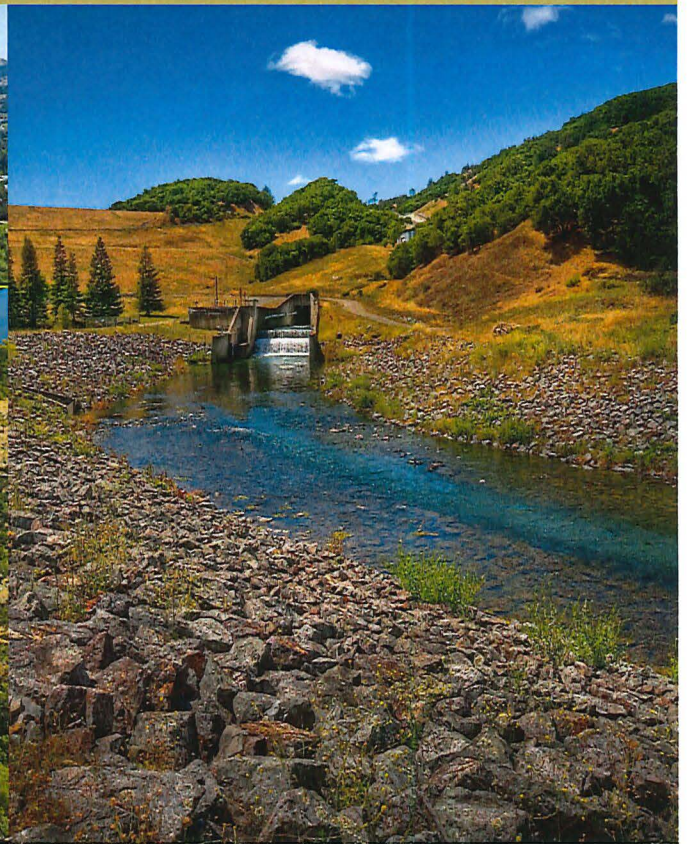
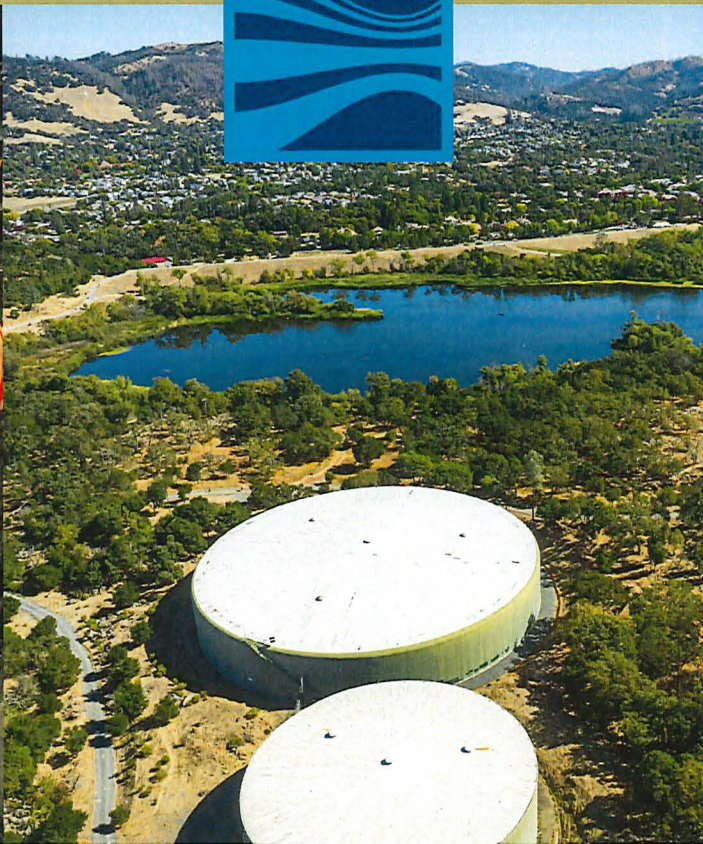


Sonoma Water

FY 2026-27 Preliminary Budget



Sonoma Water Overview



Clean. Reliable. Essential. Every Day.

VISION STATEMENT

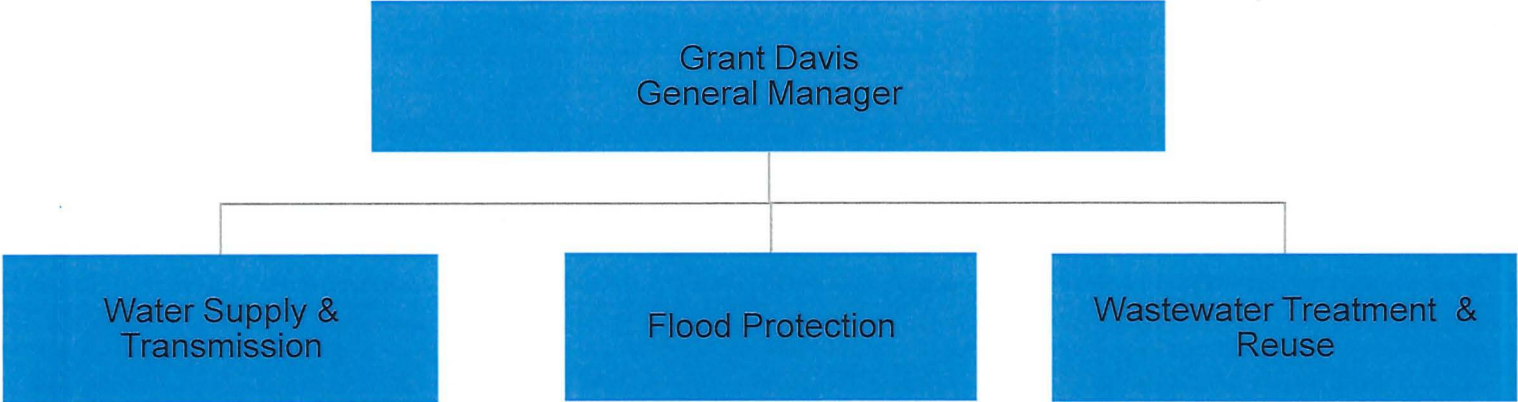
Ensuring resilient water resources now and for future generations.

MISSION STATEMENT

To provide reliable water supply, wastewater management, and flood protection -- essential services for a thriving community and a healthy environment.

Sonoma Water Overview

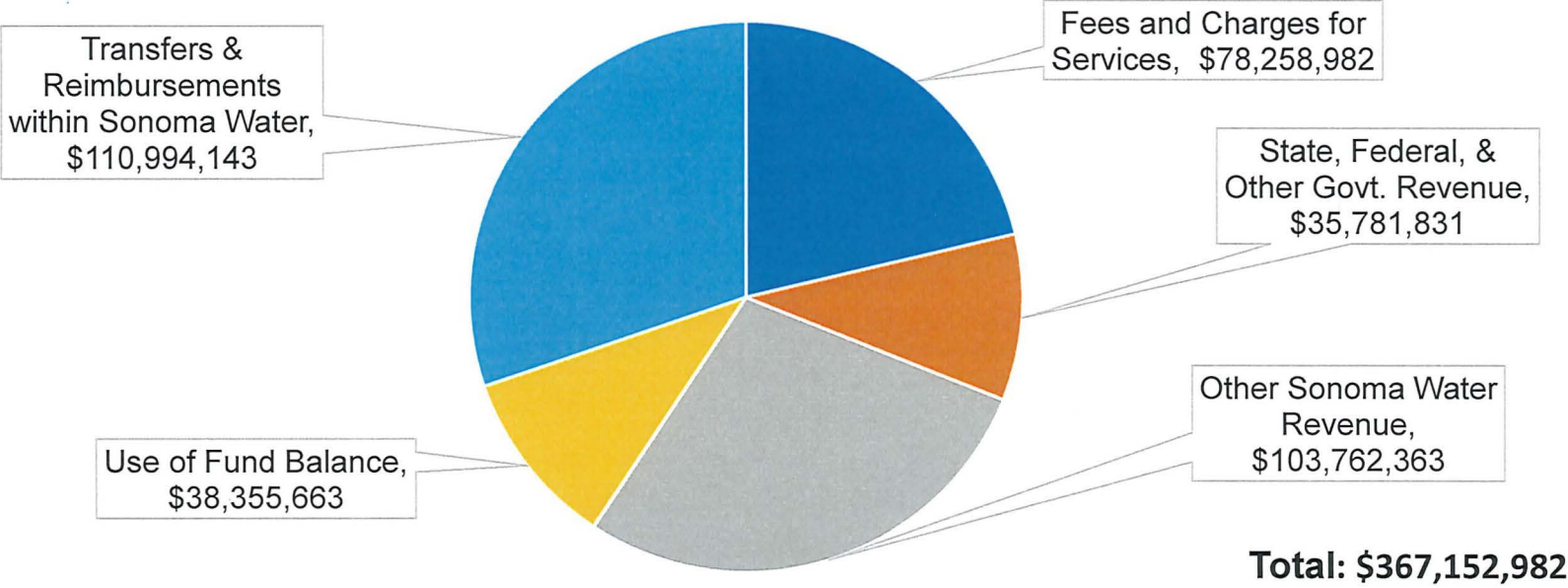
	Operating Expenditures	FTE
FY 2025-26 Adopted	\$245,054,810	262
FY 2026-27 Preliminary	\$256,158,837	266
Net Change	\$11,104,027	4



Sonoma Water Expenditures

FY 2026-27 Service Area Expenditures	Preliminary Budget	FTE
Water Supply & Transmission	\$207,694,600	155
Flood Protection	\$39,957,156	24
Wastewater Treatment & Reuse	\$119,501,226	87
Gross Sonoma Water Expenditures	\$367,152,982	
Less Internal Sonoma Water Transfers	\$110,994,145	n/a
Sonoma Water Operating Expenditures	\$256,158,837	266

Sonoma Water Funding Sources



Charges for Services include sale of water and power, sewer/recycled water/water usage and hookup fees, and hauler/disposal fees.
Other Sonoma Water Revenue includes property tax apportionment, sanitation rates, rental income, interest, capital grants, and other minor sources.
Internal transfer and reimbursement of expenses between budget sections within Sonoma Water total \$110.99 million in FY 2026-27, resulting in a net budget of \$256.16 million.

Key Sonoma Water Funds

- Funds may exceed reserve requirement to build fund balance for large projects and programs in future years. Funds below show >\$10m in both FY's:

	Projected FY 2025-26 Year End Fund Balance	Projected FY 2026-27 Year End Fund Balance
FLOOD CONTROL ZONE 1A	\$12,413,794	\$10,512,392
FLOOD CONTROL ZONE 2A	\$11,149,883	\$10,181,831
SONOMA VALLEY CSD	\$10,875,478	\$13,008,800
WATER TRANS SYSTEM	\$11,187,284	\$12,008,758
WARM SPRINGS DEBT	\$12,326,411	\$12,281,521
REGIONAL WTR RESILENCY	\$12,687,500	\$13,068,125
SANTA ROSA AQ - CAPITAL	\$10,733,772	\$11,388,796

Key Accomplishments FY 2025-26

- Forecast Informed Reservoir Operations (FIRO)
 - Revised water control manual for Lake Mendicino approved
 - Advanced FIRO analysis at Lake Sonoma
- Advanced Quantitative Precipitation Information (AQPI)
 - Completed installation of final weather radar in network
- Critical Infrastructure Upgrades
 - Completed 5th water storage tank recoat
 - Advanced design for water treatment system modernization
 - Acquired emergency equipment inventory
- 2025 Russian River Biological Opinion implementation commenced

State and Federal Budget/Policy Implications

- Federal:
 - United States Bureau of Reclamation - Reimbursements have resumed for all active projects. \$3.4 million grant application submitted but USBR review is delayed.
 - FEMA (through CalOES) Hazard Mitigation Grant Program – Reimbursements have resumed for all active projects. Pending applications remain slowed or paused and long-term future of grant program is uncertain.
- State:
 - California Department of Fish and Wildlife – \$8.7 million award pending for New Eel Russian River Facility.
- Sonoma Water staff and our legislative consultants will continue to monitor federal and state grant impacts and find solutions as new information arises.

Key Challenges

- Aging Infrastructure
 - Increased maintenance and repair costs
- Weather Extremes
 - Adapting to climate change
- Russian River Supply Reliability
 - Potter Valley Project implications
- Flood Capacity
 - Reassessing flood capacity in face of changing land use
- Small Wastewater Systems
 - Pursuing regional solutions & alternative funding solutions

Key Operational Objectives

- Continue building emergency equipment inventory
- Consult with Corps on implementing FIRO at Lake Sonoma
- Initiate recoat and seismic upgrade for two additional tanks
- Advance design for Water Treatment System Modernization
- Advance design of RRCSD Force Mains/Headworks/Lift Stations Resiliency
- Advance sanitation system collection system maintenance and upgrades
- Implementation of new ten-year 2025 Biological Opinion
- Engage with the community to build understanding, trust, and support for programs and continue to develop partnerships

Program Change Requests

None requested