



Wastewater  
Treatment



TRANSFORMING  
WASTEWATER  
TO RESOURCES



Recycled  
Water



Energy  
Production



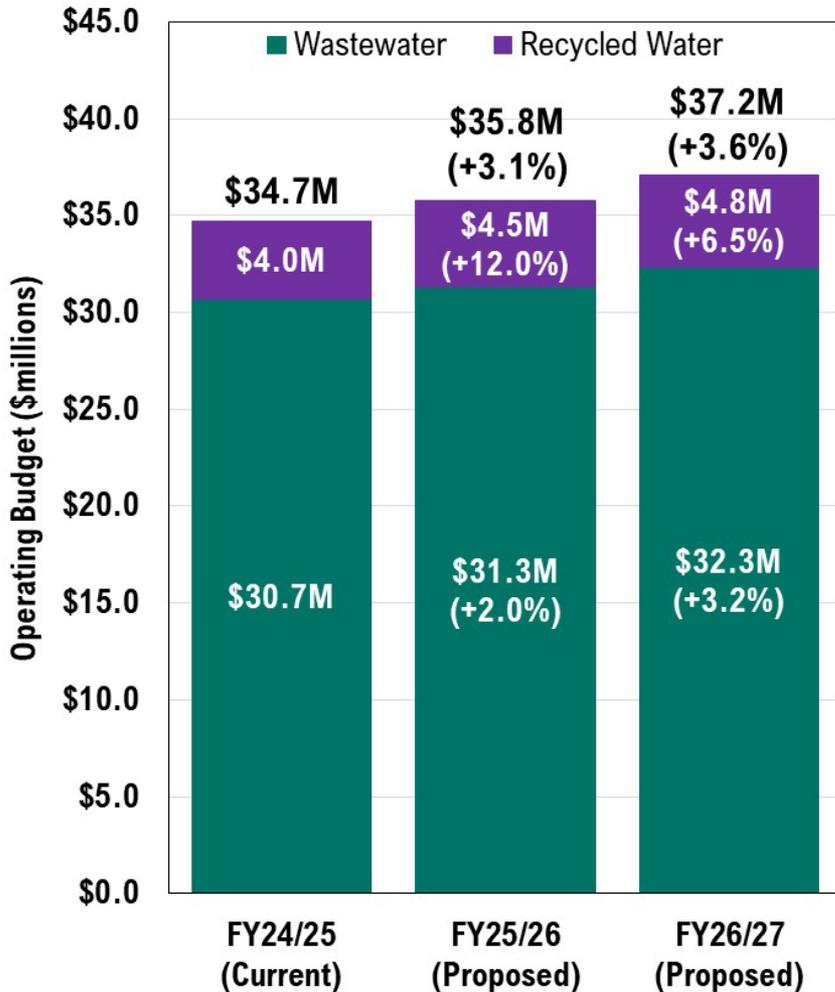
Biosolids  
Reuse

# FY25/26-FY26/27 Biennial Budget Appropriation

Special Board of Directors Meeting  
June 26, 2025

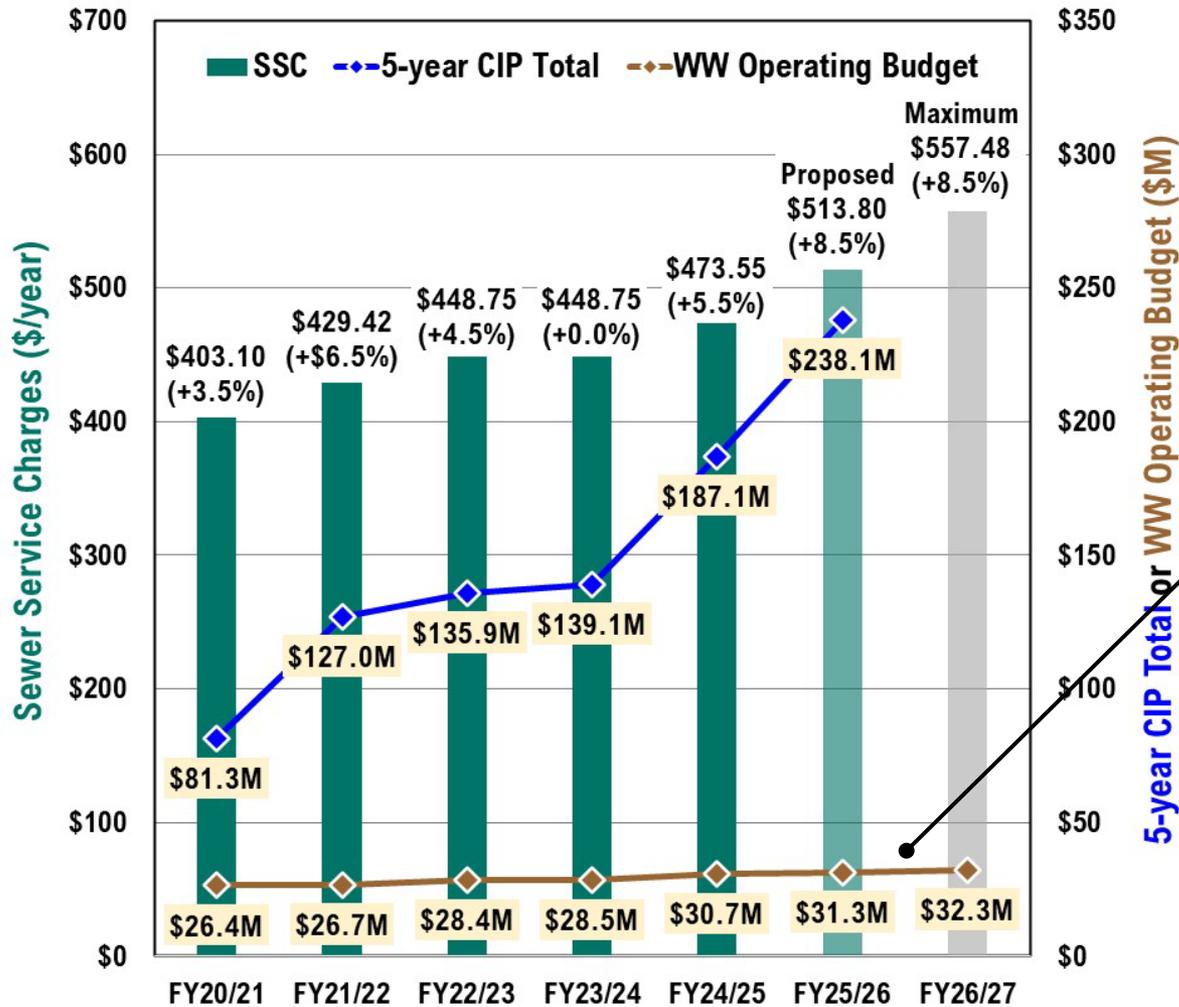
# Overview

## FY25/26-FY26/27 Operating Budget



- Revenue Sources (% of Total)
  - Recycled Water Service Charges (RWSCs) (12%)
  - Sewer Service Charges (SSCs) (77%)
  - Street Sweeping Charges (2%)
  - Other Revenue (9%)
  
- Significant Budget Increase Drivers
  - FY25/26 Total Increase = \$1.1M
    - Labor (+\$0.40M)
    - HHW/Street Sweeping (+\$0.26M)
    - Biosolids Management (+\$0.21M)
  - FY26/27 Total Increase = \$1.4M
    - Labor (+\$1.0M)
    - Chemicals (+\$0.22M)
    - Utilities (+\$0.15M)

# Historical Trends for Wastewater Operating Budget, SSCs, and CIP



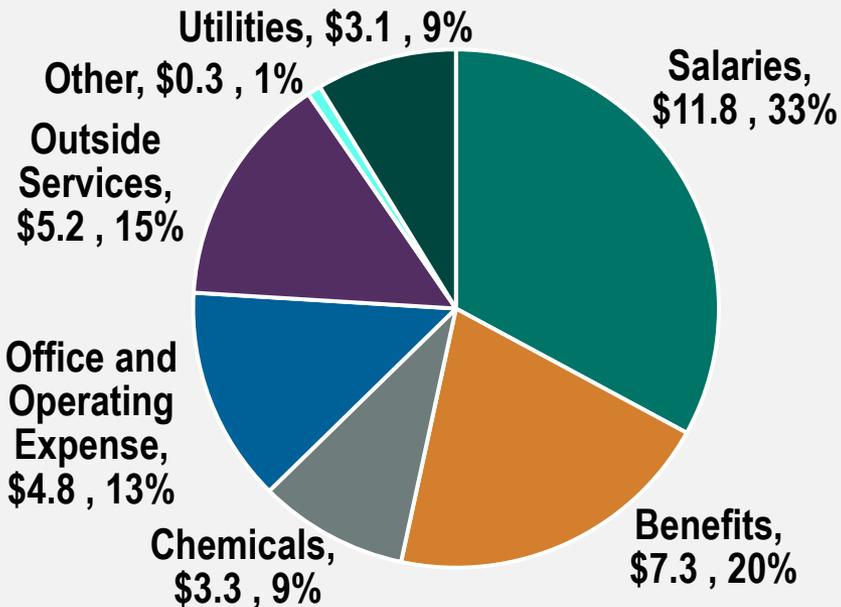
**Effective management of Wastewater Operating Budget (funded by SSCs) over extended period**

- Annualized average increase = 3.4% over last six years
- Positive outcome despite significant inflationary pressure and cost increase drivers

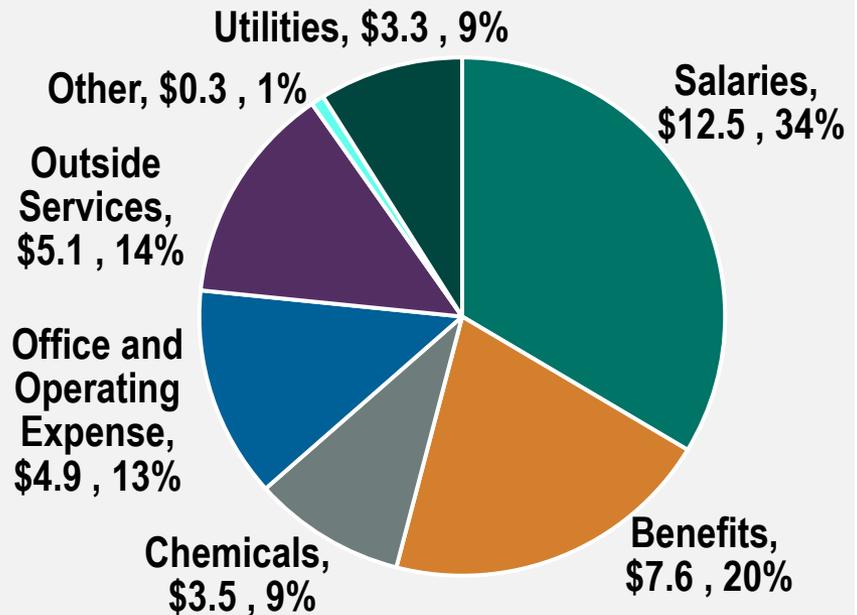
# FY25/26-FY26/27 Proposed Operating Budget Overview: Expenses by Category



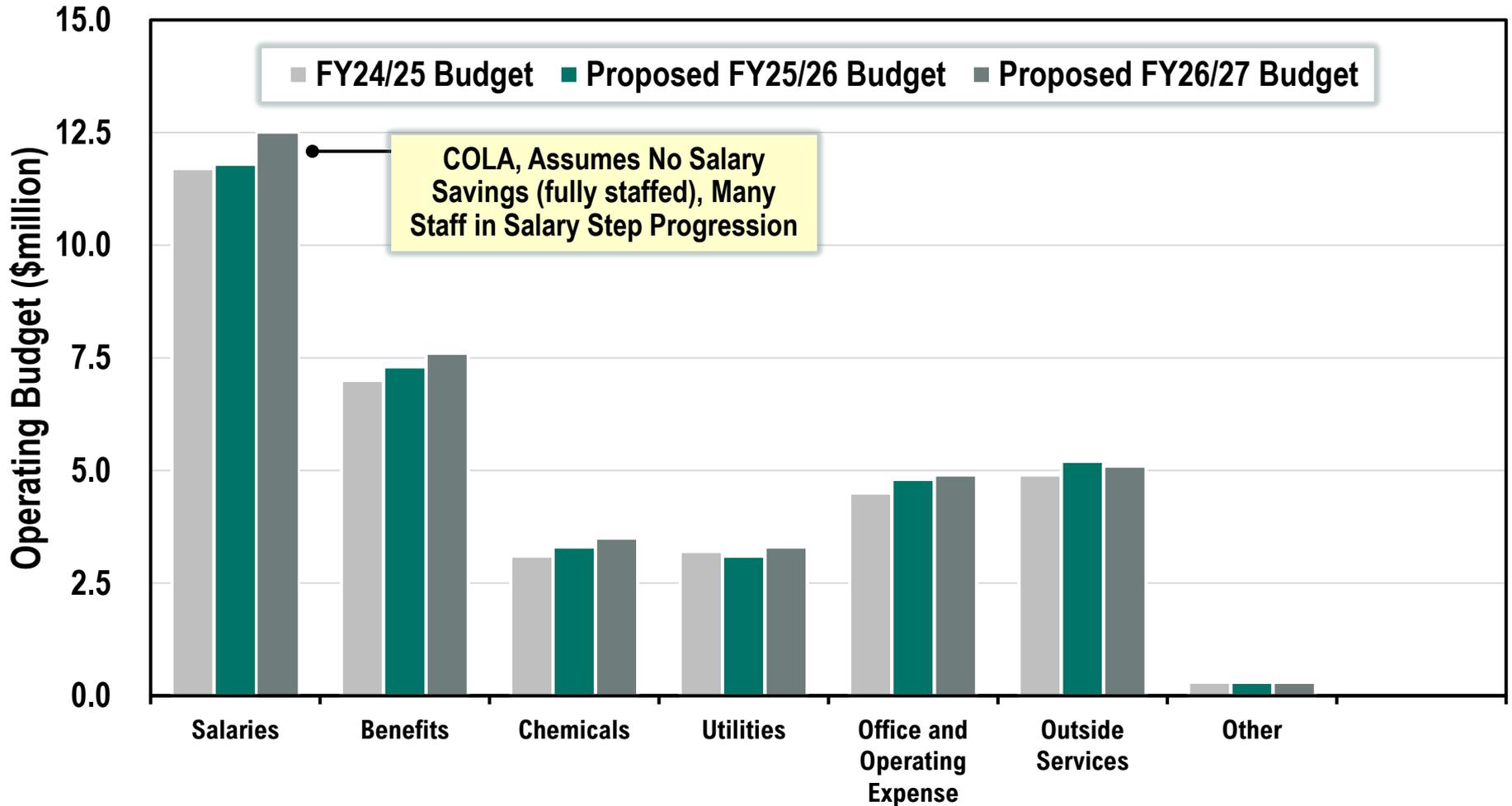
**Proposed FY25/26 Operating Budget = \$35.8M**



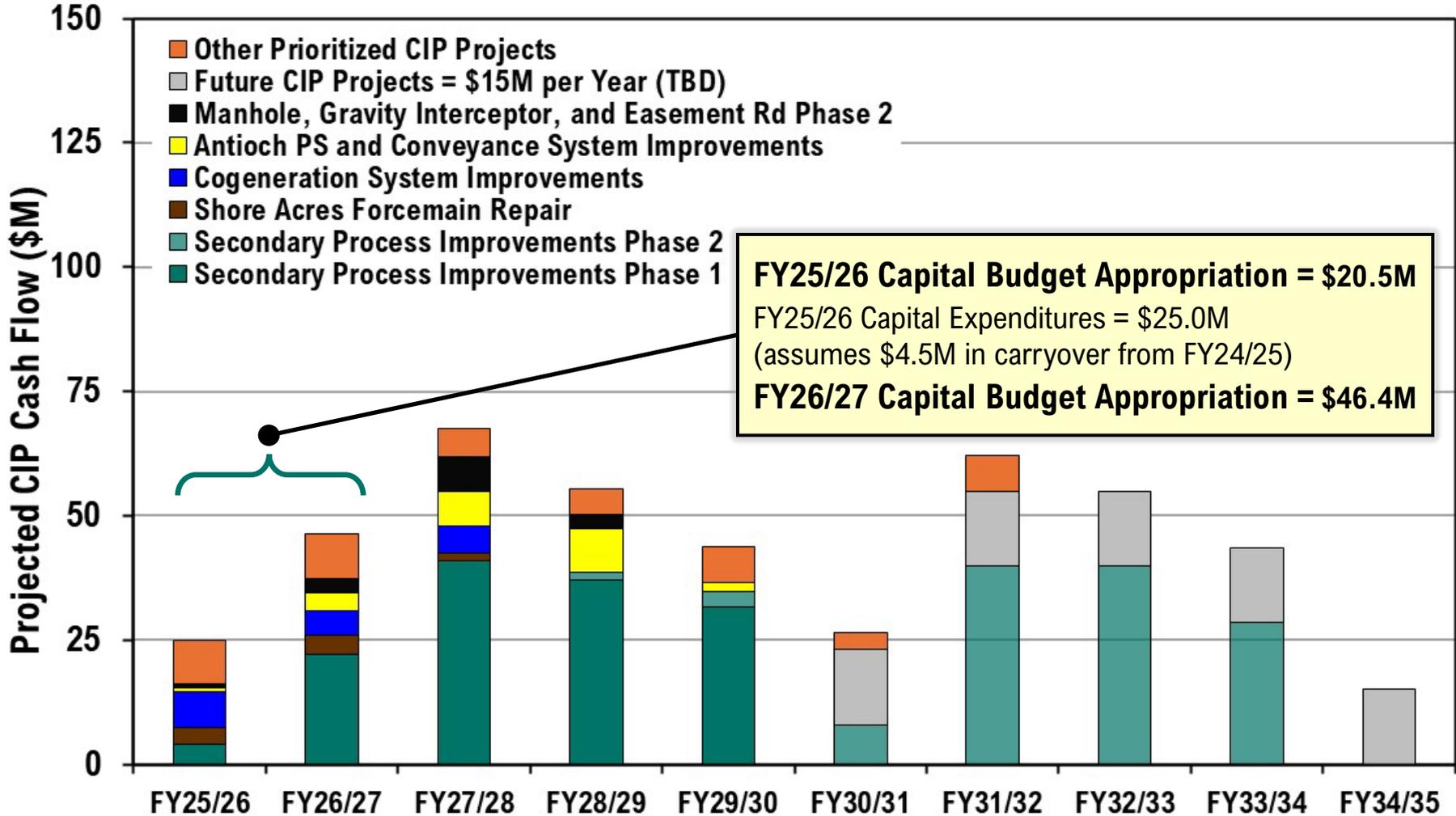
**Proposed FY26/27 Operating Budget = \$37.2M**



# Summary of Proposed FY25/26-FY26/27 Operating Budgets by Major Category



# Proposed FY25/26-FY26/27 Capital Budget Appropriations



# Proposed FY25/26-FY26/27 Biennial Budget Appropriation Summary



	FY25/26	FY26/27
Description	Amount (\$M)	Amount (\$M)
Budgeted Revenues	\$60.1	\$63.2
<b>Total Sources</b>	<b>\$60.1M</b>	<b>\$63.2M</b>
Operating Budget	\$35.8	\$37.2
Capital Budget	\$20.5	\$46.4
Debt Service	\$1.9	\$1.9
<b>Total Uses of Funds</b>	<b>\$58.2M</b>	<b>\$85.5M</b>
<b>Contribution (Use) of Fund Equity</b>	<b>\$1.9M</b>	<b>\$(22.4M)</b>

# Government Finance Officers Association (GFOA) Budget Award



## Financial Planning

Adopt an FY25/26-FY26/27 Biennial Budget to support organizational effectiveness, long-range financial planning

- GFOA budget award review guidelines recommend including criteria for long-range operating financial plans
  - District began adding operating budget assumptions beyond the current fiscal year by including a forecasted 2<sup>nd</sup> year operating budget in the District's FY23/24 Budget Book (June 2023)
  - June 2025: Staff has developed an FY25/26-FY26/27 Biennial Budget Book and requests Board approval to adopt the budgets for both fiscal years
  - Staff will submit the FY25/26-FY26/27 Biennial Budget Book for GFOA's "Distinguished Budget Presentation" Award Program within 90 days of budget adoption

# Recommendations

- Approve FY25/26-FY26/27 Budget Appropriations
- Adopt Resolution Approving FY25/26-FY26/27 Biennial Budget Appropriations

