



Sonoma Water

Clean. Reliable. Essential. Every day.

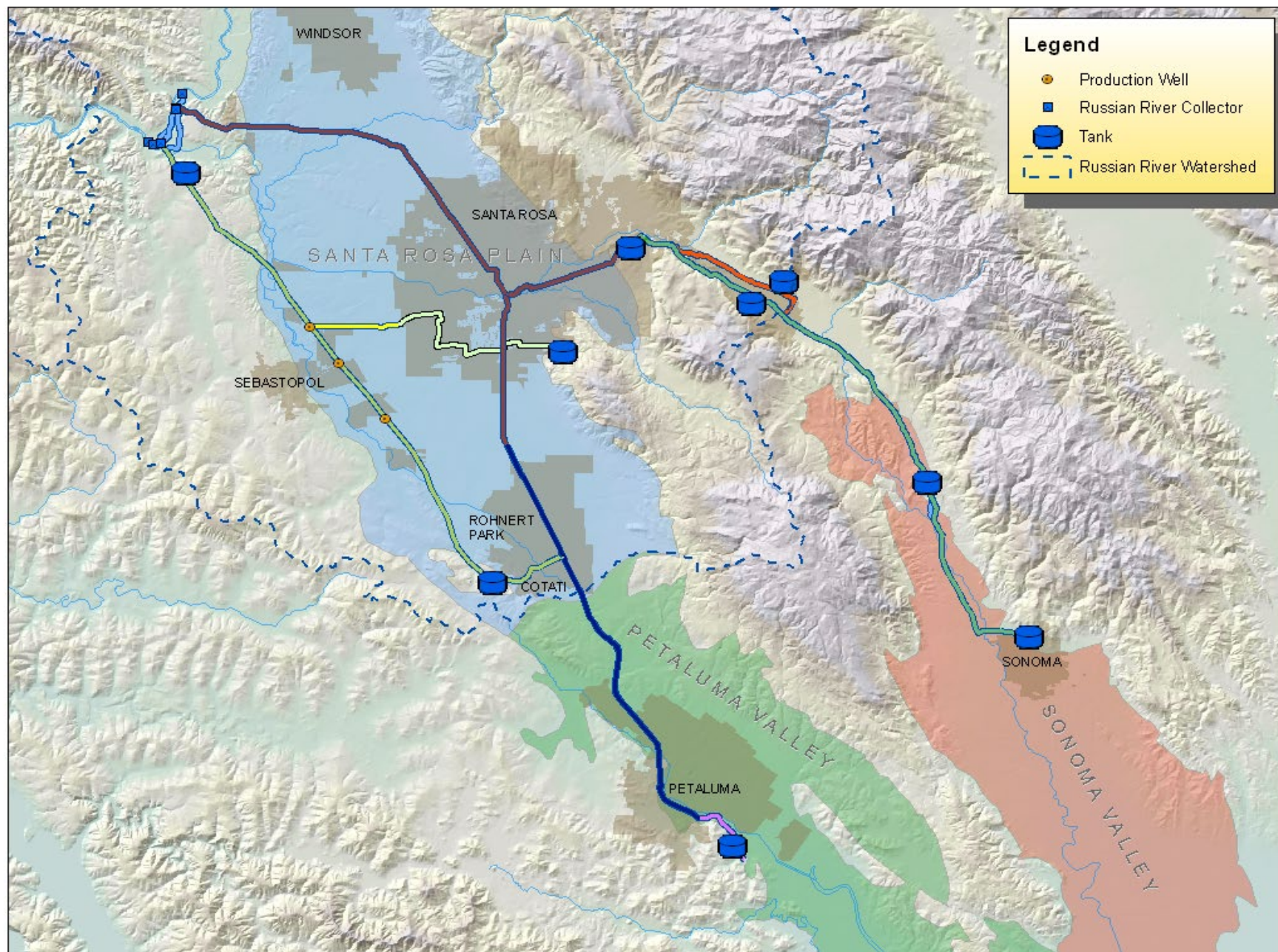
FY 2025-2026 Proposed Budget and Rates Water Transmission System

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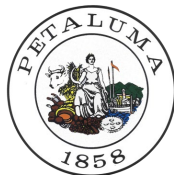
Transparent and collaborative process to bring rates to Board of Directors by end of April

Technical
Advisory
Committee
(Jan-March)

Water
Contractor
Boards &
Councils
(March)

Water
Advisory
Committee
(April)

Sonoma
Water Board
of Directors
(April)



Budget includes multiple water transmission system activities and funds

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



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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



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\$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.

REQUEST FREE DYE TABS



SavingWaterPartnership.org/challenge



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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

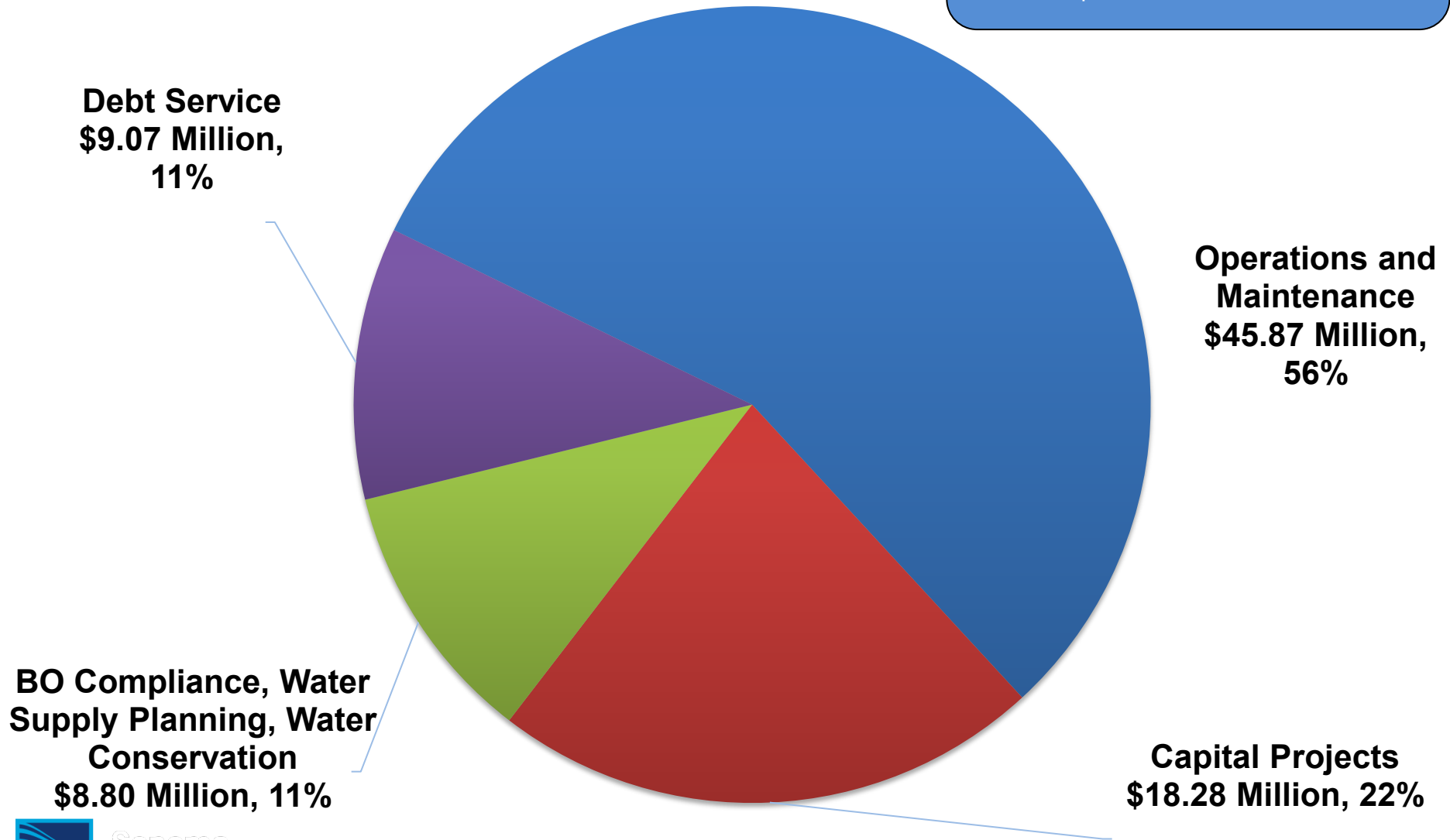
\$18.13

\$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

$$\frac{\$59,370,000}{42,407 \text{ AF}} = \$1,400/\text{Acre Foot}$$

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

42,407 AF

or

44,530 AF

Deliveries and Rates

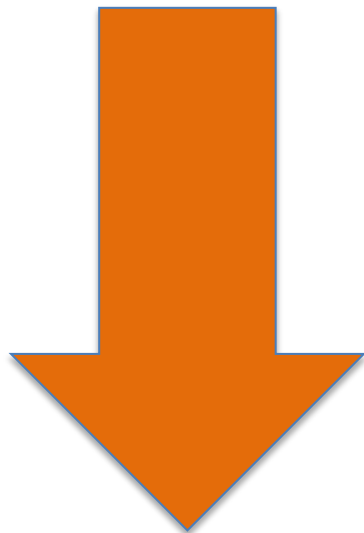
Due to the prescribed fully volumetric rate, budgeted deliveries have a significant impact on rate increases.

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%

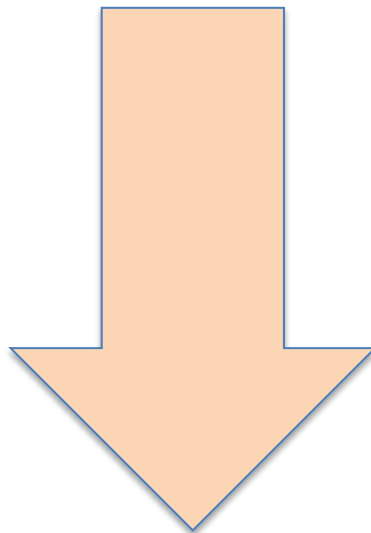
500 AF of deliveries = ~ 1.3% change to rate increase



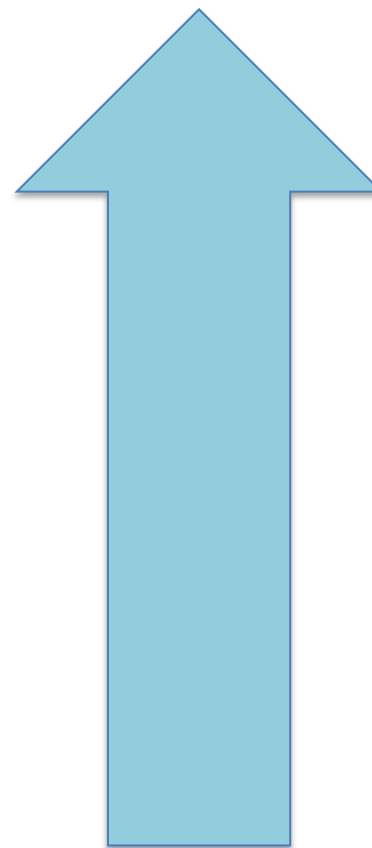
Steps taken to reduce budget and rate



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.



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

Result:

Rate increase dropped from over 40% to:

SR AQ - 8.68%

Pet AQ – 10.76%

Son AQ - 7.60%

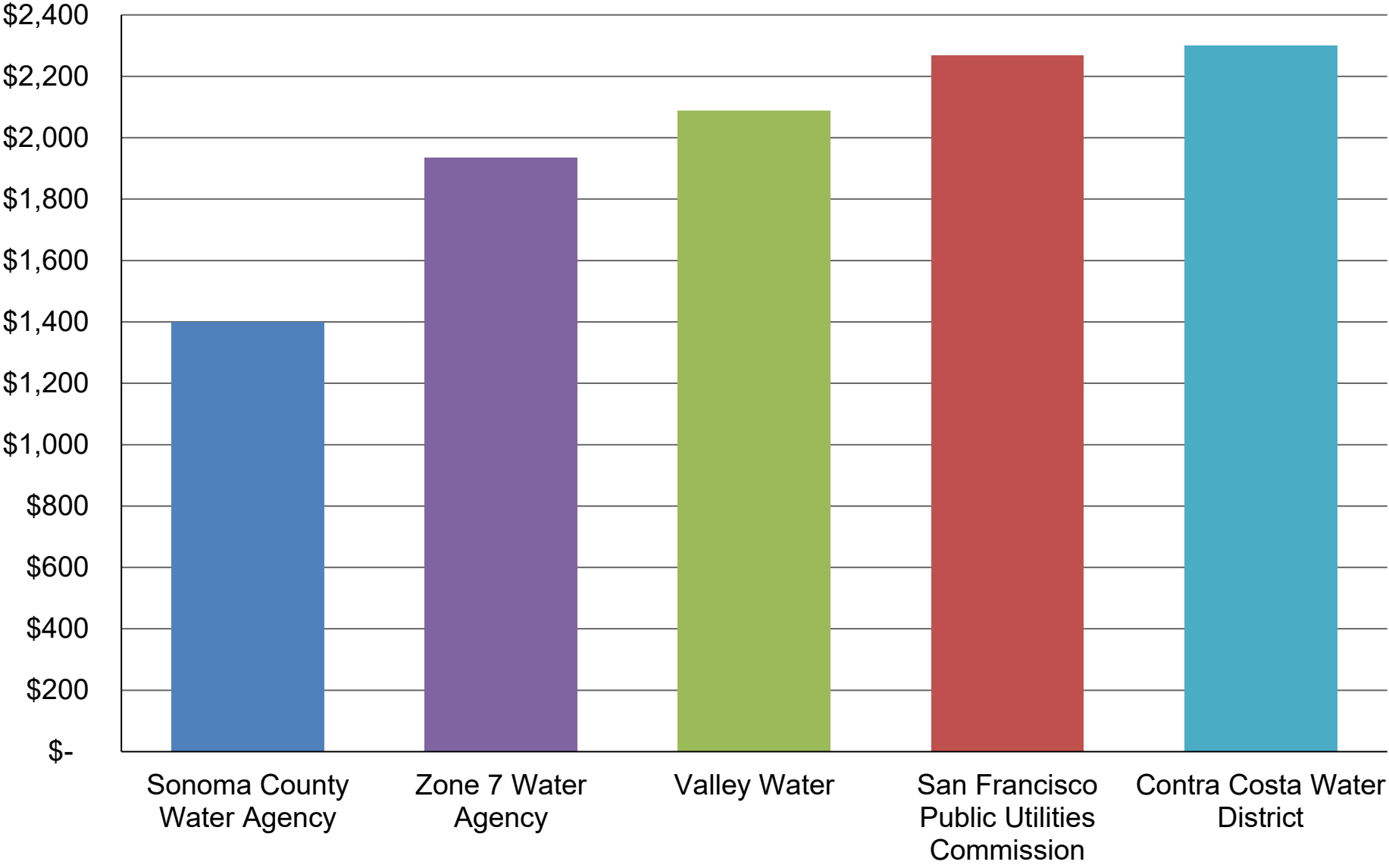
Total cost per gallon is \$0.004



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
<i>Prime Contractors</i>	\$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
<i>Prime Contractors</i>	\$11.00	\$10.00	\$34.90
<i>Total Prime Contractors</i>	\$1,400.86	\$1,415.52	\$1,569.32
Total Overall Increase:	8.68%	10.76%	7.60%

2025 wholesale water rates per Acre-Foot



Per Gallon Costs:



\$78.30



\$22.08



\$1.79



\$5.04



\$5.19



\$0.004



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Next steps

- Recommended by Technical Advisory Committee – March 3
- Recommended by Water Advisory Committee – 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





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