

CITY OF SANTA ROSA  
BOARD OF PUBLIC UTILITIES

TO: BOARD OF PUBLIC UTILITIES  
FROM: KIMBERLY ZUNINO, DEPUTY DIRECTOR ADMINISTRATION  
WATER DEPARTMENT

SUBJECT: SONOMA COUNTY WATER AGENCY FY2021/22 WATER  
TRANSMISSION BUDGET AND RATE INCREASE

AGENDA ACTION: MOTION

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RECOMMENDATION

It is recommended by the Water Department that the Board of Public Utilities consider the Sonoma Water budget and proposed water rate increase and, by motion, provide a recommendation to the City Council regarding Council's direction to its Water Advisory Committee (WAC) representative for the WAC vote on April 5, 2021.

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EXECUTIVE SUMMARY

The City of Santa Rosa purchases approximately 90% of the water supplied to our customers from the Sonoma County Water Agency (Sonoma Water). Sonoma Water is proposing to raise the wholesale rate of water by 3.47% from \$966.95 per acre foot to \$1,000.46 per acre foot.

The Board of Public Utilities may make a recommendation to the City Council, which will in turn advise their representative to the Water Advisory Committee (WAC) prior to a WAC vote. The WAC is an advisory board to Sonoma Water. Ultimately, the Sonoma Water Board of Directors will have final authority to approve the proposed budget and rate increase.

BACKGROUND

There is a Water Advisory Committee (WAC) made up of elected officials of each of the prime contractors to the Sonoma Water wholesale water. The WAC is an advisory committee to the Sonoma Water Board of Directors. The City's WAC Representative is Council Member Tom Schwedhelm. On April 5, 2021, the WAC is scheduled to vote on whether or not to recommend the Sonoma Water budget and proposed rate increase for approval of the Sonoma Water Board of Directors.

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There is also a Technical Advisory Committee (TAC) to the WAC made of technical staff of each of the prime contractors to Sonoma Water's wholesale water. The TAC provides technical analysis and recommendations to the WAC.

The BPU recommendation to the City Council regarding Council's direction to its WAC member on the Sonoma Water FY2021/22 budget and proposed water rate increase is scheduled to be considered by the City Council at its meeting on March 23, 2021.

### ANALYSIS

Sonoma Water staff presented the proposed FY2021/22 Water Transmission System budget to the TAC budget subcommittee over a series of meetings in February. Working with the TAC budget subcommittee, Sonoma Water staff made adjustments to the budget resulting in the proposed rate increase. The TAC voted to recommend the Sonoma Water budget and proposed rate increase for approval on March 1, 2021. Sonoma Water proposes to increase rates for wholesale water on the Santa Rosa Aqueduct by 3.47% or from \$966.95 per acre foot to \$1,000.46 per acre foot. Significant factors driving the FY2021/22 Sonoma Water budget are as follows:

1. Per the Restructured Agreement, estimated water deliveries for FY2021/22 are 46,095 acre feet, which is the lower of the previous 12 months water deliveries or the average of the past three years water deliveries.
2. The overall Operations and Maintenance charge is up 8.1% which includes increased expenditures on maintenance and system resiliency.
3. Projects that will bid during the fiscal year are one of the factors for the total budget this year, including projects such as Construction Management for Russian River Crossing (project awarded last FY), Mirabel Dam Bladder Replacement and Wohler Plant Access Road Retaining Wall Projects which must be fully funded for contract award.
4. The Santa Rosa Aqueduct Capital Charge, which is classified as a discretionary charge, will be set at \$20.00 an acre foot. This charge is set to accumulate funding for capital projects specific to the Santa Rosa Aqueduct. Santa Rosa and Windsor pay into the Santa Rosa Aqueduct Capital Charge.

### FISCAL IMPACT

The proposed wholesale water rate increase is \$33.51 per acre foot or 3.47%. At the Water Agency estimated delivery of 43,707 acre feet, Santa Rosa's estimated water use for next year of 16,000 acre feet would result in a total charge of \$16 million, an increase from the FY2020/21 budget of \$0.5 million. The increased cost will be recovered by retail water sales to SRW customers.

### ENVIRONMENTAL IMPACT

This action is exempt from the California Environmental Quality Act (CEQA) because it

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is not a project which has a potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment, pursuant to CEQA Guideline section 15378.

BOARD/COMMISSION/COMMITTEE REVIEW AND RECOMMENDATIONS

The Technical Advisory Committee to the Water Advisory Committee voted to recommend the Sonoma Water budget and proposed rate increase for approval of the Water Advisory Committee at their meeting on March 1, 2021.

The Water Advisory Committee is scheduled to vote on whether or not to recommend the Sonoma Water budget and proposed rate increase for approval by the Sonoma Water Board of Directors on April 5, 2021.

ATTACHMENTS

- Attachment 1 – – Sonoma County Water Agency Water Transmission FY 2021/22 Draft Budget and Rates

CONTACT

Kimberly Zunino, [kzunino@srcity.org](mailto:kzunino@srcity.org), (707) 543-3960