

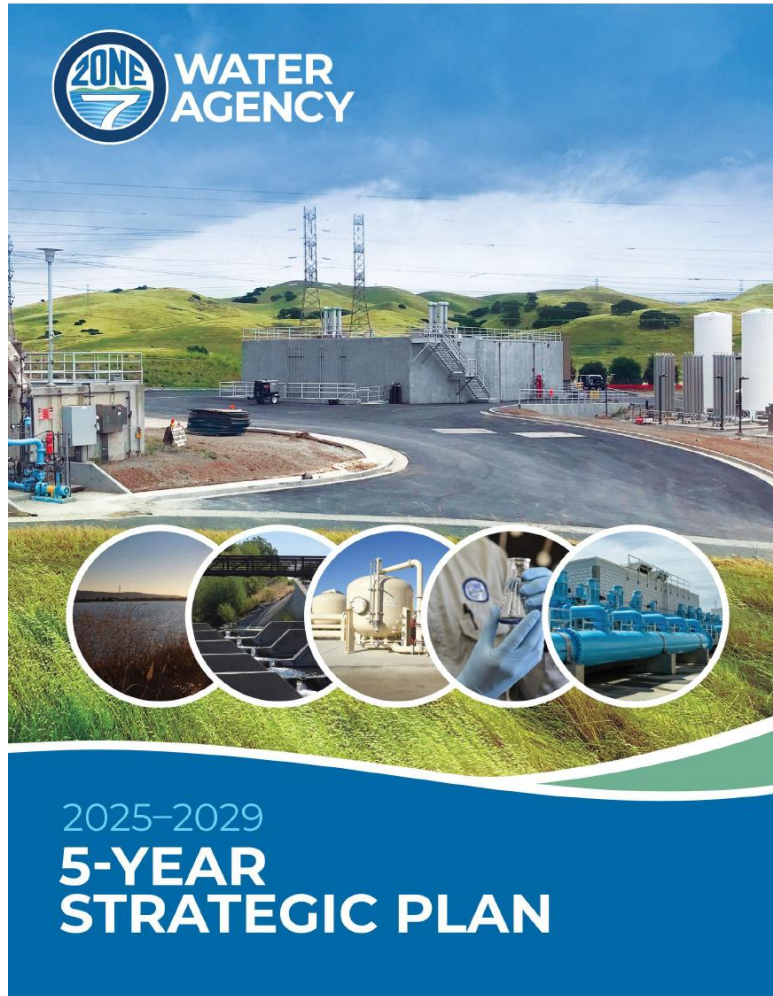


**WATER  
AGENCY**

# **PROPOSED MID-CYCLE BUDGET AMENDMENT FOR FY 2025-26**

Regular Board Meeting  
June 18, 2025

# Strategic Plan Goals and Initiatives



## GOAL H

Fiscal Responsibility

Operate the Agency in a fiscally responsible manner.

## Initiative 21

Continue to effectively manage financial resources for the Agency



# Background

- Two Year Budget for FY 2024-25 and FY 2025-26 was adopted June 11, 2024 (Reso. No. 24-48).
- Staff perform a mid-cycle review of year two of the adopted two-year budget.
- Purpose of mid-Cycle review is to confirm budget still aligns with:
  - › Strategic Plan and Board priorities
  - › Economic and climate conditions
  - › Capital project schedules
  - › Projected fund balances
  - › Reserve policy requirements



**ADOPTED TWO-YEAR  
BUDGET | FY 2024-25 AND  
FY 2025-26**

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# FY 2025-26 Budget Priorities

Strategic Plan  
Goal A -  
Maintain High-  
Quality  
Workforce



Zone 7 Water Professionals



COL PFAS Treatment Facility

Address  
Emerging  
Contaminants  
and  
Regulatory  
Compliance

Implement  
Projects in the  
Capital  
Improvement  
Program



Water System Capital Projects



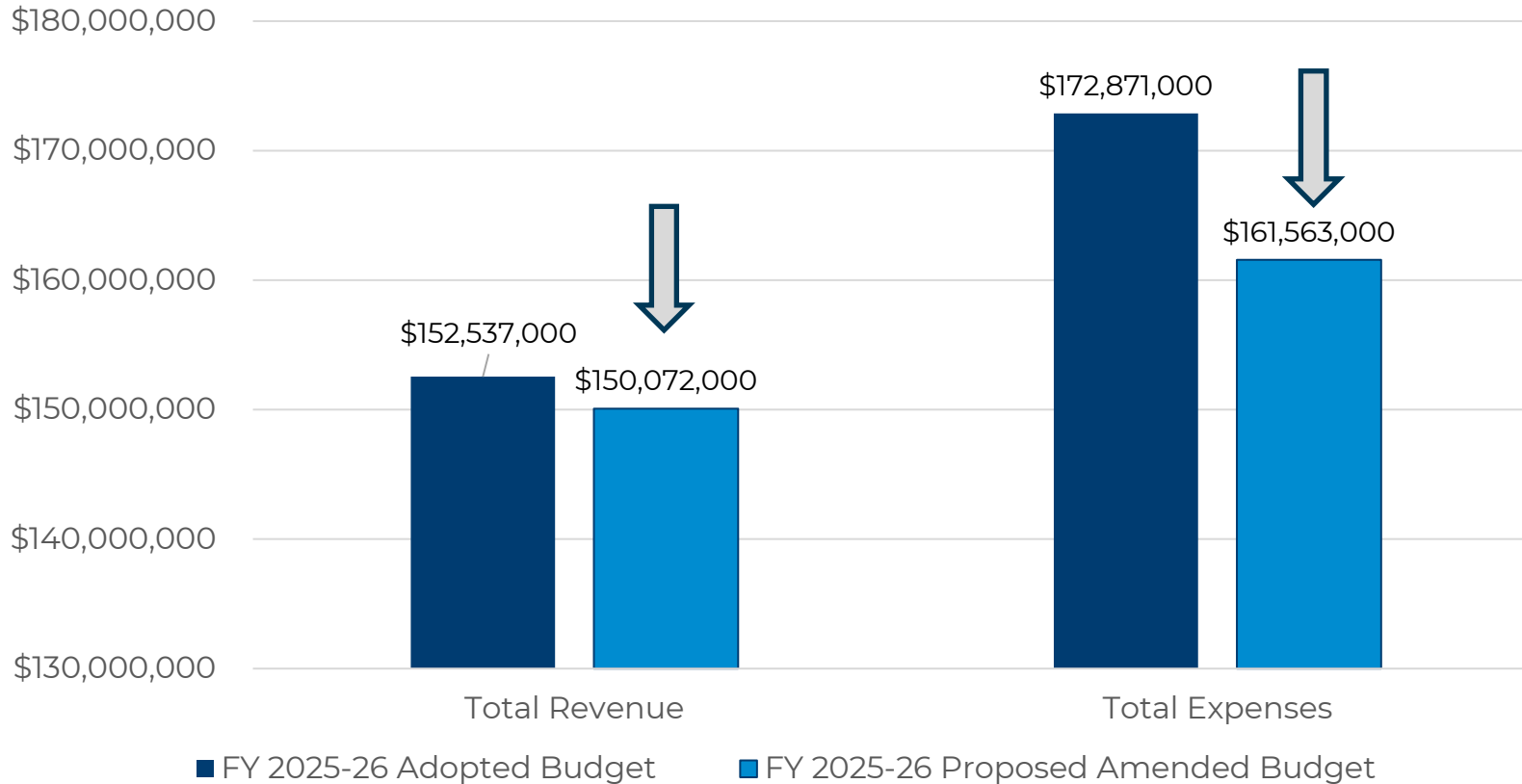
2023 Storm Damage

2022/2023  
Storm Repair  
Projects



# FY 2025-26 Proposed Budget Amendment

Agency-Wide  
(Operating and Capital Budget)



- **Revenue** – proposed decrease of \$2.5M
- **Expenses** – proposed decrease of \$11.3M

# Proposed Budget Amendments

## Revenue (-\$2.5M)

- **Federal/State Grant Funding (-\$2.5M)** - Proposed reduction in grant revenue for storm repairs due to project delays.

## Expenses (-\$11.3M)

- **Water Production (+\$242K)** – Proposed increases to chemicals and utilities, offset by decrease to water costs.
- **Personnel (+\$1.06M)** – Addition of four full-time employees and adjustments for salaries, benefits, and wages.
- **Los Vaqueros Reservoir Expansion Project (-\$400K)** – Project has been terminated.
- **Delta Conveyance Project (-\$1.65M)** – No payment required for calendar year 2025.
- **Sites Reservoir Project (-\$850K)** – No payment required for FY 2025-26.

# Proposed Budget Amendment Continued

## Expenses (-\$11.3M)

- **Capital Projects (-\$12.52M)** – Project budgets and schedules amended to incorporate progress made on the 10-Year Water System Capital Improvement Plan and Asset Management Plan updates.
- **Flood 2023 Storm Damage Repairs (+\$3.76M)** – Proposed increase for Phase 1 medium and high priority projects.
- **Flood Management Plan (-\$1.10M)** – Multi-year project. No additional budget is needed to complete Phase 2A.
- **Flood Maintenance Services (+\$163K)** – Overall increase to on-call and general maintenance as-needed services.



# Proposed Budget Amendment Continued

## Reserve Funds

- **All Agency reserves comply with the Reserve Policy.**
- **Pension Trust Fund (+100K)** – Proposed additional one-time contribution for FY 2025-26.
- **Water Reliability Reserve (~\$8.1M)** – Newly proposed reserve fund in Fund 100. Purpose of reserve is to maintain agility and flexibility in addressing water supply challenges and opportunities.



## Recommended Action

Adopt Resolution approving the Mid-Cycle Operating and Capital Budget Amendment for Fiscal Year 2025-26.

The amended budget will go into effect July 1, 2025.



**WATER  
AGENCY**

**Questions?**