUE:**

The Board of Public Utilities may discuss and provide a recommendation to the City Council regarding Council's direction to the Santa Rosa's Water Advisory Committee (WAC) representative regarding the Sonoma County Water Agency's 2013/14 Water Transmission System budget and water rate increase request.

**BACKGROUND:**

Sonoma County Water Agency (SCWA) staff presented the 2013/14 Water Transmission System budget to the WAC on February 4, 2013. Based on budget documents provided by SCWA, the proposed wholesale water rate for the City of Santa Rosa will increase 4.95% or from \$672.03 per acre foot to \$ 705.29 per acre foot. Significant items in the 2013/14 SCWA budget are as follows:

- (1) The three year average annual deliveries through December 2012 were 48,609 acre feet which represents a 6.4% increase over the prior year's delivery. Deliveries were 52,427 acre feet over the past 12 months.
- (2) The Recycled water Sub Charge which among other things, grants money back to the water contractors for creating local water supplies and recycled water projects and with implementing tier 2 water conservation measures is increasing 51.5% from \$15.99 per acre foot to \$24.23 per acre foot.
- (3) The SCWA's Operations and Maintenance budget increased by 4.0% or from \$431.81 per acre foot to \$449.06 per acre foot primarily due to the cash funding of capital projects.

(4) The Santa Rosa Aqueduct Fund which funds repair and upgrades to the Santa Rosa Aqueduct was increased by 213.5% from \$9.25 an acre foot to \$29 an acre foot. This fund provides funding for future water supply capital projects and will provide future rate stabilization when these future projects are needed.

On January 7, 2013, the Technical Advisory Committee (TAC) to the WAC voted unanimously to recommend the proposed 2013/14 SCWA Water Transmission System budget and rate increase for approval to the WAC.

### **ANALYSIS:**

The WAC is an advisory committee to the SCWA Board of Directors. The City's WAC Representative is Councilmember Robin Swinth.

On April 1, 2013 the WAC is scheduled to vote on whether or not to recommend approval of the proposed 2013/14 SCWA Water Transmission System budget and water rate increase request to the SCWA Board of Directors.

### **RECOMMENDATION:**

The Utilities Department recommends that the Board consider the SCWA budget and water rate increase and, by motion, make a recommendation to the City Council regarding Council's direction to its WAC representative regarding these items.