

FY 10 - 11

Water Transmission System Budget & Rates

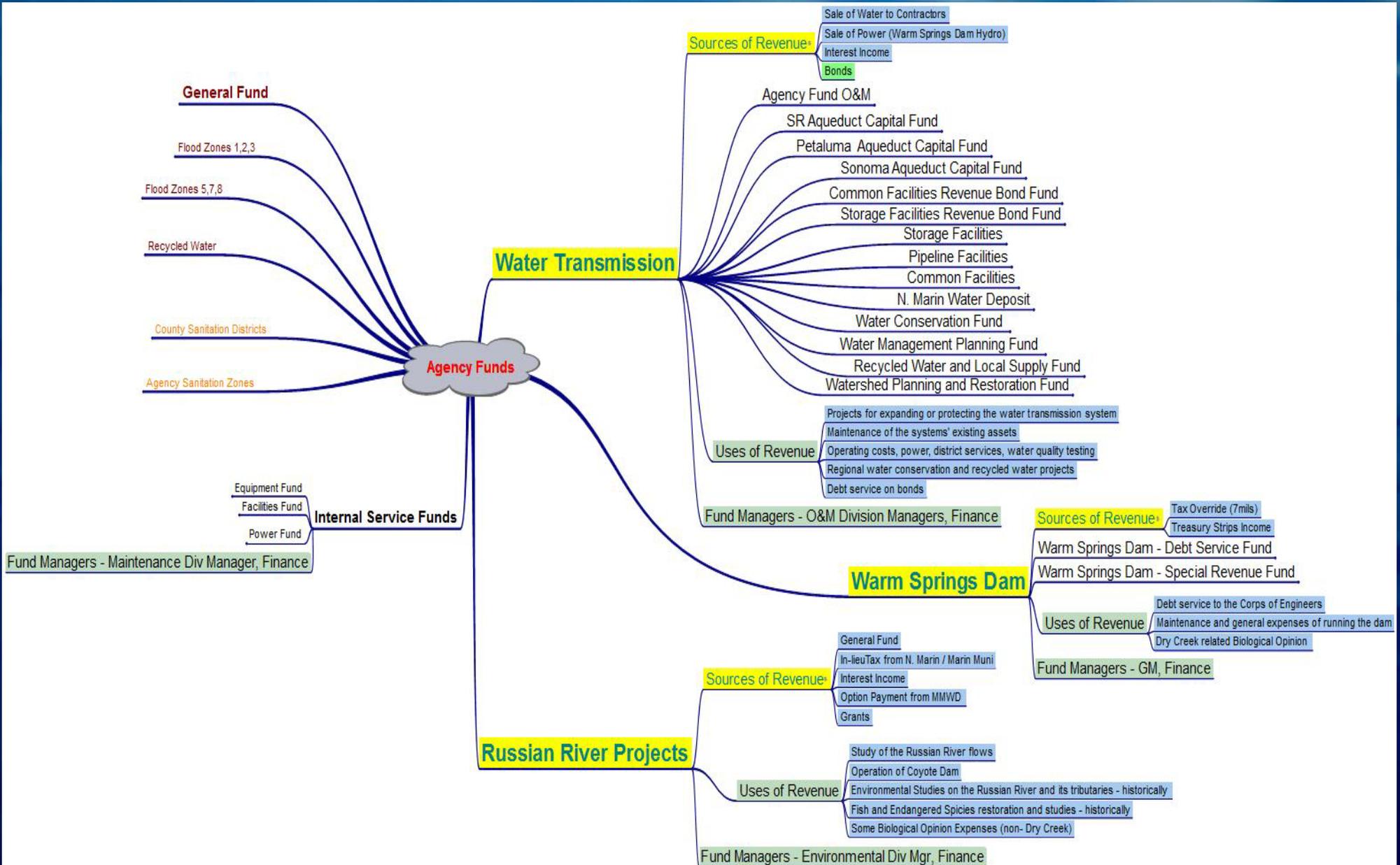
Today's Presentation

- Water Finance Review
- WATER Supply Challenges and Response
- Historical Water Deliveries
- The Bottom Line – Recommended Rates, Historical Trends, & Comparisons
- FY 10 - 11 proposed budget
 - Proposed O&M Fund expenditures
 - BO Related Expenses
 - Storage, Pipeline, and Common Facilities Funds
- Q & A

Agency Finance

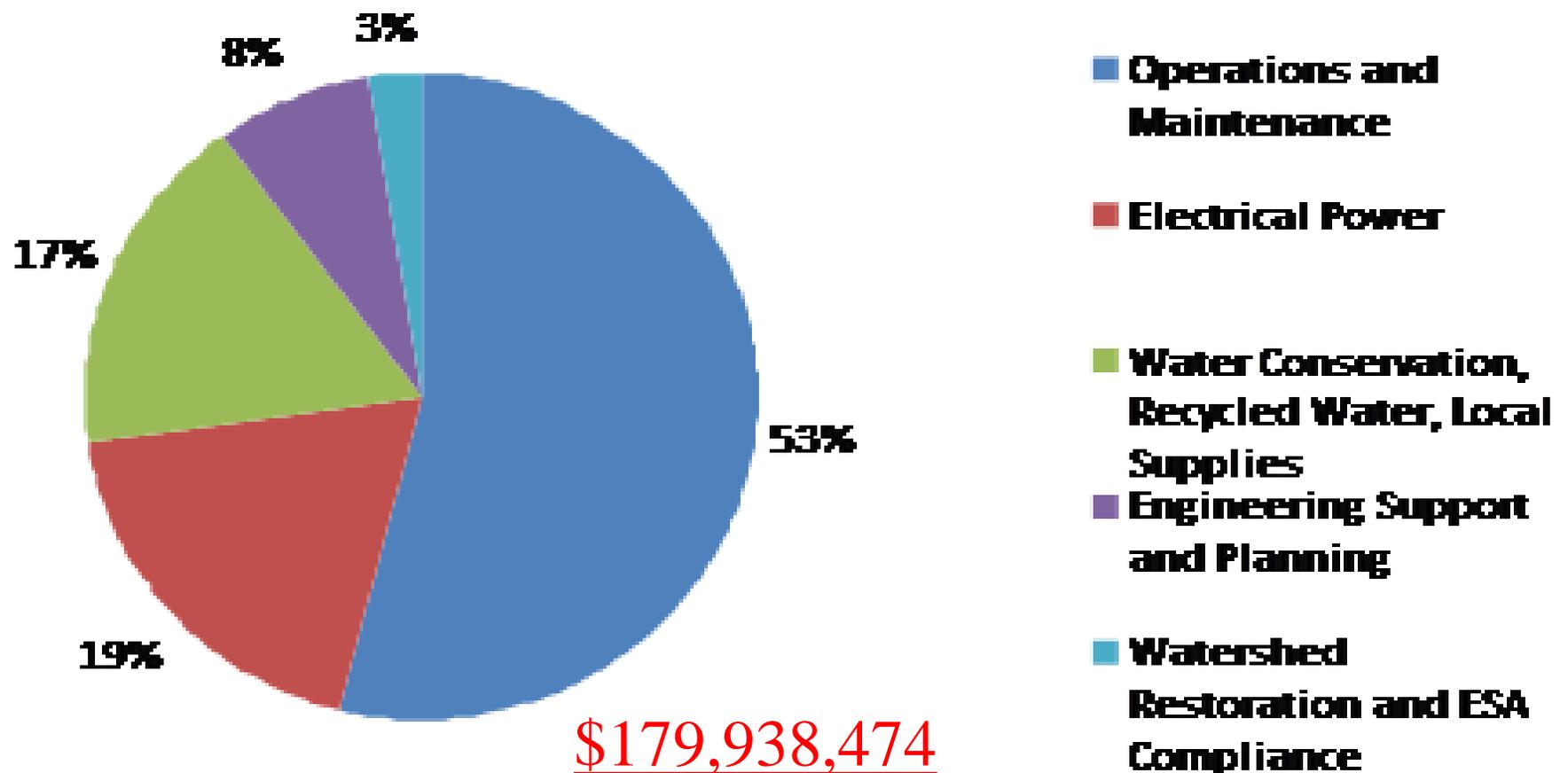
- Independent from County
- Complexity – Segregated Enterprise Funds
- Multiple Variable Revenues to Manage

Agency & Water Finance



Where The Money Goes

Expenditures - 5 Years



WATER Supply Challenges

- Lake Mendocino and Lake Sonoma
- Diversions from the Eel River down 60,000 AF / yr
- Dry Creek flows limited by BO



AGENCY RESPONSE

- 500 AF / month from Agency wells
- Budget deliveries of 49,853 AF
- Implemented staff reduction plan
(210 to 187 positions)
- Budget expenses so we can deliver more if water is available

Cost Control Response Measures

- Tight Control on O & M Projects
- No Cost of Living Pay Raises
- Conservation Projects – Contractor Responsibility
- Urban Water Management Plan
 - Agency doing only its part

Total Deliveries (1000 of AF during a FY)

CUSTOMER	05/06	06/07	07/08	08/09	09/10 est.	Last 12 Mo
Prime	56.0	56.6	51.6	49.8	41.4	41.6
Marin Muni	7.1	7.5	7.6	7.4	7.2	7.2
Other	1.3	1.4	1.3	1.2	1.0	1.0
Surplus	.2	.2	.2	.2	0.1	.1
Total 1000 AF	64.6	65.7	60.7	58.6	49.7	49.9

Aqueduct Rates



Santa Rosa

\$618.60



Petaluma

\$618.60

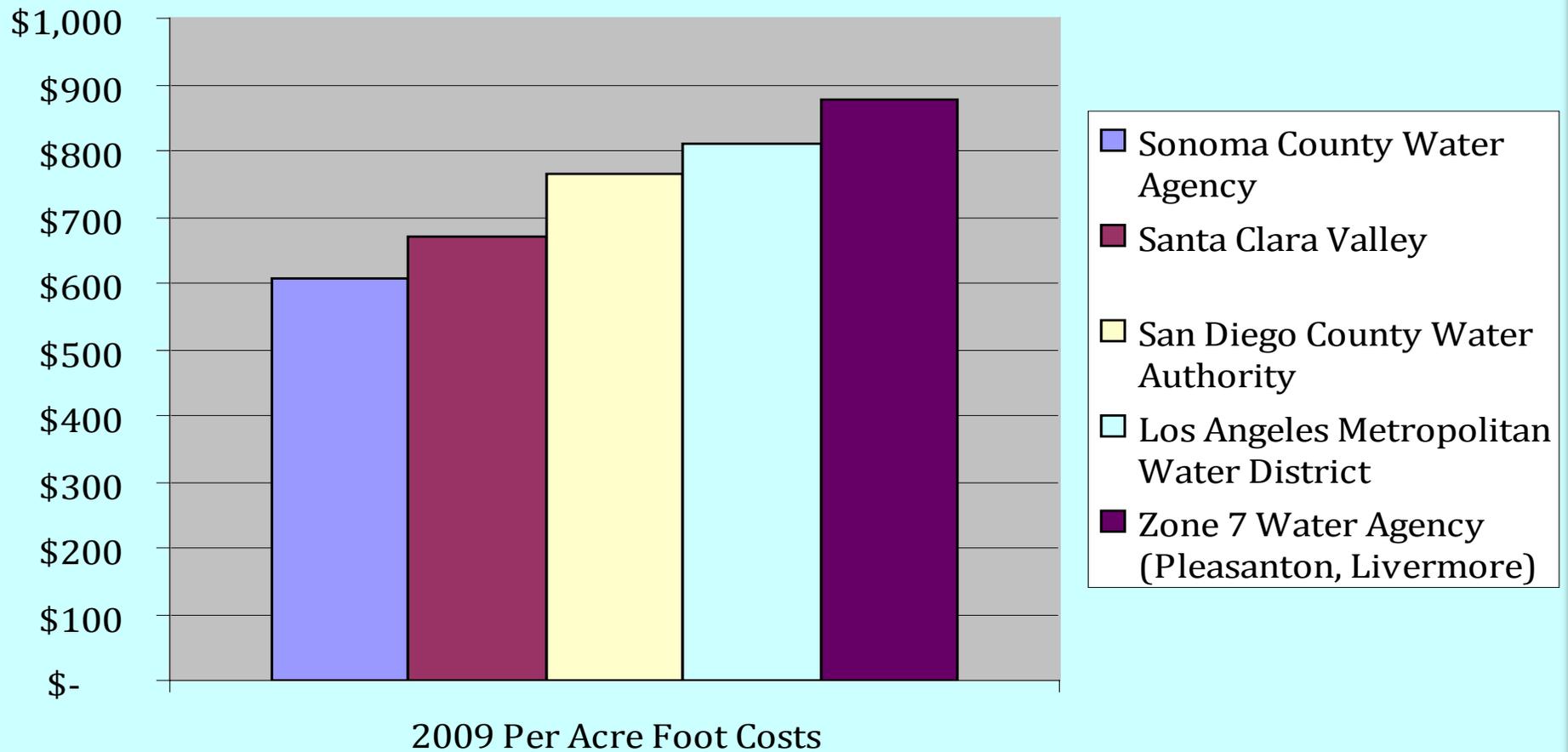


Sonoma

\$689.16

Per Acre Foot

Wholesale Rate Comparison



Historical Water Rates % Change

Year/Aqueduct	Santa Rosa	Petaluma	Sonoma
2010-11	9.5%	9.5%	10.8%
2009-10	19.9%	10.5%	28.8%
2008-09	6.7%	10.7%	7.2%
2007-08	2.4%	2.3%	2.5%
2006-07	4.5 %	4.3 %	4.3 %
2005-06	2.5 %	2.4 %	2.4 %
2004-05	2.2 %	2.1 %	1.6 %
2003-04	1.7 %	4.0 %	5.3 %

O&M – Including 4 Special Funds

- O&M Rate: \$531.98 / AF
- 9.8% Increase from Impaired Level in 09/10

1.1% real growth

O&M Maintenance Projects FY 10/11

Kawana Booster Pump Mechanical Seal	\$65,000
Mirabel - Transformer Covers (Caissons 3, 4, & 5)	30,000
Mirabel - Caisson 4 Electrical Upgrade	100,000
Mirabel - Potable Water Line	150,000
Pond Flow Monitoring Instruments	75,000
Wilford Booster Motor & Switch Upgrade	75,000
Wohler & Mirabel - Turbidimeters	100,000
Wohler & Mirabel - Fuel Storage Sump	40,000
Wohler Caustic Pump Spare	20,000
Miscellaneous Small Purchases	<u>\$250,000</u>
Total Maintenance Costs Proposed	<u>\$905,000</u>

FY 10/11 Proposed Other Expenses

Fixed Asset	\$150,000
Contingencies	\$140,000
Operating Transfers	<u>\$10,813,887</u>
Total Other Costs	\$11,103887

FY 10/11 O&M Rates / AF

	09/10	10/11
O&M	\$388.30	\$439.80
Water Management Planning	15.11	4.01
Watershed Planning & Restoration	35.00	35.00
Recycled Water & Local Supply	13.30	21.61
Water Conservation	29.00	31.55
TOTAL	\$480.71	\$531.98

FY 10/11 Water Rates

	Santa Rosa Aqueduct	Petaluma Aqueduct	Sonoma Aqueduct
O & M	\$531.98	531.98	531.98
Common Rev. Bond	63.70	63.70	63.70
Storage Rev. Bond	22.93	22.93	22.93
Sonoma Rev. Bond	-	-	70.55
Aqueduct Capital	0.00	0.00	0.00
TOTAL	\$618.60	\$618.60	\$689.16

Biological Opinion Costs in FY10/11

• Watershed Planning and Restoration	\$1.75 million *
• Common Facilities	1.37 million
• O&M	<u>.2 million</u>
Water Transmission Total	\$ 3.32 million
• RR Projects	\$.44 million
• Warm Springs Dam	<u>\$2.34 million</u>
Other Total	\$2.78 million

* \$35 /AF Maximum currently allowed by the RA

Storage Facilities Fund - Proposed Projects

<u>Project Name</u>	<u>Cost</u>
Kawana to Raphine Tanks	\$225,000



Common Facilities Fund - Proposed Projects

<u>Project Name</u>	<u>Cost</u>
Mirabel Generator	\$350,000
Mirabel Fish Screen Replacement	1,025,000
Decommission Wohler Ponds	200,000
SR Aqueduct (Rogers Creek Fault Crossing)	2,000,000
Air Valves	150,000
Collector 3 & 5 Liquefaction Mitigation	350,000
Isolation Valves	50,000
Forestville Storage Tank	103,500
Total	\$4,228,500
Blue = BO Red = Local Hazard Mitigation	

O&M and Capital Ending Fund Balances

	FY 07-08 Actual	FY 08-09 Actual	FY09-10 @ Estimated 49,850 AF	Projected FY 10/11
O&M	\$5,634,962	\$7,320,789	\$4,971,981	\$5,330,651
Common	811,701	(2,469,302)	(1,588,259)	(1,283,461)
Storage	642,788	731,732	718,929	733,752
Pipeline	4,697	1,030,634	714,311	376,468

O&M Fund Reserve Level

FY 09-10 Estimated Ending Reserve	FY 10 - 11 Proposed Reserve (49,850 AF)	Estimated 3 Months O&M Operational Expenditures
\$4,971,981	\$5,330,651	\$5,465,405

Aqueduct Fund Balances

	FY 08-09 Actual	FY 09-10 Estimated	FY 10-11 Proposed
Santa Rosa	\$ 5,590,446	\$5,701,124	\$5,380,156
Petaluma	5,502,806	5,221,349	4,077,242
Sonoma	123,162	124,422	125,672

Questions or Comments?

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