

Proposed FY 2026-27 and FY 2027-28 Budget

Presented by:

Ruth Zintzun, Finance Manager

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

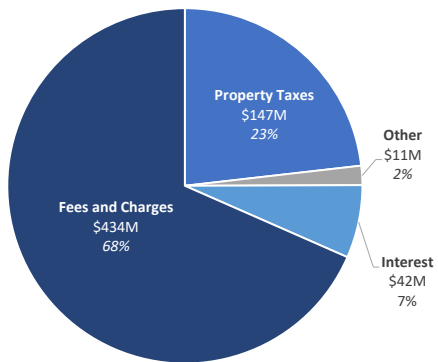
**All figures in millions unless otherwise noted*

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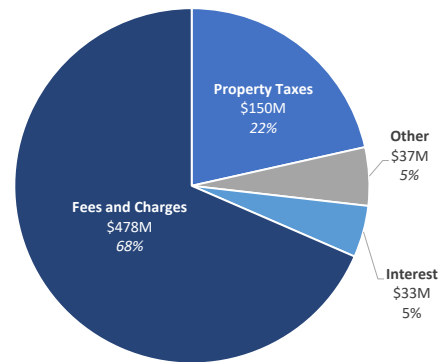
Revenues

FY 2026-27



Total Revenues - \$634M

FY 2027-28



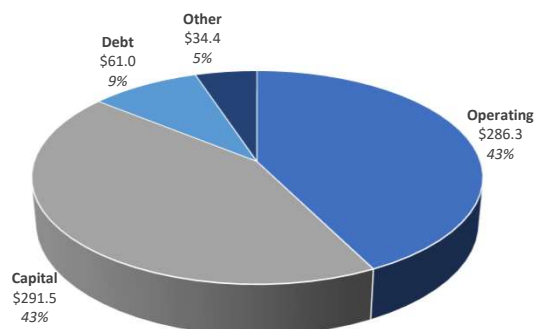
Total Revenues - \$698M

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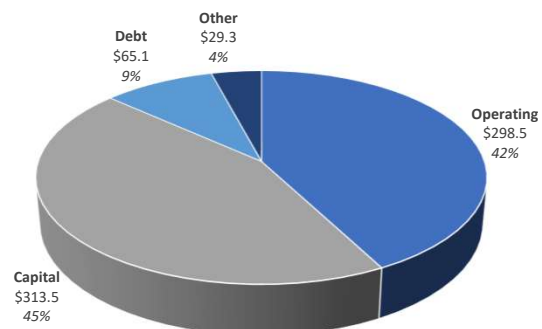
Expenses

FY 2026-27



Total Expenses - \$673.2

FY 2027-28

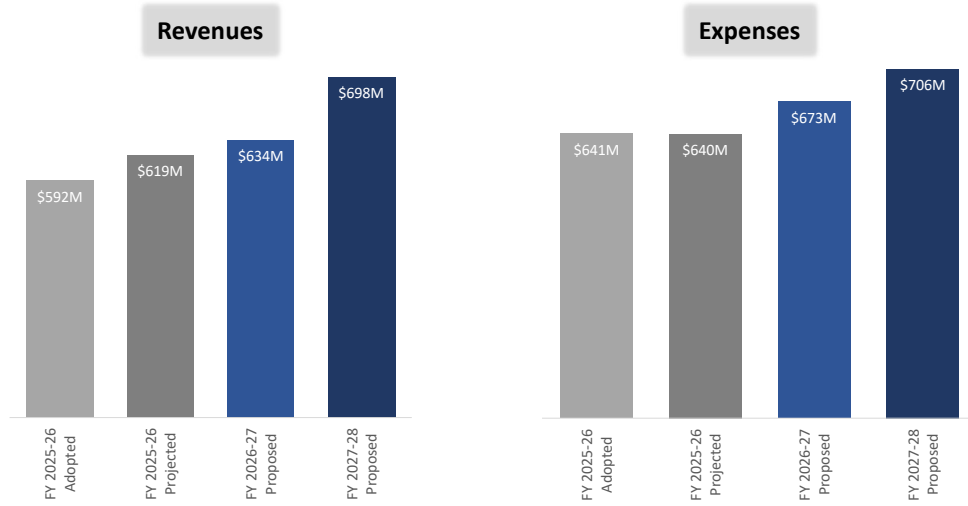


Total Expenses - \$706.4

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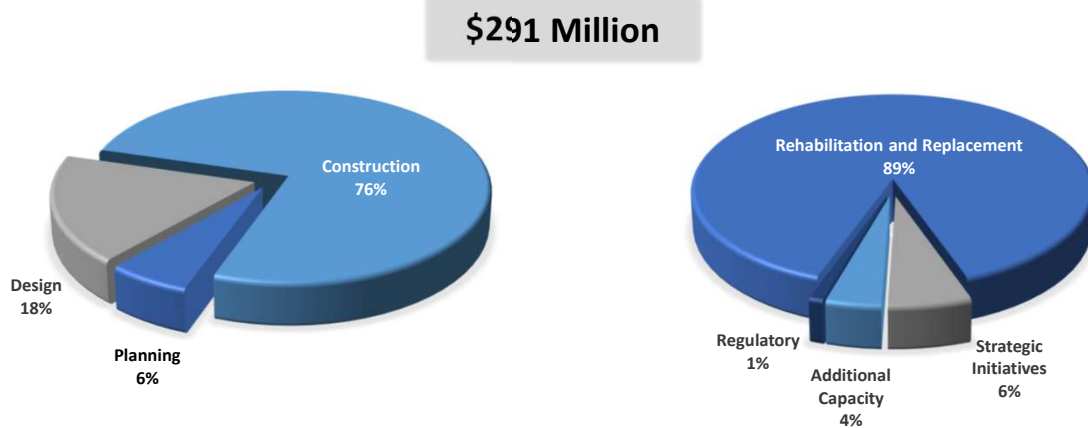
Revenues and Expenses



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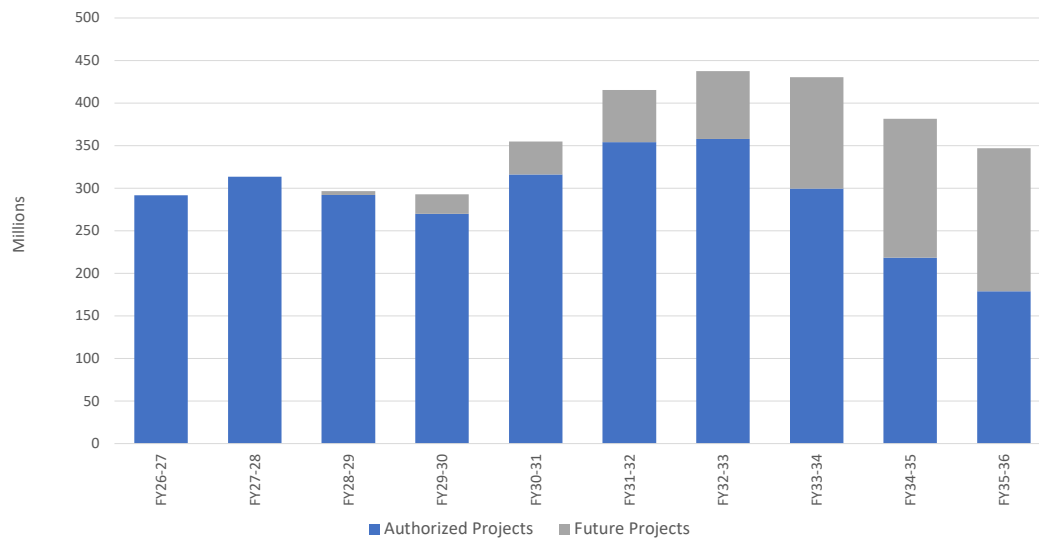
Proposed FY 2026-27 CIP



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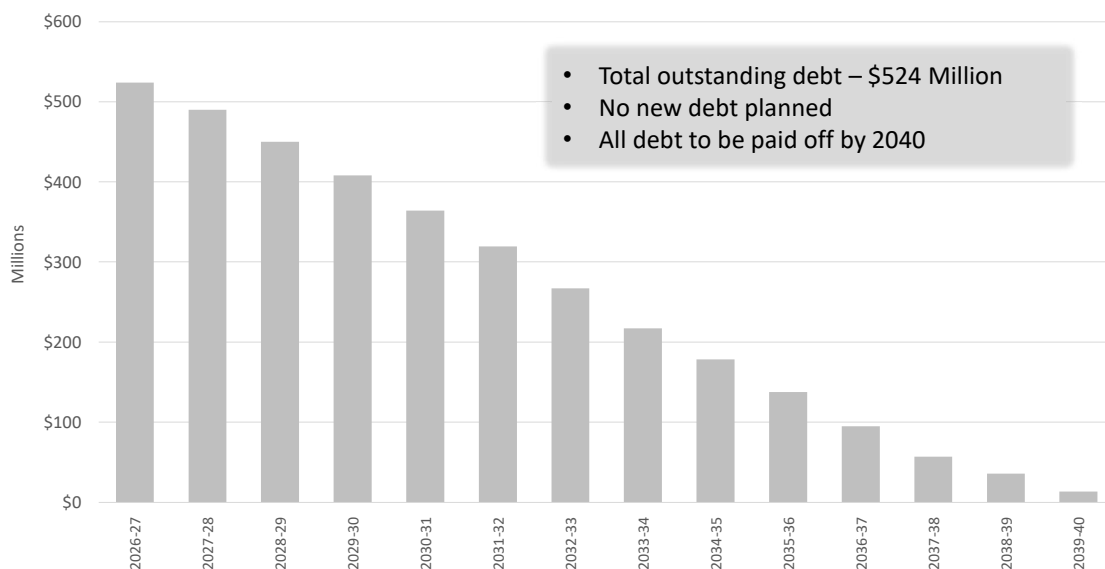
10-Year Net CIP



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Debt Service



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Cash Flow

Cash Flow Projection						
Item Description	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32
Revenues						
1 General User Fees	275,781,029	403,020,024	424,451,129	445,445,176	465,585,424	485,840,026
2 Permitted User Fees	24,891,102	29,075,603	31,214,608	33,324,101	35,410,146	37,564,101
3 Other User Fees	16,585,146	24,140,146	25,716,617	26,371,146	26,771,146	27,084,146
4 SDRS Assessments	6,765,000	6,914,000	6,971,124	6,168,713	6,894,871	10,004,000
5 Property Taxes	142,217,273	155,161,721	152,819,734	157,763,628	161,707,740	165,763,443
6 Non-CDP Taxes	-	-	-	-	-	-
7 Interest Revenues	43,096,000	32,880,000	24,907,212	25,393,871	25,345,000	23,876,803
8 Capital Facilities Capacity Charges	16,331,460	16,803,074	22,854,074	24,394,000	24,962,700	25,863,107
9 Other Revenues	11,235,887	27,229,807	12,048,874	12,148,776	12,248,761	12,347,802
Revenues	634,681,237	678,103,082	714,383,068	732,889,881	751,431,781	769,762,713
Requirements						
10 Capital & Other	275,712,024	287,247,228	286,974,412	325,724,294	344,450,240	364,261,700
11 Capital Improvement Program (CIP)	371,498,467	389,981,339	335,788,362	324,844,110	385,161,407	388,149,170
12 Low-CDP Savings & Deferrals	(10,891,000)	(30,000,700)	(2,921,476)	(28,477,046)	(26,061,376)	(42,041,000)
13 Allocation of Public Services	-	-	6,240,470	27,524,213	44,863,000	60,471,000
14 Capital Equipment	16,445,129	14,532,070	10,741,388	10,894,386	11,176,514	11,389,004
15 CIP Debt Service	80,973,881	85,127,111	85,127,111	85,127,111	85,127,111	85,127,111
16 Reduction of Long-Term Debt	16,000,000	16,000,000	16,000,000	16,000,000	16,000,000	16,000,000
17 Other Requirements	6,558,870	7,107,887	6,558,870	6,558,870	6,558,870	6,558,870
Requirements	476,810,367	546,894,837	437,283,067	711,239,600	790,769,814	870,446,844
Reserve Requirements	286,484,476	26,484,476	7,240,764	35,764,487	25,000,000	25,000,000
Accumulated Funds						
21 Beginning of Year	886,000,000	897,000,000	898,000,000	899,000,000	899,000,000	899,000,000
22 End of Year	847,000,000	839,000,000	846,000,000	846,000,000	846,000,000	846,000,000
Overall Cash Flow	235,870,744	242,008,245	247,099,901	235,870,744	235,870,744	235,870,744
Operating Cash Flow						
23 Avg. CIP Annual User Fee	807	471	407	422	474	407
24 Percentage Change	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
25 Operating Cash Flow	807,471	807,471	807,471	807,471	807,471	807,471
26 CIP Construction Fee	6,708	6,800	7,240	7,483	7,700	8,000
27 Operating CIP	533,800,000	499,600,000	499,600,000	499,600,000	499,600,000	499,600,000
Reserve Ratio						
28 10% Net New Operating Expense	150,450,000	150,450,000	150,450,000	150,450,000	150,450,000	150,450,000
29 10% Net New Operating Expense	28,125,000	30,000,000	30,000,000	30,000,000	30,000,000	30,000,000
30 10% Net New CIP Fee	10,000,000	11,000,000	10,000,000	10,000,000	10,000,000	10,000,000
31 10% Average Net New CIP Fee	178,000,000	178,000,000	178,000,000	178,000,000	178,000,000	178,000,000
32 Net New CIP Fee	30,000,000	30,000,000	30,000,000	30,000,000	30,000,000	30,000,000
33 Self-Construction of CIP	100,000,000	100,000,000	100,000,000	100,000,000	100,000,000	100,000,000
34 Self-Construction of CIP	100,000,000	100,000,000	100,000,000	100,000,000	100,000,000	100,000,000
35 Self-Construction of CIP	100,000,000	100,000,000	100,000,000	100,000,000	100,000,000	100,000,000
36 Self-Construction of CIP	100,000,000	100,000,000	100,000,000	100,000,000	100,000,000	100,000,000
37 Reserve Reduction	-	-	-	-	-	-
Total	847,000,000	839,000,000	846,000,000	846,000,000	846,000,000	846,000,000
CDP Ratio						
38 10% CIP Coverage, Min 1.00	0.00	0.00	0.70	0.90	0.90	0.90

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Cash Flow Projection						
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Revenues						
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6 Non-CDP Taxes	-	-	-	-	-	-
7 Interest Revenues	43,096,000	32,880,000	24,907,212	25,393,871	25,345,000	23,876,803
8 Capital Facilities Capacity Charges	16,331,460	16,803,074	22,854,074	24,394,000	24,962,700	25,863,107
9 Other Revenues	11,235,887	27,229,807	12,048,874	12,148,776	12,248,761	12,347,802
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13 Allocation of Public Services	-	-	6,240,470	27,524,213	44,863,000	60,471,000
14 Capital Equipment	16,445,129	14,532,070	10,741,388	10,894,386	11,176,514	11,389,004
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16 Reduction of Long-Term Debt	16,000,000	16,000,000	16,000,000	16,000,000	16,000,000	16,000,000
17 Other Requirements	6,558,870	7,107,887	6,558,870	6,558,870	6,558,870	6,558,870
Requirements	476,810,367	546,894,837	437,283,067	711,239,600	790,769,814	870,446,844
Reserve Requirements	286,484,476	26,484,476	7,240,764	35,764,487	25,000,000	25,000,000
Accumulated Funds						
21 Beginning of Year	886,000,000	897,000,000	898,000,000	899,000,000	899,000,000	899,000,000
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Operating Cash Flow						
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24 Percentage Change	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
25 Operating Cash Flow	807,471	807,471	807,471	807,471	807,471	807,471
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27 Operating CIP	533,800,000	499,600,000	499,600,000	499,600,000	499,600,000	499,600,000
Reserve Ratio						
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35 Self-Construction of CIP	100,000,000	100,000,000	100,000,000	100,000,000	100,000,000	100,000,000
36 Self-Construction of CIP	100,000,000	100,000,000	100,000,000	100,000,000	100,000,000	100,000,000
37 Reserve Reduction	-	-	-	-	-	-
Total	847,000,000	839,000,000	846,000,000	846,000,000	846,000,000	846,000,000
CDP Ratio						
38 10% CIP Coverage, Min 1.00	0.00	0.00	0.70	0.90	0.90	0.90

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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
SFR Rate	\$397	\$411	\$431	\$452	\$474	\$497	\$521	\$547	\$574	\$602
Rate Increases	3.39%	3.53%	4.87%	4.87%	4.87%	4.85%	4.83%	4.99%	4.94%	4.88%

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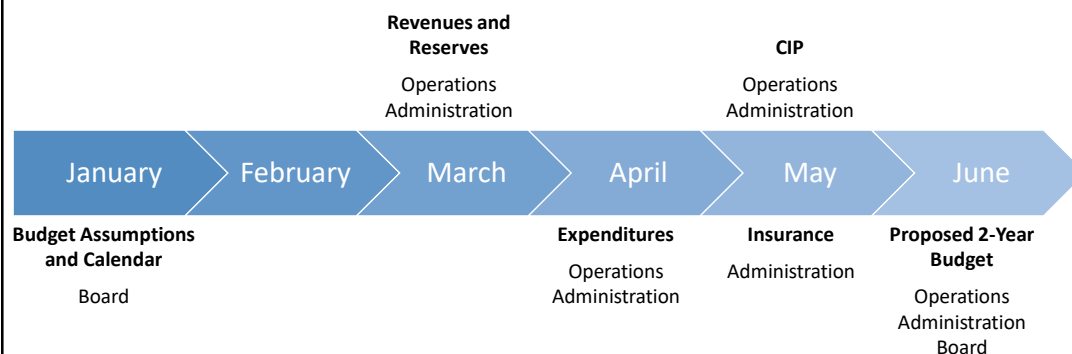
Summary

- 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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