

CITY OF SANTA ROSA
CITY COUNCIL

TO: MAYOR AND CITY COUNCIL
SUBJECT: SONOMA COUNTY WATER AGENCY 2015/16 WATER
TRANSMISSION BUDGET AND RATE INCREASE
STAFF PRESENTER: LINDA REED, DEPUTY DIRECTOR - ADMINISTRATION
SANTA ROSA WATER
AGENDA ACTION: MOTION

ISSUE(S)

Should the Council, by motion, authorize Santa Rosa's Water Advisory Committee (WAC) representative to vote in favor of approving the proposed 2015/16 Sonoma County Water Agency's water transmission budget and water rate increase request?



COUNCIL GOALS/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 proposed 2015/16 Water Transmission System budget to the SCWA Technical Advisory Committee (TAC) on March 2, 2015. The SCWA proposed to increase rates for wholesale water on the Santa Rosa Aqueduct by 4.16% or from \$730.68 per acre foot to \$761.05 per acre foot. Significant factors driving the 2015/16 SCWA budget are as follows:

1. Per the Restructured Agreement, estimated water deliveries are 50,590 acre feet – the lower of the previous 12 months or the past three years.
2. There was a net increase in SCWA's Operations and Maintenance budget of 7.28% or from \$471.40 per acre foot to \$505.70 per acre foot.
3. The Water Management Planning Sub-Charge is increased from \$0.97 to \$5.44 per acre foot to fund the SCWA Urban Water Master Plan which is updated every five years.

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4. The Santa Rosa Aqueduct Capital Charge, which is classified as a discretionary charge, remains at \$19.50 an acre foot to accumulate funding for capital projects specific to the Santa Rosa Aqueduct.
5. The Local Recycled Water Tier 2 Conservation Program (LRT2), which funds grants to contractors for the development of local water supply, is funded by \$16.00 per acre foot. This will complete the agreed upon funding for this round of LRT2 funding and Santa Rosa should receive a final payment from this funding in 2015/16 of \$1,157,233.

ANALYSIS:

1. The WAC is an advisory committee to the SCWA Board of Directors. One City Councilmember serves as the City's WAC representative.
2. On April 6, 2015 the WAC is scheduled to vote on whether or not to recommend the SCWA budget for approval to the SCWA Board of Directors.
3. The Board of Public Utilities received a report from the SCWA staff on the budget request and rate increase at its meeting on March 19, 2015. The Board unanimously recommended, by motion, the budget request and rate increase to the City Council.

RECOMMENDATION

It is recommended by Santa Rosa Water and the Board of Public Utilities that Council, by motion, authorize Santa Rosa's Water Advisory Committee (WAC) representative to vote in favor of approving the proposed 2015/16 Sonoma County Water Agency (SCWA) water transmission budget and water rate increase request.

Author: Linda Reed

Attachments:

Attachment 1 – Water Transmission FY 2015-16 Draft Budget and Rates