



# Pipeline Express

To provide high-quality water and exceptional services to the people and communities we support

March 20, 2026

## 2027 Budget Planning Kickoff

### Preparing for the Year Ahead

by Mike Twu

As we wrap up FY2025, I want to extend a sincere thank you to everyone across the utility for your collaboration, discipline, and commitment to responsible financial stewardship. From thoughtful planning to careful execution, your work has helped ensure we met our operational goals while continuing to serve our community reliably and effectively. A successful budget is not just numbers on a page — it reflects the collective effort of the entire organization. As we enter the first few months of FY2026, I encourage all of you to remain diligent financial stewards of the resources entrusted to this great utility.

Now, we are officially kicking off our FY2027 Budget Planning season at the end of March. Budget development is a utility-wide effort, and every employee plays an important role. As we begin planning for FY2027, please start thinking about anticipated expenses within your area — including equipment needs, infrastructure investments, technology upgrades, training, contract services, regulatory requirements, conference schedules, and any emerging operational demands. If you foresee new or increased costs in FY2027, please communicate those to your supervisor as early as possible. Early awareness allows leadership to evaluate priorities, align resources, and avoid surprises later in the process.

Strong budgets are built on proactive communication. Identifying needs early allows us to develop a resilient and sustainable financial plan that supports safety, compliance, reliability, and long-term asset management, ultimately fostering a strong and resilient utility.



### Economic Outlook for FY2027

As we plan for FY2027, we are continuing to monitor broader economic conditions that may influence cost assumptions and long-term financial planning.

Inflation has eased from the historic highs experienced during the pandemic period, but recent geopolitical developments have introduced additional uncertainty into the economic outlook. The ongoing conflict involving Iran has contributed to volatility in global energy markets, with oil prices increasing due to concerns about supply disruptions in the Middle East. Energy markets remain particularly sensitive because a significant share of global oil shipments move through the Strait of Hormuz, making the region critical to global supply chains. Higher energy prices can influence inflation more broadly, as fuel and transportation costs affect the price of goods and services throughout the economy. Economists note that sustained increases in oil prices could place upward pressure on inflation while also moderating economic growth.

*Continued on page 2*

# 2027 Budget Planning Kickoff

## Preparing for the Year Ahead

*Continued from page 1*

At the same time, inflation is still expected to gradually moderate over the next several years, though the pace of improvement may be uneven. Certain sectors important to utilities — including construction materials, heavy equipment, and fleet assets — may continue to experience elevated costs due to supply chain adjustments, energy price volatility, and global demand.

Trade policy and tariffs also continue to shape pricing conditions. While some trade policies remain under legal and political review, tariffs and geopolitical tensions are likely to remain a factor influencing the cost of imported materials and specialized equipment.

Economic forecasters generally anticipate modest economic growth in the coming years. Slower growth can help reduce inflationary pressure, but geopolitical uncertainty and potential energy price fluctuations may contribute to volatility in financial markets and supply availability.

While economic forecasts can change as global conditions evolve, the key takeaway for our FY2027 planning remains consistent: we should build flexibility into our assumptions, closely monitor cost drivers, and remain disciplined in prioritizing critical capital investments that support safety, compliance, reliability, and long-term asset management.

### **Moving Forward**

Over the coming weeks, additional guidance and budget materials will be distributed to your division leadership team. We appreciate your continued engagement and partnership in this process.

Thank you again for your continued hard work in FY2026 and for your proactive participation as we prepare for FY2027. Together, we will continue to build a financially strong, operationally resilient utility prepared to meet the needs of our community.

## Blood Drive Brings in 30 Units of Blood



*Dennis Rosemark gets prepped to give blood at the Memorial Blood Centers mobile blood drive on March 10 at the utility.*

*The blood drive was open to friends, family and other city employees.*

*The blood drive raised 30 units of blood, which was more than the 25 units of blood raised last year.*

*Thanks to everyone who donated blood to this important cause. This blood drive has helped save and sustain 90 lives in our community!*

# Temps and Staff Return to Work



**Sam Bartz**



**Dan Filiowich**



**Chase Haack**



**Jon Hakes**



**Mark LaDouceur**



**Bob Meyer**



**Brian Meyers**



**Walter O'Neal**



**David Satnick**



**Bill Strouts**



**Charles Washington**



**Justin Woods**

In preparation for the upcoming construction season, staff have begun to return to work. Already back at work are Sam Bartz and Dan Filiowich, water utility worker I.

Returning to work on Monday, March 23 are: Chase Haack, temp WUWI; Jon Hakes, temp WUWI; Mark LaDouceur, WUWI; Bob Meyer, dist. supv. II; Brian Meyers, temp

plumbing inspector; Walter O'Neal, temp WUWI; David Satnick, temp HEO; Bill Strouts, temp cement finisher; Charles Washington, WUWI; and Justin Woods, temp plumbing inspector.

## Dakota Fay Promoted

Dakota Fay was promoted to a water utility worker I. He starts his new role on March 23.

Please congratulate Dakota on his new position when you see him.



*Dakota Fay*

## Tom Miller to Retire

Tom Miller is set to retire after working for the water utility for the past three years.

A celebration in his honor will be held from 2 p.m. to 3:30 p.m. on Friday, April 3 in the administration cafeteria.

Congratulations to Tom on his retirement.



*Tom Miller*

# IS: A Year of Recovery and Progress

The past year has been one of the most challenging periods for Information Services (IS) and for SPRWS as an organization. Following the cybersecurity incident last July, the IS team focused on restoring system access safely while strengthening protections across our technology environment.

IS staff identified unusual activity early, which helped limit the impact on our systems. Security upgrades and investments in virtual infrastructure made in recent years also helped reduce disruption and allowed essential services to continue operating during the recovery process.

## Stabilizing Systems and Restoring Access

In the weeks following the incident, the IS team worked methodically to secure systems and restore access. Staff strengthened safeguards, updated password requirements to stronger security standards, and brought critical services back online in stages to ensure systems were safe to use.

Much of this work took place behind the scenes and required close coordination with departments across SPRWS to maintain operations while systems were stabilized.

## Moving Forward with Enterprise Systems

At the same time, the organization was already preparing to implement several major enterprise systems, including Oracle WACS and Infor WFM. The cyber incident changed the conditions for those rollouts and required the organization to move forward sooner than originally planned. As a result, many employees have had to adapt to evolving processes while the systems continue to be refined. The IS team recognizes the challenges this has created and appreciates the patience and professionalism staff have shown throughout the transition.

To support these implementations, IS set up training and testing environments, assisted staff during training sessions, and worked directly with teams to troubleshoot issues. The team has also continued improving automated business processes to reduce manual effort and create more consistent workflows in several areas.

## Customer Systems and Billing

During the recovery period, system outages made it more difficult to communicate with customers as services came back online in stages. Although the billing system was not fully available during that time, the incident did not compromise it. The online payment portal remains secure and continues to provide digital payment options for customers across our service area.

## Strengthening Infrastructure

At the same time, IS continues to upgrade core technology infrastructure across SPRWS. These upgrades include improvements to servers, virtual desktop systems, and network equipment. The team is completing this work while also supporting daily operations and managing current staffing gaps within the Helpdesk/ Desktop and Applications & Data Analytics teams. Some projects have taken longer than originally planned, but IS continues to prioritize improvements that strengthen security, reliability, and long-term sustainability.

## Looking Ahead

Much of the work performed by Information Services happens behind the scenes, but it supports the systems employees rely on every day. Over the coming year, the IS team will continue strengthening security protections, refining enterprise systems, and improving support processes so that technology remains a reliable foundation for the work of SPRWS. The department appreciates the patience and partnership employees have shown throughout the past year.