

MEMORANDUM

To: Technical Advisory Committee
From: Chris DeGabriele, Chair
Subject: L/R/T2 Program Funding for FY 2012/13

December 28, 2011

On September 16, 2011 letters were sent to cities of Santa Rosa, Rohnert Park, Cotati, Sonoma and Marin Municipal Water District advising that: 1) those cities/water district have not yet received their full funding allocation under the original SCWA Local Supply/Recycled Water/Tier 2 Conservation funding program, and 2) soliciting project proposals. Two replies have been received - one from Rohnert Park for their full L/R/T2 funding allocation of \$649,629 requesting reimbursement of costs spent on rehabilitation of existing potable well supply. The City of Santa Rosa has also replied advising that Santa Rosa anticipates submitting projects for the remaining balance of their L/R/T2 allocation of \$1,157,233 for FY 2013/14; and recommended that in addition to funding projects submitted for FY 2012/13, additional funds be collected in the upcoming budgets to fully fund the L/R/T2 projects. The total remaining to be collected and allocated among all remaining recipients is ~\$3M.

In FY 2011/12, the SCWA O&M recycled water and local supply sub-charge is less than 3% of the total SCWA wholesale water rate and amounts to \$18.13/AF (acre foot) collecting approximately \$1M per year. SCWA is using those funds for both Agency and consultant services for the Sonoma Valley Groundwater Management Plan and Santa Rosa Plain Groundwater Study and Management Plan development. SCWA staff anticipate that level of funding and expenditure will continue in FY 2012/13.

The L/R/T2 Subcommittee met on December 20 to review the proposal and come up with a recommendation to consider at the January 9 TAC meeting. The L/R/T2 Subcommittee agreed to propose an additional \$8.25/AF this year and next (<1.5% increase this year and next) to provide additional revenue and fulfill the remaining allocations outstanding within a five-year window. This would fully fund the Rohnert Park allocation over two years.

RECOMMENDATION: TAC recommend adding \$8.25/AF to the L/R/T2 sub-charge in the SCWA FY 2012/13 budget with the understanding that this may be adjusted should the overall SCWA rate increase prohibit such an addition.