

Fiscal Year 2026-27 Water, Wastewater, Regional Reuse and Storm Water and Creeks O&M, CIP and Debt Service Budget and Allocation of Costs Recommendation

Board of Public Utilities
April 2, 2026

Nick Harvey
Deputy Director - Administration



Overview

- Assumptions
- Water, Local Wastewater, Regional Reuse and Storm Water and Creeks Budgets
- CIP Review
- Remaining Budget Schedule
- Recommendation

Assumptions

- Water deliveries projected to increase 1.1%
 - Based on growth assumption consistent with financial model
- Wastewater use will remain flat – sewer caps
- Development slowing somewhat
- Rates will increase per current proposed 5-year schedule (plus wholesale passthrough on the Water Usage Charge)

	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%

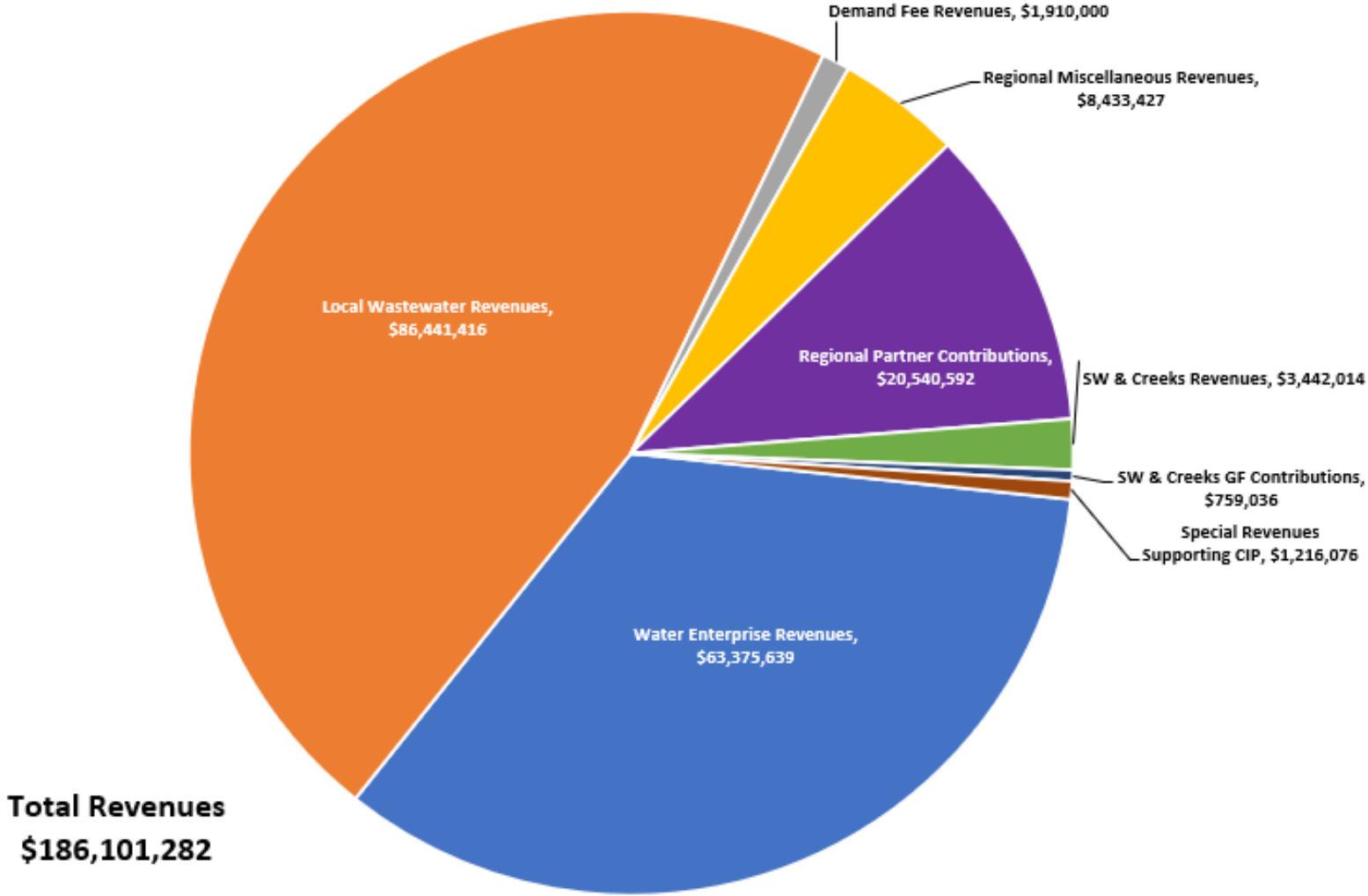
Expenditure Increases

- Salaries
 - 4% Salary increases department-wide (MOU)
 - No re-classification or new position requests
- Electricity
- Water Purchase
- Internal overhead up
- Operations and Maintenance Projects up in Local Wastewater, down in other funds

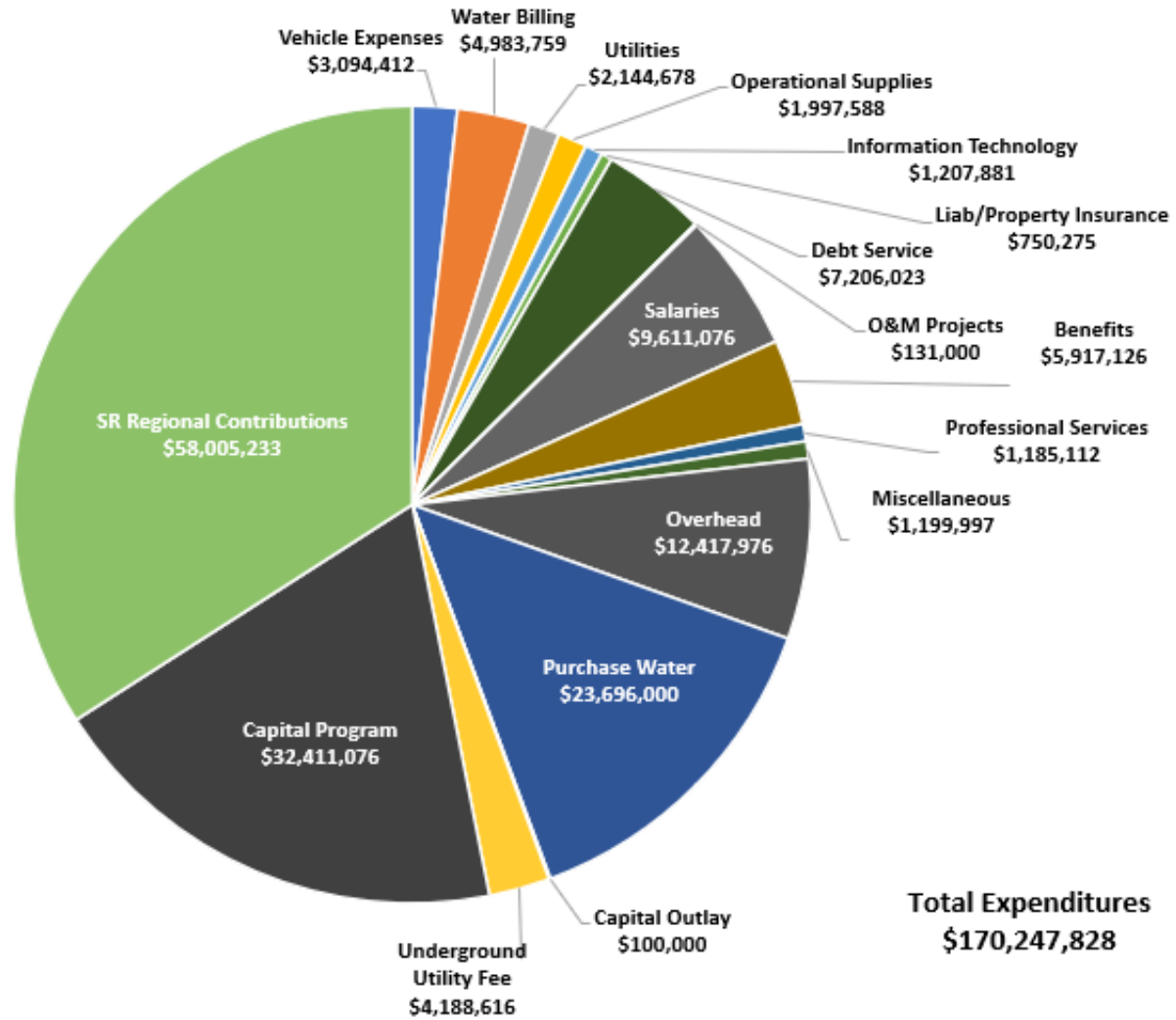
Water, Local WW, Regional Reuse and Storm Water and Creeks O&M Increases

- Water Fund – 6.8%
- Wastewater Fund – 0.8%
- Regional Reuse Fund – 3%
- Storm Water and Creeks Funds – 1.6%
 - \$759k (22.7%) funded by General Fund
 - \$2.57M (77.3%) funded by Enterprise Funds

Water, Local WW & SW Total Revenues 2026-27



Water, Local WW & SW Total Expenditures 2026-27



Water Operations

Expenditure Object	2025-26 Total Request	2026-27 Total Request	Change	%
1611 - Water Utility Operations				
Operations and Maintenance Projects	\$125,000	\$30,000	(\$95,000)	-76.0
Salaries	\$4,891,123	\$5,410,871	\$519,748	10.6
Benefits	\$3,277,960	\$3,411,377	\$133,417	4.1
Professional Services	\$415,410	\$482,910	\$67,500	16.2
Misc - Training, Leases, Equip Rent, etc.	\$572,197	\$587,697	\$15,500	2.7
Vehicle Replacement and Maintenance	\$1,564,136	\$1,667,536	\$103,400	6.6
Water Billing Services	\$2,821,024	\$2,591,555	(\$229,469)	-8.1
Utilities	\$1,995,656	\$1,996,728	\$1,072	0.1
Purchase of Water	\$21,631,000	\$23,696,000	\$2,065,000	9.5
Operational Supplies	\$1,328,930	\$1,501,493	\$172,563	13.0
Information Technology	\$644,223	\$701,327	\$57,104	8.9
Total Liab/Property Insurance	\$421,016	\$451,890	\$30,874	7.3
Internal & External Overhead	\$6,335,494	\$6,535,737	\$200,243	3.2
Capital Outlay	\$0	\$100,000	\$100,000	100.0
Total Water Utility Operations	\$46,023,169	\$49,165,121	\$3,141,952	6.8

Purchase of Water

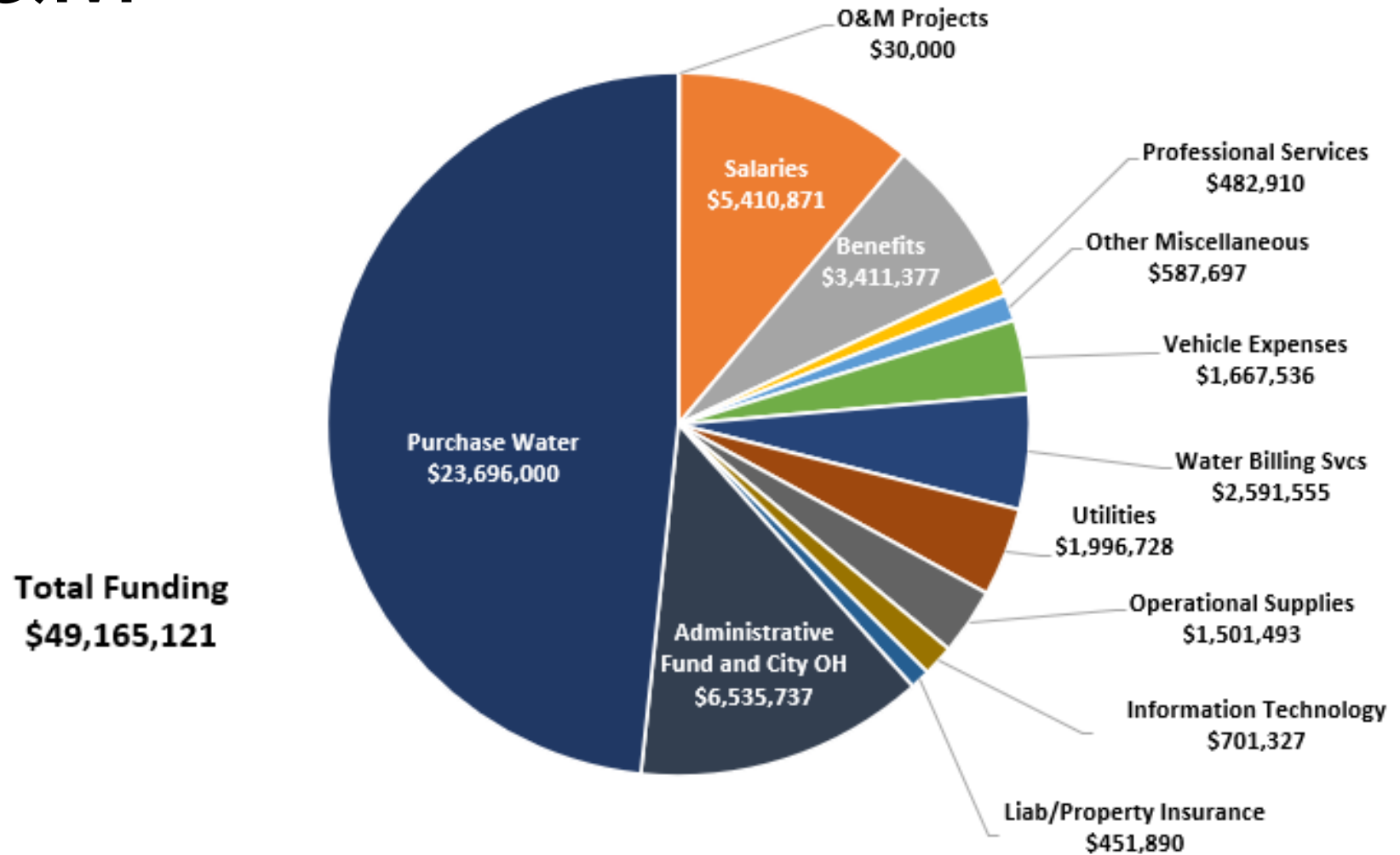
Volume of water increasing by 1.1%

- Growth only – No increased demand expected

Sonoma Water rate increase

- 8.21%

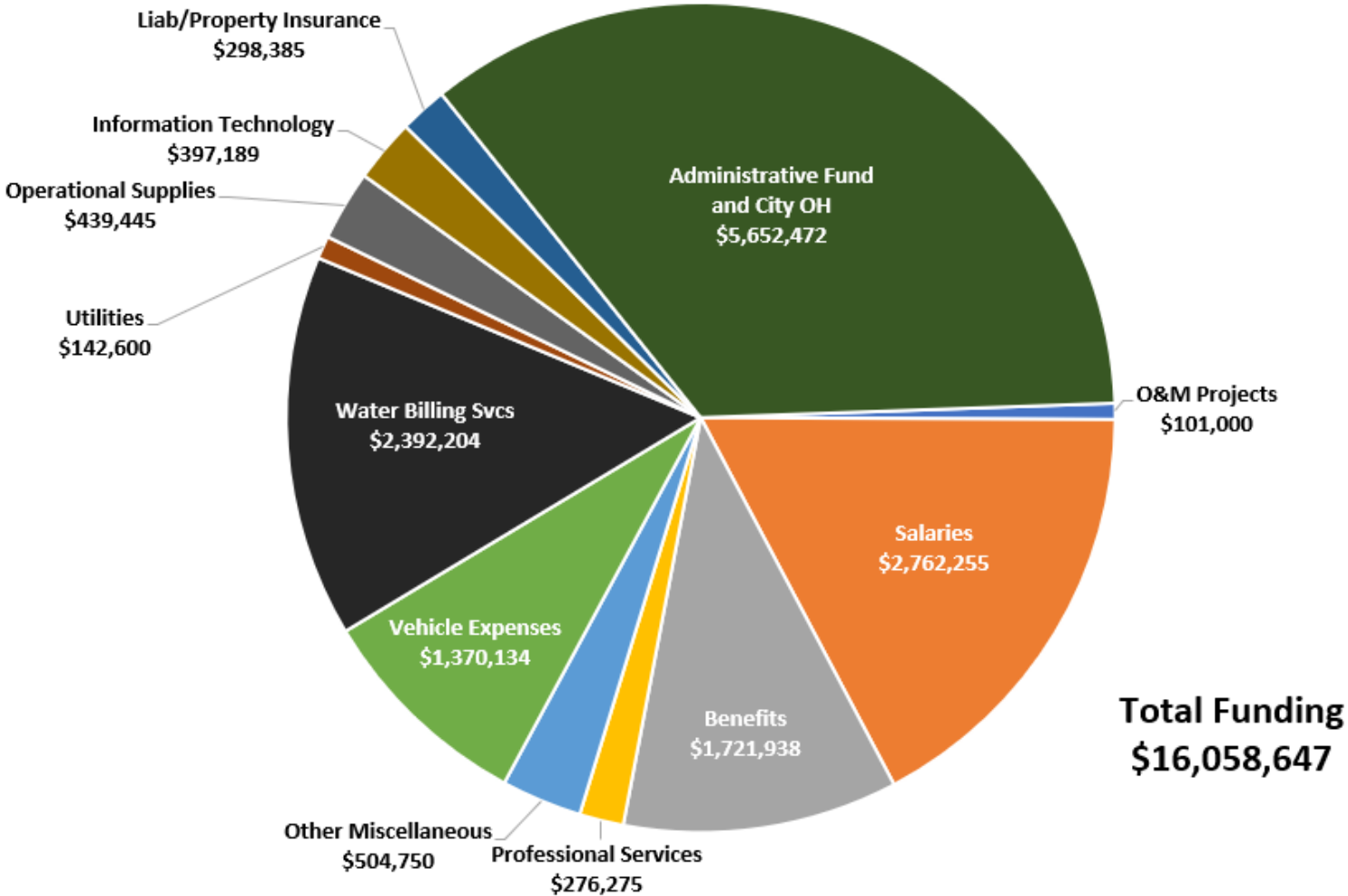
Water O&M



Wastewater Operations

Expenditure Object	2025-26 Total Request	2026-27 Total Request	Change	%
1621 - Local Wastewater Utility Fund				
Operations and Maintenance Projects	\$76,000	\$101,000	\$25,000	32.9
Salaries	\$2,592,481	\$2,762,255	\$169,774	6.5
Benefits	\$1,672,115	\$1,721,938	\$49,823	3.0
Professional Services	\$278,275	\$276,275	(\$2,000)	-0.7
Misc - Training, Leases, Equip Rent, etc.	\$551,550	\$504,750	(\$46,800)	-8.5
Vehicle Replacement and Maintenance	\$1,378,134	\$1,370,134	(\$8,000)	-0.6
Water Billing Services	\$2,604,022	\$2,392,204	(\$211,818)	-8.1
Utilities	\$139,500	\$142,600	\$3,100	2.2
Operational Supplies	\$411,284	\$439,445	\$28,161	6.8
Information Technology	\$364,185	\$397,189	\$33,004	9.1
Total Liab/Property Insurance	\$357,835	\$298,385	(\$59,450)	-16.6
Internal & External Overhead	\$5,411,981	\$5,652,472	\$240,491	4.4
Capital Outlay	\$100,000	\$0	(\$100,000)	100.0
Total- Local Wastewater Utility	\$15,937,362	\$16,058,647	121,285	0.8

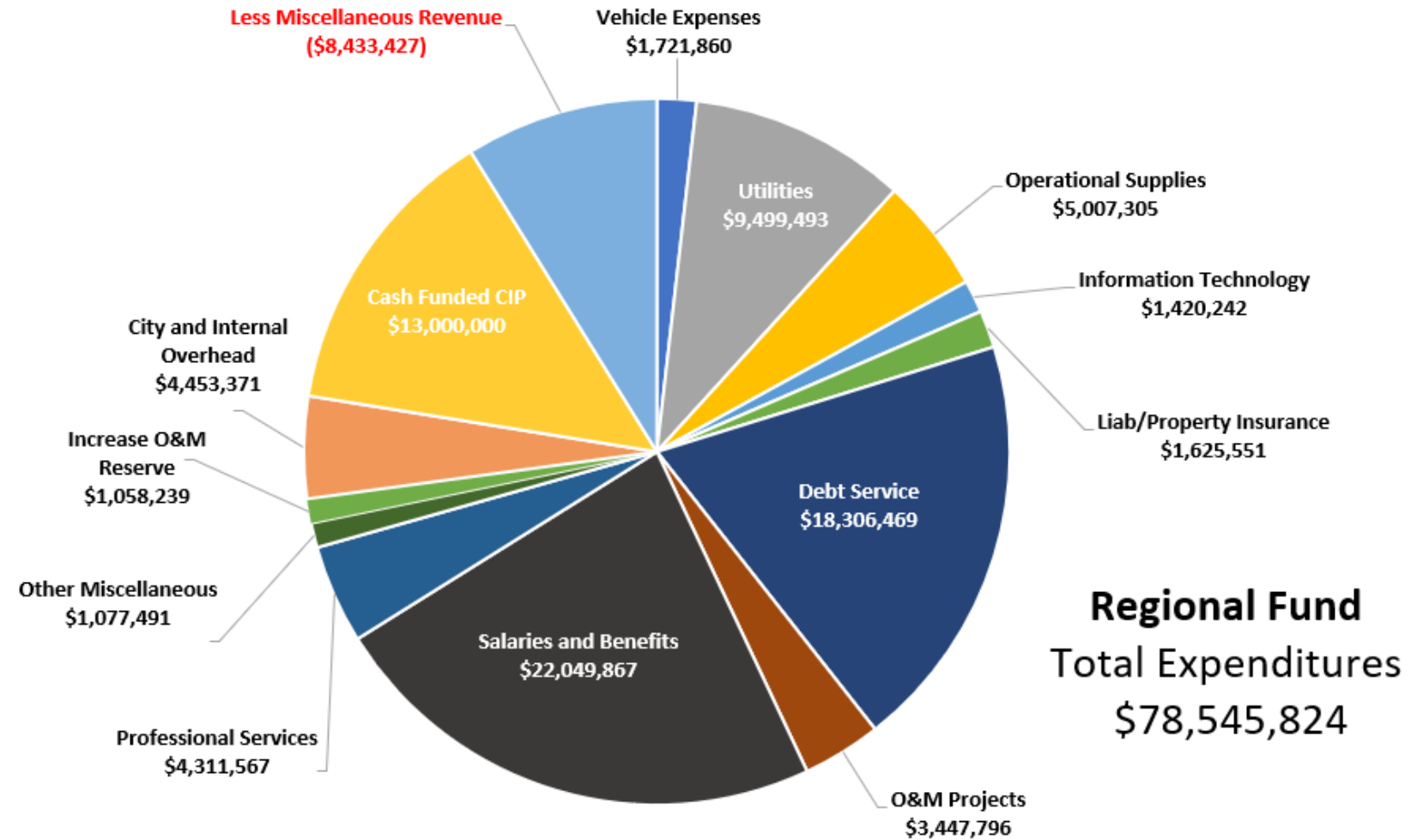
Wastewater O&M



Regional Operations

Expenditure Object	2025-26 Total Request	2026-27 Total Request	Change	%
1631 - Regional Operations				
Operations and Maintenance Projects	\$5,140,938	\$3,447,796	(\$1,693,142)	-32.9
Salaries	\$13,549,076	\$13,964,986	\$415,910	3.1
Benefits	\$7,964,789	\$8,084,881	\$120,092	1.5
Professional Services	\$3,603,187	\$4,311,567	\$708,380	19.7
Misc - Training, Leases, Equip Rent, etc.	\$878,526	\$951,091	\$72,565	8.3
Vehicle Replacement and Maintenance	\$1,463,769	\$1,721,860	\$258,091	17.6
Utilities	\$8,685,904	\$9,499,493	\$813,589	9.4
Operational Supplies	\$4,624,713	\$5,007,305	\$382,592	8.3
Information Technology	\$1,307,148	\$1,420,242	\$113,094	8.7
Total Liab/Property Insurance	\$1,594,529	\$1,625,551	\$31,022	1.9
Debt Service	\$0	\$0	\$0	0.0
Internal & External Overhead	\$4,203,943	\$4,453,371	\$249,428	5.9
Capital Outlay	\$0	\$126,400	\$126,400	0.0
Total 1631 - Regional Operations	\$53,016,522	\$54,614,543	\$1,598,021	3.0

Regional Budget



Refund Reserve History

<i>Refund Reserve</i>	Santa Rosa	Rohnert Park	Cotati	Sebastopol	SPCSD	Total
2014-2015	\$0.00	\$727,418.87	\$11,015.71	\$78,611.94	\$132,955.24	\$950,001.76
2015-2016	\$2,516,050.87	\$401,559.29	\$63,410.62	\$193,872.73	\$162,171.68	\$3,337,065.19
2016-2017	\$791,021.99	\$785,048.90	\$148,989.30	\$82,461.70	\$118,057.73	\$1,925,579.62
2017-2018	\$4,209,021.16	\$199,493.31	\$99,461.11	\$90,918.22	\$105,412.63	\$4,704,306.43
2018-2019	\$1,681,886.86	(\$439,231.74)	(\$134,896.25)	\$67,040.31	(\$48,200.46)	\$1,126,598.72
2019-2020	\$4,229,712.03	\$1,121,685.20	(\$219,815.33)	\$231,470.53	\$213,981.67	\$5,577,034.10
2020-2021	(\$12,835,572.23)	\$22,620.47	(\$64,019.98)	(\$37,359.51)	\$67,320.27	(\$12,847,010.98)
2021-2022	(\$1,234,908.12)	(\$835,369.67)	(\$45,819.37)	(\$114,261.10)	\$69,371.15	(\$2,160,987.11)
2022-2023	\$2,867.35	\$174,870.18	\$38,872.21	(\$89,283.05)	\$113,285.00	\$240,611.69
2023-2024	\$4,103,746.89	\$1,426,169.19	\$140,076.56	\$160,481.60	\$133,155.99	\$5,963,630.23
2024-2025	\$5,142,470.45	\$1,555,658.51	\$263,017.43	\$339,250.71	\$166,763.36	\$7,467,160.46
Totals	\$8,606,297.25	\$5,139,922.51	\$300,292.01	\$1,003,204.08	\$1,234,274.26	\$16,283,990.11

Miscellaneous Revenues

Regional Miscellaneous Revenues			
		2025/26	2026/27
		Budgeted	Projected
4511	Property Rentals	\$128,117	\$128,117
4521	Interest on Pooled Investments	\$1,000,000	\$1,400,000
4635	Sale of Water (recycled) - Retail	\$550,000	\$550,000
4638	Laboratory Services	\$55,000	\$100,000
4639	Tipping Fees	\$3,800,000	\$4,700,000
4690	Miscellaneous Fees and Charges	\$80,000	\$200,000
4853	Miscellaneous	\$90,000	\$200,000
4434	SCWA - Acceptance of Recycled Water	\$1,000	\$1,000
4443	Town of Windsor - Geysers	\$1,120,690	\$1,154,310
	Total	\$6,824,807	\$8,433,427

Fund Summary/Agency Contribution

Fund Summary 2026/27	
	2026/27 Budget
Operating Expenditure Request	\$54,614,543
Regional WW Capital (Cash funded CIP)	\$13,000,000
Additional Operating Reserve needed	\$1,058,239
Expenditures Change in Operating Reserve	\$68,672,782
Regional System Reserves for 2026/27	
Operating Reserve	\$8,220,499
Geysers Reserves	\$1,250,000
Catastrophic Reserve	\$1,700,000
User Agency Reserve	\$5,000,000
	\$15,565,313
Agency Contribution Calculation:	
Expenditures Change in Operating Reserve	\$68,672,782
Less Revenue	(\$8,433,427)
Fund Balance Applied	\$0
Agency Contribution	\$60,239,355

Regional Partner Allocations FY 2026/27

	Total 2025/26	2026/27 Budgeted O&M	2026/27 CIP Contribution	2026/27 Debt Service	Total 2026/27	Difference	%
Santa Rosa	\$57,312,896	\$34,845,730	\$9,198,800	\$13,960,703	\$58,005,233	\$692,337	1.21%
Rohnert Park	\$13,682,453	\$8,311,290	\$2,561,000	\$2,842,949	\$13,715,239	\$32,786	0.24%
Sebastopol	\$1,953,889	\$1,116,702	\$423,800	\$446,654	\$1,987,156	\$33,267	1.70%
Cotati	\$2,559,277	\$1,488,627	\$383,500	\$661,711	\$2,533,838	(\$25,439)	-0.99%
SPCSD	\$2,264,173	\$1,477,006	\$432,900	\$394,452	\$2,304,358	\$40,185	1.77%
	\$77,772,688	\$47,239,355	\$13,000,000	\$18,306,469	\$78,545,824	\$773,136	0.99%

Operating Fund Reserves

as of June 30, 2025

Water

- **Operating**
 - \$6,700,112
- **Catastrophic**
 - \$5,750,000
- **Undesignated**
 - \$21,172,865
 - +\$5.8 mil

Wastewater

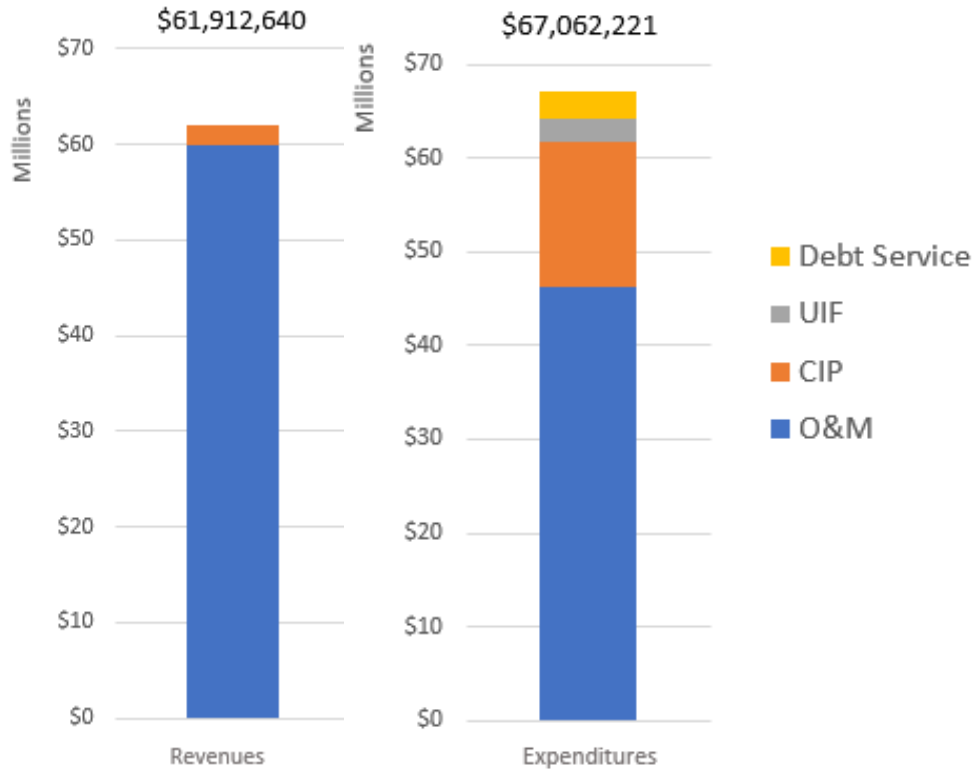
- **Operating**
 - \$2,000,771
- **Catastrophic**
 - \$6,800,000
- **Undesignated**
 - \$18,836,725
 - +\$4.1 mil
- **Rate Stabilization**
 - \$1,000,000

Regional

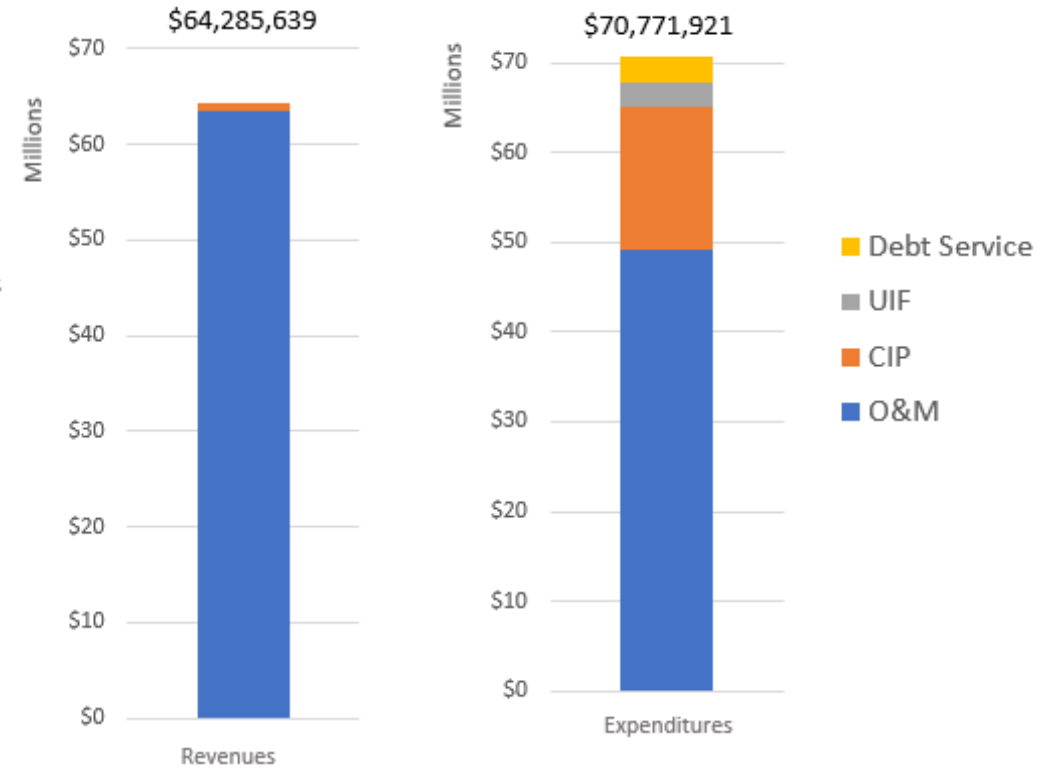
- **Operating**
 - \$7,075,910
- **Catastrophic**
 - \$1,700,000
- **Refund Reserve**
 - \$16,283,990
 - +\$7.5 mil
- **Geysers**
 - \$1,250,000

Undesignated Fund Balance – Water

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



FY 2026/27 Deficit Budget (\$6.5M)

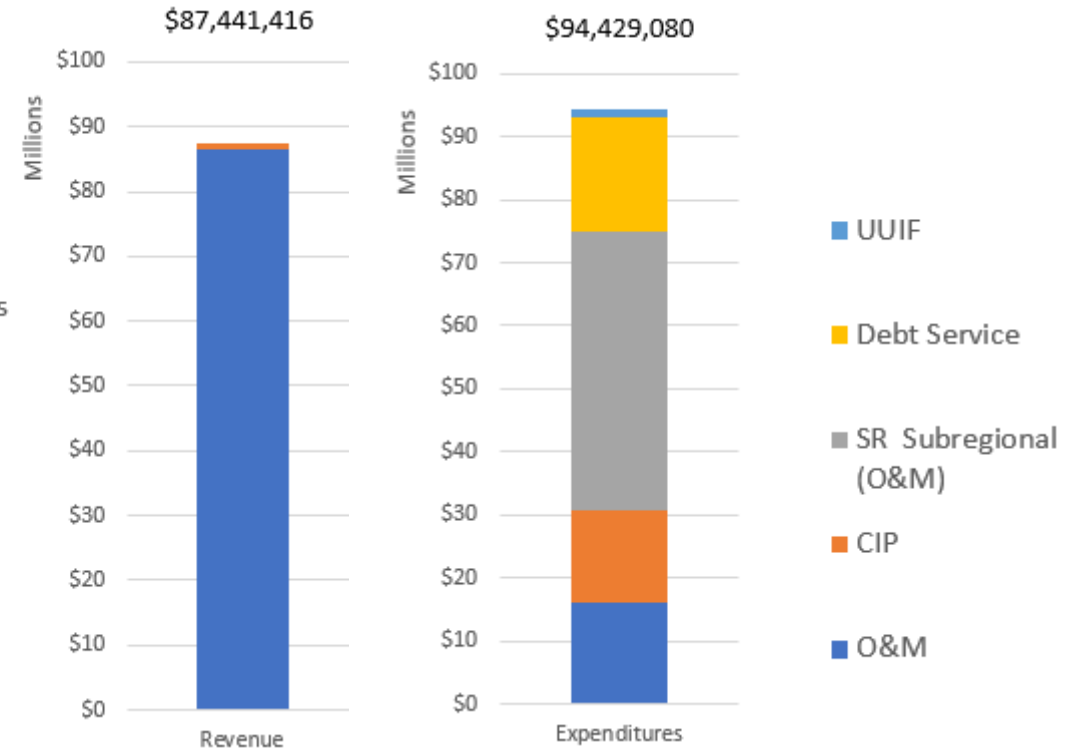


Undesignated Fund Balance – Local Wastewater

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



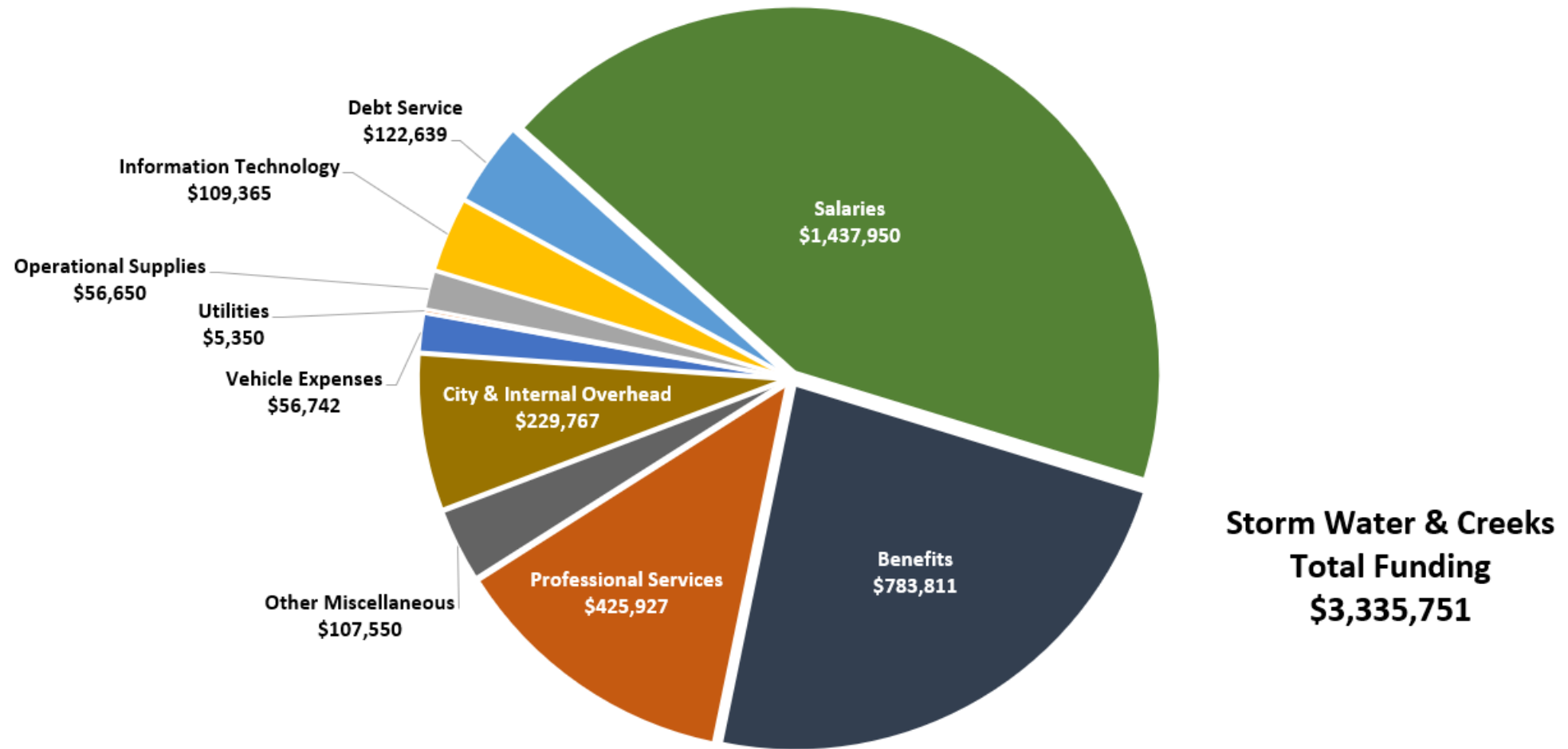
FY 2026/27 Deficit Budget (\$6.9M)



Storm Water and Creeks Operations

Stormwater - Funds 1671,1672 & GF	2025-26 Total Request	2026-27 Total Request	Change	%
Salaries	\$1,329,700	\$1,437,950	\$108,250	8.1
Benefits	\$735,527	\$783,811	\$48,284	6.6
Professional Services	\$520,008	\$425,927	-\$94,081	-18.1
Misc - Training, Leases, Equip Rent, etc.	\$102,900	\$107,550	\$4,650	4.5
Vehicle Replacement and Maintenance	\$79,500	\$56,742	-\$22,758	-28.6
Utilities	\$6,442	\$5,350	-\$1,092	-17.0
Operational Supplies	\$64,109	\$56,650	-\$7,459	-11.6
Internal & External Overhead	\$227,809	\$229,767	\$1,958	0.9
Debt Service	\$122,640	\$122,639	-\$1	-0.0
Information Technology	\$95,060	\$109,365	\$14,305	15.0
Total	\$3,283,695	\$3,335,751	\$52,056	1.6

Storm Water and Creeks Fund



Storm Water and Creeks Enterprise Reserves

as of June 30, 2025

1671 – Storm Water Enterprise – Undesignated \$728,238 (\$9,895)

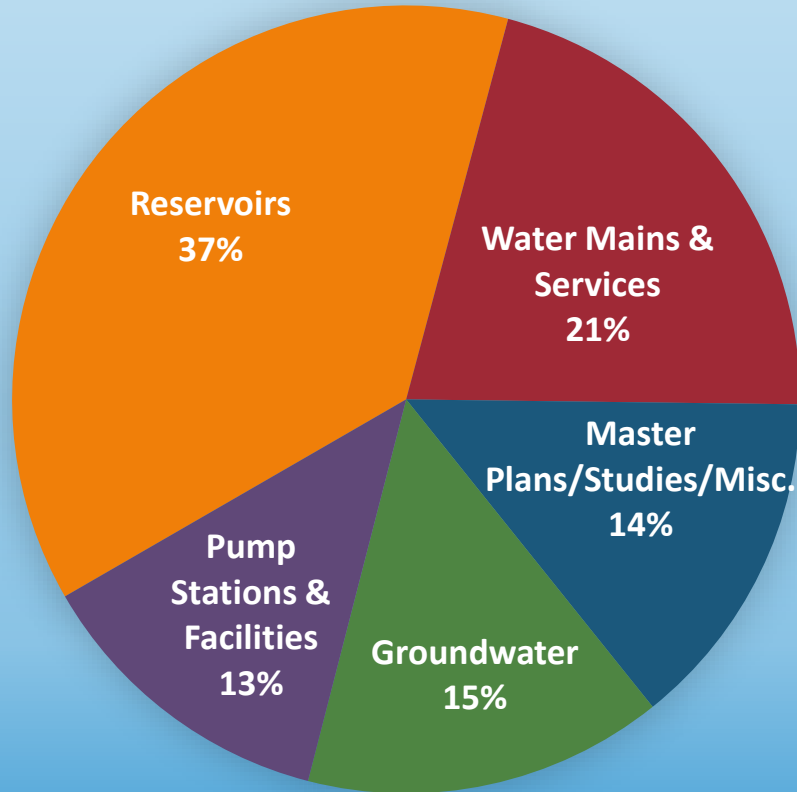
**1672 – Storm Water – Creek Restoration – Undesignated
\$1,275,450 (\$107,589)**

CIP Funding

- Proposed Funding
 - Water - \$16 Million
 - Wastewater - \$14.7 Million
 - Regional - \$13 Million – \$1 Million increase
 - Storm Water and Creeks - \$1,711,076

Water CIP 2026/27

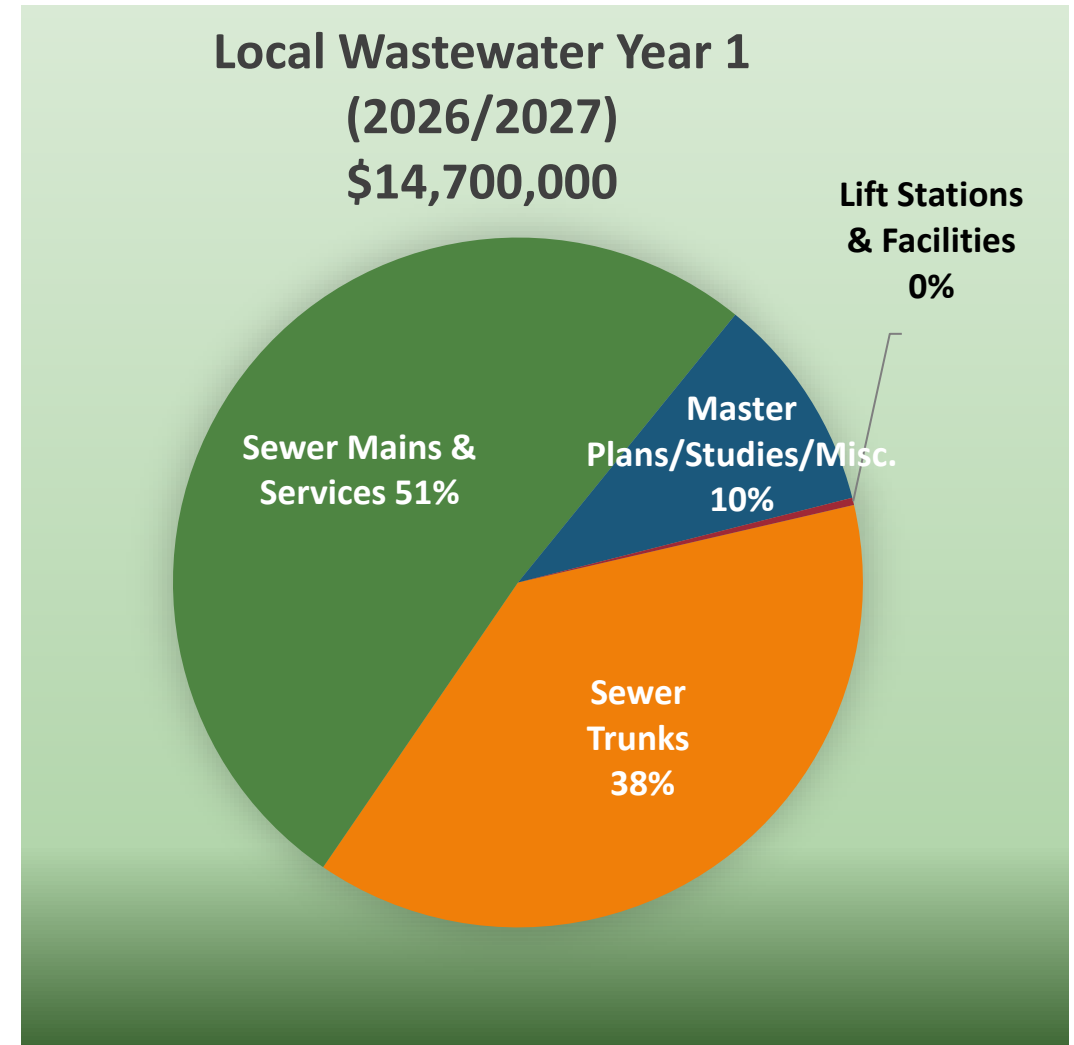
Water Year 1 (2026/2027)
\$16,000,000



- Master Plans/Studies/Misc - \$2,247,000
- Water Mains & Services - \$3,365,000
- Pump Stations & Facilities - \$2,025,000
- Groundwater - \$2,363,000
- Reservoirs - \$6,000,000

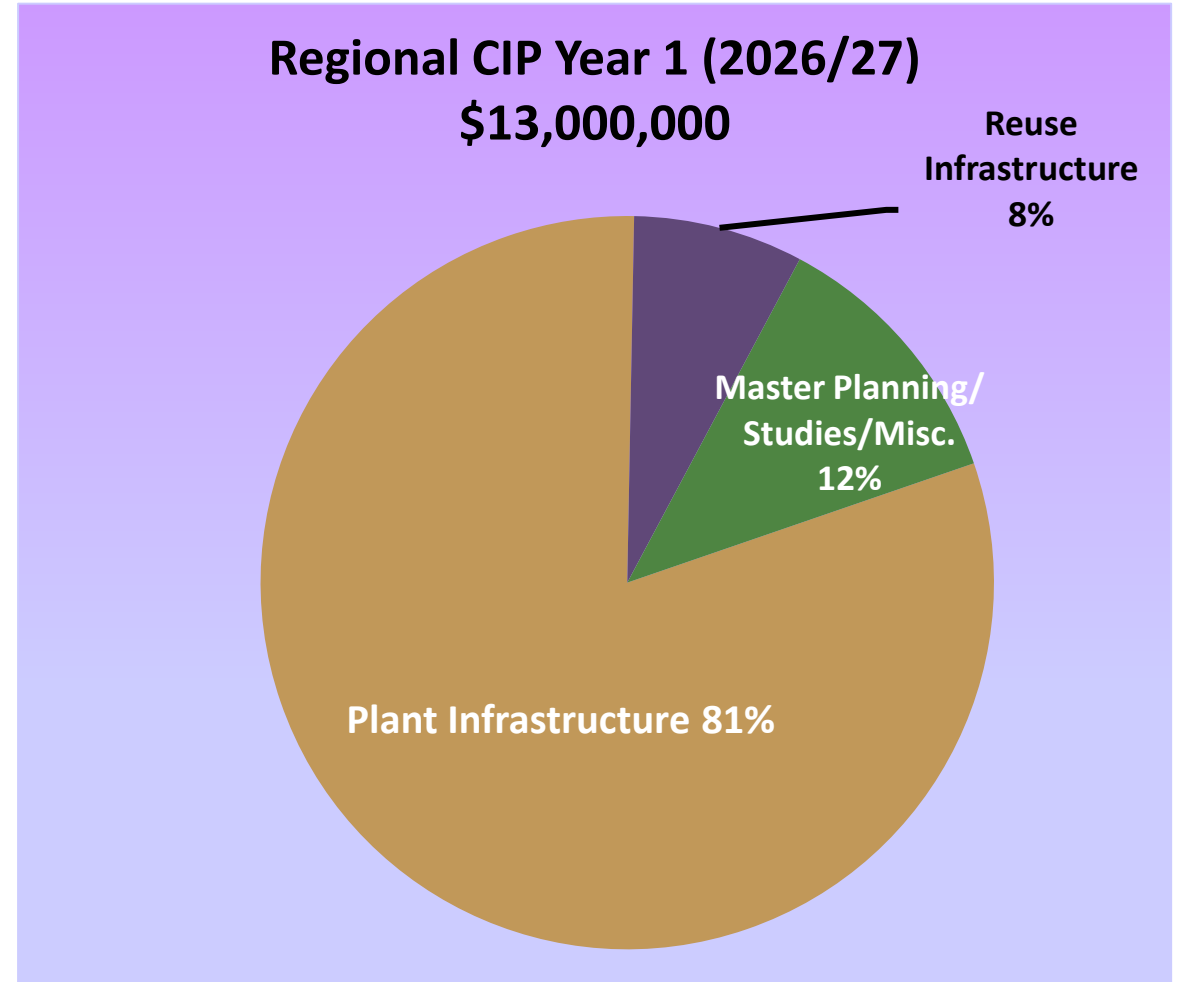
Local Wastewater CIP 2026/27

- Master Plans/Studies/Misc - \$1,499,000
- Sewer Mains & Services - \$7,541,000
- Sewer Trunks - \$5,610,000
- Lift Stations & Facilities - \$50,000



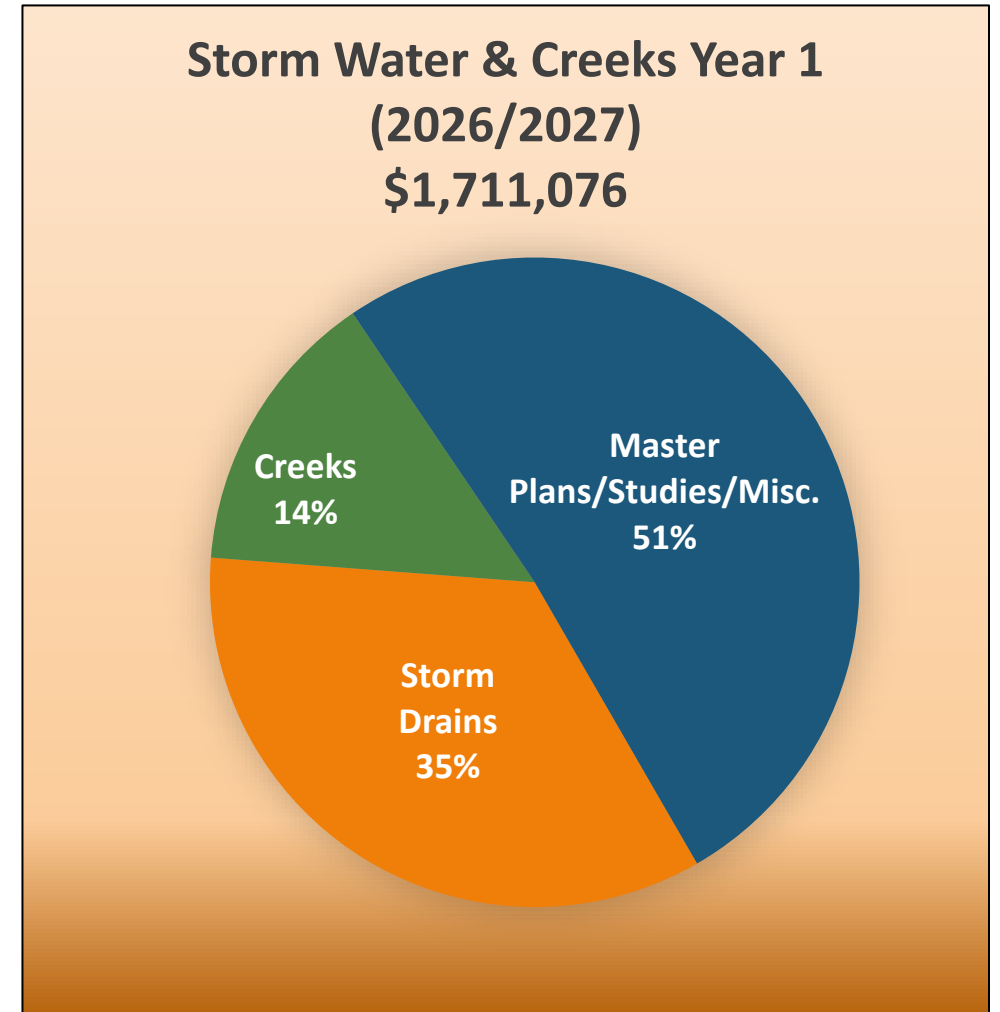
Regional CIP 2026/27

- Plant Infrastructure - \$10,475,000
- Reuse Infrastructure - \$975,000
- Master Planning/Studies/Misc - \$1,550,000



Storm Water CIP 2026/27

- Master Planning/Studies/Misc - \$875,000
- Storm Drains - \$591,076
- Creeks - \$245,000



Remaining Budget Schedule

- **City Council – April 21st**
 - Preliminary Regional Budget Approval
- **City Council – May 5th & 6th**
 - Budget Study Sessions
- **City Council – June 17th**
 - Budget Adoption

Recommendation

It is recommended by the Board of Public Utilities Budget Subcommittee, the Subregional Technical Advisory Committee (SubTAC), and Santa Rosa Water that the Board of Public Utilities, by resolution, recommend that the City Council approve the 2026-27 Water, Local Wastewater, Storm Water and Creeks and Regional System fund Operations and Maintenance, capital expenditure, and debt service appropriation requests, and the resulting cost allocations.