

Proposed FY 2026-27 and FY 2027-28 Budget

Presented by:

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Administration Committee
June 10, 2026

OC SAN
ORANGE COUNTY SANITATION DISTRICT

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Overview

- Stable revenues
- Expenses include:
 - Operating
 - Capital Improvement Program
 - Debt service
- Staffing:
 - FY 2026-27: 699.5 FTE
 - FY 2027-28: 718.5 FTE
- No new debt

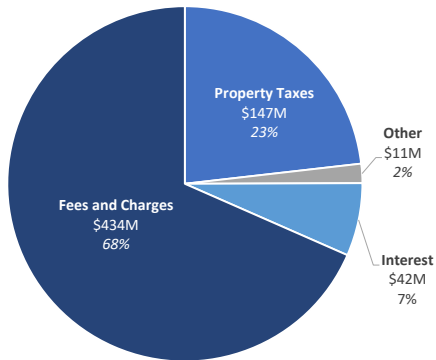
**All figures in millions unless otherwise noted*

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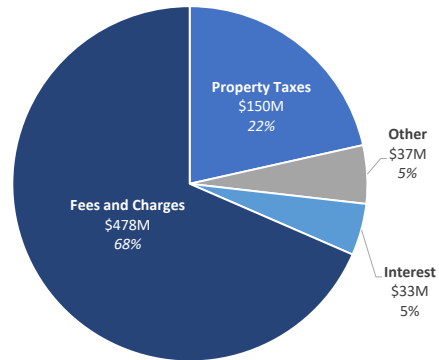
Revenues

FY 2026-27



Total Revenues - \$634M

FY 2027-28



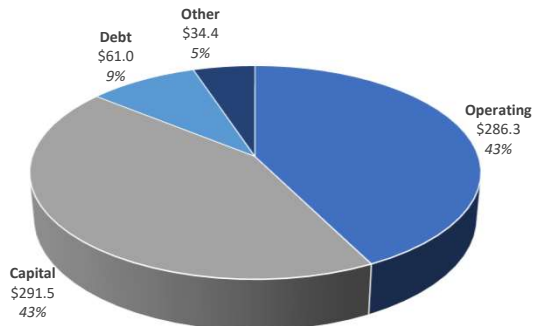
Total Revenues - \$698M

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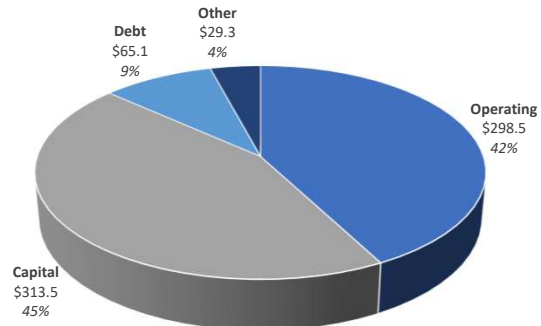
Expenses

FY 2026-27



Total Expenses - \$673.2

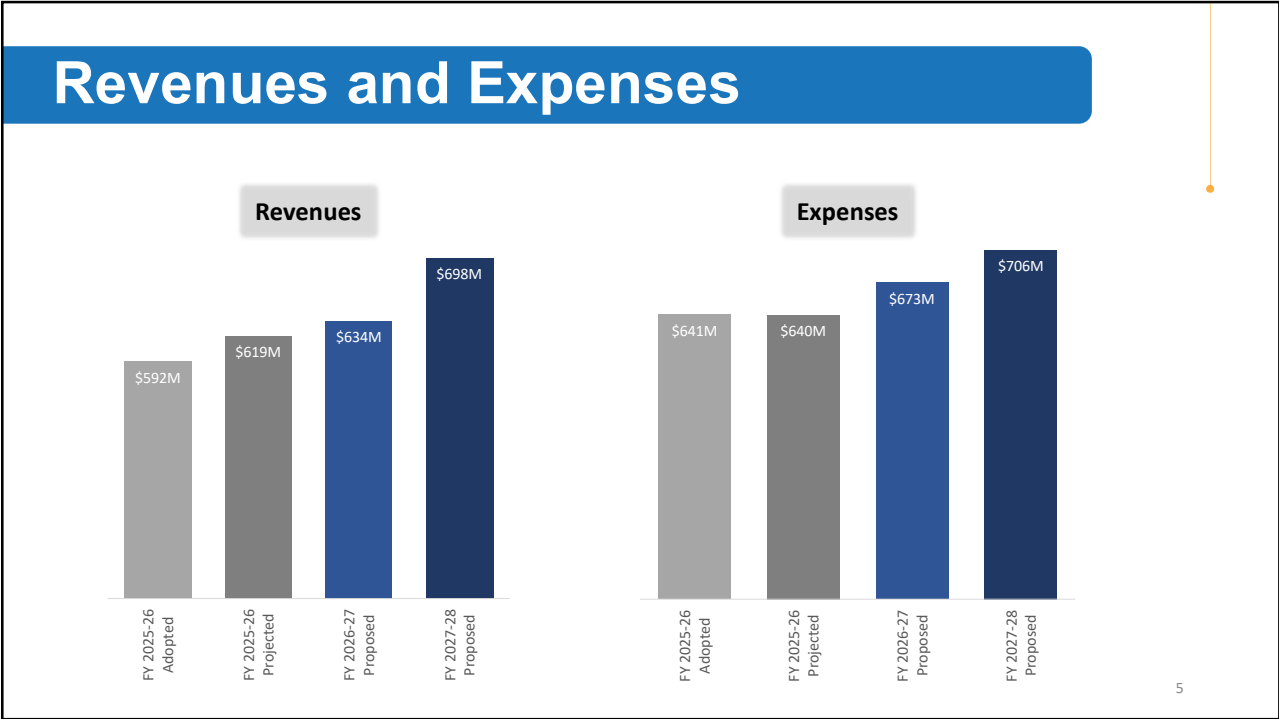
FY 2027-28



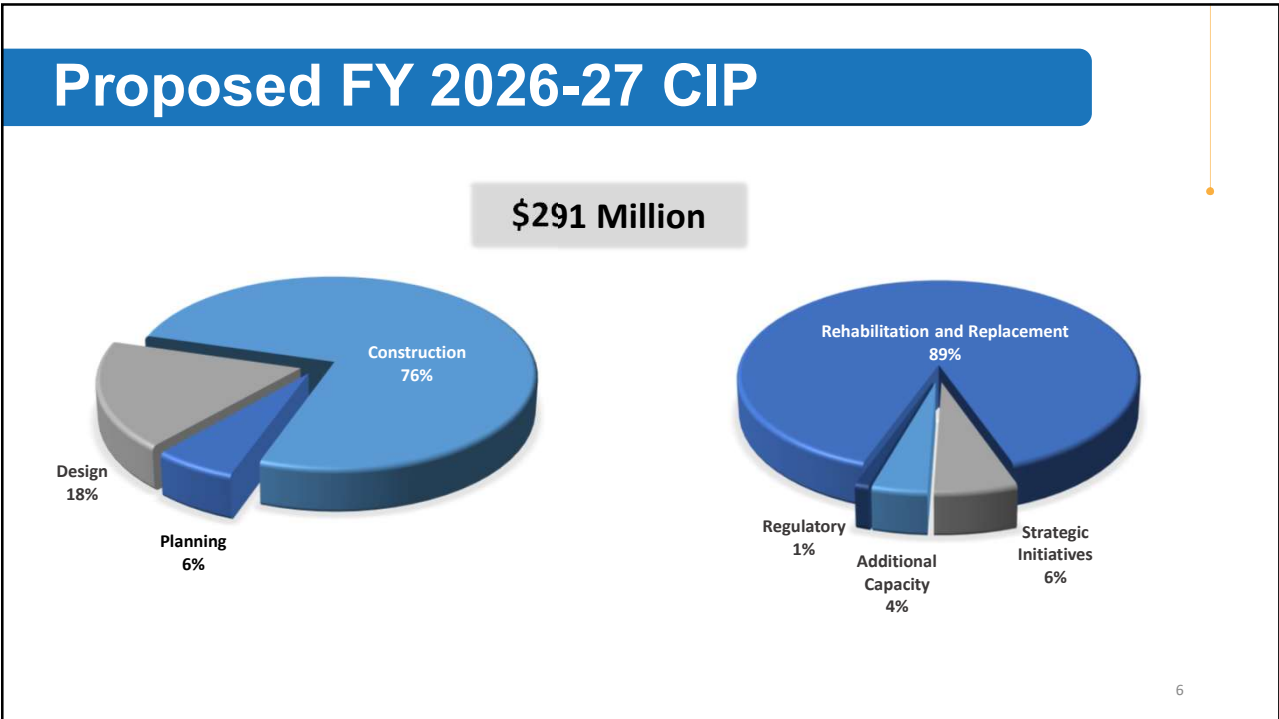
Total Expenses - \$706.4

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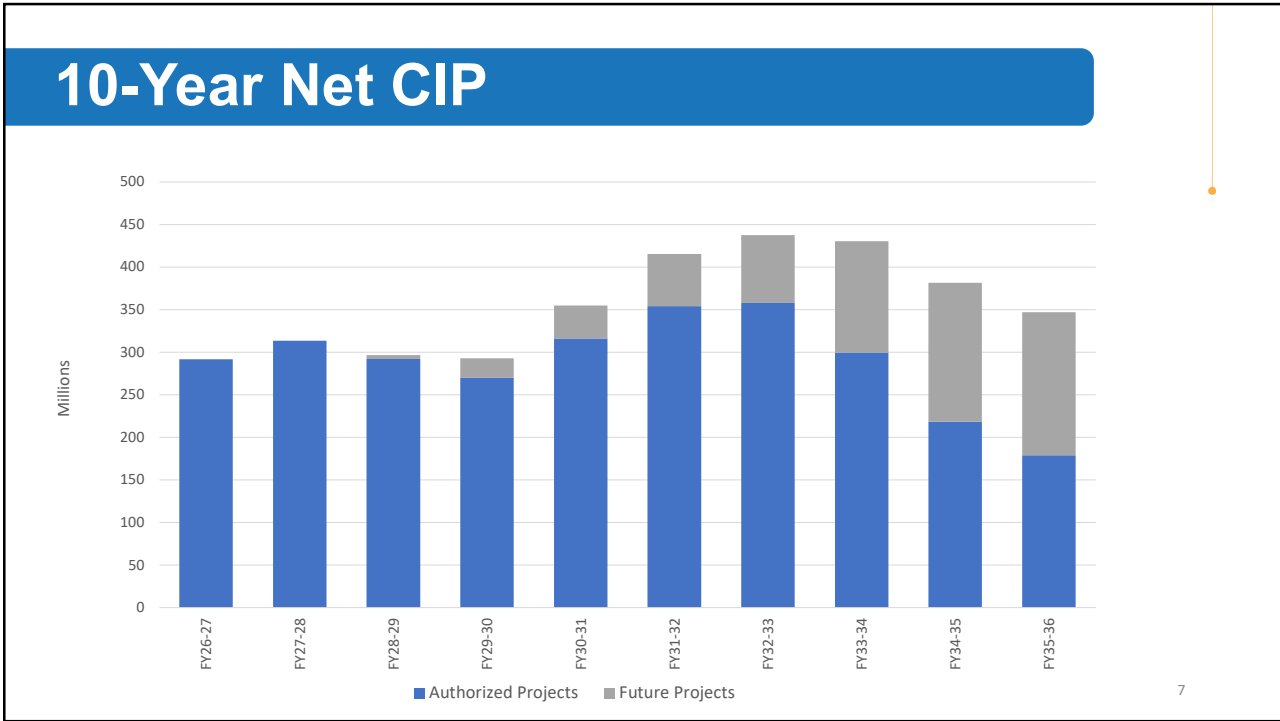
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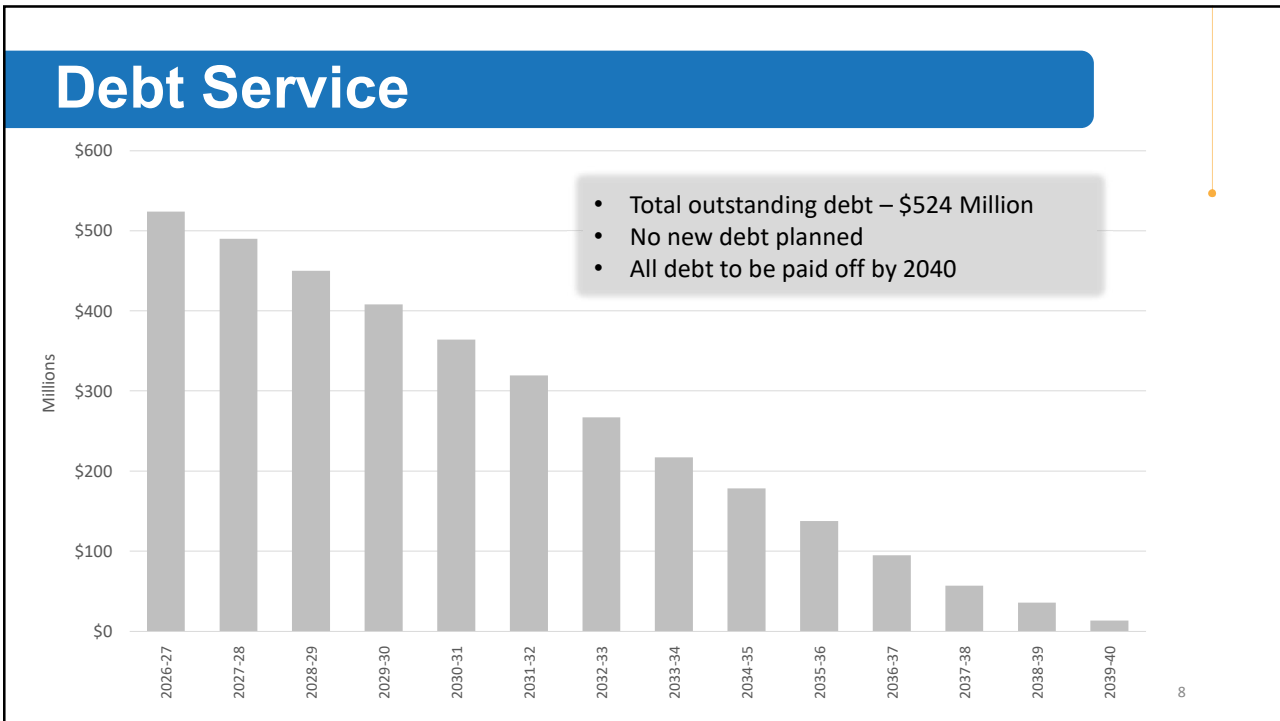
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Cash Flow

Cash Flow Projection							
Def	Description	Proj'n. 20-27	Proj'n. 27-28	Proj'n. 28-29	Proj'n. 29-30	Proj'n. 30-31	Proj'n. 31-32
Revenues							
1	General User Fee	375,791,839	405,025,024	424,451,129	445,445,276	465,585,424	483,243,036
2	Permitted User Fee	24,891,022	29,975,853	31,214,859	32,526,021	34,102,146	35,764,021
3	EMSP Assessments	16,585,146	34,146,146	27,784,917	26,371,509	29,774,044	32,288,844
4	EMSP Assessments	6,765,000	6,914,000	6,875,124	6,168,713	6,894,973	10,254,046
5	Property Tax	142,217,073	155,191,571	162,915,734	167,763,658	171,707,746	165,760,440
6	Real Estate Tax	-	-	-	-	-	-
7	Interest Revenues	43,096,000	32,865,000	24,907,012	21,393,871	21,343,028	23,874,803
8	Capital/Debt/County Charges	16,352,492	16,852,074	23,854,079	24,384,456	24,962,790	25,863,107
9	Other Revenues	11,236,887	37,239,807	12,068,874	12,148,726	12,248,761	12,347,880
10	Revenues	634,861,237	698,120,882	714,266,881	732,666,881	747,451,784	698,762,713
Requirements							
11	State of New York	276,712,296	291,247,024	306,974,412	323,726,296	344,455,260	364,261,700
12	Capital Improvement Program (CIP)	171,426,467	169,981,339	165,788,562	154,844,170	146,161,467	139,149,170
13	Law, COP, Storage & Detention	17,699,100	18,020,720	18,241,476	18,472,062	18,691,376	18,909,101
14	Abatement of Public Nuisance	-	5,245,875	27,524,213	44,463,026	60,872,390	80,872,390
15	Capital Equipment	14,445,129	14,552,070	15,741,388	15,954,366	17,176,514	17,389,024
16	COP Debt Service	80,873,821	85,127,111	89,105,811	93,107,881	97,269,189	101,589,189
17	Reduction of Long-Term Debt	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000
18	Other Requirements	6,558,970	7,157,867	6,558,970	6,558,970	6,558,970	6,558,970
19	Requirements	478,166,687	528,494,987	537,268,067	511,209,863	529,762,819	519,844,614
20	Reserve Requirements	296,484,478	30,480,478	7,246,784	6,746,489	29,246,817	27,426,718
Accumulated Funds							
21	Beginning of Year	886,000,000	897,207,208	898,246,343	899,324,121	899,578,911	899,792,740
22	End of Year	847,201,218	839,360,242	836,266,211	832,978,212	830,765,748	828,766,813
23	Committed Reserve Policy	836,863,224	836,863,224	836,863,224	836,863,224	836,863,224	836,863,224
24	Over (Under) Reserve Policy	234,678,114	243,996,819	242,287,189	239,476,264	239,492,937	186,799,269
Special Debt/Other							
25	Any CIP Annual User Fee	807	417	401	402	424	407
26	Percentage Change	3.39%	3.53%	4.87%	4.87%	4.87%	4.88%
27	Capital/Debt/County Charges	16,352,492	16,852,074	23,854,079	24,384,456	24,962,790	25,863,107
28	EMSP Assessment Fee	4,768	4,889	5,246	7,483	7,750	6,026
29	Outstanding CIPs	539,895,000	499,490,000	469,995,000	439,990,000	394,190,000	379,490,000
Balance Sheet							
30	10% New Year Operating Expense	146,693,760	154,957,708	163,863,148	173,237,760	183,136,878	193,653,403
31	10% New Year Operating Expense	28,126,733	30,867,341	32,673,020	34,445,264	36,192,178	38,009,881
32	10% New Year 40% CIP Fee	12,616,268	11,431,468	10,266,366	9,148,441	8,106,244	7,160,700
33	10% Average Payroll CIP Balance	178,000,001	178,000,001	178,000,001	178,000,001	178,000,001	178,000,001
34	End of Year 10% Operating CIP	34,993,300	49,992,000	64,990,000	80,988,000	96,986,000	112,984,000
35	Self-Amortization @ 8.00%	100,000,000	100,000,000	100,000,000	100,000,000	100,000,000	100,000,000
36	End of Month	75,000,000	75,000,000	75,000,000	75,000,000	75,000,000	75,000,000
37	Reserve Retention	-	-	-	-	-	-
38	Total	847,201,218	839,360,242	836,266,211	832,978,212	830,765,748	828,766,813
39	31-Year Coverage, Min 1.0%	3.39	3.53	4.87	4.87	4.88	4.88

Cash Flow Projection						
Def	Description	Proj'n. 32-33	Proj'n. 33-34	Proj'n. 34-35	Proj'n. 35-36	10-Year Total
Revenues						
1	General User Fee	516,924,709	546,739,098	576,632,700	606,606,603	4,667,923,914
2	Permitted User Fee	37,819,277	39,623,242	41,500,168	43,450,200	344,812,911
3	EMSP Assessments	20,045,000	39,617,137	39,232,894	39,643,761	306,148,052
4	EMSP Assessments	10,844,184	11,637,700	11,571,118	12,044,428	107,107,617
5	Property Tax	168,834,024	174,143,038	178,493,008	183,027,474	1,464,026,044
6	Real Estate Tax	-	-	-	-	-
7	Interest Revenues	213,499,010	194,147,177	161,149,802	132,948,000	1,044,892,000
8	Capital/Debt/County Charges	26,317,276	27,146,831	27,944,294	28,746,803	214,822,044
9	Other Revenues	13,917,001	13,022,108	13,848,811	12,777,716	103,000,000
10	Revenues	802,871,808	846,766,148	887,664,198	940,245,809	6,898,484,741
Requirements						
11	State of New York	362,039,626	377,516,107	392,712,176	408,540,000	3,262,278,914
12	Capital Improvement Program (CIP)	424,782,073	399,524,458	359,022,240	298,434,004	2,464,430,000
13	Law, COP, Storage & Detention	18,843,283	19,289,216	19,292,036	19,292,036	153,271,915
14	Abatement of Public Nuisance	6,668,620	12,714,871	18,022,000	23,861,000	89,262,515
15	Capital Equipment	11,670,004	11,670,004	11,670,004	11,670,004	109,642,016
16	COP Debt Service	63,817,446	67,111,006	70,154,862	73,146,862	603,146,862
17	Reduction of Long-Term Debt	10,000,000	10,000,000	10,000,000	10,000,000	100,000,000
18	Other Requirements	6,558,970	6,558,970	6,558,970	6,558,970	60,873,821
19	Requirements	814,003,606	816,203,737	808,674,766	819,264,201	6,496,222,000
20	Reserve Requirements	291,246,190	292,246,190	293,246,190	294,246,190	2,497,167,246
Accumulated Funds						
21	Beginning of Year	786,726,212	868,612,807	938,612,807	1,008,612,807	3,888,612,807
22	End of Year	847,201,218	839,360,242	836,266,211	832,978,212	7,166,812,813
23	Committed Reserve Policy	836,863,224	836,863,224	836,863,224	836,863,224	6,791,612,813
24	Over (Under) Reserve Policy	50,342,994	50,342,994	50,342,994	50,342,994	469,200,000
Special Debt/Other						
25	Any CIP Annual User Fee	807	417	401	402	424
26	Percentage Change	4.87%	4.88%	4.88%	4.88%	4.88%
27	Capital/Debt/County Charges	26,317,276	27,146,831	27,944,294	28,746,803	214,822,044
28	EMSP Assessment Fee	4,768	4,889	5,246	7,483	7,750
29	Outstanding CIPs	539,895,000	517,162,000	494,429,000	471,696,000	3,817,696,000
Balance Sheet						
30	10% New Year Operating Expense	203,763,888	213,263,888	222,763,888	232,263,888	1,812,263,888
31	10% New Year Operating Expense	40,753,777	43,719,554	46,685,331	49,651,108	474,026,888
32	10% New Year 40% CIP Fee	17,616,667	16,461,667	15,306,667	14,151,667	112,616,667
33	10% Average Payroll CIP Balance	178,000,001	178,000,001	178,000,001	178,000,001	1,780,000,001
34	End of Year 10% Operating CIP	34,993,300	49,992,000	64,990,000	80,988,000	371,993,300
35	Self-Amortization @ 8.00%	100,000,000	100,000,000	100,000,000	100,000,000	1,000,000,000
36	End of Month	75,000,000	75,000,000	75,000,000	75,000,000	750,000,000
37	Reserve Retention	-	-	-	-	-
38	Total	847,201,218	839,360,242	836,266,211	832,978,212	6,812,266,813
39	31-Year Coverage, Min 1.0%	4.88	4.88	4.88	4.88	4.88

Cash Flow

	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36
Beginning	886	847	839	846	869	846	770	688	639	655
Revenues	634	698	704	734	767	801	833	867	902	940
Requirements	673	706	697	711	790	877	915	916	886	876
Ending	847	839	846	869	846	770	688	639	655	719
<i>SFR Rate</i>	\$397	\$411	\$431	\$452	\$474	\$497	\$521	\$547	\$574	\$602
<i>Rate Increases</i>	3.39%	3.53%	4.87%	4.87%	4.87%	4.85%	4.83%	4.99%	4.94%	4.88%

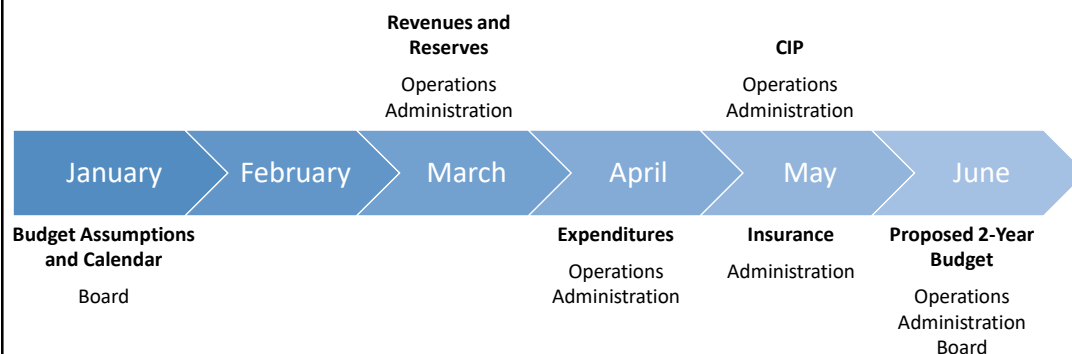
Summary

- No new debt
- Planned cash flow for healthy CIP
- Rate increases below 5 percent
- Conservative revenue assumptions
- Constant monitoring throughout budget cycle

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Key Meeting Dates



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Recommendation

Recommend to the Board of Directors to:

Approve the proposed Operating, Capital, Debt Service, and Self-Insurance Budgets for FY 2026-27 and FY 2027-28 as follows:

	FY 2026-27	FY 2027-28
Net Operating	\$ 279,712,720	\$ 291,268,126
Self-Insurance - Workers' Comp.	\$ 1,568,000	\$ 1,697,500
Self-Insurance - Property & Gen. Liability	\$ 4,991,970	\$ 5,460,167
Net Capital Improvement Program	\$ 291,475,441	\$ 313,540,607
Capital Equipment	\$ 19,445,729	\$ 14,322,073
Debt/COP Service	\$ 60,972,861	\$ 65,127,111
Reduction of Long-Term Liabilities	\$ 15,000,000	\$ 15,000,00
Total	\$ 673,166,721	\$ 706,415,584

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