



Sonoma Water

Clean. Reliable. Essential. Every day.

FY 2025-26 Preliminary Budget

Grant Davis
GENERAL MANAGER

Lynne Rosselli
FINANCIAL SERVICES
DIVISION MANAGER

    sonomawater.org





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VISION STATEMENT

Ensuring resilient water resources now and for future generations.

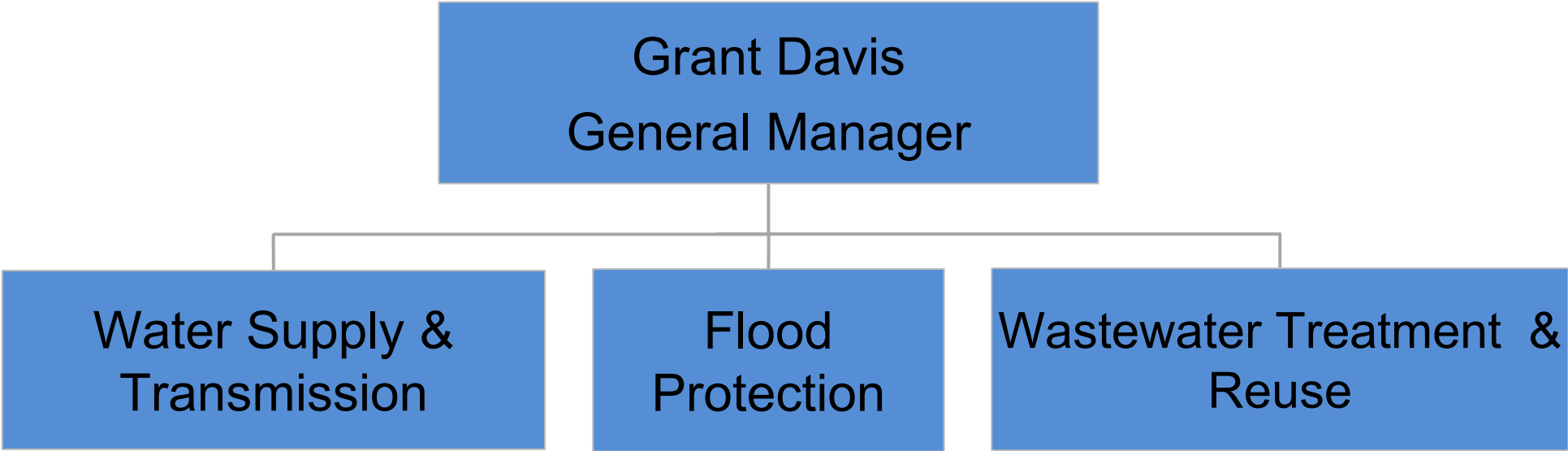
MISSION STATEMENT

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 2024-25 Adopted	\$243,264,212	262
FY 2025-26 Preliminary	\$245,054,810	262
Net Change	\$1,790,598	0



Sonoma Water Expenditures

FY 2025-26 Service Area Expenditures	Preliminary Budget	FTE
Water Supply & Transmission	\$213,619,121	153
Flood Protection	\$33,173,747	23
Wastewater Treatment & Reuse	\$104,088,269	86
Gross Sonoma Water Expenditures	\$350,881,137	262
Less Internal Sonoma Water Transfers	\$105,826,327	n/a
Sonoma Water Operating Expenditures	\$245,054,810	262



Sonoma Water Funding Sources

FY 2025-26 Funding Sources	Preliminary Budget
Fees & Charges for Services*	\$73,426,979
State, Federal, & Other Govt. Revenue	\$29,263,489
Other Sonoma Water Revenue**	\$99,276,542
Use of Fund Balance	\$43,087,800
Transfers & Reimbursements within Sonoma Water***	\$105,826,327
Total Sources	\$350,881,137

**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.*



Key Sonoma Water Funds

- FY24-25 Ending Fund Balance for Sonoma Water Funds Meets Reserve Requirements
- Funds may exceed reserve requirement to build fund balance for large projects and programs in future years.

Fund Name	Purpose	FY 2024/2025 Estimated Ending Fund Balance
Water Transmission System	Wholesale water production and distribution system operation and maintenance	\$18.3 million
Flood Control Zone 1A	Flood protection in Zone 1A - Laguna Mark West	\$10.8 million
Sonoma Valley County Sanitation District	Collection treatment and disposal of effluent in Sonoma Valley	\$10.6 million



State and Federal Budget/Policy Implications

- Federal:
 - United States Bureau of Reclamation - \$2.0 million grant award ongoing but reimbursement requests have been suspended. \$3.4 million grant application for Sonoma-Marín Water Efficiency Program is paused.
 - FEMA (through CalOES) Hazard Mitigation Grant Program – As of 3/25/2025, reimbursements have resumed for all active projects. Pending applications remain slowed or paused.
- State:
 - No impacts anticipated in Sonoma Water supported initiatives.
 - Proposition 4 implementation language is currently being drafted. State may backfill some approved projects with bond funding reducing amount available for future projects.
- Sonoma Water staff and our legislative consultants will continue to monitor federal grant impacts and find solutions as new information arises.



Key Opportunities and 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

Small Wastewater Systems

- Pursuing regional solutions



Key Operational Objectives

- Climate Change and Emergency Preparedness
 - Complete Santa Rosa Plain Wells and Pump Station Flood Hazard Mitigation Construction and Aquifer Storage and Recovery Pilot Study
 - Facilitate C-Band Radar installation to improve flood protection and emergency management and advance Forecast Informed Reservoir Operations Analysis at Lake Sonoma
 - Continue building emergency equipment inventory
- Planning and Infrastructure – design, construct, and maintain critical and aging infrastructure
 - Complete third water storage tank recoat, and initiate recoat and seismic upgrade for two additional tanks
 - Advance designs for water treatment system modernization
- Environmental Stewardship
 - Begin implementation of new ten-year Biological Opinion
- Organizational Excellence and Community Engagement
 - Continue configuring Project Management Software to improve efficiency and effectiveness
 - Engage with the community to build understanding, trust, and support for programs and continue to develop partnerships



Program Change Requests

None requested.

