



Fiscal Year Ending June 30, 2027 Budget Preliminary Insights

Agenda Item F.3
Board of Directors
April 21, 2026

Recommendation

Discuss and take action as appropriate.



Schedule



April 21, 2026 (BOD)

Budget - Preliminary Insights

TBD

Budget Draft & presentation published online

June 16, 2026 (BOD)

FYE 2027 Budget Recommendation

TBD

Wastewater Master Plan

TBD

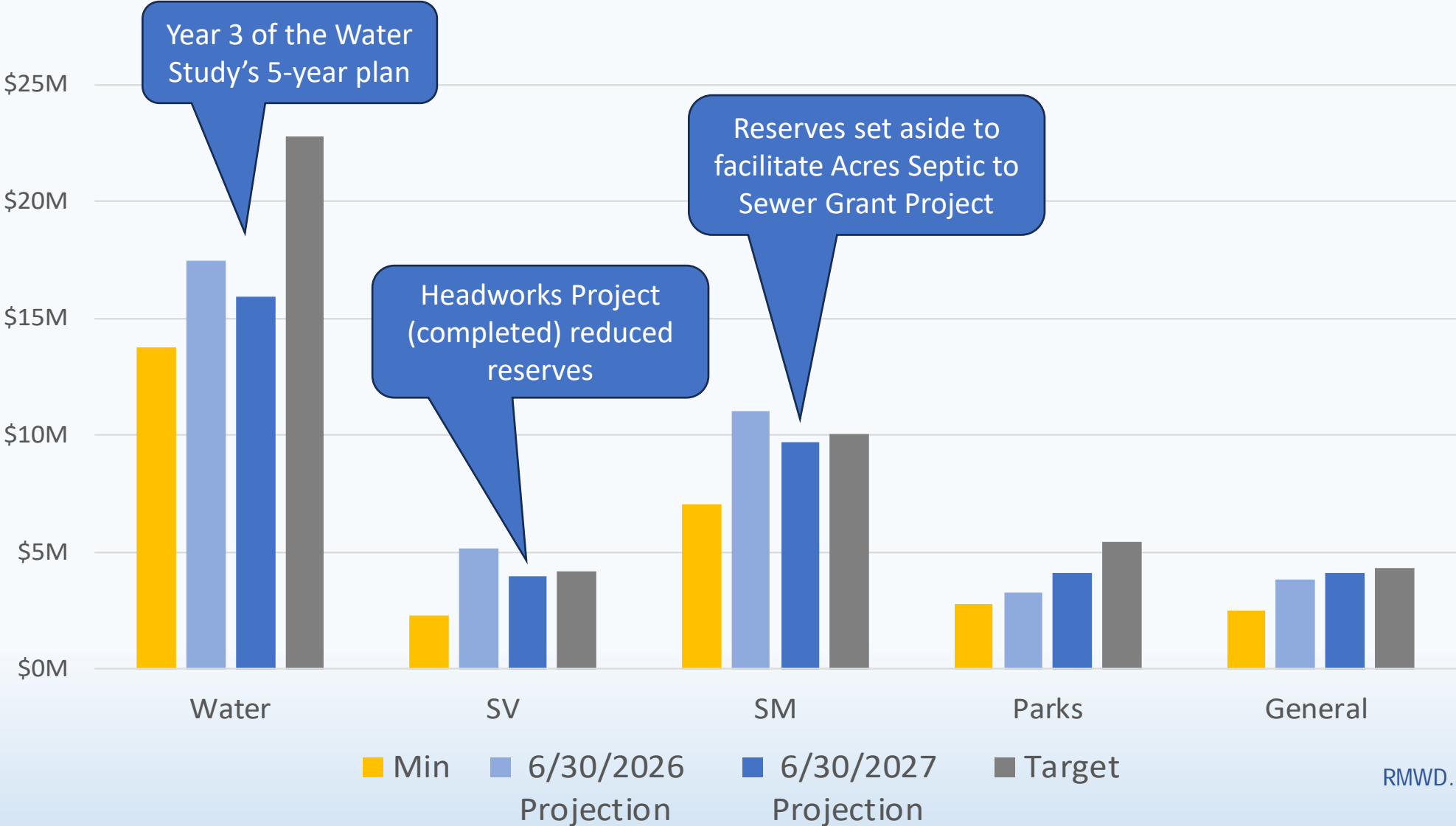
Wastewater Facility Plans

TBD

Sewer Rate Studies



All Funds Summary: Reserve Balances



Key Highlights

Water Funds

- 16" Water Transmission Main Replacement Project
- Continued execution of Water Facilities Plan and Water Rate & Fee Study

Santa Maria Funds

- Acres Septic to Sewer Grant **\$2.1M**
- New Administrative Building

Park Funds

- Community Resilience Center Grant **\$1.2M**

General Funds

- Engineering Department reorganization for **net savings**



All Funds Summary: Grant Revenue

	FYE 2026 Projection	FYE 2027 Budget	FYE 2028 Budget
Park			
Community Resilience Center Grant	\$313,900	\$1,200,800	\$4,440,900
Senior Center Emergency Generator	\$120,700		
Other	\$78,970		
Water			
CA DWR: Acres Water System	\$1,685,600	\$1,761,000	
Wastewater			
Acres Wastewater / Water	\$300,000	\$2,129,000	
General			
Climate Adaptation Study	\$245,020		
CalOES: Cyber & IT Equipment	\$121,700		
Total	\$2,865,890	\$5,090,800	\$4,440,900





District Uses of Funds

All Funds Summary: Uses of Funds

Uses of Funds	FYE 2025 Actual	FYE 2026 Budget	FYE 2026 Estimate	FYE 2027 Budget	Budget Change
Operations	\$29,377,890	\$32,798,360	\$31,162,800	\$35,649,700	\$2,851,340
Debt Service	\$376,143	\$379,100	\$379,100	\$379,100	
Capital Projects	\$11,796,561	\$15,927,252	\$10,802,660	\$13,944,800	(\$1,982,452)
Total	\$41,550,594	\$49,104,712	\$42,344,560	\$49,973,600	\$868,888

- Operations are heavily driven by the cost and quantity of water purchased from the San Diego County Water Authority.
- Capital spending may fluctuate significantly each year based on the needs of the facilities, the timing of construction, and the grant reimbursement schedules.

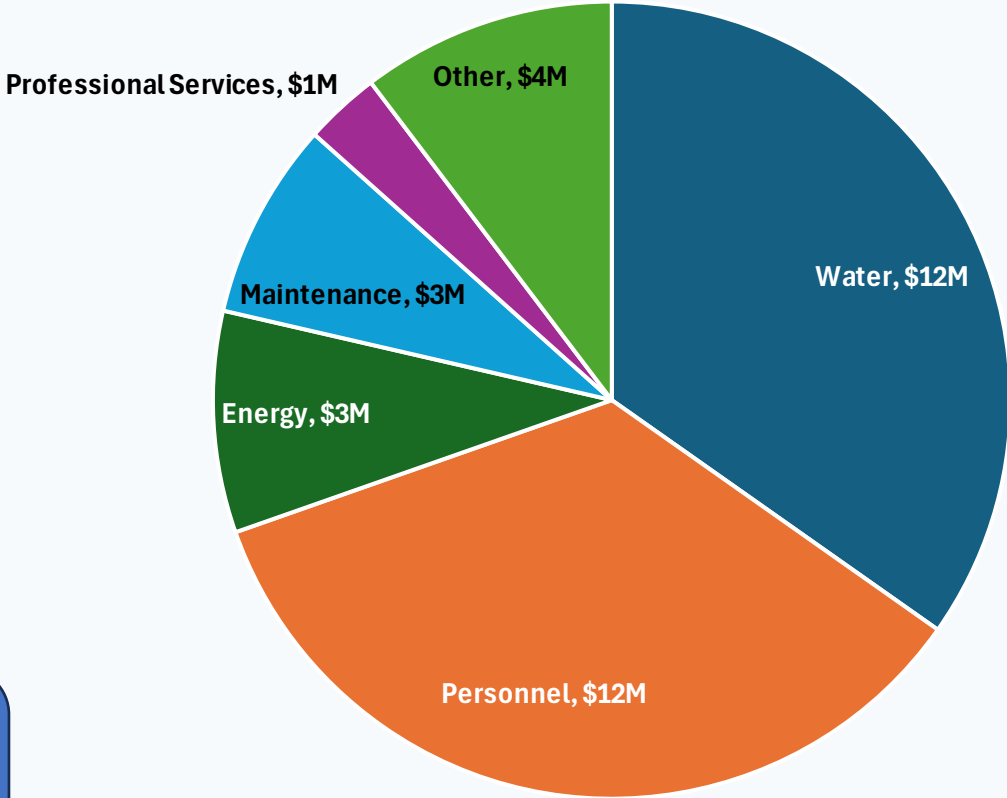
Disclaimer: Working draft presented for discussion purposes only. Final draft will be different.



All Funds Summary: FYE 2027 Uses of Funds - Operations

- Many operating expenses are non-discretionary
- Other expenses include hauling, permits, insurance, chemicals

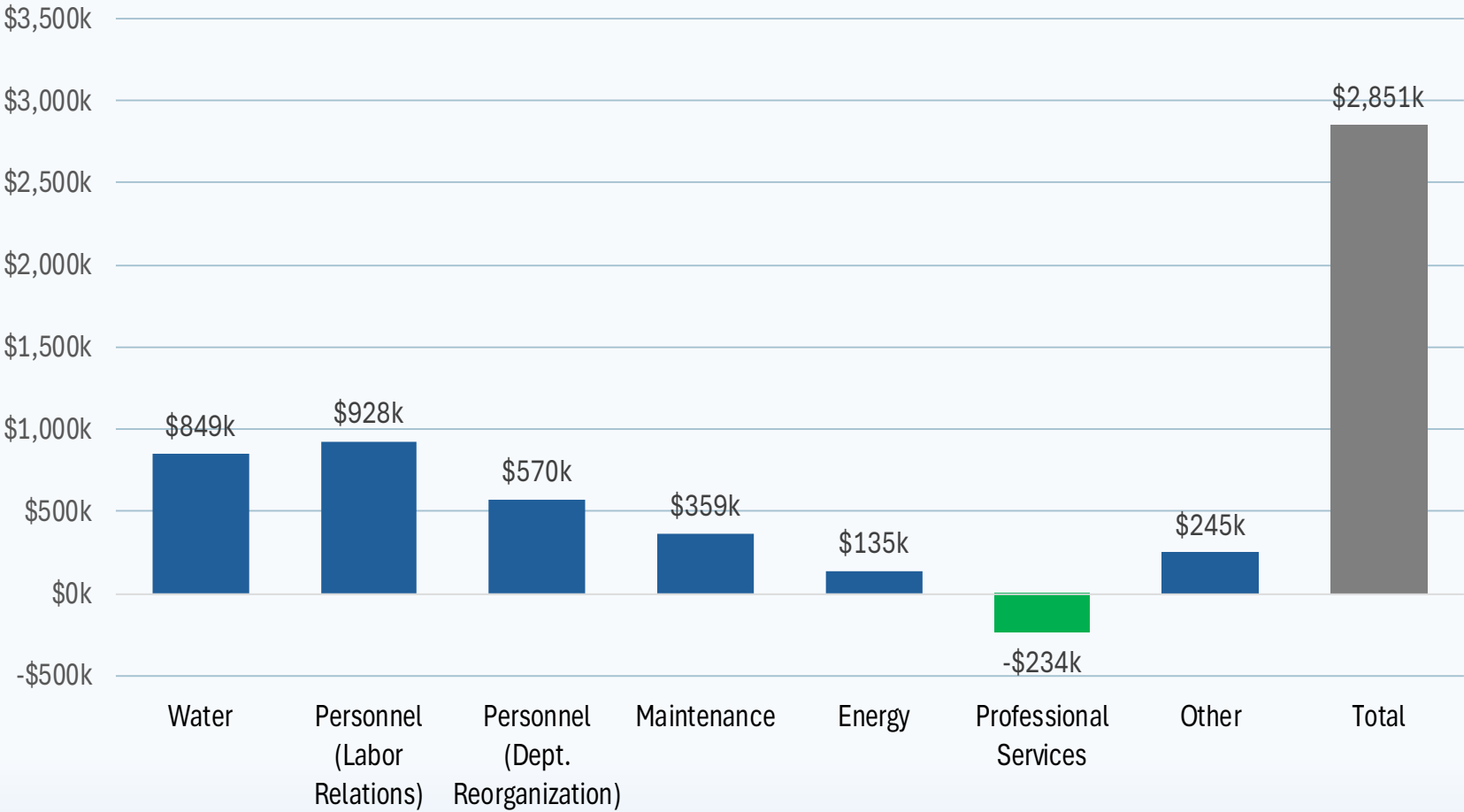
- Personnel Budget
- 56.50 FTE's
 - Includes required \$1.9M payment to CalPERS to pay down unfunded liability



Disclaimer: Working draft presented for discussion purposes only. Final draft will be different.



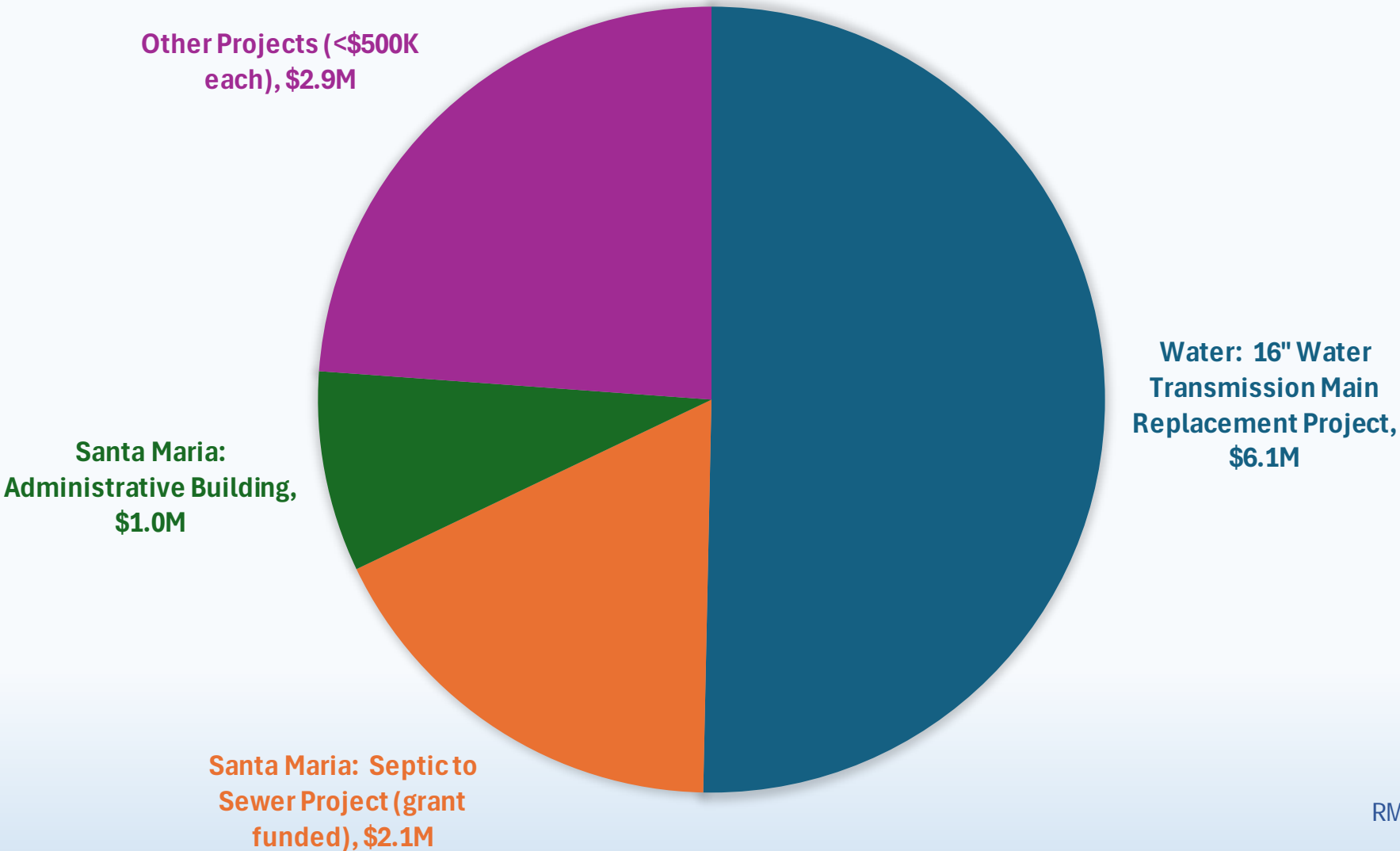
All Funds Summary: Uses of Funds - Operations Change



Disclaimer: Working draft presented for discussion purposes only. Final draft will be different.



All Funds Summary: FYE 2027 Capital Use of Funds





Water Funds

Water: Operating

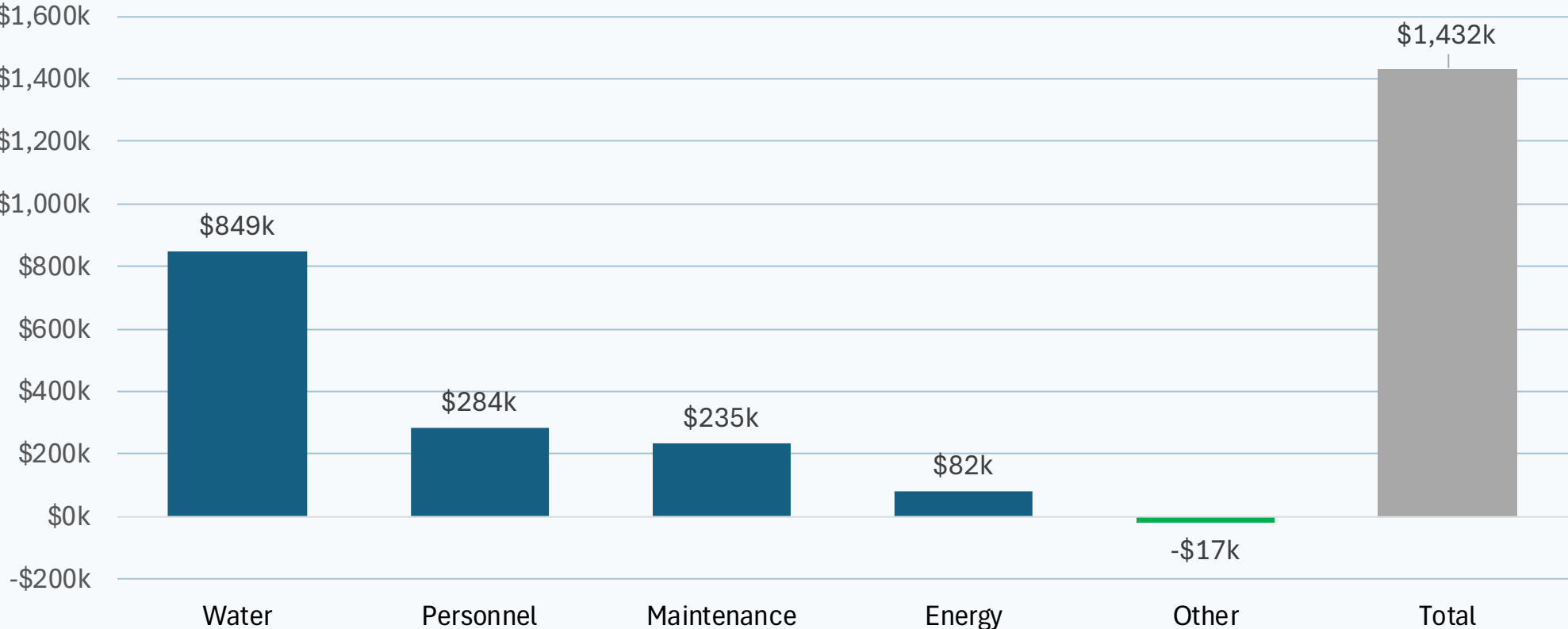
Uses of Funds	FYE 2025 Actual	FYE 2026 Budget	FYE 2026 Estimate	FYE 2027 Budget	Budget Change
Administration & General	\$1,173,317	\$1,326,400	\$1,045,300	\$1,553,300	\$226,900
Source of Supply	\$10,326,254	\$11,578,600	\$11,581,600	\$12,427,200	\$848,600
Pumping	\$2,429,625	\$2,608,300	\$2,268,600	\$2,693,900	\$85,600
Systems	\$1,874,529	\$1,640,000	\$1,578,400	\$1,728,300	\$88,300
Transmission & Distribution	\$2,216,646	\$2,689,700	\$2,455,000	\$2,818,300	\$128,600
Vehicle & Facilities Maintenance	\$476,608	\$450,100	\$394,100	\$459,400	\$9,300
Ramona Lake	\$80,572	\$117,300	\$78,300	\$162,300	\$45,000
Total Uses of Funds	\$18,577,551	\$20,410,400	\$19,401,300	\$21,842,700	\$1,432,300

- \$849K Purchased Water (assumes normal year of water activity + SDCWA rate increase)
- \$291K Personnel
- \$235K Maintenance
- \$84K Energy

Disclaimer: Working draft presented for discussion purposes only. Final draft will be different.



Water: Operating Change



Purchased Water (assumes 4,020 acre-feet of water activity + SDCWA rate increase)



Water: Capital

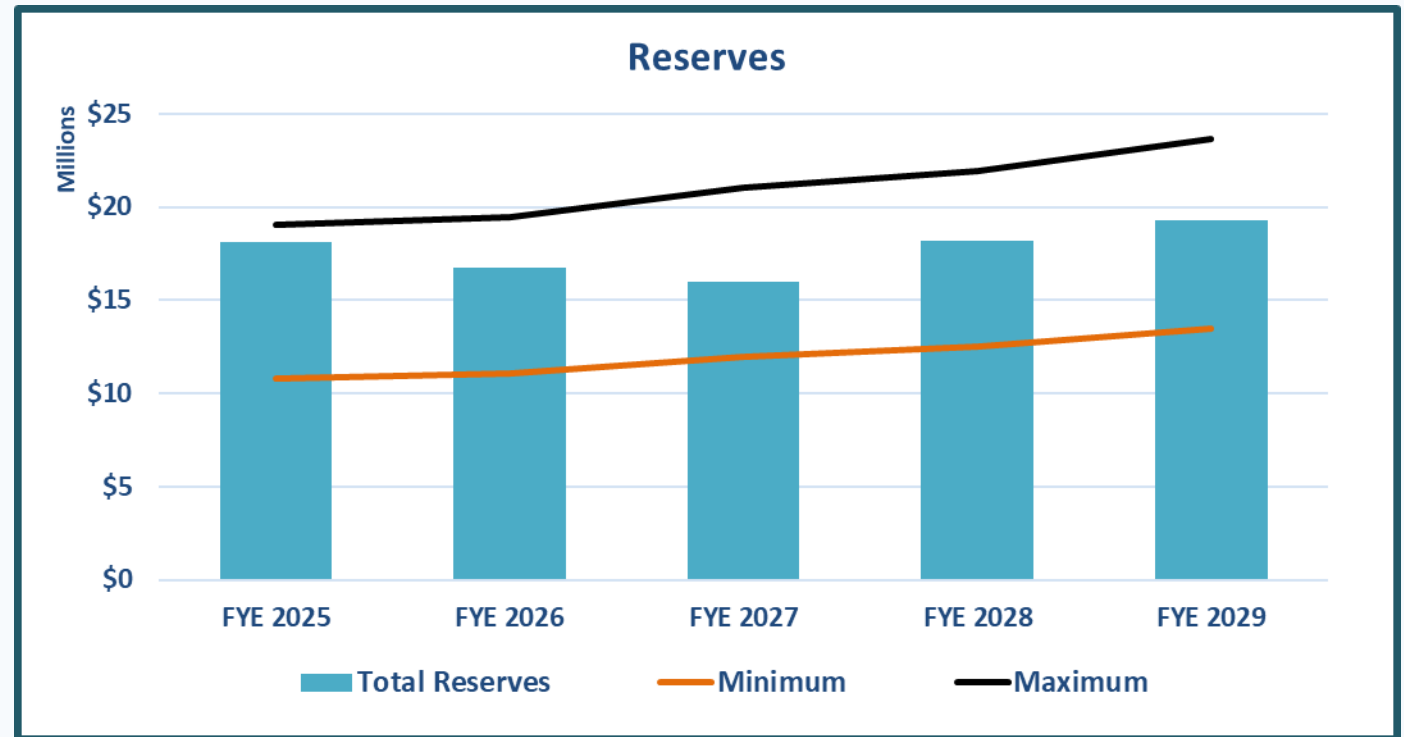
Use of Funds	FYE 2025 Actual	FYE 2026 Budget	FYE 2026 Estimate	FYE 2027 Budget
Capital Improvement Projects				
Acres - Water System (Grant Funded)	\$1,311,900	\$1,688,100	\$1,704,979	\$0
Other	\$196,811	\$250,000	\$541,706	\$375,000
Capital Replacement Projects	\$6,736,239	\$5,259,621	\$4,429,100	
16" Elm St Transmission Main Replacement				\$6,100,000
Ramco Loop Pipeline Replacement (Off Hwy 78)				\$300,000
Stationary Gen ID 5				\$300,000
Other				\$565,000
Total Uses of Funds	\$8,244,950	\$7,197,721	\$6,675,785	\$7,640,000

- District continues to execute the Water System Infrastructure Facilities Plan (2023)
- Facilities Plan anticipated \$6M spend, rate study funded \$5.2M, budget funds \$7.6M which will be balanced out in the following year



Water: Reserve Projection

- The reserve model was developed in the 2024 Water Rate and Fee Study and has been maintained since
- The scheduled rate increase of 7% on 7/1/2026 will be postponed 6 months
- Scheduled reserve funding levels are met with a budgeted 5% rate increase on 1/1/2027
- A rate increase will be revisited with the Board prior to its implementation





Santa Maria Sanitation Funds

Santa Maria: Capital

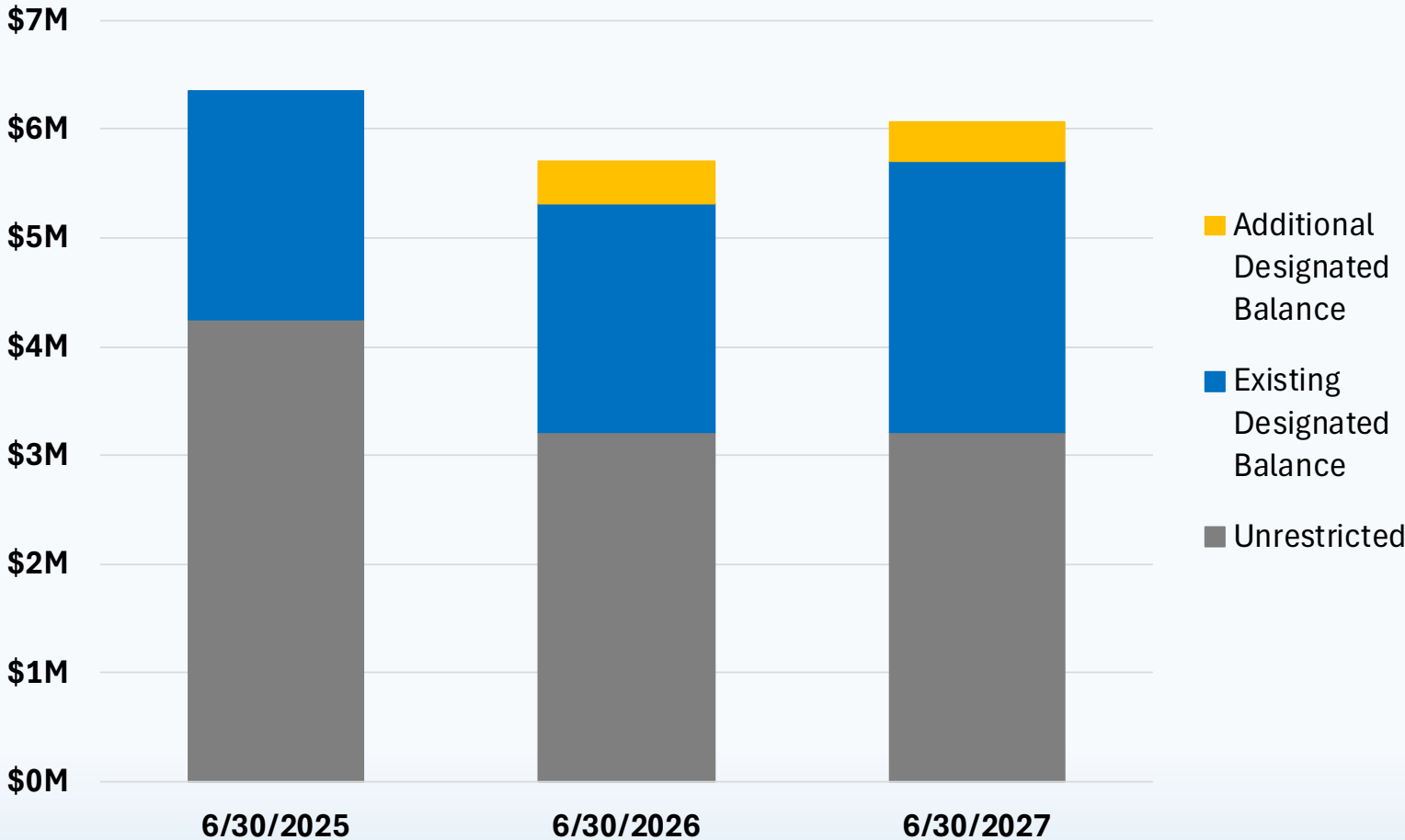
Use of Funds	FYE 2025 Actual	FYE 2026 Budget	FYE 2026 Estimate	FYE 2027 Budget
Capital Improvement Projects	\$125,557			
Administrative Building		\$600,000	\$75,000	\$1,000,000
Centrifuge #2 Design		\$0	\$0	\$120,000
Wastewater Master Plan (multi-plant)		\$160,443	\$160,000	\$0
Capital Replacement Projects	\$125,557			
Acres - Septic to Sewer		\$1,200,000	\$300,000	\$2,129,000
Total Uses of Funds	\$251,115	\$1,960,443	\$535,000	\$3,249,000

Disclaimer: Working draft presented for discussion purposes only. Final draft will be different.



Santa Maria: Reserves

District continues to set funding aside for the 21” Pipeline Relocation Project. More insights will be known after the Wastewater Master Plan is completed.





General Funds

General Fund: Operations

Uses of Funds	FYE 2025 Actual	FYE 2026 Budget	FYE 2026 Estimate	FYE 2027 Budget	Budget Change
Board of Directors	\$152,033	\$280,800	\$165,600	\$280,800	\$0
General Manager	\$471,680	\$590,200	\$641,900	\$653,500	\$63,300
Engineering	\$417,122	\$639,400	\$506,300	\$997,200	\$357,800
Finance	\$1,644,830	\$2,057,910	\$2,031,700	\$2,202,600	\$144,690
Admin Services	\$2,134,521	\$2,319,000	\$2,141,700	\$2,449,100	\$130,100
Total Uses of Funds	\$4,820,187	\$5,887,310	\$5,487,200	\$6,583,200	\$695,890

Disclaimer: Working draft presented for discussion purposes only. Final draft will be different.



General Fund: Capital

Use of Funds	FYE 2025 Actual	FYE 2026 Budget	FYE 2026 Estimate	FYE 2027 Budget
District Funded Projects	\$386,906			
Facilities - Building Renovation(s)		\$348,707	\$26,800	\$130,000
Ops Yard Building Design		\$0	\$0	\$130,000
Equipment Replacement		\$20,000	\$25,960	\$60,000
Other		\$51,852	\$84,400	\$35,000
Grant Reimbursed Projects	\$427,737			
Climate Adaptation and Resiliency Study		\$166,000	\$121,710	\$0
Cyber and IT Equipment Replacements		\$159,200	\$245,020	\$0
Total Uses of Funds		\$745,759	\$503,891	\$355,000

Disclaimer: Working draft presented for discussion purposes only. Final draft will be different.



Recommendation

Discuss and take action as appropriate.

