



**WATER  
AGENCY**

**PROPOSED TWO-YEAR BUDGET  
FY 2026-27 AND FY 2027-28**

Zone 7 Regular Board Meeting  
June 17, 2026

# Proposed Budget Supports Agency's 2025-2029 Strategic Plan



# Budget Development Process



# Budget-in- Brief Revenue Assumptions

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**Water Rates:** 4.5% budgeted treated water rate increases

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**Grants:** \$9.8M for Mocho PFAS Plant and Flood projects and repairs

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**Property Tax Override:** Funds State Water Project fixed costs. No increase, held at \$22M each year.

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**Investment Earnings:** Assumed 2.5% annual return for all funds

# Budget-in- Brief Expense Assumptions

**2023 Storm Repair Projects:** \$32.2M for multiple sites - permits and construction contracts in place

**Personnel:** Board approved cost of living adjustments (5%-June 2026, 4%-June 2027) and longevity pay for 5- and 10-year milestones

**Inflationary Assumptions:** Utilities (10% annually) and chemical costs (6%-46% annually)

**Water Treatment:** \$1.8M for ion exchange resin removal at Stoneridge and COL PFAS Plants

**Worker's Compensation Change:** Reduced from \$1.1M to \$790K. Proposed budget reflects this change.

**Water System Capital Budget:** Reflects first two years of adopted 10-Year CIP

# Two-Year Budget Outcome

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**Reserve Policy:** All reserves are fully funded and compliant with Board policy

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**Section 115 Pension Trust:** Annual contributions of \$125K assumed each year

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**Water Reliability Reserve:** Preserved for future water reliability investment (e.g., Sites payments starting in FY 28-29)

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**'AAA' Credit Rating:** Maintain Agency's strong financial position

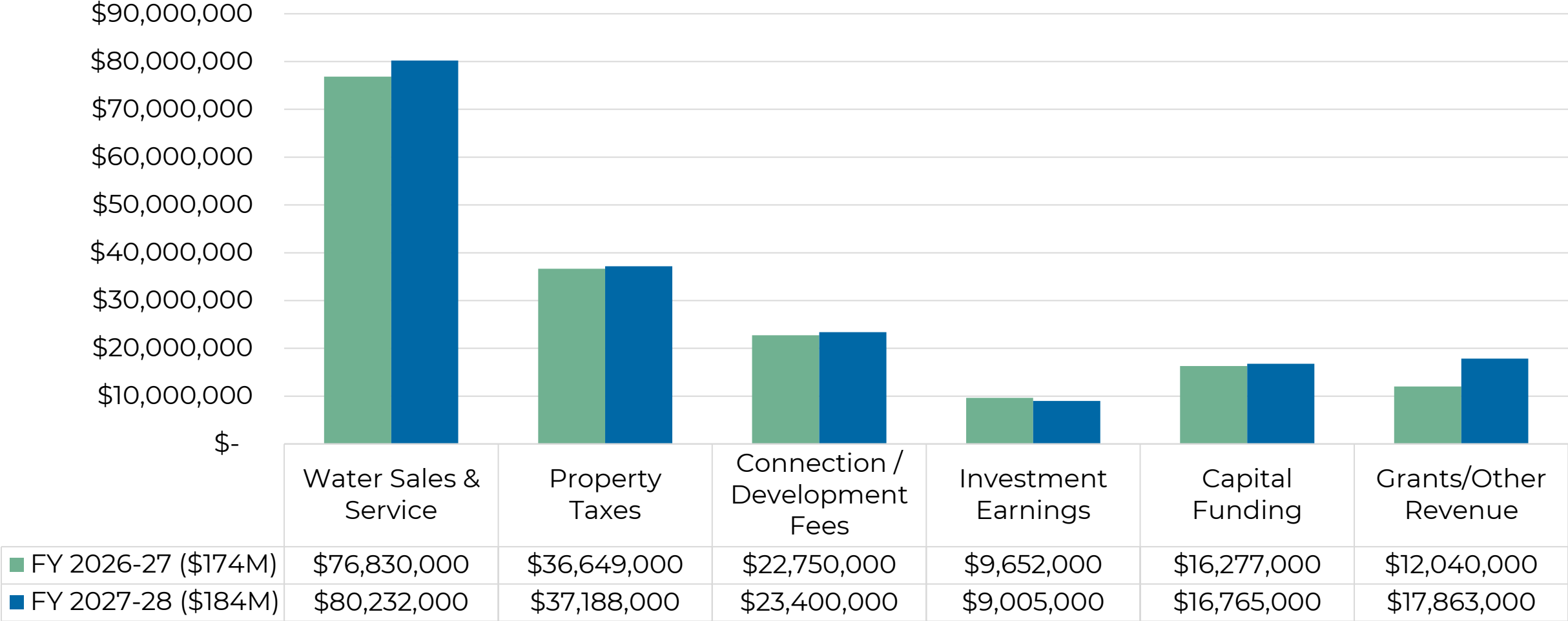
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# Two-Year Budget Overview



# Budgeted Revenue Overview

## Agency-wide Revenue by Category



■ **FY 2026-27 (\$174M)**    ■ **FY 2027-28 (\$184M)**



# Budgeted Expenditures Overview

Agency-wide Expenses by Category



■ FY 2026-27 (\$190M)    ■ FY 2027-28 (\$216M)

## Recommended Action/Next Steps

- Adopt Resolution approving the Two-Year Operating and Capital Budget for Fiscal Years 2026-27 and 2027-28
- Final budget will be submitted to Alameda County for inclusion in the County-wide Budget.
- The adopted budget will go into effect July 1, 2026.





# WATER AGENCY

## Questions?