



Sonoma Water

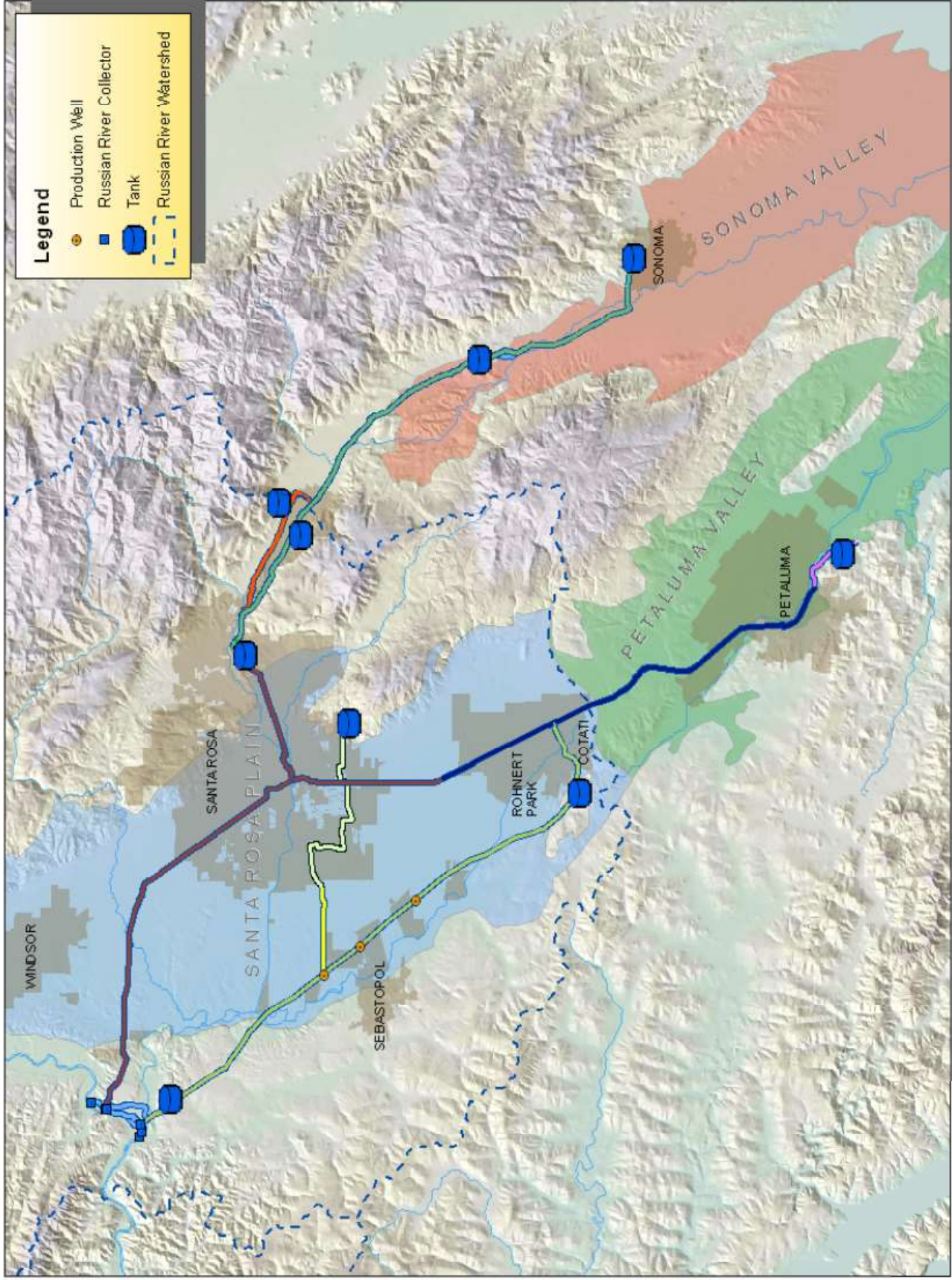
Clean. Reliable. Essential. Every day.

FY 2025-2026 Proposed Budget and Rates Water Transmission System

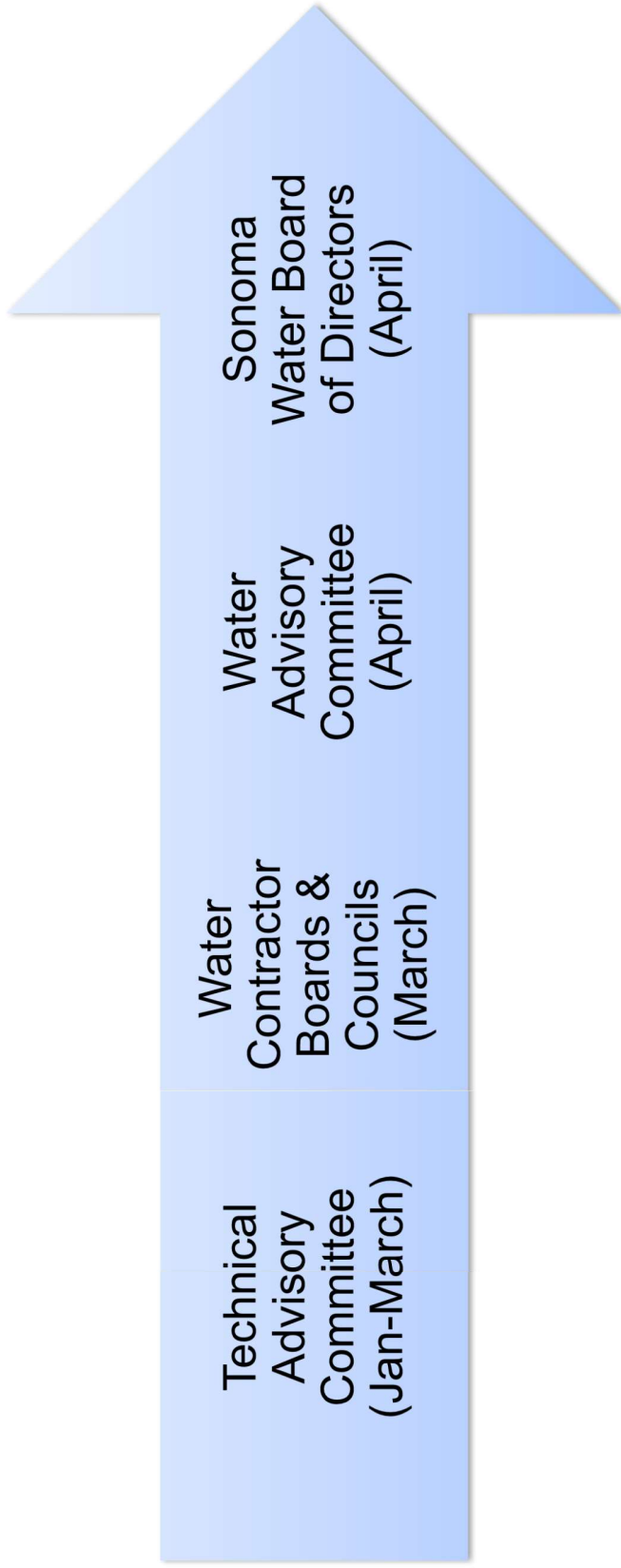
Lynne Rosselli
FINANCIAL SERVICES
DIVISION MANAGER
Lynne.Rosselli@scwa.ca.gov

Jake Spaulding
FINANCE MANAGER
Jake.Spaulding@scwa.ca.gov
[f](https://www.facebook.com/sonomawater) [ig](https://www.instagram.com/sonomawater) [in](https://www.linkedin.com/company/sonomawater) [sonomawater.org](https://www.sonomawater.org)



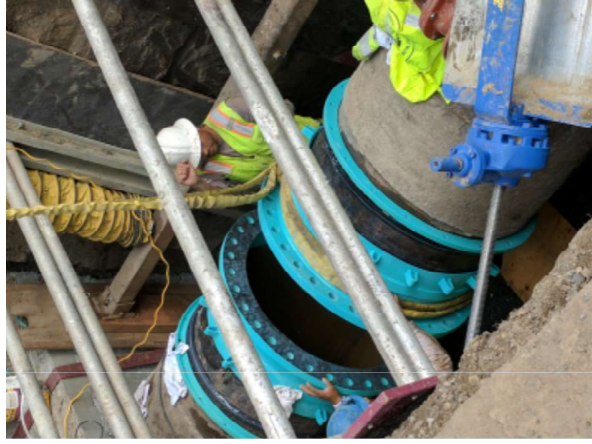


Transparent and collaborative process to bring rates to Board of Directors by end of April



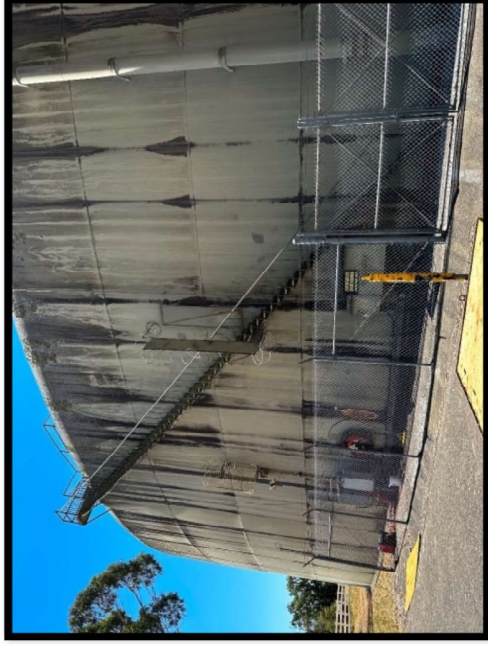
Budget includes multiple water transmission system activities and funds

- Operations and Maintenance
- Four Subfunds
- Five Capital Funds
- Debt Service Funds



Asset Condition Assessment

- majority of facilities are now 45-65 years old
- 40% of our infrastructure assets currently have only 10 – 20% of their useful life remaining
- Consequence of failure is high




Highlights of Sonoma Water and Water Contractor Achievements and Collaborations



- Santa Rosa Plain Wells
- Regional Water Supply Resiliency
- Hazard Mitigation Projects
- Sonoma-Marín Saving Water Partnership – Drought Resiliency
- Water Education Program
- Dry Creek Habitat Enhancement

Highlights of Programs Funded from Other Sources

- Forecast Informed Reservoir Operations
- Advanced Quantitative Precipitation Information Systems
-  Quagga and Zebra Mussels

\$8.31 million budgeted for hazard mitigation projects to reduce risks

Ely BPS Flood Control & Electrical Upgrade

River Diversion Structure (RDS) Upgrade Project

Santa Rosa Creek Crossing

Seismic Retrofit of Storage Tanks

Wilfred Booster Station



\$9.97 million budgeted for other capital projects to increase resiliency

Kawana-Ralphine SBS Pipeline
Mirabel Collector Wells Pump Hoist Upgrades
Mirabel/Wohler Storage Building
Occidental Road and Sebastopol Road Wells
Ralphine Tanks Flow Thru Conversion
Todd Rd Well Discharge Connection
Warm Springs Dam Hydropower Retrofit
Water Treatment System Modernization Phase 1
Water Treatment System Modernization Phase 3

Total FY25-26 Capital Budget
including Hazard Mitigation Projects:
\$18.28M



\$45.87 million budgeted for operations and maintenance to protect, improve and maintain system reliability

Projects
Aqueduct Cathodic Protection
Pump 9 Replacement
Emergency Inventory Procurement
SCADA Improvements
Tank Recoats & Tank Maintenance Programs
Studies
Arc Flash Studies
Asset Management Plan
Cathodic Protection Assessment
Regional Water Supply Resiliency Implementation
Transmission System Master Plan, Modeling & Condition Assessments Programs



\$8.80 million for Biological Opinion, Water Supply Planning and Water Conservation



IS YOUR TOILET RUNNING? BETTER CATCH IT!

A leaky toilet is no joke and could cost you a lot of \$\$\$

TAKE THE DYE TAB CHALLENGE

Test your toilet(s) to see if you have a sneaky leak.

SHARE YOUR RESULTS

Visit us online to enter your toilet test results and be entered to win a \$25 gift card.



SavingWaterPartnership.org/challenge



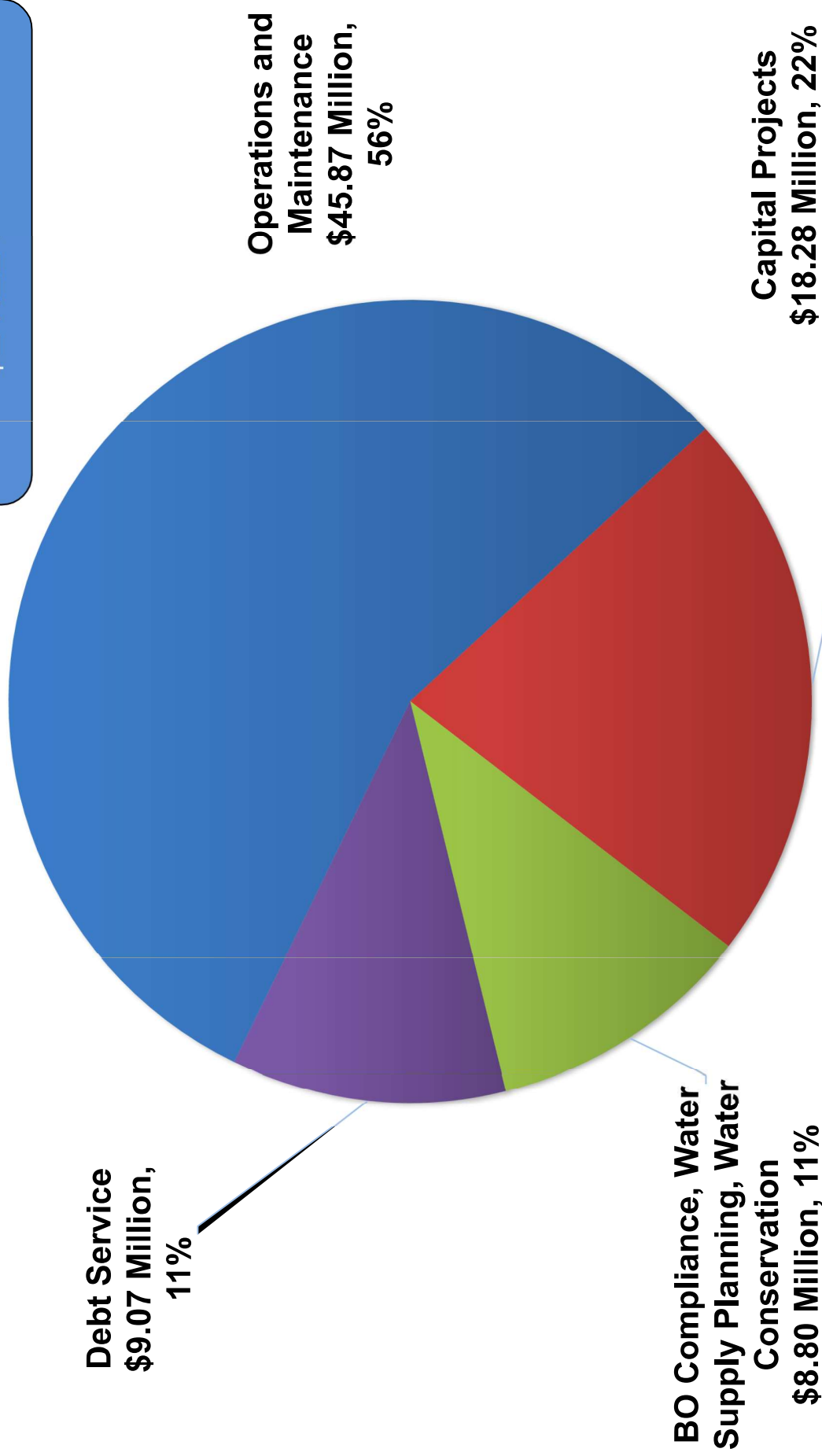
Expenditures compared to FY 24-25

	FY24-25	FY25-26	
	Budget (in Millions)	Budget (in Millions)	Change (in Millions)
Operations and Maintenance	\$45.41	\$45.87	\$.46
Capital Projects	\$15.66	\$18.28	\$2.62
BO Compliance, Water Supply Planning, Water Conservation	\$7.53	\$8.80	\$1.27
Debt Service	\$5.83	\$9.07	\$3.25
Totals	\$74.43	\$82.02	\$7.60

Grants, Use of Fund Balance, and Bond Proceeds	\$18.13	\$21.22	\$3.09
---	---------	---------	--------

FY 25-26 Budgeted Expenditures

Grants, Bond Proceeds,
and Use of Fund Balance
\$21.22 Million



Example of how rates are calculated

\$59,370,000

42,407 AF

=

\$1,400/ Acre
Foot

↑ Water Sold: Restructured Agreement requires use of the Lesser
of:



42,407 AF

or



44,530 AF

Deliveries and Rates

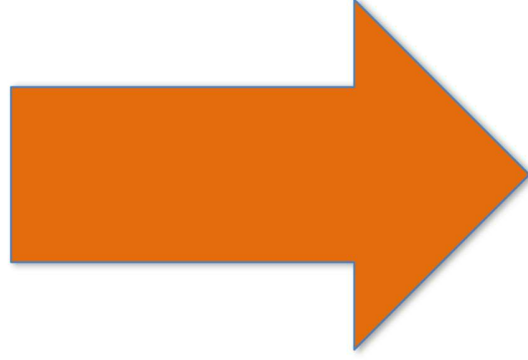
Due to the prescribed fully volumetric rate, budgeted deliveries have a significant impact on rate increases.

Scenario	Deliveries	Rate Increase (SR AQ)	Rate Increase (PET AQ)	Rate Increase (SON AQ)
3-Year Annual Ave (FY25/26 Budget)	42,407	8.68%	10.76%	7.60%

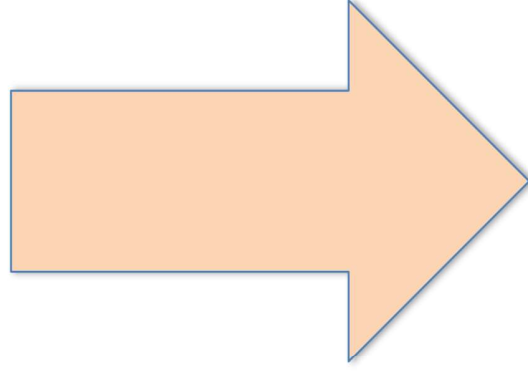
500 AF of deliveries = ~ 1.3% change to rate increase



Steps taken to reduce budget and rate



Deferred or reduced budget year non-routine maintenance projects by \$11.31 million



Deferred budget year capital projects by \$5.37 million and \$87.93 million in capital costs originally scheduled for FY26/27 and FY27/28.



Result:

Rate increase dropped from over 40% to:

SR AQ - 8.68%

Pet AQ - 10.76%

Son AQ - 7.60%

Total cost per gallon is \$0.004

Use of grants, bond proceeds, and fund balance = \$21.34 million

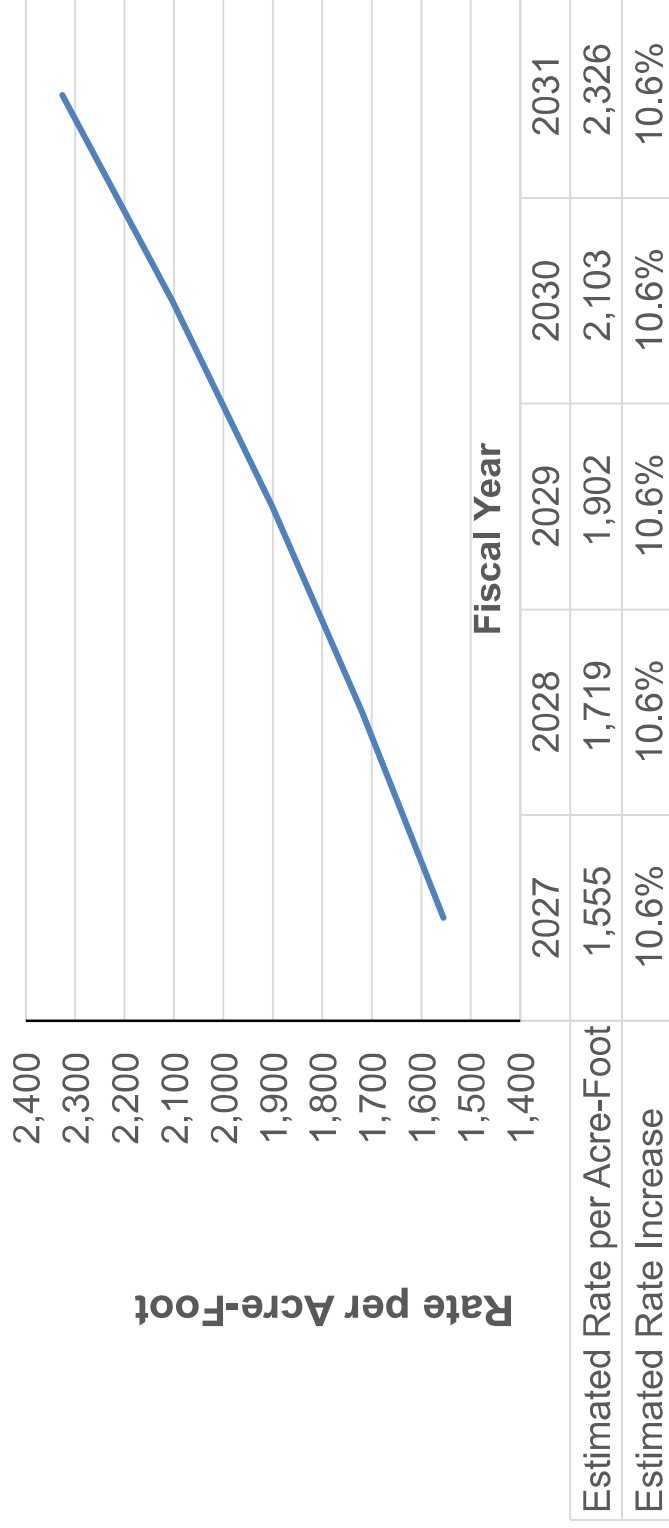


Proposed Rates for FY 25-26

Charge / Aqueduct	Santa Rosa	Petaluma	Sonoma
Deliveries (Acre-Feet)	42,407		
O&M	\$1,029.16	\$1,029.16	\$1,029.16
Water Management Planning	\$4.57	\$4.57	\$4.57
Watershed Planning & Restoration	\$45.71	\$45.71	\$45.71
Recycled Water and Local Supply	\$0.14	\$0.14	\$0.14
Water Conservation	\$63.83	\$63.83	\$63.83
Total O&M	\$1,143.41	\$1,143.41	\$1,143.41
Storage & Common Bond/Loan Charges	\$246.45	\$246.45	\$246.45
Petaluma Aqueduct Bond/Loan Charge		\$15.66	
Sonoma Aqueduct Bond/Loan Charge			\$144.56
Prime Contractors	\$1,389.86	\$1,405.52	\$1,534.42
<u>Discretionary Charges</u>			
Capital Charges - to build fund balance for future projects	\$11.00	\$10.00	\$34.90
Prime Contractors	\$11.00	\$10.00	\$34.90
Total Prime Contractors	\$1,400.86	\$1,415.52	\$1,569.32
Total Overall Increase:	8.68%	10.76%	7.60%

Long Range Financial Plan

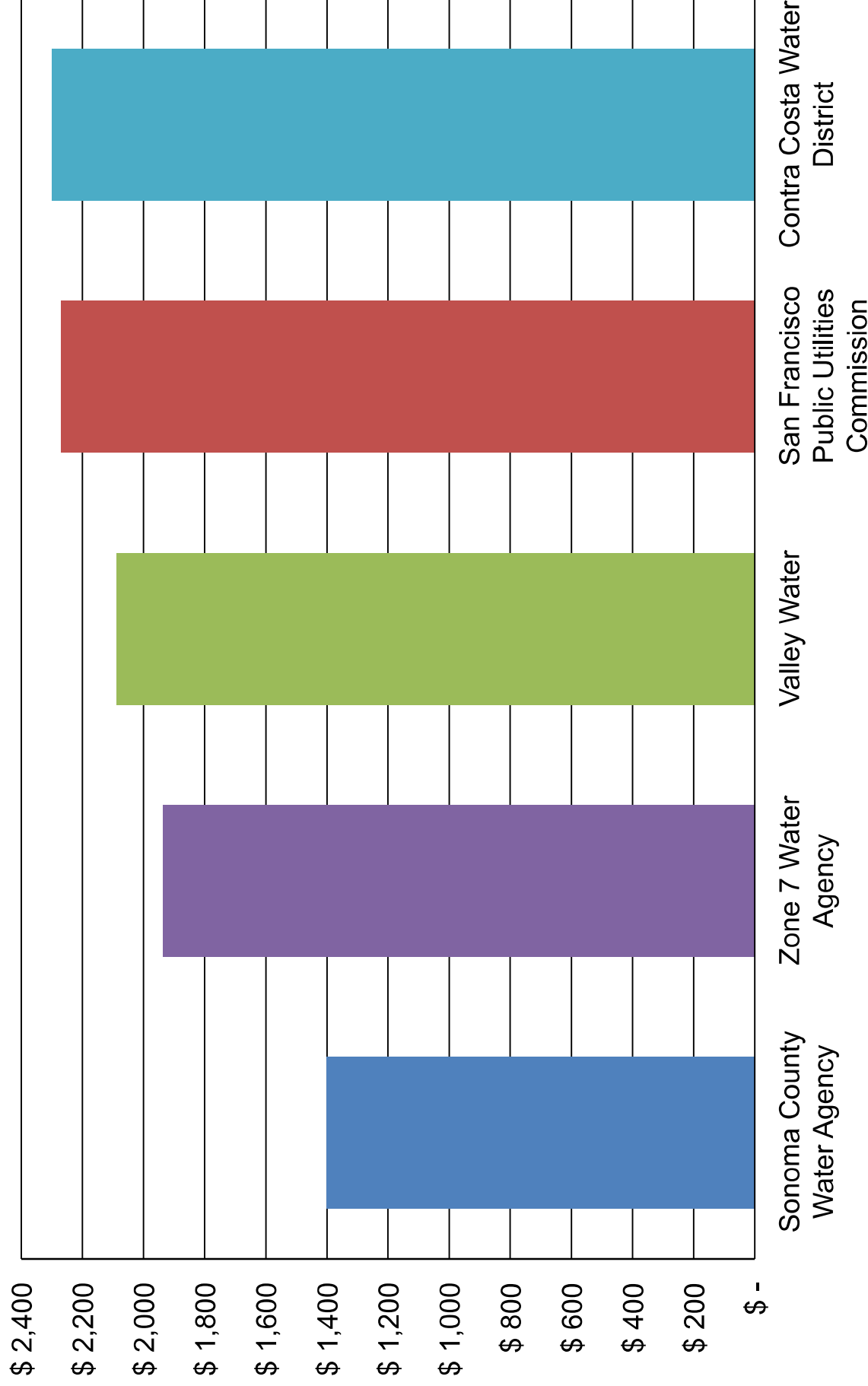
Example Petaluma Aqueduct Rate Scenario



- Assumes Water Demand Growth of 1% based on FY 2025 Budgeted Deliveries of 42,407 AF. Petaluma AQ Deliveries: 10,000 AF to 10,280 AF (Not including NMWD and MMWD). Higher Deliveries would reduce rates.
- Estimated 5% growth in O&M Expenses and 4% growth in capital project costs.
- Estimated FY 2028-2029 Financing: \$114.5 Million.



2025 wholesale water rates per Acre-Foot



Next steps

- Technical Advisory Committee Vote –March
3
- Water Advisory Committee Vote – April 7
- Adoption by Sonoma Water’s Board – April
22



Sonoma Water Videos

Investing in our infrastructure

Available in English and Spanish at
www.youtube.com/@sonomawater/videos

[Value of water: A brief video on the value of our water supply](#)

[We are Sonoma Water: Where your water comes from](#)

[Water storage tank maintenance: A brief video on how we are working to keep our water storage facilities upgraded, reliable for today and future generations](#)

[Maintaining the Sonoma booster station: Keeping the drinking water flowing to Sonoma, Valley of the Moon Water District one booster station at a time!](#)

[Aqueduct corrosion protection program: A brief video on work to combat corrosion in our aqueduct](#)

[Russian River Aqueduct Crossing: Ensuring safe delivery of drinking water](#)

[Dry Creek habitat restoration: Protecting our natural pipeline, habitat](#)





Lynne Rosselli
Financial Services Division Manager
Lynne.Rosselli@scwa.ca.gov

Jake Spaulding
Finance Manager
Jake.Spaulding@scwa.ca.gov
[f](#) [t](#) [i](#) [in](#) sonomawater.org