

BPU Budget Subcommittee

Fiscal Year 2026/27 Water, Wastewater, Regional Reuse
and Storm Water and Creeks O&M and CIP Budgets

March 18, 2026

Nick Harvey
Deputy Director - Administration

Overview

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

Staff 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%

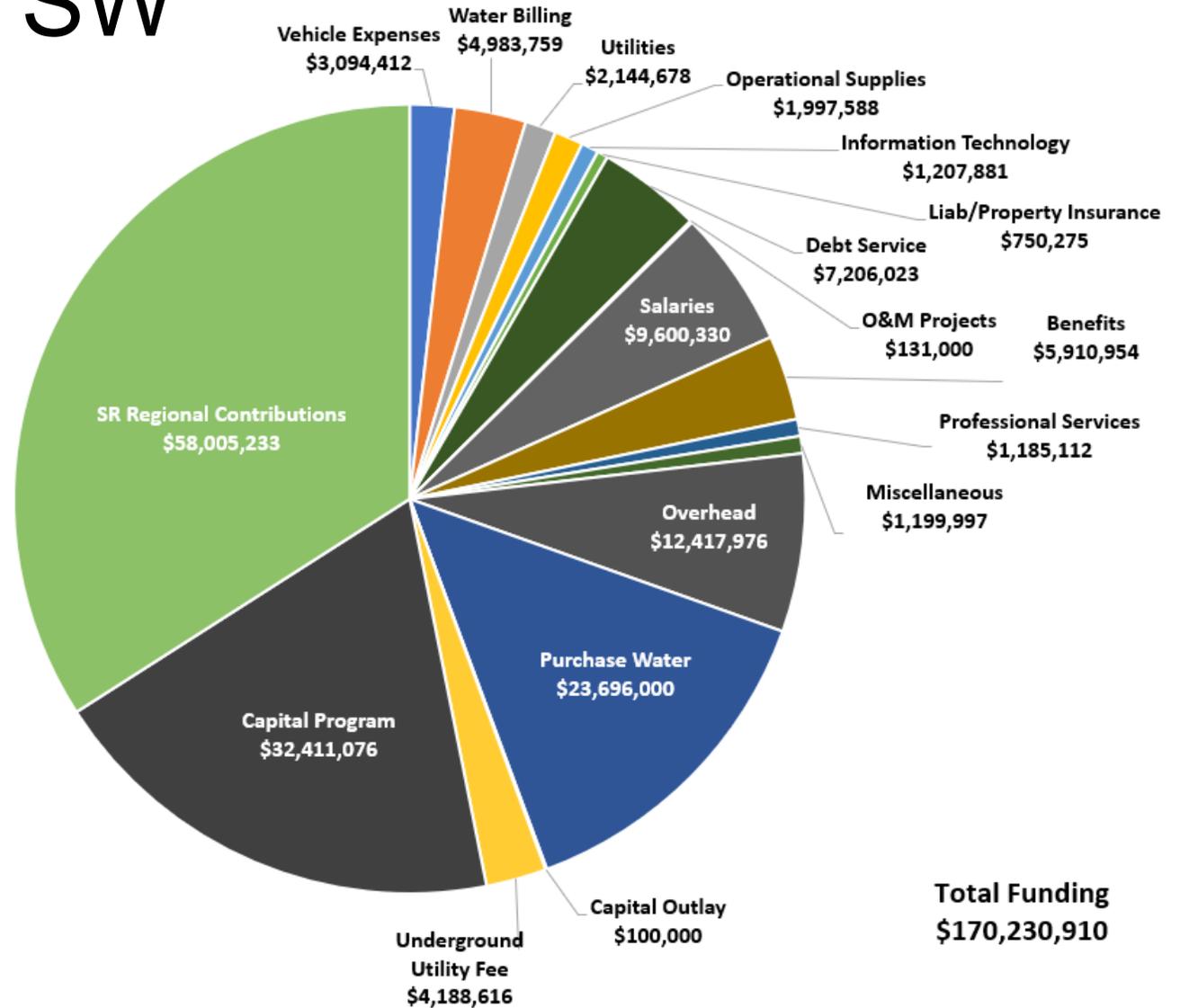
Expenditure Increases

- 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 – 1.1%
 - \$742k (22.4%) funded by General Fund
 - \$2.57M (77.6%) funded by Enterprise Funds

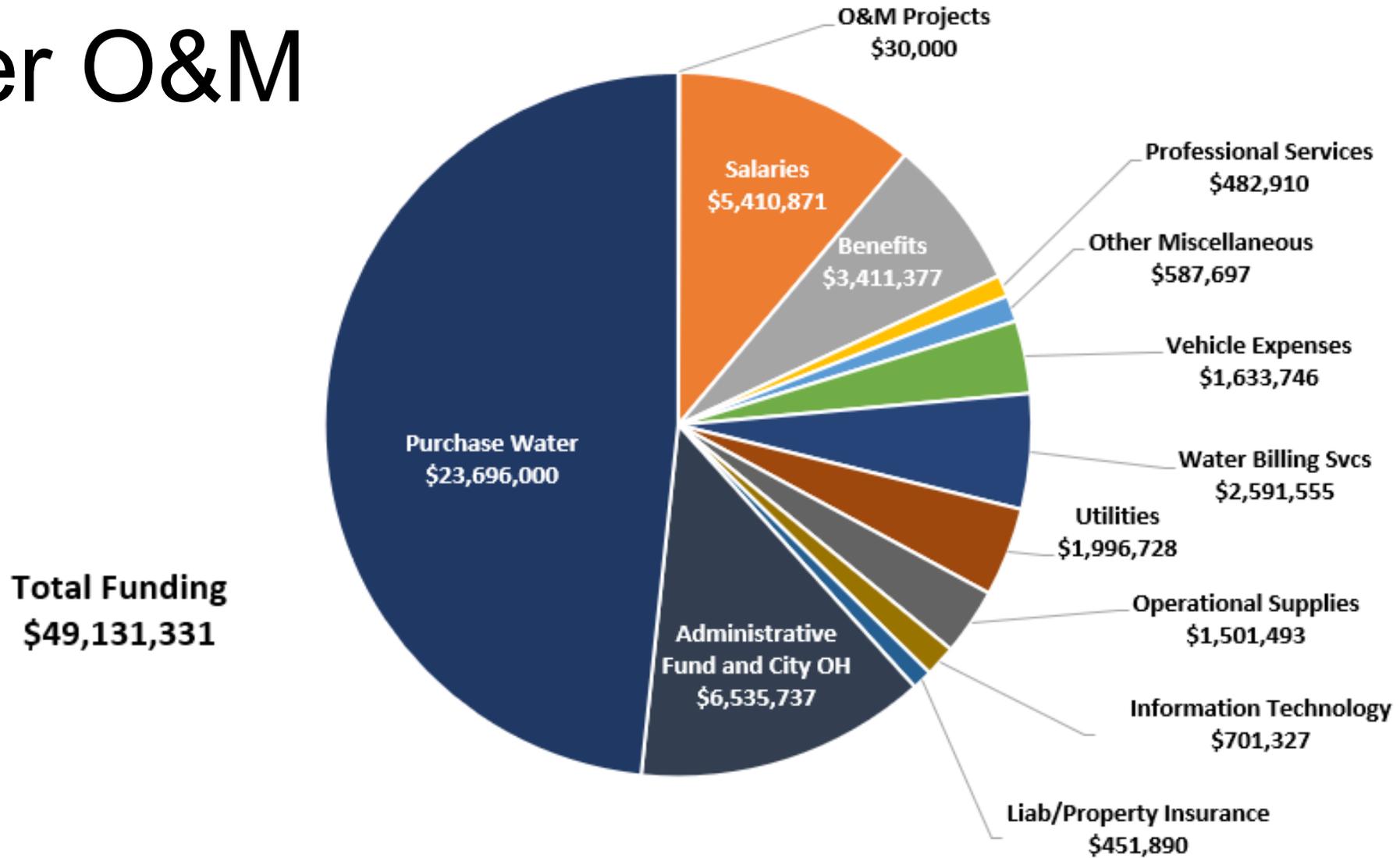
Water, Local WW & SW Total Budget 2026-27



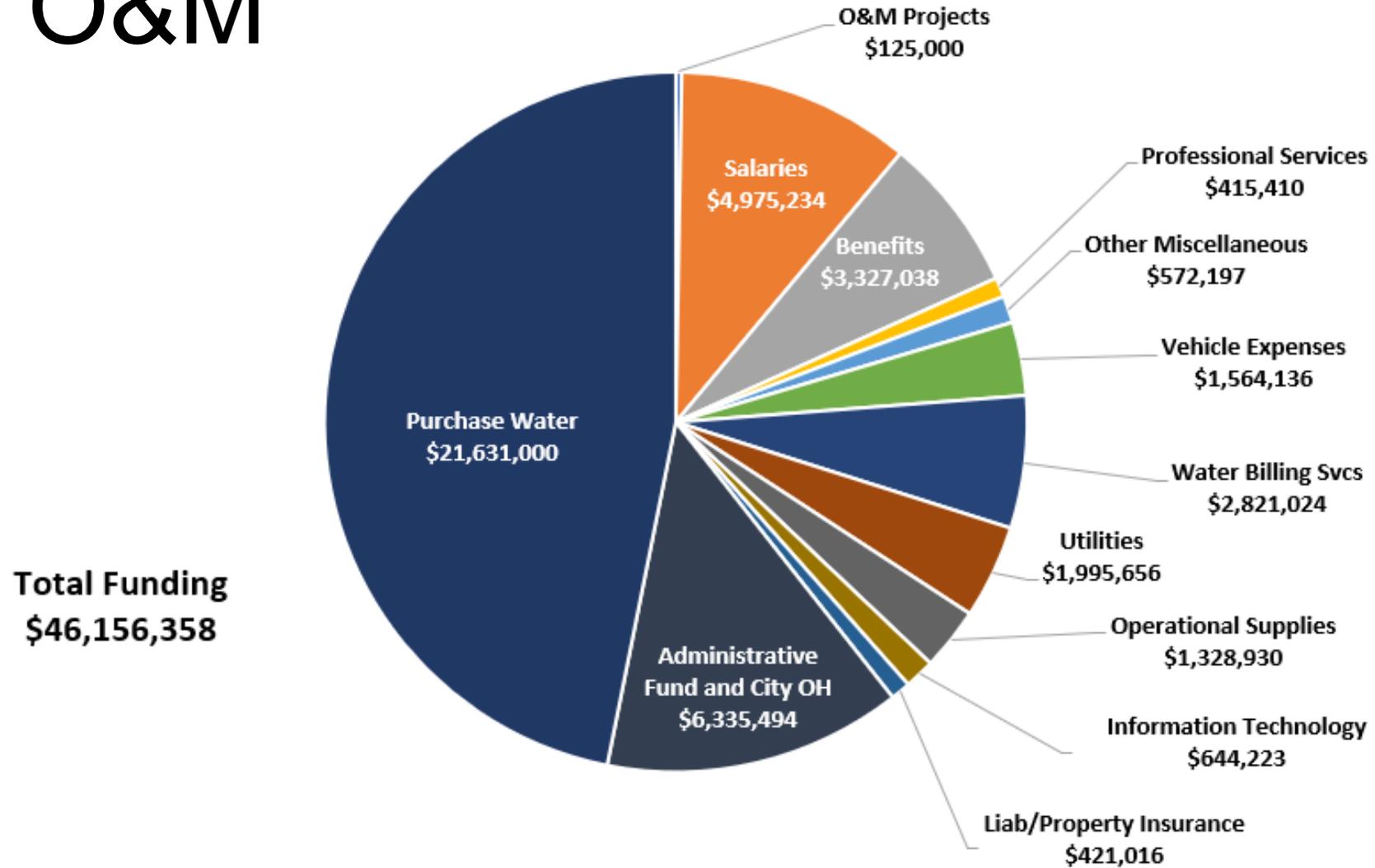
Total Funding
\$170,230,910



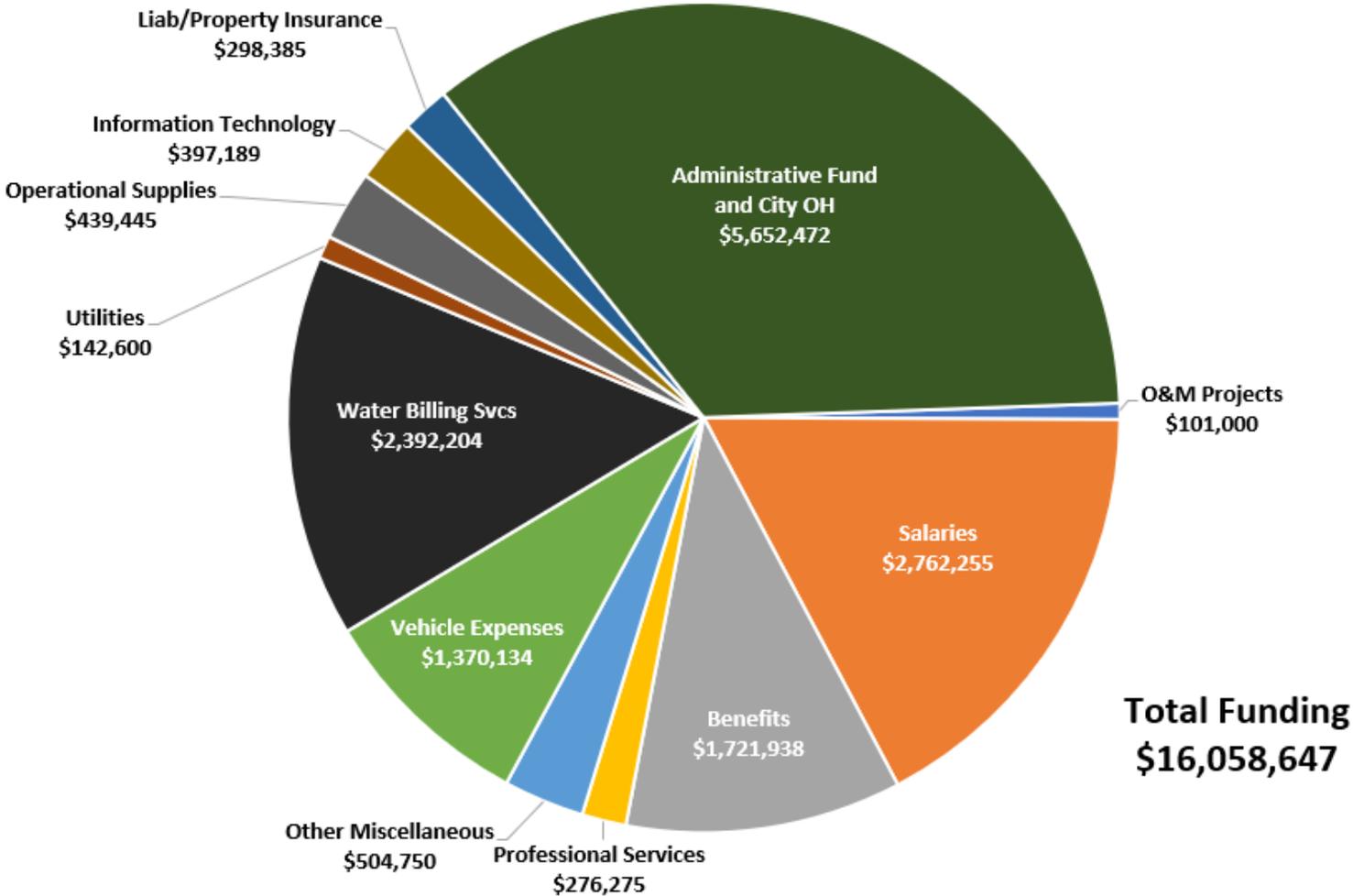
Water O&M



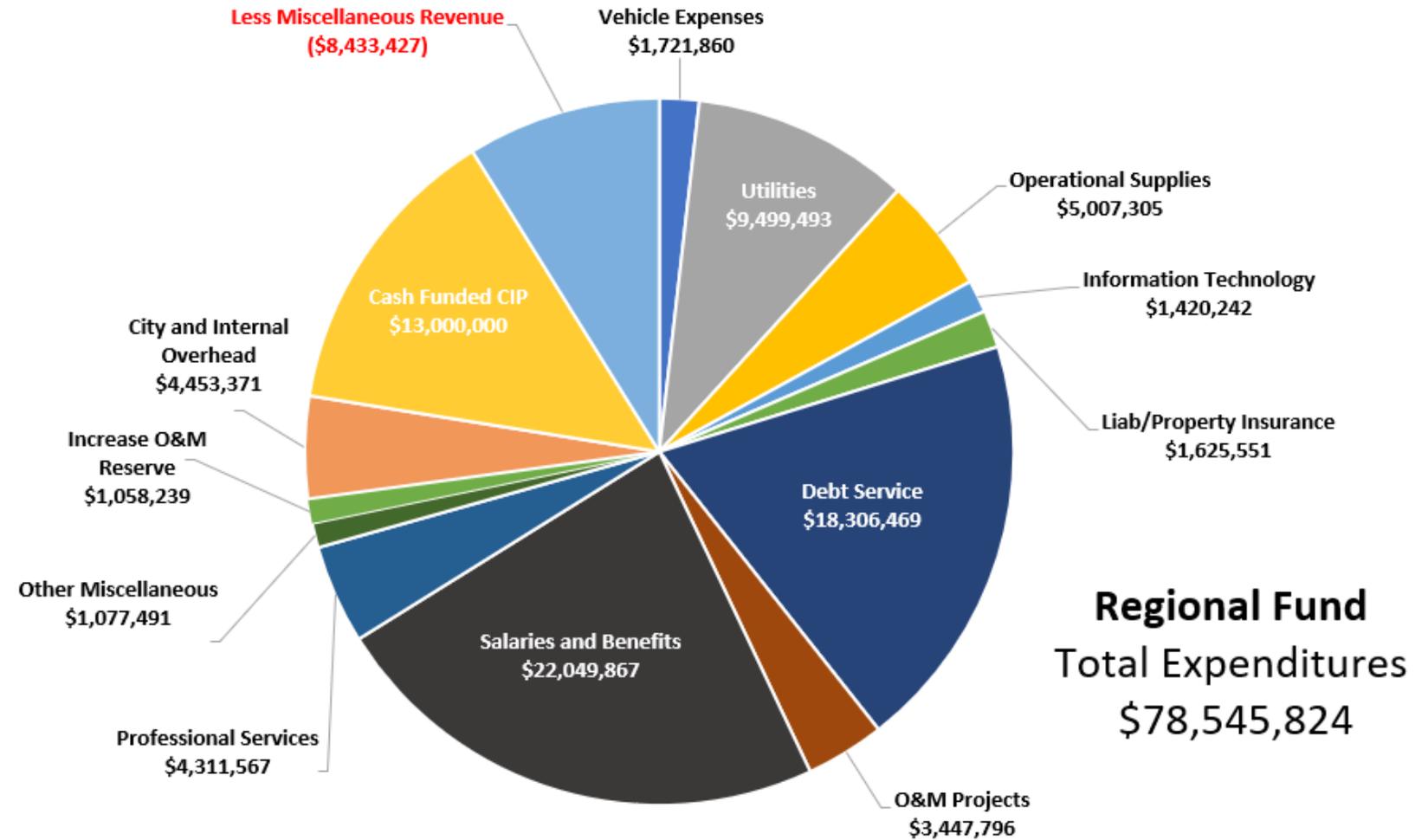
Water O&M



Wastewater O&M



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

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

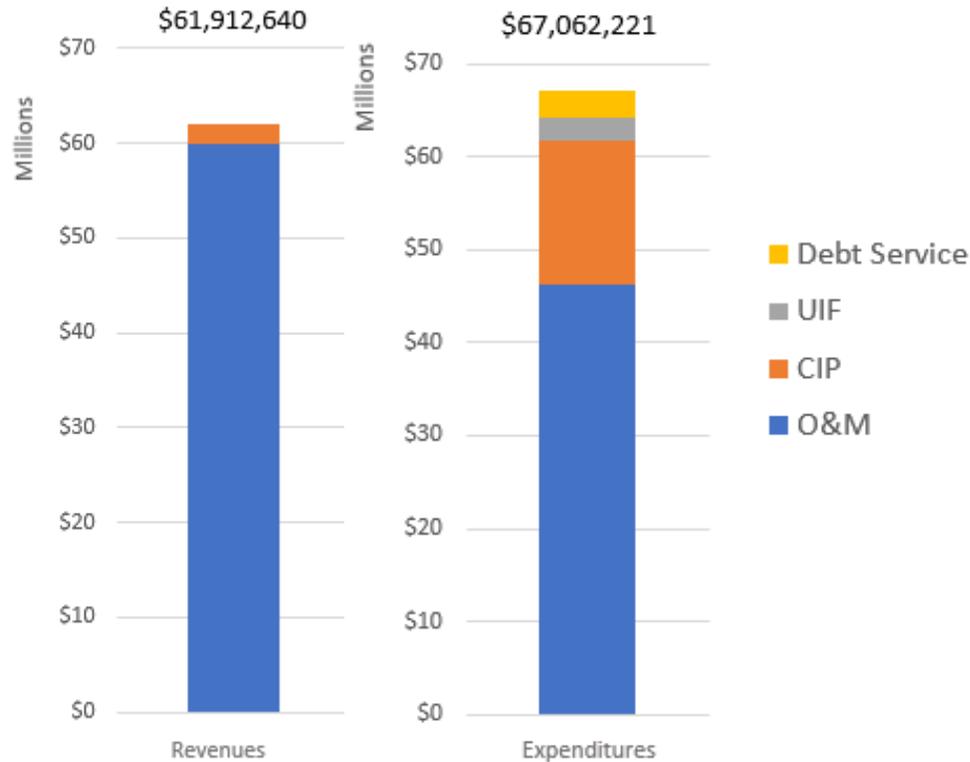
- **Operating**
 - \$2,000,771
- **Catastrophic**
 - \$6,800,000
- **Undesignated**
 - \$18,836,725
 - +\$4.1 mil
- **Rate Stabilization**
 - \$1,000,000

Regional

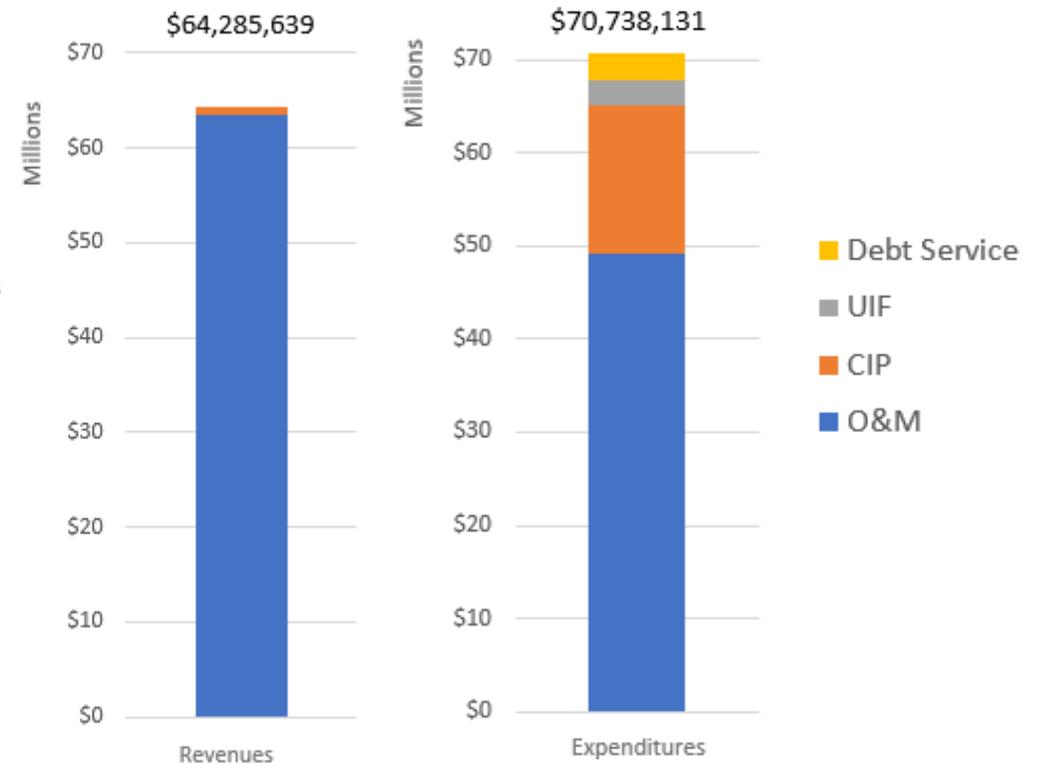
- **Operating**
 - \$7,075,910
- **Catastrophic**
 - \$1,700,000
- **Refund Reserve**
 - \$16,283,990
 - +\$7.5 mil
- **Geysers**
 - \$1,250,000

Undesignated Fund Balance – Water

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

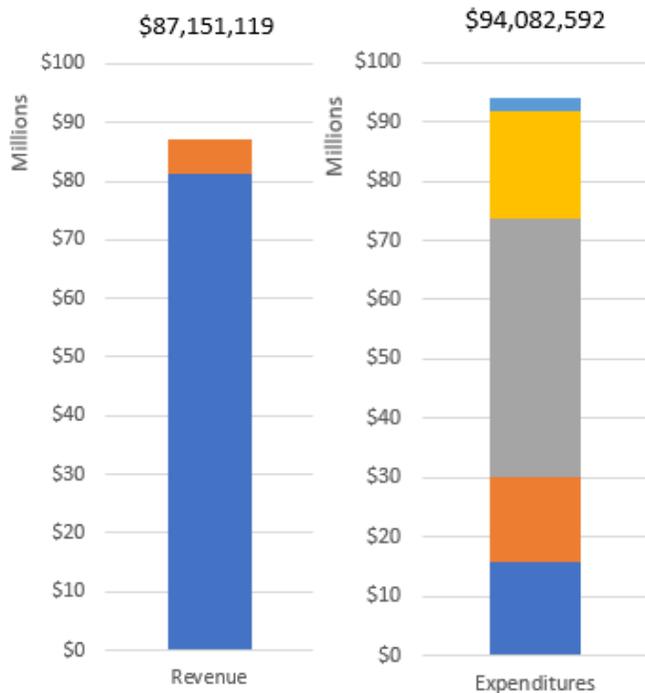


FY 2026/27 Deficit Budget (\$6.5M)

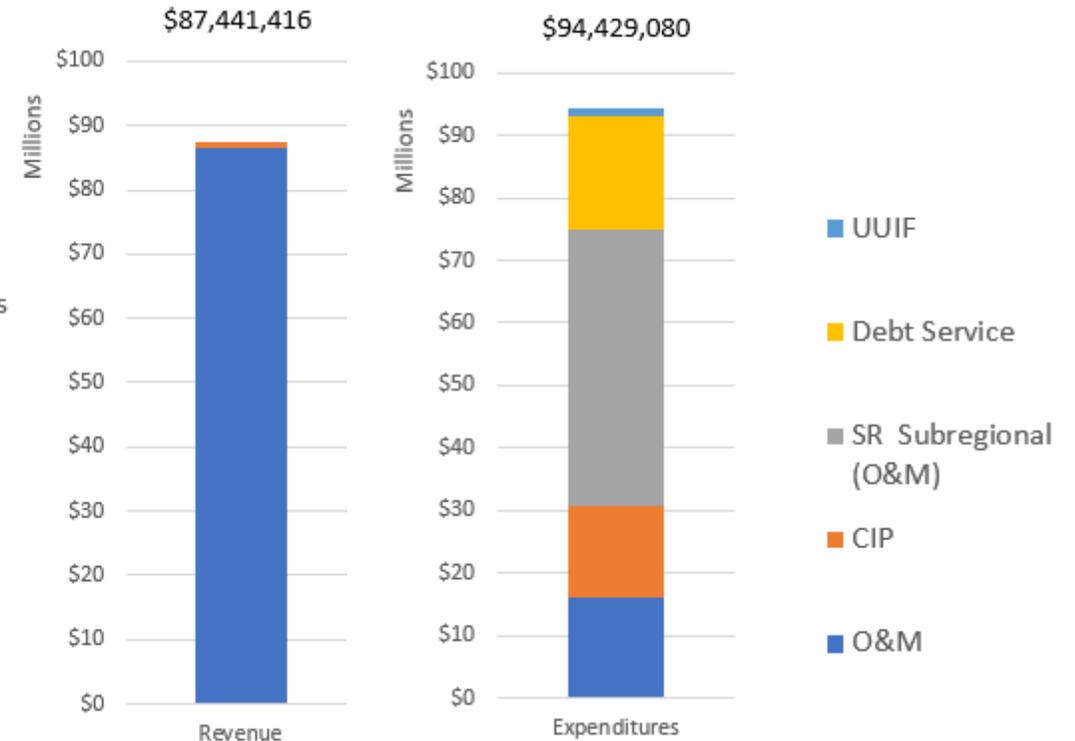


Undesignated Fund Balance – Local Wastewater

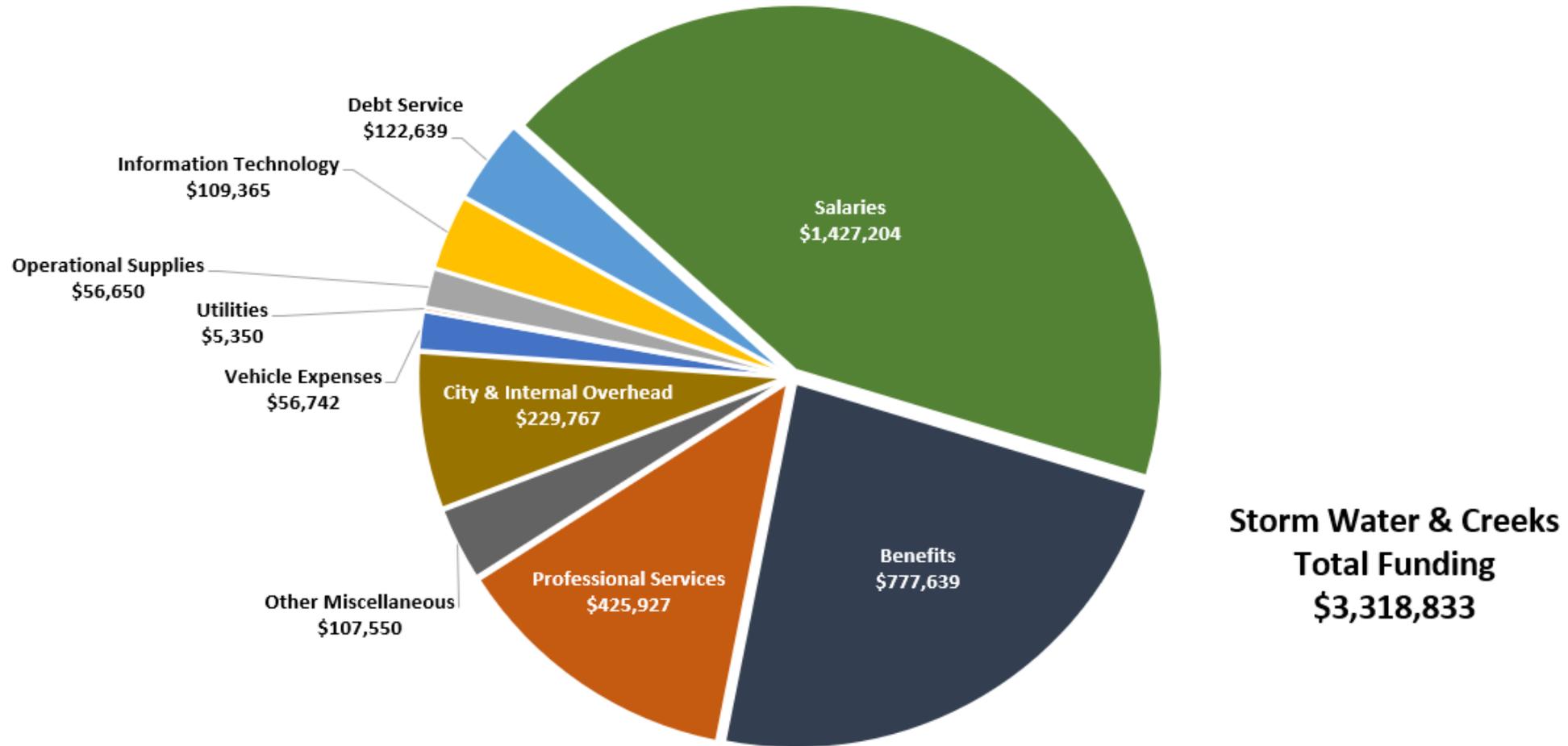
FY 2025/26 Deficit Budget (\$6.9M)



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



Storm Water and Creeks O&M



Storm Water and Creeks Enterprise Reserves

as of June 30, 2025

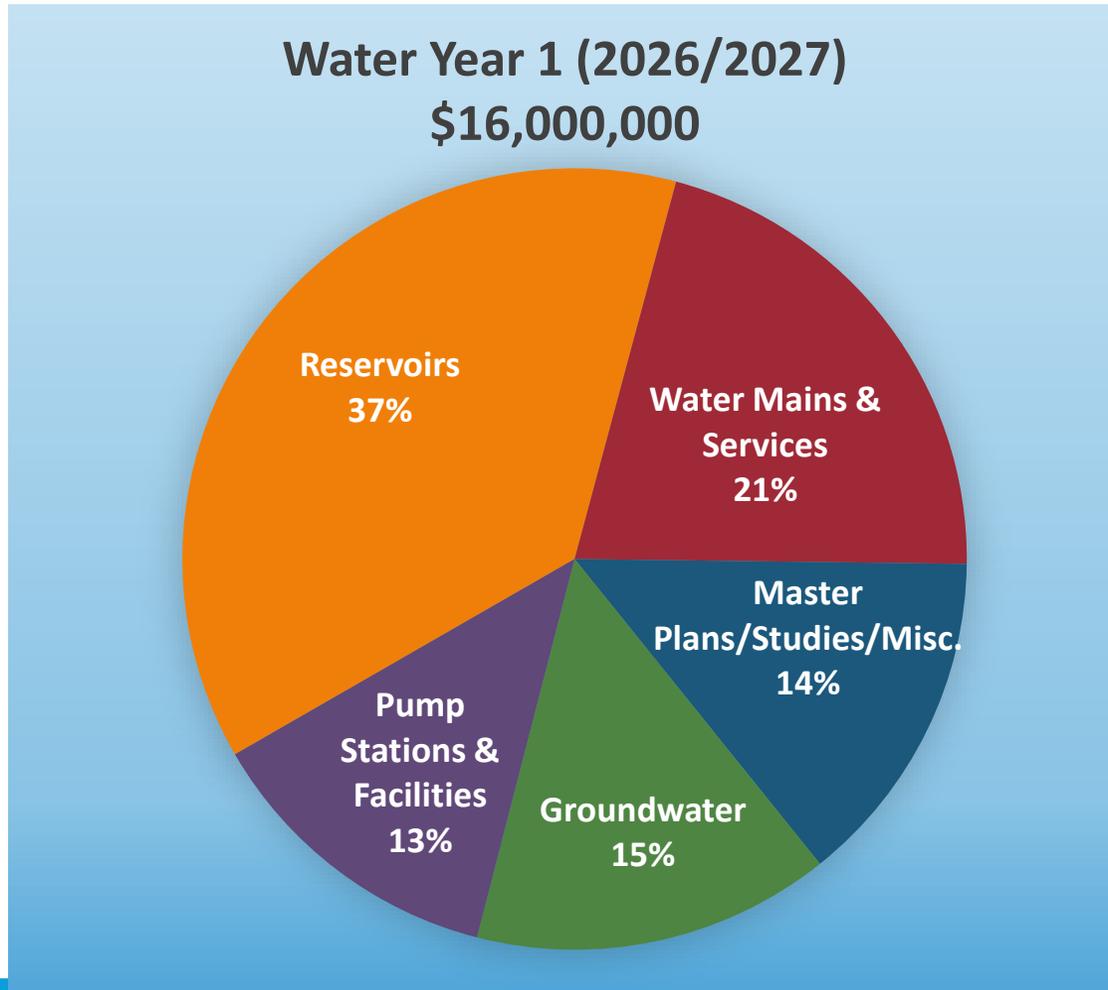
1671 – Storm Water Enterprise – Undesignated \$728,238 (\$9,895)

**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

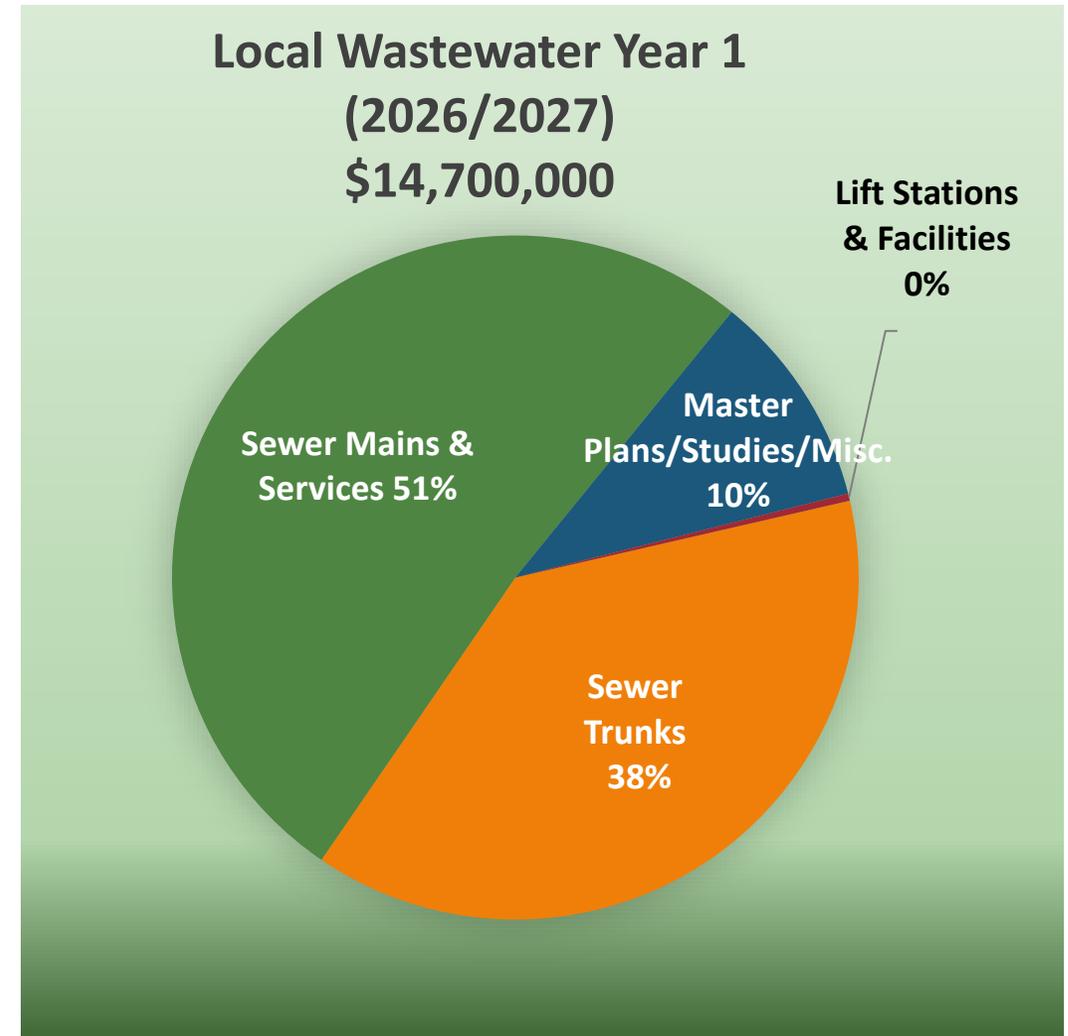
Water CIP 2026/27



- 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

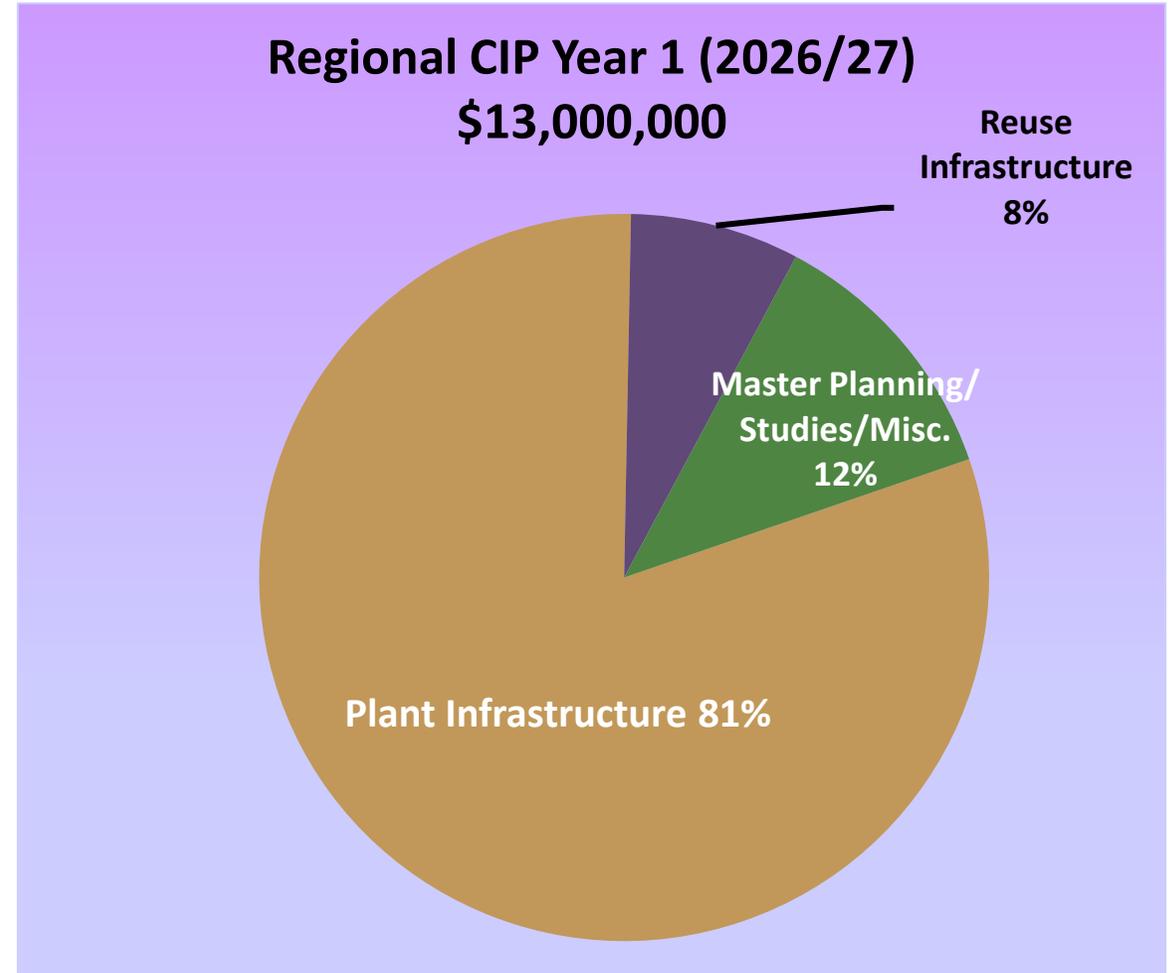
Local Wastewater CIP 2026/27

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



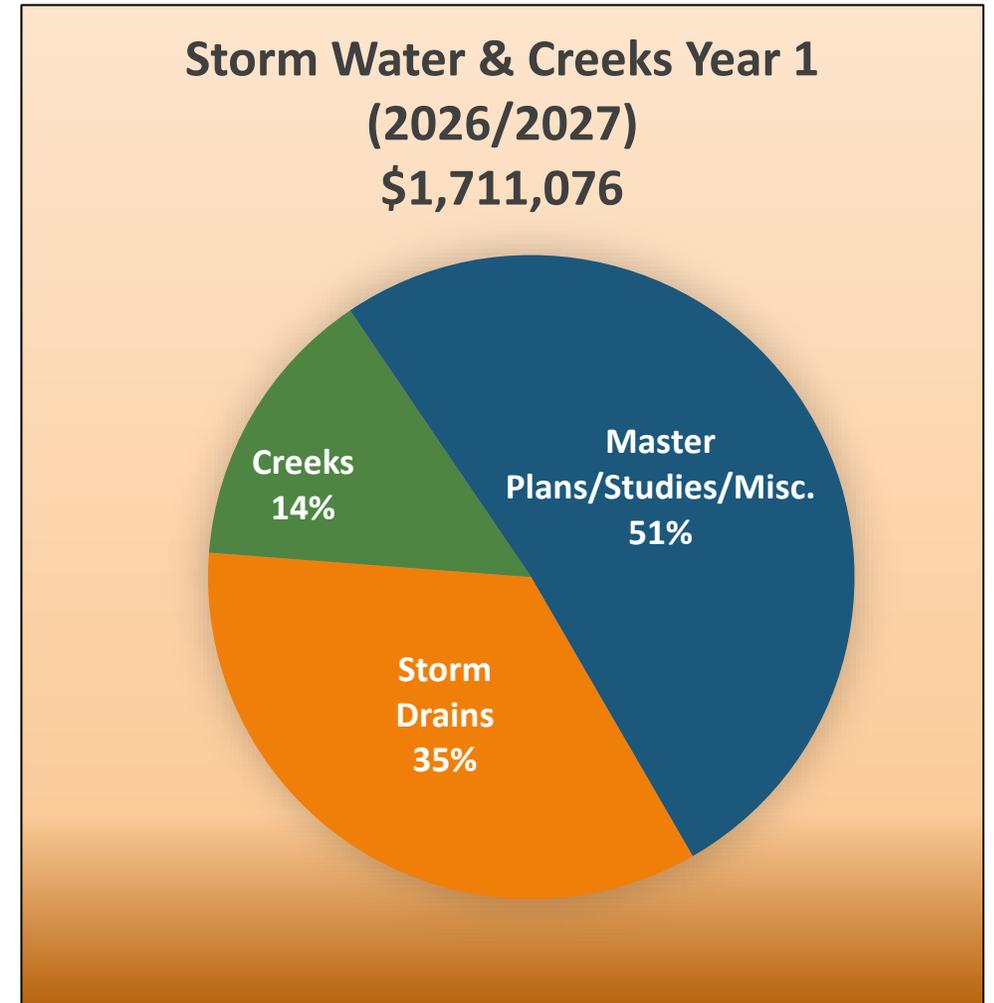
Regional CIP 2026/27

- 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



Budget Schedule

- **BPU** – March 19th
 - O&M and CIP Study Session
- **BPU** – April 2nd
 - Recommendation of FY 2026/27 Water, Local Wastewater, Regional Reuse and Storm Water & Creeks O&M and CIP budgets to City Council
- **City Council** – April 21st
 - Preliminary approval of Regional Budget
- **City Council** – May 5th & 6th
 - Budget Study Sessions
- **City Council** – June 16th
 - Budget Adoption

Recommendation

It is recommended by Santa Rosa Water that the Board of Public Utilities Budget Review Subcommittee, by motion, recommend that the Board of Public Utilities approve the Fiscal Year 2026/27 Water, Local Wastewater, Regional Reuse and Storm water and Creeks Enterprise operations and maintenance and capital expenditure appropriation requests