



BUDGET AND LONG-TERM FINANCIAL PLAN

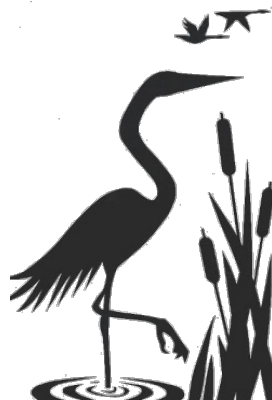
FY 2026-27

**1010 Chadbourne Rd
Fairfield, CA 94534**

www.FairfieldSuisunSewer.ca.gov

Budget and Long-Term Financial Plan

Fiscal Year 2026-27



Fairfield-Suisun Sewer District

Fairfield-Suisun Sewer District protects public health and the environment for the communities we serve in an efficient, responsible, and sustainable manner.

2026 Board of Directors

Jenalee Dawson, President

Catherine Moy, Vice President

Doug Carr

Alma Hernandez

Amit Pal

Doriss Panduro

Parise Shepherd

Scott Tonnesen

Princess Washington

K. Patrice Williams

Pam Bertani, First Alternate (City of Fairfield)

Manveer Sandhu, Second Alternate (City of Fairfield)

Management Team

Jordan Damerel, General Manager/District Engineer

Meg Herston, Director of Environmental Services

Doug Hollowell, Director of Operations and Maintenance

James Russell-Field, Director of Administrative Services

Kimberly Kraft, Human Resources Manager

District Counsel

Carrie Blacklock

TABLE OF CONTENTS

TRANSMITTAL LETTER.....	4
BUDGET AWARDS.....	9
ABOUT THE DISTRICT	10
ABOUT THE BUDGET	12
BUDGET SUMMARY & ANALYSIS	15
BUDGET AND LONG-TERM FINANCIAL PLAN SCHEDULES	23
LONG-TERM FINANCIAL PLAN & RESERVES ANALYSIS	34
DEPARTMENTAL INFORMATION	39
POLICIES.....	43
DEBT SERVICE	44
PERFORMANCE DATA AND STATISTICAL INFORMATION.....	46
MAJOR MAINTENANCE AND CAPITAL IMPROVEMENT PROGRAM	47
GLOSSARY	50
RESOLUTIONS	52

TRANSMITTAL LETTER

DATE: May 1, 2026

TO: Board of Directors

FROM: Jordan Damerel
General Manager

James Russell-Field
Director of Administrative Services

SUBJECT: FY 2026-27 Budget and Long-Term Financial Plan

SUMMARY

We are pleased to submit the Fiscal Year 2026-27 Budget and Long-Term Financial Plan for Board adoption. The Long-Term Financial Plan has proven to be a reliable tool for almost 30 years to project revenues, expenses, and required reserves. The Board has relied on long-term capital and financial planning to guide their decisions on budgets. Through prudent management, the District keeps costs to its ratepayers low and has one of the lowest sewer service charges in the San Francisco Bay Area.

The District operates a cost-efficient, award-winning wastewater and stormwater utility that protects public health and the environment. For approximately \$1.81 per day, the District collects, conveys, treats, and safely disposes an average of 178 gallons of sewage per day from each residential customer in the community. The average influent flow to the District's wastewater treatment plant was 13.9 million gallons per day in 2025.

The District maintains 85 miles of 12-inch to 48-inch diameter sewers and utilizes 14 pump stations and one treatment plant to serve a population of approximately 150,000. The Budget and Long-Term Financial Plan is developed to maintain high-quality service to District customers by ensuring the wastewater system is adequately maintained and repairs or replacements requiring significant funding are planned in advance, thereby avoiding rate spikes or unnecessary debt that can result from short-term planning.

The District continues to proactively maintain aging infrastructure with preventative maintenance and updates to collection system and treatment plant facilities. In the last year, the District continued work on key infrastructure projects including the Bioenergy Generation Project, Kellogg Resiliency Project, Roof Rehabilitation Project, Electrical Replacement Project Phase II, and the Suisun Force Main Rehabilitation Project.

GOALS

Under the Board of Directors' guidance, District management set the following long-term financial goals:

- 1) Maintain operating cash reserves of at least three months of operating expenses to ensure smooth cash flow.
- 2) Maintain minimum debt service coverage ratio as legally mandated.
- 3) Pay system expansion capital improvement plan expenses from Sewer Capacity Charges.
- 4) Manage long-term employment-related liabilities to a sustainable level.
- 5) Build up major maintenance/replacement reserves to ensure a source of funds for major maintenance and repairs, upgrades, and eventual replacement of the treatment plant and sewer system.
- 6) Minimize debt and long-term borrowing.

ORGANIZATIONAL HIGHLIGHTS**Strategic Plan**

In November 2025, the Board approved the District's 2026–2028 Strategic Plan, developed through a collaborative staff process and focused on infrastructure, workforce, fiscal stewardship, and community engagement. The Plan establishes updated mission, vision, and core values, along with strategic goals and measurable objectives across four priorities: workflow modernization, community engagement, advancing technology, and workforce training and safety. Implementation will occur in phases with regular Board updates. Longer-term strategies will guide the District over six years and departmental objectives are refreshed every two years.

The 2026-2028 Strategic Plan is available to read in full on the District's website at the link below:

[Strategic Plan, Vision, Mission and Core Values](#)

75th Anniversary

California's Legislature created the Fairfield-Suisun Sewer District in 1951 for wastewater collection and treatment in Fairfield, Suisun City and Travis Air Force Base. The District celebrated its 75th anniversary on May 2, 2026. To celebrate the occasion, the District held an open house event featuring behind-the-scenes tours of the wastewater treatment plant, hands-on activities for kids, and opportunities to learn how the District cleans water and safeguards the environment.

Externship

In April 2026, the District hosted its first externship event, attracting approximately 38 college students. Participants toured the plant, explored career opportunities in wastewater, and observed demonstrations from each department. To build on this engagement, the District aligned its internship recruitments with the event, providing interested students with an opportunity to learn more about the District before applying.

Grants and Local Partnerships

The District received \$4.1 million in funding from the Environmental Protection Agency, \$1.4 million from the California Ocean Protection Council, and \$600,000 from the California Governor's Office of Planning and Research. These grants have been used to help public agencies and non-profit partners across Solano County fund planning and projects for shoreline resilience and nature-based adaptation projects to reduce coastal hazard risks from sea level rise, tidal surges, and storm events. In addition, the District is anticipating spending down the remainder of an \$8.6 million allocation from the State of California for the Kellogg Resiliency Project through the extended date of February 28, 2028.

Master Planning

The District is advancing several master planning efforts, including the Collection System, and Storm Drain Master Plans, as well as a GIS Strategy and Upgrade. A Wastewater Treatment Plant Master Plan will follow in the near future. These efforts evaluate system assets and identify and prioritize critical capital projects, ensuring ratepayer funds are invested where they deliver the greatest long-term value.

Cost of Service and Rate Study

The District initiated a Cost of Service and Rate Study in June 2025, one year earlier than planned, in response to changing economic conditions and to the Suisun Force Main Rehabilitation Project. Construction costs for the project are estimated at \$53.4 million between FY 2025–26 and FY 2027–28, making it the District's largest capital investment since the wastewater treatment plant expansion in the mid-2000s. Given the project's cost and multi-generational impact, the District is pursuing external funding options of grants, loans, and bonds to finance the project, which may require a credit rating. To support a potential credit rating, the District decided to pursue securing a new five-year rate schedule.

The Board received the Rate Study results in November 2025 and adopted a new five-year rate schedule following a public hearing in April 2026. The schedule takes effect July 1, 2026 (FY 2026–27), with annual adjustments through July 1, 2030 (FY 2030-31).

Awards and Recognition

- **NACWA Peak Performance Platinum Award:** The District received the National Association of Clean Water Agency's (NACWA) Peak Performance Platinum Award for the eleventh year in a row, indicating 100 percent compliance with the District's National Pollutant Discharge Elimination System (NPDES) permit.
- **CSRMA Workers Compensation Excellence Award:** The District received the Workers Compensation Excellence Award from California Sanitation Risk Management Authority (CSRMA) for calendar year 2025. Applying and achieving the award includes a detailed application to demonstrate efforts analyzing, documenting, and addressing job hazards as well as reducing soft tissue and strain-related injuries.
- **CASA Excellence in Public Outreach/Education:** The District, in partnership with the Solano Resource Conservation District, received an award for Excellence in Public Outreach/Education from the California Association of Sanitation

Agencies. This award recognized the FSSD Education Program, which provides classroom lessons, treatment plant tours, and mock community meetings for hundreds of Fairfield-Suisun Unified School District fifth graders each year. The program is in its third year.

- **GFOA Distinguished Budget and Certificate of Achievement for Excellence in Financial Reporting Awards:** The Government Finance Officers Association (GFOA) awarded the District its second Distinguished Budget Award for the FY 2025-26 Budget and Long-Term Financial Plan and its 27th Certificate of Achievement for Excellence in Financial Reporting for the Annual Comprehensive Financial Report for the fiscal year ended June 30, 2024.
- **CSMFO Operating Budget Excellence Award:** The District received its second Operating Budget Excellence Award for the FY 2025-26 Budget and Long-Term Financial Plan from the California Society of Municipal Finance Officers.
- **Staff Recognition:** District staff recognized by professional organizations included:
 - **Raymona Shirmard**, Laboratory Analyst, received the Laboratory Analyst of the Year from the California Water Environment Association (CWEA) Sacramento Section.
 - **Erik Johnson**, E/I Technician II, received the Electrical/Instrumentation Technician of the Year from the CWEA Redwood Empire Section.

BUDGET HIGHLIGHTS

- **Revenues** for FY 2026-27 are budgeted at \$89.3 million for all funds. However, that includes \$31.9 million in Loans & Bonds in anticipated funding for Suisun Force Main Reliability Project. Excluding the Loans & Bonds category, Sewer Service Charges account for 66 percent of total budgeted revenues and will increase 10 percent in accordance with the District's most recent Proposition 218 Notice. The Sewer Service Charges revenue total also factors in a decrease of approximately \$1.2 million due to the closure of the District's second largest Commercial/Industrial customer, Anheuser Busch, in March 2026. Federal and State grants total \$8.3 million, or 14 percent of all revenues excluding Loans & Bonds, which consists of the remaining funds from the State of California for the Kellogg Resiliency Project, EPA funding to offset costs for the Nitrogen Removal Phase 1 Project, and funding from the Ocean Protection Council for the Solano Bayshore Resiliency Project.
- **Operating Expenses** for FY 2026-27 total \$35.6 million for all funds, an increase of \$0.8 million, or 2 percent, compared to the FY 2025-26 projected actual. Increases in operating expenses are primarily related to increases in chemical, permit, insurance and personnel costs aligned with advancing District goals and service priorities, offset by decreases in electricity related to savings from the Bioenergy Generation Project.
- **Debt Service & Capital Requirements** for FY 2026-27 total \$62.8 million for all funds.
 - **Debt Service** expenses remain at \$1.1 million per year, consisting of State Revolving Fund (SRF) Loan repayments for the Ultraviolet Disinfection (repayment from May 2012 through May 2031) and Blower Projects (repayment from October 2020 through October 2039).

- **Major Maintenance & Capital Improvement Program (CIP)** expenses for FY 2026-27 total \$58.2 million for all funds, which support both routine repairs and key infrastructure projects for the treatment plant and collection system. District staff have diligently and thoughtfully identified necessary projects that can be achieved with the current rate structure, supplemented with anticipated external funding. Maintenance and CIP expenses are projected at \$276.1 million through FY 2035-36, not yet including recommendations from pending infrastructure Master Plans, which will be incorporated into future forecasts and Rate Studies.
- **City Collection System Reserve Appropriations** for FY 2026-27 total \$3.6 million, as requested by the cities of Fairfield and Suisun City for completing collection system repair and rehabilitation projects in their service areas. Appropriations to the cities since the Collection System Reserve was established in FY 2022-23 total \$9.2 million.

CONCLUSION

The Board's continued support of long-range fiscal planning has produced a stable financial foundation to meet both current and future service needs given a range of possible community growth rates. Prudent cost management and the District's philosophy of building up reserves are instrumental in positioning the District to invest in infrastructure and continue to provide high-quality and critical services to the community.

ACKNOWLEDGMENT

We thank the Board for its guidance and continued support in developing a sustainable budget and long-term financial plan. Sincere appreciation is given to District staff who assist with the preparation of the budget, with special recognition to Doug Hollowell for leading the preparation of the Major Maintenance Budget, Irene O'Sullivan for leading the preparation of the Capital Improvement Program Budget, and Lindsay Sagastume for leading the preparation of the Operating Budget and compiling the data, reports, and Budget Book.



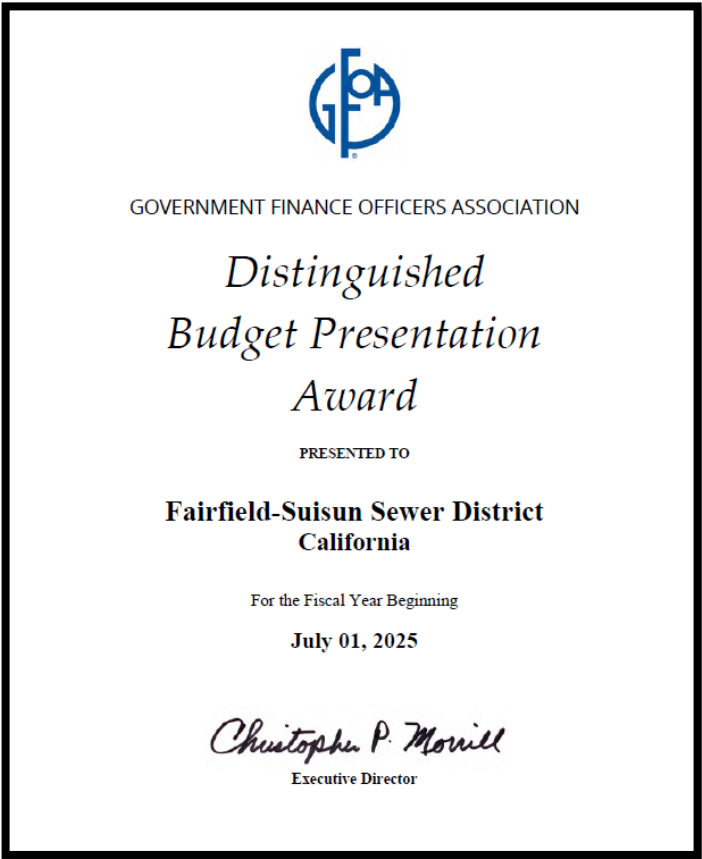
Jordan Damerel, P.E.
General Manager



James Russell-Field, CPA
Director of Administrative Services

Budget Awards

GFOA AWARD CERTIFICATE



The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to Fairfield-Suisun Sewer District for its annual budget fiscal year beginning July 1, 2025. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as a financial plan, as an operations guide, and as a communications device. This award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.

CSMFO AWARD CERTIFICATE



ABOUT THE DISTRICT

The Fairfield-Suisun Sewer District (District) is a special district which serves all territory within the cities of Fairfield and Suisun City. It was formed by an act of the California State Legislature on May 5, 1951 (the “enabling act”). The enabling act defined the District’s boundaries as the boundaries of the cities. Any territory annexed to either city is also annexed to the District, and in general, no property can be served by the District if it is not in either city.

In September of 2002, the District amended its enabling act language, under AB776, to authorize the acceptance of sewage emanating from buildings that lie outside the District’s boundaries for developed parcels that were connected to the District’s sewage treatment system before March 1, 2002. The District’s change in enabling act language also allows for a contract with Solano County, or other public entities, for the disposal of sewage emanating from buildings outside the District’s service area, if the District determines that the contract furthers the protection of public health and safety and is in the best interest of the District.

In April 2019, the District amended its enabling act language, under AB530, to authorize the acceptance and disposal of sewage emanating from any building within the Middle Green Valley Specific Plan area, upon request of the landowner. Middle Green Valley is an unincorporated area in Solano County north of the City of Fairfield and outside the city’s sphere of influence. Solano County has adopted a Specific Plan for the Middle Green Valley, which calls for development of about 400 homes and associated commercial and public facilities.

The District has broad powers to finance, construct, and operate systems for the treatment, collection and disposal of sewage, stormwater, and recycled water systems within the District’s jurisdiction. Its ten-member Board of Directors consists of the members of the city councils of the two cities (with the remaining two Fairfield city councilmembers serving as Alternate Directors). The Board president is elected by the Board from among its members. The District’s day-to-day operations are managed by the General Manager, who reports directly to the Board of Directors.



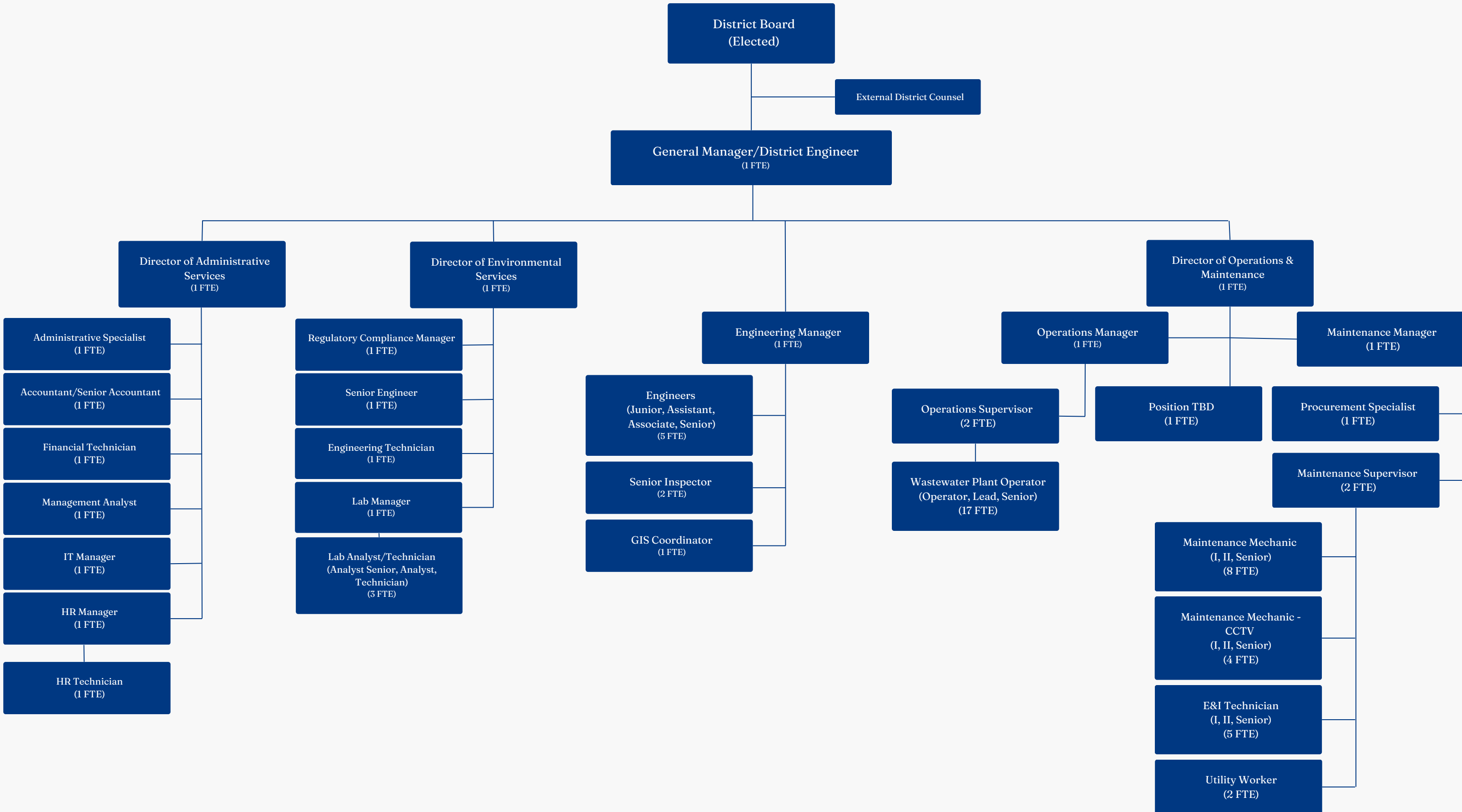
Fairfield-Suisun Sewer District



FAIRFIELD-SUISUN SEWER DISTRICT

ORGANIZATIONAL CHART

UPDATED APRIL 2026



ABOUT THE BUDGET

BUDGET PROCESS

January	• Preparation of personnel budget • Review of mid-year actuals
February	• Budget kickoff with Managers/Supervisors • Operating Budget meetings
March	• Major Maintenance and Capital Improvement Program meetings
April	• Draft Budget prepared and reviewed
May	• Final Budget presented to the Board of Directors and public
July 1st	• Effective date of budget
July to June	• Budget monitoring through monthly budget reports • Budget reporting through quarterly reports to the Board • Budget amendments approved as needed

BASIS OF BUDGETING

The District's budget is presented on a Cash basis method where revenues and expenses are projected based on when cash is received or disbursed. This differs from the Accrual basis of accounting used for the Annual Comprehensive Financial Report (ACFR), where revenues are recognized when services have been rendered or expenses have been incurred. Preparing the budget on a Cash basis presents a better estimate of reserve balances.

Significant differences between Cash basis and Accrual basis include:

Transaction	Cash Basis (Budget)	Accrual Basis (ACFR)
Principal Payments on Debt	Budgeted as an expense	Reduction of a Liability
Capital Expenditures	Budgeted as an expense	Increase of an Asset
Depreciation	Not budgeted	Expensed

FINANCIAL OVERVIEW AND FUND STRUCTURE

The District maintains seven funds. The All Fund Budget Summary presents the total revenues and expenses of all funds combined as a consolidated reporting entity, which excludes interfund transfers. The Long-Term Financial Forecast schedules provide detail on the funds individually.

- The Wastewater Operations Fund is primarily funded from Sewer Service Charges and funds operating expenses, major maintenance, and Capital Improvement Program (CIP) projects.
- Related to the Operations Fund are the Collection System Repair and Rehabilitation (R&R) Reserve Funds for the cities of Fairfield and Suisun City. Each city's Collection System Reserve balance is held in a separate fund per the District's amended 1965 Agreement with the cities. The Collection System Reserves are funded from Sewer Service Charges.
- Sewer Capacity Charge Funds are funded from Sewer Capacity Charges assessed on new development. Sewer Capacity Charges are held in two separate funds. Sewer Capacity Charge revenue collected prior to July 1, 2022 is held in a fund restricted for growth-related expenditures in the District's services area. Sewer Capacity Charge revenue collected after July 1, 2022 is held in a separate fund restricted for growth or repair and rehabilitation projects identified in the Major Maintenance and CIP budget.
- The Drainage Maintenance Fund is primarily funded from a fee charged to each property in the service area to pay for expenses related to storm drain facilities.
- Related to the Drainage Maintenance Fund is the Solano Stormwater Alliance (Alliance) Fund. Per an Agreement between the District, Vallejo Flood and Wastewater District, and cities of Fairfield, Suisun City, and Vallejo, the funds related to the Alliance are required to be maintained in a separate fund. The District transfers funds from the Drainage Maintenance Fund to the Solano Stormwater Alliance Fund to cover Fairfield and Suisun City's share of the Alliance, while Vallejo Flood and Wastewater District and the City of Vallejo pay the District for their share of the Alliance. The Solano Stormwater Alliance funds programmatic regulatory compliance efforts to meet the requirements of a regional stormwater permit.

Figure 1 on the following page shows the relationship between the District's significant funds and their key revenues and expenses.

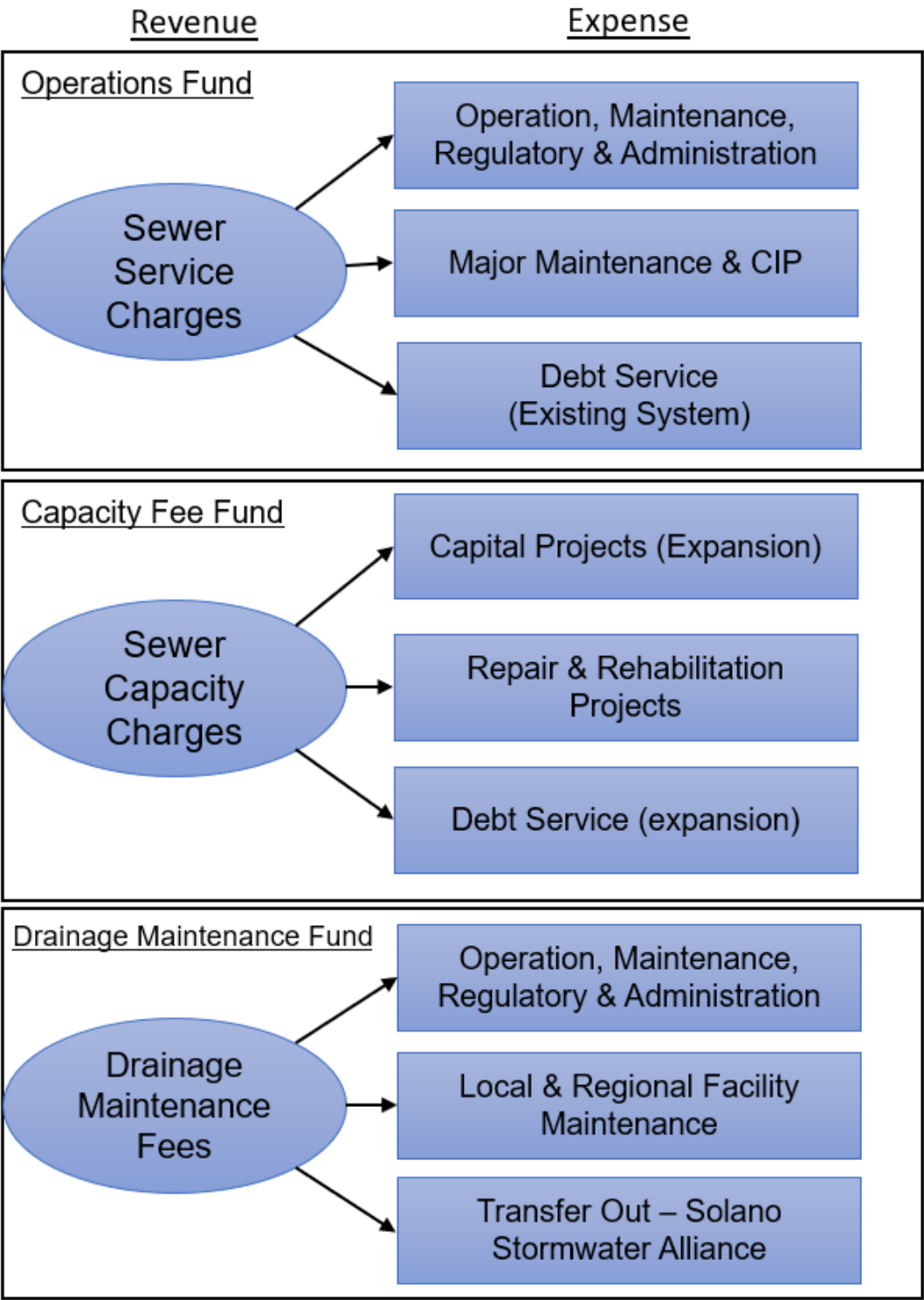
COST ALLOCATION

District staff use timesheet allocations to direct charge their time to departments and programs. Engineering staff allocate time to individual CIP projects for cost tracking.

Between funds, 15 percent of Information Technology and Safety expenses are allocated from the Operations Fund to Sewer Capacity Charge Funds to show support for the staff

time charged to Sewer Capacity Charge programs. Other cost allocations are used between the Operations Fund and Sewer Capacity Charge Funds for cost-share on CIP projects.

Figure 1



BUDGET SUMMARY & ANALYSIS

PROPOSED FY 2026-27 BUDGET SUMMARY

Figures 2 and 3 provide a visual summary of FY 2026-27 Revenues and Expenses, followed by additional details on each of the components. There is no attempt to match expenses to revenues in any single year. Rather, the District relies on long-term financial planning where reserves are periodically built up to fund major projects in future years. This philosophy is instrumental in keeping customer rates from experiencing large swings year to year while still maintaining the system adequately. As part of the long-term financial planning, the District plans to draw down existing reserves over the next several fiscal years for increased capital spending. The variance between revenues of \$89.3 million in Figure 2 and expenses of \$98.4 million in Figure 3 indicates the drawdown of reserves.

Figure 2

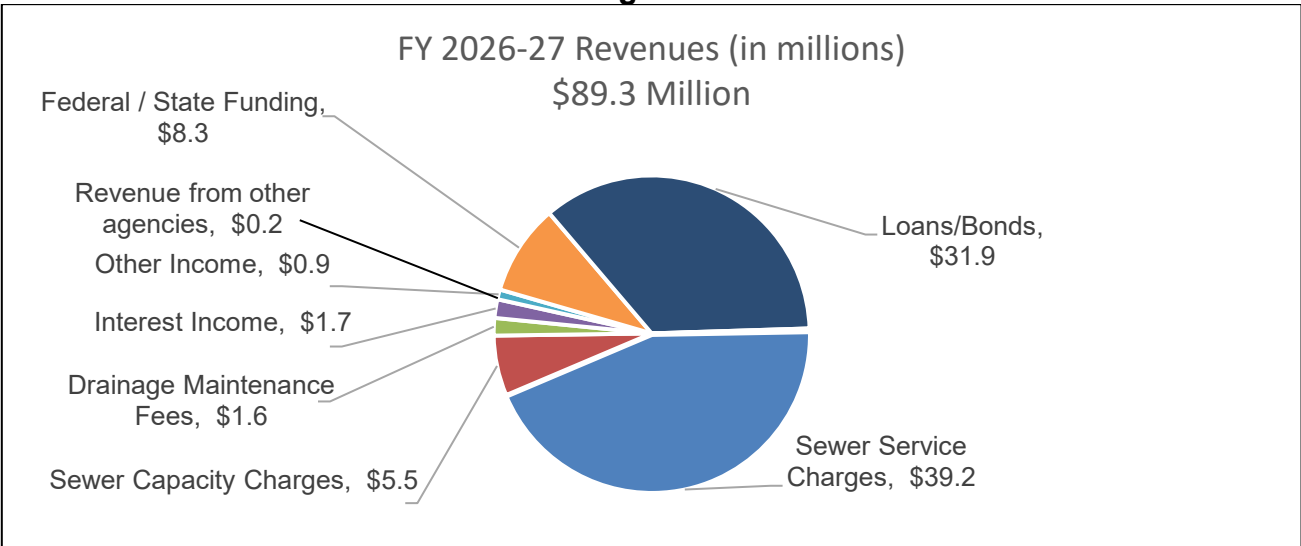
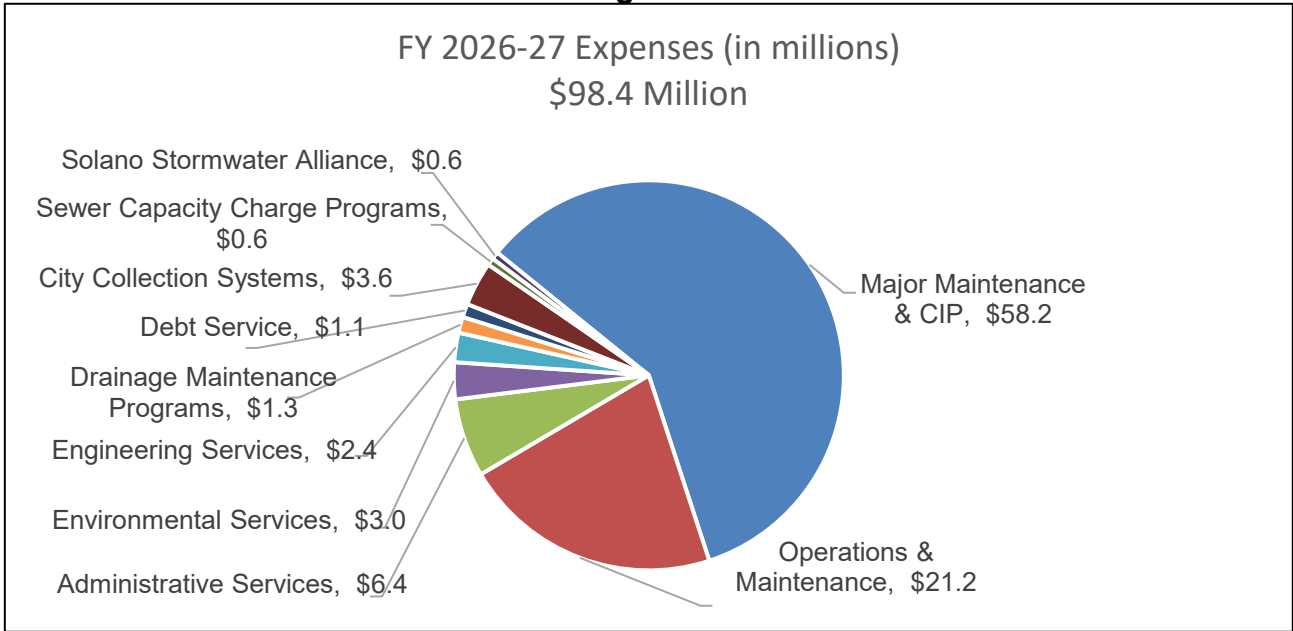


Figure 3



Revenues**Figure 4**

	FY 2024-25	FY 2025-26	FY 2026-27
	Actual	Projected	Budget
Sewer Service Charges	35,471	37,600	39,195
Sewer Capacity Charges	2,323	2,608	5,519
Drainage Maintenance Fees	1,641	1,609	1,610
Interest Income	2,409	1,788	1,745
Other Income	1,318	759	853
Federal / State Funding	1,375	6,003	8,282
Loans & Bonds	-	-	31,864
Revenue - Other Agencies (Alliance)	85	173	255
Total Revenues	44,622	50,540	89,323
<i>(In Thousands)</i>			

Sewer Service Charges

The District is primarily funded by Sewer Service Charges from residential, commercial, and industrial customers. The District presented the results of the 2025 Cost of Service and Rate Study (Rate Study) to the Board in November 2025, and completed a Proposition 218 Notice to hold a public hearing for rate adoption on April 27, 2026. At that meeting, the Board adopted a five-year rate schedule that established the rates through FY 2030-31.

In accordance with Sewer Service Charge rates adopted by the Board of Directors on April 27, 2026, the FY 2026-27 Budget reflects an increase in rates of 10 percent in total Sewer Service Charges. Residential customers will see an increase of \$3.29 per month in FY 2026-27 for the District to keep up with increased capital needs to reinvest in aging infrastructure. In addition to the rate increase, Sewer Service Charge revenue is projected to increase due to an estimated residential growth rate of 0.9 percent in FY 2026-27. Customer growth rates are estimated based on projected development provided from Fairfield and Suisun City as well as average utility accounts billed by the cities each month.

Sewer Capacity Charges

Sewer Capacity Charges are one-time fees charged to new connections or to existing connections where a change in use will result in increased discharge to the treatment plant facilities. Sewer Capacity Charges are designed to help recover the costs of infrastructure and assets benefiting new development. Per Resolution 2026-08, Sewer Capacity Charges will be adjusted from \$7,056 to \$8,030 per equivalent dwelling unit on July 1, 2026, and will

increase each subsequent July 1 based on the change in the Engineering News Records Construction Cost Index (ENR-CCI) for April.

Sewer Capacity Charge revenue is budgeted at \$5.5 million in FY 2026-27. Based on the cities' development forecasts, approximately 555 residential units and 107 commercial equivalent dwelling units are estimated to connect to the sewer system in FY 2026-27.

Drainage Maintenance Fees

On March 1, 1988, the District entered a "Drainage Maintenance Agreement" with Fairfield and Suisun City. This agreement provided a mechanism for funding the maintenance of the "Fairfield Streams" federal flood control project which serves both cities as well as local storm drainage facilities. Although the District does not own any storm drainage facilities, it is authorized by statute to provide storm drainage services. The District created a storm drainage maintenance enterprise fund and established fees for users of the system which are collected on the Solano County tax roll each year. Revenues are shared by the cities and the District for drainage maintenance activities.

Since 1996, annual rates have remained unchanged at \$20.23 per residence. Annual drainage maintenance revenue is expected to remain flat in FY 2026-27 and is budgeted at \$1.6 million. Drainage maintenance fees cannot be increased without approval by property owners through a ballot measure.

The current revenue received from drainage maintenance fees is not adequate to fund significant capital investment in the storm drainage systems, and the cities cannot adequately fund all annual operation and maintenance activities. The District, in partnership with the cities, will embark on a Drainage Maintenance Master Plan in FY 2026-27 to explore options to remedy this deficit.

Interest Income

Available cash is invested with the Local Agency Investment Fund (LAIF) and California Asset Management Program (CAMP). LAIF is an investment pool created by statute as a voluntary investment alternative for local governments and special districts. CAMP is a California Joint Powers Authority, providing professional investment services to California public agencies. Both LAIF and CAMP are permitted investments for local agencies under California Government Code Section 53601.

Interest income is budgeted at \$1.7 million for FY 2026-27, a \$43,000 decrease compared to the projected actual for FY 2025-26. The decrease is primarily due to decreases in the federal funds target rate. During FY 2025-26, the federal funds target rate decreased from 4.25 to 4.50 percent to 3.50 to 3.75 percent as of December 10, 2025. The District was already using a conservative interest earnings rate for the FY 2025-26 Budget, so the FY 2025-26 projected actual is relatively close to the FY 2026-27 Budget. The District continues to review investment balances between CAMP and LAIF while maintaining the top investment priorities of safety, followed by liquidity and then yield, regardless of economic uncertainty.

Federal / State Funding

The District pursues outside funding when available. Federal and State Funding is budgeted at \$8.3 million for FY 2026-27. The District was awarded \$8.6 million from the State of California for the Kellogg Resiliency Project, and an agreement was signed in November 2023 to receive the funding on a reimbursement basis through the California State Water Board. Staff is projecting to draw down \$5.8 million of available funding for the Kellogg Resiliency Project in FY 2026-27, including \$1.0 million for the related School Street Reconstruction Project, and the remaining \$2.0 million in FY 2027-28.

The District also received an EPA WQIF grant totaling \$4.0 million, which will provide the District \$2.0 million to offset costs for the Nitrogen Removal Phase 1 Project and \$2.0 million to subaward for supporting nature-based climate resiliency work across the Bay Area. The District is estimating Federal revenue of \$2.2 million FY 2025-26 for these two projects.

On April 28, 2025 the District was awarded a \$1.39 million grant from the Ocean Protection Council for the Solano Bayshore Resiliency Project. The District is projecting to spend \$1.3 million by October 2027.

Other Income and Revenue from Other Agencies

The District receives a combination of miscellaneous and/or nonrecurring revenues such as cell tower and other property leases, as well as insurance dividends. Other income includes revenue related to the District's share in Lystek biosolids processing, which offsets the District's biosolids processing costs. Revenue from Other Agencies represents the contributions from the City of Vallejo and Vallejo Flood and Wastewater District for the Solano Stormwater Alliance.

Expenses

Operating expenses set the Operating Reserve target, which is the minimum funding set aside per the District's reserve policy. Increases in the operating expenses and the Operating Reserve target can impact funding available for Major Maintenance and CIP.

Figure 6 compares the 2022 Rate Study assumptions for key expense increases with actual, projected, and budgeted costs for FY 2022-23 Actual, FY 2023-24 Actual, FY 2024-25 Actual and the FY 2025-26 Projected Actual. Overall, higher than anticipated increases in electricity, chemicals, and insurance have resulted in operating expenses averaging \$1.7 million more per year, and \$6.7 million more in total, than originally assumed in the 2022 Rate Study.

The District aims to proactively manage rising operating expenses. Electricity expenses are higher than anticipated due to the ongoing Bioenergy Generation Project, but once the new cogeneration engine is connected, staff anticipate savings of approximately \$1.0 million total by the end of FY 2027-28. Chemical expenses decreased in FY 2023-24, due to the Lystek Direct Digestate Dilution Project, which allowed Lystek to utilize a portion of the District's biosolids without dewatering (polymer is used for dewatering) thereby reducing polymer use. However, in response to changing regulations the District has budgeted an additional \$50,000 per year for a new chemical, urea, which will be used to control nitrogen oxide emissions (a byproduct of combustion) for the cogeneration engine being installed as part of the Bioenergy Generation Project.

Figure 6

	2022 Rate Study Assumption	FY 2022-23 % Increase	FY 2023-24 % Increase	FY 2024-25 % Increase	FY 2025-26 % Increase
Electricity	4%	36%	13%	-4%	8%
Chemicals	4%	11%	-12%	-13%	66%
Insurance	3%	35%	12%	12%	9%
Cost Impact to FSSD:		\$1,055,833	\$1,689,192	\$1,461,450	\$2,098,912
<i>Cost Impact to FSSD represents the additional expense above what the Rate Study assumed for the same fiscal year</i>					

The District conducted a public hearing on April 27, 2026, during which it adopted updated sewer service charges based on the 2025 Rate Study. This study incorporates comprehensive long-term financial planning and forecasting, recalibrating cost assumptions through a thorough reassessment of the District's full cost of service. As illustrated in Figure 6, key cost drivers, such as electricity, chemicals, and insurance, can vary significantly over time. The 2025 Rate Study establishes a new baseline by aligning these cost factors with current estimates and actual data. For example, while electricity costs have deviated from projections in the 2022 Rate Study, the 2025 Rate Study resets these assumptions to reflect present conditions and incorporates them into the updated rate structure. Through this long-term planning approach, the District will continue to monitor, evaluate, and manage costs over the next five-year cycle, with the objective of minimizing annual fluctuations in Sewer Service Charges for customers.

All budgeted expenses are grouped into several categories presented in Figure 7 below:

Figure 7

	FY 2024-25 Actual	FY 2025-26 Projected	FY 2026-27 Budget
Operations & Maintenance	\$ 18,929	\$ 19,975	\$ 21,238
Administrative Services	5,426	7,697	6,378
Environmental Services	2,340	2,801	3,051
Engineering Services	1,729	1,959	2,454
Sewer Capacity Charge Programs	540	518	632
Drainage Maintenance Programs	1,211	1,449	1,273
Solano Stormwater Alliance	290	435	579
Debt Service	1,070	1,070	1,070
Major Maintenance & CIP	8,645	17,332	58,186
City of Fairfield Collection System	4,490	300	3,560
City of Suisun City Collection System	1,270	365	-
Total Expenses	<u>\$ 45,940</u>	<u>\$ 53,901</u>	<u>\$ 98,421</u>
<i>(In Thousands)</i>			

Key changes in significant operating expenses are as follows:

- Operations and Maintenance (O&M) expenses include treatment plant O&M, energy and chemicals, District sewer line maintenance, and City sewer line maintenance. Total O&M expenses are budgeted at \$21.2 million for FY 2026-27, a increase of \$1.2 million compared to the FY 2025-26 projected actual.
 - Approximately 63 percent of District staff allocate time to O&M, which means the variance between the FY 2025-26 projected actuals and FY 2026-27 budget is impacted by staff time allocations, vacancies that can occur throughout the year, and increasing costs of salaries and benefits. In FY 2026-27 O&M makes up 58 percent of the District's salaries and benefits.
 - Included in O&M expenses, City sewer line maintenance is budgeted at \$3.5 million for FY 2026-27, an increase of \$0.2 million compared to the projected actual of \$3.3 million for FY 2025-26. The 1965 Agreement between the District and cities of Fairfield and Suisun City provides a funding mechanism for local sewer maintenance. Local sewer maintenance funding is tied to CPI and length in feet of sewers and is projected to increase 3.0 percent in FY 2026-27. Approximately \$0.2 million in District staff time is allocated for Closed Circuit Television (CCTV) assistance with Suisun City sewer lines.
 - Included in O&M expenses, Energy and Chemicals are expected to decrease \$0.4 million in FY 2026-27. The District has seen significant increases in electricity over the last few fiscal years, primarily due to a cogeneration engine and wind turbines being out of service during the Bioenergy Generation Project, and a delay in a PG&E interconnect agreement. With the Bioenergy Generation Project anticipated to be completed in FY 2026-27, the District expects a reduction in electricity usage and associated costs, resulting in estimated savings of \$0.5 million. However, electricity rates are still projected to rise by approximately 5 percent, yielding a net decrease of \$0.3 million. Also contributing to the overall reduction are projected decreases in chemicals polymer and hypochlorite for FY 2026-27. Partially offsetting some of these savings, the District will introduce a new chemical, urea, in FY 2026-27 as part of the Bioenergy Generation Project. This addition is necessary to reduce nitrogen oxide emissions (a byproduct of combustion) from the new cogeneration engine and to ensure compliance with updated air permit requirements issued by the Bay Area Air District.
- Administrative Services expenses include costs related to finance, human resources, utility billing, insurance, legal expenses, and Board members fees. Administrative Services expenses are budgeted at \$6.4 million for FY 2026-27, a decrease of \$1.3 million compared to the projected actual for FY 2025-26. The primary factor of the decrease was a one-time \$2.0 million contribution to the California Employers Pension Prefunding Trust (CEPPT 115 Trust) in FY 2025-26. Excluding this payment, costs increased by \$0.4 million for health insurance premiums, and \$0.1 million for insurance premiums.
- Environmental Services expenses include regulatory costs related to the District's NPDES permit, pretreatment program, laboratory, and community outreach

programs. Environmental Services expenses are budgeted at \$3.1 million in FY 2026-27, an increase of \$0.3 million compared to the projected actual for FY 2025-26. The increase is primarily due to increases in salaries and benefits.

Operating Expenses – Salaries and Benefits

Salaries and benefits are allocated across the programs in Figure 7 based on employee functions and represent the largest component of the operating budget. By resolution, salaries are adjusted each July between 2 and 6 percent based on April CPI. Salary expenses are anticipated to increase by 3 percent based on the anticipated April 2026 CPI. Other increases are built into salary costs to account for merit adjustments and promotions throughout the fiscal year.

The District continues to face rising healthcare costs. Healthcare premiums for the Kaiser family plan increased 5 percent in 2026 and are anticipated to increase at least 6 percent in 2027. Increases in healthcare impacts District costs for active employees and retirees. To manage retiree healthcare costs, the District maintains an Other Post Employment Benefit (OPEB) trust through CalPERS and contributes at least the Actuarially Determined Contribution (ADC) each fiscal year. The FY 2026-27 budget includes an ADC of \$250,000.

The District continues to monitor and proactively address pension liabilities. CalPERS actuarial reports set the required payroll and unfunded accrued liability (UAL) payments for the fiscal year after the reports are received by public agencies. For example, the FY 2026-27 contributions are based on CalPERS June 30, 2023 actuarial report received in September 2024.

The District has used one-time salary and benefit savings in prior years to address CalPERS pension liabilities. CalPERS reported a -6.1 percent investment loss for the year ending June 30, 2022, resulting in a \$5.7 UAL to be repaid over 20 years. A 5.8 percent return, which is 1.0 percent lower than CalPERS expected rate of return of 6.8 percent, for the year ending June 30, 2023 added another \$1.1 million UAL, also amortized over 20 years.

To address these liabilities, the District made the following one-time contributions:

- FY 2023-24: \$1.5 million additional discretionary payment to pay down June 30, 2022 UAL.
- FY 2025-26: \$2.0 million contribution to fund a California Employers Pension Prefunding Trust (CEPPT 115 Trust).

The CEPPT Trust provides flexibility to offset future CalPERS costs including normal contributions through payroll and UAL payments. Due to CalPERS investment returns of 9.8 percent (June 30, 2024) and 11.6 percent (June 30, 2025), the District chose to fund the CEPPT 115 Trust in FY 2025-26 using prior year salary and benefit savings. Because of the lag in actuarial reporting, the District will recognize the CalPERS gains in FY 2026-27 and FY 2027-28.

Because CalPERS losses can create new liabilities each year that function as a debt, CalPERS liabilities require active management by District staff to keep costs to a prudent and manageable level.

Major Maintenance and Capital Improvement Program

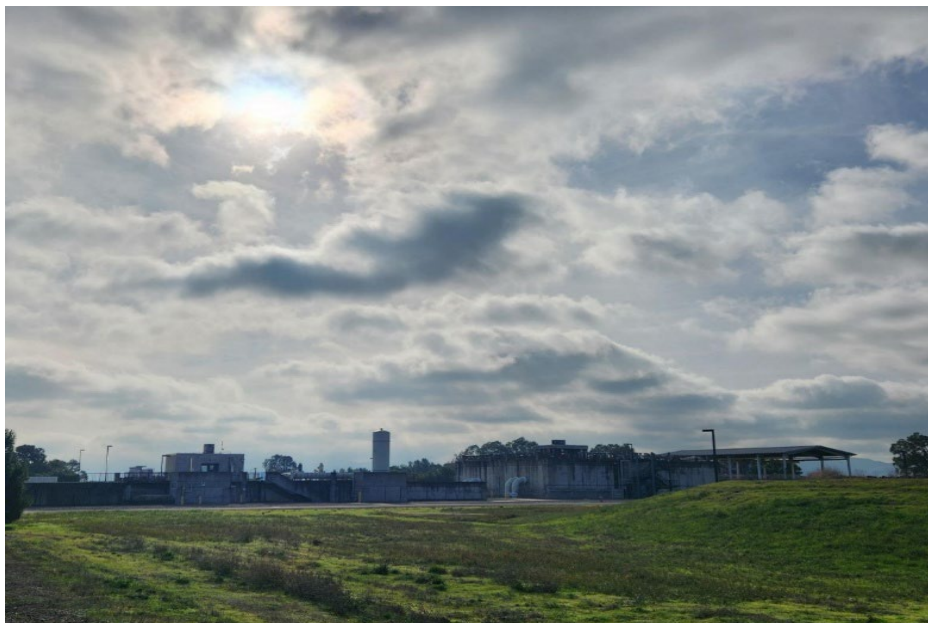
Major Maintenance and CIP expenses are budgeted at \$58.2 million in FY 2026-27 and include both routine maintenance as well as major repairs, upgrades, and replacements. The increase in the FY 2026-27 Major Maintenance and CIP budget compared to the FY 2024-25 actual and FY 2025-26 projected actual is the result of a planned drawdown of reserves to reinvest in aging infrastructure. Major Maintenance and CIP projects are often large in scope and multi-year in nature, and budgetary estimates cross fiscal years as projects are started during the fiscal year.

City Collection System Reserves

On April 28, 2022, the Board adopted the Seventh Amendment to the 1965 Agreement with the cities of Fairfield and Suisun City, which provided additional funding based on the results of the Collection System Asset Master Plan. Each July 1, the District funds Collection System Reserves for the cities through transfers of \$1.83 million to the City of Fairfield Collection System Reserve and \$1.77 million to the City of Suisun City Collection System Reserve. By August 1, the District will appropriate budgeted amounts requested by the cities into each City's collection system enterprise fund. Unused reserves will be held by the District and accrue interest until "trued up" for the next fiscal year. For FY 2026-27, the cities of Fairfield and Suisun City have requested appropriations of \$3.6 million and \$0 respectively.

Debt Service

Debt Service expenses are budgeted at \$1.1 million in FY 2026-27. The remaining outstanding debt service includes two SRF Loans for the Ultraviolet Disinfection Project and Blower Replacement Project. The debt service for the SRF Loan for the Blower Project is split between the Operations Fund and Sewer Capacity Charge Fund at 75 percent and 25 percent, respectively.



Fairfield Suisun Sewer District

BUDGET AND LONG-TERM FINANCIAL PLAN SCHEDULES

FY 2026-27 All Fund Budget Summary Excludes Interfund Transfers (Dollars in 000s)

	FY 2024-25 Actual	FY 2025-26 Revised Budget	FY 2025-26 Proj. Actual	FY 2026-27 Budget
REVENUES				
Sewer Service Charges	\$35,471	\$37,211	\$37,600	\$39,195
Sewer Capacity Charges	2,323	3,565	2,608	5,519
Drainage Maintenance Fees	1,641	1,634	1,609	1,610
Interest Income	2,409	1,745	1,788	1,745
Other Income	1,318	838	759	853
Federal & State Grants	1,375	12,739	6,003	8,282
Loans & Bonds	-	1,650	-	31,864
Revenue from Other Agencies (Alliance)	85	182	173	255
Total Revenues	44,622	59,563	50,540	89,323
OPERATING EXPENSES				
Operations Fund				
Operations & Maintenance	(18,929)	(21,626)	(19,975)	(21,238)
Administrative Services	(5,426)	(7,723)	(7,697)	(6,378)
Environmental Services	(2,340)	(2,871)	(2,801)	(3,051)
Engineering Services	(1,729)	(2,358)	(1,959)	(2,454)
Sewer Capacity Charge Funds				
Project Administration / Planning	(179)	(265)	(293)	(306)
New Development Review & Inspection	(360)	(351)	(225)	(326)
Drainage Maintenance				
Local Facility Maintenance	(959)	(959)	(959)	(959)
Regional Facility Maintenance	(232)	(283)	(473)	(297)
Drainage Maintenance Administration	(20)	(18)	(17)	(17)
Solano Stormwater Alliance				
Solano Stormwater Alliance	(290)	(481)	(435)	(579)
Total Operating Expenses	(30,464)	(36,935)	(34,835)	(35,605)
DEBT SERVICE & CAPITAL REQUIREMENTS				
Debt Service	(1,070)	(1,070)	(1,070)	(1,070)
Major Maintenance & Capital Improvement Program				
Operations Fund	(7,448)	(30,399)	(12,317)	(49,636)
Sewer Capacity Charge Funds	(159)	(3,300)	(3,012)	(1,900)
Drainage Maintenance	(1,038)	(7,122)	(3,433)	(6,650)
City Collection System Reserve Appropriations				
City of Fairfield	(4,490)	(300)	(300)	(3,560)
City of Suisun City	(1,270)	(365)	(365)	-
Total Debt Service & Capital Requirements	(15,475)	(42,556)	(20,497)	(62,816)
Net Increase (Decrease) in Total Reserves	(\$1,317)	(\$19,928)	(\$4,792)	(\$9,098)

FY 2026-27 Change in Reserves
(Dollars in 000s)

	Beginning Balance	Revenues / Transfers In	Expenses / Transfers Out	Ending Balance	Net Change
Operations Fund Reserves					
Operating	\$7,984	\$40,976	(\$40,680)	\$8,280	\$296
Debt Service	1,070	-	-	1,070	-
Major Maintenance & Capital Improvement Program	20,474	38,647	(49,636)	9,484	(10,989)
Total Operations Fund	29,528	79,623	(90,316)	18,835	(10,693)
Sewer Capacity Charge Fund Reserves	18,453	6,059	(3,943)	20,568	2,116
Drainage Maintenance Fund Reserves					
Operating	500	1,713	(1,713)	500	-
Desilting	546	30	-	576	30
Major Maintenance	2,364	5,886	(6,650)	1,600	(764)
Total Drainage Maintenance Fund	3,410	7,629	(8,363)	2,676	(734)
Solano Stormwater Alliance Fund Reserve	341	589	(579)	350	10
City Collection System Reserve Funds					
City of Fairfield Collection System R&R	1,920	1,834	(3,560)	194	(1,726)
City of Suisun City R&R	3,719	1,930	-	5,649	1,930
Total City Collection System Reserve Funds	5,639	3,764	(3,560)	5,843	204
Total Increase (Decrease) in Reserves	\$57,370	\$97,663	(\$106,761)	\$48,272	(\$9,098)

Schedule 1 – Wastewater Operations Fund – Operating Expense Forecast

(Dollars in 000s)

	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31	FY 2031-32	FY 2032-33	FY 2033-34	FY 2034-35	FY 2035-36	Forecast Assumption
	Actual	Projected	Budget	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	
REVENUES													
Sewer Service Charges	\$35,471	\$37,600	\$39,195	\$43,506	\$48,292	\$52,156	\$55,285	\$57,330	\$59,434	\$61,598	\$63,815	\$66,094	Rate / Growth
Interest Income - F1	1,354	987	938	659	428	376	493	496	615	524	568	640	Interest
Biosolids Host & Facility Charge	772	520	657	676	696	717	739	761	784	808	832	857	CPI
Other Income	518	240	186	192	198	204	210	216	222	229	236	243	CPI
Total Revenues	38,114	39,346	40,976	45,034	49,614	53,452	56,726	58,803	61,056	63,159	65,451	67,834	
EXPENSES													
Operations & Maintenance													
Operations & Maintenance	(11,369)	(12,032)	(13,467)	(13,871)	(14,287)	(14,716)	(15,158)	(15,612)	(16,081)	(16,563)	(17,060)	(17,572)	CPI
Energy & Chemicals	(3,613)	(4,165)	(3,804)	(3,494)	(3,669)	(3,853)	(4,045)	(4,247)	(4,460)	(4,683)	(4,917)	(5,163)	E & C
District Sewer Line Maintenance	(424)	(450)	(481)	(495)	(510)	(525)	(541)	(557)	(574)	(591)	(609)	(627)	CPI
City Sewer Line Maintenance	(3,523)	(3,328)	(3,486)	(3,591)	(3,699)	(3,810)	(3,924)	(4,042)	(4,163)	(4,288)	(4,416)	(4,549)	CPI
Administrative Services													
Administration, Legal, Board	(3,227)	(5,458)	(3,971)	(4,090)	(4,213)	(4,339)	(4,469)	(4,603)	(4,742)	(4,884)	(5,030)	(5,181)	CPI
Finance & Human Resources	(1,399)	(1,427)	(1,570)	(1,617)	(1,666)	(1,716)	(1,767)	(1,820)	(1,875)	(1,931)	(1,989)	(2,049)	CPI
Utility Billing Fees - Fairfield	(631)	(642)	(661)	(681)	(702)	(723)	(744)	(767)	(790)	(813)	(838)	(863)	CPI
Utility Billing Fees - Suisun City	(168)	(170)	(176)	(181)	(186)	(192)	(198)	(203)	(210)	(216)	(222)	(229)	CPI
Environmental Services													
Regulatory Programs	(1,327)	(1,698)	(1,837)	(1,892)	(1,949)	(2,008)	(2,068)	(2,130)	(2,194)	(2,260)	(2,327)	(2,397)	CPI
Laboratory	(1,012)	(1,104)	(1,213)	(1,250)	(1,287)	(1,326)	(1,366)	(1,407)	(1,449)	(1,492)	(1,537)	(1,583)	CPI
Engineering Services													
Engineering	(1,729)	(1,959)	(2,454)	(2,527)	(2,603)	(2,681)	(2,761)	(2,844)	(2,930)	(3,018)	(3,108)	(3,201)	CPI
Total Expenses	(28,423)	(32,432)	(33,120)	(33,690)	(34,771)	(35,887)	(37,041)	(38,233)	(39,465)	(40,738)	(42,054)	(43,414)	
Net Revenue before Debt & Transfers	9,691	6,913	7,856	11,343	14,843	17,565	19,685	20,570	21,591	22,421	23,397	24,420	
DEBT SERVICE AND TRANSFERS OUT													
Debt Service Payments - SRF	(987)	(987)	(987)	(987)	(987)	(987)	(987)	(987)	(250)	(250)	(250)	(250)	Debt Schedule
Debt Service Payments - Loans / Bonds	-	-	-	(1,500)	(1,500)	(2,500)	(4,600)	(4,600)	(4,600)	(4,600)	(4,600)	(4,600)	Estimate
Net Increase (Decrease) in Net Position	8,704	5,927	6,869	8,857	12,356	14,078	14,099	14,984	16,741	17,571	18,547	19,570	
TRANSFERS TO DISTRICT-HELD RESERVES													
Transfer-Fairfield Collection System Reserve	(1,830)	(1,830)	(1,830)	(1,830)	(1,830)	(1,830)	(1,830)	(1,830)	(1,830)	(1,830)	(1,830)	(1,830)	Master Plan
Transfer-Suisun City Collection System Reserve	(1,770)	(1,770)	(1,770)	(1,770)	(1,770)	(1,770)	(1,770)	(1,770)	(1,770)	(1,770)	(1,770)	(1,770)	Master Plan
Transfer to Debt Service Reserve	-	-	-	(1,500)	-	(1,000)	(2,100)	-	737	-	-	-	
Transfer to Operating Reserve	(758)	(568)	(296)	(142)	(270)	(279)	(288)	(298)	(308)	(318)	(329)	(340)	
Transfer to Major Maintenance & CIP Reserve	(4,346)	(1,759)	(2,973)	(3,614)	(8,486)	(9,199)	(8,110)	(11,086)	(13,570)	(13,653)	(14,618)	(15,630)	
Excess Net Position	-	-	-	-	-	-	-	-	-	-	-	-	
Operations Fund - Operating & Debt Service Reserves													
Target Operating Reserve	7,416	7,984	8,280	8,423	8,693	8,972	9,260	9,558	9,866	10,185	10,513	10,853	
Budgeted Operating Reserve, Beginning	6,658	7,416	7,984	8,280	8,423	8,693	8,972	9,260	9,558	9,866	10,185	10,513	
Transfer to/(from) Operating Reserve	758	568	296	142	270	279	288	298	308	318	329	340	
Budgeted Operating Reserve, Ending	7,416	7,984	8,280	8,423	8,693	8,972	9,260	9,558	9,866	10,185	10,513	10,853	
Operating reserve Target Met?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	
Target Debt Service Reserve	1,070	1,070	1,070	2,570	2,570	3,570	5,670	5,670	4,933	4,933	4,933	4,933	
Debt Service Reserve, Beginning	1,070	1,070	1,070	1,070	2,570	2,570	3,570	5,670	5,670	4,933	4,933	4,933	
Transfer to/(from) Debt Service Reserve	-	-	-	1,500	-	1,000	2,100	-	(737)	-	-	-	
Debt Service Reserve, Ending	\$1,070	\$1,070	\$1,070	\$2,570	\$2,570	\$3,570	\$5,670	\$5,670	\$4,933	\$4,933	\$4,933	\$4,933	

Schedule 2 – Wastewater Operations Fund - Major Maintenance & Capital Improvement Program Forecast

(Dollars in 000s)

	FY 2024-25 Actual	FY 2025-26 Rev. Budget	FY 2025-26 Projected	FY 2026-27 Budget	FY 2027-28 Forecast	FY 2028-29 Forecast	FY 2029-30 Forecast	FY 2030-31 Forecast	FY 2031-32 Forecast	FY 2032-33 Forecast	FY 2033-34 Forecast	FY 2034-35 Forecast	FY 2035-36 Forecast	FORECAST TOTAL
FUNDING SOURCES														
Federal & State Grants	\$337	\$5,978	\$2,591	\$2,482	\$895	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,377
Loans & Bonds	-	1,650	-	31,864	23,000	3,550	11,225	-	-	-	-	-	-	69,639
Inflation Reduction Act Credits for Bioenergy Generation Project	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers In - Sewer Capacity Charges Cost Share	437	1,625	1,187	1,328	383	-	-	-	-	-	-	-	-	1,710
Transfers In - Sewer Capacity Charges Repair & Rehab Projects	-	-	-	-	6,400	4,000	-	-	-	-	-	-	-	10,400
Use of Reserves	6,674	21,146	8,539	13,962	11,863	8,446	6,588	10,390	7,408	16,173	12,530	12,530	15,421	115,311
Total Financing Sources	7,448	30,399	12,317	49,636	42,541	15,996	17,813	10,390	7,408	16,173	12,530	12,530	15,421	200,438
MAJOR MAINTENANCE & CAPITAL IMPROVEMENT PROGRAM														
Cash Funded	(4,685)	(30,399)	(8,791)	(17,154)	(18,646)	(12,446)	(6,588)	(10,390)	(7,408)	(16,173)	(12,530)	(12,530)	(15,421)	(129,285)
Debt Funded	(1,063)	-	(801)	(30,000)	(23,000)	(3,550)	(11,225)	-	-	-	-	-	-	(67,775)
Grant Funded	(145)	-	(2,591)	(2,482)	(895)	-	-	-	-	-	-	-	-	(3,377)
Projects not in Easy CIP*	(1,554)	-	(135)	-	-	-	-	-	-	-	-	-	-	-
Total Major Maintenance & Capital Improvement Program	(7,448)	(30,399)	(12,317)	(49,636)	(42,541)	(15,996)	(17,813)	(10,390)	(7,408)	(16,173)	(12,530)	(12,530)	(15,421)	(200,438)
Operations Fund - Major Maintenance & CIP Reserve														
Major Maintenance & CIP Reserve, Beginning	29,583		27,255	20,474	9,484	1,235	1,275	3,886	1,606	5,284	2,682	3,805	5,893	
Transfer from Operations Fund to Reserve	4,346		1,759	2,973	3,614	8,486	9,199	8,110	11,086	13,570	13,653	14,618	15,630	
Use of Reserves	(6,674)		(8,539)	(13,962)	(11,863)	(8,446)	(6,588)	(10,390)	(7,408)	(16,173)	(12,530)	(12,530)	(15,421)	
Subtotal	27,255		20,474	9,484	1,235	1,275	3,886	1,606	5,284	2,682	3,805	5,893	6,102	
Sewer Capacity Charges Reserves	20,059		18,453	20,568	18,783	21,767	22,419	16,913	8,192	3,685	3,843	4,836	4,415	
Major Maintenance & CIP Reserve, Ending	\$47,314		\$38,926	\$30,053	\$20,018	\$23,042	\$26,305	\$18,520	\$13,476	\$6,367	\$7,648	\$10,729	\$10,517	
Target Major Maintenance & CIP Reserve	\$21,165		\$16,361	\$17,393	\$17,463	\$16,308	\$15,689	\$16,680	\$16,609	\$16,375	\$14,547	\$15,096	\$17,541	
Major Maint. & CIP Reserve Target Met?	Yes		Yes	Yes	Yes	Yes	Yes	Yes	No	No	No	No	No	

*The District is in the process of implementing a Capital Improvement Program collaboration tool called Easy CIP. Projects not in EasyCIP represents projects that were or will be completed before FY 2026-27 Budget year, and were therefore not added to the tool.

[illegible]

Schedule 4 – Sewer Capacity Charge Fund - Capital Improvement Program Forecast
(Dollars in 000s)

	Sewer Capacity Charge Funded %	FY 2024-25 Actual	FY 2025-26 Projected	FY 2026-27 Budget	FY 2027-28 Forecast	FY 2028-29 Forecast	FY 2029-30 Forecast	FY 2030-31 Forecast	FY 2031-32 Forecast	FY 2032-33 Forecast	FY 2033-34 Forecast	FY 2034-35 Forecast	FY 2035-36 Forecast	FORECAST TOTAL
FINANCING SOURCES														
Use of Reserves		\$596	\$4,199	\$3,228	\$9,378	\$4,095	\$1,107	\$7,507	\$10,135	\$5,689	\$919	\$120	\$2,120	\$44,297
Total Financing Sources		596	4,199	3,228	9,378	4,095	1,107	7,507	10,135	5,689	919	120	2,120	44,297
CAPITAL IMPROVEMENT PROGRAM														
Cash Funded		(159)	(698)	(1,900)	(2,595)	(95)	(1,107)	(7,507)	(10,135)	(5,689)	(919)	(120)	(2,120)	(32,187)
Debt Funded		-	-	-	-	-	-	-	-	-	-	-	-	-
Grant Funded		-	-	-	-	-	-	-	-	-	-	-	-	-
Projects not in Easy CIP*		-	(2,314)	-	-	-	-	-	-	-	-	-	-	-
Transfer to Operations Fund - CIP Cost Share		(437)	(1,187)	(1,328)	(383)	-	-	-	-	-	-	-	-	(1,710)
Transfer to Operations Fund - R&R Projects		-	-	-	(6,400)	(4,000)	-	-	-	-	-	-	-	(10,400)
Total Capital Improvement Program		(596)	(4,199)	(3,228)	(9,378)	(4,095)	(1,107)	(7,507)	(10,135)	(5,689)	(919)	(120)	(2,120)	(44,297)
Sewer Capacity Charge Reserves														
Sewer Capacity Charge Reserves, Beginning		18,143	20,059	18,453	20,568	18,783	21,767	22,419	16,913	8,192	3,685	3,843	4,836	
Transfer from Sewer Capacity Charge to Reserves		2,512	2,592	5,343	7,592	7,078	1,759	2,002	1,414	1,182	1,077	1,113	1,699	
Use of Reserves		(596)	(4,199)	(3,228)	(9,378)	(4,095)	(1,107)	(7,507)	(10,135)	(5,689)	(919)	(120)	(2,120)	
Sewer Capacity Charge Reserves, Ending		\$20,059	\$18,453	\$20,568	\$18,783	\$21,767	\$22,419	\$16,913	\$8,192	\$3,685	\$3,843	\$4,836	\$4,415	

* The District is in the process of implementing a Capital Improvement Program collaboration tool called Easy CIP. Projects not in EasyCIP represents projects that were or will be completed before FY 2026-27 Budget year, and were therefore not added to the tool.

Schedule 5 – Drainage Maintenance Fund – Operating Expense Forecast
(Dollars in 000s)

	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31	FY 2031-32	FY 2032-33	FY 2033-34	FY 2034-35	FY 2035-36	Forecast Assumption
	Actual	Projected	Budget	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	
REVENUES													
Drainage Maintenance Fees	\$1,641	\$1,609	\$1,610	\$1,611	\$1,612	\$1,613	\$1,614	\$1,615	\$1,615	\$1,616	\$1,617	\$1,618	DM
Interest Income - F4	124	86	103	106	110	113	117	120	124	127	131	135	Interest
Total Revenues	1,765	1,695	1,713	1,717	1,722	1,726	1,730	1,735	1,739	1,743	1,748	1,753	
EXPENSES													
Local Facility Maintenance	(959)	(959)	(959)	(959)	(959)	(959)	(959)	(959)	(959)	(959)	(959)	(959)	FLAT
Regional Facility Maintenance	(232)	(473)	(297)	(306)	(315)	(325)	(334)	(344)	(355)	(365)	(376)	(388)	CPI
Drainage Maintenance Administration	(20)	(17)	(17)	(18)	(18)	(19)	(19)	(20)	(20)	(21)	(22)	(22)	CPI
Total Expenses	(1,211)	(1,449)	(1,273)	(1,283)	(1,292)	(1,302)	(1,313)	(1,323)	(1,334)	(1,345)	(1,357)	(1,369)	
Net Revenue before Debt & Transfers	555	246	440	435	430	424	418	411	405	398	391	384	
DEBT SERVICE AND TRANSFERS OUT													
Transfer Out - Solano Stormwater Alliance	(138)	(220)	(324)	(280)	(280)	(280)	(280)	(280)	(280)	(280)	(280)	(280)	44% Alliance
Net Increase (Decrease) in Net Position	417	26	116	155	150	144	138	131	125	118	111	104	
TRANSFERS TO DISTRICT-HELD RESERVES													
Transfer to Desilting Reserve	(30)	(30)	(30)	(30)	(30)	(30)	(30)	(30)	(30)	(30)	(30)	(30)	
Transfer to Operations Reserve	-	-	-	-	-	-	-	-	-	-	-	-	
Transfer to Major Maintenance Reserve	(387)	4	(86)	(125)	(120)	(114)	(108)	(101)	(95)	(88)	(81)	(74)	
Excess Net Position	-	-	-	-	-	-	-	-	-	-	-	-	
Drainage Maintenance - Operating & Desilting Reserves													
Minimum Operations Reserve Requirement	136	133	127	128	129	130	131	132	133	135	136	137	
Budgeted Operating Reserve, Beginning	500	500	500	500	500	500	500	500	500	500	500	500	
Transfer to/(from) Operating Reserve	-	-	-	-	-	-	-	-	-	-	-	-	
Budgeted Operating Reserve, Ending	500	500	500	500	500	500	500	500	500	500	500	500	
Operating reserve Target Met?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	
Desilting Reserve, Beginning	486	516	546	576	606	636	666	696	726	756	786	816	
Transfer to/(from) Desilting Reserve	30	30	30	30	30	30	30	30	30	30	30	30	
Desilting Reserve, Ending	\$516	\$546	\$576	\$606	\$636	\$666	\$696	\$726	\$756	\$786	\$816	\$846	

Schedule 6 – Drainage Maintenance Fund – Major Maintenance and Capital Improvement Program Forecast (Dollars in 000s)

	Drainage Maint. Funded %	FY 2024-25 Actual	FY 2025-26 Projected	FY 2026-27 Budget	FY 2027-28 Forecast	FY 2028-29 Forecast	FY 2029-30 Forecast	FY 2030-31 Forecast	FY 2031-32 Forecast	FY 2032-33 Forecast	FY 2033-34 Forecast	FY 2034-35 Forecast	FY 2035-36 Forecast	FORECAST TOTAL
FINANCING SOURCES														
Federal / State Grants - F4		\$1,038	\$3,413	\$5,800	\$2,000	-	-	-	-	-	-	-	-	\$7,800
Use of Reserves		(0)	20	850	1,530	-	-	-	-	-	-	-	-	2,380
Total Financing Sources		1,038	3,433	6,650	3,530	-	-	-	-	-	-	-	-	10,180
MAJOR MAINTENANCE & CAPITAL IMPROVEMENT PROGRAM														
Cash Funded		-	(10)	(850)	(1,530)	-	-	-	-	-	-	-	-	(2,380)
Debt Funded		-	-	-	-	-	-	-	-	-	-	-	-	-
Grant Funded		(1,038)	(3,413)	(5,800)	(2,000)	-	-	-	-	-	-	-	-	(7,800)
Projects not in Easy CIP*		-	(10)	-	-	-	-	-	-	-	-	-	-	-
Total Expenses		(1,038)	(3,433)	(6,650)	(3,530)	-	-	-	-	-	-	-	-	(10,180)
Drainage Maintenance - Major Maintenance Reserve														
Minimum Major Maintenance Reserve Requirement		410	402	403	403	403	403	403	404	404	404	404	404	404
Drainage Maintenance Major Maint. Reserves, Beginning		2,001	2,388	2,364	1,600	195	314	428	536	637	732	820	901	
Transfer from Drainage Maintenance to Reserve		387	(4)	86	125	120	114	108	101	95	88	81	74	
Use of Reserves		0	(20)	(850)	(1,530)	-	-	-	-	-	-	-	-	
Drainage Maintenance Reserves, Ending		\$2,388	\$2,364	\$1,600	\$195	\$314	\$428	\$536	\$637	\$732	\$820	\$901	\$975	
Minimum Major Maintenance Reserve Requirement Met?		Yes	Yes	Yes	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	

*The District is in the process of implementing a Capital Improvement Program collaboration tool called Easy CIP. Projects not in EasyCIP represents projects that were or will be completed before FY 2026-27 Budget year, and were therefore not added to the tool.

Schedule 7 – Solano Stormwater Alliance - Operating Expense Forecast
(Dollars in 000s)

	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31	FY 2031-32	FY 2032-33	FY 2033-34	FY 2034-35	FY 2035-36	Forecast Assumption
	Actual	Projected	Budget	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	
REVENUES													
Revenue from Other Agencies	\$85	\$173	\$255	\$220	\$220	\$220	\$220	\$220	\$220	\$220	\$220	\$220	44% Exp
Interest Income - F5	19	16	10	10	10	10	10	10	10	10	10	10	Interest
Transfers In - from Drainage Maintenance	138	220	324	280	280	280	280	280	280	280	280	280	56% Exp
Total Revenues	241	409	589	510	510	510	510	510	510	510	510	510	
EXPENSES													
Solano Stormwater Alliance	(290)	(435)	(579)	(500)	(500)	(500)	(500)	(500)	(500)	(500)	(500)	(500)	FLAT
Total Expenses	(290)	(435)	(579)	(500)	(500)	(500)	(500)	(500)	(500)	(500)	(500)	(500)	
Net Revenue before Debt & Transfers	(49)	(27)	10	10	10	10	10	10	10	10	10	10	
DEBT SERVICE AND TRANSFERS OUT													
Not Applicable	-	-	-	-	-	-	-	-	-	-	-	-	
Net Increase (Decrease) in Net Position	(49)	(27)	10	10	10	10	10	10	10	10	10	10	
TRANSFERS TO DISTRICT-HELD RESERVES													
Transfer to Solano Stormwater Alliance Reserve	49	27	(10)	(10)	(10)	(10)	(10)	(10)	(10)	(10)	(10)	(10)	
Excess Net Position	-	-	-	-	-	-	-	-	-	-	-	-	
Solano Stormwater Alliance Reserves													
Solano Stormwater Alliance Reserve, Beginning	416	367	341	350	360	370	380	390	400	410	420	430	
Transfer to/(from) Reserve	(49)	(27)	10	10	10	10	10	10	10	10	10	10	
Solano Stormwater Alliance Reserve, Ending	\$367	\$341	\$350	\$360	\$370	\$380	\$390	\$400	\$410	\$420	\$430	\$440	

Schedule 8 – City Collection System Repair & Rehabilitation Forecast (Dollars in 000s)

	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31	FY 2031-32	FY 2032-33	FY 2033-34	FY 2034-35	FY 2035-36	Forecast Assumption
	Actual	Projected	Budget	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	
City of Fairfield Collection System R&R Reserve													
REVENUES													Interest Master Plan
Interest Income - F6	\$40	\$39	\$4	\$4	\$4	\$4	\$4	\$4	\$4	\$4	\$4	\$4	
Transfers from Sewer Service Charges - F6	1,830	1,830	1,830	1,830	1,830	1,830	1,830	1,830	1,830	1,830	1,830	1,830	
Total Revenues	1,870	1,869	1,834	1,834	1,834	1,834	1,834	1,834	1,834	1,834	1,834	1,834	
EXPENSES													City Request
Appropriation to City of Fairfield	(4,490)	(300)	(3,560)	(1,830)	(1,830)	(1,830)	(1,830)	(1,830)	(1,830)	(1,830)	(1,830)	(1,830)	
Total Expenses	(4,490)	(300)	(3,560)	(1,830)	(1,830)	(1,830)	(1,830)	(1,830)	(1,830)	(1,830)	(1,830)	(1,830)	
Net Revenue before Debt & Transfers	(2,620)	1,569	(1,726)	4	4	4	4	4	4	4	4	4	
TRANSFERS TO DISTRICT-HELD RESERVES													
Transfer to Collection System Reserve	2,620	(1,569)	1,726	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)	
Excess Net Position	-	-	-	-	-	-	-	-	-	-	-	-	
City of Fairfield - Collection System Repair & Rehabilitation Reserve													
Beginning Balance, City of Fairfield R&R Reserve	2,971	351	1,920	194	198	202	206	210	214	218	222	226	
Transfer to/(from) Reserve	(2,620)	1,569	(1,726)	4	4	4	4	4	4	4	4	4	
Ending Balance, City of Fairfield R&R Reserve	\$351	\$1,920	\$194	\$198	\$202	\$206	\$210	\$214	\$218	\$222	\$226	\$230	
City of Suisun City Collection System R&R Reserve													
REVENUES													Interest Master Plan
Interest Income - F7	\$88	\$74	\$160	\$160	\$160	\$160	\$160	\$160	\$160	\$160	\$160	\$160	
Transfers from Sewer Service Charges - F7	1,770	1,770	1,770	1,770	1,770	1,770	1,770	1,770	1,770	1,770	1,770	1,770	
Total Revenues	1,858	1,844	1,930	1,930	1,930	1,930	1,930	1,930	1,930	1,930	1,930	1,930	
EXPENSES													City Request
Appropriation to City of Suisun City	(1,270)	(365)	-	(1,270)	(1,270)	(1,270)	(1,270)	(1,270)	(1,270)	(1,270)	(1,270)	(1,270)	
Total Expenses	(1,270)	(365)	-	(1,270)	(1,270)	(1,270)	(1,270)	(1,270)	(1,270)	(1,270)	(1,270)	(1,270)	
Net Revenue before Debt & Transfers	588	1,479	1,930	660	660	660	660	660	660	660	660	660	
TRANSFERS TO DISTRICT-HELD RESERVES													
Transfer to Collection System Reserve	(588)	(1,479)	(1,930)	(660)	(660)	(660)	(660)	(660)	(660)	(660)	(660)	(660)	
Excess Net Position	-	-	-	-	-	-	-	-	-	-	-	-	
City of Suisun City - Collection System Repair & Rehabilitation Reserve													
Beginning Balance, City of Suisun City R&R Reserve	1,652	2,241	3,719	5,649	6,309	6,969	7,629	8,289	8,949	9,609	10,269	10,929	
Transfer to/(from) Reserve	588	1,479	1,930	660	660	660	660	660	660	660	660	660	
Ending Balance, City of Suisun City R&R Reserve	\$2,241	\$3,719	\$5,649	\$6,309	\$6,969	\$7,629	\$8,289	\$8,949	\$9,609	\$10,269	\$10,929	\$11,589	

Schedule 9 – Forecast Assumptions

	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31	FY 2031-32	FY 2032-33	FY 2033-34	FY 2034-35	FY 2035-36	Forecast Assumption
	Actual	Projected	Budget	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	
REVENUES													
Sewer Service Charge Rate Revenue Increase	5.0%	5.0%	10.0%	10.0%	10.0%	7.0%	5.0%	3.0%	3.0%	3.0%	3.0%	3.0%	Rate
Customer Growth	1.0%	0.7%	0.9%	1.0%	1.0%	1.0%	1.0%	0.7%	0.7%	0.6%	0.6%	0.6%	Growth
Interest Earnings Rate (at 06/30)	5.4%	3.8%	3.5%	3.5%	3.5%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	Interest
Engineering News Record Construction Cost Index	-1.5%	0.0%	0.4%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	ENR-CCI
Drainage Maintenance Fees	-3.0%	0.0%	0.0%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	DM
EXPENSES													
Consumer Price Index (CPI)	3.8%	1.3%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	CPI
Energy & Chemicals	2.0%	2.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	E&C
Engineering News Record Construction Cost Index	-1.5%	0.0%	0.4%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	ENR-CCI
DEBT SERVICE													
Debt Service Coverage Ratio (1.15 minimum)	11.48	8.96	12.41	7.40	8.56	5.44	3.84	3.89	4.63	4.78	4.99	5.31	
EQUIVALENT DWELLING UNITS (EDU)													
New Residential Units - Fairfield	217	186	540	893	821	193	200	150	150	150	150	200	
New Residential Units - Suisun City	34	31	15	15	15	15	15	15	15	15	15	15	
Total New Residential Units	251	218	555	908	836	208	215	165	165	165	165	215	City Projection
New Commerical EDUs	5	1	107	12	6	6	20	20	20	20	20	20	City Projection
Total EDUs in District (year-end)	47,496	47,715	48,377	49,297	50,139	50,353	50,588	50,773	50,958	51,143	51,328	51,563	
SEWER SERVICE CHARGE													
Residential (per month)	\$49.63	\$51.62	\$54.91	\$60.40	\$66.44	\$71.09	\$74.64	\$76.88	\$79.19	\$81.57	\$84.02	\$86.54	Rate
Commercial - Regular Strength (per HCF)	\$3.97	\$4.13	\$4.56	\$5.02	\$5.52	\$5.91	\$6.21	\$6.40	\$6.59	\$6.79	\$6.99	\$7.20	Rate
Commercial - High Strength (per HCF)	\$6.87	\$7.14	\$7.81	\$8.59	\$9.45	\$10.11	\$10.62	\$10.94	\$11.27	\$11.61	\$11.96	\$12.32	Rate
Case-by-Case	Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable	
Travis Air Force Base (volumetric)	\$3.20	\$3.33	\$3.67	\$4.04	\$4.44	\$4.75	\$4.99	\$5.14	\$5.29	\$5.45	\$5.61	\$5.78	Rate
SEWER CAPACITY CHARGE													
Sewer Capacity Charge per EDU	\$7,056	\$7,056	\$8,030	\$8,271	\$8,519	\$8,775	\$9,038	\$9,309	\$9,588	\$9,876	\$10,172	\$10,477	ENR-CCI

LONG-TERM FINANCIAL PLAN & RESERVES ANALYSIS

The Long-Term Financial Plan projects revenues and expenses for District funds. Each schedule presents the FY 2024-25 Actual, FY 2025-26 Projected Actual, FY 2026-27 Budget, and forecasted revenues and expenses through FY 2035-36. The bottom section of each schedule contains applicable reserve targets and balances.

Staff spends significant time developing forecast assumptions for the budget year. In the out years of the forecast, staff bases assumptions on historical averages and readily available present-day information to provide the most accurate depiction of future financial conditions, without over-speculating on economic conditions.

Specific assumptions and challenges of each forecast are noted below.

Schedule 1 – Wastewater Operations Fund - Operating Expense Forecast

- The Operations Fund pays for all treatment plant and sewer system operating expenses, including collection, treatment, maintenance, major repairs, upgrades to facilities and eventual replacement, billing, regulatory activities, and administration. It primarily receives revenue from Sewer Service Charges and related interest income. The Operations Fund receives no property tax revenues.
- The target Operating Reserve is 25 percent, or three months, of Total Operating Expenses, and is intended to fund operational expenses in case of emergencies.
- Net revenue (revenues less expenses) is allocated to debt service payments and the operating reserve target before funding the Fairfield and Suisun City Collection System Reserves. Remaining funds are transferred to the Major Maintenance and CIP Reserve.
- Contributions to the Fairfield and Suisun City Collection System Reserves were determined by the results of the Collection System Asset Management Plan and subsequent Seventh Amendment to the 1965 Agreement, adopted by the Board on April 25, 2022.
- The forecast assumes the next proposed five year Cost of Service and Rate Study will include Sewer Service Charge increases of 10 percent for FY 2026-27, FY 2027-28 and FY 2028-29, 7 percent in FY 2029-30 and 5 percent in FY 2030-31. This is primarily to bring the Major Maintenance and CIP reserve back to the Financial Reserve Policy's target level as presented in Schedule 2.

Schedule 2 – Wastewater Operations Fund - Major Maintenance & Capital Improvement Program Forecast

- Total Major Maintenance and CIP needs in the forecast total \$200.4 million through FY 2035-36. This requires \$115.3 million in Operations Fund Major Maintenance & CIP reserves, as well as a mix of Federal and State Grants, Bonds and Loans, and transfers in from Sewer Capacity Charges.

- The District's long-term financial planning for Major Maintenance and CIP expenses helps assist the District with the strategy to fund projects with cash ("pay as you go") instead of debt as much as possible. However, due to the cost of the Suisun Force Main Reliability project, Electrical Replacement Project Phase III, and Electrical Replacement Project 12kV Distribution, and their criticality to the operation of the collection system and wastewater treatment plant, the District plans to secure external funding for these projects. The District will look to low-interest options first, including Clean Water State Revolving Fund or Federal Water Infrastructure Financing and Innovation Act loans.
- Accumulating a sufficient Major Maintenance and CIP Reserve is critical for funding major repairs of the treatment plant facilities, upgrades to infrastructure to meet regulatory requirements, the eventual treatment plant replacement, and emergency response.
- Due to increases in operating expenses, which decreases net revenue available for Major Maintenance and CIP reserves, the District was forecasting to drop below the target Major Maintenance and CIP reserve between FY 2026-27 and FY 2028-29. However, due to the adopted 2025 Rate Study, the forecasted revenue is projected to keep the District within the target reserve level through FY 2030-31.
- Major Maintenance and Sewer Capacity Charge project expenses are estimates that are re-evaluated each budget cycle. Because the projects are multi-year, significant planning is required to estimate timing of necessary financial resources. Due to variables with identifying individual projects, the outyears of the forecast partially rely on historical averages.

Schedule 3 – Sewer Capacity Charge Fund - Operating Expense Forecast

- Sewer Capacity Charge Funds receive revenues from Sewer Capacity Charges and related interest income and pay for development related programs, debt service, and CIP or repair and rehabilitation projects.
- Sewer Capacity Charge revenues are based on growth forecasts for Fairfield and Suisun City. The cities are projecting approximately 662 new residential and commercial connections to the sewer system in FY 2026-27.
- After Sewer Capacity Charge programs and debt service expenses are paid, the remaining net revenue is transferred to Sewer Capacity Charge reserves.

Schedule 4 – Sewer Capacity Charge Fund - Capital Improvement Program Forecast

- Total Sewer Capacity Charge CIP needs in the forecast are \$44.3 million through FY 2035-36. The largest projects funded 100 percent from Sewer Capacity Charges are \$9.0 million for Cordelia Pump Station Expansion and \$7.8 million for Peabody/Walters Relief Sewer Phase 2.
- The 2025 Rate Study reaffirmed the methodology used in the 2022 Rate Study to calculate Sewer Capacity Charges. As a result, beginning on July 1, 2022, Capacity

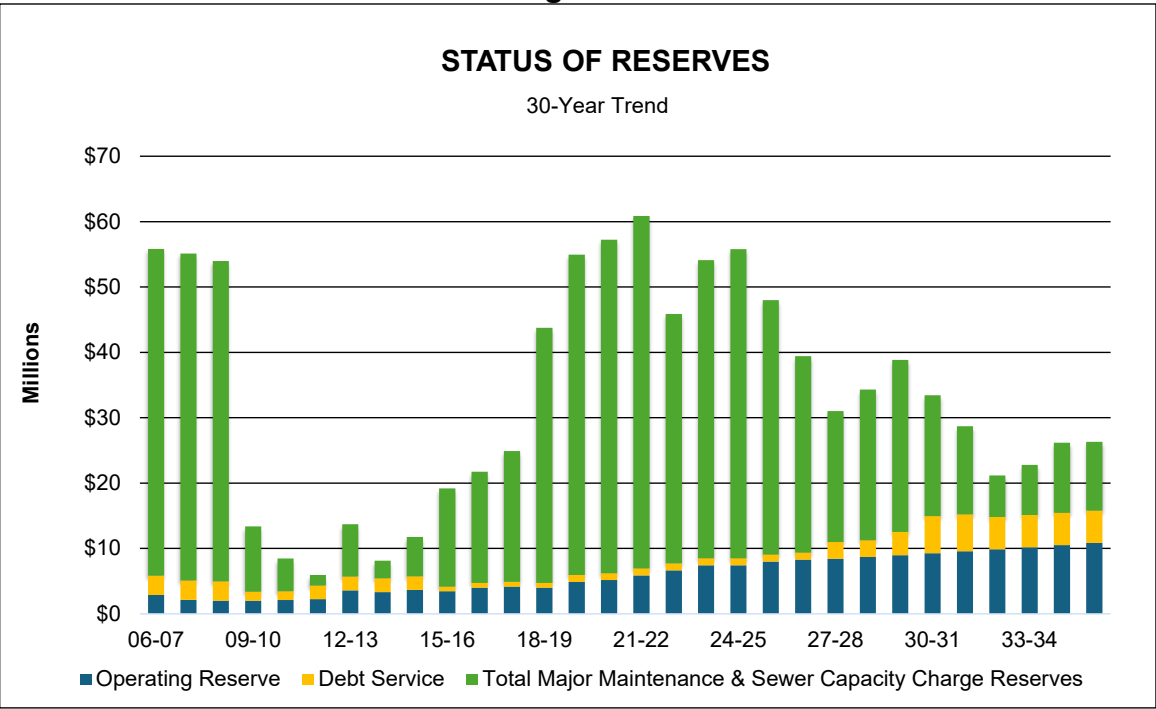
Charge revenue can be used to fund repair and rehabilitation projects identified in the Major Maintenance and CIP Budget.

- The forecast includes transfers to the Operations Fund for CIP cost share and repair and rehabilitation projects totaling \$1.7 million and \$10.4 million, respectively.

Schedules 1 through 4 - Overall Status of Major Maintenance & CIP Reserves

- Figure 9 shows the “life cycle” of the Sewer Capacity Charge and Major Maintenance Reserves. Significant balances are periodically built up, then subsequently drawn down to pay for sewer and treatment plant expansion projects.
- The Major Maintenance and CIP reserve allows funding for future replacement and rehabilitation projects that have not yet been specifically scoped and planned.
- The District’s reserve policy sets the Major Maintenance and CIP reserve target as the five-year rolling average of estimated Major Maintenance and CIP expenditures, less external funding sources. The reserve target ties the necessary reserves to estimated expenditures to help mitigate rate impacts. For purposes of calculating the target reserve, the total Capacity and Major Maintenance reserves are combined, and the target is the five-year rolling average of both Operations funded and Sewer Capacity Charge funded Major Maintenance and CIP project expenses.
- The current reserve forecast is heavily dependent on the projected growth rate for residential and commercial additions in each city. Figure 9 shows the forecasted reserves at the end of FY 2035-36 based on the current growth forecast. Reserves are thoroughly reviewed each year as changes in the anticipated and actual growth rate can have significant impacts to planned spending for Major Maintenance & CIP projects.

Figure 9



Schedule 5 – Drainage Maintenance Fund – Operating Expense Forecast

- Drainage Maintenance rates remain unchanged. The forecast accounts for 0.1 percent growth over the next 10 years in Drainage Maintenance fees received to account for new parcels in each city's boundary.
- The District's Financial Reserve Policy sets a Minimum Operating Reserve of 10 percent of Drainage Maintenance Fees as well as transferring \$30,000 per year into a Desilting Reserve for the City of Suisun City. Any remaining net revenue is transferred to the Drainage Maintenance Fund's Major Maintenance reserve.

Schedule 6 – Drainage Maintenance Fund – Major Maintenance and Capital Improvement Program Forecast

- Total Drainage Maintenance Fund Major Maintenance and CIP needs in the forecast are \$10.2 million through FY 2035-36. The largest project is the Kellogg Resiliency Project, which is funded by the State.
- In the spring of 2024, District and City staff agreed that the District would fund a Storm Drain Master Plan from District Major Maintenance reserves. The Storm Drain Master Plan will identify storm drain assets in the service area and provide an itemized list of critical assets to repair and replace. Significant Major Maintenance projects are not included in the out years of the forecast but will be included once identified by the Master Plan.
- The ending Major Maintenance Reserve for Drainage Maintenance is \$1.0 million by FY 2035-36. However, this does not factor any significant Major Maintenance projects beyond FY 2028-29. \$1.0 million will not be sufficient to fund projects that will be identified in the Storm Drain Master Plan, which are anticipated to cost in the tens of millions. Once a project list is identified, District and City staff will need to create a plan to increase Drainage Maintenance reserves or seek alternative funding sources.

Schedule 7 – Solano Stormwater Alliance - Operating Expense Forecast

- The Solano Stormwater Alliance (Alliance) is funded by the cities of Fairfield, Suisun City, and Vallejo, as well as the Vallejo Flood and Wastewater District (VFWD). Each agency pays into the Alliance based on their relative population. The Cities of Fairfield and Suisun City pay 44 percent of Alliance expenses, which are transferred from District-held Drainage Maintenance funds. The City of Vallejo and VFWD pay 56 percent of Alliance expenses, which is shown in the forecast as "Revenue from Other Agencies."
- Alliance operating expenses are forecasted flat due to the unknowns associated with the fourth reissuance of the Municipal Regional Stormwater Permit requirements when the current permit expires on June 30, 2027.

Schedule 8 – City Collection System Repair & Rehabilitation Forecast

- The District holds a Collection System Repair & Rehabilitation (R&R) reserve for each City in accordance with the Seventh Amendment to the 1965 Agreement. Each July 1, the District funds Collection System Reserves for the cities through transfers of \$1.83 million to the City of Fairfield Collection System Reserve and \$1.77 million to the City of Suisun City Collection System Reserve.
- By August 1, the District will appropriate budgeted amounts requested by the cities into each City's collection system enterprise fund. Unused reserves will be held by the District and accrue interest until "trued up" for the next fiscal year.
- For FY 2026-27, the cities of Fairfield and Suisun City have requested appropriations of \$3.6 million and \$0 respectively.



Fairfield-Suisun Sewer District

DEPARTMENTAL INFORMATION

POSITION SUMMARY

	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	Change from Prior Year
Operations & Maintenance						
Director of Operations & Maintenance	0	0	1	1	1	0
Maintenance Manager	1	1	1	1	1	0
Maintenance Supervisor	2	2	2	2	2	0
Operations Manager	1	1	1	1	1	0
Operations Supervisor	2	2	2	2	2	0
Procurement Specialist	1	1	1	1	1	0
Maintenance Mechanic (I, II, Senior)	9	7	8	8	9	1
Maintenance Mechanic - CCTV (I, II, Senior)	4	4	4	4	4	0
E&I Technician (I, II, Senior)	5	5	5	5	5	0
Utility Worker	1	1	2	2	2	0
Wastewater Plant Operator (Operator, Lead, Senior)	16	17	17	17	17	0
	42	41	44	44	45	1
Department of Administrative Services						
General Manager/District Engineer	1	1	1	1	1	0
Director of Administrative Services	1	1	1	1	1	0
IT Manager	1	1	1	1	1	0
HR Manager	1	1	1	1	1	0
Accountant/Senior Accountant	1	1	1	1	1	0
Administrative Specialist	1	1	1	1	1	0
Finance Technician	1	1	1	1	1	0
HR Technician	1	1	1	1	1	0
Management Analyst	0	0	1	1	1	0
	8	8	9	9	9	0
Department of Environmental Services						
Director of Environmental Services	1	1	1	1	1	0
Regulatory & Compliance Manager	1	1	1	1	1	0
Senior Engineer	1	0	0	1	1	0
Laboratory Manager	1	1	1	1	1	0
Lab Analyst	2	3	3	3	3	0
Engineering Technician	0	0	1	1	1	0
	6	6	7	8	8	0
Engineering						
Assistant General Manager / District Engineer	1	1	0	0	0	0
Engineering Manager	1	1	1	1	1	0
Engineers (Junior, Assistant, Associate, Senior)	4	5	6	5	5	0
Engineering Technician/Inspector (Senior)	3	3	3	3	2	-1
GIS Coordinator	1	1	1	1	1	0
	10	11	11	10	9	-1
Total Full Time Equivalents	66	66	71	71	71	0

AUTHORIZED POSITION CHANGES

The FY 2026–27 staffing changes include the reallocation of one Engineering Technician/Inspector position from the Engineering Department to a Maintenance Mechanic position within the Operations & Maintenance Department. This adjustment results in an increase of approximately \$0.2 million in expenses for the Operations & Maintenance Department. The addition of the Maintenance Mechanic position is a placeholder for a future position related to the SCADA system and Programmable Logic Controller expertise. When the job classification is finalized, the Maintenance Mechanic will be reclassified to a new title. The total number of full-time equivalent (FTE) positions will remain unchanged at 71.

OPERATIONS & MAINTENANCE

The Operations & Maintenance Department ensures the District meets full regulatory compliance and has an optimized wastewater collection, treatment, and disposal process.

- **Operations** - Responsible for inspecting, troubleshooting, and operating the District's wastewater pump stations and treatment plant, including biological nutrient removal, anaerobic digestion, and ultraviolet disinfection processes.
- **Maintenance** - Responsible for installation, inspection, repair, replacement, and maintenance of the District's wastewater collection, treatment, and disposal facilities. Maintenance consists of teams of Mechanics, Electrical and Instrumentation Technicians, and plant landscape maintenance, as well as a crew handling CCTV sewer inspection.
- **Local Sewer Collection** represents payments which are made to the Cities of Fairfield and Suisun City for operations and maintenance of sewers 10" and less based on the 1965 Agreement between the District and Cities.
- **City Sewer Line Maintenance** represents time spent by the District's CCTV team to inspect City of Suisun City sewer lines. In 2022, the City of Fairfield took over responsibility for inspecting their own sewer lines.

DEPARTMENT OF ADMINISTRATIVE SERVICES

The Department of Administrative Services consists of:

- **Finance** - Responsible for the full scope of financial activities, including accounts payable, accounts receivable, contracting, production of the Annual Comprehensive Financial Report, Budget & Long-Term Forecast, and other required financial reports.
- **Human Resources** - Responsible for classification and compensation, recruitment, benefits administration, payroll, risk management, and employee relations.
- **Information Technology** - Responsible for all systems, hardware/software assets, cybersecurity initiatives, and management of an outsourced IT vendor.
- **Office Support** - Responsible for customer services, the records management program, communications with the Board, and agenda preparation.

DEPARTMENT OF ENVIRONMENTAL SERVICES

The Department of Environmental Services consists of:

- **Regulatory Programs** - The District is highly regulated by numerous state and federal agencies, and regulatory compliance is an essential component of the District's operations. Air quality is regulated by the Bay Area Air Quality Management District and the California Air Resources Board. Quality of both wastewater and stormwater is regulated by the Regional Water Quality Control Board, and biosolids are regulated by the U.S. Environmental Protection Agency. Production of recycled water is regulated by the State Water Resources Control Board. Because the District discharges into the environmentally sensitive Suisun Marsh, District discharges must meet extremely stringent water quality requirements. The District's diligent industrial pretreatment and pollution-prevention practices help to fulfill those obligations.
- **Laboratory** - The District's lab is accredited by the State of California and responsible for all effluent sampling and compliance with federal, state, and local regulations. Laboratory staff must follow detailed testing and reporting requirements to ensure compliance.

- **Safety** - Responsible for administration, planning, and training related to health and safety laws, rules, and regulations, as well as maintaining and encouraging the District's culture of safety.
- **Community Outreach** - Responsible for implementation and administration of programs to connect the District with the community, including school tours, publication materials, advertising, and community events including Earth Day and Coast and Creek Cleanup Day.

ENGINEERING

The Engineering Department is responsible for management and implementation of the Capital Improvement Program including project feasibility studies, pre-design, design, and construction management, technical review and inspection of community development encroachments and construction inspections. In addition, Engineering oversees long-term infrastructure plans, including the Collection System Asset Master Plan, and Treatment Plant Master Plan. Engineering also provides technical support to staff including mapping, infrastructure research, and data collection, as well as partners with Operations and Maintenance on initiatives and projects.

OTHER PROGRAMS

District staff are generally budgeted under the Operations Fund, and allocate their time via timesheet to other programs:

Sewer Capacity Charge Funded Programs

- **Capacity Charge Projects** includes Engineering staff time spent managing Sewer Capacity Charge funded projects.
- **New Development Review/Inspection** includes staff time to review and inspect new development throughout the service area.

Drainage Maintenance Funded Programs

- **Local Facility Maintenance** represents payments made to the cities of Fairfield and Suisun City for maintenance of local stormwater facilities, as required per the Drainage Maintenance Agreement between the District and cities of Fairfield and Suisun City.
- **Regional Facility Maintenance** includes staff time spent operating and maintaining stormwater pump stations.
- **Administration** primarily includes Finance staff time spent billing Drainage Maintenance Fees on the Solano County Property Tax roll, as well as billing fees charged by Solano County.

Solano Stormwater Alliance

Beginning in FY 2022-23, the Solano Stormwater Alliance (Alliance) was established by Memorandum of Agreement between VFWD and the Cities of Fairfield, Suisun City, and Vallejo to coordinate compliance with the Regional Water Quality Control Board's Municipal Regional Stormwater Permit (MRP). This replaced the previous District-coordinated Urban Management Runoff Program.

The Alliance represents effective and efficient collaboration between the District, VFWD, and the cities of Fairfield, Suisun City, and Vallejo to manage required regulatory stormwater programs while providing other mutual benefits including monitoring, public education, and

staff training. The District serves as the Alliance Fiscal Agent and Manager, responsible for administrative and technical coordination consistent with the MRP requirements.



Fairfield-Suisun Sewer District

POLICIES

The District has established financial policies, principles, and practices that help the District meet long-term financial goals.

Below is a summary of financial policies formally adopted by the District:

- Employee Travel and Business Expenses (2125) – This policy provides guidelines to staff regarding business travel procedures, including reimbursement of eligible expenses while attending conferences, seminars, meetings or trainings.
- Investment Policy (2130) – This policy provides guidelines to the officers of the District charged with the responsibility for the deposit of District funds, and for investment of surplus monies not required for immediate necessities of the District.
- Purchasing Policy (2135) – This policy provides guidelines to staff of the District regarding procurement and contracting. Specifically, Resolution 2008-20 designated the General Manager as the District's Purchasing Agent and specified authorities and duties for the General Manager. Purchasing Policy 2135 is an internal policy detailing how the General Manager delegates their authority to staff for specified procurement transactions.
- Capitalization Policy (2145) – This policy provides guidelines to staff regarding the capitalization of assets for financial reporting under Governmental Accounts Standards Board accounting standards, including thresholds for capitalization and definition of eligible costs.
- Financial Reserves Policy (2150) – This policy established, reaffirmed, or consolidated reserve targets for the Wastewater Operations Fund, Sewer Capacity Charge Funds, Drainage Maintenance Fund, and City Collection System Rehabilitation and Replacement Reserves.
- Debt Management Policy (2155) – This policy was established when staff reviewed financing options for significant and multigenerational projects and as a requirement from Senate Bill No. 1029, a Debt Management Policy must be in place prior to the issuance of debt to comply with State Law.
- Board Health Reimbursement (4050) – This policy provides guidelines to members of the District's Board of Directors on eligibility for the District's Board Health Reimbursement Plan, including reimbursable expenses. The policy also includes administrative processes for District staff including due dates for reimbursements and escalation of the Plan cap.
- Director Travel and Expenses (4090) – This policy provides guidelines to members of the District's Board of Directors regarding reimbursement of eligible expenses and compensation while attending regular meetings of the California Associate of Sanitation Agencies (CASA).

DEBT SERVICE

The District currently has two outstanding Clean Water State Revolving Fund (SRF) Loans. Per SRF requirements, the District maintains a Debt Reserve equal to one full year of debt service payments and ensures a Debt Service Coverage Ratio above 1.15.

Ultraviolet Disinfection Project

On January 20, 2010, the District entered into a loan agreement with the California State Water Resources Control Board (SWRCB) under the SRF loan program for the financing of the Ultraviolet Disinfection Project. The District was approved for a loan amount of up to \$11,100,000, with an interest rate at 2.9 percent, payable over 20 years. Principal and interest payments are due semi-annually on May 1 and November 1. Payment on this loan started in May 2012.

Future debt service payments on the SRF loan related to the Ultraviolet Disinfection Project through the end of FY 2025-26 through maturity are as follows in Figure 10:

Figure 10

Year Ending June 30	Principal	Interest	Total
2026	\$ 624,601	\$ 112,437	\$ 737,038
2027	642,846	94,192	737,038
2028	661,623	75,415	737,038
2029	680,949	56,089	737,038
2030	700,840	36,198	737,038
2031	721,312	15,726	737,038
	<u>\$ 2,610,019</u>	<u>\$ 338,133</u>	<u>\$ 2,948,152</u>

Blower Replacement Project

On February 12, 2018, the District entered into a loan agreement with the California State Water Resources Control Board (SWRCB) under the SRF loan program for the financing of the Blower Replacement Project. The District was approved for the total project cost of \$11,608,547; however, only utilized \$9,541,456. Out of the total loan amount, \$4,000,000 was declared a grant under the Environmental Protection Agency's Green Project Reserve program and was eligible for loan forgiveness. The principal amount due for repayment to the SWRCB under this agreement is \$4,839,992, with an interest rate of 1.8 percent payable over 20 years. Payment on this loan started October 2020.

Future debt service payments on the SRF loan related to the Blower Project through the end of FY 2025-26 to maturity are as follows in Figure 11:

Figure 11

Year Ending June 30	Principal	Interest	Total
2026	\$ 254,831	\$ 78,188	\$ 333,019
2027	259,418	73,601	333,019
2028	264,087	68,931	333,019
2029-33	1,393,474	271,619	1,665,093
2034-38	1,523,483	141,609	1,665,092
2039-40	648,475	17,561	666,036
	<u>\$ 4,343,767</u>	<u>\$ 651,509</u>	<u>\$ 4,995,277</u>



Photo taken during school field trip at Fairfield-Suisun Sewer District.

PERFORMANCE DATA AND STATISTICAL INFORMATION

Key operating metrics for the District are included for review in the monthly Executive Committee meeting, which consists of four members from the Board of Directors:

Operating Metrics Summary	2023	2024	2025
Average plant flow (million gallons per day)	16.57	14.96	13.88
Completed work orders	13,445	13,712	13,227
Corrective work orders	7%	7%	8%
Preventative work orders	93%	93%	92%
Renewable energy produced (kwh)*	1,359,579	1,352,158	1,016,389
Sewer lines inspected by CCTV (miles)	25.8	21.7	17.28
City of Fairfield lines**	0	0	0
City of Suisun City lines	2.2	9.8	7.3
FSSD lines	23.6	11.8	10.0
Permit excursions & sewer system overflows (Cat 1-3)	0	0	0

*Interruptions to cogen/wind caused atypical production beginning in 2023.

**Effective July 1, 2022, one CCTV truck and responsibility for Fairfield's sewer inspections were turned over to the City of Fairfield as part of the 7th Amendment to the 1965 Agreement.

Several comparable agencies in the Bay area provide wastewater treatment and conveyance. Although there are similar statistics, each agency has a different organizational structure. For example, Fairfield-Suisun Sewer District (FSSD) serves the cities of Fairfield and Suisun City. FSSD Sewer Service Charges consider the operation and maintenance costs for approximately 327 miles of City-owned and maintained sewers. FSSD collects all the revenue and pays the City monthly for their operation and maintenance of local sewers. Similarly, Delta Diablo's "miles of sewer" total does not include 430 miles of city-owned, operated, and maintained collection systems for their service area.

Statistics & Agency Comparisons	Fairfield-Suisun Sewer District	Delta Diablo	Napa Sanitation	Vallejo Flood & Wastewater District
Population	149,756	216,904	77,000	121,558
Full-time employees	71	75	55	89
Area served (square miles)	45	54	20	36
Number of treatment plants	1	1	1	1
Number of pump stations	14	5	4	30
Permitted dry weather capacity (MGD)	23.70	19.50	15.40	15.50
Average dry weather flow (MGD)	11.38	13.50	8.80	8.86
Miles of sewer	86	73.5	270	407

Sources:

Annual Comprehensive Financial Reports

VFWD Average dry weather flows provided by their staff

Major Maintenance and Capital Improvement Program

Figure 8 contains some of the most significant Major Maintenance and CIP projects in the FY 2026-27. For a more extensive forecast, please see Schedule 10.

FIGURE 8

Project Name	FY 2026-27 Budget	Sewer Service Funded %	Capacity Charge Funded %	Other Funding
Suisun Force Main Rehabilitation	31,864	-	-	Debt
Electrical Replacement Project - Phase II	4,811	75%	25%	-
Kellogg Resiliency	4,800	-	-	State Grant
A/B Train Aeration Basin - Phase 1	4,669	100%	-	-
Lopes Rd. Lift Station Improvements	1,500	-	100%	-
Drainage Maintenance Master Plan	550	-	-	DM
Cathodic Protection Rehab	500	100%	-	-
Treatment Plant Line Spot Repairs	450	100%	-	-
Secondary Clarifier Floor Grout	450	100%	-	-
Collection System Master Plan	400	100%	-	-

(In Thousands)



Fairfield-Suisun Sewer District

PROJECTS BY FUNDING SOURCE

Funding Source/Project Name	Prior	Est. Actual	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31	FY 2031-32	FY 2032-33	FY 2033-34	FY 2034-35	FY 2035-36	Project Total														
Sewer Service Charges																											
12kV Building/ Suisun VFD Room HVAC Installation	\$	-	\$	-	\$	-	\$	180,000	\$	-	\$	-	\$	180,000													
2027 Collection System Rehabilitation	\$	-	\$	-	\$	-	\$	250,000	\$	1,750,000	\$	-	\$	2,000,000													
2028 Collection System Rehabilitation	\$	-	\$	-	\$	-	\$	150,000	\$	850,000	\$	-	\$	1,000,000													
Aerated Grit Chamber Area Replacements	\$	-	\$	-	\$	-	\$	58,000	\$	730,000	\$	-	\$	788,000													
Balancing Ponds Hydraulic Gate Reconfiguration and Drain Facility	\$	-	\$	-	\$	-	\$	-	\$	100,000	\$	-	\$	979,000													
Bioenergy Generation Project	\$	225,740	\$	4,093,072	\$	-	\$	-	\$	-	\$	-	\$	-													
Cathodic Protection Rehabilitation	\$	29,660	\$	2,646	\$	500,000	\$	50,000	\$	150,000	\$	60,000	\$	162,000	\$	70,000	\$	190,000	\$	80,000	\$	1,508,000					
Central Pump Station Bar Screen Slide Gate Replacements	\$	-	\$	-	\$	50,000	\$	225,000	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	275,000					
Coatings & Linings	\$	-	\$	-	\$	-	\$	-	\$	50,000	\$	500,000	\$	-	\$	-	\$	-	\$	-	\$	800,000					
Collection System Rehabilitation Projects	\$	-	\$	-	\$	-	\$	-	\$	-	\$	1,000,000	\$	1,000,000	\$	1,000,000	\$	1,000,000	\$	1,000,000	\$	6,000,000					
Cordelia Force Main Valves and Actuators Replacements	\$	-	\$	-	\$	-	\$	400,000	\$	2,000,000	\$	-	\$	-	\$	-	\$	-	\$	-	\$	2,400,000					
Electrical Replacement Project - Phase II	\$	1,331,231	\$	654,287	\$	4,811,000	\$	1,530,000	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	6,341,000					
Energy Recovery Building - Water Systems Replacements	\$	-	\$	-	\$	-	\$	-	\$	75,000	\$	200,000	\$	-	\$	-	\$	-	\$	-	\$	275,000					
EQ Lagoons and Pond Embankment Rodent Mitigation	\$	-	\$	-	\$	-	\$	-	\$	50,000	\$	150,000	\$	-	\$	-	\$	-	\$	-	\$	200,000					
Equalization Commminutor Replacement	\$	-	\$	-	\$	-	\$	55,000	\$	418,000	\$	-	\$	-	\$	-	\$	-	\$	-	\$	473,000					
Fall Protection Improvements	\$	4,016	\$	3,792	\$	150,000	\$	750,000	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	900,000					
Ferrous Storage Improvements	\$	-	\$	-	\$	-	\$	-	\$	206,000	\$	424,000	\$	-	\$	-	\$	-	\$	-	\$	630,000					
FM200 Systems Improvements and Replacements	\$	-	\$	-	\$	250,000	\$	100,000	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	350,000					
GIS Strategy and Upgrade	\$	-	\$	40,000	\$	150,000	\$	-	\$	50,000	\$	-	\$	-	\$	-	\$	50,000	\$	-	\$	300,000					
Grey Goose Turnout Modification	\$	-	\$	-	\$	50,000	\$	100,000	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	150,000					
Headworks Valves Replacements	\$	-	\$	-	\$	-	\$	31,000	\$	825,000	\$	-	\$	-	\$	-	\$	-	\$	-	\$	856,000					
Inlet Pump Station - Influent Gate - Concrete Repair	\$	-	\$	-	\$	50,000	\$	225,000	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	275,000					
Landscape Restoration and Maintenance	\$	50,604	\$	74,294	\$	50,000	\$	50,000	\$	50,000	\$	50,000	\$	50,000	\$	50,000	\$	50,000	\$	50,000	\$	500,000					
LED Retrofit - Phase II (street lighting)	\$	-	\$	-	\$	-	\$	-	\$	437,000	\$	338,000	\$	-	\$	-	\$	-	\$	-	\$	775,000					
LED Retrofit - Phase III (pump stations)	\$	-	\$	-	\$	62,000	\$	-	\$	437,000	\$	328,000	\$	-	\$	-	\$	-	\$	-	\$	827,000					
Major Maintenance - Treatment and Conveyance	\$	1,411,000	\$	2,095,009	\$	2,999,210	\$	2,010,902	\$	1,158,100	\$	1,371,800	\$	1,100,100	\$	934,900	\$	1,748,700	\$	937,000	\$	903,900	\$	971,301	\$	14,135,913	
Major Maintenance - Vehicles and Equipment	\$	180,085	\$	560,001	\$	1,270,000	\$	292,000	\$	285,000	\$	130,000	\$	230,000	\$	130,000	\$	130,000	\$	130,000	\$	380,000	\$	-	\$	3,107,000	
Major Maintenance Plant Rehab and Replacement 2030	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	464,000	\$	478,000	\$	-	\$	-	\$	-	\$	-	\$	942,000	
Major Maintenance Plant Rehab and Replacement 2031	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	1,097,000	\$	1,500,000	\$	-	\$	-	\$	-	\$	2,597,000	
Major Maintenance Plant Rehab and Replacement 2033	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	380,000	\$	913,000	\$	-	\$	-	\$	1,293,000	
Major Maintenance Plant Rehab and Replacement 2034	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	3,300,000	\$	4,374,000	\$	-	\$	7,674,000	
Major Maintenance Pump Stations Rehab and Replacement 2030	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	200,000	\$	500,000	\$	-	\$	-	\$	-	\$	-	\$	700,000	
Major Maintenance Pump Stations Rehab and Replacement 2031	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	200,000	\$	800,000	\$	-	\$	-	\$	-	\$	1,000,000	
Major Maintenance Pump Stations Rehab and Replacement 2032	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	600,000	\$	3,000,000	\$	-	\$	-	\$	3,600,000	
Major Maintenance Pump Stations Rehab and Replacement 2033	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	500,000	\$	3,000,000	\$	-	\$	3,500,000	
Major Maintenance Pump Stations Rehab and Replacement 2034	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	1,000,000	\$	5,000,000	\$	-	\$	6,000,000	
Manway Replacements	\$	-	\$	-	\$	25,000	\$	100,000	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	125,000	
Master Architectural Project 2030	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	240,000	\$	960,000	\$	-	\$	-	\$	-	\$	-	\$	1,200,000	
Master Plan Sewer Service Projects	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	6,113,000	\$	1,586,000	\$	-	\$	7,699,000	
Nitrogen Removal - Phase 1	\$	908,238	\$	-	\$	4,669,372	\$	7,000,000	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	11,669,372	
Nitrogen Removal - Phase 2A	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	869,000	\$	6,537,000	\$	-	\$	-	\$	-	\$	7,406,000	
Nitrogen Removal - Phase 2B	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	307,000	\$	3,166,000	\$	-	\$	3,473,000	
Pavement Rehabilitation	\$	222,797	\$	19,058	\$	-	\$	-	\$	-	\$	300,000	\$	-	\$	-	\$	300,000	\$	-	\$	-	\$	300,000	\$	-	900,000
Plant and Remote Sites Doors Replacement	\$	-	\$	-	\$	80,000	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	80,000	
Plant Drainage Swale Regrading and Rehab	\$	-	\$	-	\$	100,000	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	100,000	
Primary Clarifier Improvements	\$	-	\$	-	\$	-	\$	75,000	\$	225,000	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	300,000	
Primary Clarifiers Launderers Replacements	\$	-	\$	-	\$	-	\$	75,000	\$	400,000	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	475,000	
Priority Pump Station Structural Repairs	\$	-	\$	-	\$	-	\$	-	\$	-	\$	265,000	\$	601,000	\$	-	\$	-	\$	-	\$	-	\$	-	\$	866,000	
Programmatic Projects	\$	-	\$	-	\$	-	\$	100,000	\$	100,000	\$	100,000	\$	100,000	\$	100,000	\$	100,000	\$	100,000	\$	100,000	\$	100,000	\$	900,000	
Pump Station Wet Wells Condition Assessments	\$	-	\$	-	\$	-	\$	-	\$	109,000	\$	535,000	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	644,000	
Pump Stations Condition Assessment and Strategy/ Master Plan	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	232,000	\$	284,000	\$	-	\$	-	\$	-	\$	-	\$	516,000	
Recycled Water Distribution Improvements	\$	-	\$	-	\$	25,000	\$	75,000	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	100,000	
Recycled Water Master Plan	\$	-	\$	-	\$	-	\$	212,000	\$	219,000	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	431,000	

Funding Source/Project Name	Prior	Est. Actual	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31	FY 2031-32	FY 2032-33	FY 2033-34	FY 2034-35	FY 2035-36	Project Total
Roof Rehabilitation	\$ 4,944	\$ 1,156,543	\$ -	\$ -	\$ -	\$ 90,000	\$ 219,000	\$ 185,000	\$ 738,000	\$ -	\$ -	\$ -	\$ 1,232,000
Secondary Clarifier Floor Grout	\$ -	\$ -	\$ 450,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 450,000
Structural Rehab Project	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 200,000	\$ 300,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 500,000
Suisun Plant Pipe Decommission - SLC Lease Compliance	\$ 20,689	\$ -	\$ 450,000	\$ -	\$ -	\$ -	\$ 3,478,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,928,000
Suisun Pump Station Pumps and Mechanical Replacements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 500,000	\$ 2,500,000	\$ -	\$ -	\$ -	\$ 3,000,000
Suisun Pump Station Surge Tank #2 Corrosion	\$ -	\$ -	\$ -	\$ 50,000	\$ 150,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 200,000
Suisun Pump Station Wall Seepage Repair	\$ -	\$ -	\$ -	\$ 100,000	\$ 200,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 300,000
Tertiary Filters Surface Wash Piping Replacement	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 84,000	\$ 232,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 316,000
Travis/Pennsylvania Sewer Replacement Project	\$ 76,822	\$ -	\$ 350,000	\$ 1,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,350,000
Treatment Plant Master Plan	\$ -	\$ 70,978	\$ -	\$ 450,000	\$ 450,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 900,000
Treatment Plant Process Line Spot Repairs	\$ -	\$ -	\$ 450,000	\$ 400,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 850,000
Treatment Plant Security Upgrades	\$ 205,121	\$ 20,873	\$ 62,000	\$ 60,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 122,000
Trunk Main Lining	\$ -	\$ -	\$ 100,000	\$ 2,700,000	\$ 2,700,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,500,000
Utility Water Valves Replacements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 100,000	\$ 322,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 422,000
Sewer Service Charges Total	\$ 4,670,947	\$ 8,790,552	\$ 17,153,582	\$ 18,645,902	\$ 12,446,100	\$ 6,587,800	\$ 10,390,100	\$ 7,407,900	\$ 16,172,700	\$ 12,530,000	\$ 12,529,900	\$ 15,421,301	\$ 129,285,285
Sewer Capacity Charges													
Collection System Master Plan	\$ -	\$ 199,665	\$ 400,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 246,000	\$ 799,000	\$ -	\$ -	\$ 1,445,000
Collection System Technical Services	\$ -	\$ -	\$ -	\$ 95,000	\$ 95,000	\$ 107,000	\$ 107,000	\$ 107,000	\$ 107,000	\$ 120,000	\$ 120,000	\$ 120,000	\$ 978,000
Cordelia Pump Station Expansion	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,000,000	\$ 4,000,000	\$ 4,000,000	\$ -	\$ -	\$ -	\$ -	\$ 9,000,000
Cordelia/Lopes Capacity Expansion	\$ 159,331	\$ 184,657	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Lopes Force Main Replacement	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,500,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,500,000
Lopes Rd. Lift Station Improvements	\$ -	\$ 314,137	\$ 1,500,000	\$ 2,500,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,000,000
Master Plan Sewer Capacity Projects	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,500,000	\$ -	\$ -	\$ -	\$ 4,500,000
Northeast Fairfield Pump Station	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Peabody/Walters Relief Sewer - Phase 2	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 900,000	\$ 6,028,000	\$ 836,000	\$ -	\$ -	\$ -	\$ 7,764,000
Treatment Plant and Remote Sites Expansion	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,000,000	\$ 2,000,000
Sewer Capacity Charges Total	\$ 159,331	\$ 698,459	\$ 1,900,000	\$ 2,595,000	\$ 95,000	\$ 1,107,000	\$ 7,507,000	\$ 10,135,000	\$ 5,689,000	\$ 919,000	\$ 120,000	\$ 2,120,000	\$ 32,187,000
Grants													
Beneficial Baylands - Subaward to SFEI	\$ 83,212	\$ 268,723	\$ 895,000	\$ 895,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,790,000
Kellogg Resiliency	\$ 1,037,939	\$ 3,412,559	\$ 4,800,000	\$ 2,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,800,000
Nitrogen Removal - Phase 1	\$ -	\$ 1,999,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Ocean Protection Council - Solano Bayshore	\$ -	\$ 100,000	\$ 1,291,713	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,291,713
OPR Solano Bayshore Resiliency	\$ 62,232	\$ 222,956	\$ 295,639	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 295,639
School St. Reconstruction	\$ -	\$ -	\$ 1,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,000,000
Grants Total	\$ 1,183,383	\$ 6,003,238	\$ 8,282,352	\$ 2,895,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,177,352
Drainage Maintenance													
Chipman Flood Station Rehabilitation	\$ -	\$ -	\$ 150,000	\$ 830,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 980,000
Drainage Maintenance Master Plan	\$ -	\$ 10,000	\$ 550,000	\$ 100,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 650,000
Main St. and Mulberry Flood Stations Rehabilitation	\$ -	\$ -	\$ 150,000	\$ 600,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 750,000
Drainage Maintenance Total	\$ -	\$ 10,000	\$ 850,000	\$ 1,530,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,380,000
Debt													
Crystal Pump Station Generator/ATS	\$ -	\$ -	\$ 150,000	\$ 350,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 500,000
Electrical Replacement Project - 12kV Distribution	\$ -	\$ -	\$ 500,000	\$ 2,000,000	\$ 8,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,500,000
Electrical Replacement Project - Phase III	\$ -	\$ -	\$ 350,000	\$ 1,200,000	\$ 3,225,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,775,000
Suisun Force Main Rehabilitation	\$ -	\$ -	\$ 31,863,844	\$ 22,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 53,863,844
Debt Total	\$ -	\$ -	\$ 31,863,844	\$ 23,000,000	\$ 3,550,000	\$ 11,225,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 69,638,844
City of Suisun City R&R Reserve													
City of Suisun City Collection System Repair & Rehabilitation	\$ 1,270,000	\$ 365,000	\$ -	\$ 1,270,000	\$ 1,270,000	\$ 1,270,000	\$ 1,270,000	\$ 1,270,000	\$ 1,270,000	\$ 1,270,000	\$ 1,270,000	\$ 1,270,000	\$ 11,430,000
City of Suisun City R&R Reserve Total	\$ 1,270,000	\$ 365,000	\$ -	\$ 1,270,000	\$ 1,270,000	\$ 1,270,000	\$ 1,270,000	\$ 1,270,000	\$ 1,270,000	\$ 1,270,000	\$ 1,270,000	\$ 1,270,000	\$ 11,430,000
City of Fairfield R&R Reserve													
City of Fairfield Collection System Repair & Rehabilitation	\$ 4,490,000	\$ 300,000	\$ 3,560,000	\$ 1,830,000	\$ 1,830,000	\$ 1,830,000	\$ 1,830,000	\$ 1,830,000	\$ 1,830,000	\$ 1,830,000	\$ 1,830,000	\$ 1,830,000	\$ 20,030,000
City of Fairfield R&R Reserve Total	\$ 4,490,000	\$ 300,000	\$ 3,560,000	\$ 1,830,000	\$ 1,830,000	\$ 1,830,000	\$ 1,830,000	\$ 1,830,000	\$ 1,830,000	\$ 1,830,000	\$ 1,830,000	\$ 1,830,000	\$ 20,030,000
Total	\$ 11,773,661	\$ 16,167,249	\$ 63,609,778	\$ 51,765,902	\$ 19,191,100	\$ 22,019,800	\$ 20,997,100	\$ 20,642,900	\$ 24,961,700	\$ 16,549,000	\$ 15,749,900	\$ 20,641,301	\$ 276,128,481

GLOSSARY

1965 Agreement – A formal agreement between the Fairfield-Suisun Sewer District and cities of Fairfield and Suisun City which governs ownership, maintenance, and funding responsibilities for collection system assets in the District's service area.

Accrual Basis of Accounting – The basis of accounting for the Annual Comprehensive Financial Report as required by the Governmental Accounting Standards Board. Accrual basis accounting recognizes revenues when services have been rendered or expenses have been incurred.

Appropriation – Legal authorization to make expenditures and to incur obligations for specific purposes.

Balanced Budget – Because the District is dependent on long-term financial planning, no attempt is made to balance revenues and expenses in any one year. To the District, a balanced budget means reserve targets are achieved over the long-term financial forecast.

Budget – The District's budget runs from July 1 to June 30.

California Employers Pension Prefunding Trust (CEPPT 115 Trust) – A trust fund (under Internal Revenue Code §115) that allows California public employers to prefund and invest money today to pay for future pension contributions owed to defined-benefit retirement plans.

California Water Environment Association (CWEA) – A professional organization for wastewater professionals.

Capital Expenditures – Non-operating expenses for the District. Capital expenditures are significant expenses captured in the Major Maintenance and CIP budget and forecast schedules.

Cash Basis – The basis used to prepare the District's budget, which projects revenues and expenses based on when cash is received or disbursed and provides a better estimate of reserves.

Closed Caption Television (CCTV) – Using remote controlled camera transporters to inspect, assess, and survey pipelines.

Consumer Price Index (CPI) – A price index used to measure the average change in prices of goods and services purchased by households over time. It serves as a key indicator of inflation and is used to gauge changes in the cost of living for consumers.

Cost of Service and Rate Study – A report created by a third party at least every five years to develop a multi-year financial plan, review the cost of District services, review rate structures, and propose a rate program.

Debt Service – The payment of principal and interest on long term debt or loans.

Fiscal Year (FY) – A 12-month period (July 1 – June 30) to which the Budget applies and at the end of which the District reviews its financial position and result of operations.

Fund – A mechanism to track financial activity used for accounting and budget reports.

National Pollution Discharge Elimination System (NPDES) – The District's most important permit. The NPDES permit program addresses water pollution by regulating point sources that discharge pollutants to waters of the United States.

Net Position – The difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources. For budgeting, net position is meant to represent the amount of cash reserves available to commit to current and future expenses.

Operating Expense – Expenses related to the organization's primary activities, other than debt service and Major Maintenance & CIP. For example, salaries, benefits, professional services, and supplies are all examples of Operating Expenses.

Reserve – An amount of net position designated for a specific purpose. For example, the Operating Reserve designates 25 percent of the District's net position to be set aside for operating expenses.

State Revolving Fund (SRF) Loan – Low-cost financing offered through the State Water Resources Control Board.



Fairfield-Suisun Sewer District

RESOLUTIONS

FAIRFIELD-SUISUN SEWER DISTRICT RESOLUTION NO. 2026-11

A RESOLUTION APPROVING REVISED FISCAL YEAR 2025-26 REVENUE AND EXPENSE PROJECTIONS AND ADOPTING THE FISCAL YEAR 2026-27 BUDGET AND LONG-TERM FINANCIAL PLAN

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE FAIRFIELD-SUISUN
SEWER DISTRICT:

1. The District hereby adopts the estimated revenues, expenses and transfers for all funds and reserves for Fiscal Year 2025-26, which are attached hereto and made a part thereof.
2. The District hereby adopts the Proposed Budget for Fiscal Year 2026-27 and Long-Term Financial Plan, attached hereto and made a part hereof, as an operating guideline for the scheduling and financing of future capital projects and debt issuance, provided that all projects and debts are subject to subsequent Board approval.
3. The General Manager, or their designee, is hereby authorized to make administrative adjustments to the adopted budget.
4. The General Manager is hereby authorized and directed to amend the FY 2026-27 Budget when the Solano Stormwater Alliance budget is adopted.
5. The General Manager is hereby authorized and directed to allocate net operations revenue to the District's reserves in accordance with the District's reserve policy.
6. The General Manager is hereby authorized and directed to take all steps necessary and proper to implement this resolution in accordance with District policies and procedures.
7. The District finds that the activities authorized herein are statutorily or categorically exempt under one or more of the following CEQA Guidelines: 15378 (The activity is not a "project" as defined in Section 15378); 15061(b)(3) (It can be seen with certainty that there is no possibility that this activity may have a significant effect on the environment); 15378(b)(4) (Government fiscal activities which do not involve any commitment to any specific project); 15262 (Feasibility and Planning Studies); and 15306 (Information Collection). Staff is hereby authorized to file a Notice of Exemption under CEQA Guidelines 15062.

PASSED AND ADOPTED this 18th day of May 2026, by the following vote:

AYES:	Directors	<u>Carr-Dawson-Hernandez-Moy-Pal-Panduro</u> <u>Shepherd-Tonnesen-Washington-Williams</u>
NOES:	Directors	<u>None</u>
ABSENT:	Directors	<u>Moy Washington</u> <u>Jellison Dawson</u> President

ATTEST:

District Clerk