

Fiscal Year 2025/26 Water, Wastewater and Storm water and Creeks O&M and CIP Budgets Recommendation

Board of Public Utilities
April 17, 2025

Nick Harvey
Deputy Director - Administration

Overview

- Water, Local Wastewater and Storm Water and Creeks Budgets
- Staff Assumptions
- CIP Review
- Remaining Budget Schedule

Staff Assumptions

- Water and Wastewater use projected to increase 1.1%
 - 1.1% growth assumption, flat demand – Consistent with 2024 Water and Wastewater rate study
- Wastewater use will remain flat
- Development will stay stable, strong interest earnings
- Rates will increase per current schedule

	July 2025	July 2026	July 2027	July 2028	July 2029
Water Usage	6%	6%	6%	7%	7%
Water Fixed	6%	6%	6%	7%	7%
Sewer Usage	5%	5%	5%	5%	5%
Sewer Fixed	5%	5%	5%	5%	5%

Expenditure Increases

- Salary Increases
 - 9% Across-the-board
 - Accounts for 4% COLA and Maximum 5% Equity for Class & Comp
 - 1 potential re-classification in the Local Sewer Enterprise
- Electricity
- Water Purchase
- Operations and Maintenance Projects

Water and Storm Water and Creeks O&M Increases

- Water Fund – 3.8%
- Wastewater Fund – 11.9%
- Regional Reuse Fund – 11%
- Storm Water and Creeks Funds – 1%
 - \$746K (22.7%) funded by General Fund
 - \$3.3M (77.3%) funded by Enterprise Funds

Water Operations

Expenditure Object	2024-25 Total Request	2025-26 Total Request	Change	%
1611 - Water Utility Operations				
Operations and Maintenance Projects	\$1,934,825	\$125,000	(\$1,809,825)	-93.5
Salaries	\$4,845,506	\$4,975,234	\$129,728	2.7
Benefits	\$3,392,617	\$3,327,038	(\$65,579)	-1.9
Professional Services	\$471,970	\$415,410	(\$56,560)	-12.0
Misc - Training, Leases, Equip Rent, etc.	\$545,650	\$572,197	\$26,547	4.9
Vehicle Replacement and Maintenance	\$1,500,837	\$1,564,136	\$63,299	4.2
Water Billing Services	\$2,418,767	\$2,821,024	\$402,257	16.6
Utilities	\$1,465,528	\$1,995,656	\$530,128	36.2
Purchase of Water	\$19,724,320	\$21,631,000	\$1,906,680	9.7
Operational Supplies	\$1,298,837	\$1,328,930	\$30,093	2.3
Information Technology	\$592,051	\$644,223	\$52,172	8.8
Total Liab/Property Insurance	\$426,160	\$421,016	(\$5,144)	-1.2
Internal & External Overhead	\$5,750,100	\$6,335,494	\$585,394	10.2
Capital Outlay	\$83,000	\$0	(\$83,000)	100.0
Total Water Utility Operations	\$44,450,168	\$46,156,358	\$1,706,190	3.8

Purchase of Water

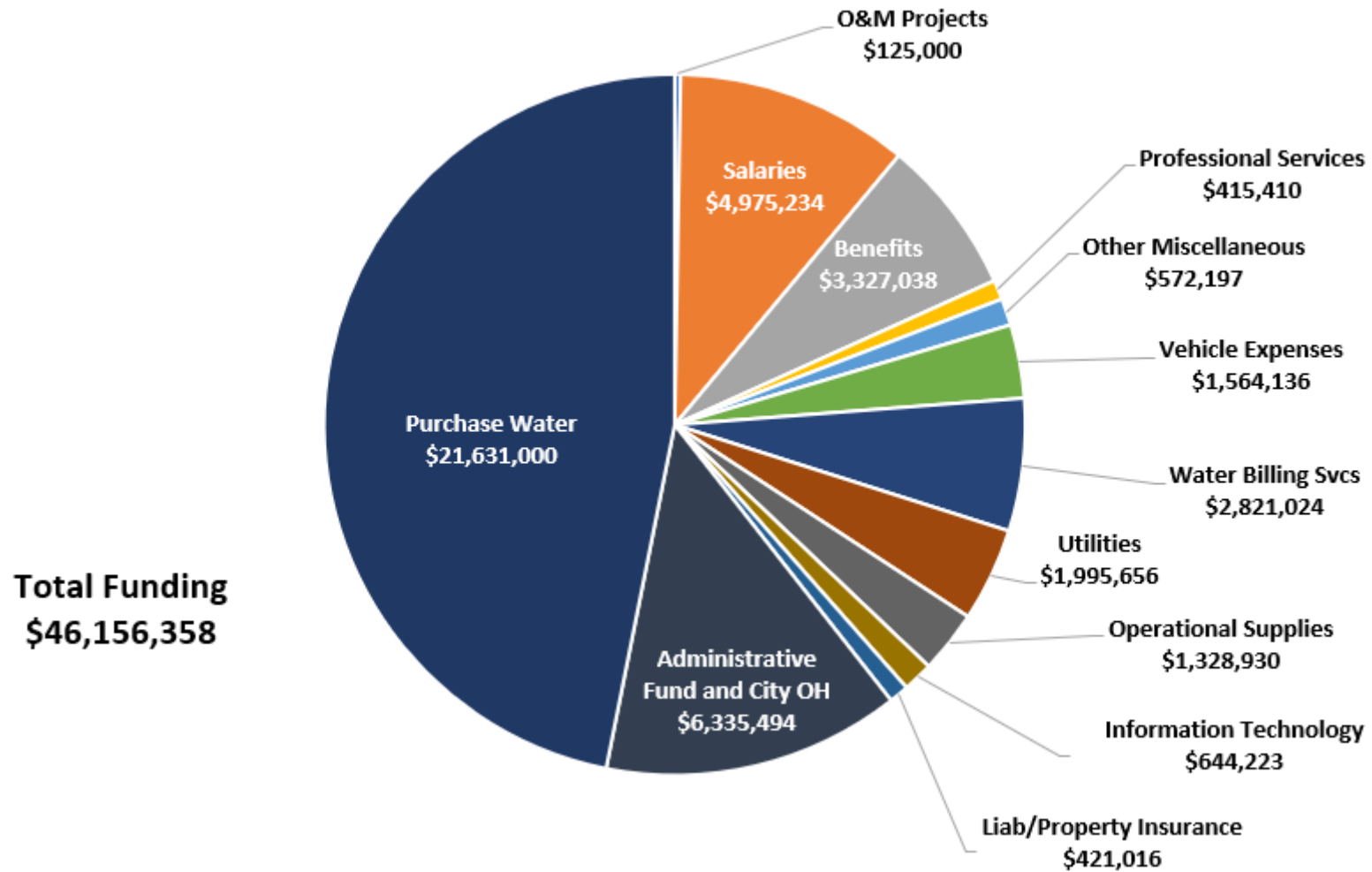
Volume of water increasing by 1.1%

- Growth only – No increased demand expected

Sonoma Water rate increase

- 8.68%

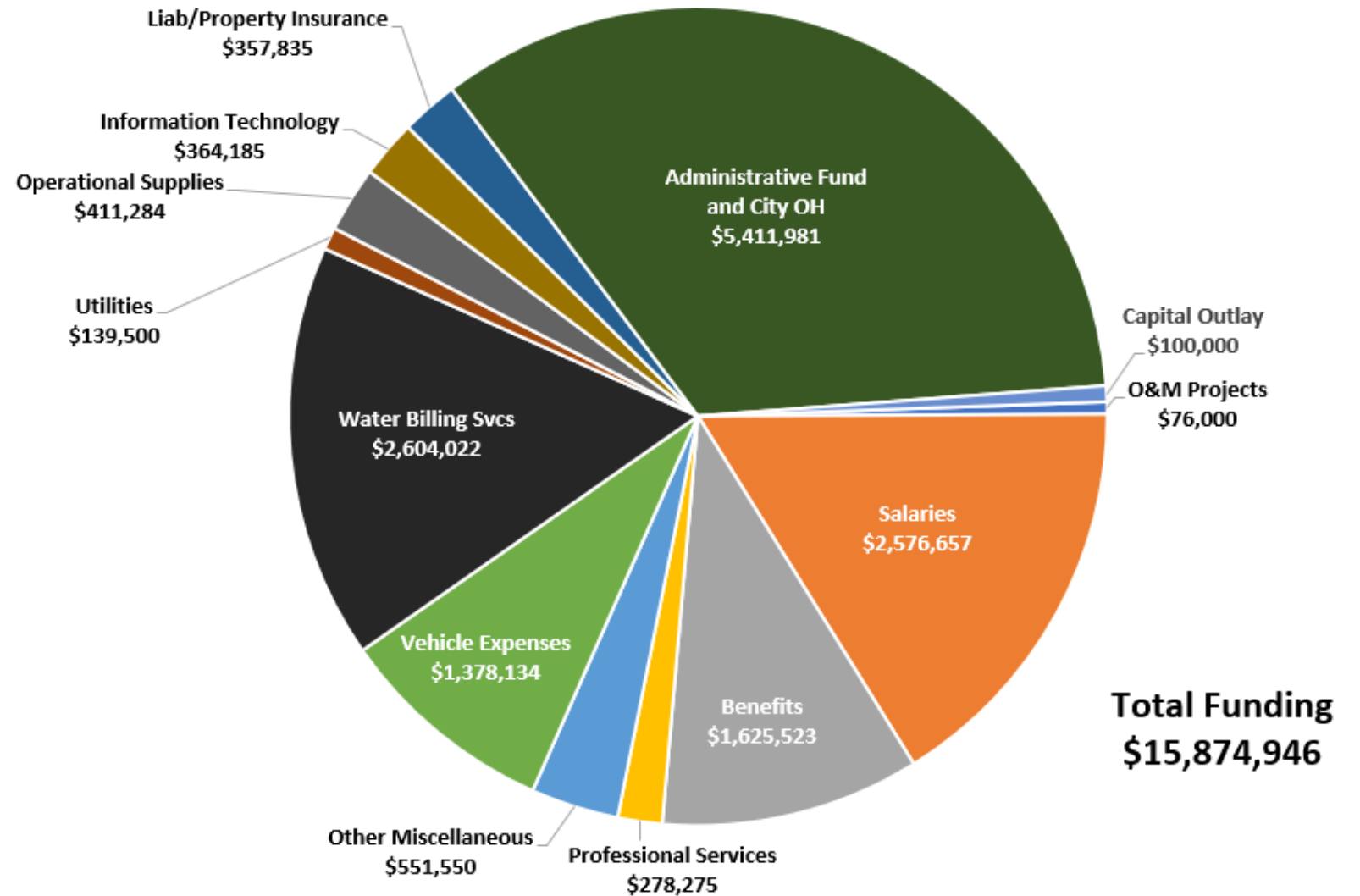
Water Fund



Wastewater Operations

Expenditure Object	2024-25 Total Request	2025-26 Total Request	Change	%
1621 - Local Wastewater Utility Fund				
Operations and Maintenance Projects	\$66,011	\$76,000	\$9,989	15.1
Salaries	\$2,317,688	\$2,576,657	\$258,969	11.2
Benefits	\$1,577,056	\$1,625,523	\$48,467	3.1
Professional Services	\$258,275	\$278,275	\$20,000	7.7
Misc - Training, Leases, Equip Rent, etc.	\$468,550	\$551,550	\$83,000	17.7
Vehicle Replacement and Maintenance	\$1,304,740	\$1,378,134	\$73,394	5.6
Water Billing Services	\$2,232,708	\$2,604,022	\$371,314	16.6
Utilities	\$109,220	\$139,500	\$30,280	27.7
Operational Supplies	\$419,035	\$411,284	(\$7,751)	-1.8
Information Technology	\$334,703	\$364,185	\$29,482	8.8
Total Liab/Property Insurance	\$204,177	\$357,835	\$153,658	75.3
Internal & External Overhead	\$4,888,680	\$5,411,981	\$523,301	10.7
Capital Outlay	\$0	\$100,000	\$100,000	100.0
Total- Local Wastewater Utility	\$14,180,843	\$15,874,946	1,694,103	11.9

Wastewater Fund



Operating Fund Reserves

as of June 30, 2024

Water

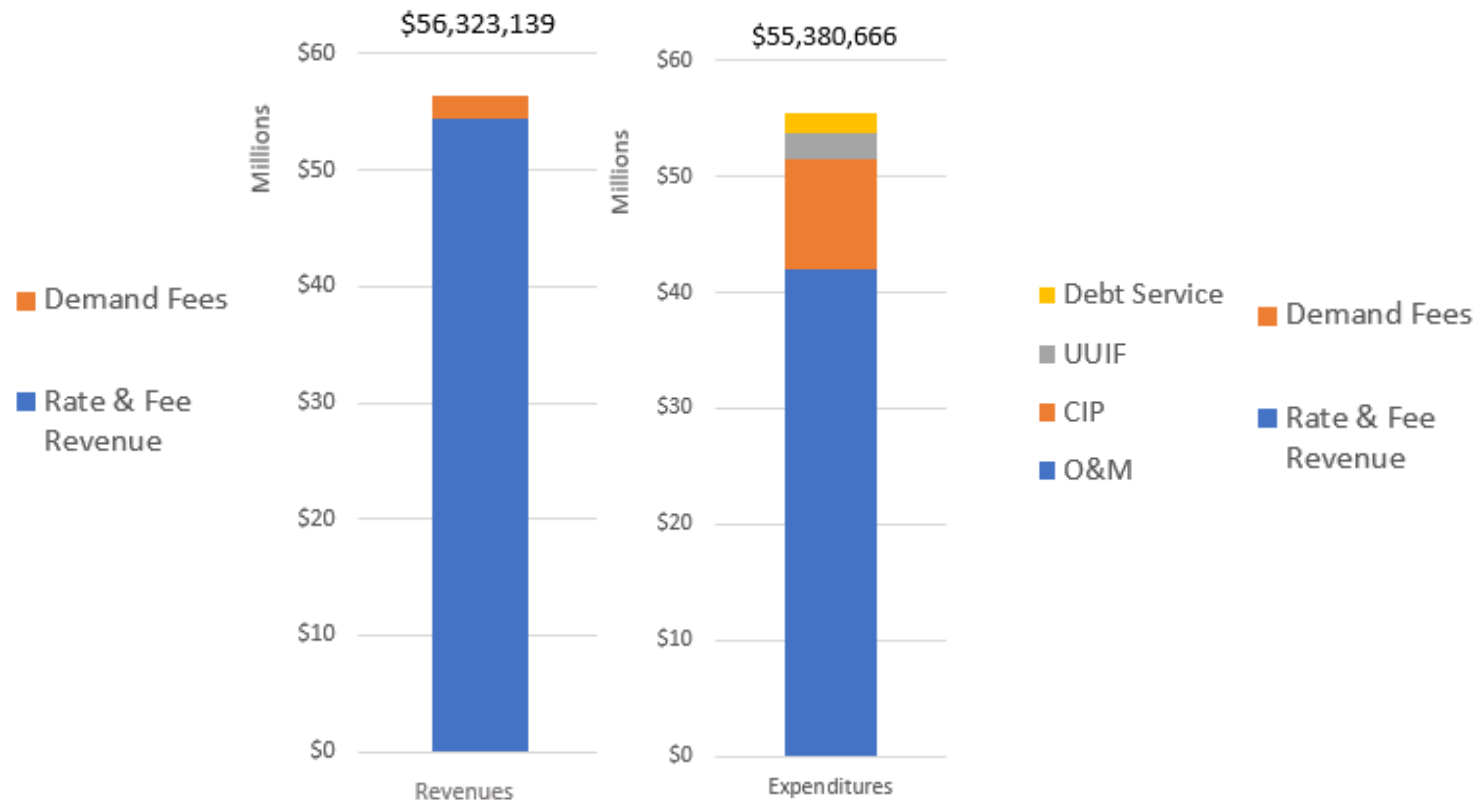
- **Operating**
 - \$6,132,512
- **Catastrophic**
 - \$5,750,000
- **Undesignated**
 - \$15,362,931
 - +\$470,687

Wastewater

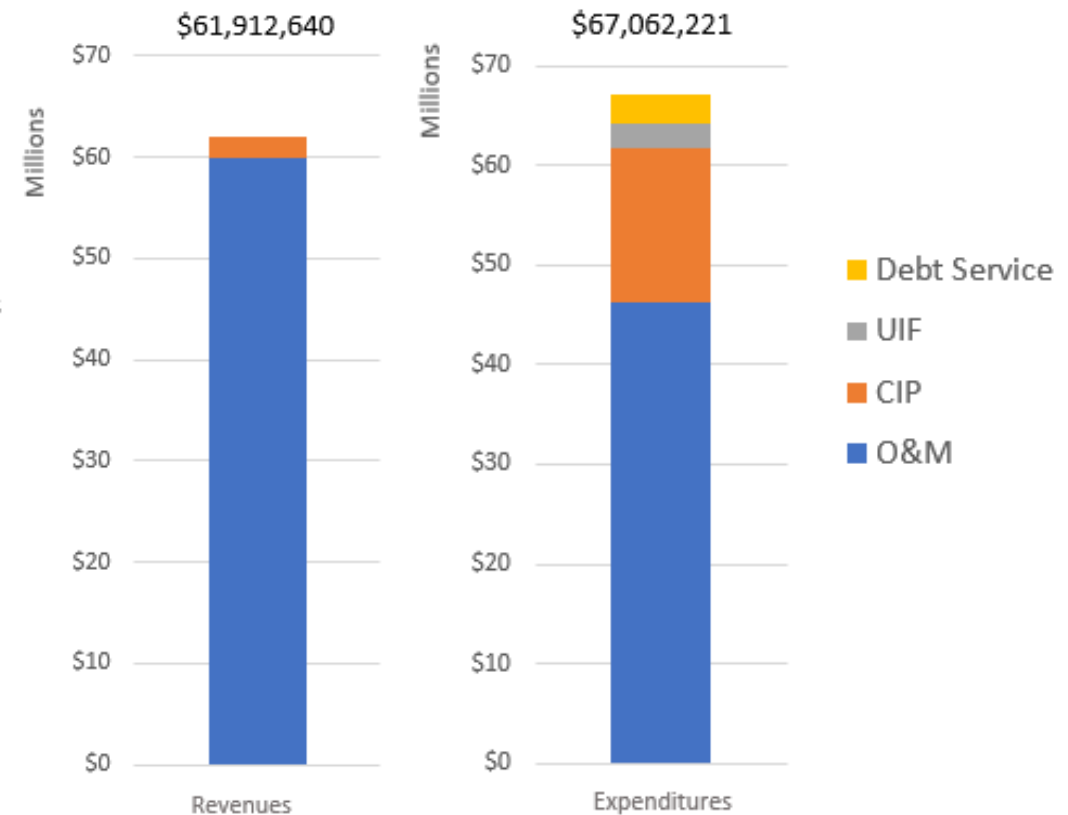
- **Operating**
 - \$1,931,149
- **Catastrophic**
 - \$6,800,000
- **Undesignated**
 - \$14,759,869
 - +\$1,075,173
- **Rate Stabilization**
 - \$1,000,000

Undesignated Fund Balance – Water

FY 2024/25 Surplus Budget \$942K

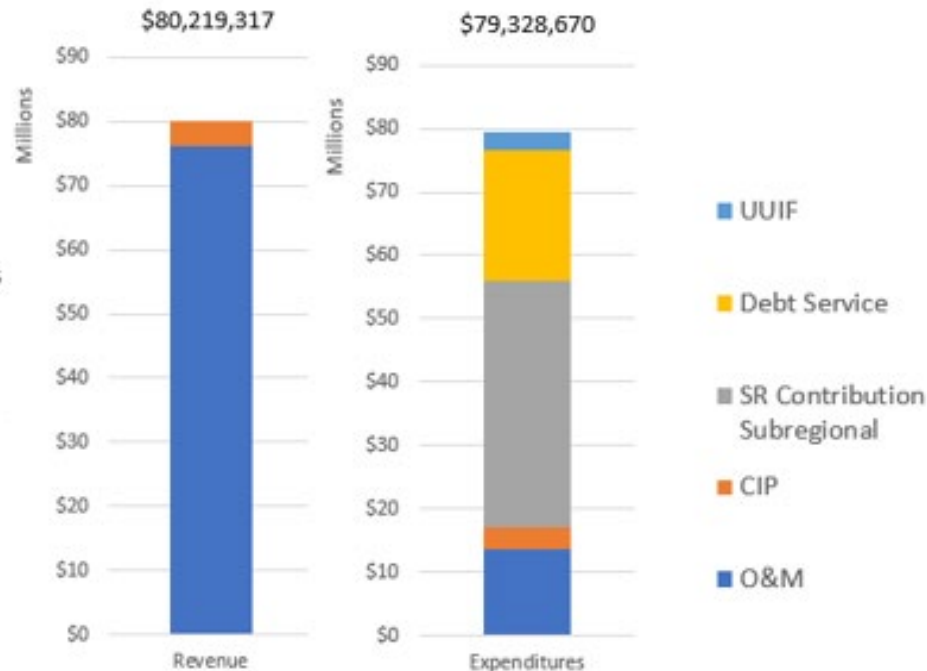


FY 2025/26 Deficit Budget (\$5.1M)

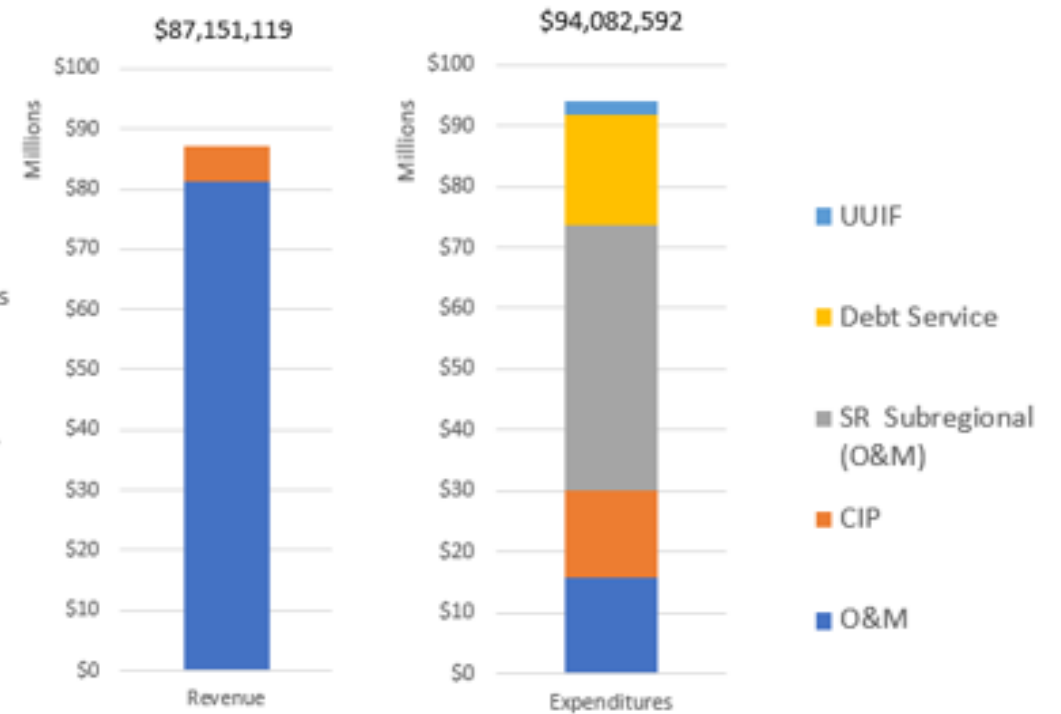


Undesignated Fund Balance – Local Wastewater

FY 2024/25 Surplus Budget \$890K



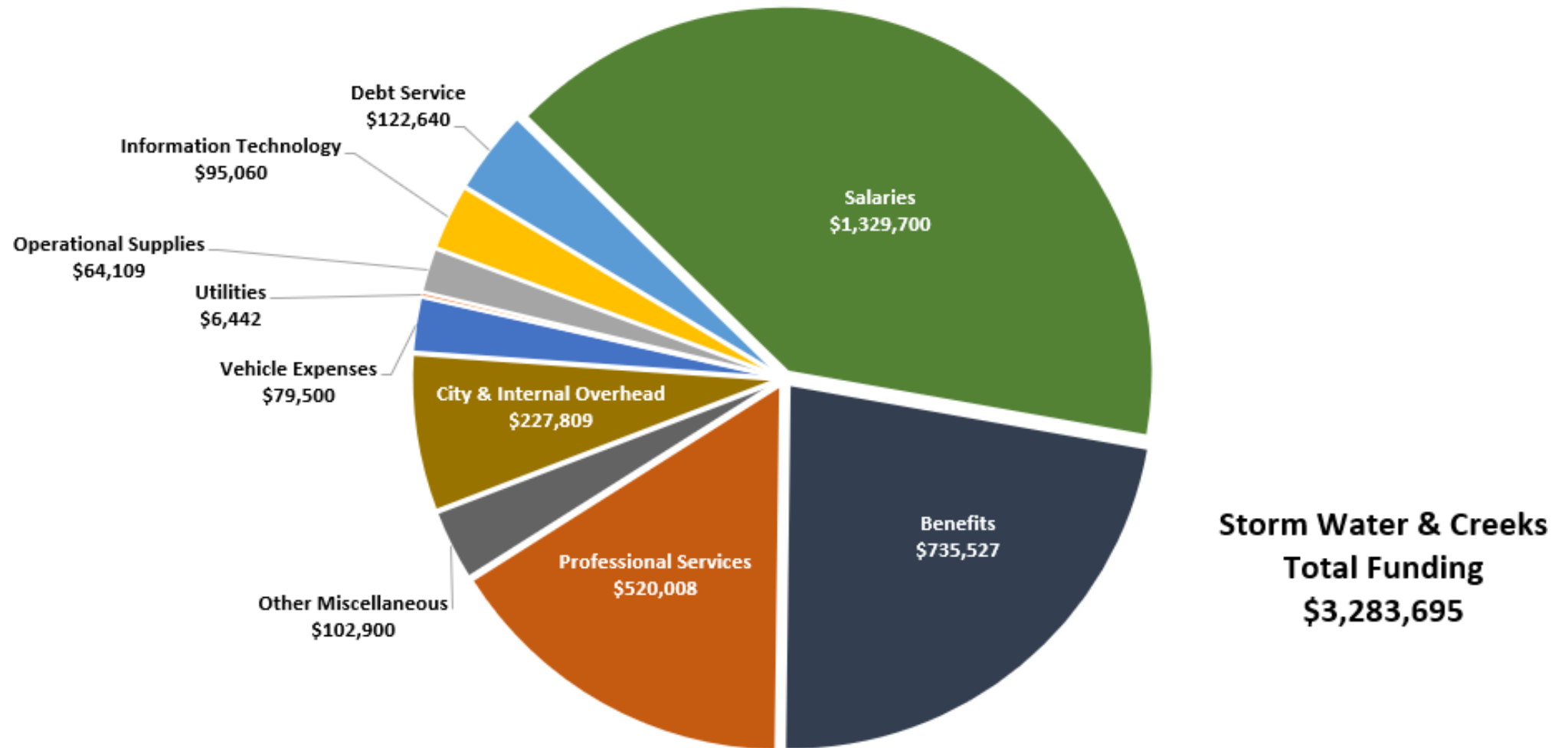
FY 2025/26 Deficit Budget (\$6.9M)



Storm Water and Creeks Operations

Stormwater - Funds 1671,1672 & GF	2024-25 Total Request	2025-26 Total Request	Change	%
Salaries	\$1,289,249	\$1,329,700	\$40,451	3.1
Benefits	\$764,265	\$735,527	-\$28,738	-3.8
Professional Services	\$510,121	\$520,008	\$9,887	1.9
Misc - Training, Leases, Equip Rent, etc.	\$121,150	\$102,900	-\$18,250	-15.1
Vehicle Replacement and Maintenance	\$69,788	\$79,500	\$9,712	13.9
Utilities	\$5,694	\$6,442	\$748	13.1
Operational Supplies	\$64,104	\$64,109	\$5	0.0
Internal & External Overhead	\$214,604	\$227,809	\$13,205	6.2
Debt Service	\$122,639	\$122,640	\$1	0.0
Information Technology	\$90,677	\$95,060	\$4,383	4.8
Total	\$3,252,291	\$3,283,695	\$31,404	1.0

Storm Water and Creeks Fund



Storm Water and Creeks Enterprise Reserves

as of June 30,2024

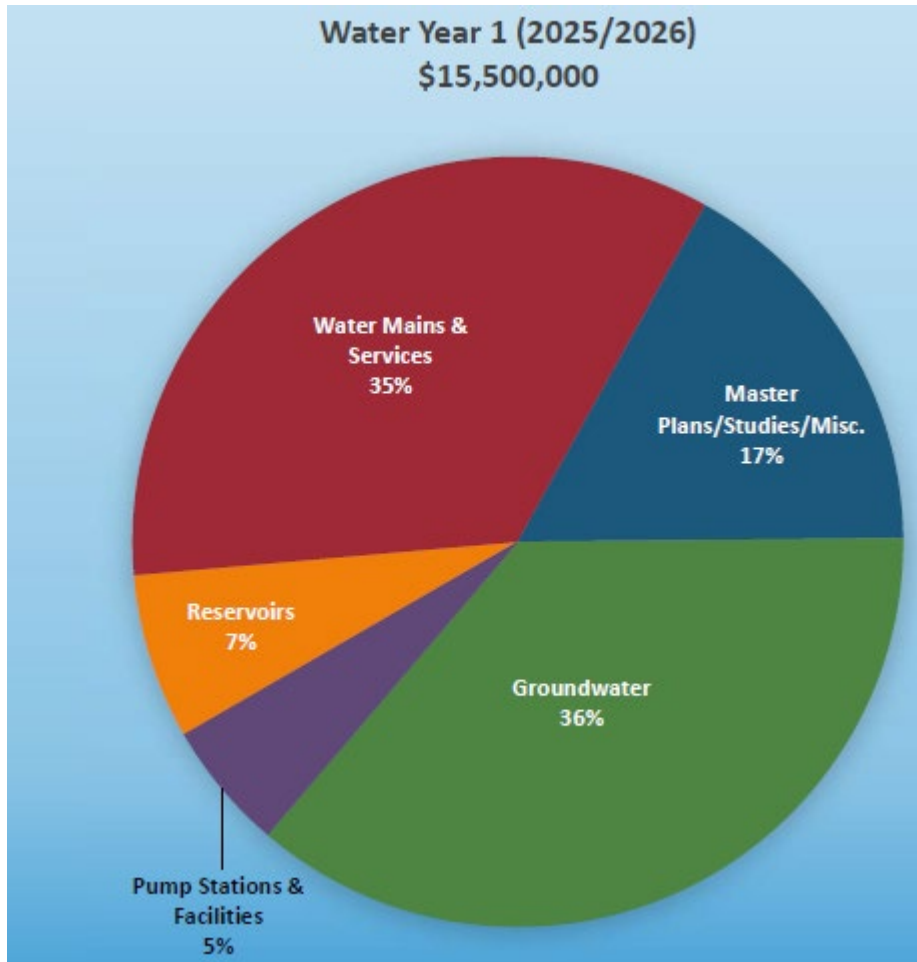
1671 – Storm Water Enterprise – Undesignated \$738,133 (\$6,480)

1672 – Storm Water – Creek Restoration – Undesignated \$1,383,039 \$23,452

CIP Funding

- Proposed Funding
 - Water - \$15.5 Million
 - Wastewater - \$14.3 Million
 - Storm Water and Creeks - \$3,373,265

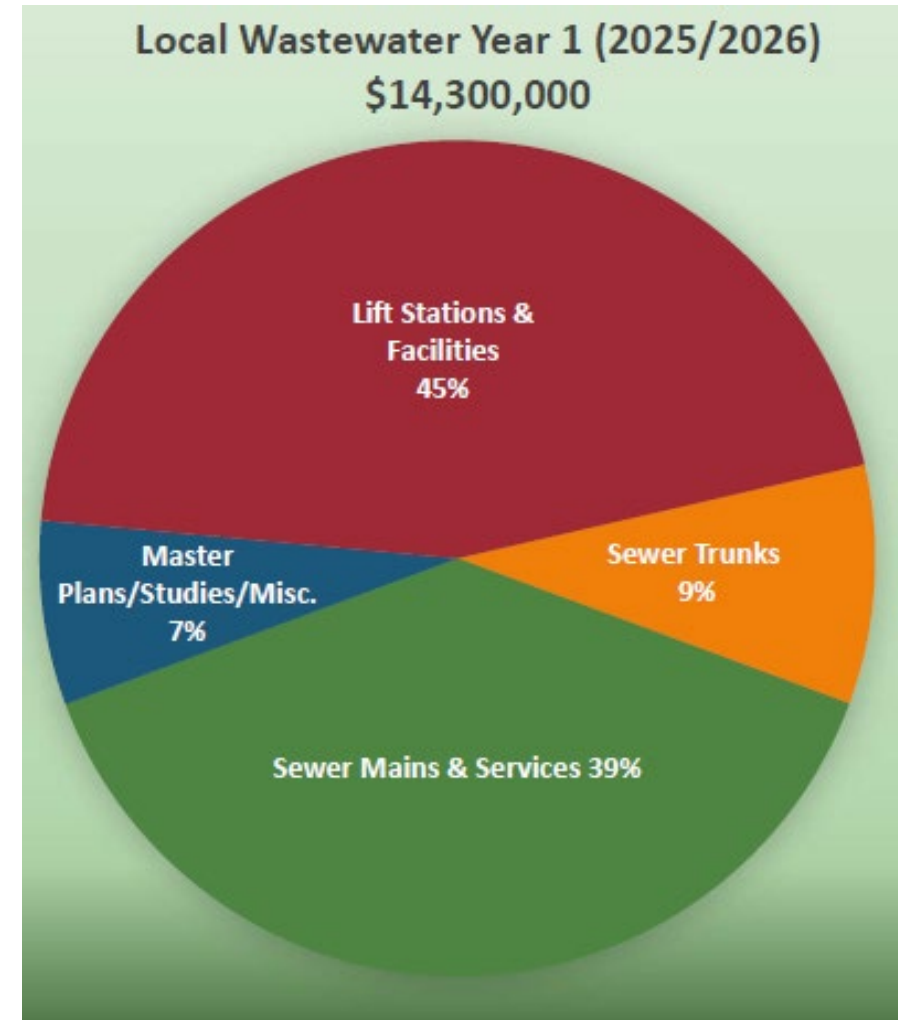
Water CIP 2025/26



- Master Plans/Studies/Misc - \$2,597,000
- Water Mains & Services - \$5,344,000
- Pump Stations & Facilities - \$840,000
- Groundwater - \$5,642,000
- Reservoirs - \$1,077,000

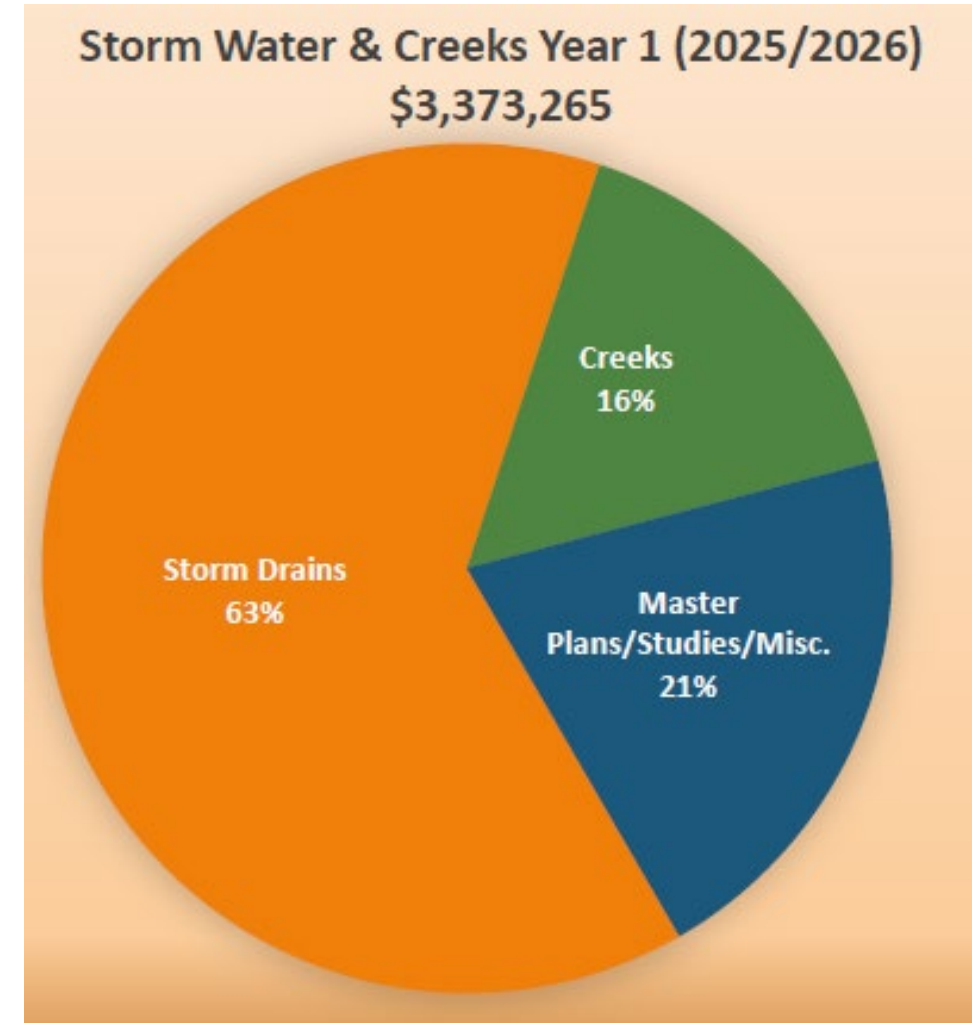
Local Wastewater CIP 2025/26

- Master Plans/Studies/Misc - \$1,018,000
- Sewer Mains & Services - \$5,530,000
- Sewer Trunks - \$1,326,000
- Lift Stations & Facilities - \$6,426,000



Storm Water CIP 2025/26

- Master Planning/Studies/Misc
- \$700,001
- Storm Drains - \$2,138,464
- Creeks - \$534,800



Remaining Budget Schedule

- **City Council – May 6th & 7th**
 - Budget Study Sessions
- **City Council – June 17th**
 - Budget Adoption

Recommendation

It is recommended by the Budget Review Subcommittee and Santa Rosa Water, that the Board of Public Utilities, by resolution, recommend that the City Council approve the Fiscal Year 2025/26 Water Fund, Local Wastewater Fund and Storm Water and Creeks Fund Operations and Maintenance and Capital expenditure appropriation requests.