

FISCAL YEARS
26-27
27-28

Proposed Budget



Orange County Sanitation District, California





MISSION STATEMENT

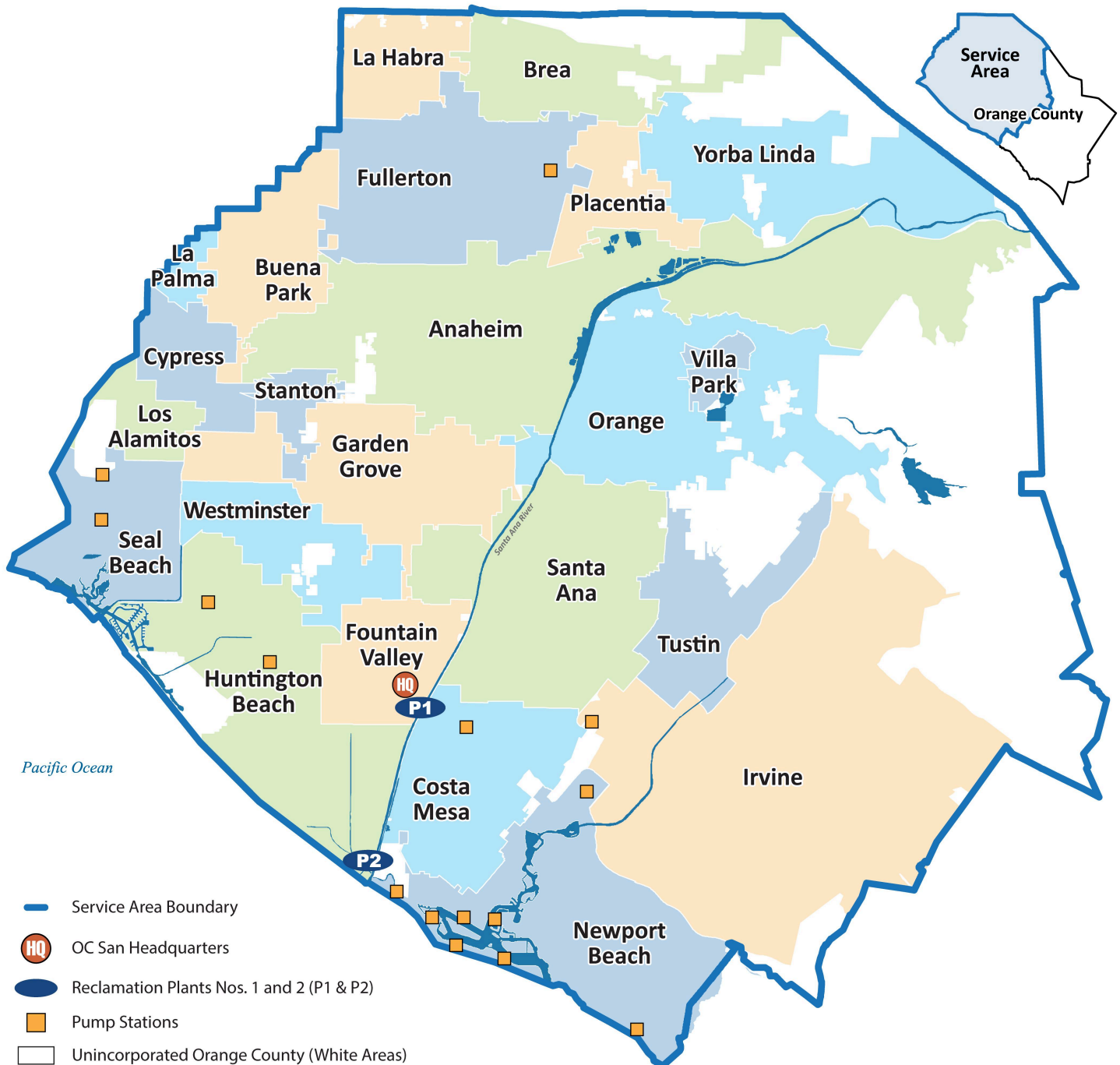
“To protect public health and the environment by providing effective wastewater collection, treatment, and recycling.”

*For Fiscal Years
July 1, 2026 through June 30, 2027 and
July 1, 2027 through June 30, 2028*

Orange County Sanitation District

Service Area and Treatment Plant Locations

in Orange County, CA





GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**Orange County Sanitation District
California**

For the Biennium Beginning

July 01, 2024

Christopher P. Morill

Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to the Orange County Sanitation District, California, for its biennial budget for the biennium beginning July 1, 2024.

In order to receive this award, a government unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communication device.

The award is valid for a period of two years only. We believe our current budget continues to conform to the program requirements, and we are submitting it to GFOA to determine its eligibility for another award.

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Reader's Guide to the Budget

This guide is intended to help the reader understand what information is available in the budget and how it is organized. This budget document is broken down into ten sections including a Budget Glossary and Index. The Administrative Services Department invites your suggestions on ways to make the budget document more understandable.

The General Manager's Budget Message and a summary of OC San's Core Values follow this guide. The General Manager's budget message introduces the budget to the reader.

Following is an explanation of the major sections of this budget:

Section 1 – Executive Summary

The Executive Summary highlights critical issues and financial information regarding OC San's FY 2026-27 and FY 2027-28 Budget.

Section 2 – Introduction

Financial Overview and Budget Issues highlight the issues impacting the FY 2026-27 and FY 2027-28 Budget.

Section 3 – Policies and Practices

Fiscal Policies describe OC San's financial goals along with policies addressing the operating budget; revenues and expenses; service fees; capital improvement program; long- and short-term debt; reserves; investments; and accounting, auditing and financial reporting.

GFOA Recommended Practices lists all of the Accounting, Auditing, and Financial Reporting; Cash Management; Governmental Budgeting and Fiscal Policy; Debt Management; and Retirement and Benefits Administration practices that are recommended by the Government Finance Officers Association of the United States and Canada. Included within this list of best financial practices for states and local governments is OC San's status as to whether we are in compliance, in progress towards compliance, or whether the practice is applicable to this agency.

Budget Process provides an overview of the budget development process and budget calendar.

Budget Assumptions are decided on as a foundation for developing the budget, and they guide OC San in determining the level of wastewater treatment services that will be provided to the community.

Accounting Systems and Budgetary Control provides an overview of OC San's accounting systems and the level at which budgetary control is maintained.

Section 4 – OC San Summary

This summary section is a comprehensive overview of the FY 2026-27 and FY 2027-28 Budget with a focus on all consolidated OC San funds. Included are tables and graphs for both revenues and expenses.

Section 5 – Operations Overview

This section is a comprehensive overview of OC San's operating costs and related revenues for FY 2026-27 and FY 2027-28. OC San's operations include collection, treatment, and disposal activities. Tables are included for revenues and expenses to assist the reader in interpreting the data.

Section 6 – Operating Divisions

This section includes operating programs for OC San's basic organizational units which provide collection and essential wastewater treatment services to the community. Divisional budgets are presented in the following format:

Organization Chart - An organization chart by position is provided for each division.

Authorized FTE Positions - The total number of full-time equivalent positions assigned to each division is included in this table.

Staffing Trends - A multi-year staffing trend chart is provided to show the changes that have occurred in each division over time.

Service Description - A description of the services or functions provided by each division.

FY 2025-26 Objectives - Represents the objectives defined by the division for the previous fiscal year.

FY 2025-26 Performance Results - A summary of major accomplishments and objectives that were actually met during the previous fiscal year.

FY 2026-27 and FY 2027-28 Performance Objectives - A list of projected goals to be accomplished during FY 2026-27 and FY 2027-28.

Performance Measures - A listing of the measures that will be used to evaluate the success of the budgeted fiscal years.

Budget Overview - Provides an overview of changes from the FY 2025-26 Budget Update to the FY 2026-27 and FY 2027-28 Budget. Additionally, the significant impacts of budgetary changes are outlined along with dollar amounts.

Expenses by Category - A chart comparing the FY 2024-25 actual expenses and the FY 2025-26 budgeted and projected expenses against the proposed budget for FY 2026-27 and FY 2027-28. The percent change from the FY 2025-26 Budget compared to the FY 2026-27 Budget is also included.

Expenditure Trends - This graph provides a multi-year historical trend of divisional expenses.

Section 7 – Self-Insurance Program

This section presents an overview of the self-insurance program, including program descriptions and revenue and expense detail.

Section 8 – Capital Improvements

This section of the budget gives an overview of OC San's Capital Improvement Program (CIP), CIP project summaries, and detailed CIP project sheets. The project sheets outline project descriptions, project location, project type, projected costs, and funding sources.

Section 9 – Debt Financing Program

This section describes OC San's Debt Financing Program including a listing of the outstanding debt issues, a description of the purpose of each issue, a debt service retirement schedule, and Debt Service Requirements, including principal and interest, over the life of the outstanding debt issues.

Section 10 – Appendix

Staffing - Includes charts of staffing by department and category, charts of the historical staffing by department, a historical summary and detail schedules of authorized positions and full-time equivalent employees by department and by division.

Appropriations Limit - The calculation of OC San's California Constitutional appropriation limit.

Budget Glossary

Miscellaneous Statistics

Service Area Population Information

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Orange County Sanitation District Board of Directors

Cities	Active Director
Anaheim	Carlos A. Leon
Brea	Christine Marick
Buena Park	Joyce Ahn
Cypress	Bonnie Peat
Fountain Valley	Ted Bui
Fullerton	Jamie Valencia
Garden Grove	Stephanie Klopfenstein
Huntington Beach	Pat Burns
Irvine	Melinda Liu
La Habra	Jose Medrano
La Palma	Debbie Baker
Los Alamitos	Jordan Nefulda
Newport Beach	Erik Weigand
Orange	Jon Dumitru
Placentia	Chad Wanke
Santa Ana	Johnathan Ryan Hernandez
Seal Beach	Lisa Landau
Stanton	David Shawver
Tustin	Ryan Gallagher
Villa Park	Jordan Wu

Sanitary/Water Districts

Costa Mesa Sanitary District (CMSD)	Robert Ooten
Midway City Sanitary District (MCSD)	Andrew Nguyen
Irvine Ranch Water District (IRWD)	John Withers
Yorba Linda Water District (YLWD)	Tom Lindsey

County

Member of the Board of Supervisors

Doug Chaffee

Board CommitteesOPERATIONS COMMITTEE

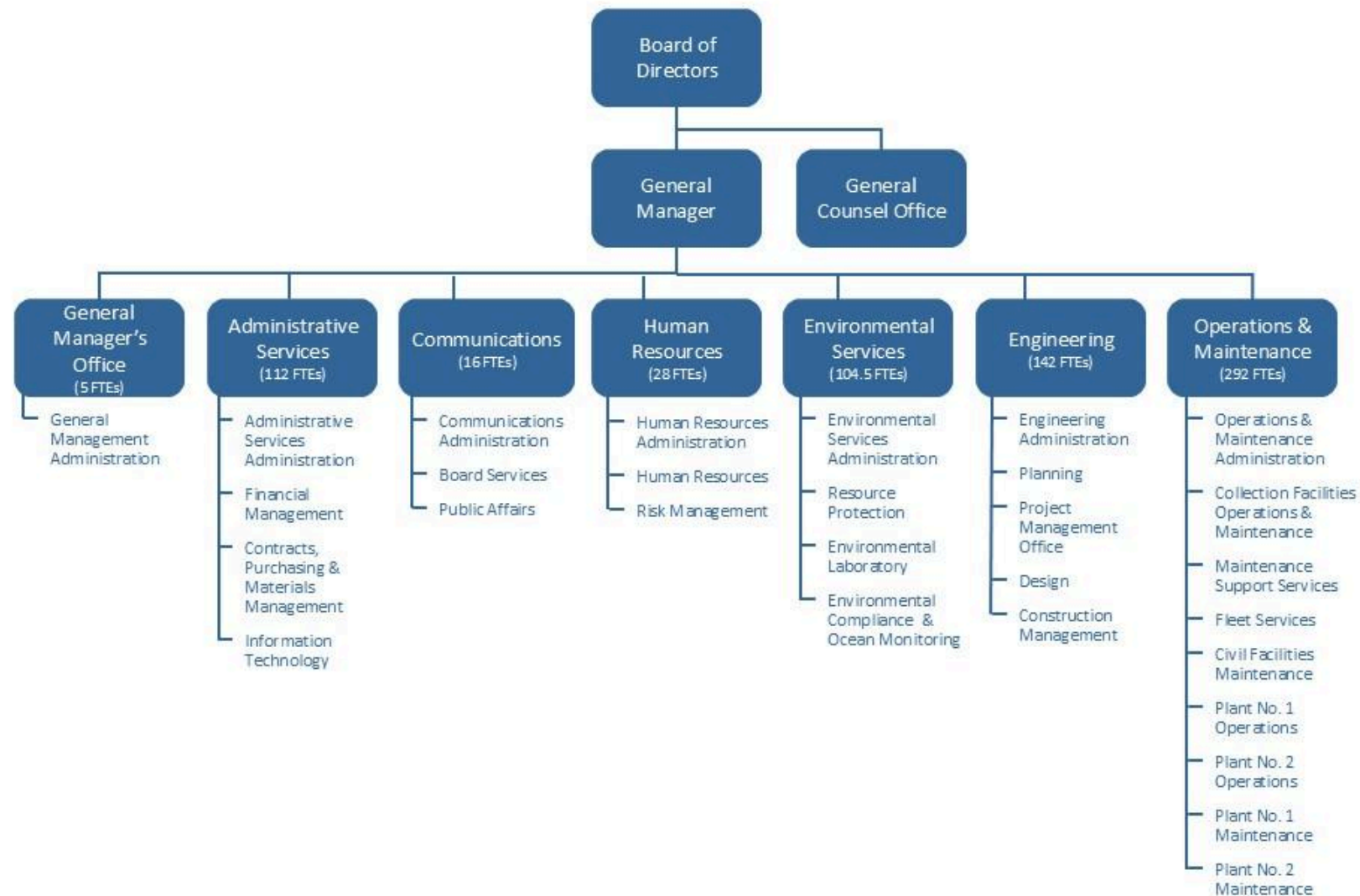
Pat Burns, Chair
Carols A. Leon, Vice-Chair
Joyce Ahn
Doug Chaffee
Johnathan Ryan Hernandez
Stephanie Klopfenstein
Lisa Landau
Tom Lindsey
Robert Ooten
Bonnie Peat
John Withers
Ryan Gallagher, Board Chair
Jon Dumitru, Board Vice-Chair

ADMINISTRATION COMMITTEE

Christine Marick, Chair
Jamie Valencia, Vice-Chair
Debbie Baker
Ted Bui
Melinda Liu
Jose Medrano
Jordan Nefulda
Andrew Nguyen
David Shawver
Chad Wanke
Erik Weigand
Jordan Wu
Ryan Gallagher, Board Chair
Jon Dumitru, Board Vice-Chair

STEERING COMMITTEE

Ryan Gallagher, Board Chair
Jon Dumitru, Board Vice-Chair
Pat Burns, Chair, Operations Committee
Christine Marick, Chair, Administration Committee
Carlos A. Leon
Chad Wanke
John Withers



Administrative Officials

General Manager	Robert Thompson
Assistant General Manager	Lorenzo Tyner
Director of Communications	Jennifer Cabral
Director of Engineering	Mike Dorman
Director of Environmental Services	Lan Wiborg
Director of Finance	Wally Ritchie
Director of Human Resources	Laura Maravilla
Director of Operations & Maintenance	Riaz Moinuddin

May 27, 2026

Honorable Chair and Board of Directors:

I am pleased to submit the Orange County Sanitation District's (OC San) Proposed Budget for fiscal years 2026-27 and 2027-28. This budget establishes the financial framework that will support OC San's operations, capital investments, and strategic initiatives over the next two fiscal years while continuing to fulfill our mission "To protect public health and the environment by providing effective wastewater collection, treatment, and recycling."

The proposed biennial budget reflects OC San's continued commitment to operational excellence, fiscal discipline, infrastructure reliability, and environmental stewardship. The FY 2026-27 proposed operating and capital improvement budget totals approximately \$571.3 million, representing a decrease of \$7.7 million from the prior year. The FY 2027-28 proposed budget totals approximately \$604.9 million, reflecting an increase of \$33.6 million over FY 2026-27, primarily driven by planned increases in capital improvement expenditures.

This budget continues to support the agency's strategic priorities and long-term planning efforts. The proposed FY 2026-27 operating budget of \$279.8 million includes investments necessary to maintain reliable wastewater collection, treatment, recycling, and disposal services for the more than 2.6 million people served by OC San. Operating budget increases are primarily associated with personnel costs, repairs and maintenance, operating materials and supplies, and professional services required to support regulatory compliance, aging infrastructure, resilience efforts, and enhanced operational support.

As part of the budget development process, OC San staff carefully reviewed departmental needs, operational priorities, and long-term financial impacts to ensure the proposed budget remains both prudent and sustainable. The proposed staffing level of 699.50 full-time equivalent positions supports the agency's commitment to maintaining service reliability, regulatory compliance, succession planning, and workforce resilience.

I would like to highlight several key focus areas included in this proposed budget:

Infrastructure Reliability and Capital Improvement Program (CIP) – OC San continues to prioritize rehabilitation and replacement of aging infrastructure to maintain reliable operations and reduce long-term risk. The proposed FY 2026-27 and FY 2027-28 Capital Improvement Program outlays are approximately \$291.5 million and \$313.5 million, respectively, and are part of a broader 20-year capital investment program totaling approximately \$8.3 billion. The CIP focuses heavily on rehabilitation and replacement projects, which comprise approximately 90 percent of projected FY 2026-27 capital expenditures. Major projects include the Seal Beach Pump Station Replacement, Bay Bridge Pump Station Replacement, and Headworks Rehabilitation at Plant No. 1.

Asset Management and Operational Reliability – OC San's infrastructure assets are valued at more than \$17 billion and must operate continuously to support public health and environmental protection. Through our Asset Management Program and Facilities Master Plan, OC San continues to proactively evaluate infrastructure condition, prioritize rehabilitation needs, and implement long-term operational strategies that support reliable service delivery at the lowest lifecycle cost with acceptable risk.

Water Recycling and Resource Recovery – OC San remains committed to advancing water reuse and resource recovery initiatives. In partnership with the Orange County Water District, OC San now helps recycle enough water to supply approximately one million people through the Groundwater Replenishment System expansion completed in 2023. OC San continues to pursue opportunities related to biosolids management, energy recovery, food waste treatment, and sustainability initiatives that improve operational resiliency and environmental stewardship.

Emergency Preparedness, Cybersecurity, and Climate Resiliency – OC San continues to prepare for future operational challenges including aging infrastructure, seismic risks, cybersecurity threats, extreme weather events, and climate-related impacts. The budget supports continued investments in emergency preparedness, business continuity planning, physical security improvements, and operational resiliency programs to ensure uninterrupted service to our communities.

Serving:

Anaheim
Brea
Buena Park
Cypress
Fountain Valley
Fullerton
Garden Grove
Huntington Beach
Irvine
La Habra
La Palma
Los Alamitos
Newport Beach
Orange
Placentia
Santa Ana
Seal Beach
Stanton
Tustin
Villa Park
County of Orange
Costa Mesa
Sanitary District
Midway City
Sanitary District
Irvine Ranch
Water District
Yorba Linda
Water District

Resilient Staffing and Workforce Development – Like many public agencies, OC San continues to address workforce transitions and succession planning challenges across technical, operational, and leadership positions. This budget supports strategic staffing investments, employee development, and training initiatives designed to maintain organizational knowledge, operational continuity, and workforce readiness for the future.

Financial Stewardship – OC San continues to maintain strong financial policies and prudent long-term planning practices. This budget does not propose any additional new debt issuances during the next two fiscal years, reflecting the agency's commitment to balancing capital funding needs with current revenues and reserve management. Through careful financial management, OC San continues to maintain AAA credit ratings from Fitch Ratings, Moody's, and Standard & Poor's.

Commitment to Innovation – OC San's strategic planning process and comprehensive planning environment uniquely position this agency to identify opportunities to adopt new technologies and work practices that improve efficiency, enhance effectiveness, and address emerging challenges. Building on OC San's legacy of innovation, the agency continues to invest in new solids handling methods that are more resilient, cost effective and have less environmental impact than current world class systems.

This proposed budget reflects OC San's ongoing commitment to providing reliable wastewater collection, treatment, recycling, and environmental protection services while maintaining rates that remain competitive and below statewide averages. Through continued investment in infrastructure, technology, workforce development, and operational resilience, OC San is well positioned to meet future regulatory, operational, and environmental challenges.

I would like to thank the Board of Directors and OC San staff for their continued leadership, collaboration, and commitment throughout the budget development process. Together, we remain focused on protecting public health and the environment while responsibly managing the resources entrusted to us.

Respectfully submitted,



Rob Thompson
General Manager
Orange County Sanitation District

MISSION STATEMENT

The Mission Statement is the basic foundation that defines why the Orange County Sanitation District exists.

“To protect public health and the environment by providing effective wastewater collection, treatment, and recycling.”

VISION STATEMENT

The Vision Statement supports the Mission Statement by expressing a broad philosophy of what the Orange County Sanitation District strives to achieve now and in the future in the delivery of services to our customers, vendors, other agencies, the general public and each other.

ORANGE COUNTY SANITATION DISTRICT WILL BE A LEADER IN:

- Providing reliable, responsive and affordable services in line with **customer** needs and expectations.
- **Protecting** public health and the environment utilizing all practical and effective means for wastewater, energy, and solids resource recovery.
- Continually seeking **efficiencies** to ensure that the public’s money is wisely spent.
- **Communicating** our mission and strategies with those we serve and all other stakeholders.
- **Partnering** with others to benefit our customers, this region, and our industry.
- Creating the best possible **workforce** in terms of safety, productivity, customer service, and training.

CORE VALUES

The Core Values support our Mission and Vision Statements by expressing the values, beliefs, and philosophy that guide our daily actions. They help form the framework of our organization and reinforce our professional work ethic.

INTEGRITY, INCLUSION, HONESTY, and RESPECT

We aspire to the highest degree of integrity, inclusion, honesty, and respect in our interactions with each other, our suppliers, our customers, and our community. We strive to demonstrate these values in our actions, commitments, and service.

LEADERSHIP, TEAMWORK, and PROBLEM SOLVING

We lead by example, acknowledging the value of our resources and using them wisely to achieve our mission. We strive to reach OC San goals through cooperative efforts and collaboration with each other and our constituencies. We work to solve problems in a creative, cost-effective and safe manner, and we acknowledge team and individual efforts.

CUSTOMER SERVICE, TRANSPARENCY, and ACCOUNTABILITY

We are committed to acting in a timely, accurate, accessible, and transparent manner through excellent customer service. We are committed to act in the best interest of our internal and external stakeholders.

RESILIENCY, INNOVATION, and LEARNING

We continuously develop ourselves, enhancing our talents, skills, and abilities. We recognize that only through personal growth and development will we progress as an agency and as individuals.

SAFETY

We are committed to providing a safe work environment. We will demonstrate leadership, promote individual accountability, and participate actively in the advancement of our health and safety practices.

This FY 2026-27 and FY 2027-28 budget represents a consolidation of two one-year proposed operating and capital budgets. OC San's FY 2026-27 operating and capital improvement budget is proposed at \$577.8 million, a \$0.6 million decrease from the prior year budget. This overall decrease is primarily attributable to a decrease of \$26.5 million in net Capital Improvement Program (CIP) Outlay, offset by a \$25.9 million increase in operating costs.

OC San's FY 2027-28 operating and capital improvement budget is proposed at \$611.9 million, a \$34.1 million increase from the FY 2026-27 proposed budget. The increase is comprised of a \$22.0 million, or 7.5 percent net increase in cash outlays for construction projects, and an \$12.1 million increase in operating costs. The fluctuation in capital outlay requirements over the next two years is attributable to the timing of the construction schedule on the implementation of the overall combined ten-year, \$3.6 billion CIP.

The table below summarizes OC San's funding requirements:

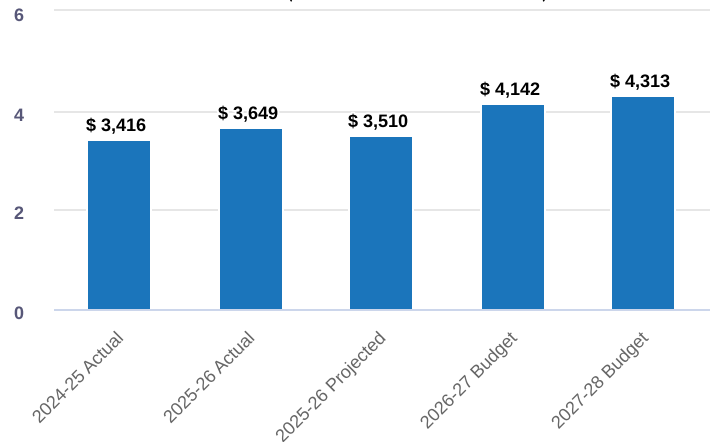
Funding Requirements by Category
(In Millions)

Category	2024-25 Actual	2025-26 Budget	2026-27 Proposed	2027-28 Proposed
Capital Improvement Program	\$ 245.0	\$ 318.0	\$ 291.5	\$ 313.5
Operating Expense/Self Insur	232.7	260.4	286.3	298.4
Debt Service	63.0	62.3	61.0	65.1
Intradistrict Transfers	-	-	-	-
Other	-	-	34.4	29.3
Total Outlays	540.7	640.6	673.2	706.4
Ending Reserves	918.0	885.8	847.3	839.0
Total Funding Uses	\$ 1,458.7	\$ 1,526.4	\$ 1,520.5	\$ 1,545.5

This FY 2026-27 and FY 2027-28 budget continues to reflect the agency's ongoing efforts to meet the operational standards and regulatory requirements. Staffing levels are being proposed at 699.50 full time equivalent (FTE) positions, an increase of 30 FTE position, or 4.5 percent over the 669.50 FTE staffing level that was approved for FY 2025-26.

Additionally, service level increases in ocean monitoring, discharge and treatment, water reclamation and conservation, urban runoff diversions, biosolids management, CIP expansion, and aging infrastructure costs have resulted in a corresponding increase in cash flow requirements. Considering the CIP alone, the \$291 million and \$314 million proposed CIP outlay for FY 2026-27 and FY 2027-28 is part of the 10-year \$3.6 billion outlay for active and future projects identified within the recently completed Annual CIP Validation Process.

Cost to Collect, Treat, & Recycle One Million
Gallons (Amount \$ in Thousands)



OC San has a variety of revenue sources available to fund its operating and capital outlay requirements. As shown in the table below, OC San's major funding resources come from sewer service fees and property taxes:

Funding Sources by Category
(In Millions)

Category	2024-25 Actual	2025-26 Budget	2026-27 Proposed	2027-28 Proposed
Beginning Reserves	\$ 857.0	\$ 918.0	\$ 885.8	\$ 847.3
Service Fees	344.8	389.7	393.1	431.6
Property Taxes	138.3	122.3	147.2	150.2
Permit User Fees	16.6	16.6	24.8	29.6
Capital Capacity Charges	16.3	21.7	16.3	16.8
Interest	53.0	28.4	42.0	32.9
Intradistrict Transfers	12.2	-	-	-
Debt Proceeds	-	-	-	-
Other Revenue	(1.2)	13.7	11.2	37.1
Total	580	592.4	634.7	698.1
Total Funding Sources	\$ 1,437.0	\$ 1,510.4	\$ 1,520.5	\$ 1,545.5

Budget Overview

The agency's two reclamation plants, located in Fountain Valley and Huntington Beach, process a combined 185 million gallons of wastewater each day generated by approximately 2.6 million people in central and northwest Orange County.

The FY 2026-27 proposed budget to operate, maintain and manage our sewage collection, treatment and disposal system is \$279.7 million, an increase of 7.4 percent, or \$19.3 million, from the prior year budget.

Contractual services are proposed to increase \$1.2 million, or 5.2 percent, due to need for outside consultants in support of repairs and maintenance.

Overhead cost allocation out to the CIP has been changed by 4.3 million, or 19.4 percent based on an updated cost allocation plan.

Combined utilities costs for natural gas, electricity, and water are proposed to decrease \$1.4 million, or 8.0 percent, due to reduced usage and fixed price contracts.

Repairs and maintenance costs are proposed to increase \$7.7 million or 19.1 percent. This increase is mostly attributable to increases in basic repairs and maintenance costs.

Operating materials and supplies, which consists primarily of chemicals used in operations, are proposed to increase \$0.4 million, or 0.0 percent due to higher unit costs and hauling expenses.

Personnel costs are budgeted to increase \$12.6 million, or 9.6 percent, primarily due to additional staff and an increase in budgeted salaries and wages in accordance with previously approved labor agreements.

Staffing is being proposed to increase to 699.50 FTE proposed for FY 2026-27.

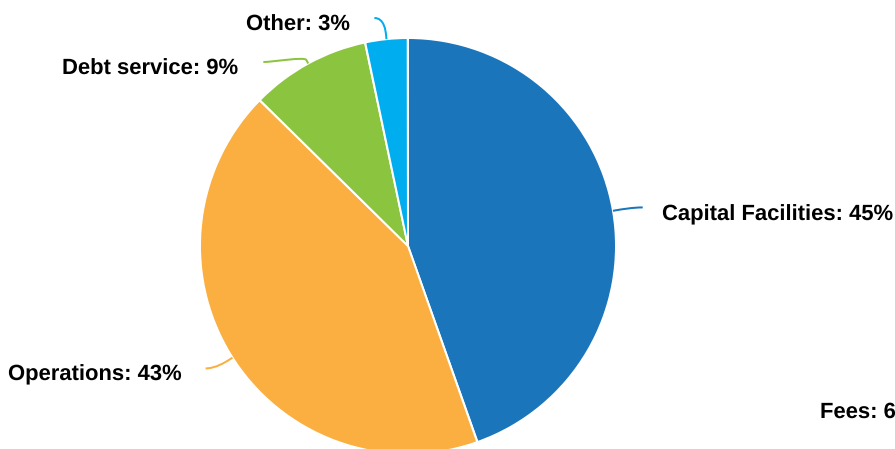
The FY 2027-28 proposed operating budget is \$291.3 million, an increase of \$11.6 million, or 4.1 percent over the FY 2026-27 proposed budget.

The cost per million gallons of wastewater treated, an industry wide performance measurement is expected to increase in FY 2026-27 to \$4,142, a \$632, or 18.0 percent increase over the prior year projected cost of \$3,510, and increase in FY 2027-28 to \$4,313, a \$171, or 4.1 percent increase from the FY 2026-27 proposed budget. The 18.0 percent increase in FY 2026-27 is primarily due to the budget increase and the projected wastewater flows through the treatment system increasing in the current year to 195 MGD. Wastewater flows have an inverse relationship to the cost per million gallons; the lower the flows, the higher the cost. Wastewater flows are expected to return to 185 MGD in FY 2026-27 and FY 2027-28.

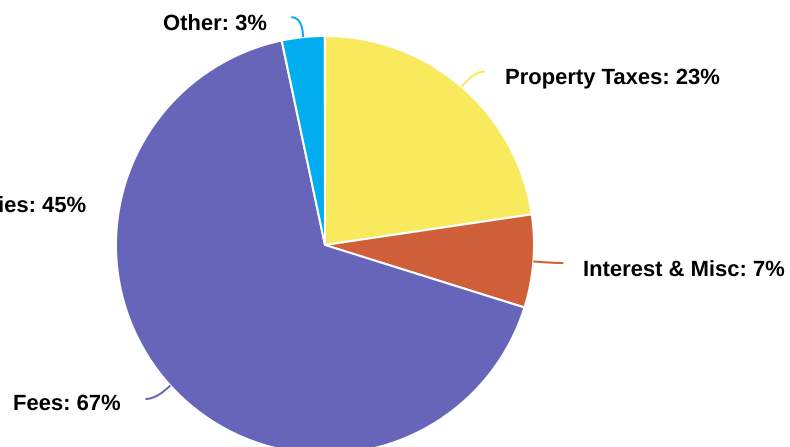
OC San's CIP net cash flow budget for FY 2026-27 is \$291.5 million, a reduction of \$26.5 million from the prior year budget. The CIP cash flow budget for FY 2027-28 is \$313.5 million, an increase of \$22.0 million from the FY 2026-27 proposed CIP cash flow. This CIP two-year cash flow budget finances collection system, joint treatment works and disposal system improvement projects. These CIP cash flows are attributable to the additional infrastructure needs identified in the 2017 Facilities Master Plan and updates that are part of the 2026 validation of the CIP.

FY 2026-27

Uses of Funds



Source of Funds



How Resources Are Used

OC San resources are used to fund the cost of providing wastewater collection, treatment and recycling service, including employees' salaries and benefits, debt service, capital improvements and the cost of self insurance.

Summary of Operating & Maintenance Expenses

Collections, Treatment & Recycling Operations

	2024-25 Actual	2025-26 Budget	2026-27 Proposed	2027-28 Proposed
Salaries, Wages & Benefits	\$ 124,026,755	\$ 130,898,600	\$ 143,453,166	\$ 152,523,019
Administrative Expenses	2,118,616	2,773,176	2,671,009	2,625,091
Printing & Publication	235,376	391,353	652,150	247,470
Training & Meetings	1,854,972	2,156,685	2,332,415	2,453,528
Operating Materials & Supplies	30,906,622	32,398,557	32,834,008	35,141,381
Contractual Services	22,810,499	23,848,656	25,088,645	26,422,647
Professional Services	9,177,517	11,302,938	12,351,770	11,367,241
Research & Monitoring	1,518,193	2,174,637	2,079,000	2,365,000
Repairs & Maintenance	41,667,916	40,074,739	47,746,510	49,170,052
Utilities	15,018,906	16,972,772	15,613,434	16,649,265
Other Materials, Supplies, and Svc	6,386,286	19,729,267	21,591,888	20,339,771
Cost Allocation	(26,684,017)	(22,355,980)	(26,701,275)	(28,036,339)
Net Operating Requirements	\$ 229,037,642	\$ 260,365,399	\$ 279,712,720	\$ 291,268,126

Facilities Planning

In December 2017, the 2017 Facilities Master Plan was adopted by the Board of Directors to define OC San's goals, responsibilities, and requirements over the next twenty years. It includes projections through the assumed "build-out" of OC San's service area to beyond the year 2040. The Projects identified via the Master Plan are continually updated via OC San's Asset Management Program (AMP). The AMP also identifies new Projects and annually conducts a validation review of every future Project.

The proposed net CIP outlays for FY 2026-27 and FY 2027-28 are \$291.5 million and \$313.5 million, respectively, and are part of an overall 20-year CIP outlay of \$8.3 billion for all planned active and future projects, as well as outlays that are primarily allotted for future rehabilitation and replacement of the OC San's aging assets and systems.

Wastewater Recycling

In partnership with the Orange County Water District (OCWD), our agency recycles water to supply the needs of customers. Recognizing the need for a reliable, affordable, and high-quality water supply, OC San's Board of Directors set a goal of recycling 100 percent of all reclaimable wastewater flows.

OC San partnered with OCWD on the construction and completion of the final expansion of the Groundwater Replenishment System. The final expansion came online in 2023 and will supply enough water for 1 million people.

Sewer Service Fee Increases

In March of 2023, the Board approved rate increases for each year over the next five years. These increases are necessary for compliance with OC San's debt fiscal policy of balancing the funding of new capital improvements with current revenues and existing debt, and to minimize the increase in rates over an extended period of time.

The impact of this five-year sewer fee schedule has increased the single family residence user fee rate, on average, 3.5 percent a year from \$358 in FY 2023-24 to \$411 in FY 2027-28. These low rate increases by OC San are still well below the average annual sewer rate of \$523 being charged throughout the State according to the 2018 California Wastewater Charge Survey by the State Water Resources Control Board.

Staffing

Authorized staffing levels are being proposed at 699.50 FTE positions for FY 2026-27, 30 positions, higher than the approved staffing level for FY 2025-26. For FY 2027-28 proposed staffing levels are 718.50 FTE positions, 19 positions high than FY 2026-27.

OC San budgets staffing levels by FTE positions to provide a realistic estimate of actual staffing levels since not all employees are full-time employees. The part-time positions are funded at 1,040 hours. Part-time employees receive a prorated share of personnel benefits. The agency’s effort in striving to provide wastewater treatment as efficiently and effectively as possible while reducing operational and maintenance costs to more closely match those agencies that are “best in class” for wastewater reclamation facilities.

Strategic Planning

In December 2025, the Board of Directors adopted a new comprehensive strategic plan to steer OC San’s efforts. The Strategic Plan developed by the Board of Directors and staff is updated every two years prior to the start of the budget process, most recently in December 2025. The plan defines the strategic initiatives to be pursued by OC San and provides a basis for long-term financial, capital, and operational planning. In addition, it provides for long-term continuity of vision as Board and staff members change over the many years it takes to deliver public works infrastructure.

Driven by our Mission, Vision and Core Values, this Strategic Plan continues OC San’s aggressive efforts to protect the public health of the more than 2.6 million people we serve while protecting the environment where we live.

The Strategic Plan is comprised of four broad categories with fifteen policy areas that define our responsibilities and the services we provide. These areas are:

Business Principles

- Budget Control and Fiscal Discipline
- Asset Management
- Cybersecurity and Artificial Intelligence
- Property Management
- Organizational Advocacy and Outreach

Environmental Stewardship

- Energy Independence
- Climate and Catastrophic Event Resiliency
- Food Waste Treatment
- Environmental Water Quality, Stormwater Management and Urban Runoff
- Potable Water Salinity Control

Wastewater Management

- Chemical Sustainability
- Biosolids Management
- Constituents of Emerging Concern
- Water Reuse

Workplace Environment

- Resilient Staffing
- Safety and Physical Security

The Strategic Plan is not a radical departure from the current direction, but rather the well defined iterative update to the direction of OC San. With the adoption of the Strategic Plan, staff will be updating the Asset Management Plan, Capital Improvement Plan, and Financial Plan that are the basis of a two-year budget that will be adopted by the Board of Directors. The Budget goals and the General Manager’s work plan are the accountability steps that measure achievable progress toward the strategic initiatives listed in the Strategic Plan.

Financial Overview and Budgetary Issues

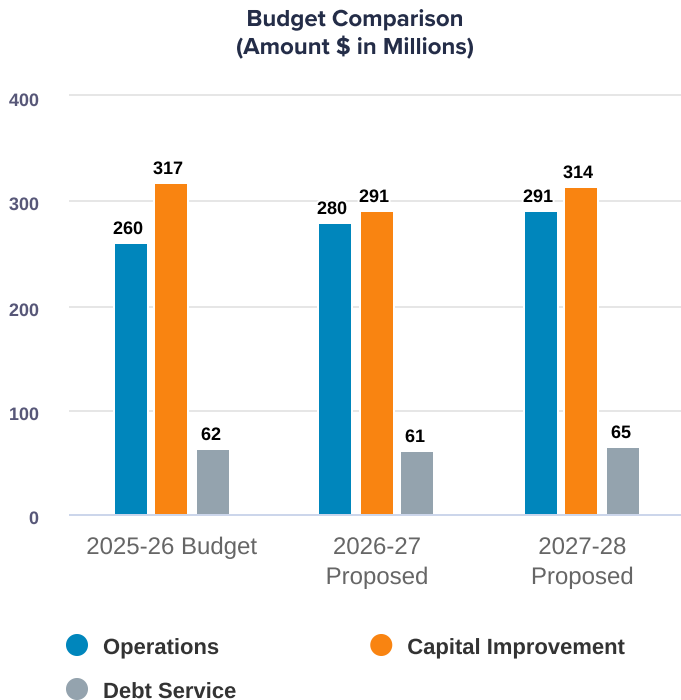
This section of the budget is a financial overview and an outline of issues affecting the development of the budget, as listed below:

- Proposed Consolidated Cash Flow Budget
- Proposed Operating Budget
- Proposed Net Capital Improvement Outlay
- Debt Service Requirements
- Sewer Service Fees & Property Tax Revenues
- Budget Highlights
- Individual Collection System
- Reserves
- Staffing Levels
- Business Plan
- OC San Long-Term Planning Process
- OC San Fiscal Policies
- GFOA Best Practices and Advisories

Proposed Consolidated Cash Flow Budget

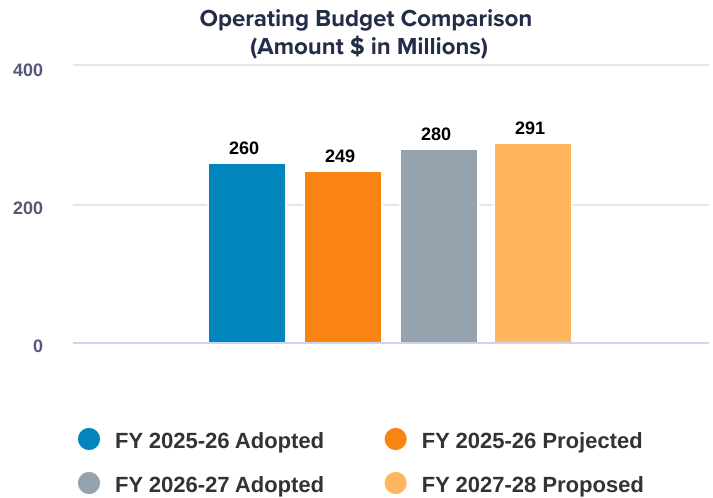
The total proposed cash flow budget for FY 2026-27 is \$673.2 million, a 3.7 percent change over the prior year total cash flow budget of \$649.0 million. The total proposed cash flow budget for FY 2027-28 is \$706.4 million, a 4.9 percent increase from the total proposed cash flow budget for FY 2026-27. The change in FY 2026-27 in comparison to the prior year is primarily due to an increase of operating costs. There was a \$19.3 million increase in operating over the prior year due to increased repairs and maintenance and staffing.

The following table shows the comparisons of the FY 2025-26 Budget, and the FY 2026-27 and FY 2027-28 Proposed Budgets by major budget category:



Proposed Operating Budget

The Operating program accounts for the costs to operate, maintain, and manage OC San's two treatment plants, with a secondary treatment design capacity of 318 million gallons a day, and over 380 miles of collection systems. All the personnel costs for OC San are initially recorded as an Operating cost. Costs chargeable to the Capital Improvement Program (CIP) are allocated for the work done through a job cost system. These charges are shown as reductions in the line item Operating program budget. Costs remaining in the Operating program are ultimately allocated to the two individual revenue areas that make up OC San, the Consolidated Revenue Area, and Revenue Area 14, based on flows. Operational cost, comprised of collections, treatment plant, recycling operations and maintenance, and administration are projected to come in under budget for FY 2025-26 Budget by \$11 Million, or 4.4%. The FY 2026-27 Budget is being proposed with an increase of \$19.3 million or 7.4 percent from the prior year budget, and the FY 2027-28 Budget is being proposed with an increase of \$11.5 million, or 4.1 percent over the FY 2026-27 Proposed Budget.



Analysis on the year-to-year change is provided from three perspectives. First, the FY 2025-26 Budget is compared to the 2025-26 year-end projections. Secondly, the FY 2025-26 year-end projections are compared to the FY 2026-27 Proposed Budget, and lastly, the FY 2026-27 Proposed Budget is compared to the FY 2027-28 Proposed Budget.

FY 2025-26 Operations – Budget vs. Projected

As depicted by the chart above, operating expenses are projected to come in under the FY 2025-26 Budget by \$11 million, or 4.4%. The major categories that comprised most of the budget is salaries and wages, chemicals and operating supplies.

Salaries and wages costs are expected to come in under budget by \$0.7 million, or 0.6 percent primarily due to unfilled positions and positions being filled at entry level.

Administrative expenses are expected to come in under budget by \$0.7 million, or 0.3 percent primarily due to reduced need for small computer items and minor furniture and fixtures.

Professional services are expected to come in under budget by \$0.3 million, or 2.6 percent primarily due to reduced usage of outside consultants.

Utility costs are expected to come in under budget by \$0.6 million, or 3.7 percent due to significant increase in delivery costs.

FY 2025-26 Projected Operating Expense vs. FY 2026-27 Proposed Operating Budget

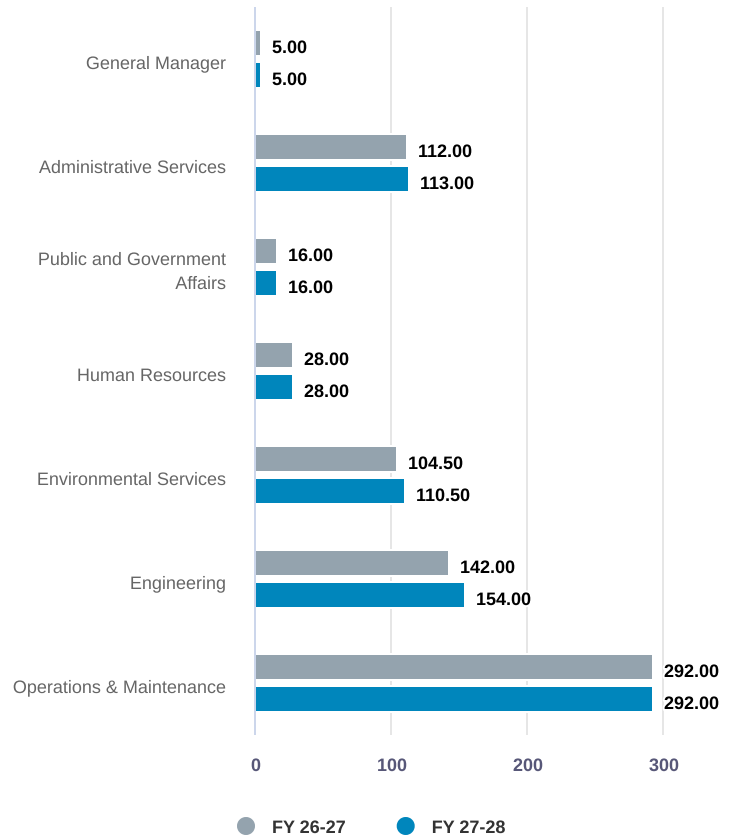
The FY 2026-27 Operating Budget is a \$30.3 million, or 12.2 percent increase over the FY 2025-26 projected operating requirements. Increases in the proposed operating requirements are primarily attributable to increases in salaries, wages and benefits, operating materials and supplies, and professional services.

Personnel cost are being proposed at \$13.2 million, or 10.2 percent increase over the prior year projection mainly due to anticipated salary and benefit adjustments for all employee bargaining units and increased insurance premiums and retirement contributions. There is a proposed increase of thirty full time equivalent (FTE) staff position bringing the proposed total FTE count in FY 2026-27 to 699.50 FTEs.

Costs for training and meetings are proposed to increase \$0.4 million or 23.75 percent over the prior year projection. Increased costs for training are attributable to more in person training opportunities in addition to a districtwide effort to invest further into the growth of employees.

Professional services costs are proposed to increase \$1.3 million or 12 percent over the prior year projection. The increase is attributable to increased outside environmental scientific consultants, and software programming consultants.

Full Time Equivalent (FTE) Staff



FY 2026-27 Proposed Operations Budget vs. FY 2027-28 Proposed Operations Budget

In FY 2027-28, the second year of this two-year operating budget, staff is proposing a 4.1 percent, or \$11.5 million increase over the FY 2026-27 proposed operating requirements. Increases in the proposed operating requirements are primarily attributable to increases in personnel costs, operating materials and supplies, and repairs and maintenance.

Personnel costs are being proposed at a 6.3 percent, or \$9.0 million increase in FY 2027-28 over the FY 2026-27 Proposed Budget. This increase is mostly attributable to anticipated salary and benefit adjustments for all employee bargaining units and an increase of group medical insurance premiums.

Operating materials and supplies are being proposed to increase \$2.3 million or 7.0 percent, primarily due to chemical costs.

Proposed Net Capital Improvement Outlay

Proposed capital improvement outlays approximate 40 percent of the overall proposed budget and provide for the improvements, rehabilitation, replacement, expansion and upgrades of facilities at the two treatment plants, including the utility systems, administrative facilities, and the ocean disposal system, and the rehabilitation, replacement and expansion of the over 380 miles of the collection system and off-site pump stations.

The net CIP outlay has been prepared under assumptions included in the Facilities Master Plan adopted by the Board of Directors in December 2017 and in accordance with the Board approved 2025 Strategic Plan.

The Strategic Plan is a two-year, four-step management process that creates and maintains vision alignment between the Board of Directors, the staff, and the public. The Facilities Master Plan defines OC San's goals, responsibilities, and requirements over the next twenty years.

The Facilities Master Plan provides a comprehensive analysis of the condition and capacity of OC San's wastewater infrastructure. It also evaluated the potential impacts due to anticipated regulatory changes, and incorporated recommendations from other recent master planning efforts, such as the Effluent Reuse Study, Biosolids Master Plan, the Climate Resiliency Study, the Seismic Evaluations Study, and the Collections System (sewers and pump stations outside the Plants) Capacity Evaluation, to create the CIP which supports OC San's mission over the next 20 years.

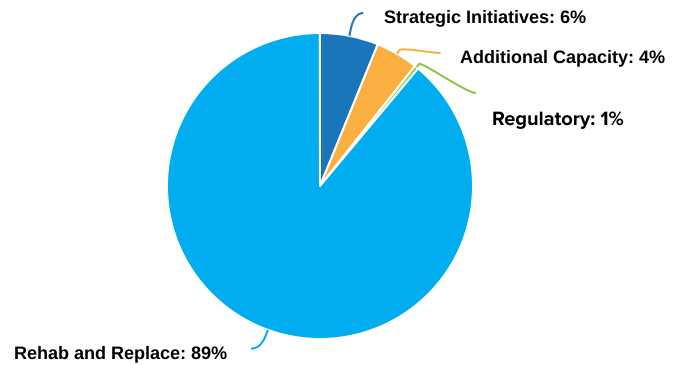
The Asset Management Program (AMP) continuously validates and updates the Facilities Master Plan Projects that are within CIP. This is performed by working with Operations and Maintenance and performing facility condition assessments and Planning Studies that allows future Projects to be created and updated. Future Projects that are updated through the year are also validated annually to ensure accurate schedule, scope, and budget.

The proposed net CIP outlays for FY 2026-27 and FY 2027-28 are \$291.5 million and \$313.5 million, respectively, and are part of an overall 20-year CIP outlay of \$8.3 billion for all planned active and future projects, as well as outlays that are primarily allotted for future rehabilitation and replacement of OC San's aging assets and systems.

There are four key drivers that lead to CIP projects: (1) Rehabilitation and Replacement; (2) Additional Capacity; (3) Regulatory; and (4) Strategic Initiatives.

As demonstrated by the following chart, the most prevalent CIP project driver is to rehabilitate and replace aging assets. OC San is now facing a time when dry weather influent flows have stabilized and discharged regulations are less dynamic. Most of the capital improvement costs will be focused on asset management, rehabilitation, and replacement of aging infrastructure.

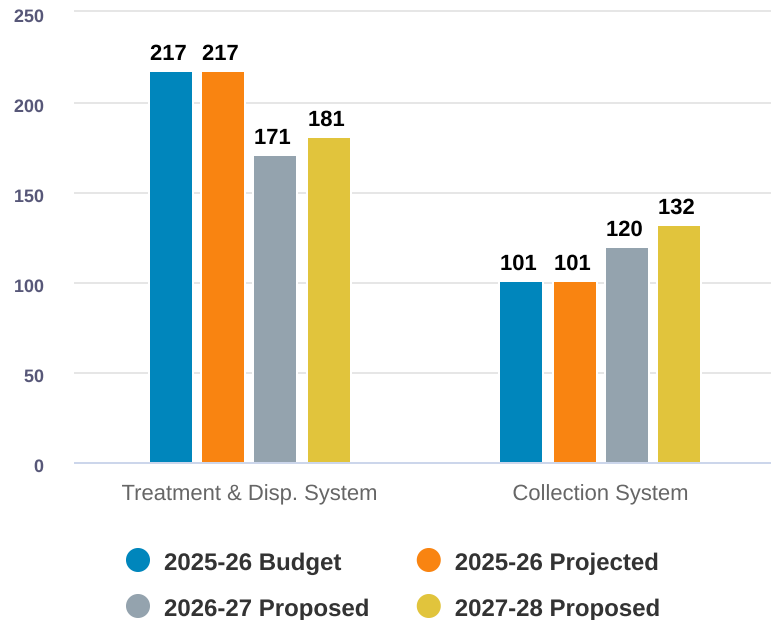
Projected FY26-27 Net CIP Outlay by Project Driver



The validated CIP includes 102 active and future capital projects, one program, such as the Small Construction Program (M-FE), and budget for capital equipment purchases with a total CIP budget authority of \$5.3 billion.

The projected outlay for FY 2025-26 for Treatment and Disposal Improvement projects is expected to meet the annual net CIP outlay of \$217.4 million. The FY 2026-27 and FY 2027-28 proposed net CIP outlays for Treatment and Disposal Improvement projects are \$171.2 million and \$181.1 million, respectively.

CIP Program - Net Outlay
(Amount \$ in Millions)



The three largest reclamation facility projects for FY 2026-27 include the Seal Beach Pump Station Replacement (Project No. 3-67), Bay Bridge Pump Station Replacement (Project No. 5-67), and Headworks Rehabilitation at Plant 1 (Project No. P1-105) with projected expenditures of \$33.8 million, \$37.8 million, and \$27.9 million, respectively.

Collection system projects are related to the conveyance of sewage to Reclamation Plant Nos. 1 or 2. These projects include a combination of gravity sewers, force mains, and pump stations. The projected net CIP outlay for collection system projects for FY 2025-26 is expected to meet the annual net CIP outlay of \$100.6 million. The FY 2026-27 and FY 2027-28 proposed net CIP outlays for collection system projects are \$120.0 million and \$132.3 million, respectively.

The three large projects in the collection system include Los Alamitos Sub-Trunk and Westside Relief Interceptor Rehabilitation (Project No. 3-64C), Seal Beach Pump Station Replacement (Project No. 3-67), and Bay Bridge Pump Station Replacement (Project No. 5-67) with projected expenditures of \$19.0 million, \$33.8 million, and \$37.7 million, respectively.

All of the projects referenced above are in construction; in total, construction accounts for 44 percent of the FY 2026-27 net CIP outlay. Additional information on these projects and the Capital Improvement Program as a whole is provided within Section 8 of this document.

Debt Service Requirements

OC San's long-term debt fiscal policy restricts long-term borrowing to capital improvements that cannot be financed from current revenue. Before any new debt is issued, the impact of debt service payments on total annual fixed costs will be analyzed.

OC San issued the \$80.0 million Wastewater Revenue Obligation, Series 2010A in May 2010 and the \$157.0 million Wastewater Revenue Obligation, Series 2010C in December 2010, both as "Build America Bonds" (BABs) fixed rate debt and the last of the "new" money debt issuances. The American Recovery and Reinvestment Act of 2009 created this new financing product, BABs, for the municipal issuer. BABs are issued as higher interest taxable bonds; however, the U.S. Treasury provides a 35.0 percent subsidy on interest payments. The net cost, after accounting for the 35.0 percent subsidy payment, frequently results in lower net costs to the issuer, specifically in the maturity years beyond ten years. Based on the market conditions at the time of these issuances in comparing the back-loaded BABs new money borrowing to a back-loaded tax-exempt structure, Series 2010A resulted in present value savings to OC San of \$15.2 million, as the debt was issued at an all-in true interest cost of 3.7 percent; and Series 2010C resulted in present value savings to OC San of \$20.0 million, as the debt was issued at an all-in true interest cost of 4.1 percent.

On March 1, 2013, the federal government implemented certain automatic spending cuts known as "the sequester". As a result of the sequester, federal subsidy payments on BABs have been reduced annually from a high of 8.7 percent for the federal FY ended September 30, 2013 to a low of 5.9 percent for the federal FY ended September 30, 2030.

In FY 2025-26, OC San issued \$95.1 million of Revenue Refunding Series 2025A to refund callable and maturing debt at a net present value savings of \$14.1 million. As a result of having an adequately funded reserves policy, experienced management, and prudent planning, OC San was again able

to secure a "AAA" credit rating from Fitch Ratings, Moody's, and Standard & Poor's on this latest debt issuance.

This two-year budget proposes no additional new money debt issuances as the \$3.6 billion in future replacement, rehabilitation, and refurbishment projects anticipated over the next ten years will be adequately funded through current sewer service fee charges and existing reserves.

The FY 2026-27 debt service requirements are proposed at \$61.0 million, a decrease of \$1.3 million, or 2.1 percent from FY 2025-26 projected amount. Total Debt Service requirements for the second year of this two-year budget will be \$65.1 million.

OC San's Debt Financing Program is described in more detail in Section 9 of this budget.

Sewer Service Fees

The Consolidated Revenue Area has an adopted Sanitary Sewer Service Fee to provide funding for operating the sewer systems in accordance with the Clean Water Act and OC San's Revenue Program. Revenue Area No. 14 is funded through user fee charges to the IRWD. Sewer service fees are adopted in five year increments.

In the fall of 2007, OC San staff conducted strategic planning workshops with the Board of Directors to lay out a capital program to deliver the levels of service desired by the Board of Directors. These levels of service and resulting capital projects were included in OC San's Five-Year Strategic Plan.

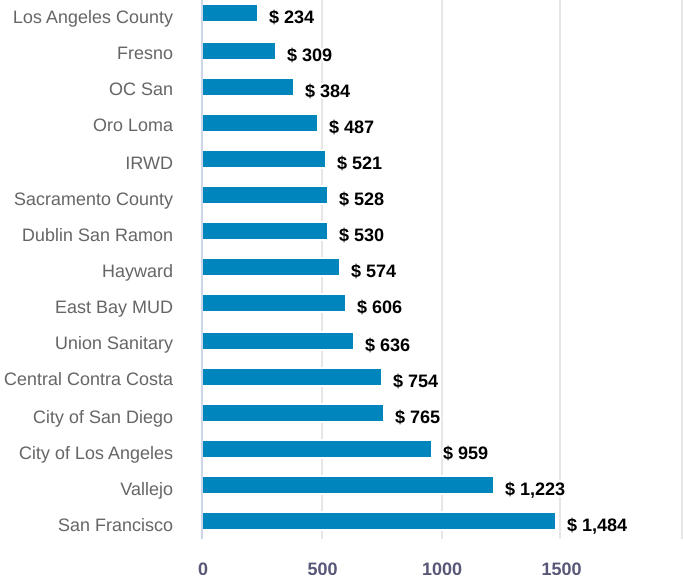
This effort was reinforced through the adoption of a new Master Plan in December 2017, a planning effort to define OC San's goals, responsibilities, and requirements over the next twenty years. The 2017 Facilities Master Plan defined a CIP consisting of over 80 future infrastructure projects. Collectively, these projects along with current active projects total over \$5 billion of CIP spending over the next 20 years.

The 2017 Facilities Master Plan also included a Wastewater Revenue Program Rate Study which determined the appropriate rates going forward to support the proposed 20-year CIP. In March 2023, following a Proposition 218 notice process, the Board approved sewer rate increases for each year over the next five years averaging approximately 3.5 percent a year. These increases are necessary to provide needed capital improvements, to meet additional treatment and disinfection requirements, and to minimize future rate increases.

The impact of this five-year sewer fee schedule has increased the single-family residence user fee rate, the underlying rate for all sewer service user fees, an average of 3.5 percent a year from \$358 in FY 2025-26 to \$411 in FY 2027-28 .

Even with these increases, OC San rates are still well below the average annual sewer rate of \$523 being charged throughout the State according to the 2018 California Wastewater User Charge Survey conducted by the State Water Resources Control Board.

Annual Single Family Residential Rates
(July 2025)



In FY 1997-98, OC San’s Rate Advisory Committee, made up of elected city officials, community, business and industry leaders, and OC San staff analyzed OC San’s rate structure to determine whether user fees were equitable among residences and industry. In May of 1998, the Board approved the proposed revisions to the Sewer Service User Fee rate structure that more equitably charged consumers based on actual usage while remaining revenue neutral. Significant changes in the rate structure included:

Non-residential user charge will be based upon typical quantity and strength of discharge per 1,000 square feet.

Fees for users who discharge high quantities or high-strength waste, including former Class III permittees such as restaurants and laundromats, will be based on the assumed flow and strength per 1,000 square feet.

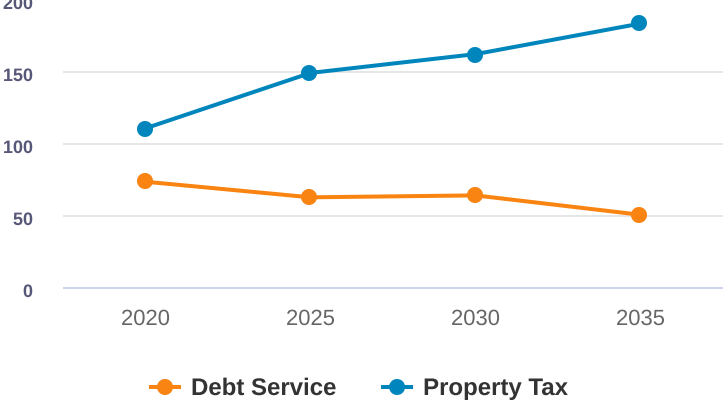
Discontinuation of the Class III permit process because of the implementation of the expanded and more accurate rate structure. This resulted in simplification of the billing and collection process for these two hundred users.

The revised rate structure resulted in a greater number of decreases in charges (22,000) for non-residential users than increases (13,000). Overall, the total fees collected remained essentially the same as those generated by the old structure.

Property Taxes

OC San’s share of the one percent ad valorem property tax is dedicated for the payment of COP debt service. The apportionment of the ad valorem tax is pursuant to the Revenue Program adopted in April 1979 to comply with regulations of the Environmental Protection Agency and the State Water Resources Control Board and in accordance with COP documents and Board policy.

Debt Service vs. Property Tax Receipts
(Amount \$ in Millions)



Historically, OC San’s property tax revenues exceeded OC San’s debt service obligations. This trend should continue with debt service obligations leveling off and no new planned COP debt issuances.

Property tax revenues have increased from \$138.3 million in FY 2024-25 to a projected \$148.7 million in FY 2025-26 . Property tax revenues projected to increase 2.0 percent a year through FY 2027-28.

Any property tax revenue shortfalls in meeting debt service obligations may require adjustments to user fees, as making debt service payments are legally mandated.

Budget Highlights

This section briefly outlines the proposed major changes in all departments over the next two years. All plant operating costs and collection system costs are consolidated into the individual department budgets for better accountability and control.

However, separate accounting is maintained between Joint Works Operation activities (treatment and recycling operational costs) and collection operational activities since each Revenue Area is directly responsible for their own collection operating costs. The Joint Works Operation activities are allocated to the Revenue Areas based on their individual contributions to the annual sewage flow. Likewise, the Joint Works Capital Improvements are allocated to the Revenue Areas on a three-year average of sewage flows called the "joint works equity percentage", and each Revenue Area is responsible for their own collection system capital improvements.

Details for each department can be found in “Section 6 – Operations” of this document. Complete staffing schedules are located in the Appendix.

General Manager's Office

An increase in salaries, wages and benefits costs of \$0.4 million in FY 2026-27 is attributable to the addition of an FTE and salary adjustment for personnel.

A net increase of 1.0 FTEs over the next two years.

Administrative Services

A decrease in salaries, wages, and benefits costs of \$2.6 million in FY 2026-27 is attributable to FTEs transferring to the Operations & Maintenance departments.

A decrease of \$1.4 million in contractual services and a decrease of \$1.0 in repairs and maintenance costs, is driven by janitorial and repair costs transferring to the Operations & Maintenance department.

A net decrease of 21.0 FTEs over the next two years.

Communications

An increase in salaries, wages, and benefits costs of \$0.2 million in FY 2026-27 is attributable to anticipated salary and benefit adjustments for all employee bargaining units.

No net change in FTEs over the next two years.

Human Resources

An increase of \$0.6 million in FY 2026-27 is due to increase in salaries and safety supplies.

No net change in FTE over the next two years.

Environmental Services

An increase in salaries, wages, and benefits of \$2.6 million in FY 2026-27 is attributable to anticipated salary and benefit adjustments for all employee bargaining units and additional positions.

An increase of \$136,330 in operating materials and supplies is driven by an increase in laboratory costs and supplies.

An increase of \$163,656 in professional services for engineering costs and legal consultants.

A net increase of 15.0 FTE over the next two years.

Engineering

An increase in salaries, wages, and benefits of \$4.7 million in FY 2026-27 is attributable to an additional FTEs along with anticipated salary and benefit adjustments for all employee bargaining units.

A net increase of 26.0 FTE over the next two years.

Operations & Maintenance

An increase in salaries, wages, and benefits of \$6.8 million in FY 2026-27 is attributable to additional FTEs along with anticipated salary and benefit adjustments for all employee bargaining units.

An increase in repair and maintenance of \$8.6 million mainly due to proactive maintenance and repairs to keep the reclamation plants reliable.

An increase in contractual services of \$2.5 million due to transfer of costs from the Administrative Services department.

A net increase of 28.0 FTE over the next two years.

Reserves

OC San conducted an in-depth review of the agency's reserve policies. This review included a survey of the reserve policies of 23 other public agencies and is periodically updated. It serves as a tool to assist in the evaluation of the underlying economic reasons supporting OC San's reserve policies. Below are seven distinct reserve criteria which together comprise OC San's reserve fund target.

Cash Flow Criterion has been established at a level to fund operations, maintenance and certificate of participations expenses for the first half of the FY, prior to the receipt of the first installment of the property tax allocation and the sewer service user fees which are collected as a separate line item on the property tax bill. The level of this criterion will be established as the sum of an amount equal to six months operations and maintenance expenses and the total of the annual debt or COP service payments due in August each year.

Operating Contingency Criterion has been established to provide for non-recurring operating expenditures that were not anticipated when the annual budget was considered and adopted. The level of this criterion will be established at an amount equal to ten percent of the current FY's annual operating budget.

Capital Improvement Criterion has been maintained to fund annual increments of the CIP. The target level of this criterion has been established at one half of the average annual cash outlay of the CIP through the year 2036. Levels higher and lower than the target can be expected while the long-term financing and capital improvement programs are being finalized.

Catastrophic Loss, or Self-Insurance Criterion has been maintained for property damage including fire, flood, and earthquake, for general liability and for workers' compensation. This reserve criterion is intended to work with purchased insurance policies, FEMA, and State disaster reimbursements.

Based on the plant infrastructure replacement value, the level of this criterion has been set to fund OC San's non-reimbursed costs, estimated to be \$100 million.

Capital Replacement/Refurbishment Criterion has been established to provide funding to replace or refurbish the current collection, treatment, and recycling facilities at the end of their useful economic lives. The current replacement value of these facilities is estimated to be \$17.7 billion. The reserve criterion level had been established at \$75 million.

Debt Service Criterion has been established at ten percent of the outstanding COP issues. Other debt service reserves are required to be under the control of a Trustee by the provisions of the COP issues.

These funds are not available for the general needs of OC San and must be maintained at specified levels.

Accumulated Funds exceeding the targets specified by OC San policy will be maintained for Capital Improvements and Rate Stabilization. These funds will be applied to future years' CIP needs due to the timing of the actual CIP outlays, in order to maintain rates or to moderate annual fluctuations.

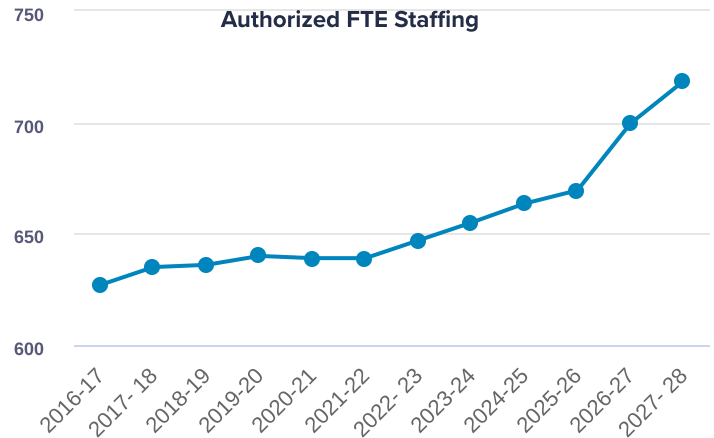
Collectively, these individual criterion requirements average \$622 million a year over the current ten-year cash flow forecast to support the operation and maintenance of OC San's \$17.7 billion in assets.

Staffing Levels

Authorized staffing levels are being proposed to increase the total FTE position count by 30 from FY 2025-26 to 699.50 FTE positions and by 19 from FY 2026-27 to 718.50 FTE over the next two fiscal years.

OC San budgets staffing levels by FTE to provide a realistic estimate of actual staffing levels since not all employees are full-time employees. The part-time positions are funded at 1,040 hours per year. Part-time employees receive a prorated share of personnel benefits.

OC San's staffing plan supports the effort to provide wastewater treatment as efficiently and effectively as possible while lowering operational and maintenance costs to more closely match those agencies that are "best in class" for wastewater treatment facilities. However, as the result of new initiatives in the areas of water reclamation and conservation, and the expansion of the CIP, the existing staffing plan was no longer sufficient to meet OC San's needs.



The Appendices within Section 10 provide a Staffing History Summary (by Department and Division) and Detail (by position title within each Department and Division).

OC San Planning Environment

OC San has developed an integrated planning system that allows for intentional, thoughtful decision making to maintain current operations while adding resilience and meeting new challenges. This integrated planning system includes Strategic Planning, Asset Management, Budgeting (Capital and Operating), a General Manager's work plan, focused engineering study efforts, and a research program. While these plans are important, equally important is an organizational structure and relationships between employees that work together toward these common goals.

Strategic Planning is the first step. OC San has developed a strategic planning model that creates a long-term level-of-service agreement between its Board of Directors and staff. The Board of Directors use this document to lay out a vision of what the agency will deliver over the next 10 to 20 years. This is an alignment document to define long-term levels of service. The Strategic Plan also serves as a continuity bridge as members of the 25-member Board of Directors come onto and leave the governing body. It is initially important as an education tool for what and why OC San does what it does, but also allows for new Board members to adjust the vision as it is revised every two years. The Strategic Plan is timed to be adopted by the Board of Directors in the November prior to the bi-annual budget development.

OC San has also created an updated Asset Management Plan. The Asset Management Plan details what we own, what condition it is in, and what it is capable of delivering. This plan is renewed every year. OC San has broken down its facilities by drainage areas, pump stations, and treatment plant process areas. Each of these discrete areas have a plan. One of the key features of this planning method is to assume that each area has a life expectancy and will need regular refurbishment to maintain resiliency and attain the lowest lifecycle cost. Corrosion, mechanical wear and tear, electrical and instrumentation obsolescence, and technological opportunity must be addressed.

It is generally assumed that a normal plant process area will have a 60 to 80-year life if it is refurbished every 20 years. Linear assets like sewers and manholes tend to have a longer life and need attention less often. OC San inspects its linear assets no less than every five years to correct defects, rather than replace failed corroded pipes. It is much more efficient and responsible for OC San to rehabilitate and extend the life of our assets rather than replace once failure occurs.

The CIP portion of the budget lays out major refurbishment and replacement projects for each planning area looking out more than 20 years. Project start dates, scopes of work and cost estimates shift based on the ongoing asset management efforts that include an annual validation where schedule, scope, and budget are reviewed. The operations budget also lays out the smaller scale equipment level refurbishments or replacements necessary to keep the assets working between major projects. This longer horizon view optimizes the resources necessary to deliver projects by minimizing the number of projects and more fully scoping the necessary work at the beginning of the project, minimizing change orders and disruption. This more consistent capital and operational funding approach tends to level out funding requirements and user rates.

Once the two-year fiscal budget is approved, staff develops the General Manager's Work Plan for each of the budget years. The General Manager's Work Plan is a list of goals that are specifically linked to the Strategic Plan items. Each goal is specific and measurably moves the agency toward the vision in the Strategic Plan.

This complete planning cycle is repeated every two years. In addition, OC San is consistently studying very important topics that help shape the project and maintenance efforts guided by the planning cycle.

Some of the important engineering studies include Regional Urban Runoff Optimization, Ocean Outfall Condition Assessment, Energy and Digester Gas Master Plan, seismic risk evaluations, climate change resilience, and biosolids management. By studying the risks and impacts of these, and other issues, OC San is able to understand how its facilities must be improved or altered in order to deal with new requirements or better understood risks. OC San uses the information in each of the studies to improve the scopes of work for existing projects or maintenance activities. Taking the long view to adapt the facilities to address long-term risk and opportunity is the most effective way to reach an intentional, strategically planned vision for OC San.

Having a coherently aligned planning process is critical for moving OC San forward, but it is only half of the equation. Creating an environment where people are aligned is the other half. OC San has worked hard to utilize both formal and informal relationships in and across departments to align work efforts. Significant work has been done to define the roles and responsibilities of every department, division, and work group. This includes what each work group needs and is responsible to supply to the rest of the organization. The work groups were designed to be interdependent with a culture of holding each other accountable for delivering required services.

OC San has worked very hard to create an integrated planning environment which begins with the expectations of its Board of Directors and flows down to the work product of each employee. We have worked equally hard to assure our staff members are communicating and providing transparent services to each other in support of the plan.

CIP Master Planning The 2017 Facilities Master Plan was adopted in December 2017. Like previous versions, this latest master plan updated planning assumptions, provided a comprehensive analysis of the condition and capacity of our wastewater infrastructure, assessed new technology opportunities, anticipated regulatory changes, and resource recovery options to create a roadmap of facility evaluation improvements which supports OC San's mission over the next 20 years.

The 2017 Facilities Master Plan defined a Capital Improvement Program comprised of over 80 CIP projects. However, the budget allotted for each project must be approved by OC San Board of Directors during the annual budget review. To prepare for this annual budget review, OC San employees go through a budget validation process. Each CIP project is reviewed to ensure that the scope of the project is appropriate, and that the cost estimates are accurate. In addition, through the Asset Management Program, the Planning Division continually reviews and updates the ongoing and future CIP to appropriately manage the risks associated with asset or system failure. Future projects may be accelerated, delayed, consolidated, canceled or rescope to help ensure that the CIP is delivered in the most efficient way possible.

Strategic Plan

In December 2025, the Board of Directors adopted an updated comprehensive strategic plan to steer OC San's efforts. The Strategic Plan developed by the Board of Directors and staff defines the strategic initiatives to be pursued by OC San and provides a basis for long-term financial, capital, and operational planning. In addition, it provides for long-term continuity of vision as Board and staff members change over the many years it takes to deliver public works infrastructure.

Driven by our Mission, Vision and Core Values, this Strategic Plan continues OC San's aggressive efforts to meet the sanitation, health, and safety needs of the more than 2.6 million people we serve while protecting the environment where we live.

The Strategic Plan is broken down into four broad categories with sixteen policy areas that define our responsibilities and the services we provide. These areas are:

Business Principles

- Budget Control and Fiscal Discipline
- Asset Management
- Cybersecurity & Artificial Intelligence
- Property Management
- Organizational Advocacy and Outreach

Environmental Stewardship

- Energy Independence
- Climate and Catastrophic Event Resiliency
- Food Waste Treatment
- Environmental Water Quality, Stormwater Management and Urban Runoff
- Potable Water Salinity

Wastewater Management

- Chemical Sustainability
- Biosolids Management
- Constituents of Emerging Concern
- Water Reuse

Workplace Environment

- Resilient Staffing
- Safety and Physical Security

The Strategic Plan is not a radical departure from the current direction, but rather the well-defined iterative update to the direction of OC San. With the adoption of the Strategic Plan, staff will be updating the Asset Management Plan, Capital Improvement Program, and Financial Plan that are the basis of a two-year budget that will be adopted by the Board of Directors. The Budget goals and the General Manager's work plan are the accountability steps that measure achievable progress toward the strategic initiatives listed in the Strategic Plan.

Biosolids Management

Biosolids is a resource recovered through the wastewater treatment process. OC San treats nutrient-rich, organic matter (solids) to produce biosolids. Biosolids can be recycled through composting or fertilizing farm fields (non-food crops via land application). OC San's goals are to ensure that biosolids management strategies align with beneficial use of biosolid and existing market conditions and to continue to have a sustainable, reliable, and economical biosolids management program that provides environmentally sound practices and meets the stringent federal, state, and local regulatory requirements.

Through March, in FY 2025-26, OC San produced an average of 503 tons per day ("tpd") of biosolids at a cost of \$14.2 million, which averaged \$77.12 per ton for hauling and recycling at offsite locations, as described in the table below.

The FY 2026-27 budget for biosolids management is \$14.7 million, an increase of 3.6% from FY 2025-26 based on the increased costs of both hauling and management.

Contractor	Location	Product	Appx. Tons per Day (March 24)	Avg. Cost per Ton (March 24)
Tule Ranch	Yuma, AZ	Land Application	230	\$ 70.17
Synagro	San Bernardino, CA	Compost	66	\$ 79.71
Synagro-Rust	San Bernardino, CA	Compost	34	\$ 79.14
Synagro-SKCMF	Kern, CA	Compost	76	\$ 83.23
Synagro-Liberty	Lost Hills, CA	Compost	70	\$ 82.27
Synagro-AZ	LaPaz, AZ	Compost	-	\$ 90.36
Inland Empire Regional Composting-Denali	Rialto, CA	Compost	27	\$ 96.27

OC San's contractors provide fail-safe, back-up biosolids management capacity in California and Arizona that include composting, land application, and landfill. Together, these options have the additional available capacity to manage more than ten times OC San's daily biosolids production to ensure sustainable, consistent, and reliable wastewater treatment operations.

OC San staff have been working to implement the recommendations of the 2017 Biosolids Master Plan. The plan evaluated the biosolids markets and technology options for digestion facility replacement at Plant No. 2 in Huntington Beach. This plan will serve as the road map for sustainable and cost-effective Biosolids management options over a 20-year period and will diversify our biosolids portfolio.

Urban Runoff

Recognizing that County beaches were being affected by pollution carried by urban runoff, the Board of Directors adopted a number of resolutions to accept dry weather urban runoff into the sewer system. In June 2002, Assembly Bill 1892 amended OC San's charter to formally allow the diversion and management of dry weather urban runoff flows.

Resolution No. 01-07, adopted March 28, 2001, declared that OC San will initially waive fees and charges associated with authorized discharges of dry weather urban runoff to the sewer system until the total volume of all runoff discharges exceeds four million gallons per day (MGD) based on a monthly average. For the first 12 years of the Urban Runoff Program, the average monthly flows remained below the four MGD threshold, thereby avoiding user fees being assessed to the diversion permittees.

In 2012, OC San received several proposals to establish additional diversions to address bacteria and selenium loading to Upper Newport Bay. The discharge from the additional proposed diversions, combined with the existing diversion flows, was projected to eventually exceed the four MGD fee threshold. On June 26, 2013, the Board adopted Resolution No. 13-09 expanding the waiver of fees and charges for the treatment of dry weather urban runoff from 4 to 10 MGD. According to the Board, the change was necessary not only to protect the County's coastal resources, but also to provide an economic benefit to the local community by helping to keep beaches open.

The Dry Weather Urban Runoff Program is administered by OC San's Resource Protection Division, which issues a discharge permit for each diversion structure. The permit functions as a control mechanism that specifically prohibits storm runoff and authorizes discharge only during periods of dry weather. The permit also establishes specific discharge limits, pollutant monitoring, and flow metering requirements. In addition, OC San conducts semi-annual sampling and analysis of the urban runoff discharges to ensure compliance.

The Dry Weather Urban Runoff Diversion Program continues to operate with a total of twenty-one permitted diversions, including eighteen active diversions and three diversions on hold. Of the permitted diversions, four are owned by the County of Orange and operated by Orange County Public Works, eleven are owned and operated by the City of Huntington Beach, two are owned and operated by the City of Newport Beach, three are owned and operated by the Irvine Ranch Water District, and one is owned and operated by PH Finance (Resort at Pelican Hill).

Since 1999, OC San has treated cumulatively about 12 billion gallons of dry weather urban runoff that would otherwise have been discharged into the ocean without treatment. During FY 2024-25 the daily average urban runoff flow ranged between .99 and 4.37 MGD with a cumulative total diversion of 554.3 million gallons (MG). At the current operations and maintenance cost per million gallons (CMG) of \$2,342 (assuming BOD at 20 mg/L and TSS at 50 mg/L), program cost are expected to increase as additional diversions resume operations and approach their full discharge potential.

Groundwater Replenishment System

OC San has taken a multi-jurisdictional approach to planning for capital facilities because many of the methods for reducing or managing flows involve other jurisdictions. One such project is the Groundwater Replenishment System (the "GWRS").

In March 2001, OC San entered into an agreement with the Orange County Water Sanitation District (OCWD) to design and construct Phase I of the GWRS. The capital cost of this Phase was shared equally (50% shares) by each agency. The GWRS is a joint effort by the two agencies to provide reclaimed water for replenishment of the Orange County Groundwater Basin and to augment the seawater intrusion barrier. The GWRS became operational in January of 2008 with a production target of 70,000 acre-feet per year of potable water.

The GWRS Initial Expansion, funded solely by OCWD, broke ground in January 2012 to increase potable water production to approximately 103,000 acre-feet per year. The GWRS Initial Expansion was completed in June 2015, resulting in purifying 100 percent of the treated wastewater from OC San's Fountain Valley Plant No. 1.

In 2016, OC San and the OCWD completed a \$2 million joint study to explore the possibility of using flows from OC San's Plant No. 2. The study identified an implementation plan to convey secondary effluent from OC San's Plant No. 2 in Huntington Beach using new and existing infrastructure to support the GWRS Final Expansion. The GWRS Final Expansion was funded solely by the OCWD and went online in 2023.

Fiscal Policies

Included within Section 3 – Pages 1 through 6 is a listing of OC San's Board Adopted Fiscal Policies.

These fiscal policies were established purpose of:

Sustaining a financially viable organization;

Having the flexibility to adapt to local and regional economic changes; and

Maintaining and enhancing sound fiscal condition of OC San.

Included within OC San's fiscal policies are specific policies for Budgeting, Revenues, Expenses, Capital Improvements, Vehicles, Short-term Debt, Long-term Debt, Reserves, Investment, and Accounting, Auditing and Financial Reporting.

GFOA Best Practices and Advisories

Included in the budget within Section 3 – Pages 7 through 15 is a listing of accounting, auditing, financial reporting, cash management, budgetary and fiscal policy, debt management, retirement and benefit administration, and economic development and compliance planning practices recommended by the Government Finance Officers Association (GFOA) of the United States and Canada.

Included within this list of best financial practices for state and local governments is OC San's status as to whether we are in compliance or in progress towards compliance, or whether the practice is applicable to this agency. Out of the 271 practices identified, OC San is in compliance with 243, another 28 are not considered applicable to OC San.

OC San's Strategic Plan is intended to be an overarching plan based on sound decision making that provides direction on the work that OC San will take on during the next two-year budget cycle and what will be deferred. This Business Plan is the underlying foundation for the development of OC San's Budget.

During the process of developing the Business Plan, OC San's Executive Management Team reviewed the proposed work for the upcoming year, balanced it with the staffing and funding resources needed and either approved the plan or made reductions. Reductions in work or resource commitment for the coming year will be considered in light of the Level of Service that the agency is committed to and appropriate levels of risk.

Elements included in two-year budget includes: (1) the Business Planning Process; (2) Strategic Goals, including the timeframe, milestones, and resources required for the completion of each step; (3) performance results pertaining to the Current and Projected Key Performance Indicators (Level of Services); (4) business accountability performance objectives and measures, that are aligned with the updated Strategic Plan (these are detailed for each division within the departments in Section 6 of this document); (5) Two-Year Staffing Plan; (6) Financial Model Update; (7) Risk Assessment & Mitigation Analysis; and (8) 2025 Asset Management Plan Update.

Business Plan Process

The framework for the Business Plan is developed as part of the process of updating the Strategic Plan. The process for updating the Strategic Plan requires the assistance from all levels of the organization, and includes updating the Mission Statement, Vision Statement and Core Values; and addresses the major objectives and critical challenges facing OC San now, in the next five years, and further into the future. This Strategic Plan also lays down the foundation for the development of the Business Plan as it addresses critical operations and construction issues, financial and budgeting challenges, and gives a clear and concise direction from the Board of Directors to staff, ratepayers, regulatory agencies, and the general public.

The Business Plan development process started with the categories and topics identified within the Strategic Plan. Staff from across the agency further defined these goals in terms of level of service, business risk exposure, capital and operational costs, staffing, and long-term financial impacts. The Business Plan identifies the required resources and prioritizes projects and goals, with recommendations for which goals should go forward for inclusion in OC San budget, and which should be deferred or dropped from consideration.

Strategic Goals

Over the next two years, OC San will begin and complete many activities central to the goals of the organization. In December 2025, OC San updated the Strategic Plan and, as part of the strategic planning process, outlined four broad categories:

Business Principles;

Environmental Stewardship;

Wastewater Management;

Workforce Environment;

These four categories contain sixteen policy areas with ongoing initiatives to achieve the goals of the plan and OC San.

Level of Service

The Levels of Services were developed with measurable outcomes, or key performance indicators, that OC San is committed to meeting. This Business Plan documents that the Levels of Service provided by OC San will require \$3.6 billion in identifiable capital improvements and millions in increased maintenance and operations costs over the next ten years.

OC San's Levels of Service have been updated in December 2025 to align with the Strategic Plan and showcase how initiatives are being implemented and monitored. OC San's Levels of Service are the commitment made to our rate payers, regulators, employees, and the Board of Directors on our operational efforts. The Levels of Service continue under the identified following goals:

OC San will protect public health and the environment.

OC San's effluent, solids, and biogas will be recycled.

OC San will be a good neighbor and will be responsive to its customers.

OC San will manage its assets to ensure reliability and security.

OC San will exercise sound financial management.

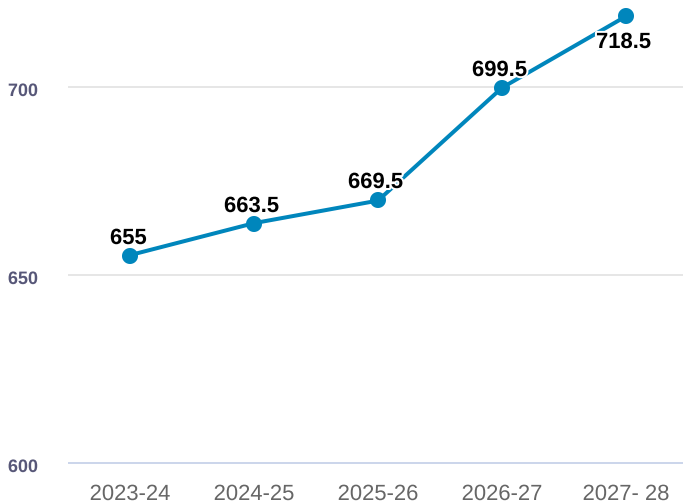
OC San will provide a safe, productive workplace.

These existing Levels of Service targets are continually under review.

Staffing Plan

A comprehensive review was completed on OC San's staffing levels for the next two fiscal years. This undertaking began with a review of OC San's vision, mission, goals, and objectives.

Authorized FTE Staffing



This analysis included review and assessment of each department and division within OC San with discreet duties and responsibilities.

The total FTE requirement has gradually increased over the last ten years, based on the needs of the agency over time. An increase to 718.50 FTEs over the next two FYs is proposed. Staffing levels are proposed at levels that are necessary to support the operation and maintenance of all facilities in an efficient manner to meet all compliance requirements. Staff has focused on the reallocation of existing resources in order to balance the needs within the business units of this agency to ensure that core business operations are met, levels of service are maintained, and that strategic initiative elements are accomplished.

The proposed two-year staffing plan contains a significant level of analysis on how existing resources can be utilized in consideration of the increasing demands placed on this agency and in support of the \$3.6 billion capital improvement program over the next ten years. A detailed breakdown on the proposed reallocation of FTEs can be found within the Appendix section of this budget.

Financial Model Update

OC San's most recent regional rate study was completed in December 2022 by HDR Engineering. The purpose of the study was to update sewer service rates and to equitably distribute costs among utility customers and to support OC San's regional rate structure over a five-year period from FY 2023-24 through FY 2027-28. Previously, OC San had completed regional rate studies in 2017, 2013, 2008, 2006, 2002 and 1999. The following two drivers necessitated that a rate study be completed in 2022, and be incorporated into the Business Plan:

The Necessity of Updating the Regional Sewer Service Fee and the Net Cost of Service Methodology for Industrial Rates - OC San provides regional sewage collection, treatment, and disposal services to approximately 550,000 customers located in central and northwest Orange County and collects fees for these services through a special assessment on the Orange County property tax bill. In addition, OC San also maintains, repairs, and replaces the local sewers for approximately 74 of the above 550,000. High strength dischargers, or industrial customers, pay sewer fees based upon a net cost of service. A rate study was required to determine the equitable rates for these three types of users.

Five-Year Proposition 218 Notice - OC San's last California Proposition 218 Notice notifying rate payers of potential sewer rate increases over the past five-years had expired and a new 5-year Proposition 218 Notice approved by the Board and the justification of the new sewer service fee rates over the next five years needed to be supported by an updated sewer rate study.

In their Financial Model Update Report for OC San issued in December of 2022, HDR recommended that OC San:

Based on current operational and capital project assumptions, implement annual increases based on construction inflation, respectively, over a five-year period ending in FY 2027-28.

Increase to the unit costs to high strength discharges for FY 2026-27 and FY 2027-28, as follows:

Industrial Discharge Sewer Rates

	\$/ 1,000 Gallons	\$/ lbs. B.O.D.	\$/ lbs. T.S.S.
Unit Cost -FY 2026-27	\$1.92217	\$0.82917	\$0.94286
Unit Cost -FY 2027-28	\$2.01198	\$0.87521	\$0.98958
% Increase	4.7%	5.6%	5.0%

All recommendations from the December 2022 Financial Model Update Report were approved by the Board to ensure that the funding required for the additional capacity projects required for new users would be available at the time of construction.

It was determined, as a result of the new Master Plan, that future build-out is now projected to be less than what was anticipated in the previous master plan. OC San's system currently has unused capacity that is available to serve future users. In addition, OC San will continue to maintain, improve, and expand the system with future capital improvements. Based upon this information, a hybrid approach (buy-in and future cost) to capacity charges was recommended.

Based on the CFCC portion of the rate study in 2022, CFCC and Supplemental CFCC fees are as follows for FY 2026-27 and FY 2027-28:

CFCC Rates

	Residential CFCC	Commercial/ Industrial CFCC
Unit Cost -FY 2026-27	\$6,588	\$1,710
Unit Cost -FY 2027-28	\$6,819	\$1,770
FY26-27% Increase	0.9%	0.9%
FY27-28% Increase	3.5%	3.5%

Supplemental CFCC Rates

	\$/ 1,000 Gallons	/ lbs. B.O.D.	\$/ lbs. S.S.
Unit Cost -FY 2026-27	\$2.47	\$0.57665	\$0.40204
Unit Cost -FY 2027-28	\$2.55	\$0.59683	\$0.43483
% Increase	3.5%	3.5%	8.2%

Risk Assessment Analysis

Many leading organizations are formally applying risk management processes to identify and manage risks across many aspects of their business. The formalization of risk management processes is a logical step towards increased accountability and transparency placed on the Board and OC San management.

Risk assessment and mitigation includes the following steps: Identify and assess strategic and organization-wide risks facing OC San;

Identify mitigation measures that OC San currently has in place;

Propose additional mitigation measures that OC San considers appropriate to manage; and

Develop an action plan of responsibilities and timeframes for follow-up.

The Risk Register is a compilation of the various risks facing OC San, as seen, and described biennially by the executive management team and the managers. Business Risk is defined as a threat that an event (action or inaction) will adversely affect OC San's ability to achieve its business objectives and execute its strategies successfully.

Executive management and managers continue to review risks identified in the Risk Register and implement various ways to address those that might impact OC San. Each Risk Register Update contains solutions proposed by participants for the top risks, and each Risk Register Update also contains a section recording how OC San dealt with the risks that were spotted in the previous Risk Register Update.

Asset Management

OC San is committed to providing services for its rate payers to reliably meet our regulatory mandates and levels of service approved by the Board of Directors and will provide these services using sustainable engineering principles that result in the lowest responsible lifecycle cost with an acceptable level of risk. OC San installs, operates, maintains, refurbishes, and disposes of assets with lifecycles measured from years to decades, so an approach which balances long, medium, and short-term needs is necessary.

OC San's Asset Management Program has evolved into a comprehensive decision-making framework that encompasses engineering planning, design, and construction of quality facilities; optimized operation; proper maintenance; and planned rehabilitation, replacement and refurbishment of assets that will meet OC San's changing needs. This coordinated decision-making process will allow OC San to consistently meet mandated levels of service to the rate payers at the lowest lifecycle cost.

The ongoing improvement and maturation of the Asset Management Program has resulted in the annual publication of an Asset Management Plan which provides details on the program, asset condition summaries, and budgetary considerations. The plan evaluates the remaining useful life of assets by discipline within each of the major areas (Collection System, Reclamation Plant No. 1, and Reclamation Plant No. 2). An overarching trend identified by the Asset Management Program is an increasing need to focus on renewal expenditures as the average age of OC San's assets continues to increase.

The Asset Management Plan is not only useful for documenting the current condition of OC San's assets, but it also allows for the development of a more thoughtful 20-year CIP plan which considers which projects are necessary, when they are needed, and how best to accomplish them. The value of OC San's assets and the 20-year CIP plan to sustain them are summarized in the following sections and described in more detail in the CIP Budget Request Summary section of this report.

Asset Valuation

The replacement valuation for all of OC San's assets has been updated in 2018 as part of the 2017 Facilities Master Plan project. The table below presents the current replacement and depreciated values of OC San's assets. The replacement value represents the cost in 2026 dollars to completely rebuild all the assets to a new condition. The depreciated value is the book value of the assets based on their age, which is a prediction of their current condition.

Valuation	Plants	Collections	Total
Replacement Value (in billions)	\$10.09	\$7.64	\$17.73
Depreciated Value (in billions)	\$2.88	\$0.76	\$3.64

The estimated replacement value in FY 2026-27 is \$17.7 billion based on the Engineering News-Record Construction Cost Index (CCI) increase since the 2017 Facilities Master Plan.

Planned CIP Outlays

The following chart shows the 20-year CIP outlay which includes both current and projected future Capital Improvement Program projects. Additional information on the proposed CIP outlay for Board Authorized Projects is provided in the CIP Budget Request Summary section of this report. The second half of the 20-year CIP outlay is primarily comprised of future projects which are reevaluated and adjusted annually to reflect any new information available.

20 year CIP Outlay



Infrastructure Asset Management

OC San manages and assesses collection system and reclamation plant assets to improve resilience and reliability while lowering lifecycle costs. This is accomplished through adaptive operation; coordination of maintenance and condition assessment; and planned capital investment. Staff will balance maintenance, refurbishment, and replacement strategies to maximize useful life, system availability, and efficiency.

Below is a summary of the infrastructure maintenance activities and associated capital projects for FY 2026-27 and FY 2027-28. Just as this section focuses on capital costs, OC San's operational and maintenance costs for the Collection System, Reclamation Plant No. 1, and Reclamation Plant No. 2 are provided within Section 6.

Collection System

OC San's collection system consists of more than 380 miles of sewers and 15 pump stations. The maintenance of all regional sewers is actively managed but only 230 miles of regional sewers are on a cleaning schedule as the largest sewers and force mains are designed to be self-cleaning based upon higher flows and natural scouring action.

Typical gravity sewer maintenance activities consist of: closed circuit television (CCTV) inspection, physical inspection, and cleaning operations. The cleaning frequencies are based on data from pipe inspections, CCTV work, process conditions, historical records, and industry best practices.

Pump station and metering station maintenance activities include operating the stations, maintaining electrical, mechanical, and civil components, and cleaning activities.

The collection system odors and corrosive gases are actively managed for nuisance odor mitigation and asset preservation.

Maintenance activities are based on established levels of service to ensure compliance with our permit required Sewer System Management Plan, which is designed to reduce spills, increase reliability, and ensure safety. The planned activities help extend the useful life of the assets and minimize the potential for issues to develop.

Budget information for maintenance is available in Section 6.

Collection System Capital Improvement Projects

OC San's collections projects go through a planning and design process to ensure all elements of the project are thoroughly assessed. These projects typically renew or replace aging pipelines and pump stations; address odor issues; upgrade facilities to meet current codes and standards; and, in some instances, increase flow capacity due to growth in localized portions of our service area.

In FY 2026-27, a large portion of capital spending is expected to come from two pump station replacement projects: Project No. 3-67 Seal Beach Pump Station Replacement and Project No. 5-67 Bay Bridge Pump Station Replacement. Both projects recently started construction and are expected to be complete in 2030-31. The reliability of all of OC San's pump stations are critical for preventing sewer spills; however, these two pump stations are a priority for replacement with an average age of 59 years since original installation. These projects are projected to spend a combined \$72 million in FY 2026-27.

Additionally, there continues to be ongoing and widespread effort to address mostly age-related condition issues throughout the collection system. Project No. 1-23, Santa Ana Trunk Sewer Rehabilitation and Project No. 3-64C, Los Alamitos Sub-Trunk and Westside Relief Interceptor Rehabilitation are the two largest examples in the near term with both in construction and projecting to spend a combined \$38 million in FY 2026-27.

Reclamation Plant No. 1 and Reclamation Plant No. 2 Maintenance

The maintenance program is continually being optimized with a focus on predictive and preventative maintenance which identifies and addresses issues when they initially develop. This approach not only allows for a more planned and less disruptive maintenance program but is also more cost effective. Each year the maintenance divisions complete tens of thousands of these predictive and preventative maintenance tasks and repairs assets as needed.

Reclamation Plant No. 1 Capital Improvement Projects

These projects are intended to rehabilitate or reconstruct major components of our treatment process and support facilities to ensure reliable operations.

One of the largest projects at Plant No. 1 continues to be the Headworks Rehabilitation at Plant No. 1 (Project No. P1-105). The facility is over 30 years old, and a comprehensive refurbishment is required to ensure the continued reliable operation of the facility into the future. The project will rehabilitate systems including the metering and diversion structure, the bar screen building, the bin loading building, the main sewage pump station, the grit basins, the primary influent channels, the headworks odor control scrubbers, electrical power distribution systems, and control elements. This project is in construction and is projecting to spend \$28 million in FY 2026-27, with final completion scheduled in 2029.

Reclamation Plant No. 1 will be undergoing major overhauls of its treatment processes over the next decade which are dependent on various facilities being available over time to ensure sufficient treatment capacity is always available. A key project to prepare for this is P1-142, Trickling Filter Media Replacement at Plant No. 1 which is expected to be the second largest capital project expense at Plant No. 1 in the coming fiscal year. By replacing the trickling filter media it will make them a reliable option for secondary treatment and will allow flexibility for repairs necessary to other facilities in the area. The project is projecting to spend \$11 million in FY 2026-27.

Reclamation Plant No. 2 and Outfall Capital Improvement Projects

These projects are intended to rehabilitate or reconstruct major components of our treatment process and support facilities to ensure compliance with regulatory permits, increase reliability, and improve safety.

One of the largest and longest duration active projects at Plant No. 2 is Project P2-98: Primary Treatment Rehabilitation at Plant No. 2. This project is in construction and will renew the useful life of the 14 primary clarifiers and associated support facilities at Plant No. 2 via rehabilitation and replacement. These facilities date back to the late 1950's and need condition-based upgrades. The final phase of this project is under construction and is projecting to spend \$20 million in FY 2026-27, with completion scheduled in 2027.

There is also a widespread effort to upgrade electrical generation and distribution systems with significant projected spending in the coming fiscal year. These projects include P2-141, Headworks Electrical Distribution Improvements at Plant No. 2, J-98, Electrical Power Distribution System Improvements, and J-135C, Engine and Generator Overhauls at Plant No. 1 and 2, Phase 2. P2-141 will be in design while the other two projects are in construction and are projecting to spend a combined \$24 million in FY 2026-27. Construction is expected to be complete for all of these projects within the 2028-2029.

In terms of the outfall, Project No. J-137, Ocean Outfalls Rehabilitation, is making good progress as a progressive design build project and is anticipated to complete most of the necessary design in the coming fiscal year. This is one of the first projects OC San is completing through the progressive design build method which is a good match for the unique work associated with this project. The project is projected to spend \$14 million in FY 2026-27 and complete construction in 2029.

ENVIRONMENTAL STEWARDSHIP	FY 2025-26 Results	Levels of Service Target
OC San will protect public health and the environment.		
Compliance with Ocean Discharge Permit	100%	100%
Dry weather urban runoff collected and treated	Up to 10 MGD	Up to 10 MGD
Major non-conformance audit findings	< 5 Per permit per audit	< 5 Per permit per audit
Respond to corrective actions within regulatory timeline for air, solids, and water compliance audits	100%	100%
Comply with Fleet Air Emission Regulations	100%	100%
Number of odor complaints under normal operations	< 5 per events per treatment plant < 12 per events for collection system	< 5 events per treatment plant < 12 per events for collection system
Sanitary Sewer Spills per 100 miles	< 2.1	< 2.1
Compliance with core industrial pretreatment requirements	100%	100%
OC San's effluent, solids and biogas will be recycled.		
Provide specification effluent to Groundwater Replenishment System	100%	100%
Beneficially reuse biosolids during normal operations	100%	100%
WASTEWATER MANAGEMENT		
OC San will be a good neighbor and will be responsive to its customers.		
Respond to collection system spills within 1 hour of notification	100%	100%
Respond to odor complaints	Within 1 hour in plants Within 24-hours in collection system	Within 1 hour in plants Within 24-hours in collection system
Respond to public complaints or inquiries regarding construction within 24 hours	100%	100%
Respond to biosolids contractor violations within one week of violation notice	100%	100%
Respond to Public Records Act requests within the statutory requirements	100%	< = 10 days
Dig alert response within 48 hours	100%	100%

	FY 2025-26 Results	Levels of Service Target
OC San will manage its assets to ensure reliability and security.		
Cybersecurity event monitoring and incident handling, percent successful	95%	> 87%
Annual real property assessments/inspections	100%	25% of the properties
Annual inspection, documentation, and evaluation of collection system	100% 100%	70 miles of sewers 880 manholes
BUSINESS PRINCIPLES		
OC San will exercise sound financial management.		
Annual user fees sufficient to cover 100% of O&M Budget	100%	100%
Collection, treatment, and disposal costs per million gallons	Within 10% of Budget	Within 10% of Budget
Maintain Credit Rating (Moody's, Fitch, S&P)	AAA	AAA
WORKPLACE ENVIRONMENT		
OC San will provide a safe, productive workplace.		
Employee injury incident rate per 100 employees	<4.4	< 4.4
Annual days away from work, restricted activity, or job transfer resulting from a work-related injury	Within 1 hour in plants	< 2.5
Annual training hours per employee	>45 hours	45 hours

OC San Long-Term Planning

	Type of Planning Process	Description of Process	Budget Impacts
Update of the Strategic Plan	Maintaining a rolling two year, four-step management process that creates and maintains vision alignment between the Board of Directors, the staff, and the public we serve.	In December 2025, OC San's Board approved a 2- Year Strategic Plan. It defines needs and feeds into Capital Planning. From there, budget development will be developed and executed.	The ongoing process adapts to changes and allows the budget to be reevaluated and refined.
Capital Master Planning and Asset Management	Develop and maintain a 20-year Capital Improvement Program (CIP) to meet the regulatory, environmental, health, and safety needs of a growing population.	In December 2017, the Board approved a new Facilities Master Plan that lays out a capital program to deliver and maintain the levels of service desired by the Board of Directors. This is validated and reinforced every year through Planning Studies and Asset Management.	The 2026 CIP Validation, includes an overall CIP budget of over \$8.3 billion for active and future projects.
Biosolids Management	Aggressively pursue biosolid disposal alternatives.	The study of biosolids options will include offsite and onsite facility, and new and established technologies.	OC San will continue to explore CIP projects to support the pursuit of biosolids disposal alternatives.
Groundwater Replenishment System (GWRS)	Continue partnership with the Orange County Water District (OCWD) in support of the GWRS.	Maximize the use of treated effluent for water recycling by sending secondary effluent from Plant No. 2 to the GWRS.	OC San will continue to provide the appropriate quality and qauntity of flow for GWRS operations.

Background Information and Description of Services

OC San is a public agency that operates one of the largest wastewater facilities in the United States of America. Originally formed in 1954 pursuant to the joint powers provision under the County Sanitation District Act of the California Health and Safety Code, OC San then consisted of independent special districts responsible for wastewater collection within their own geographical boundaries. These districts were co-participants in a Joint Agreement to provide for the joint construction, ownership, and operation of OC San's Joint Facilities for the treatment and recycling of wastewater.

On July 1, 1998, the nine-individual existing districts requested to be consolidated into one district by resolution of the Board of Supervisors of the County of Orange and special legislation.

OC San is governed by a Board of Directors made up of mayors or members of city councils, directors of independent special districts, and one member from the County Board of Supervisors. A variety of board committees, made up of members of the Board of Directors, consider topics for action by the Board and make recommendations to the Board.

OC San is responsible for collecting, treating, and safely disposing of approximately 185 million gallons of wastewater each day for an area covering 479 square miles in metropolitan (central and northwestern) Orange County. OC San's service area includes approximately 2.6 million residents and businesses, or approximately 81 percent of the County's total population.

Professional staff of 669.50 full-time equivalent employees supports OC San's around-the-clock operation. Staff is organized into seven departments, including the General Manager's Office, Administrative Services, Communications Administration, Human Resources, Environmental Services, Engineering, and Operations and Maintenance.

As working environmentalists, OC San's staff is regulated by many agencies, including the United States Environmental Protection Agency (U.S. EPA), California Regional Water Quality Control Board (CRWQCB), CalRecycle, the California Air Resources Board, and the South Coast Air Quality Management District (SCAQMD).

OC San operates and is regulated under a National Pollution Discharge Elimination System (NPDES) ocean discharge permit issued by the U.S. EPA and the Santa Ana Regional Water Quality Control Board. This permit was last renewed in August 2021. To maintain OC San's NPDES operating permit, OC San's plants must meet strict conditions set jointly by the regulators. OC San is actively engaged in discussion with the regulators during the renewal process.

OC San maintains and operates a large system of trunk sewers and pump stations in addition to the two modern reclamation plants. The plants use chemical, physical and biological processes to produce a high-quality effluent. Chemicals used are either environmentally neutral or biodegradable.

The treated effluent from the Huntington Beach plant is pumped through a five-mile, 10-foot diameter ocean outfall pipe. The last mile of the outfall is a diffuser section that releases treated water through more than 500 portholes approximately four-and-a-half miles offshore.

In January 2008, the Orange County Water District (OCWD) and OC San began operation of the Groundwater Replenishment System (GWRS), a joint project by the two agencies to provide reclaimed water for percolation into the groundwater basin from most of the secondary effluent pumped from the Fountain Valley plant, or approximately 92,300 acre-feet per year.

In May 2015, OCWD completed the initial expansion of GWRS that provided an additional 33,000 acre-feet per year of reclaimed water; resulting in the purification of 100 percent of the treated wastewater produced at the Fountain Valley plant.

In November 2019, OCWD and OC San began construction on the final expansion of GWRS and was completed in 2023. The final expansion of GWRS provides an additional 36,400 acre-feet per year by utilizing reclaimed water produced at OC San's Huntington Beach plant.

Community Profile of the County of Orange

The County of Orange is bordered on the north by Los Angeles and San Bernardino counties, on the east by Riverside County, on the southeast by San Diego County, and on the west and southwest by the Pacific Ocean. Approximately 42 miles of ocean shoreline provide many beaches, marinas, and other recreational areas for use by residents and visitors.

The climate in the County is mild, with an average rainfall of 13 inches. The mean temperature ranges from a minimum of 45 degrees to a maximum of 84 degrees.

The County has become a tourist center in Southern California by offering a broad spectrum of recreational opportunities that is enhanced by the mild climate. Along the shoreline are five state beaches and parks, five municipal beaches and five county beaches. There are two small-craft docking facilities in Newport Harbor, one located in Sunset Beach and another in Dana Point.

Other major recreational and tourist facilities include Disneyland, Disney California Adventure, Knott's Berry Farm and Soak City, Mission San Juan Capistrano, and the Anaheim Convention Center. Also located within the County is Angels Stadium, home of the Los Angeles Angels Major League Baseball, and the Honda Center, home of the Anaheim Ducks of the National Hockey League.

Economic Outlook

Orange County's employment outlook is steady but limited. Total nonfarm employment at about 1.69 million jobs, with only modest growth projected through 2027. This means the county is not facing a major employment collapse, but job growth is not especially strong either. Some sectors are expected to perform better than others, especially education and health services, while other sectors show weaker growth or decline.

Housing is one of the biggest pressures on Orange County's economy. Orange County lost about 80,000 residents between July 2020 and July 2024, which suggests that high housing costs and affordability issues are pushing people out of the county. When residents leave, the county loses workers, consumers, and families who support the local economy.

The employment and housing issues are connected. Even if Orange County has jobs available, employers may struggle to fill them if workers cannot afford to live nearby. This can lead to longer commutes, more dependence on workers coming from outside the county, and greater difficulty for businesses trying to expand. Over time, housing affordability can become a limit on economic growth.

Overall, Orange County remains economically strong, but its future growth is constrained by population loss, housing affordability, and slower job growth. The county's challenge is not simply creating jobs; it is making sure workers can afford to live close enough to take those jobs. If housing remains too expensive, Orange County could continue losing residents even while maintaining a large job base.

<i>Fiscal Policy Statement</i>	<i>Completed</i>	<i>In Progress</i>	<i>Comments</i>
General Financial Goals			
To maintain a financially viable OC San that can maintain an appropriate level of wastewater treatment services.	√		
To maintain financial flexibility by adapting to local and regional economic changes	√		
To maintain and enhance the sound fiscal condition of OC San.	√		
To ensure that the value added by every program and activity within OC San is proportional to its cost; and to eliminate those programs and activities that do not contribute to OC San's mission.	√		
To provide training opportunities to the greatest extent possible for available jobs within the organization for those employees working in programs or activities that have been reduced or eliminated.	√		
To provide employees with cross-training opportunities in order to achieve multi-tasking capabilities.	√		
Operating Budget Policies			
OC San will adopt a balanced budget by June 30 of each year.	√		
The budget will be used as a fiscal control device as well as a financial plan.	√		
Budget preparation and monitoring will be performed by each division within OC San, the organizational level of accountability and control.	√		
The Director of Finance will prepare a budget calendar no later than January of each year.	√		
An annual operating budget will be developed by conservatively projecting revenues and expenditures for the current and forthcoming fiscal years.	√		
During the annual budget development process, the existing programs will be thoroughly examined to assure removal or reduction of any services or programs that could be eliminated or reduced in cost.	√		
Current operating revenues will be sufficient to support current operating expenditures.	√		
Annual budgets including reserves will provide for adequate design, construction, maintenance and replacement of OC San capital facilities and equipment.	√		
OC San will maintain all physical assets at a level adequate to protect OC San's capital investment and to minimize future maintenance and replacement costs.	√		

<i>Fiscal Policy Statement</i>	<i>Completed</i>	<i>In Progress</i>	<i>Comments</i>
OC San will project equipment replacement and maintenance needs for the next five years and will update this projection each year. From this projection a maintenance and replacement schedule will be developed and followed.	√		
OC San will avoid budgetary and accounting procedures that balance the current budget at the expense of future budgets.	√		
OC San will forecast its expenditures and revenues for each of the next five years and will update this forecast at least annually.	√		
Revenue Policies			
Because revenues are sensitive to both local and regional economic conditions, revenue estimates adopted by the Board of Directors must be conservative.	√		
Staff will estimate annual revenues by an objective, analytical process that utilizes trend, judgmental, and statistical analysis as appropriate.	√		
Ad valorem property tax revenues of OC San will be first dedicated to debt service.	√		
Sewer Service User Fees will be projected for each of the next ten years and this projection will be updated annually.	√		
Expenditure Policies			
OC San will maintain a level of expenditures that provides for the health, safety and welfare of the residents of the community.	√		
OC San will set fees and user charges at a level that fully supports the total direct and indirect costs of operations, capital improvements, and debt service requirements not covered by reserves	√		
Capital Improvements Budget Policies			
OC San will make all capital improvements in accordance with an adopted and funded capital improvement program. The adopted capital improvement program will be based on need.	√		
OC San will develop an annual five-year plan for capital improvements, including design, development, implementation, and operating and maintenance costs.	√		A 20-year CIP Plan is maintained by OC San.
All capital improvement projects approved in the annual operating budget are approved at the budgeted amounts through the completion of the project. The Board of Directors approves both the individual project total budget and the projected cash outlays for all capital improvement projects for the current fiscal year.	√		

<i>Fiscal Policy Statement</i>	<i>Completed</i>	<i>In Progress</i>	<i>Comments</i>
Staff will identify which capital projects may have a significant impact on on-going operating and maintenance costs and estimate the impact as the project is developed.	√		
Staff will identify the estimated on-going future Operating and Maintenance costs, as well as staffing requirements upon completion for each capital project proposal before it is submitted to the Board of Directors for approval.	√		
OC San will use intergovernmental assistance and other outside resources whenever possible to fund capital improvements providing that these improvements are consistent with the Capital Improvement Plan and OC San's priorities, and that the future operating and maintenance costs of these improvements have been included in the budget.	√		
Staff will coordinate development of the capital improvement budget with the development of the operating budget. All operations and maintenance resources required to implement the CIP have been considered and appropriately reflected in the operating budget for the year the CIP is to be implemented.	√		
Cost tracking for components of the capital improvement program will be updated quarterly to ensure project completion against budget and established time lines	√		
Asset Management Policy			
In order to provide for the systematic planning, acquisition, deployment, utilization control, and decommissioning of capital assets, the following policies have been established:			
The condition, performance, utilization, and cost of assets will be recorded to the major asset level.	√		
A detailed, planned maintenance program is in place to ensure that the assets, facilities and systems perform to their design criteria and meet their design lives.	√		
A system is in place to blend planned and unplanned activity to optimize the asset life cycle.	√		
Reliability Centered Maintenance techniques will be used to optimize the maintenance plans and to identify any alterations that are economically justified.	√		
Current levels of asset service including condition, function/size/type, reliability, and availability have been determined and documented.	√		

<i>Fiscal Policy Statement</i>	<i>Completed</i>	<i>In Progress</i>	<i>Comments</i>
The full economic cost is charged on all asset management activities.	√		
Planning Division and Asset Management maintains appropriate budget and funding strategies that match the needs of the business to ensure sustainability.	√		
Planning Division considers the real growth of OC San's service area and the way in which demands for service will change in the future, including population, unit demand, and changing regulatory requirements.	√		
Monitoring and reporting are performed on the condition, performance, and reliability of OC San's assets against design requirements, prescribed service levels and regulatory requirements.	√		Conditions and performance of assets are reported annually through the Asset Management Plan.
An assessment of the relative risks, costs and benefits is derived for all investments in capital works, maintenance, and operations.	√		
Asset management decisions take into account budgetary constraints and the funding needs of the whole organization considering their impact on rates.	√		
Necessary renewal projects and programs to sustain the existing levels of service and condition of assets, as identified through the best appropriate process, is approved ahead of new capital works and services.	√		
New capital assets for new works and services are approved only with the commitment of the recurrent (operations and maintenance) funding necessary to sustain the new works and services.	√		
<i>Fleet Management Policy</i>			
Vehicles and equipment will be operated, maintained, and appropriate to the assigned task to ensure the lowest total cost of ownership. The following policies have been established:			
Vehicles will be operated to ensure the highest utilization rate possible.	√		
Vehicles may be replaced when they are 7 years old or have accumulated 75,000 miles, or at the optimal replacement cycle per industry best practice. Vehicle utilization rates will assist in determining vehicle acquisition needs.	√		
Rightsizing of fleet will coincide with the budget preparation process biennially.	√		
Alternative fuels will be incorporated to remain regulatory compliant.	√		
Electric carts are to be utilized for in-plant use only.	√		

<i>Fiscal Policy Statement</i>	<i>Completed</i>	<i>In Progress</i>	<i>Comments</i>
Short-Term Debt Policies			
OC San may use short-term debt to cover temporary or emergency cash flow shortages. All short-term borrowing will be subject to Board approval by resolution.	√		
OC San may utilize Board approved intra-agency loans rather than outside debt instruments to meet short-term cash needs. Intra-agency loans will be permitted only if an analysis of the affected Revenue Areas indicates funds are available and the use of these funds will not impact current operations. The principal, along with interest at the prevailing rate as established by OC San's Treasurer, will be paid to the lending Revenue Area.	√		
Long-Term Debt Policies			
Proceeds from long-term debt will <u>not</u> be used for current on-going operations.	√		
Before any new debt is issued, the impact of debt service payments on total annual fixed costs will be analyzed.	√		
Develop and maintain a board adopted debt policy.	√		
Accumulated Funds & Reserve Policies			
A cash flow reserve will be established to fund operations, maintenance, and certificates of participation expenses for the first half of the fiscal year, prior to the receipt of the first installment of the property tax allocation and the sewer service user fees which are collected as a separate line item on the property tax bill. The level of this criterion will be established as the sum of an amount equal to six months operations and maintenance expenses and the total of the annual debt (COP) service payments due in August each year.	√		
An operating contingency reserve will be established to provide for non-recurring operating expenditures that were not anticipated when the annual budget was considered and adopted. The level of this criterion will be established at an amount equal to ten percent of the current fiscal year's annual operating budget.	√		
A capital improvement reserve will be maintained to fund annual increments of the capital improvement program. The target level for this criterion has been established at one half of the average annual cash outlay of the capital improvement program through the year 2034. Levels higher and lower than the target can be expected while the long-term financing and capital improvement programs are being finalized.	√		
A renewal/replacement reserve will be maintained to provide funding to replace or refurbish the current collection, treatment and recycling facilities at the end of their useful economic lives. The current replacement value of these facilities is estimated to be \$14 billion. The reserve criterion level had been established at \$75 million.	√		

<i>Fiscal Policy Statement</i>	<i>Completed</i>	<i>In Progress</i>	<i>Comments</i>
Catastrophic loss, or self-insurance, reserves will be maintained for property damage including fire, flood, earthquake, and litigation, for general liability, and for workers' compensation. This reserve criterion is intended to work with purchased insurance policies, FEMA and State disaster reimbursements. Based on the plant infrastructure replacement value, the level of this criterion has been set to fund OC San's non-reimbursed costs, estimated to be \$100 million.	√		
A debt service reserve will be maintained at ten percent of the outstanding certificate of participation (COP) issues. Other debt service reserves are required to be under the control of a Trustee by the provisions of the COP issues. These funds are not available for the general needs of OC San and must be maintained at specified levels.	√		
<i>Investment Policies</i>			
OC San's Treasurer will annually submit an investment policy to the Board of Directors for review and adoption.	√		
The investment policy will emphasize safety and liquidity before yield.	√		
<i>Accounting, Auditing, and Financial Reporting</i>			
OC San's accounting and financial reporting systems will be maintained in conformance with generally accepted accounting principles and standards promulgated by the Governmental Accounting Standards Board.	√		
A capital asset system will be maintained to identify all OC San assets, their condition, historical cost, replacement value, and useful life.	√		
Quarterly financial reports will be submitted to the Board of Directors and will be made available to the public.	√		
Full disclosure will be provided in the general financial statements and bond representations.	√		
OC San will maintain a good credit rating in the financial community.	√		OC San's AAA rating was reaffirmed with the \$157.6 million 2024A Revenue Refunding debt issuance.
An annual audit will be performed by an independent public accounting firm with the subsequent issue of an official Annual Comprehensive Financial Report, including an audit opinion and a management letter.	√		

<i>GFOA Best Practices and Advisories</i>	<i>Compliance Met</i>	<i>Not Applicable</i>	<i>In Progress</i>	<i>Comments</i>
Accounting and Financial Reporting Best Practices				
Auditor Committees	√			Administrative Committee serves as an audit committee.
Audit Procurement	√			
Internal Auditors	√			Administrative Committee directs internal audits.
Offering Statements and the Independent Auditor's Role	√			
Meeting and Exceeding Minimum GAAP Financial Reporting Requirements	√			
Policies and Procedures Documentation	√			
Control Over Items That Are Not Capitalized	√			
Capitalization Thresholds for Capital Assets	√			
Inventories of Tangible Capital Assets		√		
Municipal Solid Waste Management and Full-Cost Accounting		√		OC San does not provide solid waste services.
Measuring the Full Cost of Government Service	√			
Indirect Cost Allocation	√			
Disaster Recovery Cost Documentation	√			
Disaster Recovery for Technology	√			
Grants Administration	√			
Accounting for Leases	√			
Internal Control Deficiencies in Audits	√			
Internal Control Environment	√			
Internal Control for Grants	√			
Internal Control and Management Involvement	√			
Whistleblowing	√			
Nonauthoritative Considerations in the Preparation of an Annual Comprehensive Financial Report	√			
Website Posting of Financial Documents	√			
Meeting and Exceeding Minimum GAAP Financial Reporting Requirements	√			
Fund Accounting Applications	√			
Timely Financial Reporting	√			

<i>GFOA Best Practices and Advisories</i>	<i>Compliance Met</i>	<i>Not Applicable</i>	<i>In Progress</i>	<i>Comments</i>
Department Reports and Management's Discussion and Analysis	√			
Department Reports and Supplementary Information	√			
Popular Reporting of Financial Information	√			
Periodic Disclosure and the Annual Comprehensive Financial Report	√			
Budgetary Comparisons as Part of the Basic Financial Statements		√		Not required for proprietary fund types. Budget to actual comparisons included in unaudited quarterly financial reports.
Tax Abatement Transparency		√		OC San does not have tax abatement agreements.
Accounting and Financial Reporting for Fiduciary Activities		√		OC San does not have fiduciary activities.
Special Revenue Funds Used for Budgeting, but Not Financial Reporting		√		OC San does not have special revenue funds.
Securities Lending Transactions in Financial Statements		√		OC San does not have securities lending transactions.
<i>Budgeting Best Practices</i>				
Achieving a Structurally Balanced Budget	√			
Adopting Financial Policies	√			
Fund Balance Guidelines for the General Fund		√		OC San only has proprietary fund types - established a formal policy on the level of unrestricted net position.
Working Capital Targets for Enterprise Funds	√			
Establishment of Strategic Plans	√			
Long-Term Financial Planning	√			
Role of the Finance Officer in Supporting Fiscal Sustainability	√			
Establishing an Effective Grants Policy		√		
Establishing Government Charges and Fees	√			
Pricing Internal Services	√			

GFOA Best Practices and Advisories	Compliance Met	Not Applicable	In Progress	Comments
Evaluating Service Delivery Alternatives	√			
Financial Forecasting in the Budget Preparation Process	√			
Inflationary Indices in Budgeting	√			
The Use of Trend Data and Comparative Data for Financial Analysis	√			
Basis of Accounting versus Budgetary Basis		√		OC San does not use a budgetary basis of accounting.
Effective Budgeting of Salary and Wages	√			
Public Engagement in the Budget Process	√			
Role of the Finance Officer in Collective Bargaining	√			
Strategies for Managing Health-Care Costs	√			
Budget Monitoring	√			
Performance Measures	√			
Accurately Displaying Total Expenditures in Budget Presentations (Budget Consolidation)	√			
Capital Budget Presentation	√			
Departmental Presentation in the Operating Budget Document	√			
Making the Budget Document Easier to Understand	√			
The Statistical/Supplemental Section of the Budget Document	√			
Website Posting of Financial Documents	√			
Capital Planning and Infrastructure Best Practices				
Capital Asset Management	√			
Role of the Finance Director in Capital Asset Management	√			
Strategies for Establishing Capital Asset Renewal and Replacement Reserve Policies	√			
Capital Planning Policies	√			
Environmentally Responsible Practices in Capital Planning	√			
Coordinating Economic Development and Capital Planning	√			
Multi-Year Capital Planning	√			

<i>GFOA Best Practices and Advisories</i>	<i>Compliance Met</i>	<i>Not Applicable</i>	<i>In Progress</i>	<i>Comments</i>
Master Plans and Capital Improvement Planning	√			
Technology in Capital Planning and Management	√			
Communicating Capital Improvement Strategies	√			
Capital Budget Presentation	√			
Establishing an Economic Development Incentive Policy		√		OC San does not use economic development incentives.
Coordinating Economic Development and Capital Planning	√			
Role of the Finance Officer in Economic Development	√			
Creation, Implementation, and Evaluation of Tax Increment Financing		√		OC San does not utilize tax increment financing.
Evaluating And Selecting Economic Development Projects		√		OC San does not have economic development projects.
Negotiating Economic Development Agreements	√			
Administering Economic Development Agreements	√			
Monitoring Economic Development Performance	√			
<i>Treasury and Investment Management Best Practices</i>				
Investment Policy	√			
Investment Program for Public Funds	√			
Diversifying the Investment Portfolio	√			
Collateralizing Public Deposits	√			
Government Relationships with Securities Dealers	√			
Investment and Management of Bond Proceeds	√			
Mark-to-Market Reporting for Public Investment Portfolios	√			
Monitoring the Value of Securities in Repurchase Agreements	√			
Managing Market Risk in Investment Portfolios	√			
Using Benchmarks to Assess Portfolio Risk and Return	√			
Selection and Review of Investment Advisors	√			

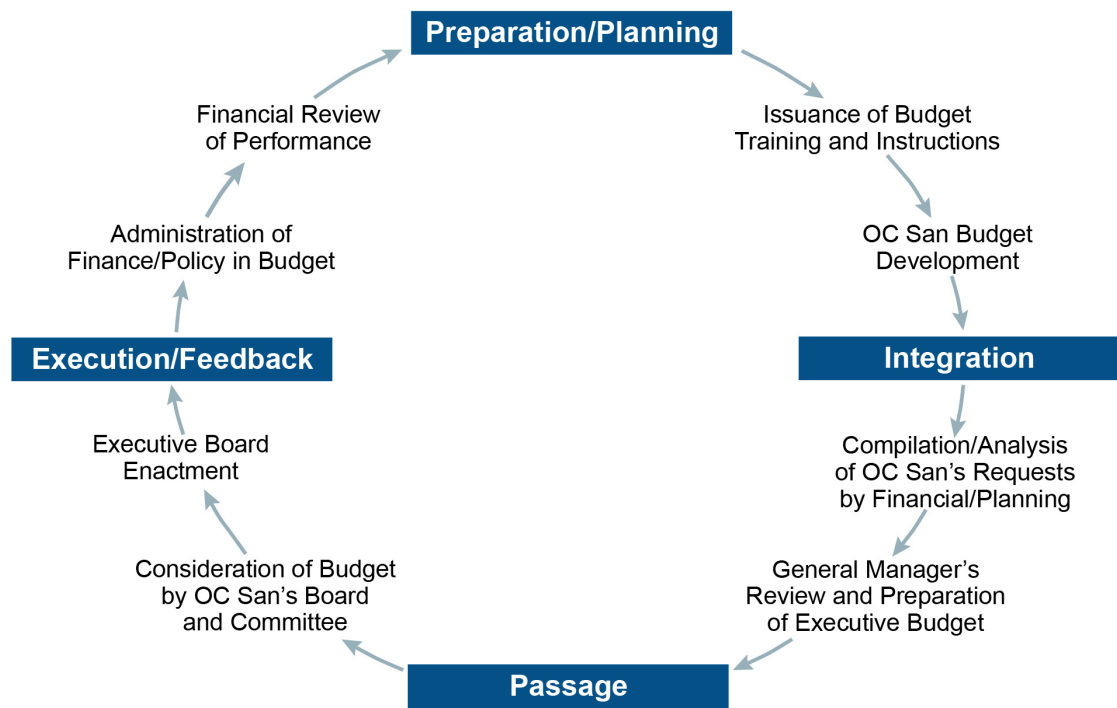
<i>GFOA Best Practices and Advisories</i>	<i>Compliance Met</i>	<i>Not Applicable</i>	<i>In Progress</i>	<i>Comments</i>
Using Safekeeping and Third-Party Custodian Services	√			
Local Government Investment Pools	√			
Establishing a Policy for Repurchase Agreements	√			
Ensuring the Safety of Reverse Repurchase Agreements	√			
Using Commercial Paper in Investment Portfolios	√			
Use of Derivatives and Structured Investments by State and Local Governments for Non-Pension Fund Investment Portfolios		√		OC San investment policy does not allow derivative investments.
Securities Lending Programs for Non- Pension Fund Portfolios	√			
Receivables and Handling Receipts in the Treasury Office	√			
Payments Made by Governments	√			
Using Cash Forecasts for Treasury and Operations Liquidity	√			
Abstain from Using and Investing in Cryptocurrency for Government Operations	√			
Bank Account Fraud Prevention	√			
Payments Made by Governments	√			
Use of Lockbox Services		√		OC San does not have sufficient cash-related transactions to use lockbox services. The majority of revenues are collected on the property tax roll.
Accepting Payment Cards and Selection of Payment Card Service Providers	√			
Payment Consolidation Services	√			
Using Remote Deposit Capture	√			
Procurement of Financial Services	√			
Due Diligence on Bank and Treasury Management Providers	√			
Using Purchasing Cards to Streamline the Purchasing Process	√			
Revenue Control Policy	√			

<i>GFOA Best Practices and Advisories</i>	<i>Compliance Met</i>	<i>Not Applicable</i>	<i>In Progress</i>	<i>Comments</i>
Using Mutual Funds for Cash Management Purposes	√			
Receivables and Handling Receipts in the Treasury Office	√			
Using Cash Forecasts for Treasury and Operations Liquidity	√			
Electronic Vendor Fraud	√			
<i>Debt Management Best Practices</i>				
Issuer's Role in Selection of Underwriter's Counsel	√			
Types of Legal Counsel	√			
Selecting and Managing Municipal Advisors	√			
Selecting Bond Counsel	√			
Selecting and Managing Underwriters for Negotiated Bond Sales	√			
Issuing Taxable Debt	√			
Bank Loans and Direct Placements	√			
Evaluating the Sale and Securitization of Property Tax Liens	√			
Using Variable Rate Debt Instruments	√			
Pension Obligation Bonds	√			
Use of Debt-Related Derivatives Products	√			
Refunding Municipal Bonds	√			
Debt Issuance Transaction Costs	√			
Expenses Charged by Underwriters in Negotiated Sales	√			
Issuing Taxable Debt	√			
Pricing Bonds in a Negotiated Sale	√			
Selecting and Managing the Method of Sale of Bonds	√			
Using Credit Rating Agencies	√			
Underwriter Disclaimers in Official Statements	√			
"ESG" Best Practice - "E" Environmental	√			
"ESG" Best Practice - "S" Social	√			
"ESG" Best Practice - "G" Governance	√			

<i>GFOA Best Practices and Advisories</i>	<i>Compliance Met</i>	<i>Not Applicable</i>	<i>In Progress</i>	<i>Comments</i>
Maintaining and Investor Relations Program	√			
Understanding Your Continuing Disclosure Responsibilities	√			
Using Technology for Disclosure	√			
Primary Market Disclosure	√			
Voluntary Disclosure	√			
Marketing Municipal Bonds as Green, Sustainable, Social, or Other Alternatively Designated Bonds	√			
Debt Management Policy	√			
Refunding Municipal Bonds	√			
Investment and Management of Bond Proceeds	√			
Post-Issuance Policies and Procedures	√			
Debt Service Payment Procedures	√			
Managing Build America and other Direct Subsidy Bonds	√			
<i>Pension and Benefit Administration Best Practices</i>				
Sustainable Pension Benefit Tiers	√			
Developing a Policy to Participate in Securities Litigation Class Actions	√			
Developing a Policy for Retirement Plan Design Options	√			
OPEB Governance and Administration	√			
Governance of Public Employee Postretirement Benefits Systems	√			
Preparing an Effective Summary Plan Description	√			
Educating Employees about the Adequacy of Retirement Benefits	√			
Selecting Third-Party Investment Professionals for Pension Fund Assets	√			
The Use of Early Retirement Incentives	√			
Deferred Retirement Option Plans	√			
In-Kind Asset Transfer to Defined Benefit Pension Plans	√			
Asset Allocation for Defined Benefit Plans	√			
Core Elements of a Funding Policy	√			

<i>GFOA Best Practices and Advisories</i>	<i>Compliance Met</i>	<i>Not Applicable</i>	<i>In Progress</i>	<i>Comments</i>
Design Elements of Defined Benefit Retirement Plans	√			
Enhancing Reliability of Actuarial Valuations for Pension Plans	√			
Hybrid Retirement Plan Design	√			
Investment Fee Guidelines for External Management of Defined Benefit Plans	√			
Investment Policies for Defined Benefit Plans	√			
The Role of the Actuarial Valuation Report in Plan Funding	√			
Sustainable Funding Practices for Defined Benefit Pensions and Other Postemployment Benefits (OPEB)	√			
Pension Obligation Bonds	√			
Responsible Management and Design Practices for Defined Benefit Pension Plans	√			
Asset Allocation for Defined Contribution Plans		√		OC San does not have a defined contribution plan.
Defined Contribution Retirement Plan Design		√		
Hybrid Retirement Plan Design		√		
Monitoring and Disclosure of Fees for Defined Contribution Plans		√		
Participant Education Guidance for Defined Contribution Plans		√		
Defined Contribution Plan Fiduciary Responsibility		√		
Brokerage Window Options for Defined Contribution Plans		√		
Establishing and Administering an OPEB Trust		√		OC San does not have an OPEB trust fund. Pay-as-you-go method utilized.
OPEB Governance and Administration		√		
Ensuring Other Postemployment Benefits (OPEB) Sustainability	√			
Sustainable Funding Practices for Defined Benefit Pensions and Other Postemployment Benefits (OPEB)	√			
Core Elements of a Funding Policy	√			

<i>GFOA Best Practices and Advisories</i>	<i>Compliance Met</i>	<i>Not Applicable</i>	<i>In Progress</i>	<i>Comments</i>
Other Postemployment Benefits (OPEB) Bonds	√			
Communicating Health-Care Benefits to Employees and Retirees	√			
Strategic Health-Care Plan Design	√			
Comply with the Affordable Care Act	√			
Patient Protection and Affordable Care Act Compliance	√			
Investment Policies for Tax-Deferred Retirement Savings Plans		√		
Investment Policies for Defined Benefit Plans		√		
Investment Fee Guidelines for External Management of Defined Benefit Plans		√		
Selecting Third-Party Investment Professionals for Pension Fund Assets	√			
Commission Recapture Programs		√		
Procuring Actuarial Services	√			
Actuarial Audits	√			
Disclosures of Pension Funding Obligations in Official Statements	√			
<i>Risk Assessment Best Practices</i>				
Enterprise Risk Management	√			
Business Preparedness and Continuity Guidelines	√			
Disaster Preparedness	√			



Budget Process

Eighteen years ago, OC San prepared its first complete budget document covering two years instead of one. The next year a smaller budget update document was prepared to summarize revisions to the second year of the previously adopted two-year budget period. This two-year cycle approach to budget preparation is expected to continue for the indefinite future.

This change has not caused any modification to the previously established stages of the annual budget process except with regard to the level of detail which is provided. The timing of all stages of the budget process remains consistent from year to year. In the second year of a two-year cycle, however, the focus is on any changes that need to be made to the upcoming year's budget relative to what was previously submitted, reviewed, and approved for that budget during the prior year.

OC San's annual budget preparation process begins in January of each year and concludes in June upon its adoption. However, the entire budget process extends beyond one year and overlaps with the preceding budget and the subsequent budget. As shown in the chart above, the budget process consists of four major parts. These parts occur at various stages throughout the year as follows:

- Preparation/Planning - takes place from January through March.
- Integration - runs from March through May.
- Passage - adoption of the budget usually occurs in June of each year.

Execution - starts from the first day of the budget year, July 1, through the entire budget year and beyond into November with the presentation of the annual audit report.

Key dates in this budget cycle are:

Budget Kick-off Meeting	- January 15
Department Budget Submissions	- February 12
Preliminary Budget Review	- February 23
General Manager Budget Review	- March 3-4
Presentation to Board Committees	- June 3 & 10
Public Hearing & Board Adoption	- June 24

Team Approach

As identified by one of the fiscal policies, the budget preparation process originates at the division level, the organizational level of accountability and control. Budget coordinators are established to represent each operating division. A comprehensive budget manual is prepared and used as the training manual during a training session with the budget coordinators.

After the initial divisional budgets are prepared, budget review sessions are scheduled for each division with the General Manager. It is during these sessions that all proposed staffing levels, programs, and line item expenses are justified. Next senior management representatives from each department analyze opportunities for consolidating programs and eliminating unnecessary requests. Guidance is also sought and utilized from OC San's committees on various issues that affect budget development.

The Process

The budget preparation process begins in January with the distribution of the budget manual, budget preparation training, and issuance of personnel budget and justification forms, and equipment budget forms to all of the Divisions.

In March, the Financial Management Division develops divisional level budgets based on the request forms received from the various divisions. These divisional budgets are then reviewed in mid-March by the General Manager along with the Department and Divisional managers for each program request and for new, additional, or reduced services, positions, and capital outlay.

The Capital Improvement Program requests are prepared from October through March and are reviewed by Engineering Department and Divisional managers prior to being submitted to the General Manager for review and evaluation as part of the budget process.

In determining recommended allocation levels, the General Manager takes into consideration the projected amount of available resources, direction provided by the Directors, OC San's fiscal policies, and how to best provide the most cost-effective and efficient service levels to the public. After a final review of the operating budgets by the General Manager, the proposed annual budgets are finalized in late May and then distributed to the Directors for consideration.

The General Manager presents the proposed budget to the various Directors' Committees for deliberations throughout the month of June. The proposed budget is scheduled for adoption, along with any revisions by the Board, at the Board of Directors meeting in June.

Level of Control and Amendments to the Budget

Budgetary control, the level at which expenses cannot legally exceed the appropriated amount, is exercised at the individual Department level. Administrative policies provide guidelines on budget transfers and the authorization necessary to implement transfers. Generally, there are two types of budget transfers:

1. Budget Adjustment

This is a transfer which does not change the total appropriated amount and does not require Board action. Depending on the budget category affected by the transfer, approval may be granted at the General Manager or Department Head level as follows:

Department Heads have discretion to reappropriate funds between certain line items within a division but may not exceed total appropriated amounts for each department. They also may transfer staff across divisional lines within their department. The General Manager and Board of Directors must approve additional capital outlay items. Funds appropriated for salaries and benefits may not be expended for any other purpose unless approved by the Board. The General Manager may transfer operating funds within and between divisions and departments. The General Manager may also transfer staff positions between departments.

2. Budget Amendment

This is an adjustment to the total appropriated amount, which was not included in the original budget. These supplemental appropriations require formal action by the Board of Directors. Types of modifications can be categorized as follows:

Prior year reserves or fund balances may be appropriated to fund items not previously included in the adopted budget.

Reserves/fund balances exceeding minimum amounts required by fiscal policy may be appropriated if it is determined to be in the best interest of OC San. Directors may also appropriate reserves in case of emergencies or unusual circumstances.

Transfers between Revenue Areas require formal action by the Board of Directors.

Unexpended appropriations automatically lapse at the end of the fiscal year and are included in the ending fund balances.

FY 2026-27 and FY 2027-28 Proposed Budget Assumptions

Economic Assumptions

Inflation for the Los Angeles-Long Beach- Anaheim Orange County has seen a percentage increase in consumer price index (CPI-U) of 3.0 percent for 2025.

A 3.0 percent inflation factor will also be used for FY 2027-28

Revenue Assumptions

Based upon the proposed Sewer Service Fee Rate Schedule to be approved by the Board in March 2023, the single-family residence (SFR) rate will increase by \$13 (3.4 percent) to \$397 in FY 2026-27.

Note that each \$1 increase in the SFR rate generates approximately \$900,000 per year.

The capital facilities capacity charge (CFCC) fee captures only those infrastructure costs that relate to additional capacity. The proposed CFCC fee approved by the Board in March 2023 will increase by 0.9 percent for FY 2026-27. Other infrastructure costs such as improved treatment, rehabilitation, refurbishment, and replacement, will be supported through user fees.

Given the Facilities Master Plan adopted in December 2017, a rate study was completed in December 2022 to ensure that the CFCC fee methodology remains equitable and to confirm that an appropriate share of system costs would be recovered from new development.

Revenues will be budgeted to reflect little growth in Equivalent Dwelling Unit (EDU) connections that have remained flat over the past five years.

Permit user rates for flow will increase by 4.6 percent, Biochemical Oxygen Demand (BOD) will increase by 6.6 percent and Total Suspended Solids (TSS) will increase by 4.8 percent for FY 2026-27 based upon the Rate Study completed in December 2022.

Annexation fees capture both the net current assets and the equivalent property tax allocations totaling \$4,235 per acre.

Annexable property in OC San's service area sphere is minimal; consequently, no FY 2026-27 income from annexation fees is anticipated.

Property tax revenues are preliminarily estimated to increase by approximately 19.0 percent from FY 2025-26 to \$147.2.

A 2.0 percent annual increase in Assessed Value is authorized by the state constitution and is included in the increases noted above. The additional increase in assessed value is from authorized increases to market value when property is sold at a higher value.

Earnings on the investment of OC San's operating cash and reserves will be budgeted at 4.0 percent of the average cash and investment balance projected for the fiscal year.

No additional new debt issuance is scheduled for FY 2026-27.

Operating Assumptions

Operating expenses are expected to increase from the adopted FY 2025-26 budget of \$260.4 million.

Average daily flows are projected at 185 mgd for FY 2026-27 and FY 2027-28. The FY 2026-27 flow projection of 185 mgd consistent with the prior budget.

Employee/Staffing Assumptions

Staffing level is expected to increase in support of the Capital Improvement Program. The total FY 2025-26 authorized staffing level is 669.50 FTEs, excluding Management Discretion positions.

Vacant positions as of 12/31/25 are budgeted at 50 percent of step 1 for the remainder of FY 2025-26 and at 100 percent of step 2 for FY 2026-27.

New positions will be projected at 100 percent of step 1 for FY 2026-27.

A 4.0 percent vacancy factor on authorized positions has been budgeted for FY 2026-27. The actual vacancy factor is currently running at 5.1 percent, but is on a downward trend due to the streamlined recruitment processes now in place. This vacancy factor accounts for time spent for recruitment and turnover.

The Memorandums of Understanding (MOUs) for the OCEA, the Local 501, and the Supervisor and Professional (SPMT) groups expire on June 30, 2027. Negotiated salary adjustments will be included in the budget for all employee bargaining units.

Retirement costs for employees enrolled in Orange County Employees Retirement System (OCERS) Plan H (179 employees) are estimated at a rate of 14.03 percent of the employee's base salary for FY 2026-27, down from 14.05 percent in FY 2025-26. The rates for Plan H include OC San's pickup of 3.5 percent of employees' required contributions.

Employees enrolled in OCERS Plan B (50 employees) are estimated at a rate of 13.25 percent of the employee's base salary for FY 2026-27, up from 13.09 percent in FY 2025-26.

All employees hired on or after January 1, 2013, are enrolled in OCERS Plan U (393 employees) and are estimated at a rate of 9.87 percent for FY 2026-27, down from 9.95 percent in FY 2025-26. Interns are not enrolled in OCERS, so their retirement benefits are calculated at 6.2 percent (FICA rate).

Other employee benefits and insurances will be budgeted to increase in FY 2026-27 by moderate but yet to be determined amounts.

Materials, Supplies & Services Assumptions

The proposed operating budget will continue to reflect an emphasis on safety, security, and maintenance of plant assets and infrastructure.

An amount equal to one percent of the Operating materials and services budget will be a contingency for prior year re-appropriations. Since the current year's budget lapses on June 30, a contingency is needed in the succeeding budget year for goods or services ordered at the end of one budget year but not delivered until the following year.

An amount equal to one percent of the Operating materials and services budget will be the General Manager's contingency budget. These funds will be allocated to appropriate line items during the year after requests and justifications for unanticipated needs are approved by the General Manager.

Resource needs for strategic initiatives will be included in the budget.

Capital Improvement Program Assumptions

The FY 2026-27 and FY 2027-28 cash flow budget, based on the most current Validated Capital Improvement Program (CIP), is the target.

The baseline CIP cash flow for FY 2026-27 is \$311.4 million and for FY 2027-28 is \$349.1 million.

Continual evaluation of the CIP by the Asset Management Team may result in deferral or reduction of some projects and a resultant increase in O&M repair costs for materials and services, if the net cash flow impact is a decrease.

For the first six months of FY 2025-26, \$94.8 million of the \$318.0 million CIP budget, approximately 29.8 percent, was expended.

Debt Financing

OC San will issue new debt in the form of Certificates of Participation (COP) as needed to fund the CIP and to maintain reserves.

No additional new debt issuance is scheduled for FY 2026-27 and FY 2027-28.

Debt will only be used for CIP and capital expenses, not for operating expenses.

Capital financing plans no longer include future borrowings over the next ten years as the approved user fee schedule is considered sufficient.

Borrowing is proposed only for facilities which do not add capacity and that are funded by all users for replacement, rehabilitation, and improved treatment.

Upon COP's becoming callable or maturing, a determination will be made as to the benefit of paying off the obligation or refinancing the debt.

Reserve Assumptions

The existing reserve policy is summarized as follows:

A cash flow criterion will be established to fund operations, maintenance and certificates of participation expenses for the first half of the fiscal year, prior to receipt of the first installment of the property tax allocation and sewer service user fees which are collected as a separate line item on the property tax bill. The level of this criterion will be established as the sum of an amount equal to six months operations and maintenance expenses and the total of the annual debt (COP) service payments due in August each year.

An operating contingency criterion will be established to provide for non-recurring expenditures that were not anticipated when the annual budget and sewer service fees were considered and adopted. The level of this criterion will be established at an amount equal to ten percent of the annual operating budget.

A capital improvement criterion will be maintained to fund annual increments of the capital improvement program. The long-term target is for one half of the capital improvement program to be funded from borrowing and for one half to be funded from current revenues and reserves. With this program in mind, the target level of this criterion has been established at one-half of the average annual capital improvement program over the next ten years.

A catastrophic loss, or self-insurance, criterion will be maintained for property damage including fire, flood, earthquake, and litigation, for general liability and for workers' compensation. This criterion is intended to work with purchased insurance policies, FEMA disaster reimbursements and State disaster reimbursements. The potential infrastructure loss from a major earthquake, of which OC San currently has limited outside insurance coverage of \$25 million, has been estimated to be as high as \$1.3 billion. The level of this criterion has been set at \$100 million should such a catastrophic event occur. This criterion amount will assist OC San with any short-term funding needs until Federal and State assistance becomes available.

Accumulated capital funds will be set aside for certain specific, short-term capital improvements as the need and availability arise.

A capital replacement/renewal criterion has been established to provide thirty percent of the funding to replace or refurbish the current collection, treatment and disposal facilities at the end of their useful economic lives.

Based on the Facilities Evaluation Report completed in December 2017, the current replacement value of these facilities is estimated to be \$7.64 billion for the collection facilities and \$10.09 billion for the treatment and disposal facilities. The criterion level has been established at \$75 million, which will be augmented by interest earnings and a small portion of the annual sewer user fee, in order to meet projected needs through the year 2036.

Provisions of the various certificates of participation (COP) issues require debt service reserves to be under the control of the Trustee for that issue. These reserve funds are not available for the general needs of OC San and must be maintained at specified levels. The current level of required COP service reserves is projected to be \$12.6 million.

Accumulated funds exceeding the levels specified by OC San policy will be maintained for future capital improvements and rate stabilization. These funds will be applied to future years' needs in order to maintain rates or to moderate annual fluctuations. There is no established target for this criterion.

Miscellaneous

The budget document will be in a bi-annual format with two, one-year budgets presented for FY 2026-27 and FY 2027-28.

The budget worksheets for operating costs will contain one column for FY 2026-27 and one column for FY 2027-28. The column will represent all collection, treatment, and disposal/reuse costs.

Accounting System and Budgetary Control

Fund Accounting & Proprietary Funds

The accounts of OC San are organized within one Enterprise Fund, a Proprietary Fund Type. OC San's Enterprise Fund is comprised of two Revenue Areas which are identified as Revenue Area 14 and the Consolidated Revenue Area (Revenue Area 15). Each Revenue Area includes a share of capital outlay activities, self-insurance activities, debt service activities, and operating activities. These activities are allocated to each Revenue Area based on sewage flows, location, or level of participation in specific programs.

Enterprise Funds are used to account for operations that are financed and operated in a manner similar to a private business enterprise, where the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis are financed or recovered through user charges.

Basis of Accounting

Basis of accounting refers to the point at which revenues and expenses are recognized in the accounts and reported in the financial statements. Enterprise funds are accounted for on the flow of economic resources measurement focus and use the accrual basis of accounting. In an enterprise fund, revenues are recognized when earned and expenses are recognized when incurred, regardless of the timing of related cash flows.

Budgetary Basis of Accounting

The operating budget for the Enterprise Fund is adopted on a basis consistent with generally accepted accounting principles. Except as noted in the following paragraph, the basis of accounting and the budgetary basis of accounting are the same. Budgeted amounts are as originally adopted and as further amended by Board action of OC San.

Although OC San does budget for capital improvement projects, the related capital outlays are recorded as increases in Property, Plant, and Equipment on the balance sheet of the Enterprise Fund. Similarly, OC San budgets for the retirement of debt. However, the principal payments on debt are recorded as reductions in the current portion of long-term debt on the balance sheet of the Enterprise Fund.

Internal Controls

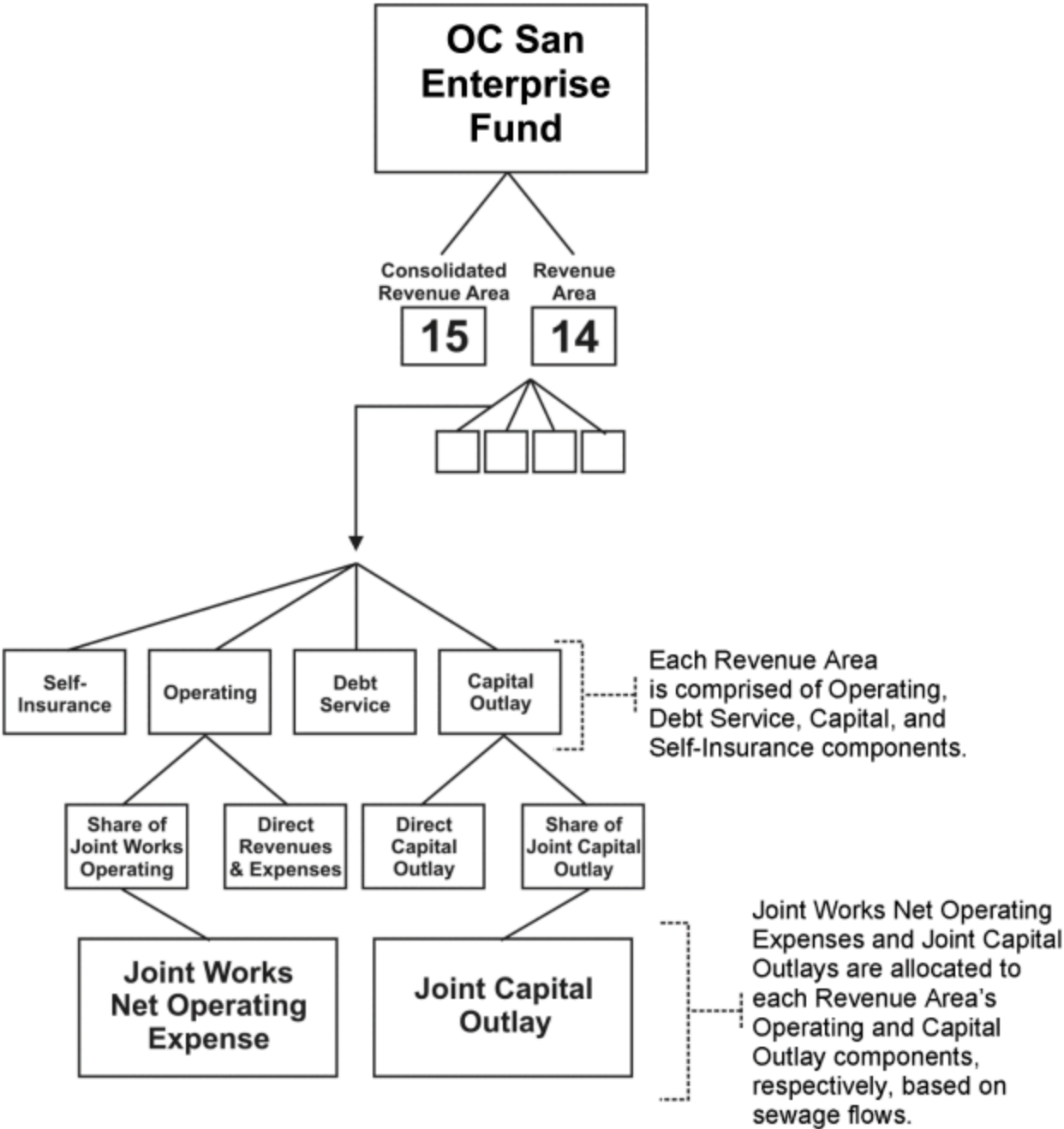
OC San is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the government are protected from loss, theft, or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived and that the valuation of costs and benefits requires estimates and judgments by management.

Budgetary Control

Budgetary controls are maintained to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Board of Directors. The budgetary level of control, the level at which operating expenses cannot legally exceed the appropriated amount, is exercised at the department level.

Orange County Sanitation District

Fund Structure Diagram

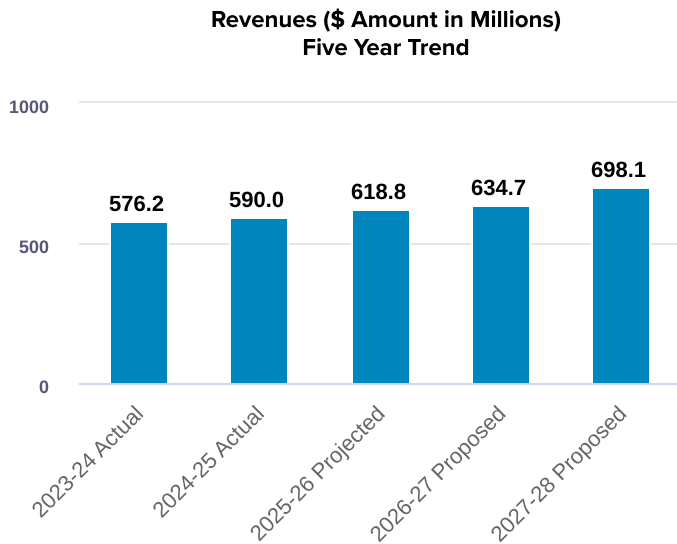


Revenue Sources

OC San has a variety of revenue sources available for operating and capital expenses. The major revenue sources are as follows:

- User Fees
- Property Taxes
- Industrial Waste Permit User Fees
- Interest Earnings
- Debt Proceeds

These sources have generally accounted for more than 90 percent of the total revenue to OC San. The following graph summarizes revenues from all sources for OC San over the past two fiscal years, the current year, and through the following two proposed budget years:



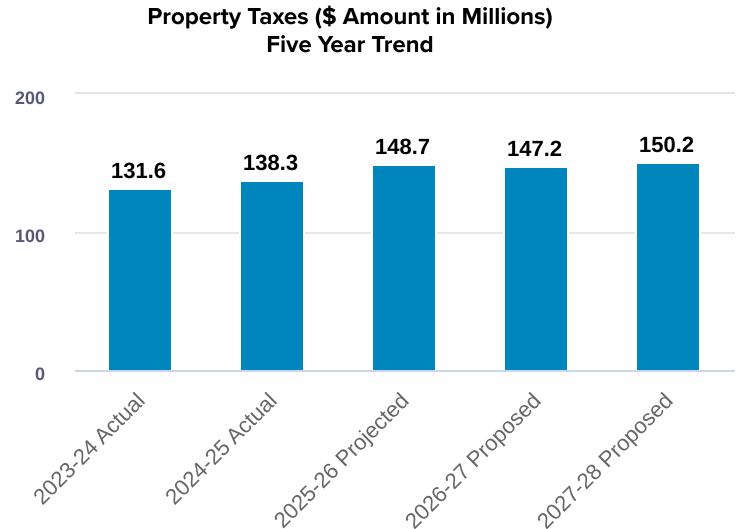
Total revenues increased from \$590.0 million in FY 2024-25 to a projected \$618.8 million in FY 2025-26, or \$28.8 million.

In FY 2026-27, revenues are being proposed at \$634.7 million, an increase of \$21.3 million, or 3.5 percent over the prior year budget. This increase is primarily attributable to the increases of \$9.2 million in general user fees, and \$18.5 million in property taxes revenue.

In FY 2027-28, revenues are being proposed at \$698.1 million, an increase of \$63.4 million, or 9.9 percent over the prior year. This increase is primarily attributable to an increase in user fees that is expected to generate an additional \$35.5 million. Property tax revenue is expected to generate an additional increase of \$3 million, or another projected increase of 2.0 percent over the prior year.

Property Taxes

The County is permitted by State law (Proposition 13) to levy taxes at one percent of full market value (at time of purchase) and can increase the assessed value no more than two percent per year. OC San receives a share of this basic levy proportionate to the amount that was received in the 1976 to 1978 period less \$3.5 million, the amount that represents the State's permanent annual diversion from special districts to school districts that began in 1992-93.

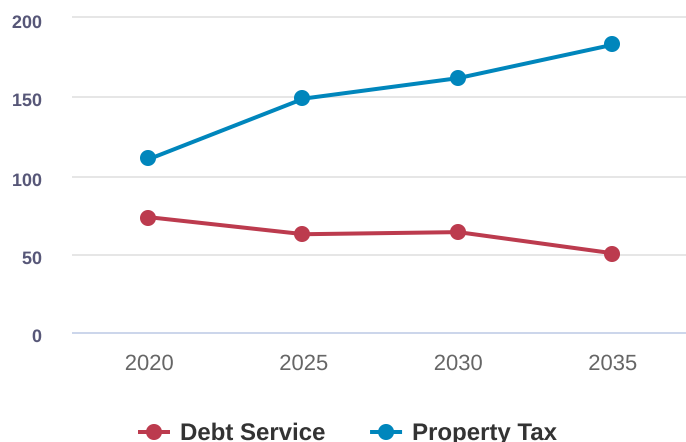


OC San's annual share of the one percent ad valorem property tax levy is first dedicated for the payment of COP debt service. The apportionment of the ad valorem tax is pursuant to the Revenue Program adopted in April 1979 to comply with regulations of the Environmental Protection Agency, the State Water Resources Control Board, and in accordance with COP documents and Board policy.

As shown in the graph above, property tax revenues increased from \$138.3 million in FY 2024-25 to a projected \$148.7 million in FY 2025-26, primarily due to the robust economy and strong housing and commercial property markets beginning. Property tax revenues are now being projected to increase 2.0 percent per year through FY 2027-28.

Historically OC San's property tax revenues exceeded OC San's debt service obligations. This trend should continue with debt service obligations leveling off and no new planned COP debt issuances.

Debt Service vs. Property Tax Receipts
(\$ Amount in Millions)



User Fees

User fees are ongoing fees for service paid by customers connected to the sewer system. A property owner, or user, does not pay user fees until connected to the sewer system and receiving services. Once connected, a user is responsible for their share of the system's costs, both fixed and variable, in proportion to the user's demand on the system.

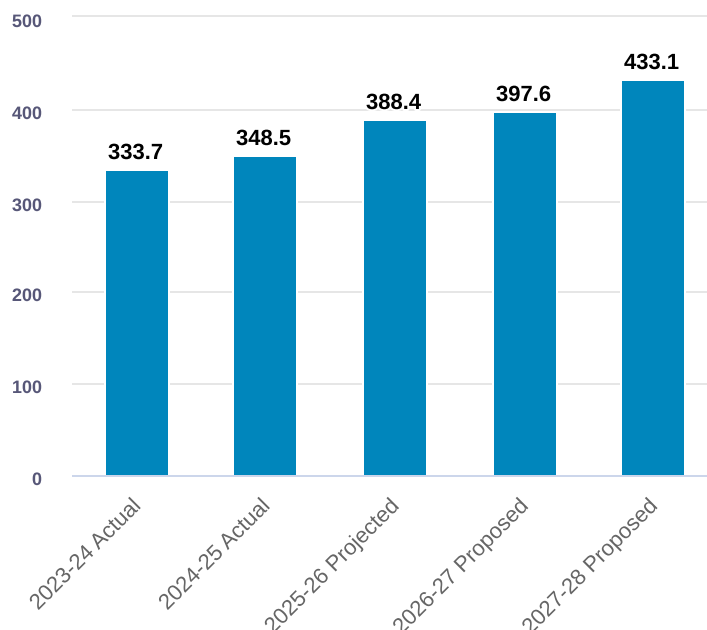
In addition, the Consolidated Revenue Area charges industrial and commercial user fees to customers discharging high-strength or high-volume wastes into the sewer systems. Revenue Area No. 14 needs are funded by IRWD. Previously OC San had been able to avoid or minimize user fee increases by reducing operational costs through reorganizing and streamlining agency operations. As a result of the capital improvement program expansion and the rehabilitation and refurbishment of existing facilities, annual increases in user fees are required.

In 2007, OC San staff conducted strategic planning workshops with the Board of Directors to layout a capital program to deliver the levels of service desired by the Board of Directors. These levels of service and resulting capital projects are included in OC San's Strategic Plan that were most recently updated in December 2025. The original effort was reinforced through the adoption of a new Master Plan in December 2017, a planning effort to define OC San's goals, responsibilities, and requirements over the next 20 years, and includes projections through the assumed "build-out" of OC San's service area to the year 2050. Incorporating the 2017 Master Plan into the CIP validation for FY 2026-27, the current CIP includes projects outlays of \$3.6 billion over the next ten years.

In March of 2023, following a Proposition 218 notice process, the Board approved sewer rate increases for each year over the next five years averaging approximately 3.5 percent a year. These increases are necessary to balance the funding of operating expenses and capital improvements with current revenues and existing debt, and to minimize the increase in rates over an extended period of time.

The impact of this five-year sewer fee schedule has increased the single family residence user fee rate, on average, 3.5 percent a year from \$358 in FY 2023-24 to \$411 in FY 2027-28. These rate increases by OC San are still well below the average annual sewer rate of \$523 being charged throughout the State according to the 2018 California Wastewater Charge Survey by the State Water Resources Control Board.

Net User Fees
(\$ Amount in Millions)



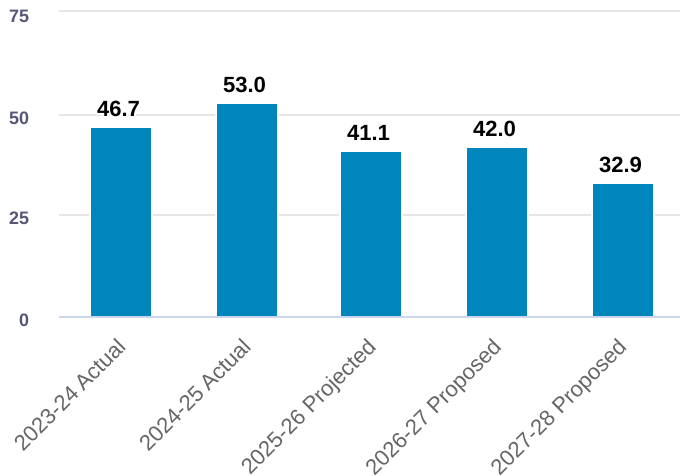
Interest Earnings

Interest earnings are generated from the investment of accumulated reserves consisting of a cash flow/contingency, a capital improvement, a capital replacement/refurbishment, and a self-insurance reserve, all projected to total \$886 million on July 1, 2026.

OC San's reserves are invested in accordance with OC San's investment policy and the State Government Code through an outside money manager, and an independent custodian bank.

Interest and investment earnings fluctuate from year to year based on the timing of CIP outlays and debt issuances, which impact the available balance in reserves for investing, and in the rise and fall of fixed-income investment market yields.

Interest Earnings
(\$ Amount in Millions)



OC San's investment policy is structured conservatively towards liquidity to avoid having to sell investments at a loss and having unrealized losses become realized losses. Total gains on investments were 5.0 percent in FY 2023-24 and 6.9 percent gain on investment in FY 2024-25. Interest and investment earnings are projected to be approximately 4.5 percent in FY 2025-26 due to the effects on the markets and economy.

OC San is proposing an interest earnings rate of 4.0 percent in both FY 2026-27 and FY 2027-28 to generate earnings of \$42.0 million and \$32.9 million, on annual average investment portfolio projections, with fiscal year end balances of \$847.3 million and \$839.0 million in FY 2026-27 and FY 2027-28, respectively.

Debt Proceeds

Over the next ten years, OC San is projecting an additional \$3.6 billion in future treatment plant and collection system capital refurbishments. In order to minimize annual sewer rate increases in the long-term, all of these refurbishments are being proposed to be funded from user fees with no issuances of new money debt issuances.

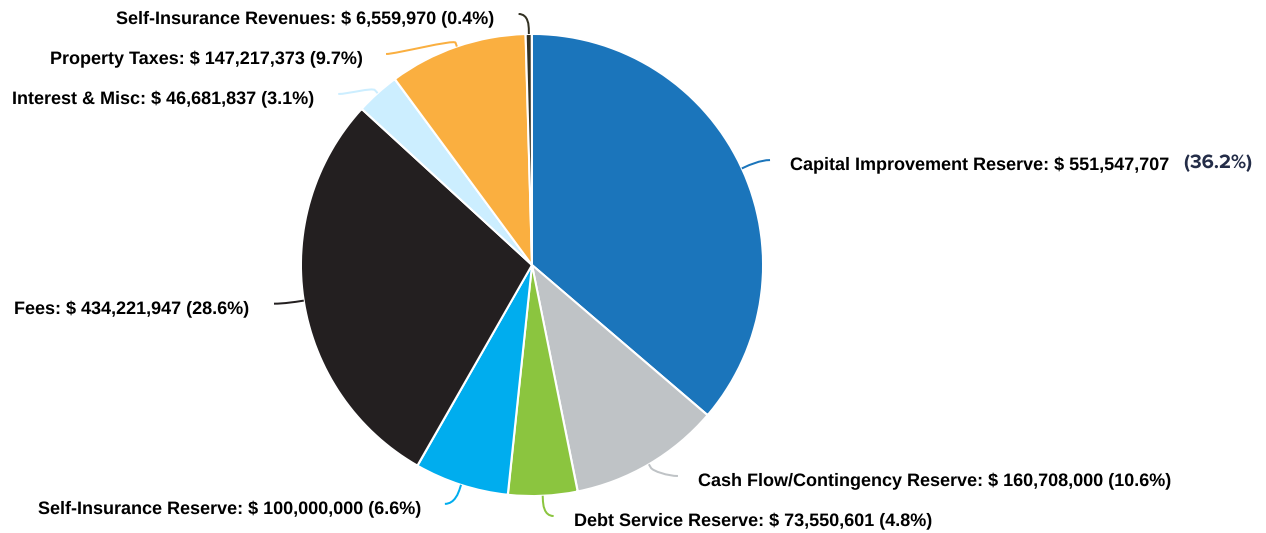
Teeter Plan

In June 1993, the County of Orange adopted the Teeter Plan pursuant to Sections 4701 through 4717 of the California Revenue and Taxation Code. The Teeter Plan is an alternative method of distribution of revenues from the secured property tax roll to local participating agencies.

OC San participates in the Teeter Plan program and receives its full share of property tax and user fees from the secured roll, whether or not these taxes and user fees have been collected. The Teeter Plan provides OC San with stable and timely cash flow without the collection risk. The County, in exchange for assuming the collection risk, receives the delinquent taxes and user fees, penalties and interest for the defaulted properties when paid.

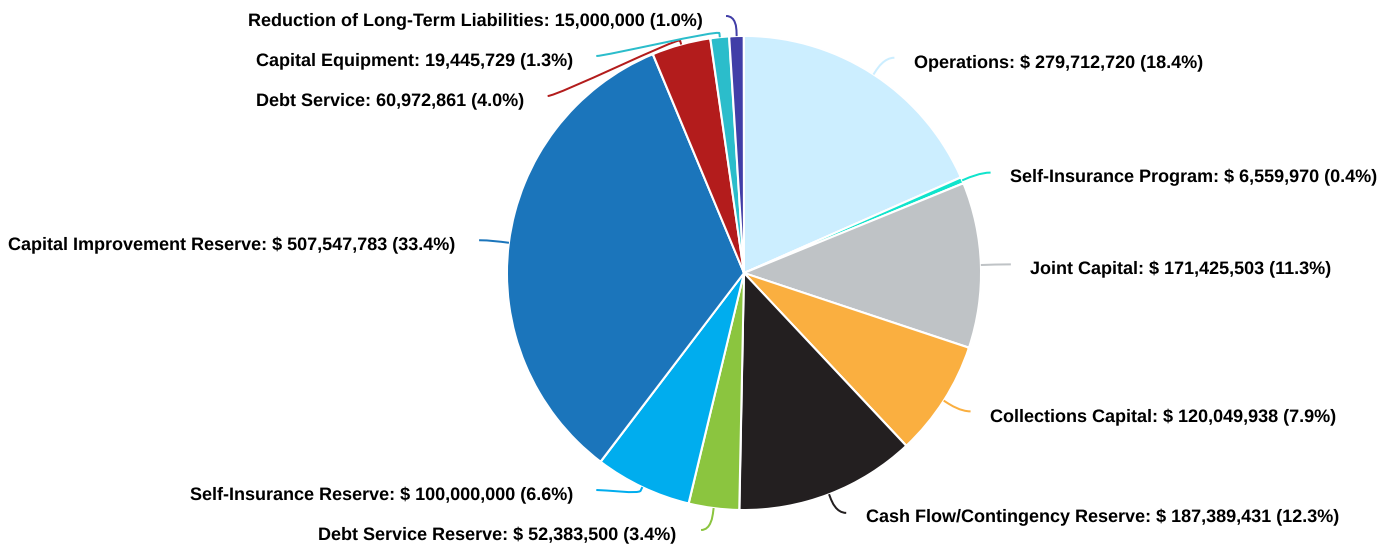
As of March 31, 2026 OC San has received \$305,929,664 in tax and user fees from the County, or 63.1 percent of the total tax and user fee levy.

Where the Money Comes From - FY 2026-27



FY 2026-27 Total Funding Sources - \$ 1,520,487,435

Where the Money Goes - FY 2026-27



FY 2026-27 Total Funding Uses - \$ 1,520,487,435

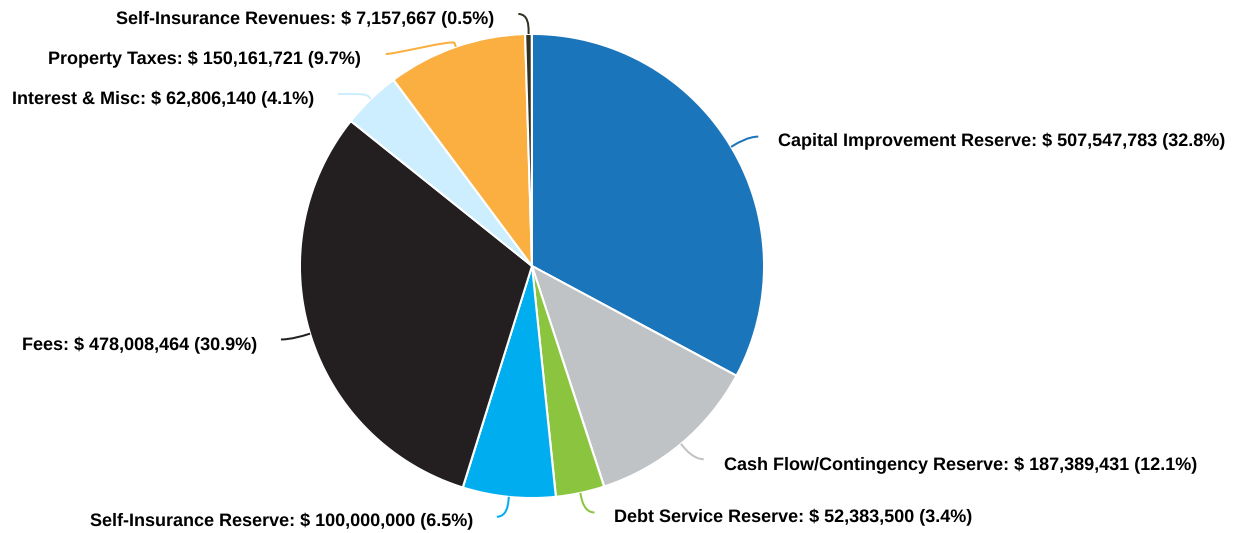
Funding Sources by Category FY 2026-27

	Consolidated Revenue Area	Revenue Area 14	Total Sources
Beginning Accum, Funds & Reserves	\$ 793,161,267	\$ 92,645,041	\$ 885,806,308
Service Fees	376,544,809	16,583,146	393,127,955
User Fees	24,841,502	-	24,841,502
Capital Facilities Capacity Charge	16,252,490	-	16,252,490
Capacity Rights	-	-	-
Debt Proceeds	-	-	-
Property Taxes	145,683,373	1,534,000	147,217,373
Intradistrict Transfers	-	-	-
Insurance In-Lieu Premiums	6,286,419	273,551	6,559,970
Interest and Other Revenue	39,744,388	6,937,449	46,681,837
Subtotal	609,352,981	25,328,146	634,681,127
Total Sources	\$ 1,402,514,248	\$ 117,973,187	\$ 1,520,487,435

Funding Uses by Category FY 2026-27

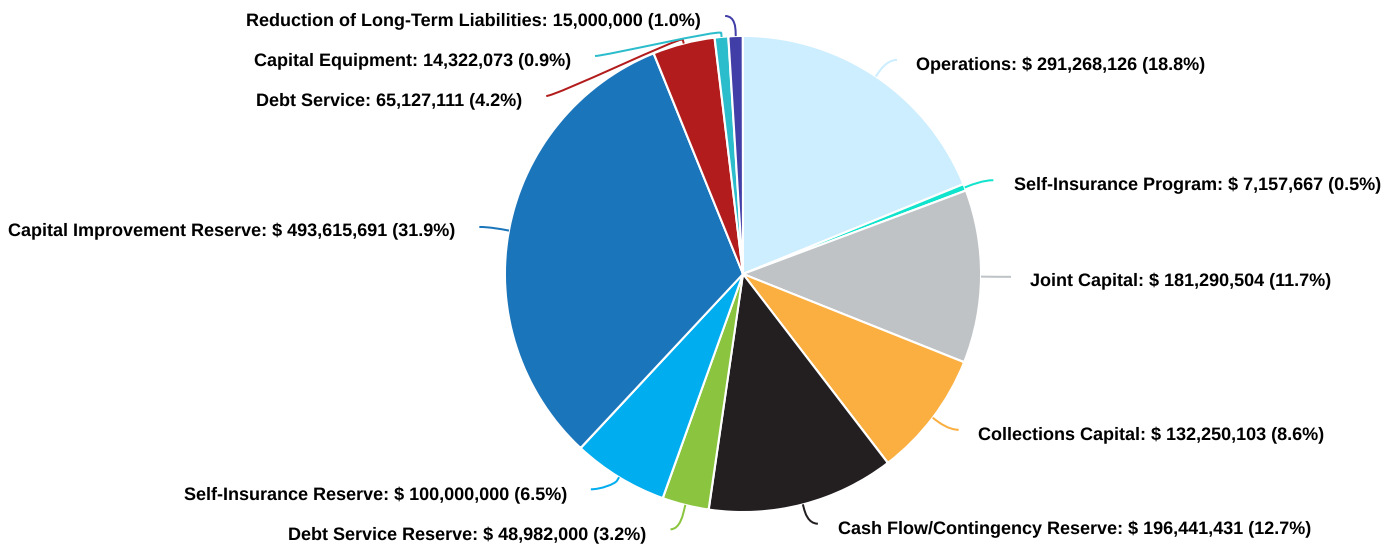
	Consolidated Revenue Area	Revenue Area 14	Total Uses
Directors' Fees	\$ 212,120	\$ 9,640	\$ 221,760
Salaries & Benefits	137,043,808	6,187,597	143,231,406
Administrative Expenses	2,555,621	115,388	2,671,009
Printing & Publications	623,977	28,173	652,150
Training & Meetings	2,231,655	100,760	2,332,415
Operating Materials and Supplies	31,415,579	1,418,429	32,834,008
Contractual Expenses	24,004,815	1,083,830	25,088,645
Professional Expenses	11,818,173	533,597	12,351,770
Research & Monitoring	1,989,187	89,813	2,079,000
Repairs & Maintenance	45,683,861	2,062,649	47,746,510
Utilities	14,938,934	674,500	15,613,434
Self-Insurance Requirements	6,286,419	273,551	6,559,970
Other Materials, Supplies, & Services	20,659,118	932,770	21,591,888
Cost Allocation	(25,547,780)	(1,153,495)	(26,701,275)
Joint Works Capital Improvement Program	164,019,921	7,405,582	171,425,503
Collection System Capital Improvement Prog.	120,049,938	-	120,049,938
Debt Service	60,972,861	-	60,972,861
Long Term Debt Reduction	-	-	-
Intradistrict Transfers	-	-	-
Joint Equity Sale to IRWD	-	-	-
Capital Equipment	19,445,729	-	19,445,729
Reduction of Long-Term Liabilities	15,000,000	-	15,000,000
Subtotal	653,403,938	19,762,783	673,166,721
Ending Accum. Funds & Reserves	749,110,310	98,210,404	847,320,714
Total Uses	\$ 1,402,514,248	\$ 117,973,187	\$ 1,520,487,435

Where the Money Comes From - FY 2027-28



FY 2027-28 Total Funding Sources - \$ 1,545,454,706

Where the Money Goes - FY 2027-28



FY 2027-28 Total Funding Uses - \$ 1,545,454,706

Funding Sources by Category FY 2027-28

	Consolidated Revenue Area	Revenue Area 14	Total Sources
Beginning Accum, Funds & Reserves	\$ 752,536,317	\$ 94,784,397	\$ 847,320,714
Service Fees	407,439,554	24,188,184	431,627,738
User Fees	29,575,652	-	29,575,652
Capital Facilities Capacity Charge	16,805,074	-	16,805,074
Capacity Rights	-	-	-
Debt Proceeds	-	-	-
Property Taxes	147,703,721	2,458,000	150,161,721
Intradistrict Transfers	-	-	-
Insurance In-Lieu Premiums	6,859,192	298,475	7,157,667
Interest and Other Revenue	54,050,615	8,755,525	62,806,140
Subtotal	662,433,808	35,700,184	698,133,992
Total Sources	\$ 1,414,970,125	\$ 130,484,581	\$ 1,545,454,706

Funding Uses by Category FY 2027-28

	Consolidated Revenue Area	Revenue Area 14	Total Uses
Directors' Fees	\$ 212,120	\$ 9,640	\$ 221,760
Salaries & Benefits	145,746,843	6,554,416	152,301,259
Administrative Expenses	2,512,118	112,973	2,625,091
Printing & Publications	236,820	10,650	247,470
Training & Meetings	2,347,938	105,590	2,453,528
Operating Materials and Supplies	33,629,041	1,512,340	35,141,381
Contractual Expenses	25,285,526	1,137,121	26,422,647
Professional Expenses	10,878,042	489,199	11,367,241
Research & Monitoring	2,263,220	101,780	2,365,000
Repairs & Maintenance	47,053,976	2,116,076	49,170,052
Utilities	15,932,750	716,515	16,649,265
Self-Insurance Requirements	6,859,192	298,475	7,157,667
Other Materials, Supplies, & Services	19,464,431	875,340	20,339,771
Cost Allocation	(26,829,771)	(1,206,568)	(28,036,339)
Joint Works Capital Improvement Program	173,458,754	7,831,750	181,290,504
Collection System Capital Improvement Prog.	132,250,103	-	132,250,103
Debt Service	65,127,111	-	65,127,111
Long Term Debt Reduction	-	-	-
Intradistrict Transfers	-	-	-
Joint Equity Sale to IRWD	-	-	-
Capital Equipment	14,322,073	-	14,322,073
Reduction of Long-Term Liabilities	15,000,000	-	15,000,000
Subtotal	685,750,288	20,665,295	706,415,584
Ending Accum. Funds & Reserves	729,219,837	109,819,285	839,039,122
Total Uses	\$ 1,414,970,125	\$ 130,484,581	\$ 1,545,454,706

DESCRIPTION OR ACCOUNT TITLE	ACTUAL 2024-25	APPROVED 2025-26	PROJECTED 2025-26	PROPOSED 2026-27	PROPOSED 2027-28
BEGINNING ACCUM. FUNDS & RESERVES	\$ 844,768,120	\$ 894,466,842	\$ 918,000,000	\$ 885,806,308	\$ 847,320,714
<u>OPERATING REVENUES</u>					
General Sewer Service User Fees	331,884,383	360,777,442	366,320,000	372,781,809	403,525,554
Permitted User Fees	16,598,269	16,593,000	22,119,056	24,841,502	29,575,652
IRWD Assessments	2,115,686	19,232,030	1,939,545	9,372,146	15,134,184
SAWPA Assessments	3,470,926	186,593	3,760,808	3,763,000	3,914,000
Interest	53,035,015	28,423,000	41,102,079	42,006,000	32,885,000
Miscellaneous Receipts	3,746,204	624,500	5,650,580	6,035,837	31,281,140
Operating Revenue Subtotal	410,850,483	425,836,565	440,892,068	458,800,294	516,315,530
<u>NON - OPERATING REVENUES</u>					
Property Tax Allocation	116,350,318	103,246,920	128,669,903	126,602,373	128,999,721
Redevelopment Agency Pass Thru	21,961,957	19,099,568	20,000,000	20,615,000	21,162,000
Subtotal - Taxes	138,312,275	122,346,488	148,669,903	147,217,373	150,161,721
Capital Facilities Capacity Charge	16,267,737	21,671,000	15,753,078	16,252,490	16,805,074
Sale of Capacity Rights, SAWPA & SSBSD	-	-	-	-	-
Capital Assessment (IRWD)	7,303,317	9,514,000	8,038,718	7,211,000	9,054,000
Non - Operating Revenue Subtotal	23,571,054	31,185,000	23,791,796	23,463,490	25,859,074
<u>INTRADISTRICT REVENUES</u>					
Annual Intradistrict Joint Equity Purchase/Sale	12,204,264	-	-	-	-
<u>FINANCING REVENUES</u>					
Sale of Certificates of Participation	-	-	-	-	-
Financing Revenues Subtotal	-	-	-	-	-
<u>SELF INSURANCE REVENUES</u>					
Workers' Comp SFI	659,546	791,455	791,500	518,000	647,500
General Liability SFI	4,381,983	4,649,886	4,649,900	4,681,970	5,150,167
Subtotal - Self Insurance	5,041,529	5,441,341	5,441,400	5,199,970	5,797,667
Total Revenues	589,979,604	584,809,394	618,795,167	634,681,127	698,133,992
TOTAL AVAILABLE FUNDING	\$ 1,434,747,724	\$ 1,479,276,2...	\$ 1,536,795,1...	\$ 1,520,487,435	\$ 1,545,454,706

Budget Resources

DESCRIPTION OR ACCOUNT TITLE	ACTUAL 2024-25	APPROVED 2025-26	PROJECTED 2025-26	PROPOSED 2026-27	PROPOSED 2027-28
<u>OPERATING REQUIREMENTS</u>					
Directors' Fees	\$ 264,600	\$ 168,675	\$ 221,760	\$ 221,760	\$ 221,760
Salaries & Benefits	123,762,155	130,729,925	129,995,445	143,231,406	152,301,259
Administrative Expense	2,118,616	2,773,176	2,107,329	2,671,009	2,625,091
Printing & Publications	235,376	391,353	290,496	652,150	247,470
Training & Meetings	1,854,972	2,156,685	1,884,946	2,332,415	2,453,528
Operating Materials & Supplies	30,906,622	32,398,557	32,159,765	32,834,008	35,141,381
Contractual Expense	22,810,499	23,848,656	23,566,255	25,088,645	26,422,647
Professional Expense	9,177,517	11,302,938	11,011,157	12,351,770	11,367,241
Research & Monitoring	1,518,193	2,174,637	2,025,637	2,079,000	2,365,000
Repairs & Maintenance	41,667,916	40,074,739	39,363,647	47,746,510	49,170,052
Utilities	15,018,906	16,972,772	16,352,769	15,613,434	16,649,265
Other Materials, Supplies, & Services	6,386,286	19,729,267	18,550,669	21,591,888	20,339,771
Cost Allocation	(26,684,017)	(22,355,980)	(22,355,980)	(26,701,275)	(28,036,339)
Subtotal - Operating	229,037,642	260,365,399	255,173,895	279,712,720	291,268,126
<u>CAPITAL IMPROVEMENTS</u>					
Joint Works Capital Improvements	164,327,582	217,389,733	217,389,733	171,425,503	181,290,504
Collection System Capital Improvements	82,823,235	100,569,887	100,569,887	120,049,938	132,250,103
Annual Intradistrict Joint Equity Purchase/Sale	12,204,264	-	-	-	-
Subtotal - Capital Improvements	259,355,081	317,959,620	317,959,620	291,475,441	313,540,607
<u>FINANCING REQUIREMENTS</u>					
Certificate of Participation Service	62,977,228	62,277,829	62,277,829	60,972,861	65,127,111
Long Term Debt Reduction	-	-	-	-	-
Subtotal - Financing Requirements	62,977,228	62,277,829	62,277,829	60,972,861	65,127,111
<u>SELF INSURANCE REQUIREMENTS</u>					
Workers' Comp SFI	2,722,942	891,455	781,755	1,568,000	1,697,500
General Liability SFI	4,378,743	4,674,886	4,108,521	4,991,970	5,460,167
Subtotal - Self Insurance	7,101,685	5,566,341	4,890,276	6,559,970	7,157,667
OTHER CASH OUTLAYS					
Capital Equipment	-	-	-	19,445,729	14,322,073
Reduction of Long-Term Liabilities	-	-	-	15,000,000	15,000,000
Subtotal - Other Cash Outlays	-	-	-	34,445,729	29,322,073
TOTAL REQUIREMENTS	558,471,635	646,169,189	640,301,620	673,166,721	706,415,584
REVENUES OVER/UNDER REQUIREMENTS	31,507,969	(61,359,795)	(21,506,453)	(38,485,594)	(8,281,592)
ENDING ACCUMULATED FUNDS & RESERVES	\$ 876,276,089	\$ 833,107,047	\$ 896,493,547	\$ 847,320,714	\$ 839,039,122

BUDGET RESOURCES BY REVENUE AREA - FY 2026-27

DESCRIPTION OR ACCOUNT TITLE	Consolidated Revenue Area Proposed	Rev Area 14 Proposed	Total Proposed
BEGINNING ACCUM. FUNDS & RESERVES	\$ 793,161,267	\$ 92,645,041	\$ 885,806,308
<u>OPERATING REVENUES</u>			
General Sewer Service User Fees	372,781,809	-	372,781,809
Permitted User Fees	24,841,502	-	24,841,502
O & M Joint Operating Assessment Service Fees (IRWD)	-	9,372,146	9,372,146
O & M Collection System Assessment Service Fees (IRWD)	-	-	-
O & M Sludge Disposal Assessment Service Fees (IRWD)	-	-	-
SAWPA Assessments	3,763,000	-	3,763,000
Interest	42,006,000	-	42,006,000
Miscellaneous Receipts	(2,261,612)	6,937,449	4,675,837
Operating Revenue Subtotal	441,130,699	16,309,595	457,440,294
<u>NON - OPERATING REVENUES</u>			
Property Tax Allocation	125,283,373	1,319,000	126,602,373
Redevelopment Agency pass Thru	20,400,000	215,000	20,615,000
Subtotal-Taxes	145,683,373	1,534,000	147,217,373
Capital Facilities Capacity Charge	16,252,490	-	16,252,490
Sale of Capacity Rights, SAWPA & SSBSD	-	-	-
Capital Assessment (IRWD)	-	7,211,000	7,211,000
Non - Operating Revenue Subtotal	161,935,863	8,745,000	170,680,863
<u>INTRADISTRICT REVENUES</u>			
Annual Intradistrict Joint Equity Purchase/Sale	-	-	-
<u>FINANCING REVENUES</u>			
Sales of Certificates of Participation	-	-	-
Intradistrict Loans, Advances & Repayments	-	-	-
Financing Revenues Subtotal	-	-	-
<u>SELF INSURANCE REVENUES</u>			
Workers' Comp SFI	1,502,614	65,386	1,568,000
General Liability SFI	4,783,805	208,165	4,991,970
Subtotal - Self Insurance	6,286,419	273,551	6,559,970
Total Revenues	609,352,981	25,328,146	634,681,127
TOTAL AVAILABLE FUNDING	\$ 1,402,514,248	\$ 117,973,187	\$ 1,520,487,435

BUDGET RESOURCES BY REVENUE AREA - FY 2026-27

DESCRIPTION OR ACCOUNT TITLE	Consolidated Revenue Area Proposed	Rev Area 14 Proposed	Total Proposed
<u>OPERATING REQUIREMENTS</u>			
Directors' Fees	\$ 212,120	\$ 9,640	\$ 221,760
Salaries & Benefits	137,043,808	6,187,597	143,231,406
Administrative Expense	2,555,621	115,388	2,671,009
Printing & Publications	623,977	28,173	652,150
Training & Meetings	2,231,655	100,760	2,332,415
Operating Materials and Supplies	31,415,579	1,418,429	32,834,008
Contractual Expense	24,004,815	1,083,830	25,088,645
Professional Expense	11,818,173	533,597	12,351,770
Research & Monitoring	1,989,187	89,813	2,079,000
Repairs & Maintenance	45,683,861	2,062,649	47,746,510
Utilities	14,938,934	674,500	15,613,434
Other Materials, Supplies, & Services	20,659,118	932,770	21,591,888
Cost Allocation	(25,547,780)	(1,153,495)	(26,701,275)
Subtotal - Operating	267,629,069	12,083,650	279,712,720
<u>CAPITAL IMPROVEMENTS</u>			
Joint Works Capital Improvements	164,019,921	7,405,582	171,425,503
Collection System Capital Improvements	120,049,938	-	120,049,938
Annual Intradistrict Joint Equity Purchase/Sale	-	-	-
Subtotal - Capital Improvements	284,069,859	7,405,582	291,475,441
<u>FINANCING REQUIREMENTS</u>			
Certificate of Participation Service	60,972,861	-	60,972,861
Long Term Debt Reduction	-	-	-
Subtotal - Financing Requirements	60,972,861	-	60,972,861
<u>SELF INSURANCE REQUIREMENTS</u>			
Workers' Comp SFI	1,502,614	65,386	1,568,000
General Liability SFI	4,783,805	208,165	4,991,970
Subtotal - Self Insurance	6,286,419	273,551	6,559,970
<u>OTHER CASH OUTLAYS</u>			
Joint Equity Sale to IRWD	-	-	-
Capital Equipment	19,445,729	-	19,445,729
Reduction of Long-Term Liabilities	15,000,000	-	15,000,000
Subtotal - Other Cash Outlays	34,445,729	-	34,445,729
TOTAL REQUIREMENTS	653,403,938	19,762,783	673,166,721
REVENUES EXCEEDING REQUIREMENTS	(44,050,957)	5,565,363	(38,485,594)
ENDING ACCUMULATED FUNDS & RESERVES	\$ 749,110,310	\$ 98,210,404	\$ 847,320,714

BUDGET RESOURCES BY REVENUE AREA - FY 2027-28

DESCRIPTION OR ACCOUNT TITLE	Consolidated Revenue Area Proposed	Rev Area 14 Proposed	Total Proposed
BEGINNING ACCUM. FUNDS & Reserves	\$ 752,536,317	\$ 94,784,397	\$ 847,320,714
<u>OPERATING REVENUES</u>			
General Sewer Service User Fees	403,525,554	-	403,525,554
Permitted User Fees	29,575,652	-	29,575,652
O & M Joint Operating Assessment Service Fees (IRWD)	-	15,134,184	15,134,184
O & M Collection System Assessment Service Fees (IRWD)	-	-	-
O & M Sludge Disposal Assessment Service Fees (IRWD)	-	-	-
SAWPA Assessments	3,914,000	-	3,914,000
Interest	32,885,000	-	32,885,000
Miscellaneous Receipts	21,165,615	8,755,525	29,921,140
Operating Revenue Subtotal	491,065,821	23,889,709	514,955,530
<u>NON-OPERATING REVENUES</u>			
Property Tax Allocation	126,895,721	2,104,000	128,999,721
Redevelopment Agency pass Thru	20,808,000	354,000	21,162,000
Subtotal-Taxes	147,703,721	2,458,000	150,161,721
Capital Facilities Capacity Charge	16,805,074	-	16,805,074
Sale of Capacity Rights, SAWPA & SSBSD	-	-	-
Capital Assessment (IRWD)	-	9,054,000	9,054,000
Non - Operating Revenue Subtotal	164,508,795	11,512,000	176,020,795
<u>INTRADISTRICT REVENUES</u>			
Annual Intradistrict Joint Equity Purchase/Sale	-	-	-
<u>FINANCING REVENUES</u>			
Sales of Certificates of Participation	-	-	-
Intradistrict Loans, Advances & Repayments	-	-	-
Financing Revenues Subtotal	-	-	-
<u>SELF INSURANCE REVENUES</u>			
Workers' Comp SFI	1,626,714	70,786	1,697,500
General Liability SFI	5,232,478	227,689	5,460,167
Subtotal - Self Insurance	6,859,192	298,475	7,157,667
Total Revenues	662,433,808	35,700,184	698,133,992
TOTAL AVAILABLE FUNDING	\$ 1,414,970,125	\$ 130,484,581	\$ 1,545,454,706

BUDGET RESOURCES BY REVENUE AREA - FY 2027-28

DESCRIPTION OR ACCOUNT TITLE	Consolidated Revenue Area Proposed	Rev Area 14 Proposed	Total Proposed
<u>OPERATING REQUIREMENTS</u>			
Directors' Fees	\$ 212,120	\$ 9,640	\$ 221,760
Salaries & Benefits	145,746,843	6,554,416	152,301,259
Administrative Expense	2,512,118	112,973	2,625,091
Printing & Publications	236,820	10,650	247,470
Training & Meetings	2,347,938	105,590	2,453,528
Operating Materials and Supplies	33,629,041	1,512,340	35,141,381
Contractual Expense	25,285,526	1,137,121	26,422,647
Professional Expense	10,878,042	489,199	11,367,241
Research & Monitoring	2,263,220	101,780	2,365,000
Repairs & Maintenance	47,053,976	2,116,076	49,170,052
Utilities	15,932,750	716,515	16,649,265
Other Materials, Supplies, & Services	19,464,431	875,340	20,339,771
Cost Allocation	(26,829,771)	(1,206,568)	(28,036,339)
Subtotal - Operating	278,733,055	12,535,071	291,268,126
<u>CAPITAL IMPROVEMENTS</u>			
Joint Works Capital Improvements	173,458,754	7,831,750	181,290,504
Collection System Capital Improvements	132,250,103	-	132,250,103
Annual Intradistrict Joint Equity Purchase/Sale	-	-	-
Subtotal - Capital Improvements	305,708,857	7,831,750	313,540,607
<u>FINANCING REQUIREMENTS</u>			
Certificate of Participation Service	65,127,111	-	65,127,111
Long Term Debt Reduction	-	-	-
Subtotal - Financing Requirements	65,127,111	-	65,127,111
<u>SELF INSURANCE REQUIREMENTS</u>			
Workers' Comp SFI	1,626,714	70,786	1,697,500
General Liability SFI	5,232,478	227,689	5,460,167
Subtotal - Self Insurance	6,859,192	298,475	7,157,667
<u>OTHER CASH OUTLAYS</u>			
Joint Equity Sale to IRWD	-	-	-
Subtotal - Other Cash Outlays	29,322,073	-	29,322,073
TOTAL REQUIREMENTS	685,750,288	20,665,295	706,415,584
REVENUES EXCEEDING REQUIREMENTS	(23,316,480)	15,034,889	(8,281,592)
ENDING ACCUMULATED FUNDS & RESERVES	\$ 729,219,837	\$ 109,819,285	\$ 839,039,122

Projected Reserves at June 30, 2025,2026 and 2027

	Projected 2025-26	Proposed 2026-27	Proposed 2027-28
Cash Flow Requirements			
Operating Expenses	\$ 133,923,000	\$ 145,634,063	\$ 154,008,021
COP Payments	16,347,601	12,628,556	11,631,806
Operating Contingencies	26,785,000	29,126,813	30,801,604
Capital Improvement Program	476,547,707	432,547,783	418,615,691
Catastrophe & Self Insurance	100,000,000	100,000,000	100,000,000
Subtotal	753,603,308	719,937,214	715,057,122
Capital Replacement & Refurbishment	75,000,000	75,000,000	75,000,000
COP Service Required Reserves	57,203,000	52,383,500	48,982,000
Total	\$ 885,806,308	\$ 847,320,714	\$ 839,039,122

Accumulated Funds and Reserves Policy

A cash flow criterion has been established at a level to fund operations, maintenance and certificate of participations expenses for the first half of the fiscal year, prior to the receipt of the first installment of the property tax allocation and the sewer service user fees which are collected as a separate line item on the property tax bill. The level of this criterion will be established as the sum of an amount equal to six months operations and maintenance expenses and the total of the annual debt (COP) service payments due in August each year.

An operating contingency criterion has been established to provide for non-recurring operating expenditures that were not anticipated when the annual budget was considered and adopted. The level of this criterion will be established at an amount equal to ten percent of the current fiscal year's annual operating budget.

A capital improvement criterion has been maintained to fund annual increments of the capital improvement program. The target level of this criterion has been established at one half of the average annual cash outlay of the capital improvement program through the year 2036. Levels higher and lower than the target can be expected while the long-term financing and capital improvement programs are being finalized.

A catastrophic loss or self-insurance criterion has been maintained for property damage including fire, flood, and earthquake, for general liability and for workers' compensation. This reserve criterion is intended to work with purchased insurance policies, FEMA, and State disaster reimbursements. Based on the plant infrastructure replacement value, the level of this criterion has been set to fund OC San's non-reimbursed costs, estimated to be \$100 million

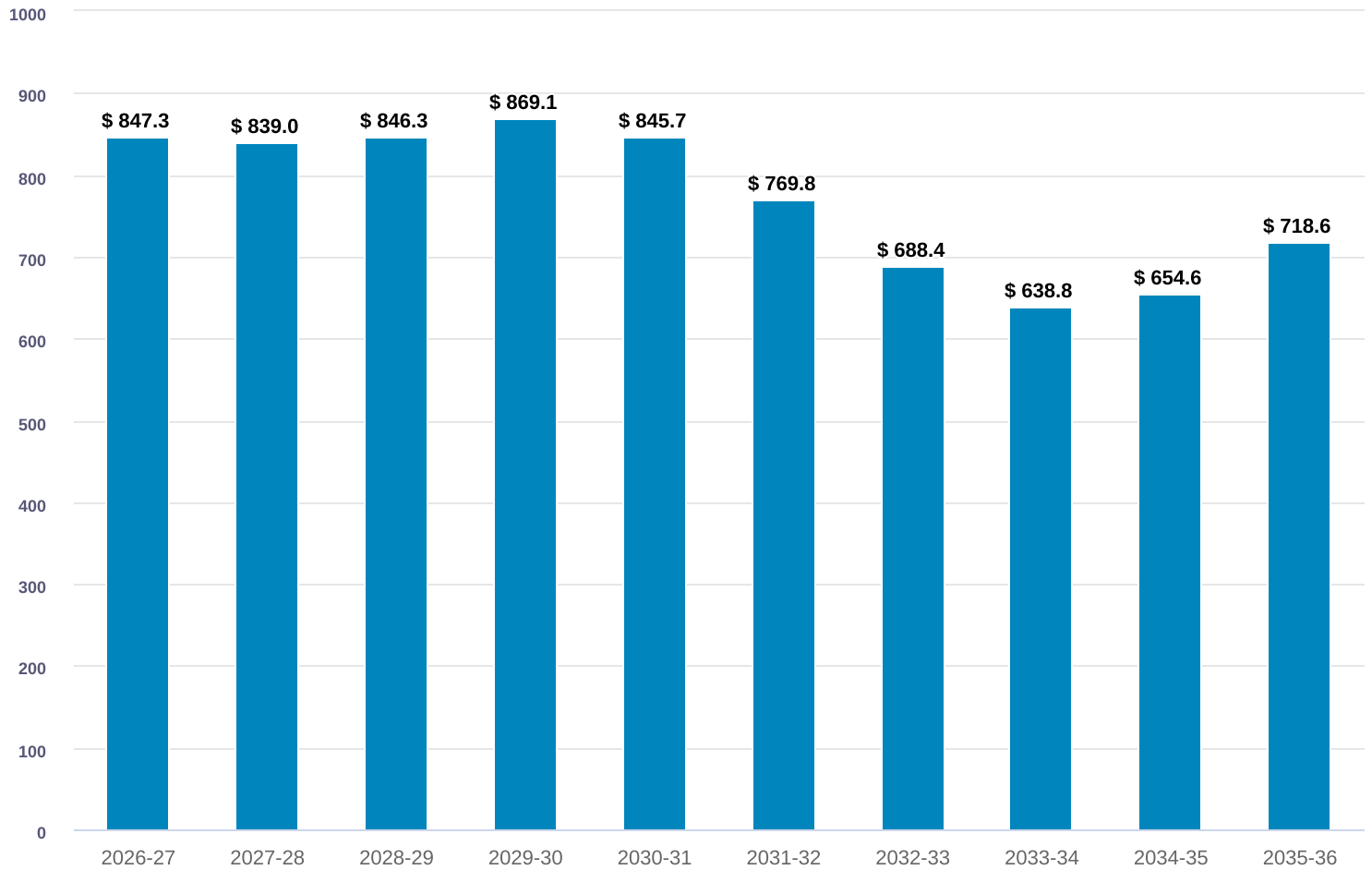
A capital replacement/renewal criterion policy has been established to provide funding to replace or refurbish the current collection, treatment, and recycling facilities at the end of their useful economic lives. The current replacement value of these facilities is estimated to be \$17.7 billion. The reserve criterion level had been established at \$75 million.

A debt service criterion policy has been established at ten percent of the outstanding certificate of participation (COP) issues. Other debt service reserves are required to be under the control of a Trustee by the provisions of the certificate of participation (COP) issues. These funds are not available for the general needs of OC San and must be maintained at specified levels.

Accumulated Funds exceeding the targets specified by OC San policy will be maintained for Capital Improvements and Rate Stabilization. These funds will be applied to future years' CIP needs due to the timing of the actual CIP outlays, in order to maintain rates or to moderate annual fluctuations.

This budget approves projects that will incur costs through 2036 and beyond. The reserves that are currently held are needed to fund projects starting in the FY 2026-27 and FY 2027-28 budget years.

Proposed Ending Reserves
(in millions)



Cash Flow Projection

Ref	Description	Prelim. 26-27	Prelim. 27-28	Prelim. 28-29	Prelim. 29-30	Prelim. 30-31	Prelim. 31-32
	Revenues:						
1	General User Fees	372,781,809	403,525,554	424,431,129	446,446,276	469,580,424	493,843,056
2	Permitted User Fees	24,841,502	29,575,652	31,014,856	32,526,021	34,109,146	35,764,231
3	IRWD Assessments	16,583,146	24,188,184	25,729,944	26,311,536	29,777,954	33,208,675
4	SAWPA Assessments	3,763,000	3,914,000	8,671,124	9,169,713	9,696,972	10,254,548
5	Property Taxes	147,217,373	150,161,721	153,915,764	157,763,658	161,707,749	165,750,443
6	New COP Issues	-	-	-	-	-	-
7	Interest Revenues	42,006,000	32,885,000	24,906,966	25,350,805	25,341,941	23,874,743
8	Capital Facilities Capacity Charges	16,252,490	16,805,074	23,634,019	24,284,856	24,960,795	25,662,137
9	Other Revenues	11,235,807	37,078,807	12,049,874	12,146,776	12,246,751	12,347,800
10	Revenues	634,681,127	698,133,992	704,353,676	733,999,643	767,421,731	800,705,632
	Requirements:						
11	Oper & Mtce Exp	279,712,720	291,268,126	308,016,043	325,726,965	344,456,266	364,262,501
12	Capital Improvement Program (CIP)	311,436,497	349,061,339	335,188,562	324,844,110	366,161,407	389,149,170
13	Less: CIP Savings & Deferrals	(19,961,056)	(35,520,732)	(43,811,878)	(59,477,588)	(56,061,976)	(40,981,001)
14	Allocation for Future Rehabilitation	-	-	5,242,675	27,524,213	44,852,520	66,973,348
15	Capital Equipment	19,445,729	14,322,073	10,741,555	10,956,386	11,175,514	11,399,024
16	COP Debt Service	60,972,861	65,127,111	65,123,611	65,125,611	63,617,861	69,283,189
17	Reduction of Long-Term Liabilities	15,000,000	15,000,000	10,000,000	10,000,000	10,000,000	10,000,000
18	Other Requirements	6,559,970	7,157,667	6,559,970	6,559,970	6,559,970	6,559,970
19	Requirements	673,166,721	706,415,584	697,060,538	711,259,667	790,761,562	876,646,200
20	Revenues-Requirements:	(38,485,594)	(8,281,592)	7,293,139	22,739,975	(23,339,831)	(75,940,569)
	Accumulated Funds:						
21	Beginning of Year	885,806,308	847,320,714	839,039,122	846,332,261	869,072,236	845,732,406
22	End of Year	847,320,714	839,039,122	846,332,261	869,072,236	845,732,406	769,791,837
23	Consolidated Reserve Policy:	592,803,591	598,454,092	604,047,145	609,999,851	616,333,256	623,004,921
24	Over (Under) Reserve Policy:	254,517,122	240,585,030	242,285,115	259,072,385	229,399,150	146,786,916
	<u>Sewer Service User Fees:</u>						
25	Avg SFR Annual User Fee	397	411	431	452	474	497
26	Percentage Change	3.39%	3.53%	4.87%	4.87%	4.87%	4.85%
27	Equivalent Dwelling Units	938,997	981,814	984,759	987,713	990,676	993,648
28	SFR Connection Fee	6,758	6,995	7,240	7,493	7,755	8,026
29	Outstanding COPs	523,835,000	489,820,000	449,950,000	408,090,000	364,135,000	319,490,000
	<u>Reserve Policy:</u>						
30	50% Next Year Operating Expense	145,634,063	154,008,021	162,863,483	172,228,133	182,131,251	192,603,797
31	10% Next Year Operating Expense	29,126,813	30,801,604	32,572,697	34,445,627	36,426,250	38,520,759
32	100% Next Year AUG COP Svc.	12,628,556	11,631,806	10,585,306	9,486,431	8,331,594	6,900,703
33	50% Average Ten-Year CIP Balance	178,030,661	178,030,661	178,030,661	178,030,661	178,030,661	178,030,661
34	Debt Svc @ 10% Outstanding COP	52,383,500	48,982,000	44,995,000	40,809,000	36,413,500	31,949,000
35	Self Funded Insurance @ \$100M	100,000,000	100,000,000	100,000,000	100,000,000	100,000,000	100,000,000
36	Repl & Refurb	75,000,000	75,000,000	75,000,000	75,000,000	75,000,000	75,000,000
37	*Reserve Reduction	-	-	-	-	-	-
38	Total	592,803,591	598,454,092	604,047,145	609,999,851	616,333,256	623,004,921
	<u>COP Ratios:</u>						
39	Sr Lien Coverage, Min 1.25	5.56	5.99	5.72	5.90	6.26	5.93

Cash Flow Projection

Ref	Description	Prelim. 32-33	Prelim. 33-34	Prelim. 34-35	Prelim. 35-36	10 - Year Total
	Revenues:					
1	General User Fees	519,243,709	546,791,593	575,502,732	605,386,852	4,857,533,134
2	Permitted User Fees	37,491,277	39,362,242	41,305,168	43,320,055	349,310,151
3	IRWD Assessments	35,049,336	35,678,162	34,536,421	34,083,823	295,147,180
4	SAWPA Assessments	10,844,184	11,467,725	12,127,119	12,824,428	92,732,812
5	Property Taxes	169,894,204	174,141,559	178,495,098	182,957,476	1,642,005,046
6	New COP Issues	-	-	-	-	-
7	Interest Revenues	21,549,674	19,614,013	19,114,768	20,294,355	254,938,265
8	Capital Facilities Capacity Charges	26,391,278	27,148,551	27,934,294	28,748,853	241,822,348
9	Other Revenues	12,451,925	12,559,128	12,668,411	12,779,776	147,565,054
10	Revenues	832,915,587	866,762,974	901,684,012	940,395,617	7,881,053,990
	Requirements:					
11	Oper & Mtce Exp	385,207,595	407,357,032	430,780,061	455,549,914	3,592,337,222
12	Capital Improvement Program (CIP)	426,178,273	359,256,458	259,605,260	243,642,994	3,364,524,070
13	Less: CIP Savings & Deferrals	(83,643,363)	(85,886,316)	(72,002,536)	(125,371,185)	(622,717,631)
14	Allocation for Future Rehabilitation	94,883,789	157,104,977	193,707,220	228,518,031	818,806,773
15	Capital Equipment	11,627,004	11,859,544	12,096,735	12,338,670	125,962,235
16	COP Debt Service	63,491,406	50,101,906	50,128,952	50,146,890	603,119,398
17	Reduction of Long-Term Liabilities	10,000,000	10,000,000	5,000,000	5,000,000	100,000,000
18	Other Requirements	6,559,970	6,559,970	6,559,970	6,559,970	66,197,397
19	Requirements	914,304,674	916,353,571	885,875,662	876,385,284	8,048,229,464
20	Revenues-Requirements:	(81,389,087)	(49,590,597)	15,808,350	64,010,333	(167,175,473)
	Accumulated Funds:					
21	Beginning of Year	769,791,837	688,402,750	638,812,152	654,620,502	7,884,930,288
22	End of Year	688,402,750	638,812,152	654,620,502	718,630,835	7,717,754,814
23	Consolidated Reserve Policy:	629,790,333	637,878,673	647,813,554	656,296,494	6,216,421,909
24	Over (Under) Reserve Policy:	58,612,417	933,479	6,806,948	62,334,341	1,501,332,905
	Sewer Service User Fees:					
25	Avg SFR Annual User Fee	\$ 521	\$ 547	\$ 574	\$ 602	
26	Percentage Change	4.83%	4.99%	4.94%	4.88%	
27	Equivalent Dwelling Units	996,629	999,619	1,002,618	1,005,626	
28	SFR Connection Fee	\$ 8,307	\$ 8,598	\$ 8,899	\$ 9,210	
29	Outstanding COPs	\$ 266,870,000	\$ 217,180,000	\$ 178,395,000	\$ 137,590,000	
	Reserve Policy:					
30	50% Next Year Operating Expense	203,678,516	215,390,030	227,774,957	239,163,705	
31	10% Next Year Operating Expense	40,735,703	43,078,006	45,554,991	47,832,741	
32	100% Next Year AUG COP Svc.	5,658,453	4,661,976	3,613,445	2,510,387	
33	50% Average Ten-Year CIP Balance	178,030,661	178,030,661	178,030,661	178,030,661	
34	Debt Svc @ 10% Outstanding COP	26,687,000	21,718,000	17,839,500	13,759,000	
35	Self Funded Insurance @ \$100M	100,000,000	100,000,000	100,000,000	100,000,000	
36	Repl & Refurb	75,000,000	75,000,000	75,000,000	75,000,000	
37	*Reserve Reduction	-	-	-	-	
38	Total	629,790,333	637,878,673	647,813,554	656,296,494	
	COP Ratios:					
39	Sr Lien Coverage, Min 1.25	6.64	8.63	8.84	9.10	

Operating Requirements

The net operating requirements budget finances the administrative, operations and maintenance, and program costs for collecting, treating, and recycling of wastewater. The departmental budgets are all completely funded by the operating fund. The net operating budget for FY 2026-27 is \$279.7 million and for FY 2027-28 is \$291.3 million.

Following are descriptions of the major factors that comprise the operating budget:

Regulatory Requirements

Many of OC San's activities are either required or regulated by environmental permits issued by federal, state, and local regulatory authorities. These authorities regulate effluent quality, air emissions, greenhouse gases, stormwater quality, biosolids and hazardous waste management, as well as extensive monitoring of all media. New and developing regulations also drive future capital and operating expenses.

Operating Chemicals

Chemicals are used for disinfection, coagulation, and odor control programs.

Coagulants: Coagulant chemicals are used to enhance primary treatment solids removal, solids dewatering, waste solids thickening, and to control hydrogen sulfide in the digesters.

Ferric chloride is an iron salt which is used with anionic polymer to increase the solids removal efficiencies in the primary treatment process and to control hydrogen sulfide levels in the digester gas as required by AQMD Rule 431.1.

Cationic polymer is added to digested sludge prior to thickening and dewatering to improve the sludge and water separation process. Cationic polymer is also added to the waste activated sludge dissolved air flotation thickeners to thicken the solids before digestion.

Odor Control: Under septic or anaerobic conditions, sulfate-reducing bacteria can flourish resulting in the accumulation of sulfides in the liquid phase. One of the sulfide forms present is hydrogen sulfide (H₂S). When released to the vapor phase, this creates the potential for both odor and corrosion problems in the collection system.

Sodium hydroxide is added in "shock doses" to the sewer trunklines for sulfide control. Sodium hydroxide is added over a period of 30 to 45 minutes at sufficient dosages to elevate the pH level. The high pH slug temporarily inactivates sulfate reducing bacteria and greatly reduces hydrogen sulfide generation.

The largest costs for collection system odor control are for ferrous chloride, magnesium hydroxide and calcium nitrate. These costs cover continuous treatment for odor control within five trunklines. The contractor(s) provide(s) leased equipment and on-going labor for services such as maintenance, remote monitoring of the chemical feed rates, optimization, and field sampling.

Sodium hypochlorite, caustic soda, and granular activated carbon are used in plant process scrubbers to treat foul air, comply with SCAQMD permits, and prevent odor complaints.

Residual management

These costs are for hauling and beneficial reuse of wastewater solids recovered during the treatment process. Solids treated through the digesters, called biosolids or treated sewage sludge, can be recycled offsite via composting (about 60 percent) or land application on farm fields (about 40 percent). Most of OC San's residuals management costs are for hauling about 21 truckloads (515 tons) of biosolids offsite every day. A smaller component of residuals management cost is non-recyclable grit and screenings waste and sewer debris that must be disposed of at a landfill.

Repair and Maintenance

Preventive maintenance and repair activities throughout OC San's expanded and upgraded treatment facilities and collection system continue to keep this budgetary category at a significant amount. This category includes contracted services, materials and supplies, and outsourced service agreements.

Utilities

The cost for utilities is a significant component of the operating budget. The largest utility cost incurred by OC San is the electricity that is purchased to supplement generated power to operate the plant processes. The central generation facilities produce approximately 60 percent of the electricity used for running the plants.

Operations Summary

Proposed Budget Comparisons by Department

Department and Division	2025-26 Revised Budget	2025-26 Projected	2026-27 Proposed	% Budget Change	2027-28 Proposed	% Budget Change
General Manager's Office						
General Management Admin	\$ 2,689,234	\$ 2,753,300	\$ 3,142,033	16.84%	\$ 3,244,316	3.26%
General Manager	2,689,234	2,753,300	3,142,033	16.84%	3,244,316	3.26%
Administrative Services Department						
Administrative Services Admin	1,275,200	815,146	861,031	(32.48%)	905,573	5.17%
Consolidated Services	21,944,896	20,974,328	21,868,872	(0.35%)	23,644,930	8.12%
Financial Management	4,830,289	5,013,304	5,571,854	15.35%	5,309,408	(4.71%)
Contracts, Purch, & Materials Mgmt	5,615,570	5,430,427	6,198,502	10.38%	6,649,313	7.27%
Information Technology	17,924,561	17,403,117	21,668,471	20.89%	22,339,595	3.10%
Facilities Maintenance	8,431,328	9,630,443	-	-100.00%	-	-
Fleet Services	2,680,570	2,384,724	-	(100.00%)	-	-
Administrative Services	62,702,413	61,651,490	56,168,731	(10.42%)	58,848,819	4.77%
Communications Department						
Communications Administration	387,671	449,879	498,188	28.51%	516,660	3.71%
Board Services	1,379,230	1,385,144	1,462,595	6.04%	1,544,157	5.58%
Public Affairs	2,240,654	2,130,330	2,404,207	7.30%	2,050,867	-14.70%
Communications	4,007,556	3,965,352	4,364,990	8.92%	4,111,684	-5.80%
Human Resources Department						
Human Resources Administration	1,283,537	1,336,500	1,392,429	8.48%	1,406,263	0.99%
Human Resource	3,710,053	3,864,767	4,228,050	13.96%	4,453,318	5.33%
Risk Management	3,691,272	3,723,666	3,851,299	4.34%	3,878,748	0.71%
Human Resources	8,684,862	8,924,933	9,471,778	9.06%	9,738,330	2.81%
Environmental Services Department						
Environmental Services Admin	1,794,895	2,299,892	2,431,748	35.48%	2,748,258	13.02%
Resource Protection	7,674,199	6,872,391	8,189,814	6.72%	9,209,230	12.45%
Environmental Lab and Ocean Monitoring	12,287,567	12,504,804	11,009,093	(10.40%)	11,729,076	6.54%
Environmental Compliance	4,853,939	4,214,900	7,904,472	62.85%	8,175,177	3.42%
Environmental Services	26,610,600	25,891,987	29,535,128	10.99%	31,861,741	7.88%
Engineering Department						
Engineering Admin	681,788	712,783	742,435	8.90%	768,611	3.53%
Planning	8,927,611	8,761,624	11,904,686	33.35%	9,426,186	(20.82%)
Project Management	4,988,108	5,121,843	5,971,894	19.72%	6,303,305	5.55%
Design	8,572,336	8,310,220	10,034,211	17.05%	11,165,266	11.27%
Construction Management	9,949,716	9,905,139	11,940,281	20.01%	13,653,076	14.34%
Engineering	33,119,559	32,811,609	40,593,508	22.57%	41,316,444	1.78%

Operations Summary

Proposed Budget Comparisons by Department

Department and Division	2025-26 Revised Budget	2025-26 Projected	2026-27 Proposed	% Budget Change	2027-28 Proposed	% Budget Change
<u>Operations & Maintenance Dept</u>						
Maintenance Support Services	7,403,499	7,752,138	8,673,094	17.15%	8,974,128	3.47%
O & M Administration	929,687	492,784	959,813	3.24%	998,571	4.04%
Collection Facilities O&M	19,727,501	18,336,398	22,896,301	16.06%	22,997,976	0.44%
Civil Facilities Maintenance	-	-	8,484,308	-	8,410,940	(0.86%)
Plant No. 1 Operations	44,473,197	43,574,033	45,152,806	1.53%	47,692,597	5.62%
Plant No. 2 Operations	23,752,049	24,502,474	24,667,924	3.86%	26,401,818	7.03%
Plant No. 1 Maintenance	26,719,094	24,863,709	26,677,983	(0.15%)	27,880,930	4.51%
Plant No. 2 Maintenance	21,883,592	22,009,668	22,984,000	5.03%	24,105,655	4.88%
Operations & Maintenance	144,907,154	141,531,204	163,137,826	12.58%	170,183,130	4.32%
<i>Less: Cost Allocation</i>	(22,355,980)	(28,135,716)	(26,701,275)	19%	(28,036,339)	5%
Net Operating Requirements	\$ 260,365,399	\$ 249,394,159	\$ 279,712,720	7.43%	\$ 291,268,126	4.13%

**Proposed Budget
Expense by Category**

Description	2025-26 Revised Budget	2025-26 Projected	2026-27 Proposed	% Budget Change to 2025-26	2027-28 Proposed	% Budget Change to 2026-27
Salaries, Wages & Benefits	\$ 130,898,600	\$ 130,217,205	\$ 143,453,166	9.59%	\$ 152,523,019	6.32%
Administrative Expenses	2,773,176	2,107,329	2,671,009	(3.68%)	2,625,091	(1.72%)
Printing & Publication	391,353	290,496	652,150	66.64%	247,470	(62.05%)
Training & Meetings	2,156,685	1,884,946	2,332,415	8.15%	2,453,528	5.19%
Operating Materials & Supplies	32,398,557	32,159,765	32,834,008	1.34%	35,141,381	7.03%
Contractual Services	23,848,656	23,566,255	25,088,645	5.20%	26,422,647	5.32%
Professional Services	11,302,938	11,011,157	12,351,770	9.28%	11,367,241	(7.97%)
Research & Monitoring	2,174,637	2,025,637	2,079,000	(4.40%)	2,365,000	13.76%
Repairs & Maintenance	40,074,739	39,363,647	47,746,510	19.14%	49,170,052	2.98%
Utilities	16,972,772	16,352,769	15,613,434	(8.01%)	16,649,265	6.63%
Other Materials, Supplies, and Svc	19,729,267	18,550,669	21,591,888	9.44%	20,339,771	(5.80%)
Cost Allocation	(22,355,980)	(28,135,716)	(26,701,275)	19.44%	(28,036,339)	5.00%
Net Operating Requirements	\$ 260,365,399	\$ 249,394,159	\$ 279,712,720	7.43%	\$ 291,268,126	4.13%
Cost to Collect, Treat & Dispose of 1 Million Gallons	\$ 3,855.84	\$ 3,509.83	\$ 4,142.36	7.43%	\$ 4,313.49	4.13%
Flow, Million Gallons	67,525	71,056	67,525	-	67,525	-
Flow Per Day, MGD	185.00	194.67	185.00	-	185.00	-

Proposed Budget Allocation to Individual Revenue Areas

Total Gallonage Flows, Million Gallons per Year (MG)

Revenue Area No.	2025-26 Projected Flow (MG)	Projected Increase (MG)	2026-27 Budgeted Flow (MG)	Percent of Total	2027-28 Budgeted Flow (MG)	Percent of Total
Consolidated RA	68,091	(3,501)	64,590	95.65%	64,619	95.70%
RA 14	2,965	(30)	2,935	4.35%	2,906	4.30%
Total	71,056	(3,531)	67,525	100.00%	67,525	100.00%

Average Daily Gallonage Flows, Million Gallons per Day (MGD)

Revenue Area No.	2025-26 Projected Flow (MGD)	Projected Increase (MGD)	2026-27 Budgeted Flow (MGD)	Percent of Total	2027-28 Budgeted Flow (MGD)	Percent of Total
Consolidated RA	187	(10)	177	95.65%	177	95.70%
RA 14	8	(0)	8	4.35%	8	4.30%
Total	195	(10)	185	100.00%	185	100.00%

FY 2026-27 Estimated Allocation of Total Costs to Revenue Areas

Revenue Area No.	Collection Costs	Treatment & Disposal Costs	Total Costs	Total Cost/MG
Consolidated RA	\$ 52,904,342	\$ 214,649,107	\$ 267,553,449	\$ 4,142.36
14 - O&M	2,388,658	9,770,612	12,159,270	4,142.36
Total	\$ 55,293,000	\$ 224,419,720	\$ 279,712,720	\$ 4,142.36

FY 2027-28 Estimated Allocation of Total Costs to Revenue Areas

Revenue Area No.	Collection Costs	Treatment & Disposal Costs	Total Costs	Total Cost/MG
Consolidated RA	\$ 54,662,749	\$ 224,070,402	\$ 278,733,151	\$ 4,313.49
14 - O&M	2,468,051	10,066,924	12,534,975	4,313.49
Total	\$ 57,130,800	\$ 234,137,326	\$ 291,268,126	\$ 4,313.49

Proposed Budget
Net Operating Expense by Line Item

Description	2025-26 Revised Budget	2025-26 Projected	2026-27 Proposed	% Budget Change to 2025-26	2027-28 Proposed	% Budget Change to 2026-27
<u>Salaries, Wages, & Benefits</u>						
<u>Salaries & Wages</u>						
Salaries & Wages	\$ 100,995,367	\$ 100,397,277	\$ 111,872,153	10.77%	\$ 118,814,328	6.21%
<u>Employee Benefits</u>						
Retirement	13,562,117	12,701,617	13,772,724	1.55%	14,673,226	6.54%
Group Insurances	13,127,983	13,183,852	14,452,563	10.09%	15,567,961	7.72%
Tuition & Certificate Reimb	86,076	101,760	213,695	148.26%	222,487	4.11%
Edu.degrees Cert. & Lic.	654,928	724,634	709,842	8.38%	709,842	-
Uniform Rental	455,365	286,205	300,516	(34.01%)	315,541	5.00%
Workers' Compensation	955,261	791,455	1,052,503	10.18%	1,135,146	7.85%
Unemployment Insurance	14,320	19,636	24,331	69.91%	29,649	21.86%
EMT Supplemental Benefits	1,047,183	2,010,770	1,054,839	0.73%	1,054,839	-
Salaries, Wages, & Benefits	130,898,600	130,217,205	143,453,166	9.59%	152,523,019	6.32%
<u>Materials, Supplies, & Services</u>						
<u>Administrative Expenses</u>						
Memberships	746,825	752,968	759,973	1.76%	777,828	2.35%
Office Exp - Supplies	73,688	94,704	83,972	13.96%	86,421	2.92%
Postage	63,750	63,200	64,056	0.48%	66,353	3.59%
Books & Publications	33,471	34,287	36,165	8.05%	33,182	(8.25%)
Forms	1,000	1,000	1,000	-	1,000	-
Small Computer Items	1,336,891	991,750	1,374,243	2.79%	1,408,957	2.53%
Minor Furniture & Fixtures	517,551	169,420	351,600	(32.06%)	251,350	(28.51%)
<u>Printing & Publication</u>						
Repro-In-House	205,191	164,722	87,050	(57.58%)	89,235	2.51%
Printing-Outside	40,562	17,274	457,100	1,026.92%	42,335	(90.74%)
Notices & Ads	145,600	108,500	108,000	(25.82%)	115,900	7.31%
Photo Processing	-	-	-	-	-	-
<u>Meetings & Training</u>						
Meetings	175,760	113,081	128,685	(26.78%)	117,985	(8.31%)
Training	1,980,925	1,771,866	2,203,730	11.25%	2,335,543	5.98%

Operations Summary

Proposed Budget Net Operating Expense by Line Item (Continued)

Description	2025-26 Revised Budget	2025-26 Projected	2026-27 Proposed	% Budget Change to 2025-26	2027-28 Proposed	% Budget Change to 2026-27
<u>Operating Materials & Supplies</u>						
Chem. Coagulants	16,458,365	17,471,000	17,850,000	8.46%	19,635,000	10.00%
Odor Control	10,486,141	9,441,540	9,092,689	(13.29%)	9,481,951	4.28%
Disinfection	641,000	641,000	665,300	3.79%	730,650	9.82%
Chemicals - Cogen Op.	506,000	481,823	525,000	3.75%	543,900	3.60%
Miscellaneous Chemicals	-	-	52,118	-	57,330	10.00%
Odor & Corrosion Control	52,020	10,000	48,000	(7.73%)	52,000	8.33%
Gas, Diesel, & Oil	909,395	866,882	913,046	0.40%	948,813	3.92%
Tools	767,750	862,746	979,631	27.60%	909,825	(7.13%)
Safety Equipment/tools	1,030,432	1,020,549	1,105,526	7.29%	1,099,958	(0.50%)
Solv,Paint,Janitor Supplies	136,768	159,256	185,790	35.84%	195,790	5.38%
Lab Chemicals & Supplies	928,435	931,236	1,065,184	14.73%	1,116,535	4.82%
Misc. Operating Supplies	465,151	258,732	336,724	(27.61%)	353,131	4.87%
Property Tax Fees	17,100	15,000	15,000	(12.28%)	16,500	10.00%
<u>Contractual Services</u>						
Solids Removal	14,240,000	14,240,000	14,670,000	3.02%	15,198,120	3.60%
Other Waste Disp.	1,405,989	1,298,621	1,345,000	(4.34%)	1,381,608	2.72%
Groundskeeping	239,589	274,589	275,000	14.78%	275,000	-
Janitorial	1,401,623	1,491,623	1,612,195	15.02%	1,612,195	-
Outside Lab Services	534,000	386,000	523,950	(1.88%)	574,429	9.63%
Oxygen Plant Oper	1,370,000	1,500,000	1,550,000	13.14%	1,705,000	10.00%
County Service Fee	618,500	618,500	620,000	0.24%	642,320	3.60%
Temporary Services	505,000	507,422	695,000	37.62%	916,750	31.91%
Security Services	2,611,455	2,400,000	2,800,000	7.22%	3,080,000	10.00%
Other	922,500	849,500	997,500	8.13%	1,037,225	3.98%
<u>Professional Services</u>						
Legal	2,532,500	2,405,897	2,542,000	0.38%	2,652,060	4.33%
Audit & Accounting	232,000	232,000	253,256	9.16%	300,878	18.80%
Engineering	1,968,838	2,737,116	2,952,114	49.94%	2,885,303	(2.26%)
Enviro Scientific Consult	1,035,000	806,585	766,000	(25.99%)	766,000	-
Software Prgm Consult	1,057,700	1,060,000	1,893,400	79.01%	1,667,000	(11.96%)
Advocacy Efforts	345,600	345,600	347,000	0.41%	359,000	3.46%
Industrial Hygiene Svcs	100,000	85,000	100,000	-	100,000	-
Labor Negotiation Svc	100,000	85,000	100,000	-	100,000	-
Other	3,969,300	3,276,960	3,466,000	(12.68%)	2,575,000	(25.71%)

Proposed Budget
Net Operating Expense by Line Item (Continued)

Description	2025-26 Revised Budget	2025-26 Projected	2026-27 Proposed	% Budget Change to 2025-26	2027-28 Proposed	% Budget Change to 2026-27
<u>Research & Monitoring</u>						
Environ. Monitoring	1,270,000	1,196,000	1,104,000	(13.07%)	1,342,000	21.56%
Air Quality Monitoring	300,000	250,000	300,000	-	330,000	10.00%
Research	604,637	579,637	675,000	11.64%	693,000	2.67%
<u>Repairs & Maintenance</u>						
Materials & Services	29,113,036	29,302,241	32,618,812	12.04%	33,513,110	2.74%
Service Maint. Agreements	10,961,703	10,061,405	15,127,698	38.01%	15,656,941	3.50%
<u>Utilities</u>						
Telephone	531,400	561,457	600,000	12.91%	630,000	5.00%
Diesel For Generators	65,000	35,000	36,750	(43.46%)	38,588	5.00%
Natural Gas	3,267,000	2,999,135	2,996,000	(8.30%)	3,818,000	27.44%
Power	11,822,446	11,273,878	10,627,925	(10.10%)	10,771,563	1.35%
Water	1,286,926	1,483,299	1,352,759	5.12%	1,391,114	2.84%
<u>Other Operating Costs</u>						
Outside Equip Rental	95,000	65,346	140,000	47.37%	147,300	5.21%
Insurance Premiums	53,000	54,010	60,000	13.21%	66,000	10.00%
Prop & Gen Liab Insurance	3,924,030	4,649,880	5,000,000	27.42%	5,500,000	10.00%
Freight	214,200	219,968	225,000	5.04%	236,250	5.00%
Misc. Operating Expense	12,069,161	11,993,946	9,187,284	(23.88%)	10,110,621	10.05%
Regulatory Operating Fees	1,926,373	1,427,000	1,806,628	(6.22%)	1,817,728	0.61%
Contingency	1,309,753	-	-	(100.00%)	-	-
Prior year reappropriation	-	-	-	-	-	-
Loss on obsolete inventory	-	2,000	-	-	-	-
Other Non-Oper Expense	137,750	138,520	147,670	7.20%	148,400	0.49%
Feasibility Study	-	-	5,025,306		2,313,472	(53.96%)
Materials, Supplies, & Services	151,822,780	147,312,670	162,960,829	7.34%	166,781,446	2.34%
Total Operating Requirements	282,721,379	277,529,875	306,413,995	8.38%	319,304,464	4.21%
Less: Cost Allocation	(22,355,980)	(28,135,716)	(26,701,275)	19.44%	(28,036,339)	5.00%
Net Operating Requirements	\$ 260,365,399	\$ 249,394,159	\$ 279,712,720	7.43%	\$ 291,268,126	4.13%
Cost to Collect, Treat & Dispose of 1 Million Gallons	\$ 3,855.84	\$ 3,509.83	\$ 4,142.36	7.43%	\$ 4,313.49	4.13%
Flow, Million Gallons	67,525	71,056	67,525	-	67,525	-
Flow Per Day, MGD	185.00	194.67	185.00	-	185.00	-

Notes to the FY 2026-27 and FY 2027-28 Operations Budget

Salaries, Wages & Benefits

Salaries & Wages: The proposed budget is set at 699.50 and 718.50 Full Time Equivalent (FTE) positions for FY 2026-27 and FY 2027-28, respectively. An increase in salaries and wages is attributable to anticipated salary and benefit adjustments for all employee bargaining units.

Retirement: The employees of OC San are members of the Orange County Employees Retirement System. Employees participate in one of three plans depending on hire date: Plan H (older), Plan B, or Plan U (newer, with a lower retirement benefit). The estimated employer's required contribution rate, based on employees' base salaries, has decreased for Plan H (191 employees) from 13.47 percent to 13.36 percent and Plan B (52 employees) from 13.09 percent to 12.81 percent, but increased for Plan U (365 employees) from 9.82 percent to 9.97 percent for FY 2026-27. The contribution rate for Plan H includes OC San's pickup of 3.5 percent of employees' required contributions.

Group Insurance: This includes OC San's share of employees' medical and dental insurance plans, and life and disability insurance premiums. It also includes the other post-employment benefits that OC San is obligated to pay for retirees. The group insurance budget approximates \$17,000 per employee.

Tuition & Certification Reimbursements: To encourage the self-development and training of employees, OC San has a tuition and certification reimbursement program. This appropriation is set at \$213,695 for both FY 2026-27 and FY 2027-28.

Development Pay: To further promote employee efforts that increase job knowledge, skills, and abilities, OC San has established this benefit for employees obtaining educational degrees and job related certificates and licenses. The budget of \$709,842 for both FY 2026-27 and FY 2027-28 is based on estimated employee participation.

Uniforms: This budget projection is for uniforms provided to field and lab employees in accordance with employee MOUs.

Workers' Compensation: This item is used to maintain the level of accumulated reserves for workers' compensation self-insurance. The amount recommended is \$1.1 million for FY 2026-27 and \$1.1 million for FY 2027-28. The total estimated expenditures for the workers' compensation program are set forth in detail in the Self-Insurance section.

Unemployment Insurance: OC San is on an actual claims paid basis, which has historically resulted in an overall lower cost because of a favorable claims history. This appropriation is proposed at a level consistent with the prior year's actual costs.

Memberships

OC San has memberships in agencies, such as the National Association of Clean Water Agencies (NACWA), the National Water Research Institute (NWRI), the Water Environment Research Foundation (WERF), the California Association of Sanitation Agencies (CASA), the Southern California Alliance of Publicly Owned Treatment Works (SCAP), the Association of California Water Agencies (ACWA), and the Center for Demographic Research (CDR), and has a budget of \$759,973 for FY 2026-27 and \$777,828 for FY 2027-28.

Administrative Expenses

These accounts include supplies, postage, technical journals and publications, forms, small office equipment, and small computer items. The small equipment and computer items cost less than \$15,000 per item and exclude items that are capitalized.

Printing and Publication

The budget provides for in-house and outside reproduction costs and reflects an expanded management information system and administrative requirements as well as a continuing demand by the public and regulatory agencies for information. This group of accounts also includes costs for photo processing, advertisements, and notices.

Training & Meetings

This category includes ongoing technical and safety training and materials for staff, required training for computerized plant monitoring, and control systems training to allow for a more adaptive and flexible workforce. OC San continues to place an emphasis on safety, technical, leadership, and management training.

Operating Materials & Supplies

Chemical Coagulants: Chemical coagulants are used to enhance the primary treatment process by increasing the solids removal efficiencies and dewatering and thickening solids for disposal, and are used to control hydrogen sulfide levels in the digester gas.

The costs for these chemicals are expected to increase slightly due to increasing costs, usage is expected to remain stable over the next two budget years. The budgeted amounts for FY 2026-27 and FY 2027-28 are \$17.9 million and \$19.6 million, respectively, or an average increase of 9.23 percent over the FY 2025-26 budget.

Odor Control Chemicals: OC San uses sodium hydroxide (caustic soda), and bleach as the primary odor control chemicals within the treatment plants' foul air scrubbers. In addition, muriatic acid is an odor control chemical used for cleaning the scrubbers.

Ferrous chloride, magnesium hydroxide, calcium nitrate, and caustic soda are the primary odor control chemicals used within the collection system and work by reducing the generation of hydrogen sulfide in the trunklines. The chemical dosage and costs reflect the established performance level and affects the use of chemicals at the treatment plants.

The odor control budget is \$9.1 million for FY 2026-27 and \$9.5 million for FY 2027-28; an average decrease of 4.5 percent from the previously approved budget, based on overall inflationary projections for these chemicals.

Disinfection Chemicals: Sodium Hypochlorite (bleach) is used at the treatment plants for the disinfection of plant water and the control of filamentous organisms in activated sludge in the secondary treatment process. OC San's bleach budgets for the purpose of disinfection are \$665,300 in FY 2026-27 and \$730,650 in FY 2027-28 or an average increase of 6.8 percent.

Gasoline, Oil and Fuel: This group of accounts includes gasoline, oil, and diesel fuel required to operate stationary treatment plant equipment as well as approximately 300 pieces of major mobile equipment such as cars, trucks, cranes, and generators. Also included in this group of accounts is the cost of fuel for the compressed natural gas station. The cost of the natural gas is partially recovered by selling the compressed natural gas as vehicle fuel to outside users. The volatility in price of gasoline and natural gas are the major impacts to these budgets.

Other Operating Materials & Supplies: This group of accounts is for miscellaneous items such as scrubber acids, activated carbon, solvents, cleaners, hardware, janitorial supplies, tools, safety equipment, laboratory supplies, and property taxes that are required to operate and maintain existing and expanding facilities. This group of accounts is expected to remain relatively the same during FY 2026-27 and FY 2027-28.

Contractual Services

The major component of this category is biosolids removal and transportation costs. Contracts have been executed with firms for agricultural reuse of residual solids and composting for biosolids disposal. The total costs budgeted for solids removal is \$14.7 million for FY 2026-27 and \$15.2 million for FY 2027-28. Even though solids have been dried above original targets due to the success of the centrifuges over the belt presses, increased costs in fuel and disposal contracts offset the savings from reduced tonnage being hauled away.

This category also includes appropriations for other waste removal, janitorial, groundskeeping and security services, county service fees, temporary employment services to level out periodic increases in staff workload, long-term leaves, and position vacancies, outside laboratory services, manhole rehabilitation, and industrial line and outfall inspection and cleaning services.

Professional Services

This group of accounts includes General Counsel, special labor counsel, engineering, advocacy efforts, audit and accounting services, software program consulting, and other technical consulting services.

Research and Monitoring

The costs in this category consist of contract services to carry out the extensive ocean monitoring program required by EPA Region IX under the provisions of OC San's NPDES permit, air quality monitoring costs, OC San's contribution to the Southern California Coastal Water Research Project (SCCWRP) being conducted under a joint powers agreement with other Southern California municipal dischargers, operating costs for OC San's ocean monitoring vessel, and provides for operational and ocean research and evaluation to develop optimum operating parameters in the treatment plants. Overall, this category of costs is expected to increase slightly from the need to outsource taxonomy and mooring services, resulting in FY 2026-27 and FY 2027-28 budgets of \$2.1 million and \$2.4 million, respectively.

Repairs and Maintenance

The majority of the materials and services budgets support the maintenance of the collection system and the treatment plants. This includes street overlays and manhole raising, manhole cover purchases, surveying services, easement improvements, equipment maintenance, and outsourced service contracts and maintenance agreements. The FY 2026-27 and FY 2027-28 budgets include repairs and maintenance costs totaling \$47.7 million and \$49.2 million, respectively.

Materials and services for FY 2026-27 and FY 2027-28 include siphon cleaning, manhole rehab and replacement services, digester cleaning, and materials and services to maintain OC San's fleet.

Service agreements for FY 2026-27 and FY 2027-28 include Information Technology maintenance, support, and licenses and disaster recovery and cybersecurity hardware and software, Operations & Maintenance service contracts for crane certification, engine monitoring systems, door and gate maintenance, scale, fire extinguisher, and fire sprinkler certification, uninterruptible power supply electrical maintenance, scaffolding, and tree trimming.

Utilities

The cost for utilities is a significant component of the operating budget. The overall cost for utilities is anticipated to be \$15.6 million and \$16.6 million for the FY 2026-27 and FY 2027-28 budgets, respectively.

Natural Gas: Natural gas is purchased to supplement the digester gas that is used to run the central generation facilities. The total natural gas budget is \$ 3.0 million for FY 2026-27 and \$3.8 million for FY 2027-28.

Electricity: Electricity is the largest utility cost incurred by OC San. Purchased electricity is used to run the plant processes, support buildings, and pump stations. OC San procures electricity under the Southern California Edison (SCE) Direct Access program from third party supplier, and SCE is paid only for delivering the electricity. This arrangement has allowed OC San to secure a fixed rate for the power and should result in savings long term. The estimated consumption and resulting costs for electrical energy purchased for the plant processes and support buildings are \$819,000 and \$827,000 for FY 2026-27 and FY 2027-28, respectively, excluding contingencies and electricity requirements of all outlying pump stations. This estimate includes normal operations of CenGen and assumes \$400,000 in savings due to battery utilization at Plant No. 1. The total budgeted amount for purchased electricity is \$10.6 million and \$10.8 million for the FY 2026-27 and FY 2027-28 budgets, respectively.

Other Operating Costs

Insurance Premiums: Other than the budget of \$60,000 for FY 2026-27 and \$66,000 for FY 2027-28 in the operating section to insure OC San's ocean vessel, the cost for general liability and property insurance premiums is budgeted entirely within the Self-Insurance section.

Property & General Liability In-Lieu Insurance

Premium: This item is used to maintain the level of accumulated reserves for property and general liability self-insurance. The recommended budget is \$5.0 million for FY 2026-27 and \$5.5 million for FY 2027-28. The total estimated expenditures for the insurance program are set forth in detail in the Self-Insurance section.

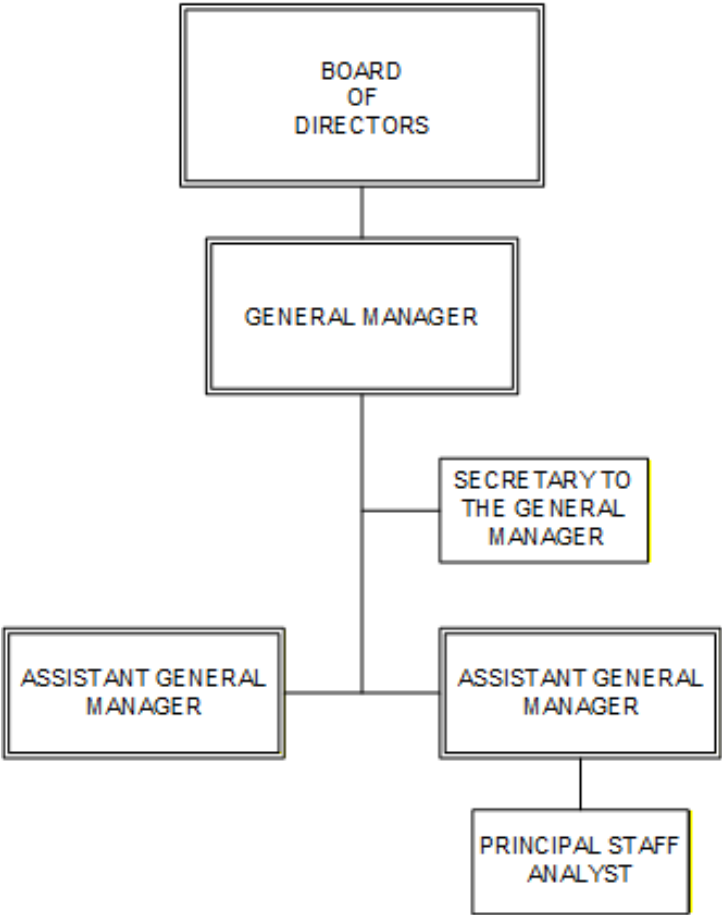
Other Operating & Non-Operating Expenses: Expenses not chargeable elsewhere, such as annual regulatory fees assessed by SCAQMD and SWRCB, freight, obsolete inventory write-off, and other miscellaneous items are recorded within these groups of accounts.

Cost Allocation

This represents direct labor and benefit charge-outs and materials, supplies, and services cost allocation to the capital projects where the related work is performed.

Net Operating Requirements

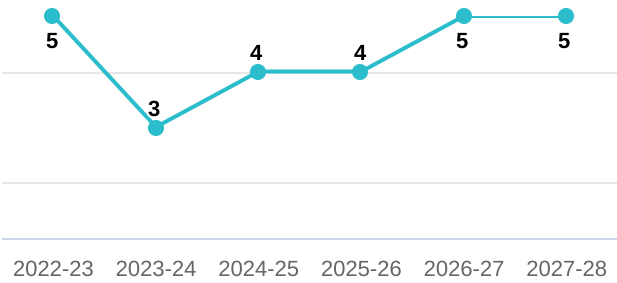
This line item represents the net salary, wages, benefits, materials, supplies, and services related to operating costs for collection, treatment, and disposal activities after charge-backs to CIP.



FY 26-27 & FY 27-28 Authorized FTE Positions

	2026-27	2027-28
Executive Managers	3	3
Supervisors / Professionals	1	1
Confidential	1	1
Total	5	5

Staffing Trends



Service Description

The mission of the General Manager's Administration Division is to work with the Board of Directors, other agencies, and the public to establish agency standards, policies, procedures, and the Strategic Plan. The Division reports OC San's progress toward these goals and provides oversight of agency operations. The General Manager reports directly to the Board and leads agency operations and strategic planning.

2025-26 Performance Objectives

Create a new two-year Strategic Plan & recommend for Board adoption
Manage operating expenditures to within 96% to 100% of the approved budget
Ensure OC San does not exceed 669.5 authorized full-time equivalent (FTE) positions
Create a new annual GM Work Plan for Fiscal Year 2025-26

2025-26 Performance Results

The two-year Strategic Plan was created and approved by the Board of Directors in November 2025
All planned expenditures were met
Current FTE count is 639
New Work Plan approved by the Board of Directors in June 2025

2026-27 & 2027-28 Performance Objectives

Create a new annual GM Work Plan for Fiscal Year 2026-27 and 2027-28.
Update two-year Strategic Plan & Recommend for Board Adoption in FY 2027-28.
Manage operating expenditures to within 96% to 100% of the approved budget.
Ensure OC San does not exceed authorized FTEs

Performance Measures

Summary	2024-25 Actual	2025-26 Projected	2026-27 Proposed	2027-28 Proposed	Justification
Create annual GM Work Plan	Achieved	Achieved	Planned	Planned	Board Approved
Create new biennial Strategic Plan		Achieved		Planned	Board Approved
Operating expenditures within 96% to 100%	Achieved	Achieved	Planned	Planned	Board Approved
Do not exceed authorized FTEs	Achieved	Achieved	Planned	Planned	Board Approved

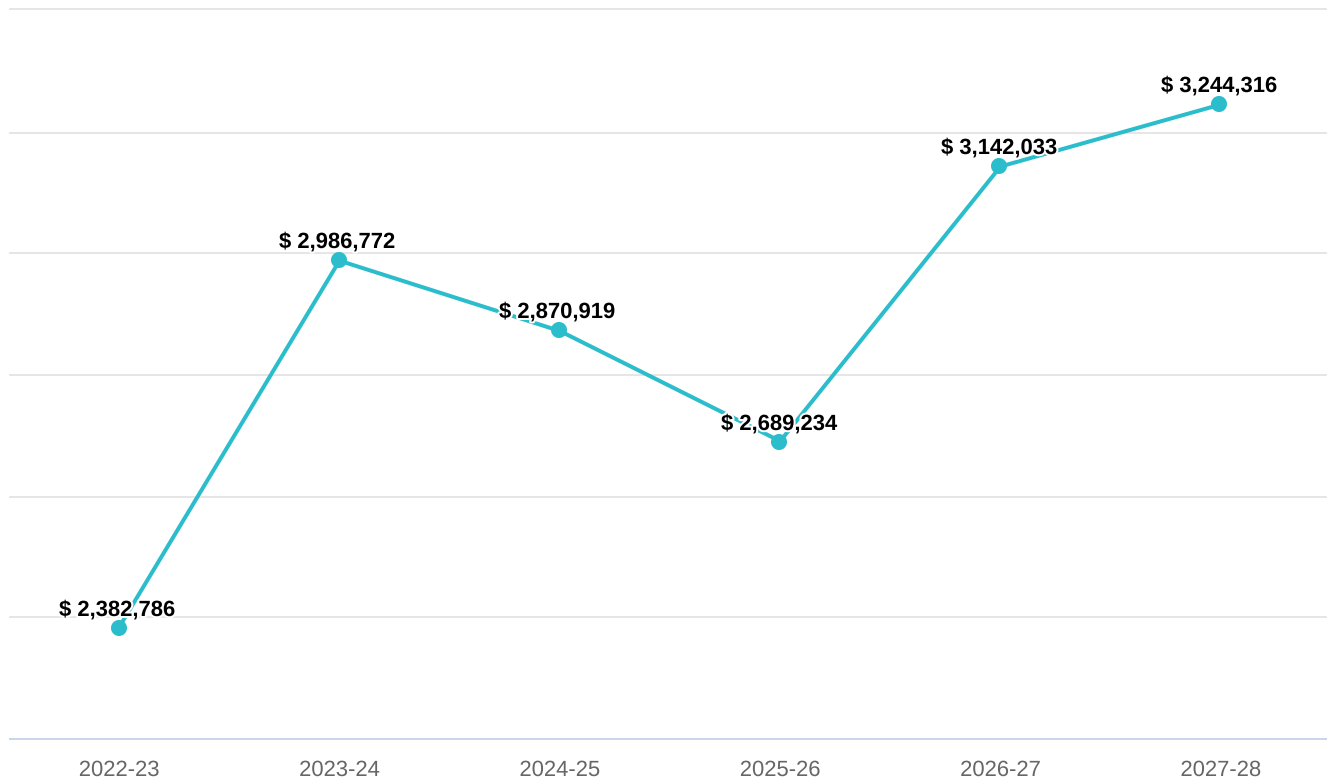
Budget Overview

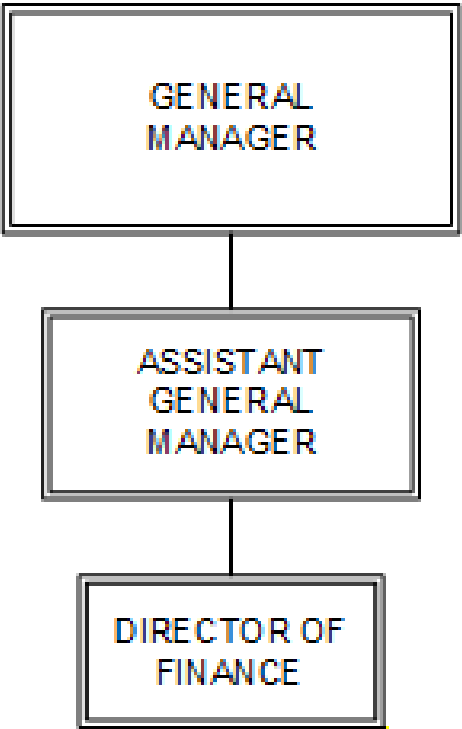
The FY 2026-27 & FY 2027-28 budgets for the General Management Administration Division reflect an increase of 17% and an increase of 3% over the prior year, respectively. The FY 2026-27 increase is primarily due to an increase in personnel expenses, trainings and meetings. The FY 2027-28 increase is primarily due to personnel expenses and profesisonal services.

2025-26 Adjusted Budget - Total Operating Requirements	\$ 2,689,234
Salaries for Position Changes: Transfer of Positions from/(to) Other Divisions New or (decreased) FTE	 - 1
Changes in Personnel Expenses: Other net salary adjustments (MOU-related, leave payoffs, vacancy, etc.) Change in OCERS retirement costs Change in group insurance costs Other benefit cost adjustments	 373,955 17,290 27,053 1,790
Other Cost Adjustments: Change in training & meetings	 31,450
Aggregate change in Other Categories: Aggregate change in other materials, supplies, and services	 1,261
2026-27 Proposed Budget - Total Operating Requirements	\$ 3,142,033
Changes in Personnel Expenses: Net salary adjustments (MOU-related, leave payoffs, vacancy, etc.) Change in OCERS retirement costs Change in group insurance costs Other benefit cost adjustments	 58,968 7,832 5,468 376
Other Cost Adjustments: Change in professional services	 28,000
Aggregate change in Other Categories: Aggregate change in other materials, supplies, and services	 1,640
2027-28 Proposed Budget - Total Operating Requirements	\$ 3,244,316

Operating Expense by Category	2024-25 Actual	2025-26 Budget	2025-26 Projected	2026-27 Proposed	Budget % Change to 2025-26	2027-28 Proposed	Budget % Change to 2026-27
Personnel	\$ 1,792,878	\$ 1,787,759	\$ 1,761,079	\$ 2,207,848	23.50%	\$ 2,280,493	3.29%
Supplies	439,801	340,775	427,797	369,760	8.51%	371,399	0.44%
Professional & Contractual Services	637,271	560,000	560,000	560,000	-	588,000	5.00%
Research & Monitoring	-	-	-	-	-	-	-
Repairs & Maintenance	-	-	-	-	-	-	-
Utilities	-	-	-	-	-	-	-
Other	970	700	4,425	4,425	532.14%	4,425	-
Total	\$ 2,870,919	\$ 2,689,234	\$ 2,753,300	\$ 3,142,033	16.84%	\$ 3,244,316	3.26%

Expenditure Trends

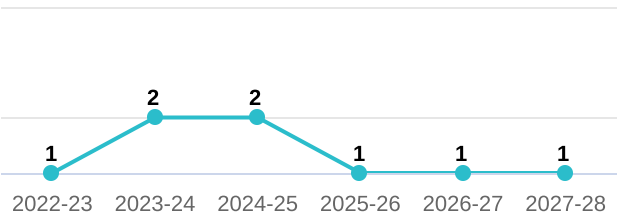




FY 26-27 & FY 27-28 Authorized FTE Positions

	2026-27	2027-28
Executive Managers	1	1
Total	1	1

Staffing Trends



Administrative Services Administration

Service Description

The mission of the Administrative Services Administration Division is to oversee the functions of the Financial Management, Contracts, Purchasing, & Materials Management, and Information Technology Divisions. This oversight includes both day-to-day operations and strategic planning. The division is the departmental liaison with Executive Management, the Administration Committee, the Board of Directors, and other departments of OC San.

2025-26 Performance Objectives

Submittal of annual sewer service fees (SSF) within property parcel database to the County by August 8th.

All Treasury investments will be in compliance with the California State Government Code 100% of the time.

Coordinate and uphold solicitation schedules in support of planned projects and emergency procurements.

2025-26 Performance Results

Submittal completed in time for placement on secured property tax bills.

All Treasury investments in compliance 100% of the time.

Solicitation schedules upheld at 100% completion.

2026-27 & 2027-28 Performance Objectives

Submit annual sewer service fees (SSF) within property parcel database to the County by August 8th.

Comply with the California State Government Code 100% of the time with all treasury investments.

Coordinate and uphold solicitation schedules in support of planned projects and emergency procurements.

Performance Measures

Summary	2024-25 Actual	2025-26 Projected	2026-27 Proposed	2027-28 Proposed	Justification
Submit SSF to the County by August 8th.	Achieved	Planned	Planned	Planned	OC San Standards
Investment Compliance	Achieved	Planned	Planned	Planned	OC San Standards
Uphold Solicitation Schedules	Achieved	Planned	Planned	Planned	OC San Standards

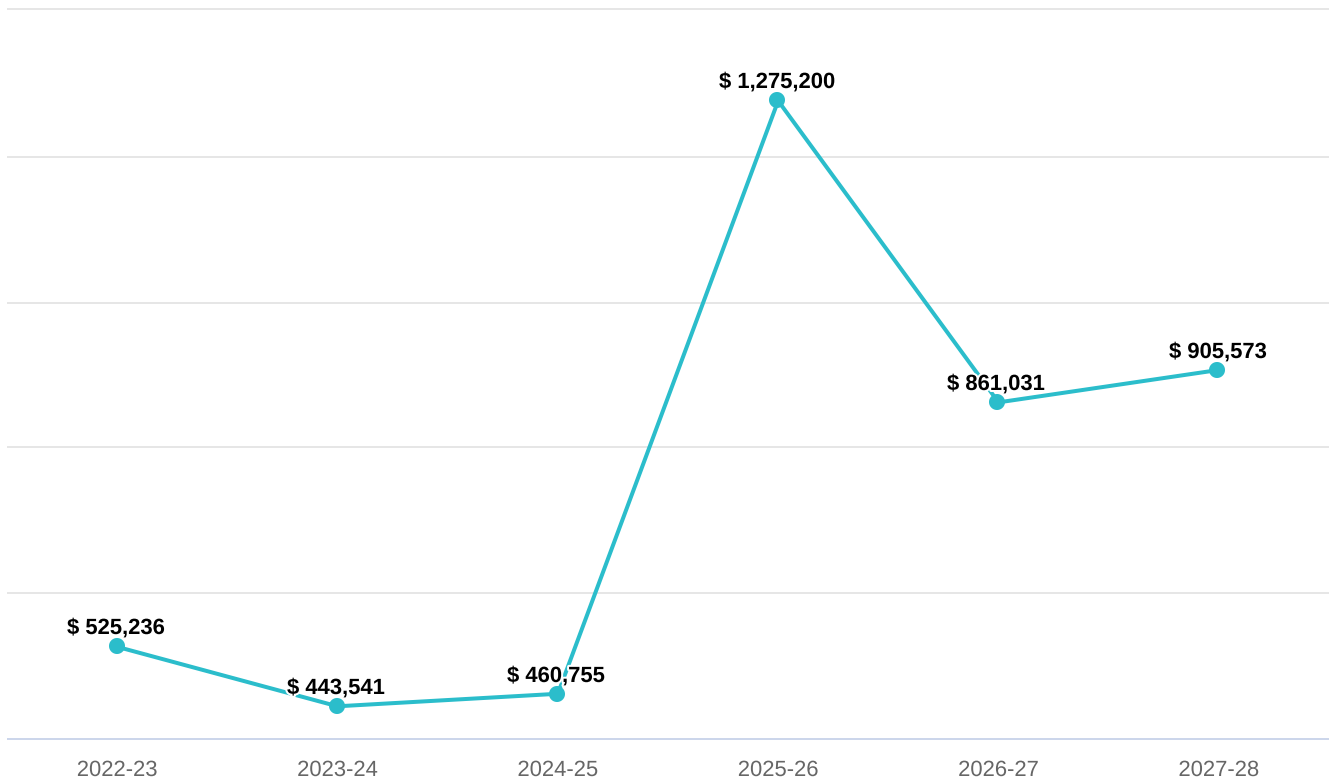
Budget Overview

The FY 2026-27 & FY 2027-28 budgets for the Administrative Services Division reflect a decrease of 32% and an increase of 5% over the prior year, respectively. The FY 2026-27 decrease is primarily due to a decrease in legal costs. The FY 2027-28 increase is primarily due to personnel expenses, memberships and training & meetings.

2025-26 Adjusted Budget - Total Operating Requirements	\$ 1,275,200
Salaries for Position Changes: Transfer of Positions from/(to) Other Divisions New or (decreased) FTE	 - -
Changes in Personnel Expenses: Other net salary adjustments (MOU-related, leave payoffs, vacancy, etc.) Change in OCERS retirement costs Change in group insurance costs Other benefit cost adjustments	 (115,999) (12,723) (18,549) (16,063)
Other Cost Adjustments: Change in legal services	 (250,000)
Aggregate change in Other Categories: Aggregate change in other materials, supplies, and services	 (835)
2026-27 Proposed Budget - Total Operating Requirements	\$ 861,031
Changes in Personnel Expenses: Net salary adjustments (MOU-related, leave payoffs, vacancy, etc.) Change in OCERS retirement costs Change in group insurance costs Other benefit cost adjustments	 18,564 1,901 1,206 75
Other Cost Adjustments: Change in legal services	 25,000
Aggregate change in Other Categories: Aggregate change in other materials, supplies, and services	 (2,204)
2027-28 Proposed Budget - Total Operating Requirements	\$ 905,573

Operating Expense by Category	2024-25 Actual	2025-26 Budget	2025-26 Projected	2026-27 Proposed	Budget % Change to 2025-26	2027-28 Proposed	Budget % Change to 2026-27
Personnel	\$ 338,574	\$ 517,345	\$ 358,396	\$ 354,011	(31.57%)	\$ 375,758	6.14%
Supplies	1,331	7,815	6,710	6,980	(10.68%)	4,775	(31.59%)
Professional & Contractual Services	120,825	750,000	450,000	500,000	(33.33%)	525,000	5.00%
Research & Monitoring	-	-	-	-	-	-	-
Repairs & Maintenance	-	-	-	-	-	-	-
Utilities	-	-	-	-	-	-	-
Other	25	40	40	40	-	40	-
Total	\$ 460,755	\$ 1,275,200	\$ 815,146	\$ 861,031	(32.48%)	\$ 905,573	5.17%

Expenditure Trends



This division is a financial tracking division and is not staffed.

Service Description

The mission of the Consolidated Services Division is to centralize and streamline all common costs that support all staff, functions, and facilities at OC San. This division is a financial tracking division and is not staffed.

2025-26 Performance Objectives

- Coordinate all common costs for OC San shared support services.
- Manage the division’s budget to within 96% to 100% of the approved budget.

2025-26 Performance Results

- On track
- Estimated to stay within budget.

2026-27 & 2027-28 Performance Objectives

- Coordinate all common costs for OC San shared support services.
- Manage the division’s budget to within 96% to 100% of the approved budget

Performance Measures

Summary	2024-25 Actual	2025-26 Projected	2026-27 Proposed	2027-28 Proposed	Justification
Consolidate shared support costs	Achieved	Achieved	Expected	Expected	OC San Standards
Manage budget	Achieved	Ongoing	96-100%	96-100%	OC San Standards

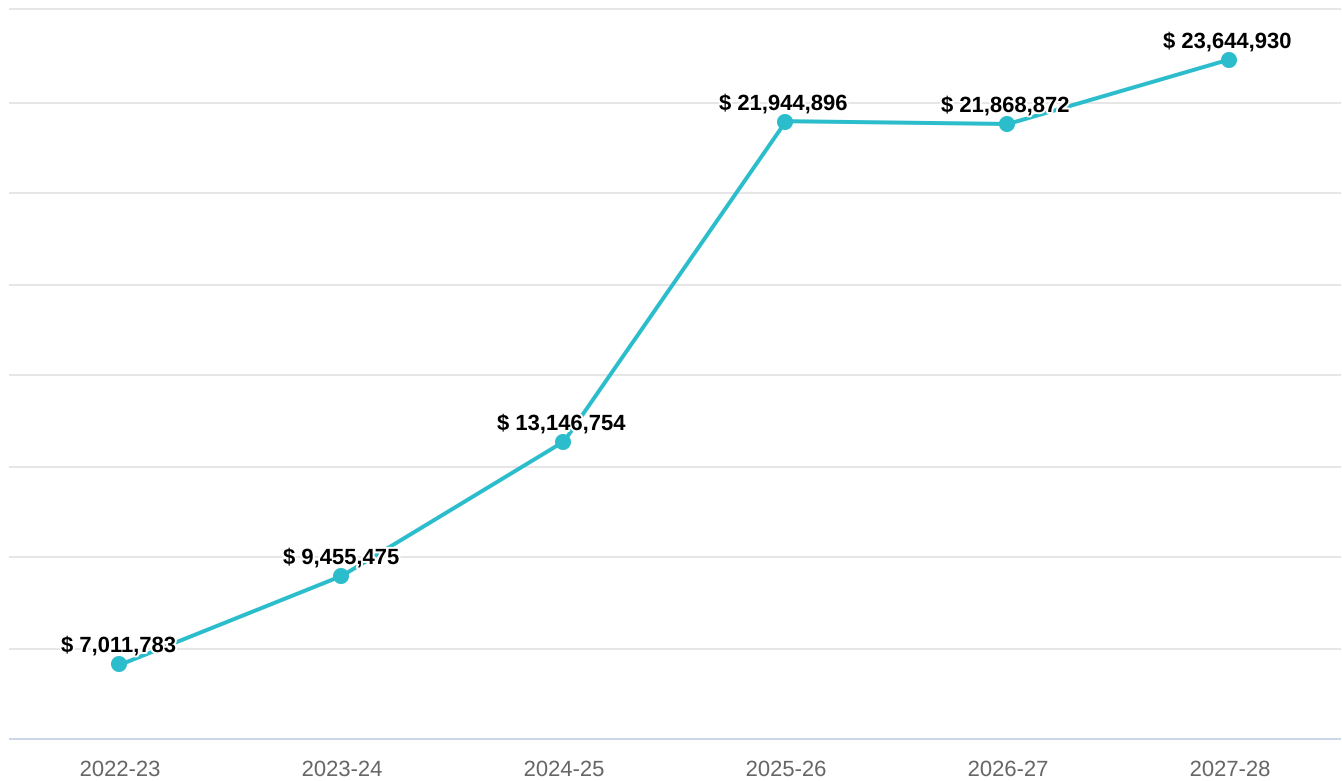
Budget Overview

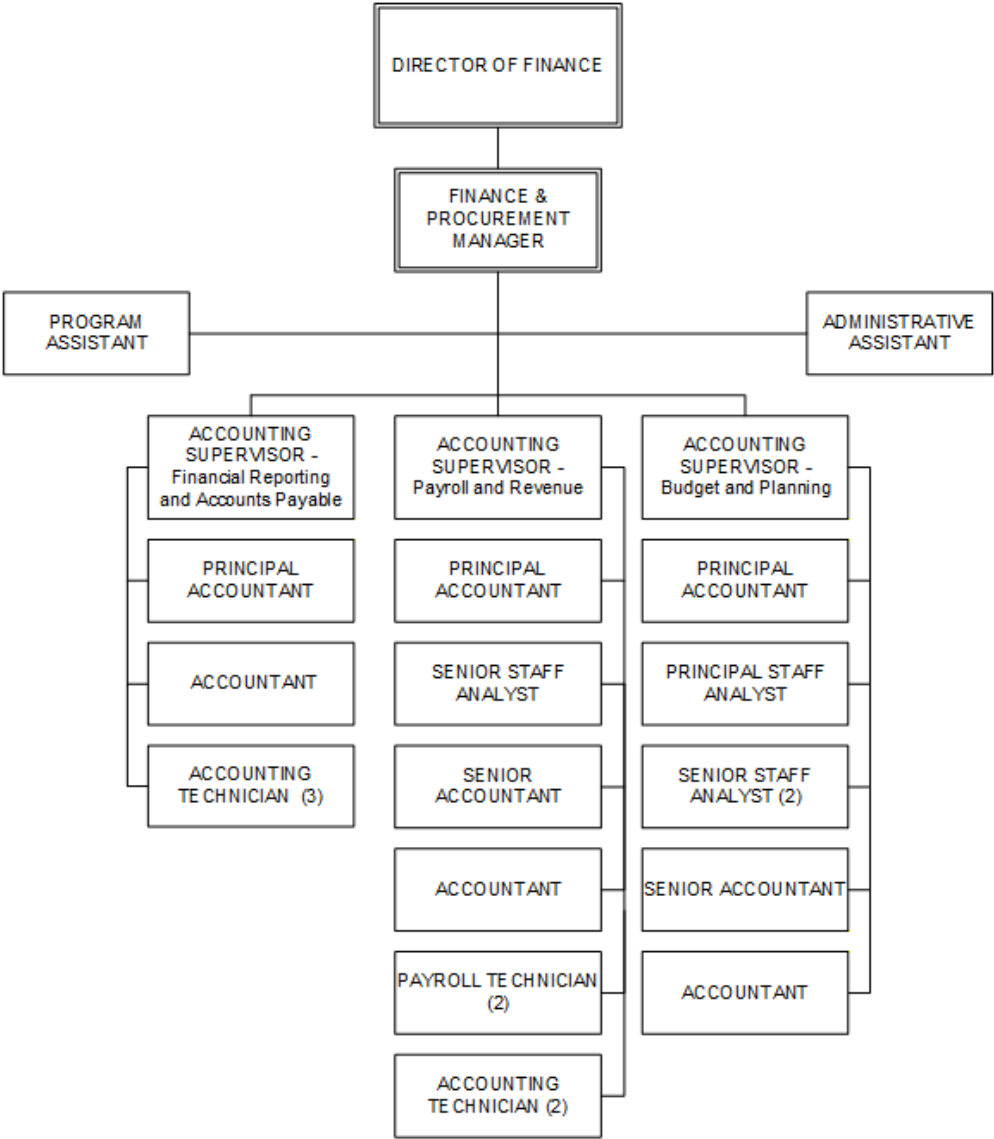
The FY 2026-27 budget for the Consolidated Service Division remains steady & the FY 2027-28 budget reflects an increase of 8% over the prior year. The FY 2027-28 increase is primarily due to security services, utilities and other operating funding construction projects.

2025-26 Adjusted Budget - Total Operating Requirements	\$ 21,944,896
Salaries for Position Changes: Transfer of Positions from/(to) Other Divisions New or (decreased) FTE	 - -
Changes in Personnel Expenses: Other net salary adjustments (MOU-related, leave payoffs, vacancy, etc.) Change in OCERS retirement costs Change in group insurance costs Other benefit cost adjustments	 - 56,967 - (455,365)
Other Cost Adjustments: Change in trainings & meetings Change in operating materials & supplies Change in contractual services Change in other professional services Change in utilities Change in other operating expense	 (66,000) (114,600) 315,045 (757,800) (27,200) 672,414
Aggregate change in Other Categories: Aggregate change in other materials, supplies, and services	 \$589
2026-27 Proposed Budget - Total Operating Requirements	\$ 21,868,872
Changes in Personnel Expenses: Net salary adjustments (MOU-related, leave payoffs, vacancy, etc.) Change in OCERS retirement costs Change in group insurance costs Other benefit cost adjustments	 - 59,815 - -
Other Cost Adjustments: Change in training & meetings Change in contractual services Change in utilities Change in other operating expense	 5,250 307,320 203,500 1,430,647
Aggregate change in Other Categories: Aggregate change in other materials, supplies, and services	 28,640
2027-28 Proposed Budget - Total Operating Requirements	\$ 23,644,930

Operating Expense by Category	2024-25 Actual	2025-26 Budget	2025-26 Projected	2026-27 Proposed	Budget % Change to 2025-26	2027-28 Proposed	Budget % Change to 2026-27
Personnel	\$ 1,306,571	\$ 1,594,701	\$ 1,706,145	\$ 1,496,818	(6.14%)	\$ 1,571,659	5.00%
Supplies	638,238	381,300	74,055	200,700	(47.36%)	210,450	4.86%
Professional & Contractual Services	4,701,461	4,837,755	4,393,500	4,395,000	(9.15%)	4,452,320	1.30%
Research & Monitoring	-	-	-	-	-	-	-
Repairs & Maintenance	114,987	155,000	155,000	155,000	-	155,000	-
Utilities	1,784,620	1,704,200	1,976,823	1,677,000	(1.60%)	1,880,500	12.13%
Other	4,600,878	13,271,940	12,668,805	13,944,354	5.07%	15,375,001	10.26%
Total	\$ 13,146,754	\$ 21,944,896	\$ 20,974,328	\$ 21,868,872	(0.35%)	\$ 23,644,930	8.12%

Expenditure Trends

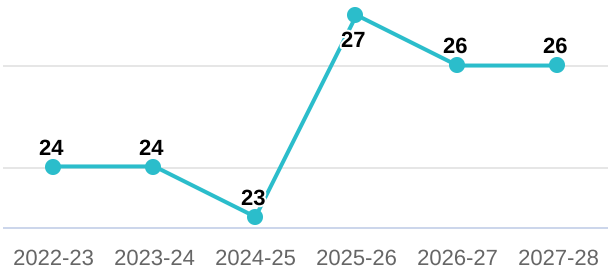




FY 26-27 & FY 27-28 Authorized FTE Positions

	2026-27	2027-28
Managers	1	1
Supervisors / Professionals	16	16
Administrative & Clerical	9	9
Total	26	26

Staffing Trends



Service Description

The mission of the Financial Management Division is to maintain financial oversight and administration of all OC San funds and accounts. The Financial Management Division is responsible for administering the treasury management and debt financing programs, the processing of cash receipts, accounts payable, accounts receivable, user fees, payroll, accounting for fixed assets, and coordinating the capital and operating budget process throughout OC San. The annual audit required by law and all financial reporting required of special districts by the State of California is coordinated and administered through this division.

2025-26 Performance Objectives

Issue monthly financial reports within 10 working days of the following month for 83% of the year.
No more than 30 invoices for payment outstanding longer than 30 days during the completion of any one accounts payable cycle 90% of the time.
The current backlog of rebate claims will be processed resulting in all claims being processed with 90 days of receipt.
Payroll processing will be completed on time 100% of the time and error free >99.5% of the time.
All debt service payments will be paid electronically, by the due dates, and error free 100% of the time.

2025-26 Performance Results

Goal was achieved.
No more than 30 invoices for payment outstanding longer than 30 days during the completion of any one accounts payable cycle 100% of the time.
Sewer service rebate claims were processed within 90 days approximately 80% of the time.
Payroll was processed with an error-free rate of 100% on a bi-weekly and interim basis.
All debt service payments were paid electronically, by the due dates, and error free 100% of the time.

2026-27 & 2027-28 Performance Objectives

Issue monthly reports within 10 working days of the next month for 92% of the year.
No more than 30 invoices shall be outstanding more than 30 days 90% of the time.
Rebate claims to be processed < 90 days of receipt 90% of the time.
Payroll processing to be completed on time and error free >99.5% of the time.
Debt service payments will be paid on time electronically, and be error free.

Performance Measures

Summary	2024-25 Actual	2025-26 Projected	2026-27 Proposed	2027-28 Proposed	Justification
Financial Reports Issuance Standard	92%	92%	92%	92%	OC San Standards
Accounts Payable Standard	100%	100%	90%	90%	OC San Standards
Sewer Service Refund 90 Day Standard	80%	80%	90%	90%	OC San Standards
Payroll Error Free Standard	100%	100%	99.5%	99.5%	OC San Standards
Debt Service Payment Standard	100%	100%	100%	100%	OC San Standards

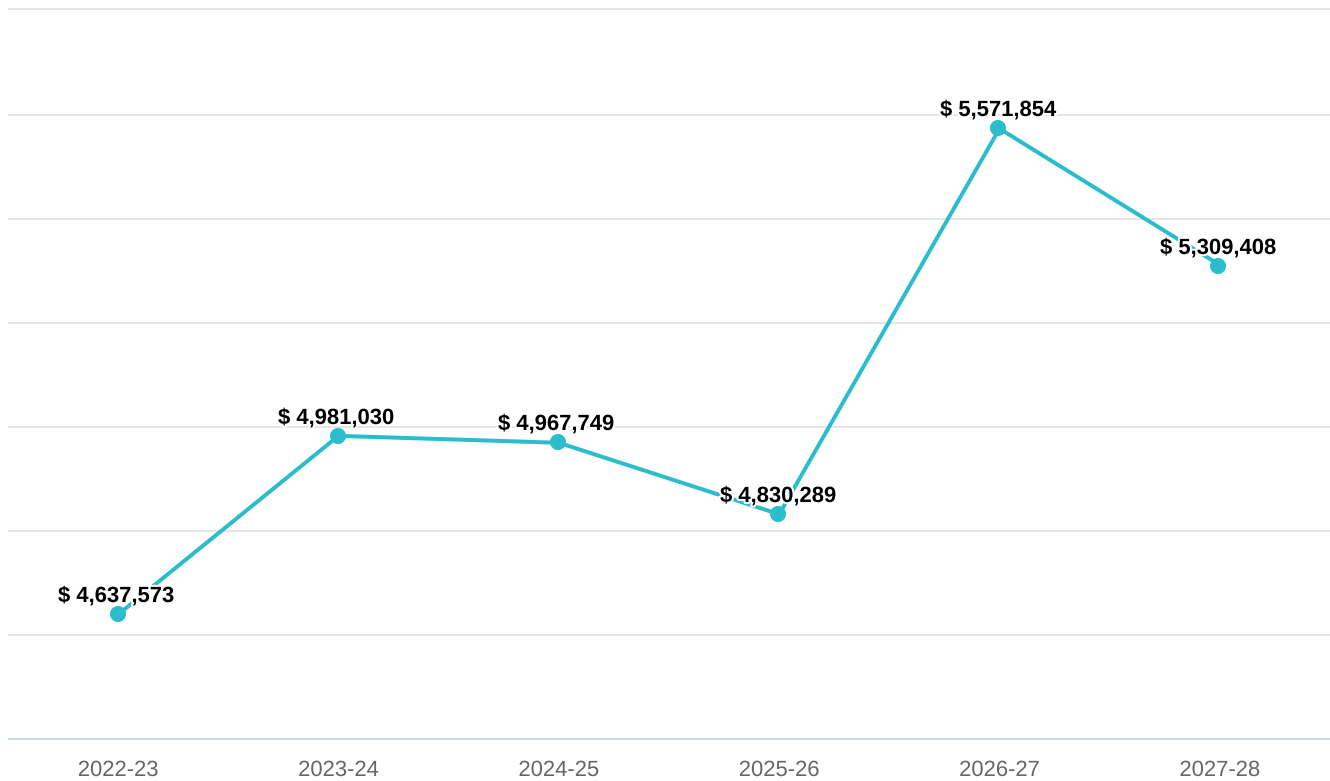
Budget Overview

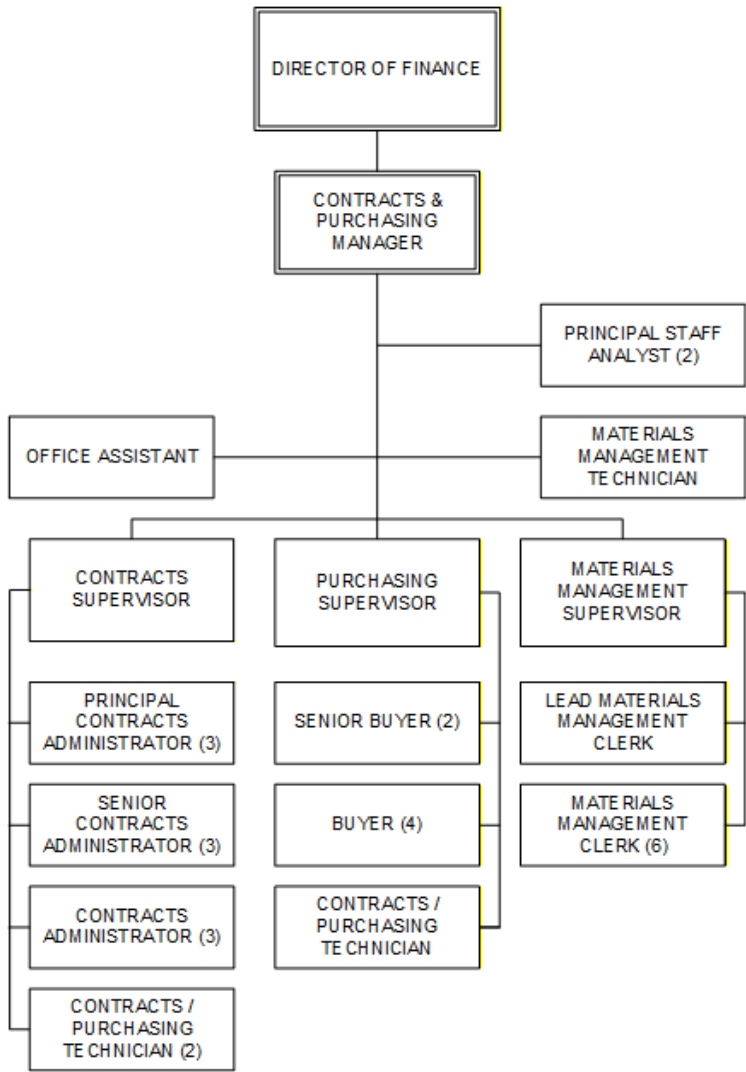
The FY 2026-27 & FY 2027-28 budgets for the Financial Management Division reflect an increase of 15% and an decrease of 5% over the prior year, respectively. The FY 2026-27 increase is primarily due to an increase in professional services to conduct a cost of service study and implement an online customer application portal for capacity fees. The FY 2027-28 decrease is due to the service for the prior year concluding.

2025-26 Adjusted Budget - Total Operating Requirements	\$ 4,830,289
Salaries for Position Changes: Transfer of Positions from/(to) Other Divisions New or (decreased) FTE	(2) 1
Changes in Personnel Expenses: Other net salary adjustments (MOU-related, leave payoffs, vacancy, etc.) Change in OCERS retirement costs Change in group insurance costs Other benefit cost adjustments	192,419 (21,052) 43,121 2,802
Other Cost Adjustments: Change in training & meetings Change in professional services	9,950 520,000
Aggregate change in Other Categories: Aggregate change in other materials, supplies, and services	(5,675)
2026-27 Proposed Budget - Total Operating Requirements	\$ 5,571,854
Changes in Personnel Expenses: Net salary adjustments (MOU-related, leave payoffs, vacancy, etc.) Change in OCERS retirement costs Change in group insurance costs Other benefit cost adjustments	179,757 26,550 26,924 1,956
Other Cost Adjustments: Change in training & meetings Change in professional services	(4,025) (494,600)
Aggregate change in Other Categories: Aggregate change in other materials, supplies, and services	(992)
2027-28 Proposed Budget - Total Operating Requirements	\$ 5,309,408

Operating Expense by Category	2024-25 Actual	2025-26 Budget	2025-26 Projected	2026-27 Proposed	Budget % Change to 2025-26	2027-28 Proposed	Budget % Change to 2026-27
Personnel	\$ 4,379,987	\$ 4,431,614	\$ 4,639,554	\$ 4,648,904	4.90%	\$ 4,884,092	5.06%
Supplies	57,884	37,715	43,395	51,950	37.74%	48,917	(5.84%)
Professional & Contractual Services	529,061	360,000	329,396	870,000	141.67%	375,400	(56.85%)
Research & Monitoring	-	-	-	-	-	-	-
Repairs & Maintenance	-	-	-	-	-	-	-
Utilities	-	-	-	-	-	-	-
Other	818	960	960	1,000	4.17%	1,000	-
Total	\$ 4,967,749	\$ 4,830,289	\$ 5,013,304	\$ 5,571,854	15.35%	\$ 5,309,408	(4.71%)

Expenditure Trends

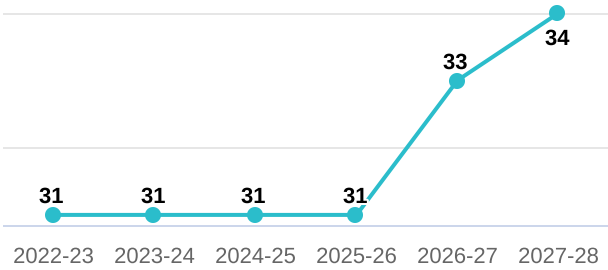




FY 26-27 & FY 27-28 Authorized FTE Positions

	2026-27	2027-28
Managers	1	1
Supervisors / Professionals	20	21
Administrative & Clerical	12	12
Total	33	34

Staffing Trends



Contracts, Purchasing, & Materials Management

Service Description

The Contracts, Purchasing and Materials Management Division's goal is to provide goods, services and information with the commitment to achieving the highest ethical, economic and progressive standards possible. The division is responsible for contract administration and procurement for all OC San departments. OC San's warehouse receives inventory and distributes supplies, materials and equipment to all departments in addition to inventory control analysis and surplus disposition.

2025-26 Performance Objectives

Maintain the cycle count program and maintain a 98% accuracy rate or better.
Obtain the 2025 "Achievement of Excellence in Procurement" (AEP) award by meeting all National requirements.
Conduct agency-wide procurement training.

2025-26 Performance Results

Achieved.
AEP Award Received.
Achieved and ongoing.

2026-27 & 2027-28 Performance Objectives

Maintain the cycle count program and maintain a 98% accuracy rate or better.
Obtain the annual "Achievement of Excellence in Procurement" (AEP) award by meeting all National requirements.
Conduct agency-wide procurement training.
Ensure that 100% of staff complete regular training on ethics and regulatory changes, as well as quarterly safety training.
Ensure boilerplate contract and procurement documents are accurate and comprehensive, and are consistently updated.

Performance Measures

Summary	2024-25 Actual	2025-26 Projected	2026-27 Proposed	2027-28 Proposed	Justification
Cycle Count	Achieved	Achieved	Achieve	Achieve	APICS Standard
AEP Award	Achieved	Achieved	Achieve	Achieve	Industry Standards
Procurement Training	Ongoing	Ongoing	Ongoing	Ongoing	Best Practices
Safety Training	Achieved	Ongoing	Ongoing	Ongoing	Compliance
Template Updates	Ongoing	Ongoing	Ongoing	Ongoing	Best Practices

Contracts, Purchasing, & Materials Management

Budget Overview

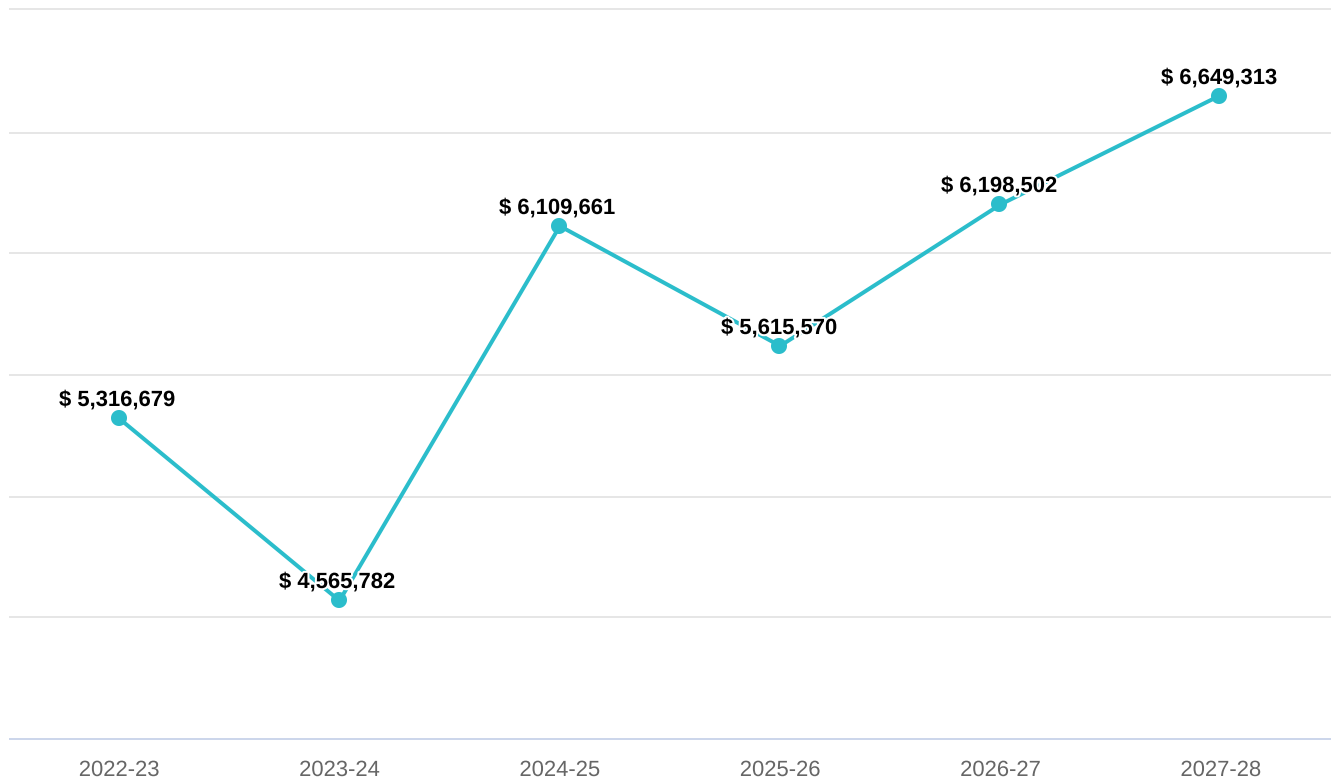
The FY 2026-27 & FY 2027-28 budgets for the Contracts, Purchases, & Materials Management Division reflect an increase of 10% and an increase of 7% over the prior year, respectively. The FY 2026-27 and FY 2027-28 increases is primarily due to personnel expenses.

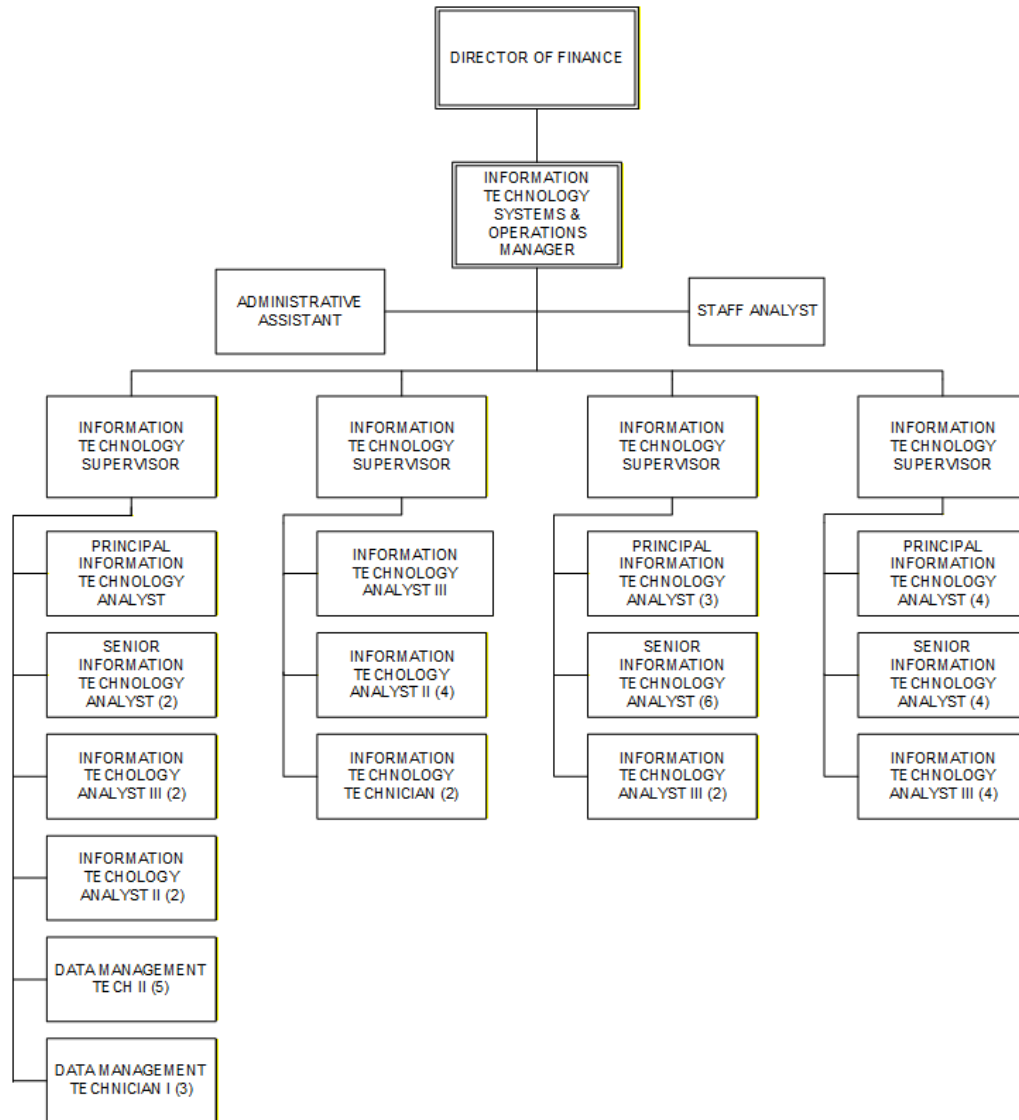
2025-26 Adjusted Budget - Total Operating Requirements	\$ 5,615,570
Salaries for Position Changes:	
Transfer of Positions from/(to) Other Divisions	2
New or (decreased) FTE	-
Changes in Personnel Expenses:	
Other net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	566,090
Change in OCERS retirement costs	(320)
Change in group insurance costs	71,554
Other benefit cost adjustments	13,782
Other Cost Adjustments:	
Change in minor furniture & fixtures	10,000
Change in training & meetings	13,821
Change in software program consulting	(25,000)
Change in other professional services	(69,000)
Aggregate change in Other Categories:	
Aggregate change in other materials, supplies, and services	(2,005)
2026-27 Proposed Budget - Total Operating Requirements	\$ 6,198,502
Changes in Personnel Expenses:	
Net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	347,814
Change in OCERS retirement costs	36,879
Change in group insurance costs	55,053
Other benefit cost adjustments	4,063
Other Cost Adjustments:	
Change in training & meetings	6,918
Aggregate change in Other Categories:	
Aggregate change in other materials, supplies, and services	84
2027-28 Proposed Budget - Total Operating Requirements	\$ 6,649,313

Contracts, Purchasing, & Materials Management

Operating Expense by Category	2024-25 Actual	2025-26 Budget	2025-26 Projected	2026-27 Proposed	Budget % Change to 2025-26	2027-28 Proposed	Budget % Change to 2026-27
Personnel	\$ 4,890,195	\$ 5,314,334	\$ 5,244,271	\$ 5,965,440	12.25%	\$ 6,409,248	7.44%
Supplies	180,091	154,036	163,956	179,782	16.71%	186,785	3.90%
Professional & Contractual Services	1,024,877	115,000	-	21,000	(81.74%)	21,000	-
Research & Monitoring	-	-	-	-	-	-	-
Repairs & Maintenance	13,721	21,000	21,000	21,000	-	21,000	-
Utilities	-	-	-	-	-	-	-
Other	778	11,200	1,200	11,280	0.71%	11,280	-
Total	\$ 6,109,661	\$ 5,615,570	\$ 5,430,427	\$ 6,198,502	10.38%	\$ 6,649,313	7.27%

Expenditure Trends

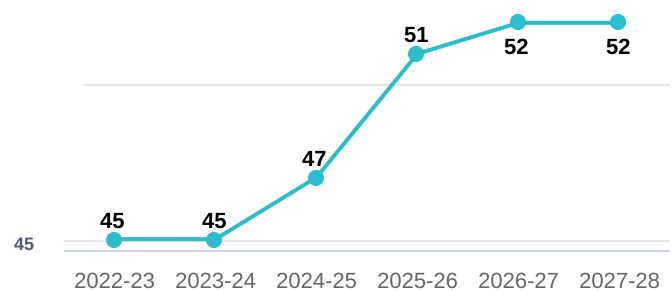




FY 26-27 & FY 27-28 Authorized FTE Positions

	2026-27	2027-28
Managers	1	1
Supervisors / Professionals	40	40
Administrative & Clerical	1	1
Technical Services	10	10
Total	52	52

Staffing Trends



Service Description

Information Technology provides support to OC San users of related assets/services, developing and implementing solutions. IT procures/manages hardware/software and provides end user support in computer and telecom installations, moves and changes as well as IT support for board meetings. IT is responsible for the design, installation, maintenance, troubleshooting and upgrades of enterprise applications, networking infrastructure components, back-end computer systems, wireless connectivity, plant radio, public address/fire systems, cyber security infrastructure, reprographics and copy center. IT works closely with departments to provide systems analysis, design, custom programming, system implementation, database/data warehousing, and support.

2025-26 Performance Objectives

Replace 20% of obsolete desktops and laptops.
Maintain Safety Scorecard above 90%.
Cyber Security Awareness/Protection - better the industry average by 15%.
Replace 30% of obsolete network infrastructure for OC San's office computing.
Manage Operating Budget between 96% and 100% of approved budget.

2025-26 Performance Results

Replaced 17% of computer inventory.
The Safety Scorecard is at 100%.
OC San's phishing-prone percentage has remained steady and is 16% better than the industry average.
Replaced 15% of network infrastructure
Currently spent 90% of approved budget.

2026-27 & 2027-28 Performance Objectives

Replace 20% of obsolete desktop and laptops.
Maintain a Safety Scorecard above 95% for overall score.
Cyber Security Awareness/Protection – phishing campaign effectiveness, targeting 15% above the industry average
Replace 30% of obsolete network infrastructure for OC San's office computing.
Maintain a Service Desk score above 90%.

Performance Measures

Summary	2024-25 Actual	2025-26 Projected	2026-27 Proposed	2027-28 Proposed	Justification
Replace Obsolete Desktop and Laptop Computers	20%	20%	20%	20%	WS 5 / LT 3 Years
Maintain a Safety Scorecard above 95%	100%	100%	95%	95%	OC San Standards
Cyber Security Awareness	2.5%	3.1%	>1%	>1%	GM Workplan
Replace Obsolete Office Network Infrastructure	50%	15%	30%	30%	Cybersecurity
Manage Operating Budget	85%	96%	96-100%	96-100%	In-house standard

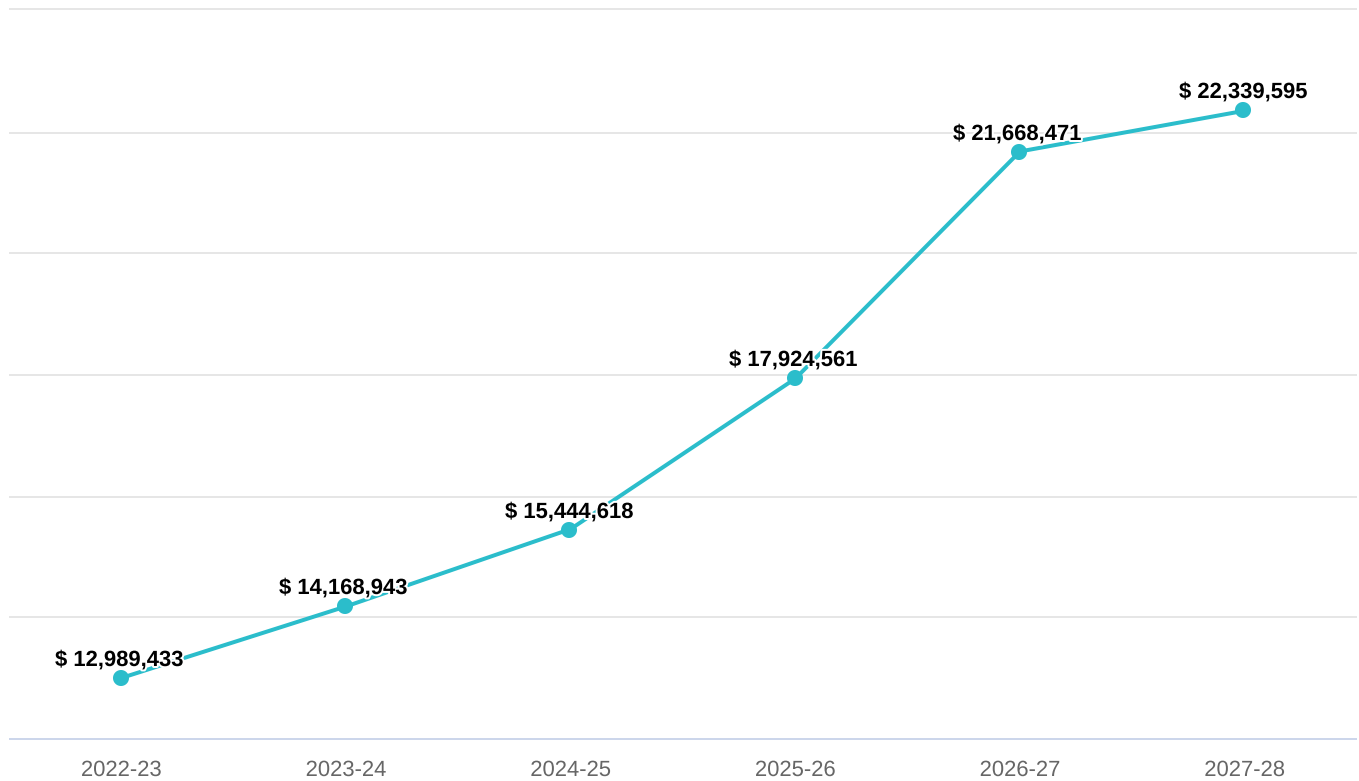
Budget Overview

The FY 2026-27 & FY 2027-28 budgets for the Information Technology Division reflect an increase of 21% and an increase of 3% over the prior year, respectively. The FY 2026-27 increase is primarily due to an increase in personnel expenses, professional services, and service maintenance agreements. The FY 2027-28 increase is primarily due to personnel expenses and and service maintenance agreements.

2025-26 Adjusted Budget - Total Operating Requirements	\$ 17,924,561
Salaries for Position Changes: Transfer of Positions from/(to) Other Divisions New or (decreased) FTE	- 1
Changes in Personnel Expenses: Other net salary adjustments (MOU-related, leave payoffs, vacancy, etc.) Change in OCERS retirement costs Change in group insurance costs Other benefit cost adjustments	753,010 (26,488) 73,342 (3,602)
Other Cost Adjustments: Change in small computer items Change in printing & publications Change in trainings & meetings Change in temporary services Change in professional services Change in repairs & maintenance services Change in service maintenance agreements	39,807 (115,000) 37,405 70,000 482,700 80,000 2,357,960
Aggregate change in Other Categories: Aggregate change in other materials, supplies, and services	(5,224)
2026-27 Proposed Budget - Total Operating Requirements	\$ 21,668,471
Changes in Personnel Expenses: Net salary adjustments (MOU-related, leave payoffs, vacancy, etc.) Change in OCERS retirement costs Change in group insurance costs Other benefit cost adjustments	99,445 22,020 49,347 3,912
Other Cost Adjustments: Change in small computer items Change in software program consulting Change in service maintenance agreements	34,168 (81,400) 538,302
Aggregate change in Other Categories: Aggregate change in other materials, supplies, and services	(14,670)
2027-28 Proposed Budget - Total Operating Requirements	\$ 22,339,595

Operating Expense by Category	2024-25 Actual	2025-26 Budget	2025-26 Projected	2026-27 Proposed	Budget % Change to 2025-26	2027-28 Proposed	Budget % Change to 2026-27
Personnel	\$ 10,015,838	\$ 10,165,657	\$ 10,377,618	\$ 10,961,920	7.83%	\$ 11,136,643	1.59%
Supplies	1,390,763	1,815,813	1,420,920	1,772,800	(2.37%)	1,809,228	2.05%
Professional & Contractual Services	381,813	972,700	900,000	1,525,400	56.82%	1,444,000	(5.34%)
Research & Monitoring	-	-	-	-	-	-	-
Repairs & Maintenance	3,655,507	4,941,991	4,702,000	7,379,951	49.33%	7,918,753	7.30%
Utilities	-	-	-	-	-	-	-
Other	698	28,400	2,579	28,400	-	30,970	9.05%
Total	\$ 15,444,618	\$ 17,924,561	\$ 17,403,117	\$ 21,668,471	20.89%	\$ 22,339,595	3.10%

Expenditure Trends



Staff from this division have been transferred to division 823,
Civil Facilities Maintenance.

Service Description

The mission of the Civil Facilities Maintenance Division is to proactively manage and maintain the physical assets and infrastructure of the built environment in a reliable, safe, and presentable manner. This includes, but is not limited to, treatment plants, collection systems, and headquarters buildings. The division also handles real estate matters, including easements, acquisitions, legal issues, property assessments, and overall property management.

2025-26 Performance Objectives

Maintain 99% safety scorecard rating
Ensure all building systems and infrastructure remain reliable and operational through timely preventive maintenance.
Meet all regulatory requirements and standards related to facilities, environmental health, fire/life safety, ADA, real property, and operations.
Maintain accurate, compliant, and legally sound real estate documentation and transactions.

2025-26 Performance Results

Maintain 99% safety scorecard rating
Maintain 95% PM compliance for all maintained assets (HVAC, plumbing, electrical, automation, roofs, fire systems, etc.).
Maintain 100% regulatory compliance across all facilities and real property functions.
Maintain accurate and up to date real property records, including easements, acquisitions, dispositions, assessments, and maps.

2026-27 & 2027-28 Performance Objectives

Performance objectives for FY 2026-27 and FY 2027-28 can be found in division 823.

Performance Measures

Summary	2024-25 Actual	2025-26 Projected	2026-27 Proposed	2027-28 Proposed	Justification
Building Structure and Infrastructure Preventative ...	Achieved	Ongoing			OC San Standards
Regulatory Requirements and Standards	Achieved	Ongoing			State/Federal Reg.
Real Property records	Achieved	Ongoing			OC San Standards

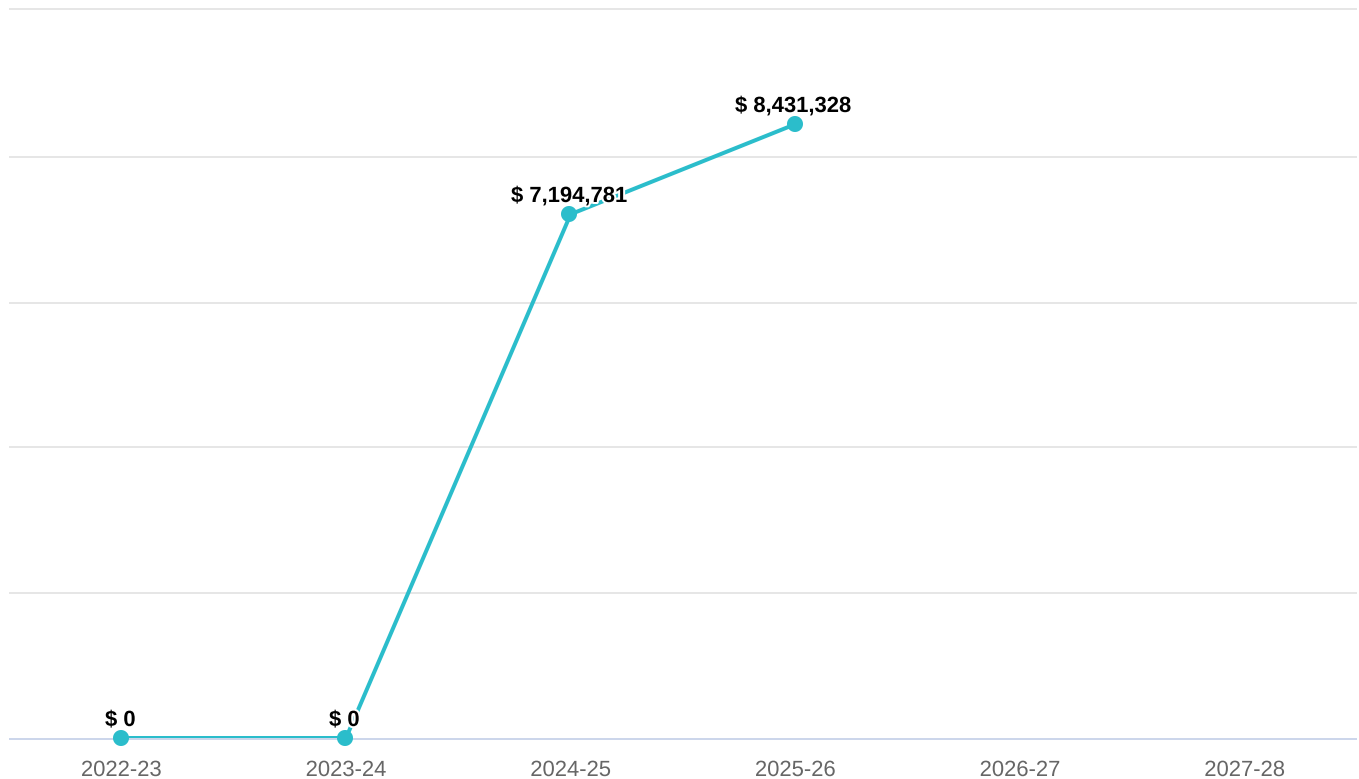
Budget Overview

The FY 2026-27 & FY 2027-28 budgets for the Civil Facilities Division reflect the transfer of all maintenance services and staff to the operating and maintenance department, and the transfer of property related service and staff to the engineering department. All staff and services from this division are being transferred to division 823 within the Operatins and Maintenance Department.

2025-26 Adjusted Budget - Total Operating Requirements	\$ 8,431,328
Salaries for Position Changes: Transfer of Positions from/(to) Other Divisions (16) New or (decreased) FTE -	
Changes in Personnel Expenses: Other net salary adjustments (MOU-related, leave payoffs, vacancy, etc.) (2,059,406) Change in OCERS retirement costs (251,473) Change in group insurance costs (312,370) Other benefit cost adjustments (22,932)	
Other Cost Adjustments: Change in administrative expense (28,780) Change in printing & publications (4,300) Change in trainings & meetings (66,015) Change in operating materials and supplies (141,000) Change in professional services (1,000,000) Change in contractual services (1,796,212) Change in repairs & maintenance (2,748,120)	
Aggregate change in Other Categories: Aggregate change in other materials, supplies, and services (720)	
2026-27 Proposed Budget - Total Operating Requirements	-
Changes in Personnel Expenses: Net salary adjustments (MOU-related, leave payoffs, vacancy, etc.) - Change in OCERS retirement costs - Change in group insurance costs - Other benefit cost adjustments -	
Other Cost Adjustments: Change in small computer items - Change in software program consulting - Change in other professional services - Change in repairs & maintenance services - Change in service maintenance agreements -	
Aggregate change in Other Categories: Aggregate change in other materials, supplies, and services -	
2027-28 Proposed Budget - Total Operating Requirements	-

Operating Expense by Category	2024-25 Actual	2025-26 Budget	2025-26 Projected	2026-27 Proposed	Budget % Change to 2025-26	2027-28 Proposed	Budget % Change to 2026-27
Personnel	\$ 3,102,499	\$ 2,646,181	\$ 3,202,781	-	(100.00%)	-	-
Supplies	282,268	240,095	216,730	-	(100.00%)	-	-
Professional & Contractual Services	1,018,367	2,796,212	2,796,212	-	(100.00%)	-	-
Research & Monitoring	-	-	-	-	-	-	-
Repairs & Maintenance	2,736,544	2,748,120	3,414,000	-	(100.00%)	-	-
Utilities	46,876	-	-	-	-	-	-
Other	8,227	720	720	-	(100.00%)	-	-
Total	\$ 7,194,781	\$ 8,431,328	\$ 9,630,443	-	(100.00%)	-	-

Expenditure Trends



Staff from this division have been transferred to division 822,
Fleet Services.

Service Description

The mission of the Fleet Services Division is to provide vehicles and equipment to serve the logistics and mobility needs of all staff. The division's highly skilled staff ensures vehicles and equipment are reliably maintained and readily available and supports the logistics needs of the organization through crane and transport services.

2025-26 Performance Objectives

Ensure reliable operation of fleet vehicles and equipment through timely PM.

Ensure complete compliance with all fleet related regulatory requirements.

Support efficient acquisition, replacement, and disposal of fleet assets.

2025-26 Performance Results

Maintain or exceed 95% PM compliance.

Maintain 100% regulatory compliance, including emissions, inspections, and environmental standards.

Complete planned vehicle/equipment replacements on schedule; Maintain up to date lifecycle cost and condition assessments; Support procurement with ...

2026-27 & 2027-28 Performance Objectives

Performance objectives for FY 2026-27 and FY 2027-28 can be found in division 822.

Performance Measures

Summary	2024-25 Actual	2025-26 Projected	2026-27 Proposed	2027-28 Proposed	Justification
Fleet Vehicles and Equipment Preventative ...	Achieved	Ongoing			OC San Standards
Fleet related Regulatory Requirements	Achieved	Ongoing			State/Federal Reg.
Vehicle/Equipment Replacements	Achieved	Ongoing			OC San Standards

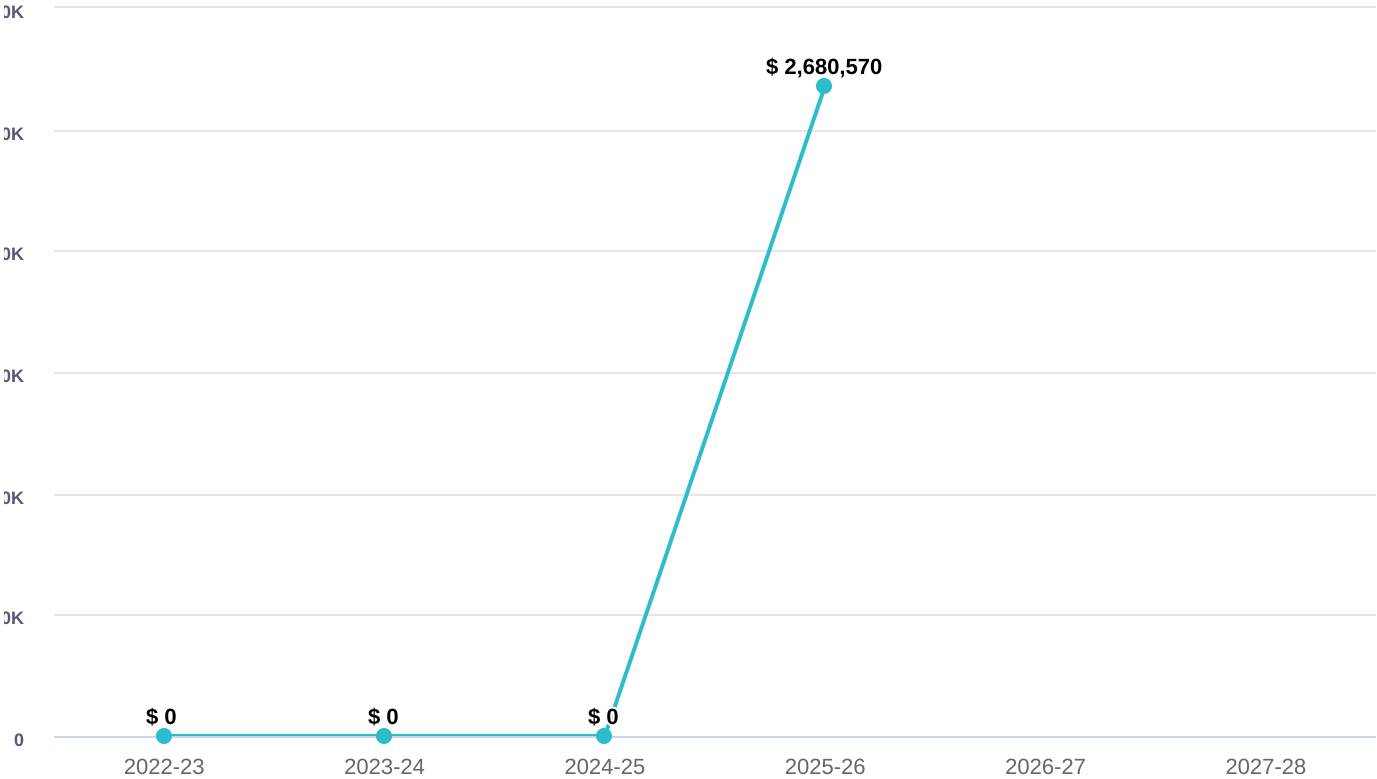
Budget Overview

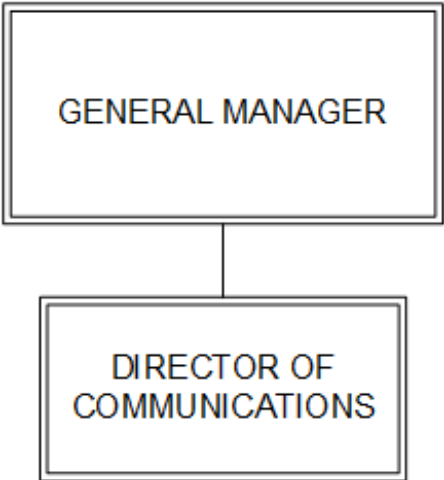
The FY 2026-27 & FY 2027-28 budgets for the Fleet Services Division reflect the transfer of all services and staff to the operating and maintenance department. All staff and services from this division are being transferred to division 822 within the Operations and Maintenance Department.

2025-26 Adjusted Budget - Total Operating Requirements	\$ 2,680,570
Salaries for Position Changes: Transfer of Positions from/(to) Other Divisions (8) New or (decreased) FTE -	
Changes in Personnel Expenses: Other net salary adjustments (MOU-related, leave payoffs, vacancy, etc.) (1,003,571) Change in OCERS retirement costs (124,747) Change in group insurance costs (155,539) Other benefit cost adjustments (11,466)	
Other Cost Adjustments: Change in administrative expense (8,020) Change in trainings & meetings (49,600) Change in operating materials & supplies (459,450) Change in repairs & maintenance (734,627) Change in utilities (65,000) Change in other operating expenses (51,300)	
Aggregate change in Other Categories: Aggregate change in other materials, supplies, and services (17,250)	
2026-27 Proposed Budget - Total Operating Requirements	-
Changes in Personnel Expenses: Net salary adjustments (MOU-related, leave payoffs, vacancy, etc.) - Change in OCERS retirement costs - Change in group insurance costs - Other benefit cost adjustments -	
Other Cost Adjustments: Change in small computer items - Change in software program consulting - Change in other professional services - Change in repairs & maintenance services - Change in service maintenance agreements -	
Aggregate change in Other Categories: Aggregate change in other materials, supplies, and services -	
2027-28 Proposed Budget - Total Operating Requirements	-

Operating Expense by Category	2024-25 Actual	2025-26 Budget	2025-26 Projected	2026-27 Proposed	Budget % Change to 2025-26	2027-28 Proposed	Budget % Change to 2026-27
Personnel	-	\$ 1,295,323	\$ 1,003,609	-	(100.00%)	-	-
Supplies	-	519,320	487,200	-	(100.00%)	-	-
Professional & Contractual Services	-	15,000	98,515	-	(100.00%)	-	-
Research & Monitoring	-	-	-	-	-	-	-
Repairs & Maintenance	-	734,627	710,000	-	(100.00%)	-	-
Utilities	-	65,000	35,000	-	(100.00%)	-	-
Other	-	51,300	50,400	-	(100.00%)	-	-
Total	-	\$ 2,680,570	\$ 2,384,724	-	(100.00%)	-	-

Expenditure Trends

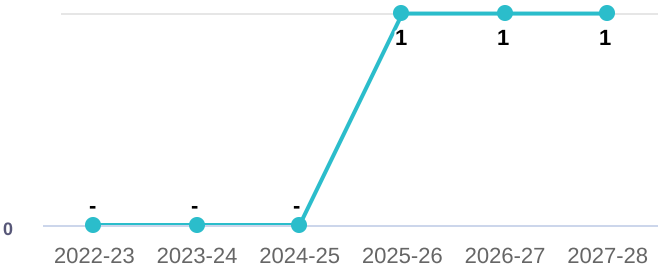




FY 26-27 & FY 27-28 Authorized FTE Positions

	2026-27	2027-28
Executive Managers	1	1
Total	1	1

Staffing Trends



Service Description

The Communications Administrative Division provides centralized leadership to streamline communication and enhance transparency between government entities, the public, and employees. We specialize in meeting management, public records, and crafting clear and engaging messages that convey important information, policies, and initiatives to diverse audiences. Our team ensures agency actions are communicated clearly and are accessible, fostering trust and accountability within internal and external communities.

2025-26 Performance Objectives

Maintain the Special District Leadership Foundation (SLDF) District Transparency Certificate of Excellence.
Respond to 95% of public records requests within ten business days
Provide information to Board of Directors through the General Manager's monthly report and the new Board Member orientation.
Provide services and programs that meet communication needs of OC San's audiences by reaching a minimum of 25,000 people per year, and 500 pieces of communications.
Engage proactively in legislative advocacy efforts that could impact OC San and the wastewater industry through implementation of the Legislative and Regulatory Affairs Plan.

2025-26 Performance Results

Achieved.
Achieved 100% success rate.
Achieved.
Achieved.
Achieved.

2026-27 & 2027-28 Performance Objectives

Maintain the Special District Leadership Foundation (SLDF) District Transparency Certificate of Excellence.
Respond to 100% of Public Records Acts (PRA) requests within ten business days
Provide information to Board of Directors through the General Manager's monthly report and new Board Member orientation.
Provide services and programs for OC San's audiences by reaching 25,000 people per year and 500 pieces of communications.
Engage proactively in legislative advocacy efforts that could impact OC San and the wastewater industry.

Performance Measures

Summary	2024-25 Actual	2025-26 Projected	2026-27 Proposed	2027-28 Proposed	Justification
Maintain the SLDF Transparency Certificate	Achieved	Achieved	100%	100%	OC San Standards
Respond to 95% PRAs within ten business days	Achieved	Achieved	100%	100%	OC San Standards
Board of Directors and GM Support	Achieved	Achieved	Achieve	Achieve	OC San Standards
Legislative Advocacy	Achieved	Achieved	Achieve	Achieve	OC San Standards
Manage Budget	Achieved	Achieved	100%	100%	OC San Standards

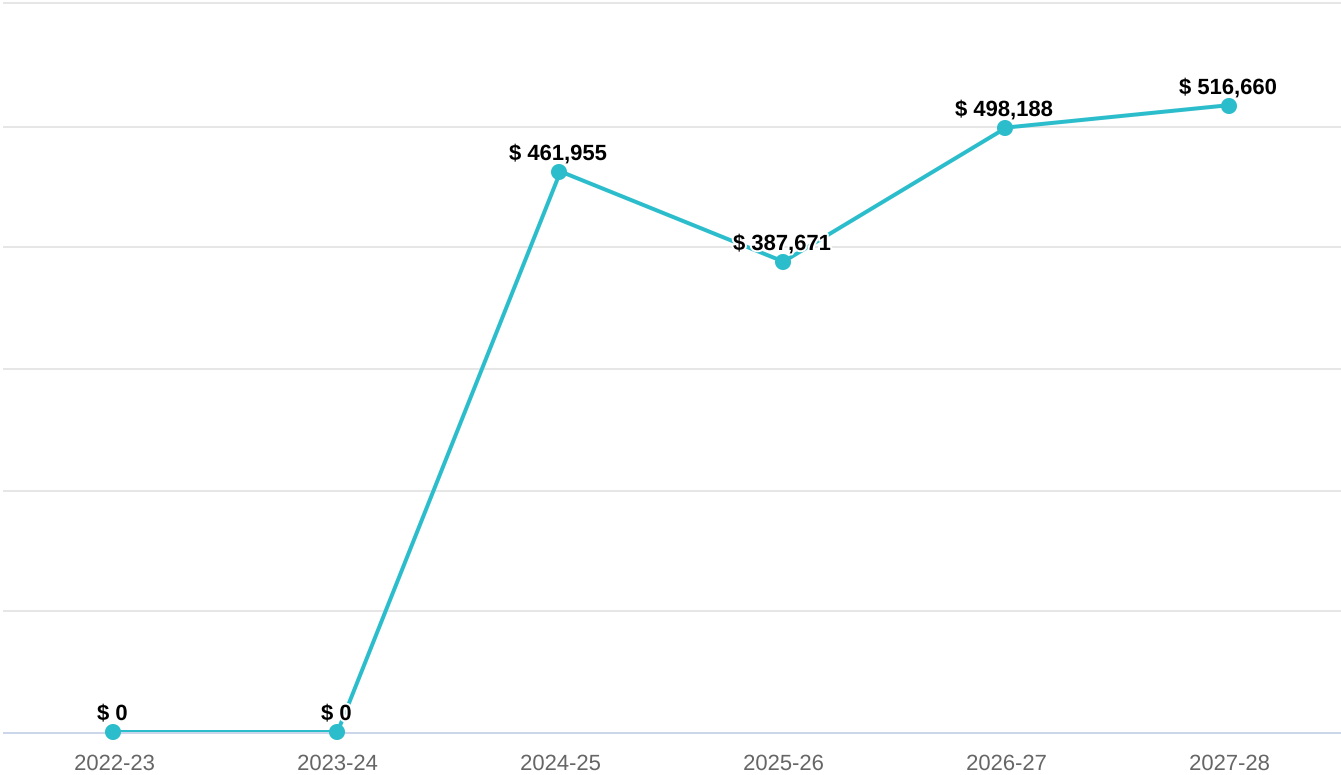
Budget Overview

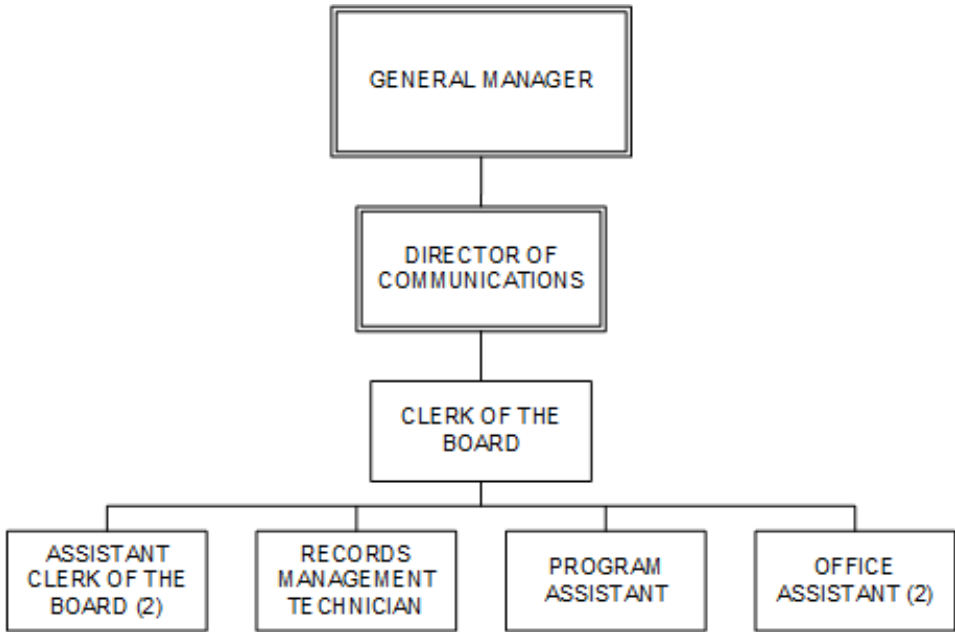
The FY 2026-27 & FY 2027-28 budgets for the new Communications Administration Division reflect an increase of 29% and 4% over the prior year, respectively. The FY 2026-27 and FY 2027-28 increases are primarily due to a increase in personnel costs.

2025-26 Adjusted Budget - Total Operating Requirements	\$ 387,671
Salaries for Position Changes: Transfer of Positions from/(to) Other Divisions New or (decreased) FTE	- -
Changes in Personnel Expenses: Other net salary adjustments (MOU-related, leave payoffs, vacancy, etc.) Change in OCERS retirement costs Change in group insurance costs Other benefit cost adjustments	94,391 18,043 2,303 (2,671)
Other Cost Adjustments: Change in training & meetings	(3,050) -
Aggregate change in Other Categories: Aggregate change in other materials, supplies, and services	(1,549)
2026-27 Proposed Budget - Total Operating Requirements	\$ 498,188
Changes in Personnel Expenses: Net salary adjustments (MOU-related, leave payoffs, vacancy, etc.) Change in OCERS retirement costs Change in group insurance costs Other benefit cost adjustments	20,077 4,008 1,259 75
Other Cost Adjustments: Change in trainings & meetings Change in professional services	(12,000) 5,000
Aggregate change in Other Categories: Aggregate change in other materials, supplies, and services	53
2027-28 Proposed Budget - Total Operating Requirements	\$ 516,660

Operating Expense by Category	2024-25 Actual	2025-26 Budget	2025-26 Projected	2026-27 Proposed	Budget % Change to 2025-26	2027-28 Proposed	Budget % Change to 2026-27
Personnel	\$ 347,582	\$ 263,771	\$ 369,781	\$ 375,838	42.49%	\$ 401,256	6.76%
Supplies	1,485	23,900	8,200	22,350	(6.49%)	10,404	(53.45%)
Professional & Contractual Services	112,848	100,000	71,897	100,000	-	105,000	5.00%
Research & Monitoring	-	-	-	-	-	-	-
Repairs & Maintenance	-	-	-	-	-	-	-
Utilities	-	-	-	-	-	-	-
Other	40	-	-	-	-	-	-
Total	\$ 461,955	\$ 387,671	\$ 449,879	\$ 498,188	28.51%	\$ 516,660	3.71%

Expenditure Trends

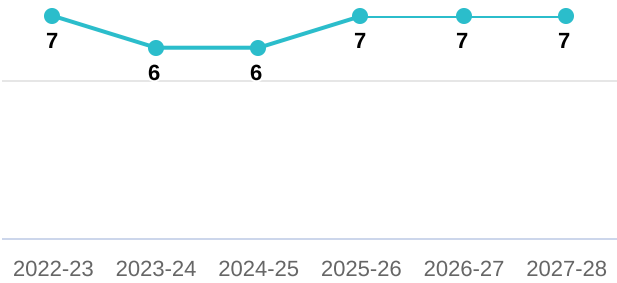




FY 26-27 & FY 27-28 Authorized FTE Positions

	2026-27	2027-28
Administrative & Clerical	4	4
Confidential	3	3
Total	7	7

Staffing Trends



Service Description

The mission of the Board Services Division is to provide exceptional customer service and support to the Board of Directors, OC San staff and the general public through the Clerk of the Board's office. The Clerk's office promotes public trust and ensures transparency by: accurately recording and preserving the legislative actions of OC San; safeguarding the vital, historic and permanent records of OC San as its official custodian; preparing and publishing agendas and notices in accordance with legal requirements; receiving and responding to requests for records; acting as filing officer for Statement of Economic Interest filings; receiving and processing summons, subpoenas and complaints filed against OC San; and maintaining rosters of the Board of Directors, appointed committees and historical records.

2025-26 Performance Objectives

Mail Board agenda packages six calendar days prior to Committee and Board meetings, 100% of the time.
Maintain accurate records of official actions taken by the Board of Directors and post those actions to website by 5:00 p.m. the day following the meeting.
Respond to 95% of Public Records Requests within 7 business days.
Maintain legal compliance with various federal, state and local laws (Brown Act, Political Reform Act, etc.)
Maintain OC San Transparency Certificate of Excellence (SDLF).

2025-26 Performance Results

Achieved 100% success rate.
Achieved 100% success rate.
Achieved 100% success rate.
Achieved 100% success rate.
Achieved 100% success rate.

2026-27 & 2027-28 Performance Objectives

Publish Board agenda packages six calendar days prior to Committee & Board meetings unless authorized by the GM
Maintain and post records of official actions taken by the Board of Directors to website by 5:00 pm the day after the meeting.
Maintain legal compliance with various federal, state and local laws (Brown Act, Political Reform Act, etc.)
Respond to 95% of Public Records Act (PRA) requests within 7 business days.
Maintain OC San Transparency Certificate of Excellence (SDLF).

Performance Measures

Summary	2024-25 Actual	2025-26 Projected	2026-27 Proposed	2027-28 Proposed	Justification
Board Agenda Packages	Achieved	Achieved	Sustain	Sustain	OC San Standards
Maintain & Post accurate records of Board actions	Achieved	Achieved	Sustain	Sustain	Legal Compliance
Public requests response within 7 business days	Achieved	Achieved	Sustain	Sustain	OC San Standards
Maintain Legal Compliance	Achieved	Achieved	Sustain	Sustain	Legal Compliance
Maintain OC San Transparency Certificate	Achieved	Achieved	Sustain	Sustain	OC San Standards

Budget Overview

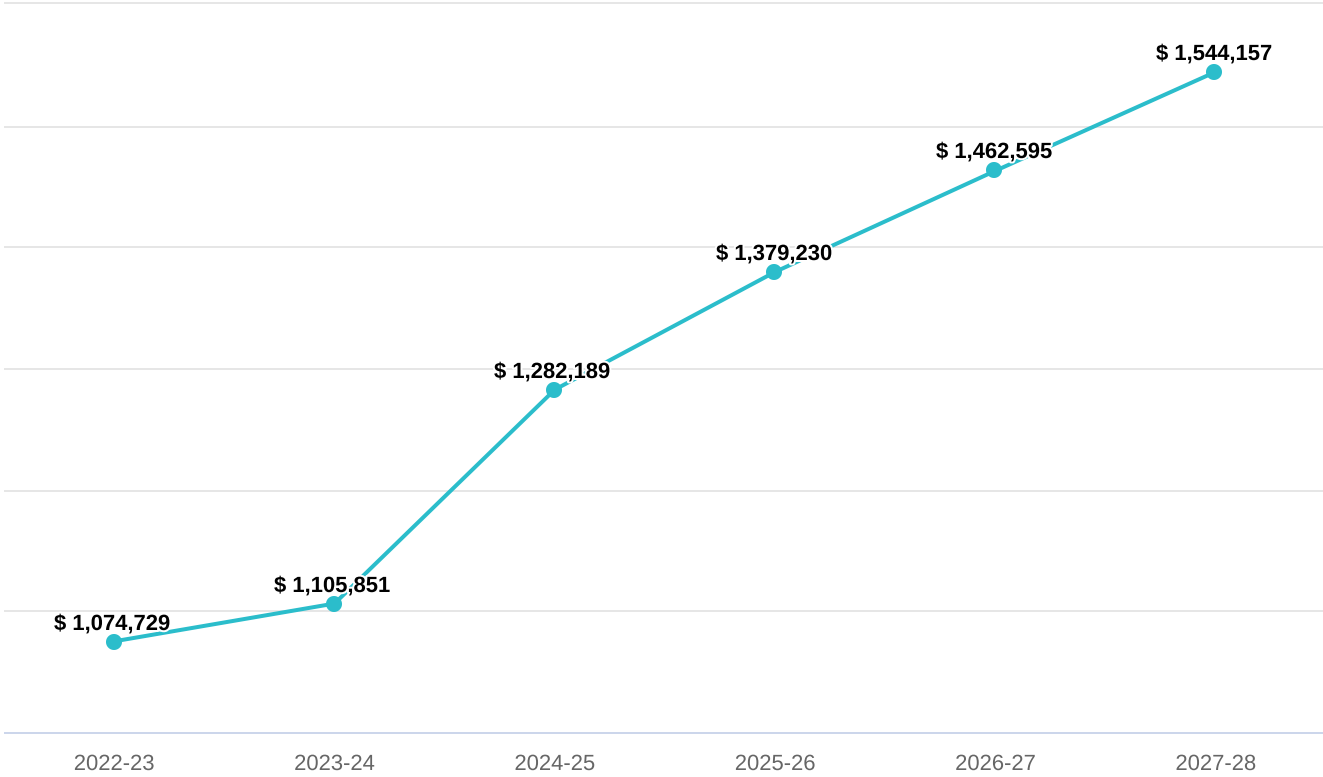
The FY 2026-27 & FY 2027-28 budgets for the Board Services Division reflect a increase of 6% and 6% over the prior year, respectively.

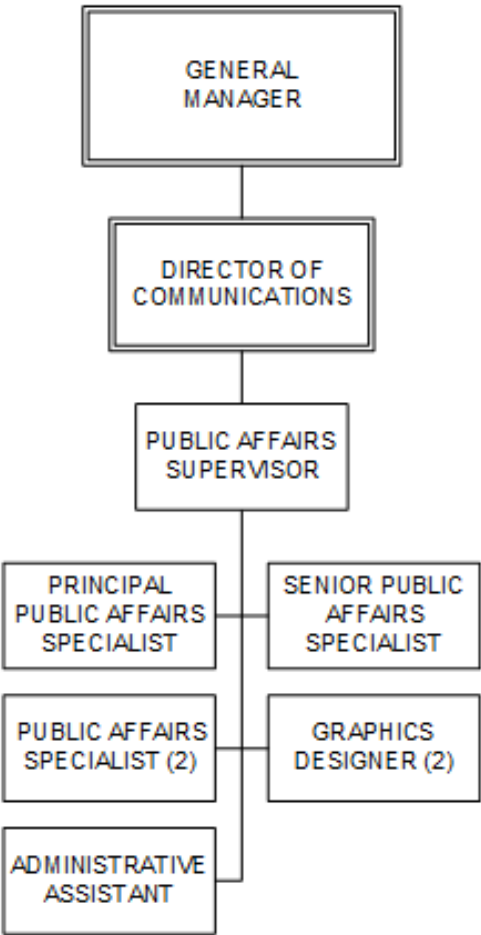
The FY 2026-27 and FY 2027-28 increases are primarily due to personnel expenses.

2025-26 Adjusted Budget - Total Operating Requirements	\$ 1,379,230
Salaries for Position Changes: Transfer of Positions from/(to) Other Divisions - New or (decreased) FTE -	
Changes in Personnel Expenses: Other net salary adjustments (MOU-related, leave payoffs, vacancy, etc.) 59,195 Change in OCERS retirement costs 10,049 Change in group insurance costs 6,791 Other benefit cost adjustments 2,020	
Other Cost Adjustments: Change in other professional services 25,000 Change in misc. operating expenses (20,000)	
Aggregate change in Other Categories: Aggregate change in other materials, supplies, and services 310	
2026-27 Proposed Budget - Total Operating Requirements	\$ 1,462,595
Changes in Personnel Expenses: Net salary adjustments (MOU-related, leave payoffs, vacancy, etc.) 44,072 Change in OCERS retirement costs 5,270 Change in group insurance costs 7,143 Other benefit cost adjustments 527	
Other Cost Adjustments: Change in postage 3,950 Change in training & meetings 2,268 Change in other professional services 10,000 Change in misc. operating expenses 4,000	
Aggregate change in Other Categories: Aggregate change in other materials, supplies, and services 4,332	
2027-28 Proposed Budget - Total Operating Requirements	\$ 1,544,157

Operating Expense by Category	2024-25 Actual	2025-26 Budget	2025-26 Projected	2026-27 Proposed	Budget % Change to 2025-26	2027-28 Proposed	Budget % Change to 2026-27
Personnel	\$ 993,358	\$ 1,037,935	\$ 1,060,100	\$ 1,115,990	7.52%	\$ 1,173,002	5.11%
Supplies	94,206	131,015	134,918	131,480	0.35%	140,280	6.69%
Professional & Contractual Services	113,001	110,000	110,000	135,000	22.73%	146,750	8.70%
Research & Monitoring	-	-	-	-	-	-	-
Repairs & Maintenance	-	-	-	-	-	-	-
Utilities	-	-	-	-	-	-	-
Other	81,624	100,280	80,125	80,125	(20.10%)	84,125	4.99%
Total	\$ 1,282,189	\$ 1,379,230	\$ 1,385,144	\$ 1,462,595	6.04%	\$ 1,544,157	5.58%

Expenditure Trends

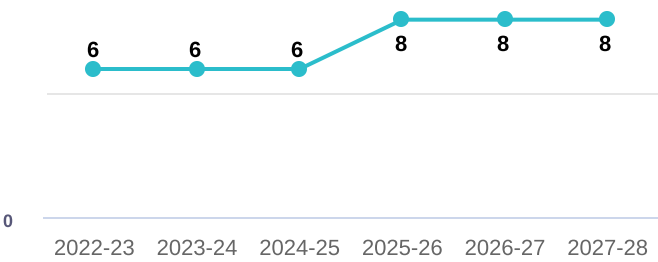




FY 26-27 & FY 27-28 Authorized FTE Positions

	2026-27	2027-28
Supervisors / Professionals	5	5
Administrative & Clerical	3	3
Total	8	8

Staffing Trends



Service Description

The Public Affairs Division delivers consistent messaging that advances OC San's mission, educates the public, supports internal communication, and fosters strong relationships with the community, legislators, and media. These efforts are achieved through cohesive branding and graphic design, and strategic engagement and advocacy across multiple communication channels. The division's goal is to maintain a robust communications program that ensures clear and transparent interactions with key audiences while promoting OC San's mission to protect public health and the environment.

2025-26 Performance Objectives

Provide services and implement programs that meet the communications needs of OC San's internal audiences by producing a minimum of 500 internal communication pieces.	Estimated to be completed by end of FY 25/26.
Provide services and implement programs that meet communications needs of OC San's external audiences by reaching at least 25,000 annually.	Achieved 100% success rate.
Support General Manager activities and provide information to the Board of Directors through the General Manager's monthly report, monthly city/agency specific briefing reports.	Achieved 100% success rate.
Engage proactively in legislative advocacy efforts that could impact OC San and the industry.	Achieved 100% success rate.

2026-27 & 2027-28 Performance Objectives

Provide services and implement programs that meet the needs of OC San by producing communication pieces.
Support General Manager activities and provide information to the Board of Directors through the monthly reports and briefings.
Proactive engagement in legislative advocacy efforts that could impact OC San and the industry.

Performance Measures

Summary	2024-25 Actual	2025-26 Projected	2026-27 Proposed	2027-28 Proposed	Justification
Internal Services and Programs	Achieved	Sustain	Planned	Planned	Division Workplan
External Services and Programs	Achieved	Achieved	Planned	Planned	Strategic Plan
Board of Directors and General Manager Support	Achieved	Sustain	Planned	Planned	GM Workplan
Legislative Advocacy	Achieved	Sustain	Planned	Planned	State/Federal Reg.

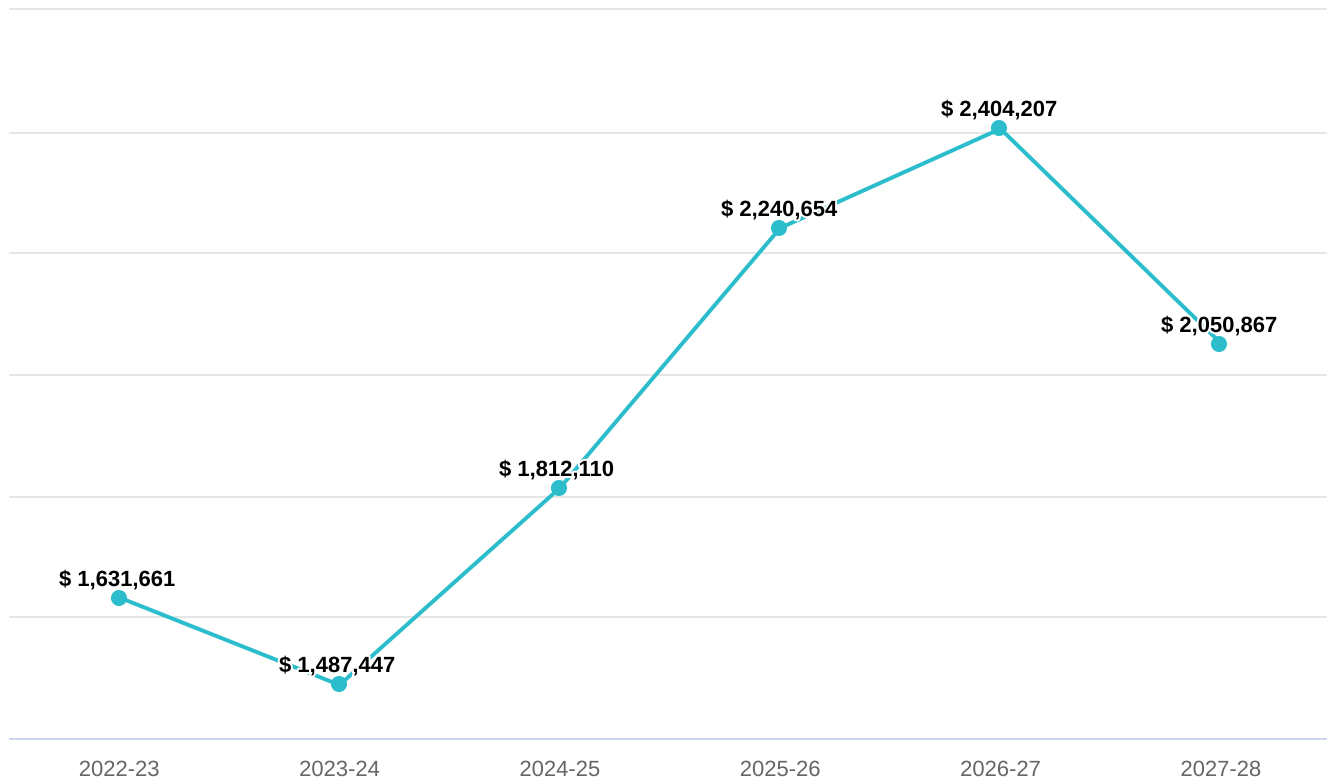
Budget Overview

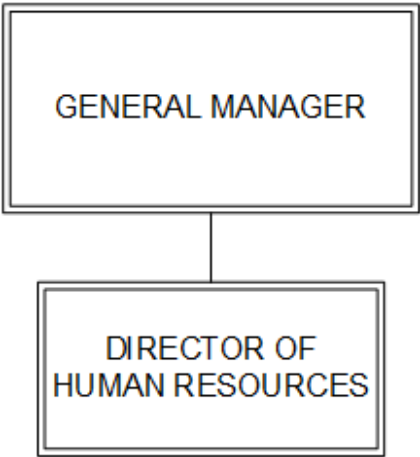
The FY 2026-27 & FY 2027-28 budgets for the Public Affairs Division reflect an increase of 7% and a decrease of 15% over the prior year, respectively. The FY 2026-27 increase is primarily due to an increase in printing and postage for the upcoming Proposition 218 rate increase notifications, offset by a decrease in other professional services. The FY 2027-28 decrease is primarily due to the completion of the rate increase notifications.

2025-26 Adjusted Budget - Total Operating Requirements	\$ 2,240,654
Salaries for Position Changes: Transfer of Positions from/(to) Other Divisions New or (decreased) FTE	- -
Changes in Personnel Expenses: Other net salary adjustments (MOU-related, leave payoffs, vacancy, etc.) Change in OCERS retirement costs Change in group insurance costs Other benefit cost adjustments	26,743 (7,530) 7,637 3,424
Other Cost Adjustments: Change in printing & publication Change in operating materials & supplies Change in other professional services Change in misc. operating expense	411,500 (7,050) (246,500) (18,000)
Aggregate change in Other Categories: Aggregate change in other materials, supplies, and services	(6,671)
2026-27 Proposed Budget - Total Operating Requirements	\$ 2,404,207
Changes in Personnel Expenses: Net salary adjustments (MOU-related, leave payoffs, vacancy, etc.) Change in OCERS retirement costs Change in group insurance costs Other benefit cost adjustments	44,503 10,085 8,170 602
Other Cost Adjustments: Change in printing & postage Change in training & meetings Change in other professional services Change in misc. operating expense	(417,000) 800 (6,000) (7,000)
Aggregate change in Other Categories: Aggregate change in other materials, supplies, and services	12,497
2027-28 Proposed Budget - Total Operating Requirements	\$ 2,050,867

Operating Expense by Category	2024-25 Actual	2025-26 Budget	2025-26 Projected	2026-27 Proposed	Budget % Change to 2025-26	2027-28 Proposed	Budget % Change to 2026-27
Personnel	\$ 1,309,073	\$ 1,425,814	\$ 1,333,520	\$ 1,456,087	2.12%	\$ 1,519,447	4.35%
Supplies	33,236	64,980	46,850	462,760	612.16%	47,060	(89.83%)
Professional & Contractual Services	319,983	554,500	554,500	308,000	(44.45%)	314,000	1.95%
Research & Monitoring	-	-	-	-	-	-	-
Repairs & Maintenance	-	-	100	-	-	-	-
Utilities	-	-	-	-	-	-	-
Other	149,819	195,360	195,360	177,360	(9.21%)	170,360	(3.95%)
Total	\$ 1,812,110	\$ 2,240,654	\$ 2,130,330	\$ 2,404,207	7.30%	\$ 2,050,867	(14.70%)

Expenditure Trends

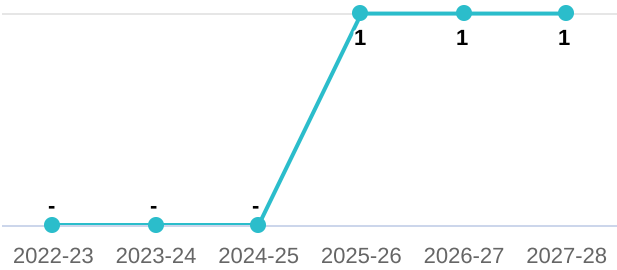




FY 26-27 & FY 27-28 Authorized FTE Positions

	2026-27	2027-28
Executive Managers	1	1
Total	1	1

Staffing Trends



Service Description

Human Resources is a full-service centralized department responsible for Human Resources and Risk Management programs and services. These include managing OC San's human capital, developing and administering programs that are legally compliant and ensuring a productive and safe workplace that attracts and retains top talent, and contributes to operational efficiency and a resilient workforce. The Human Resources Department is committed to a workplace grounded in fair and equitable employment decisions and safe work practices. This department serves as a strategic partner and advisor to the General Manager, executive staff, OC San departments, and all staff by delivering high quality services.

2025-26 Performance Objectives

Ensure reporting divisions achieve 90% of individual performance objectives.
Manage the department's budget to within 96% to 100% of the approved budget.
Develop and implement Job Safety Analyses (JSAs).
Provide Safety Training & Orientations.

2025-26 Performance Results

Ongoing.
Ongoing.
Achieved.
Ongoing.

2026-27 & 2027-28 Performance Objectives

Work with upper management to resolve issues at the lowest level through focused training and conflict resolution techniques.
Manage the department's budget to be within 96% to 100% of the approved budget
Meet the training level of service of 40+ hours per employee.
Ensure 100% completion of Safety Training and Contractor Safety Orientations.
Develop, implement, and update Job Safety Analyses for high-risk work activities.

Performance Measures

Summary	2024-25 Actual	2025-26 Projected	2026-27 Proposed	2027-28 Proposed	Justification
Legal and Regulatory Compliance	Ongoing	Achieved	Planned	Planned	OC San Standards
Department Performance Objectives	Sustain	Sustain	Sustain	Sustain	OC San Standards
Maintain Budget	Sustain	Sustain	Sustain	Sustain	OC San Standards

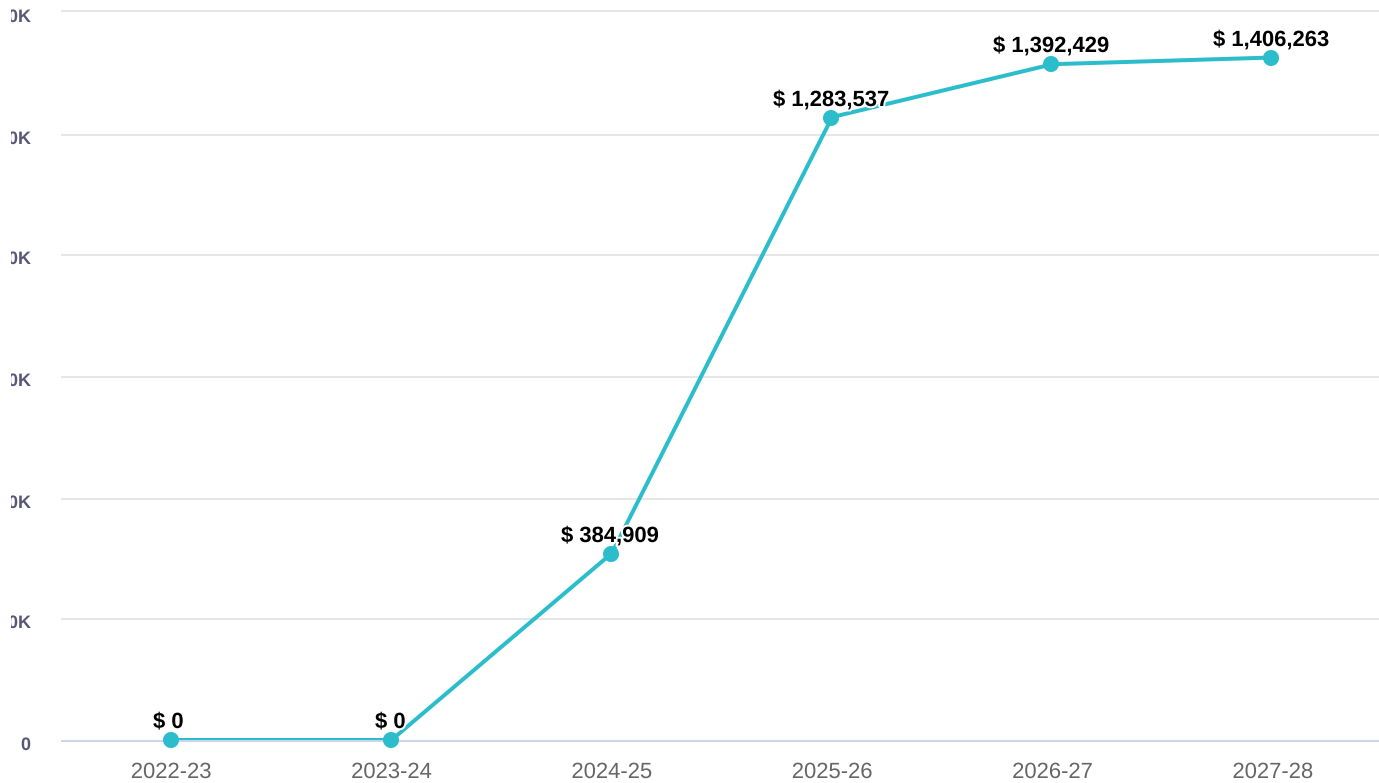
Budget Overview

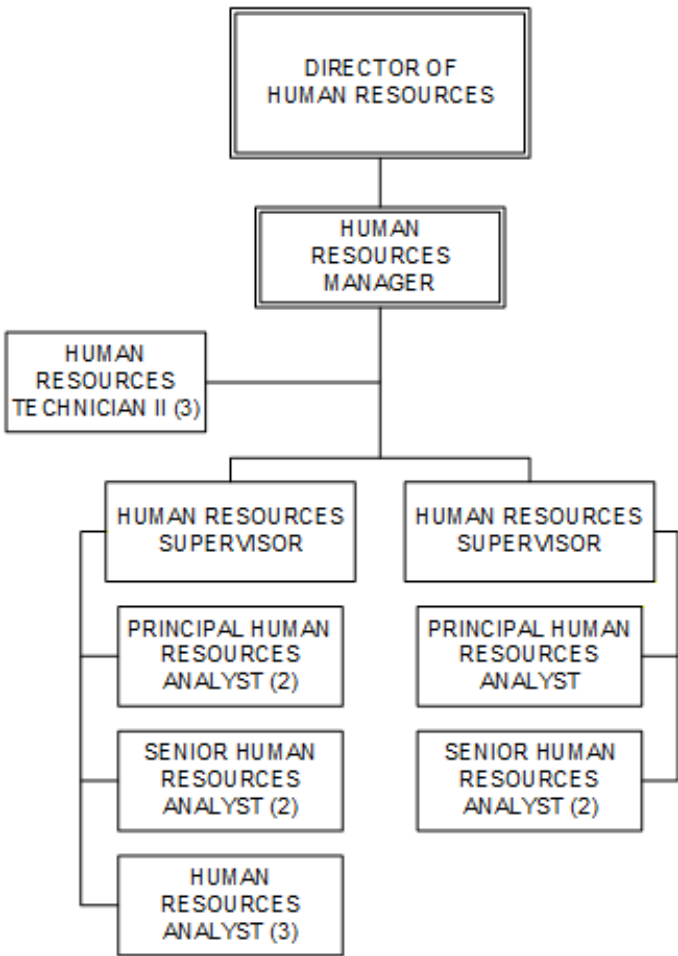
The FY 2026-27 & FY 2027-28 budgets for the new Human Resources Administration Division reflect an increase of 8% and an increase of 1% over the prior year, respectively. The FY 2026-27 increase is due to increase in personnel costs and legal services. The FY 2027-28 increase is primarily due to personnel expenses.

2025-26 Adjusted Budget - Total Operating Requirements	\$ 1,283,537
Salaries for Position Changes: Transfer of Positions from/(to) Other Divisions New or (decreased) FTE	- -
Changes in Personnel Expenses: Other net salary adjustments (MOU-related, leave payoffs, vacancy, etc.) Change in OCERS retirement costs Change in group insurance costs Other benefit cost adjustments	53,847 7,166 1,312 71
Other Cost Adjustments: Change in legal services Change in training & meetings	48,000 (1,445)
Aggregate change in Other Categories: Aggregate change in other materials, supplies, and services	(59)
2026-27 Proposed Budget - Total Operating Requirements	\$ 1,392,429
Changes in Personnel Expenses: Net salary adjustments (MOU-related, leave payoffs, vacancy, etc.) Change in OCERS retirement costs Change in group insurance costs Other benefit cost adjustments	10,451 1,668 1,065 75
Other Cost Adjustments: Change in training & meetings	525
Aggregate change in Other Categories: Aggregate change in other materials, supplies, and services	50
2027-28 Proposed Budget - Total Operating Requirements	\$ 1,406,263

Operating Expense by Category	2024-25 Actual	2025-26 Budget	2025-26 Projected	2026-27 Proposed	Budget % Change to 2025-26	2027-28 Proposed	Budget % Change to 2026-27
Personnel	\$ 374,221	\$ 374,457	\$ 429,650	\$ 436,854	16.66%	\$ 450,113	3.04%
Supplies	690	7,080	4,850	5,575	(21.26%)	6,150	10.31%
Professional & Contractual Services	9,998	902,000	902,000	950,000	5.32%	950,000	-
Research & Monitoring	-	-	-	-	-	-	-
Repairs & Maintenance	-	-	-	-	-	-	-
Utilities	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total	\$ 384,909	\$ 1,283,537	\$ 1,336,500	\$ 1,392,429	8.48%	\$ 1,406,263	0.99%

Expenditure Trends

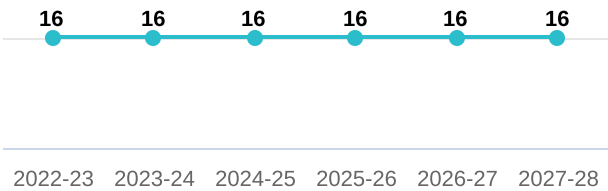




FY 26-27 & FY 27-28 Authorized FTE Positions

	2026-27	2027-28
Confidential	16	16
Total	16	16

Staffing Trends



Service Description

Human Resources serves as a strategic partner to departments on employment matters and organizational programs. The division ensures compliance with labor and employment law, and oversees programs and services designed to attract, develop, motivate and retain a high performing workforce that meet the needs of the organization. The team provides responsive support to employees across a range of human resources services, including recruitment and selection, classification and compensation, benefits, training, employee and labor relations, leave administration, performance management, and employee recognition. The division develops and implements policies and procedures and provides professional consultation on human resources matters.

2025-26 Performance Objectives

Complete all labor negotiations with all units by 6/30/25.
Fully implement the Centralized Training Program and employee development plans by FY 25/26.
Meet the training level of service of 40-45 hours per employee.
Manage the department's budget to be within 96% to 100% of the approved budget.
Expand OC San U training offerings to outside agencies to two per year, and continue to offer one employee training session per month for OC San employees.

2025-26 Performance Results

Completed.
Complete and Ongoing.
Completed and Ongoing.
On track.
Completed.

2026-27 & 2027-28 Performance Objectives

Initiate organizational wide Comp & Class Study in FY 27/28.
Conduct comprehensive review and update of all HR policies for legal compliance and evolving operational requirements.
Work with upper management to resolve issues at the lowest level through focused training and conflict resolution techniques.
Manage the department's budget to be within 96% to 100% of the approved budget.
Meet the training level of service of 40+ hours per employee.

Performance Measures

Summary	2024-25 Actual	2025-26 Projected	2026-27 Proposed	2027-28 Proposed	Justification
Approved Labor Contracts	Achieved	Achieved		Planned	Division Workplan
Workforce Planning/Workforce Development	Achieved	Sustain	Sustain	Sustain	Strategic Plan
Training Level of Service	Ongoing	Sustain	Sustain	Sustain	Level of Services
Managing Budget	Achieved	Sustain	Sustain	Sustain	OC San Standards

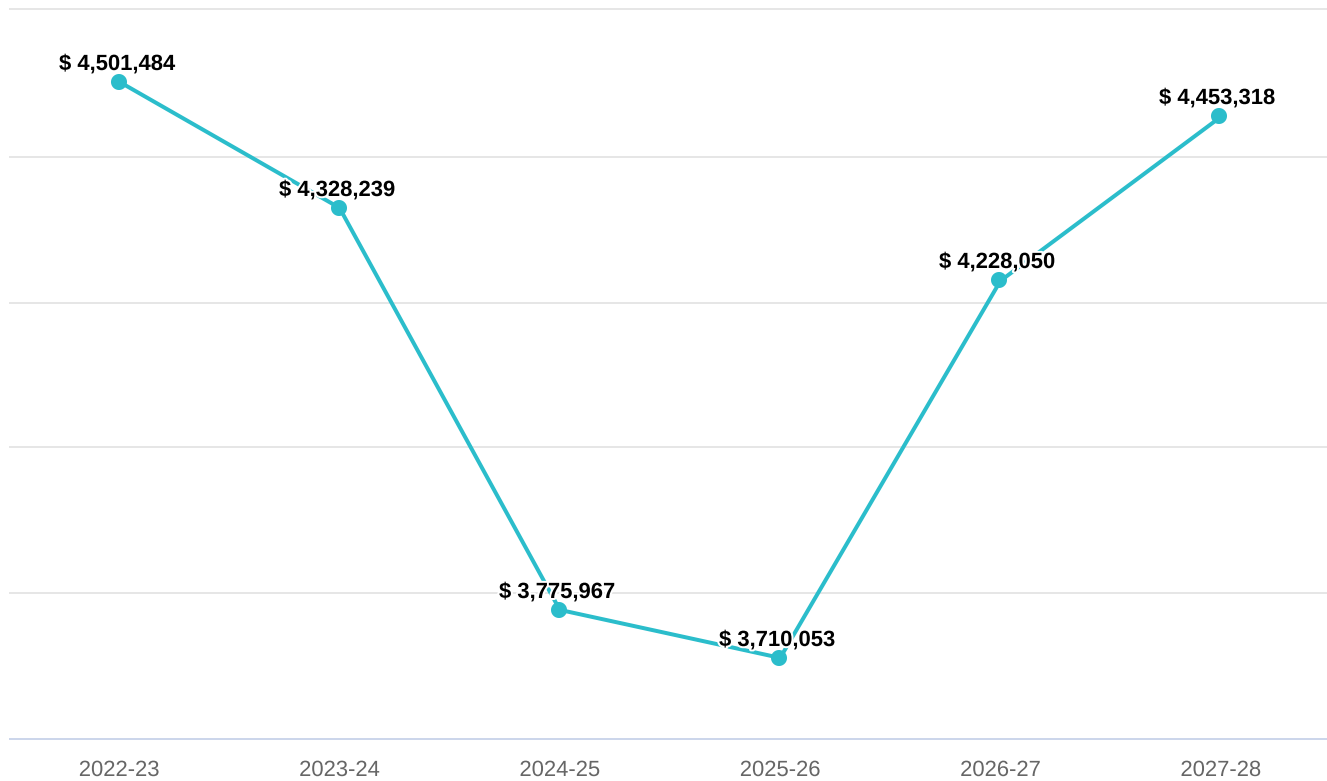
Budget Overview

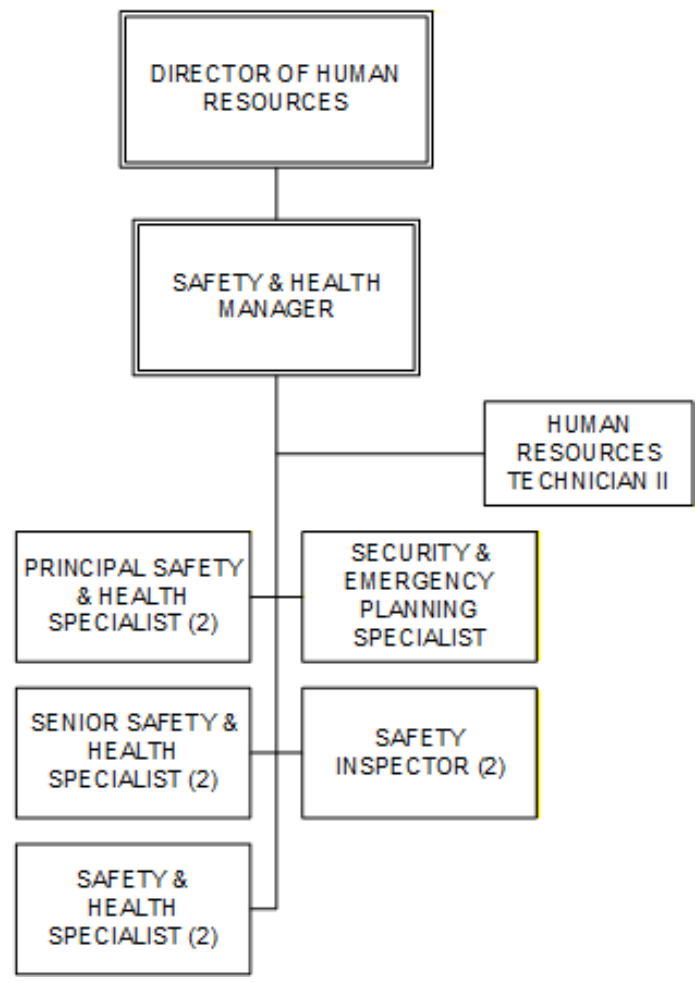
The FY 2026-27 & FY 2027-28 budgets for the Human Resources Division reflect an increase of 14% and an increase of 5% over the prior year, respectively. The FY 2026-27 increase is primarily due to an increase in personnel expenses, training & meetings, and other professional services. The FY 2027-28 increase is primarily due to personnel expenses, training & meetings, and labor negotiation services.

2025-26 Adjusted Budget - Total Operating Requirements	\$ 3,710,053
Salaries for Position Changes: Transfer of Positions from/(to) Other Divisions - New or (decreased) FTE -	
Changes in Personnel Expenses: Other net salary adjustments (MOU-related, leave payoffs, vacancy, etc.) 156,327 Change in OCERS retirement costs (35,771) Change in group insurance costs 16,116 Other benefit cost adjustments 21,794	
Other Cost Adjustments: Change in training & meetings 226,975 Change in other professional services 84,000	
Aggregate change in Other Categories: Aggregate change in other materials, supplies, and services 48,556	
2026-27 Proposed Budget - Total Operating Requirements	\$ 4,228,050
Changes in Personnel Expenses: Net salary adjustments (MOU-related, leave payoffs, vacancy, etc.) 88,628 Change in OCERS retirement costs 17,104 Change in group insurance costs 16,183 Other benefit cost adjustments 1,204	
Other Cost Adjustments: Change in training & meetings 52,882 Change in labor negotiation services 30,000	
Aggregate change in Other Categories: Aggregate change in other materials, supplies, and services 19,267	
2027-28 Proposed Budget - Total Operating Requirements	\$ 4,453,318

Operating Expense by Category	2024-25 Actual	2025-26 Budget	2025-26 Projected	2026-27 Proposed	Budget % Change to 2025-26	2027-28 Proposed	Budget % Change to 2026-27
Personnel	\$ 2,960,266	\$ 3,268,225	\$ 3,313,520	\$ 3,530,485	8.02%	\$ 3,662,396	3.74%
Supplies	100,376	89,998	251,917	297,565	230.64%	355,922	19.61%
Professional & Contractual Services	634,926	240,500	192,500	297,000	23.49%	332,000	11.78%
Research & Monitoring	-	-	-	-	-	-	-
Repairs & Maintenance	468	-	-	-	-	-	-
Utilities	-	-	-	-	-	-	-
Other	79,931	111,330	106,830	103,000	(7.48%)	103,000	-
Total	\$ 3,775,967	\$ 3,710,053	\$ 3,864,767	\$ 4,228,050	13.96%	\$ 4,453,318	5.33%

Expenditure Trends

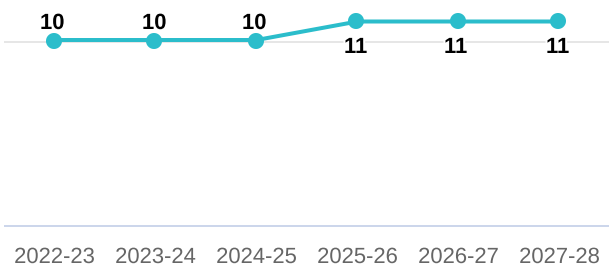




FY 26-27 & FY 27-28 Authorized FTE Positions

	2026-27	2027-28
Managers	1	1
Supervisors / Professionals	7	7
Administrative & Clerical	2	2
Confidential	1	1
Total	11	11

Staffing Trends



Service Description

Risk Management ensures regulatory compliance and safeguards the wellbeing of employees, contractors and visitors through comprehensive safety and health programs. The division is responsible for the identification of potential or known hazards, safety training, incident investigations, construction contractor oversight, facility inspections and audits, and industrial hygiene assessments to mitigate risk and workplace accidents and injuries. Other responsibilities include physical security and emergency management services including surveillance of critical infrastructure and emergency response and recovery efforts.

2025-26 Performance Objectives

2025-26 Performance Results

Provide Safety Training & Orientations	Ongoing
Develop and implement Job Safety Analyses (JSAs)	Achieved
Evaluate and monitor the Safety & Health Program	Ongoing
Implement Physical Security Plan	Ongoing
Emergency Management	Ongoing

2026-27 & 2027-28 Performance Objectives

Ensure 100% completion of Safety Training and Contractor Safety Orientations.
Develop, implement, and update Job Safety Analyses for high-risk work activities
Evaluate the Safety & Health Program through third party safety audits, periodic inspections, and key performance indicators
Implementation of Physical Security Plans on new designs and renovation projects
Prepare and conduct routine Emergency Response Exercises; provide and monitor emergency response training

Performance Measures

Summary	2024-25 Actual	2025-26 Projected	2026-27 Proposed	2027-28 Proposed	Justification
Safety Training & Orientations	Achieved	Achieved	Planned	Planned	State/Federal Reg.
Job Safety Analysis	Achieved	Achieved	Planned	Planned	State/Federal Reg.
Safety & Health Program	Achieved	Achieved	Planned	Ongoing	State/Federal Reg.
Physical Security Plan	Achieved	Achieved	Planned	Ongoing	Industry Standards
Emergency Management	Achieved	Achieved	Planned	Ongoing	State/Federal Reg.

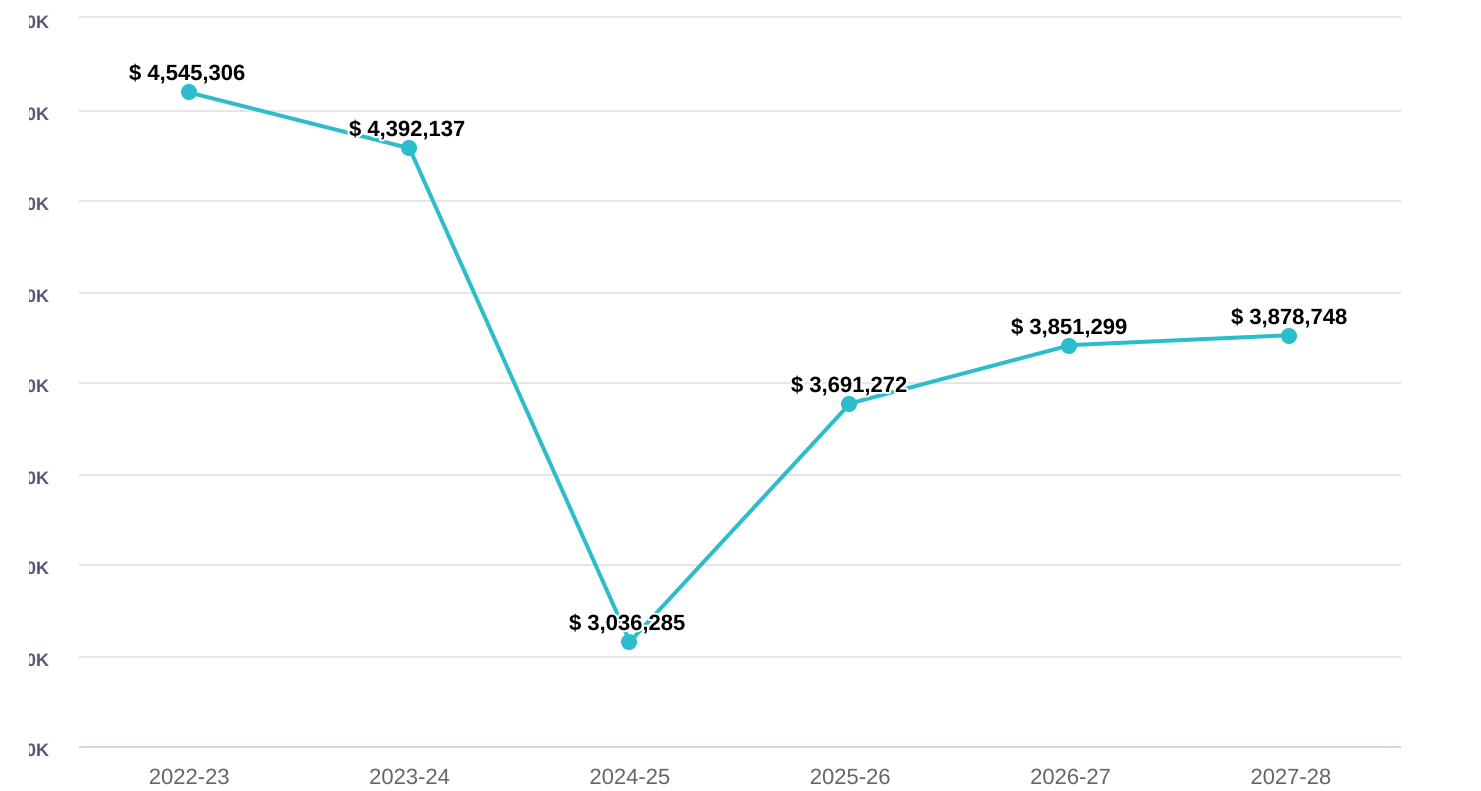
Budget Overview

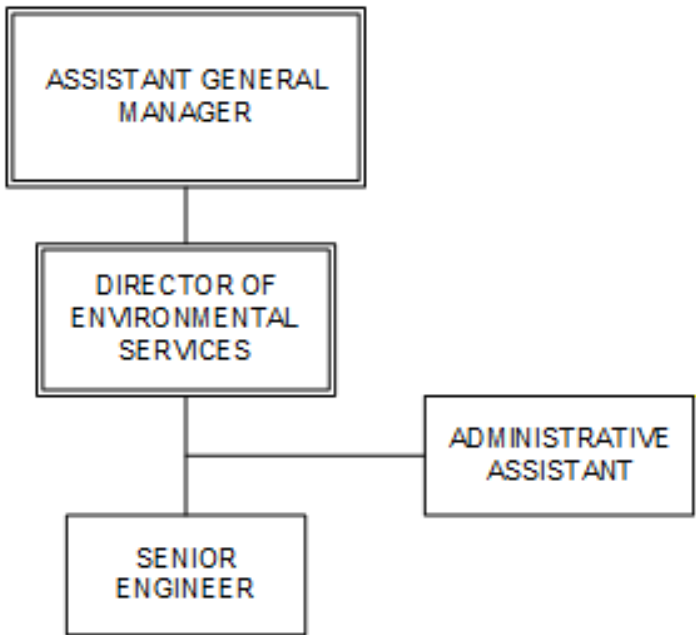
The FY 2026-27 & FY 2027-28 budgets for the Risk Management Division reflect an increase of 4% and an increase of 1% over the prior year, respectively. The FY 2026-27 increase is primarily due to a increase in personnel costs, safety equipment & tools, and other contractual services. The FY 2027-28 increase is primarily due to personnel expenses offset by decreases in trainings & meetings, and safety equipment & tools.

2025-26 Adjusted Budget - Total Operating Requirements	\$ 3,691,272
Salaries for Position Changes: Transfer of Positions from/(to) Other Divisions - New or (decreased) FTE -	
Changes in Personnel Expenses: Other net salary adjustments (MOU-related, leave payoffs, vacancy, etc.) 73,450 Change in OCERS retirement costs 3,508 Change in group insurance costs 10,948 Other benefit cost adjustments 10,677	
Other Cost Adjustments: Change in training & meetings (76,813) Change in safety equipment & tools 92,600 Change in other contractual services 42,500	
Aggregate change in Other Categories: Aggregate change in other materials, supplies, and services 3,157	
2026-27 Proposed Budget - Total Operating Requirements	\$ 3,851,299
Changes in Personnel Expenses: Net salary adjustments (MOU-related, leave payoffs, vacancy, etc.) 68,538 Change in OCERS retirement costs 11,599 Change in group insurance costs 11,294 Other benefit cost adjustments 828	
Other Cost Adjustments: Change in trainings & meetings (26,084) Change in safety equipment & tools (31,750)	
Aggregate change in Other Categories: Aggregate change in other materials, supplies, and services (6,976)	
2027-28 Proposed Budget - Total Operating Requirements	\$ 3,878,748

Operating Expense by Category	2024-25 Actual	2025-26 Budget	2025-26 Projected	2026-27 Proposed	Budget % Change to 2025-26	2027-28 Proposed	Budget % Change to 2026-27
Personnel	\$ 1,981,953	\$ 2,055,255	\$ 1,975,377	\$ 2,153,837	4.80%	\$ 2,246,095	4.28%
Supplies	360,562	675,852	591,289	683,517	1.13%	629,845	(7.85%)
Professional & Contractual Services	601,878	862,200	786,000	909,200	5.45%	895,746	(1.48%)
Research & Monitoring	-	-	-	-	-	-	-
Repairs & Maintenance	47,108	47,245	311,500	42,745	(9.52%)	43,962	2.85%
Utilities	-	-	-	-	-	-	-
Other	44,785	50,720	59,500	62,000	22.24%	63,100	1.77%
Total	\$ 3,036,285	\$ 3,691,272	\$ 3,723,666	\$ 3,851,299	4.34%	\$ 3,878,748	0.71%

Expenditure Trends

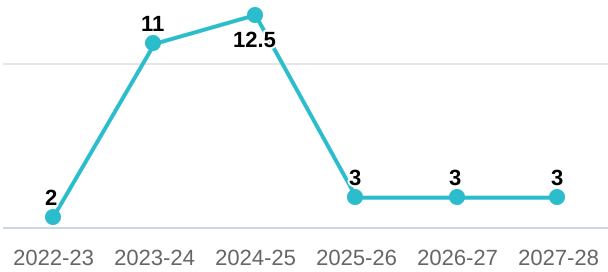




FY 26-27 & FY 27-28 Authorized FTE Positions

	2026-27	2027-28
Executive Managers	1	1
Supervisors / Professionals	1	1
Administrative & Clerical	1	1
Total	3	3

Staffing Trends



Service Description

Environmental Services Administration provides leadership, support, and management oversight for the Department to accomplish OC San's Strategic Plan and departmental annual goals. The team actively advocates for responsible and pragmatic environmental regulations relevant to wastewater treatment and resource recovery.

2025-26 Performance Objectives

Manage operating expenditures to within 96% to 100% of the approved budget.

Ensure that reporting divisions achieve 90% of individual performance objectives.

2025-26 Performance Results

On track

On track

2026-27 & 2027-28 Performance Objectives

Manage operating expenditures to within 96% to 100% of the approved budget.

Ensure that reporting divisions achieve 90% of individual performance objectives.

Performance Measures

Summary	2024-25 Actual	2025-26 Projected	2026-27 Proposed	2027-28 Proposed	Justification
Manage Budget	Achieved	Ongoing	Planned	Planned	Board Approved
Department Performance Objectives	Achieved	Ongoing	Planned	Planned	OC San Standards

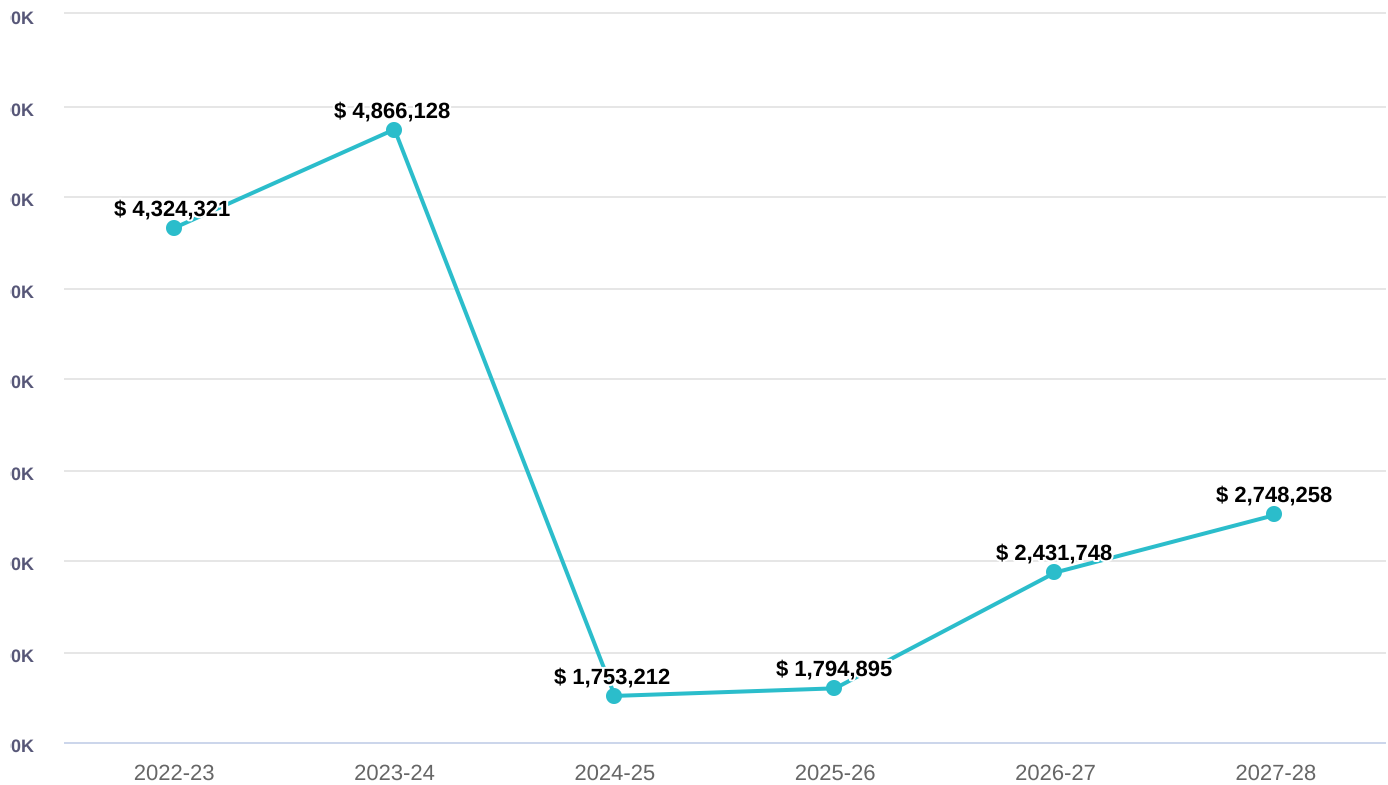
Budget Overview

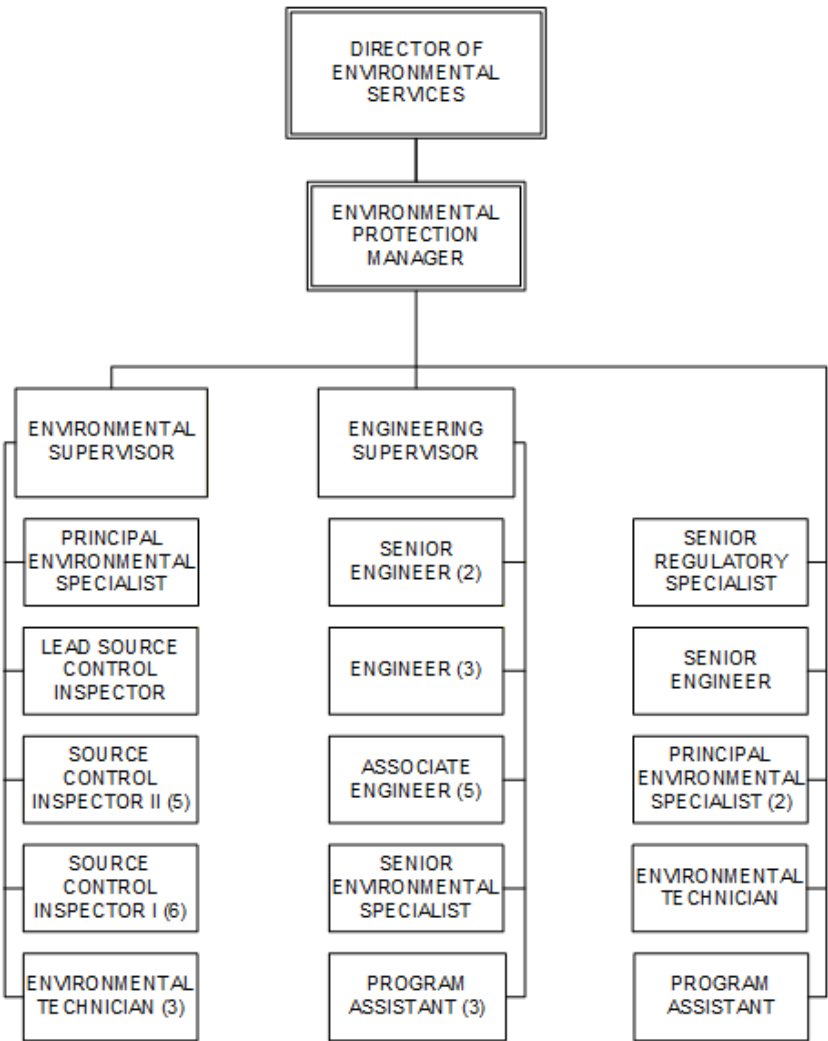
The FY 2026-27 & FY 2027-28 budgets for the Environmental Services Administration Division reflect a increase of 35% and an increase of 13% over the prior year, respectively. The FY 2026-27 increase is primarily due to a increase in personnel expenses, legal services, and temporary services. The FY 2027-28 increase is primarily due to personnel expenses and temporary services.

2025-26 Adjusted Budget - Total Operating Requirements	\$ 1,794,895
Salaries for Position Changes: Transfer of Positions from/(to) Other Divisions New or (decreased) FTE	 - -
Changes in Personnel Expenses: Other net salary adjustments (MOU-related, leave payoffs, vacancy, etc.) Change in OCERS retirement costs Change in group insurance costs Other benefit cost adjustments	 233,560 11,461 23,510 4,390
Other Cost Adjustments: Change in trainings & meetings Change in legal services Change in research & monitoring Change in temporary services	 2,050 230,000 20,363 110,000
Aggregate change in Other Categories: Aggregate change in other materials, supplies, and services	 1,519
2026-27 Proposed Budget - Total Operating Requirements	\$ 2,431,748
Changes in Personnel Expenses: Net salary adjustments (MOU-related, leave payoffs, vacancy, etc.) Change in OCERS retirement costs Change in group insurance costs Other benefit cost adjustments	 26,925 3,220 3,140 226
Other Cost Adjustments: Change in temporary services Change in legal services Change in research & monitoring	 215,000 50,000 18,000
Aggregate change in Other Categories: Aggregate change in other materials, supplies, and services	 (1)
2027-28 Proposed Budget - Total Operating Requirements	\$ 2,748,258

Operating Expense by Category	2024-25 Actual	2025-26 Budget	2025-26 Projected	2026-27 Proposed	Budget % Change to 2025-26	2027-28 Proposed	Budget % Change to 2026-27
Personnel	\$ 863,669	\$ 620,088	\$ 873,988	\$ 893,008	44.01%	\$ 926,518	3.75%
Supplies	128,722	120,090	139,985	123,660	2.97%	123,660	-
Professional & Contractual Services	321,638	475,000	706,203	815,000	71.58%	1,080,000	32.52%
Research & Monitoring	439,286	579,637	579,637	600,000	3.51%	618,000	3.00%
Repairs & Maintenance	-	-	-	-	-	-	-
Utilities	-	-	-	-	-	-	-
Other	(103)	80	80	80	-	80	-
Total	\$ 1,753,212	\$ 1,794,895	\$ 2,299,892	\$ 2,431,748	35.48%	\$ 2,748,258	13.02%

Expenditure Trends

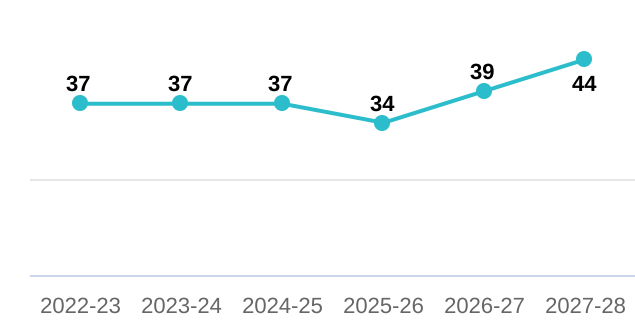




FY 26-27 & FY 27-28 Authorized FTE Positions

	2026-27	2027-28
Managers	1	1
Supervisors / Professionals	18	19
Administrative & Clerical	4	5
Technical Services	16	19
Total	39	44

Staffing Trends



Service Description

Resource Protection provides local enforcement of federal pretreatment regulations and ensures continuous improvement in OC San's source control program to sustain water reclamation and beneficial biosolids reuse. The division conducts its industrial and non-industrial source control activities in a cost effective and legally defensible manner to protect OC San's assets, employees, public health, and the environment.

2025-26 Performance Objectives

Meet 100% of regulatory deadlines for required pretreatment program reports.
Implement Ordinance terms and conditions, enforcing prohibitions (e.g., stormwater, slug discharges, etc.).
Issue and renew 100% of the industrial wastewater permits prior to the expiration date.
Complete all assigned inspections and monitoring of Class I industrial permit holders.
Support of GWRS, special projects and routine monitoring requirements.

2025-26 Performance Results

To date, 100% compliance.
To date, 100% compliance.
To date, staff issued and renewed 100% of the industrial wastewater permits prior to the expiration dates.
To date, staff completed all assigned inspections and monitoring of Class I industrial permit holders.
Staff is supporting GWRS, special projects, and routine monitoring requirements.

2026-27 & 2027-28 Performance Objectives

Ensure the division's expenditures are managed to within 5% of proposed budget.
Meet 100% of regulatory deadlines for required pretreatment program reports.
Implement Ordinance terms and conditions, enforcing prohibitions (e.g., stormwater, slug discharges, etc.).
Issue and renew 100% of the regular industrial wastewater discharge permits on time.
Complete all required inspections and monitoring of Class I industrial permittees.

Performance Measures

Summary	2024-25 Actual	2025-26 Projected	2026-27 Proposed	2027-28 Proposed	Justification
Complete all required Class I permit inspections.	Achieved	Achieved	Sustain	Sustain	OC San Standards
Meet 100% of Regulatory Deadlines (Reports)	Achieved	Achieved	Sustain	Sustain	Permit Requirements
Implement Ordinance	Achieved	Achieved	Sustain	Sustain	Permit Requirements
Industrial Permit Issuance/Renewal	Achieved	Achieved	Sustain	Sustain	Permit Requirements
Inspections/Monitoring	Achieved	Achieved	Sustain	Sustain	Joint Agreement

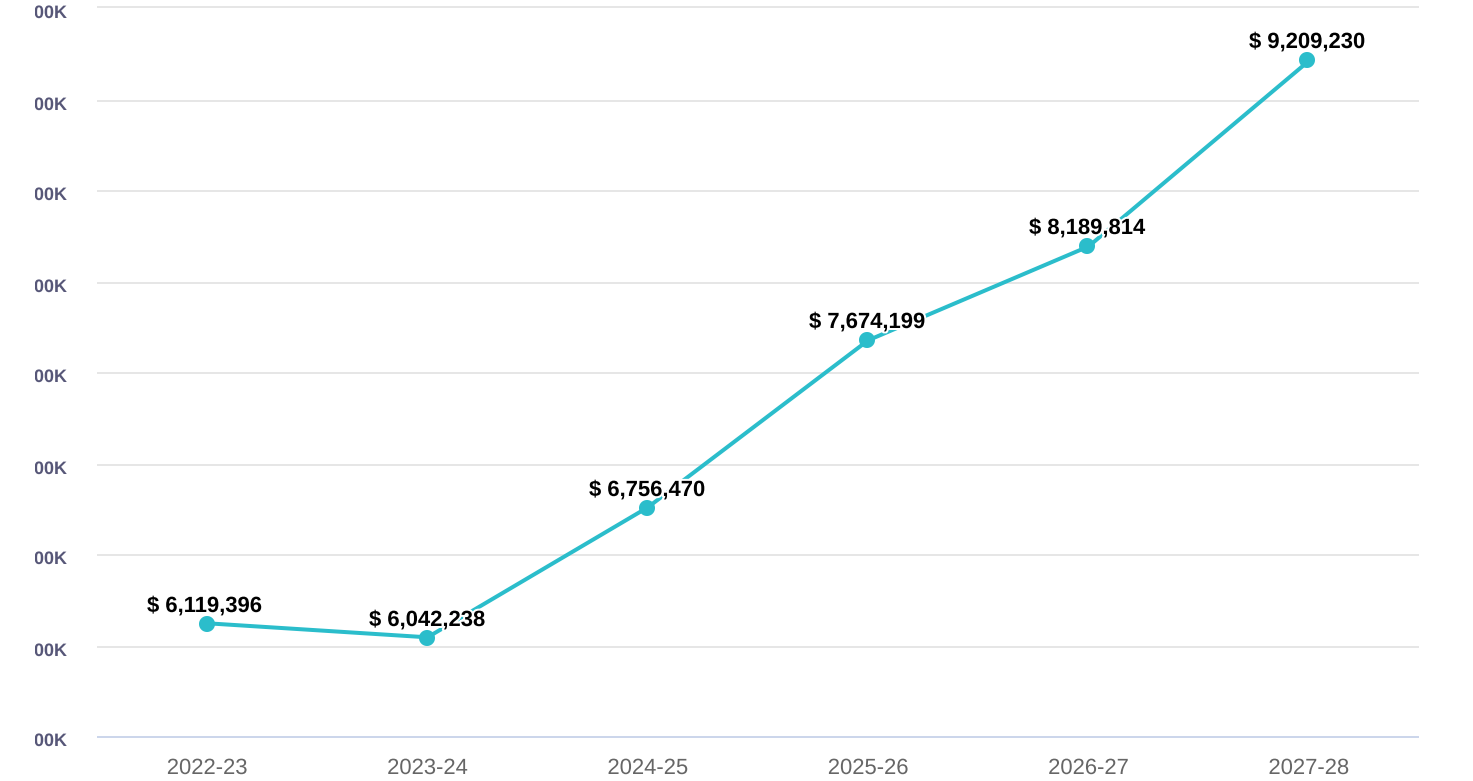
Budget Overview

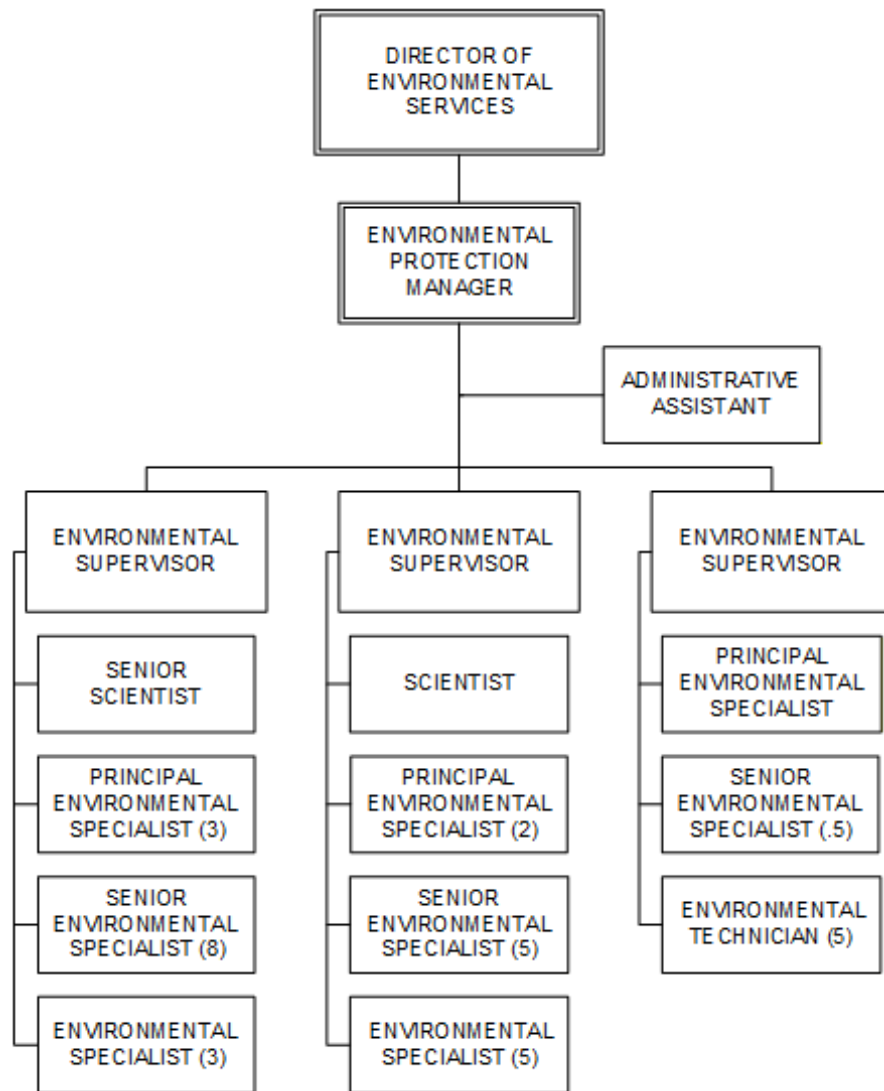
The FY 2026-27 & FY 2027-28 budgets for the Resource Protection Division reflect a increase of 7% and an increase of 12% over the prior year, respectively. The FY 2026-27 increase is primarily due to a increase in personnel costs, offset by a decrease in environmental scientific consulting. The FY 2027-28 increase is primarily due to personnel expenses.

2025-26 Adjusted Budget - Total Operating Requirements	\$ 7,674,199
Salaries for Position Changes: Transfer of Positions from/(to) Other Divisions New or (decreased) FTE	- 5
Changes in Personnel Expenses: Other net salary adjustments (MOU-related, leave payoffs, vacancy, etc.) Change in OCERS retirement costs Change in group insurance costs Other benefit cost adjustments	589,227 2,948 95,739 40,226
Other Cost Adjustments: Change in trainings & meetings Change in tools Change in environmental scientific consulting	(11,650) (20,000) (200,000)
Aggregate change in Other Categories: Aggregate change in other materials, supplies, and services	19,125
2026-27 Proposed Budget - Total Operating Requirements	\$ 8,189,814
Changes in Personnel Expenses: Net salary adjustments (MOU-related, leave payoffs, vacancy, etc.) Change in OCERS retirement costs Change in group insurance costs Other benefit cost adjustments	723,546 71,320 143,106 10,833
Other Cost Adjustments: Change in trainings & meetings Change in safety equipment & tools Change in solvents, painting, & janitorial Change in laboratory supplies	48,650 5,000 2,500 5,000
Aggregate change in Other Categories: Aggregate change in other materials, supplies, and services	9,461
2027-28 Proposed Budget - Total Operating Requirements	\$ 9,209,230

Operating Expense by Category	2024-25 Actual	2025-26 Budget	2025-26 Projected	2026-27 Proposed	Budget % Change to 2025-26	2027-28 Proposed	Budget % Change to 2026-27
Personnel	\$ 5,903,779	\$ 6,473,784	\$ 5,981,068	\$ 7,201,924	11.25%	\$ 8,156,050	13.25%
Supplies	213,449	258,655	243,155	224,890	(13.05%)	287,980	28.05%
Professional & Contractual Services	618,631	897,000	628,409	670,000	(25.31%)	670,000	-
Research & Monitoring	-	25,000	-	75,000	200.00%	75,000	-
Repairs & Maintenance	20,537	18,000	18,000	16,000	(11.11%)	18,000	12.50%
Utilities	-	-	-	-	-	-	-
Other	74	1,760	1,760	2,000	13.64%	2,200	10.00%
Total	\$ 6,756,470	\$ 7,674,199	\$ 6,872,391	\$ 8,189,814	6.72%	\$ 9,209,230	12.45%

Expenditure Trends

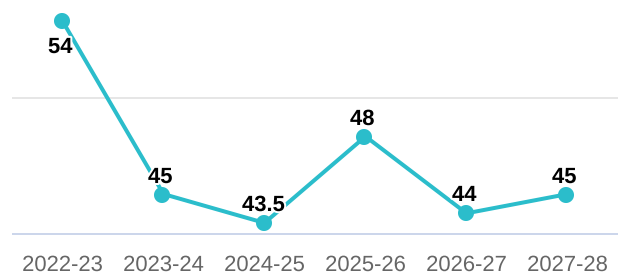




FY 26-27 & FY 27-28 Authorized FTE Positions

	2026-27	2027-28
Managers	1	1
Supervisors / Professionals	37	38
Administrative & Clerical	1	1
Technical Services	5	5
Total	44	45

Staffing Trends



Service Description

The Environmental Laboratory provides support across OC San through sampling and performing over 100,000 laboratory analyses each year for source control, operational support, and receiving environment. The lab is committed to excellent data quality and analytical innovations. The Environmental Laboratory is accredited at both national and state levels.

2025-26 Performance Objectives

Continued efficiency improvement as measured by internal standards and industry benchmarking with regional laboratories.
Successful performance on proficiency test standards to maintain lab accreditations
Manage Budget
Support of GWRS, special projects, and routine monitoring requirements
Meet all NPDES Permit requirements

2025-26 Performance Results

On Track
On Track
On Track to meet goal of 96-100%
On Track
On Track

2026-27 & 2027-28 Performance Objectives

Continue efficiency improvements.
Successful performance on proficiency test standards.
Manage operating expenditures to 96% to 100% of the approved budget.
Support GWRS, special projects, and routine monitoring requirements.
Meet all NPDES permit requirements.

Performance Measures

Summary	2024-25 Actual	2025-26 Projected	2026-27 Proposed	2027-28 Proposed	Justification
Laboratory Productivity	Achieved	Ongoing	Sustain	Sustain	OC San Standards
Lab Accreditation	Achieved	Ongoing	Sustain	Sustain	Lab Accreditation
Manage Budget	Achieved	Ongoing	Sustain	Sustain	OC San Standards
Support initiatives and projects	Achieved	Ongoing	Sustain	Sustain	OC San Standards
Permit Compliance	Achieved	Ongoing	Sustain	Sustain	Permit Requirements

Environmental Laboratory & Ocean Monitoring

Budget Overview

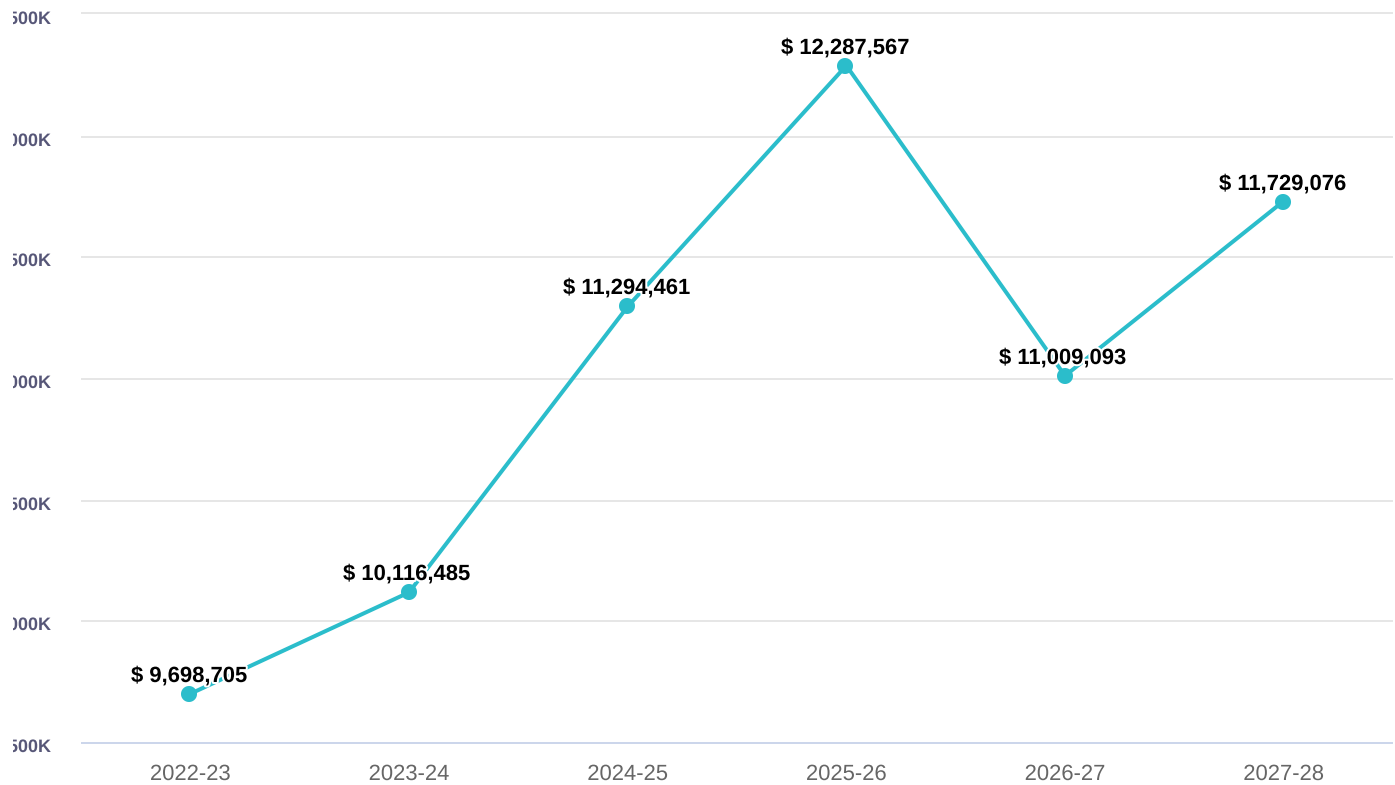
The FY 2026-27 & FY 2027-28 budgets for the Environmental Laboratory Division reflect an decrease of 10% and an increase of 7% over the prior year, respectively. The FY 2026-27 decrease is primarily due to transferring the ocean monitoring staff and services to the Environmental Compliance division. The FY 2027-28 increase is primarily due to personnel expenses.

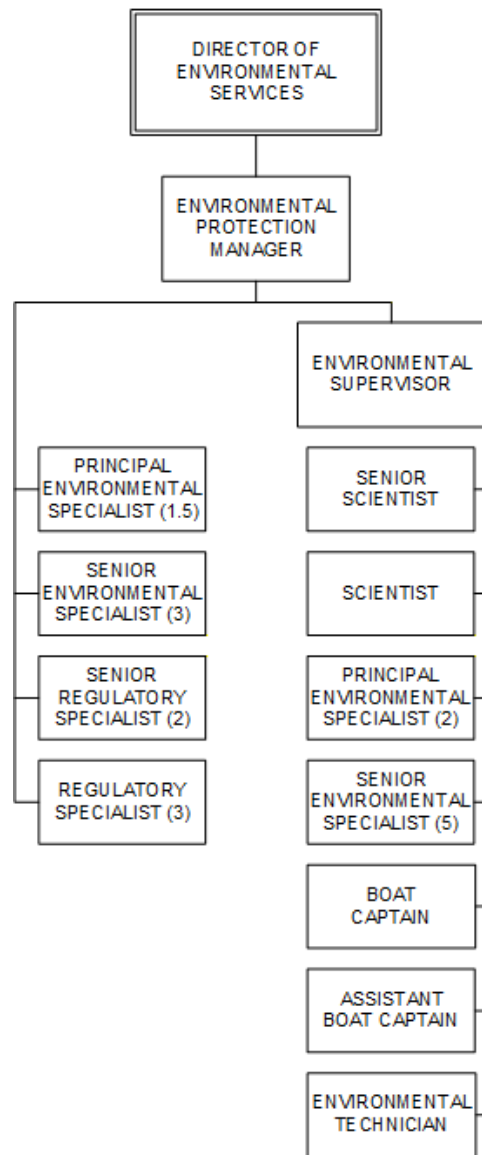
2025-26 Adjusted Budget - Total Operating Requirements	\$ 12,287,567
Salaries for Position Changes: Transfer of Positions from/(to) Other Divisions New or (decreased) FTE	(8) 4
Changes in Personnel Expenses: Other net salary adjustments (MOU-related, leave payoffs, vacancy, etc.) Change in OCERS retirement costs Change in group insurance costs Other benefit cost adjustments	(118,404) (29,685) (16,773) (13,530)
Other Cost Adjustments: Change in trainings & meetings Change in gas, diesel, & oil expenses Change in laboratory chemicals & supplies Change in environmental research & monitoring Change in repairs & maintenance expenses Change in regulatory operating fees	21,349 (39,900) 116,330 (1,270,000) 65,000 (10,000)
Aggregate change in Other Categories: Aggregate change in other materials, supplies, and services	17,141
2026-27 Proposed Budget - Total Operating Requirements	\$ 11,009,093
Changes in Personnel Expenses: Net salary adjustments (MOU-related, leave payoffs, vacancy, etc.) Change in OCERS retirement costs Change in group insurance costs Other benefit cost adjustments	396,710 58,905 66,049 4,890
Other Cost Adjustments: Change in laboratory chemicals & supplies Change in outside laboratory services Change in repairs & maintenance expenses Change in regulatory operating fees	45,817 50,000 92,500 10,000
Aggregate change in Other Categories: Aggregate change in other materials, supplies, and services	(1,894)
2027-28 Proposed Budget - Total Operating Requirements	\$ 11,729,076

Environmental Laboratory & Ocean Monitoring

Operating Expense by Category	2024-25 Actual	2025-26 Budget	2025-26 Projected	2026-27 Proposed	Budget % Change to 2025-26	2027-28 Proposed	Budget % Change to 2026-27
Personnel	\$ 8,414,395	\$ 8,821,147	\$ 9,291,096	\$ 8,642,754	(2.02%)	\$ 9,169,308	6.09%
Supplies	867,467	964,620	964,653	1,072,539	11.19%	1,106,217	3.14%
Professional & Contractual Services	620,713	512,000	387,000	512,000	-	562,000	9.77%
Research & Monitoring	832,477	1,270,000	1,196,000	-	(100.00%)	-	-
Repairs & Maintenance	431,118	555,000	500,000	620,000	11.71%	712,500	14.92%
Utilities	-	-	-	-	-	-	-
Other	128,291	164,800	166,056	161,800	(1.82%)	179,050	10.66%
Total	\$ 11,294,461	\$ 12,287,567	\$ 12,504,804	\$ 11,009,093	(10.40%)	\$ 11,729,076	6.54%

Expenditure Trends

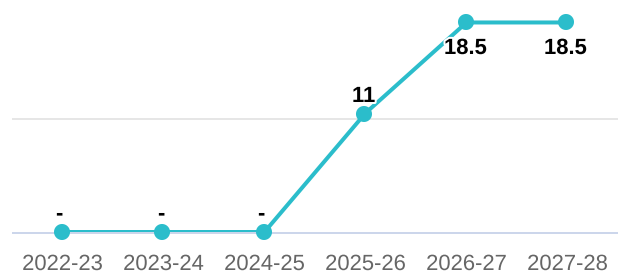




FY 26-27 & FY 27-28 Authorized FTE Positions

	2026-27	2027-28
Managers	1	1
Supervisors / Professionals	16.5	16.5
Technical Services	1	1
Total	18.5	18.5

Staffing Trends



Environmental Compliance and Ocean Monitoring

Service Description

Environmental Compliance and Ocean Monitoring is tasked with ensuring adherence to environmental regulations and permit conditions for ocean discharge, air emissions, and biosolids/solids management. The team actively advocates responsible and pragmatic environmental regulations relevant to wastewater treatment and resource recovery and provides sampling and oceanographic research services to OC San's operations to protect receiving water quality.

2025-26 Performance Objectives

Ensure all environmental compliance reporting requirements are met on or before required submission date 100% of time.
Audit all major environmental permits within adopted audit schedule: quarterly, semiannual, annual, every 2 years.
Support GWRS, special projects, and routine monitoring requirements.
Meet all NPDES Permit requirements.
Manage operating expenditures to 96% to 100% of the approved budget.

2025-26 Performance Results

Achieved
Achieved
Achieved
Achieved
Achieved

2026-27 & 2027-28 Performance Objectives

Ensure all environmental compliance reporting requirements are met on or before required submission date 100% of time.
Audit all major environmental permits within adopted audit schedule: quarterly, semiannual, annual, every 2 years.
Support GWRS, special projects, and routine monitoring requirements.
Meet all NPDES Permit requirements.
Manage operating expenditures to 96% to 100% of the approved budget.

Performance Measures

Summary	2024-25 Actual	2025-26 Projected	2026-27 Proposed	2027-28 Proposed	Justification
Compliance Reporting Requirements	Achieved	Ongoing	Sustain	Sustain	Permit Requirements
Audit Environmental Permits	Achieved	Ongoing	Sustain	Sustain	Permit Requirements
Support Initiatives and Projects	Achieved	Ongoing	Sustain	Sustain	OC San Standards
Permit Compliance	Achieved	Ongoing	Sustain	Sustain	Permit Requirements
Manage Budget	Achieved	Ongoing	Planned	Planned	Board Approved

Environmental Compliance and Ocean Monitoring

Budget Overview

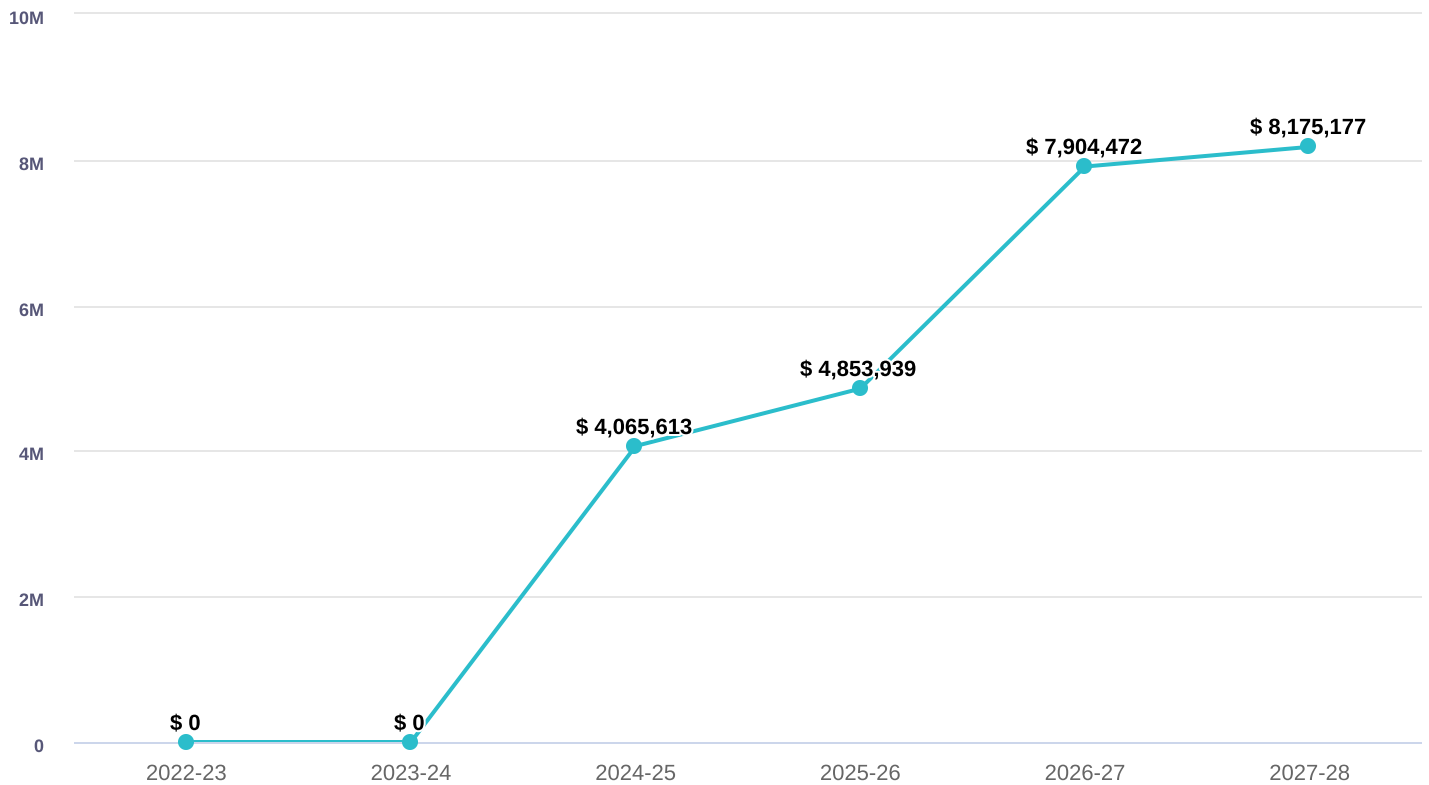
The FY 2026-27 & FY 2027-28 budgets for the Environmental Compliance & Ocean Monitoring Division reflect an increase of 63% and an increase of 3% over the prior year, respectively. The FY 2026-27 budget increase is primary due to the transfer of ocean monitoring staff and services from the Environmental Laboratory division. The FY 2027-28 increase is primarily due to environmental monitoring expenses.

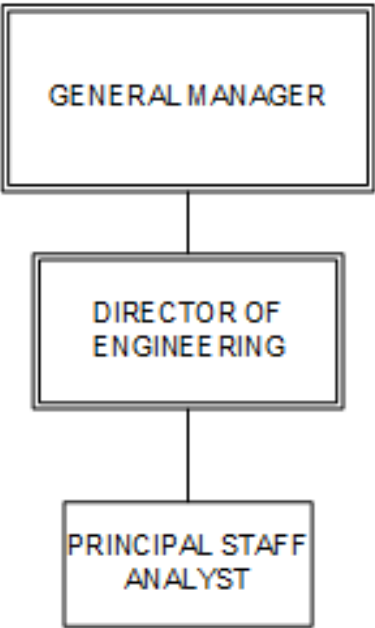
2025-26 Adjusted Budget - Total Operating Requirements	\$ 4,853,939
Salaries for Position Changes: Transfer of Positions from/(to) Other Divisions 8 New or (decreased) FTE -	
Changes in Personnel Expenses: Other net salary adjustments (MOU-related, leave payoffs, vacancy, etc.) 1,394,278 Change in OCERS retirement costs 119,385 Change in group insurance costs 175,475 Other benefit cost adjustments 42,416	
Other Cost Adjustments: Change in training & meetings 34,430 Change in operating materials & supplies 34,690 Change in professional services-auditing (21,744) Change in environmental scientific consulting (69,000) Change in advocacy efforts 1,400 Change in other professional services 250,000 Change in environmental monitoring 1,104,000	
Aggregate change in Other Categories: Aggregate change in other materials, supplies, and services (14,796)	
2026-27 Proposed Budget - Total Operating Requirements	\$ 7,904,472
Changes in Personnel Expenses: Net salary adjustments (MOU-related, leave payoffs, vacancy, etc.) (59,541) Change in OCERS retirement costs (11,222) Change in group insurance costs 16,084 Other benefit cost adjustments 1,392	
Other Cost Adjustments: Change in professional services-auditing 40,572 Change in environmental monitoring 238,000 Change in air quality monitoring 30,000	
Aggregate change in Other Categories: Aggregate change in other materials, supplies, and services 15,421	
2027-28 Proposed Budget - Total Operating Requirements	\$ 8,175,177

Environmental Compliance and Ocean Monitoring

Operating Expense by Category	2024-25 Actual	2025-26 Budget	2025-26 Projected	2026-27 Proposed	Budget % Change to 2025-26	2027-28 Proposed	Budget % Change to 2026-27
Personnel	\$ 2,306,736	\$ 2,278,556	\$ 2,213,385	\$ 4,010,109	75.99%	\$ 3,956,822	(1.33%)
Supplies	13,441	31,930	19,435	141,519	343.22%	156,939	10.90%
Professional & Contractual Services	355,817	416,600	411,600	577,256	38.56%	617,828	7.03%
Research & Monitoring	246,431	300,000	250,000	1,404,000	368.00%	1,672,000	19.09%
Repairs & Maintenance	-	-	-	58,000	-	58,000	-
Utilities	-	-	-	-	-	-	-
Other	1,143,189	1,826,853	1,320,480	1,713,588	(6.20%)	1,713,588	-
Total	\$ 4,065,613	\$ 4,853,939	\$ 4,214,900	\$ 7,904,472	62.85%	\$ 8,175,177	3.42%

Expenditure Trends

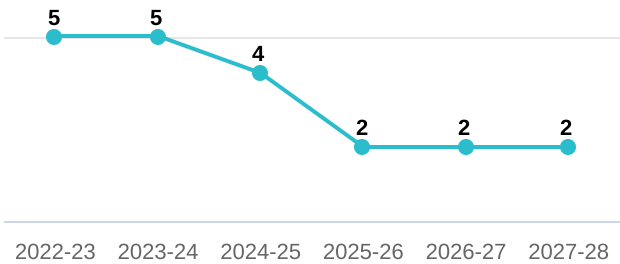




FY 26-27 & FY 27-28 Authorized FTE Positions

	2026-27	2027-28
Executive Managers	1	1
Supervisors / Professionals	1	1
Total	2	2

Staffing Trends



Service Description

The mission statement of the Engineering Department is to deliver world class engineering projects through skilled staff, technical excellence, proactive project planning, efficient project delivery, effective communication, and critical thinking.

2025-26 Performance Objectives

Ensure expenditures are managed to 90-100% of the proposed budget.

Ensure reporting divisions achieve an average of 90% or better of individual performance objectives.

2025-26 Performance Results

Projected to be 96%.

Projected to achieve 83%.

2026-27 & 2027-28 Performance Objectives

Ensure the division's expenditures are managed to 90-100% of proposed budget.

Ensure reporting divisions achieve 90% of individual performance objectives.

Performance Measures

Summary	2024-25 Actual	2025-26 Projected	2026-27 Proposed	2027-28 Proposed	Justification
Manage division budget	366%	96%	90-100%	90-100%	Division Workplan
Division performance objectives	85.4%	83%	90%	90%	Division Workplan

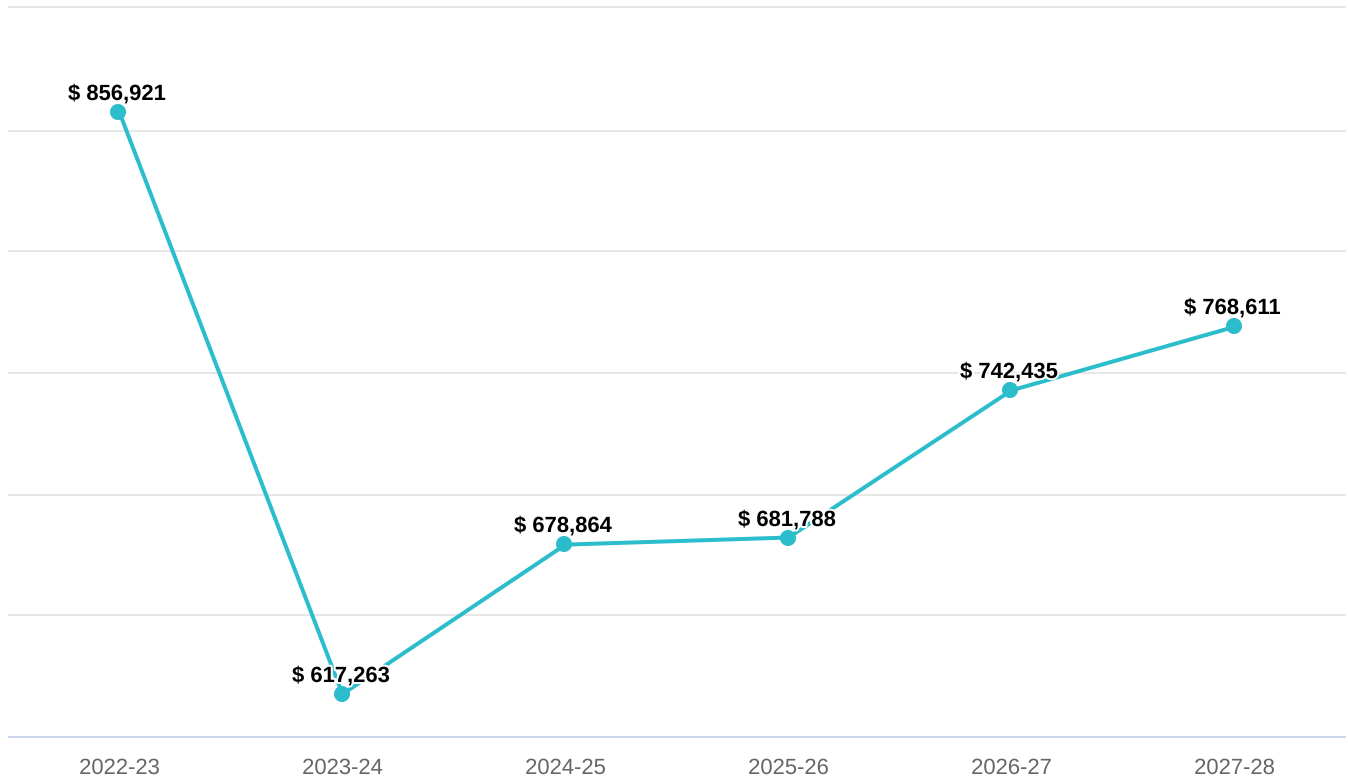
Budget Overview

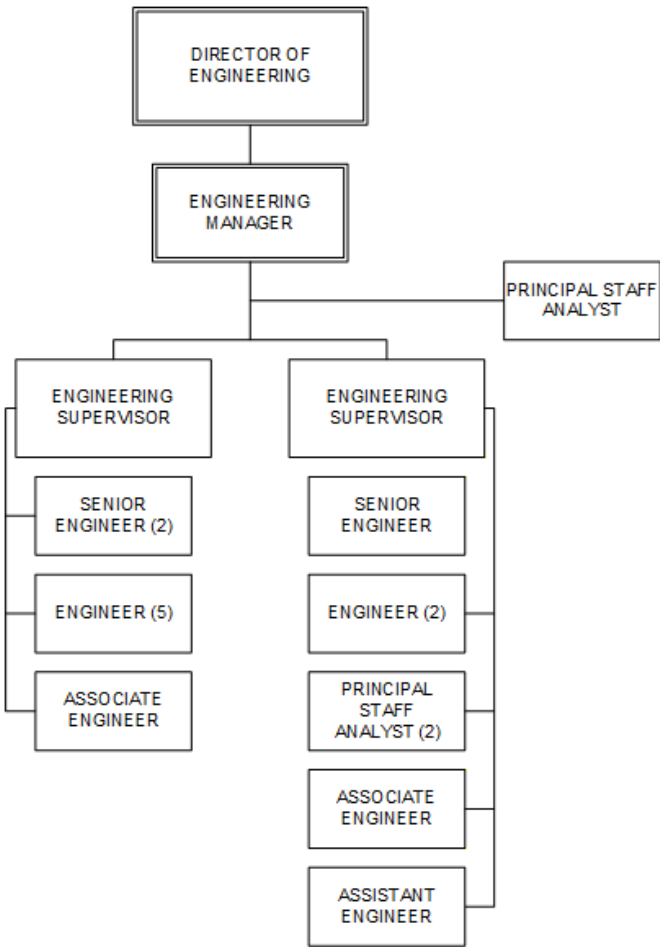
The FY 2026-27 & FY 2027-28 budgets for the Engineering Administration Division reflect a increase of 9% and an increase of 4% over the prior year, respectively. The FY 2026-27 and FY 2027-28 increases are primarily due to personnel expenses.

2025-26 Adjusted Budget - Total Operating Requirements	\$ 681,788
Salaries for Position Changes: Transfer of Positions from/(to) Other Divisions New or (decreased) FTE	- -
Changes in Personnel Expenses: Other net salary adjustments (MOU-related, leave payoffs, vacancy, etc.) Change in OCERS retirement costs Change in group insurance costs Other benefit cost adjustments	60,624 7,169 2,086 143
Other Cost Adjustments: Change in legal services	(10,000)
Aggregate change in Other Categories: Aggregate change in other materials, supplies, and services	625
2026-27 Proposed Budget - Total Operating Requirements	\$ 742,435
Changes in Personnel Expenses: Net salary adjustments (MOU-related, leave payoffs, vacancy, etc.) Change in OCERS retirement costs Change in group insurance costs Other benefit cost adjustments	20,421 3,256 2,123 150
Other Cost Adjustments: Change in trainings & meetings	225
Aggregate change in Other Categories: Aggregate change in other materials, supplies, and services	1
2027-28 Proposed Budget - Total Operating Requirements	\$ 768,611

Operating Expense by Category	2024-25 Actual	2025-26 Budget	2025-26 Projected	2026-27 Proposed	Budget % Change to 2025-26	2027-28 Proposed	Budget % Change to 2026-27
Personnel	\$ 671,426	\$ 659,758	\$ 709,553	\$ 729,780	10.61%	\$ 755,731	3.56%
Supplies	3,117	1,950	1,150	2,575	32.05%	2,800	8.74%
Professional & Contractual Services	4,254	20,000	2,000	10,000	(50.00%)	10,000	-
Research & Monitoring	-	-	-	-	-	-	-
Repairs & Maintenance	-	-	-	-	-	-	-
Utilities	-	-	-	-	-	-	-
Other	67	80	80	80	-	80	-
Total	\$ 678,864	\$ 681,788	\$ 712,783	\$ 742,435	8.90%	\$ 768,611	3.53%

Expenditure Trends

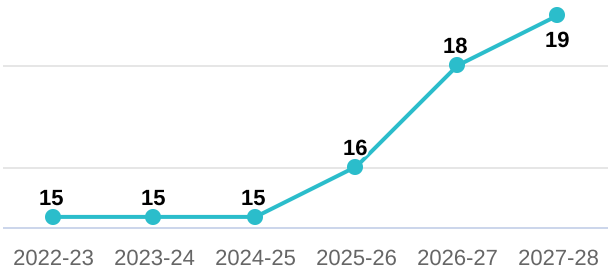




FY 26-27 & FY 27-28 Authorized FTE Positions

	2026-27	2027-28
Managers	1	1
Supervisors / Professionals	17	18
Total	18	19

Staffing Trends



Service Description

The mission of the division is to provide asset management and maintain a long-term Capital Improvement Program (CIP) to ensure availability of adequate, reliable, and cost-effective infrastructure, while protecting the environment and addressing growth within our service area. The Planning Division also establishes partnerships with the public and private sectors to resolve complex issues; has a mission to research new technologies and treatment processes; and reviews and processes connection permits; utility requests, annexations, and inter-agency agreements in an expeditious manner to best serve the public. The division also handles real estate matters, including easements, acquisitions, legal issues, property assessments, and overall property management.

2025-26 Performance Objectives

Ensure the division's expenditures are managed to 90-100% of proposed budget.
Respond to 100% of environmental correspondence within 45 days.
Respond to utility requests within five business days of receipt.

2025-26 Performance Results

Projected to be 98%.
Achieved.
Achieved.

2026-27 & 2027-28 Performance Objectives

Ensure the division's expenditures are managed to 90-100% of proposed budget.
Respond to 100% of environmental correspondence within 45 days.
Respond to utility requests within 5 business days of receipt.

Performance Measures

Summary	2024-25 Actual	2025-26 Projected	2026-27 Proposed	2027-28 Proposed	Justification
Manage division budget	104%	98%	90-100%	90-100%	Division Workplan
Respond to environmental correspondence	Achieved	Planned	Planned	Planned	Division Workplan
Respond to utility requests	Achieved	Planned	Planned	Planned	Division Workplan

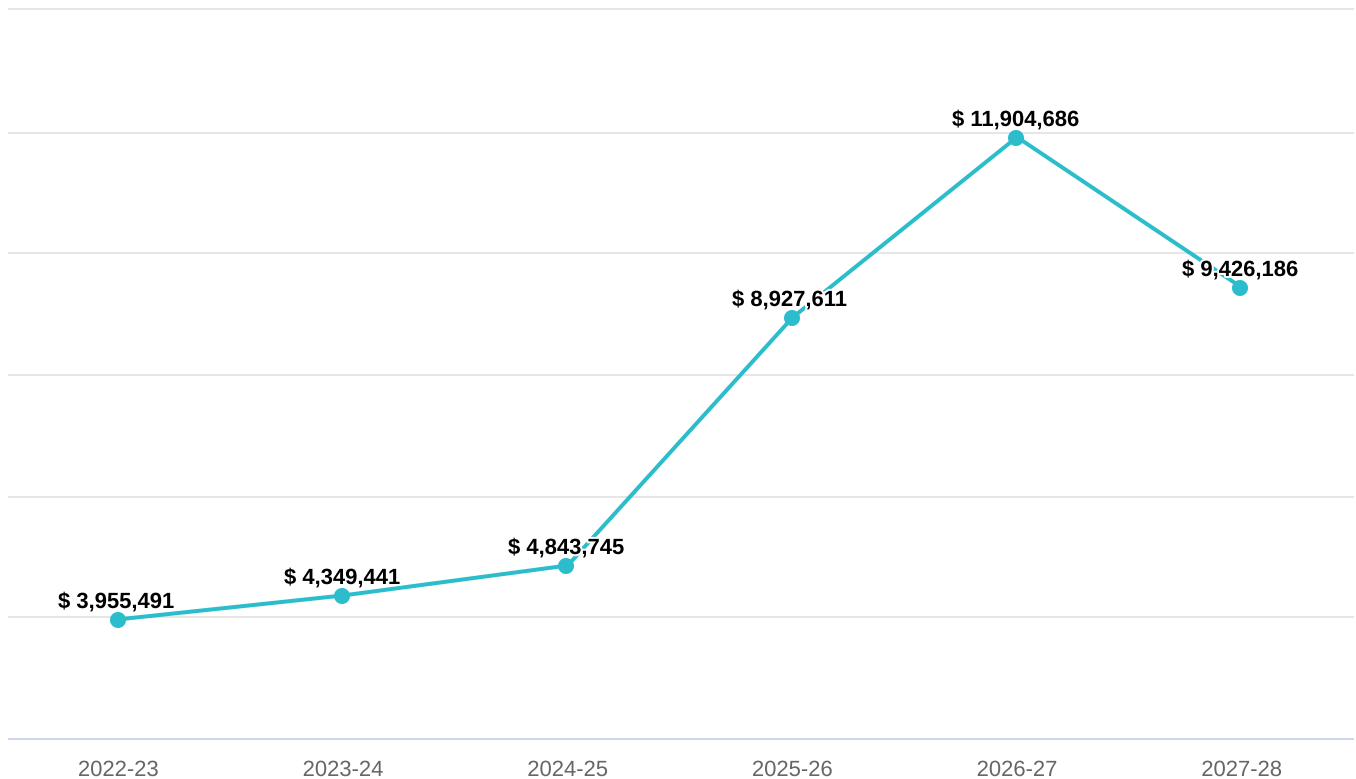
Budget Overview

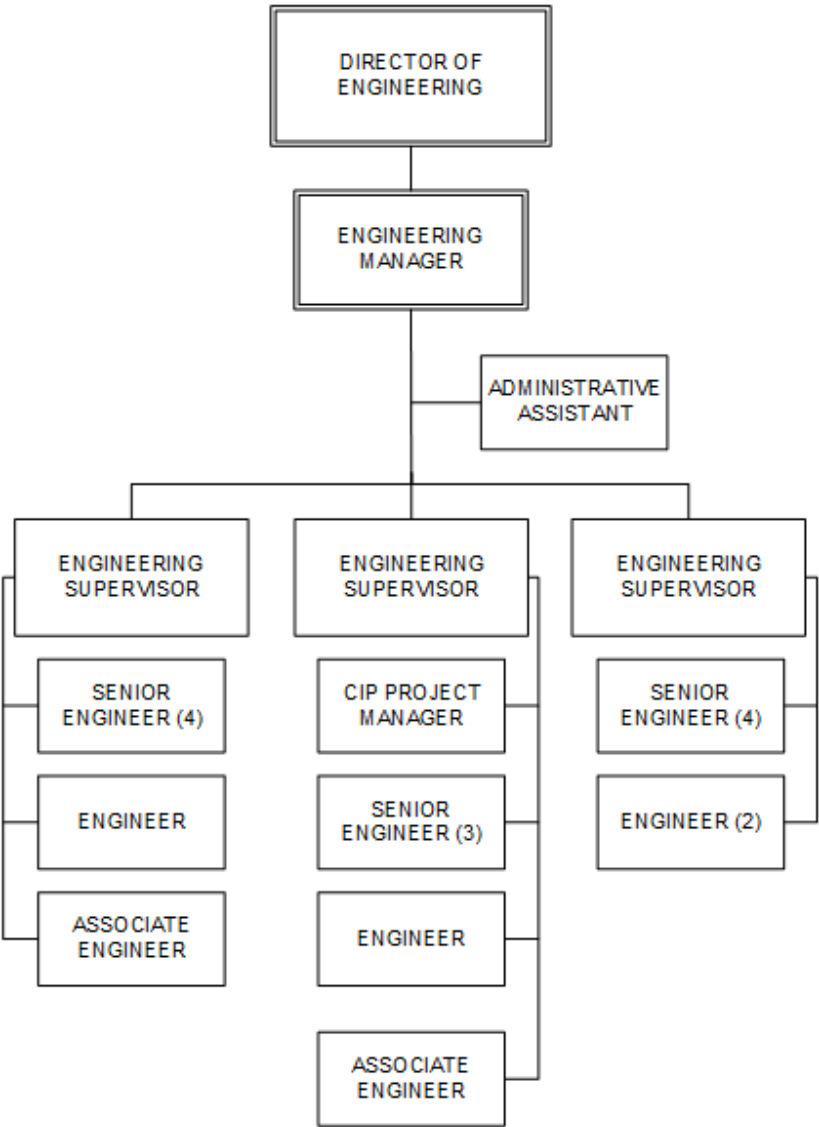
The FY 2026-27 & FY 2027-28 budgets for the Planning Division reflect an increase of 33% and an decrease of 21% over the prior year, respectively. The FY 2026-27 increase is primarily due to an the tranfer of real property staff and service from the Civil Facilities Maintenance division, and the transfer of feasibility studies from the capital budget to the operating budget. The FY 2027-28 decrease is primarily due to decrease in feasibility studies.

2025-26 Adjusted Budget - Total Operating Requirements	\$ 8,927,611
Salaries for Position Changes: Transfer of Positions from/(to) Other Divisions New or (decreased) FTE	1 1
Changes in Personnel Expenses: Other net salary adjustments (MOU-related, leave payoffs, vacancy, etc.) Change in OCERS retirement costs Change in group insurance costs Other benefit cost adjustments	500,519 36,604 56,957 11,299
Other Cost Adjustments: Change in professional services Change in feasibility studies Change in contractual services	1,050,000 1,249,889 50,000
Aggregate change in Other Categories: Aggregate change in other materials, supplies, and services	21,807
2026-27 Proposed Budget - Total Operating Requirements	\$ 11,904,686
Changes in Personnel Expenses: Net salary adjustments (MOU-related, leave payoffs, vacancy, etc.) Change in OCERS retirement costs Change in group insurance costs Other benefit cost adjustments	296,934 33,419 40,331 2,934
Other Cost Adjustments: Change in professional services Change in feasibility studies Change in contractual services	(200,000) (2,711,834) 50,000
Aggregate change in Other Categories: Aggregate change in other materials, supplies, and services	9,716
2027-28 Proposed Budget - Total Operating Requirements	\$ 9,426,186

Operating Expense by Category	2024-25 Actual	2025-26 Budget	2025-26 Projected	2026-27 Proposed	Budget % Change to 2025-26	2027-28 Proposed	Budget % Change to 2026-27
Personnel	\$ 3,438,436	\$ 3,566,404	\$ 3,428,063	\$ 4,171,783	16.97%	\$ 4,545,401	8.96%
Supplies	132,233	135,150	132,503	156,877	16.08%	166,553	6.17%
Professional & Contractual Services	1,316,317	1,450,000	1,425,000	2,550,000	75.86%	2,400,000	(5.88%)
Research & Monitoring	-	-	-	-	-	-	-
Repairs & Maintenance	(44,038)	-	1	-	-	-	-
Utilities	-	-	-	-	-	-	-
Other	797	3,776,057	3,776,057	5,026,026	33.10%	2,314,232	(53.96%)
Total	\$ 4,843,745	\$ 8,927,611	\$ 8,761,624	\$ 11,904,686	33.35%	\$ 9,426,186	(20.82%)

Expenditure Trends

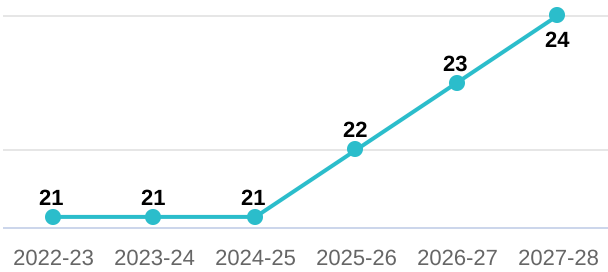




FY 26-27 & FY 27-28 Authorized FTE Positions

	2026-27	2027-28
Managers	1	1
Supervisors / Professionals	21	22
Administrative & Clerical	1	1
Total	23	24

Staffing Trends



Service Description

The mission of the division is to timely deliver high quality, reliable, and cost-effective projects to enable OC San to meet all treatment and regulatory goals.

2025-26 Performance Objectives

Ensure the division's expenditures are managed to 90-100% of proposed budget.
Expend 85-105% of budgeted net CIP outlay.
Maintain or improve CIP program non-construction cost for active projects at 35% or less.

2025-26 Performance Results

Projected to be 115%.
Projected to be 119-126%.
Projected to be 32.4%.

2026-27 & 2027-28 Performance Objectives

Ensure the division's expenditures are managed to 90-100% of proposed budget.
Expend 85-105% of budgeted net CIP outlay.
Maintain or improve CIP program non-construction costs for active projects at 35% or less.

Performance Measures

Summary	2024-25 Actual	2025-26 Projected	2026-27 Proposed	2027-28 Proposed	Justification
Manage division budget	101%	115%	90-100%	90-100%	Division Workplan
Net CIP outlay	102%	119-...	85-105%	85-105%	Division Workplan
Non-construction costs	32.4%	<35%	<35%	<35%	Division Workplan

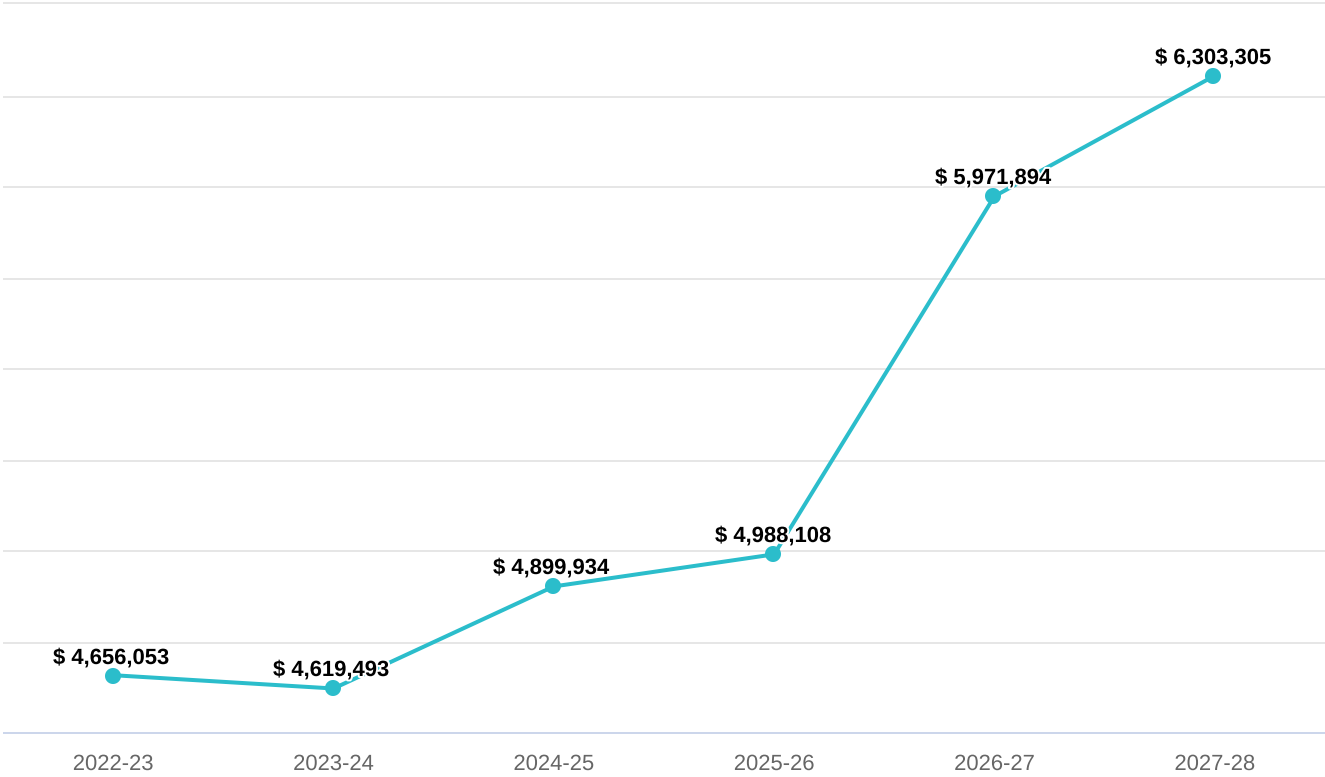
Budget Overview

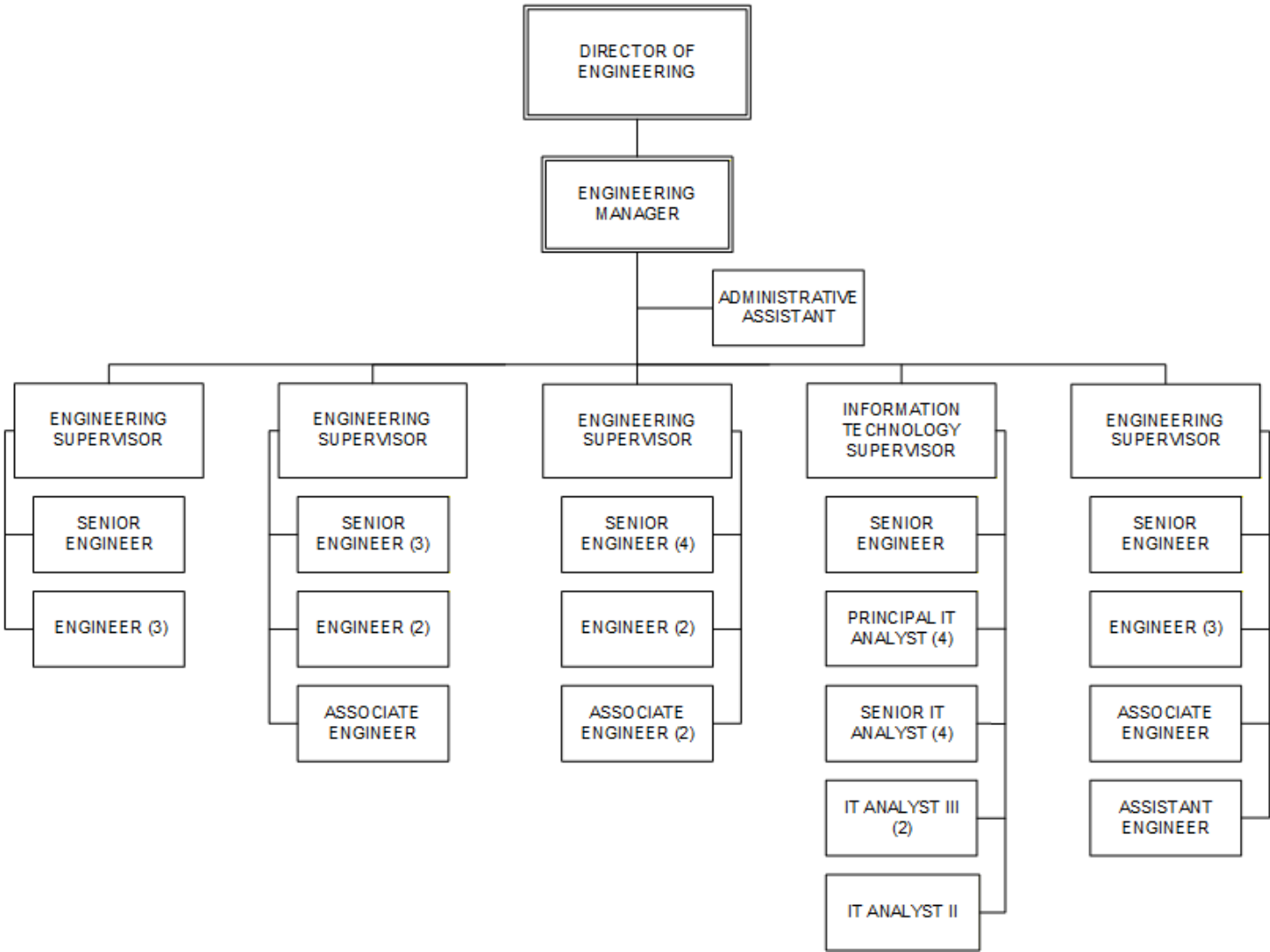
The FY 2026-27 & FY 2027-28 budgets for the Project Management Office Division reflect an increase of 20% and an increase of 6% over the prior year, respectively. The FY 2026-27 increase is primarily due to an increase in personnel expenses and professional engineering services. The FY 2027-28 increase is primarily due to personnel expenses.

2025-26 Adjusted Budget - Total Operating Requirements	\$ 4,988,108
Salaries for Position Changes: Transfer of Positions from/(to) Other Divisions New or (decreased) FTE	 - 1
Changes in Personnel Expenses: Other net salary adjustments (MOU-related, leave payoffs, vacancy, etc.) Change in OCERS retirement costs Change in group insurance costs Other benefit cost adjustments	 522,491 (4,510) 62,992 6,710
Other Cost Adjustments: Change in training & meetings Change in professional engineering services	 13,360 380,000
Aggregate change in Other Categories: Aggregate change in other materials, supplies, and services	 2,743
2026-27 Proposed Budget - Total Operating Requirements	\$ 5,971,894
Changes in Personnel Expenses: Net salary adjustments (MOU-related, leave payoffs, vacancy, etc.) Change in OCERS retirement costs Change in group insurance costs Other benefit cost adjustments	 327,180 33,737 45,296 3,310
Other Cost Adjustments: Change in professional engineering services	 (80,000)
Aggregate change in Other Categories: Aggregate change in other materials, supplies, and services	 1,888
2027-28 Proposed Budget - Total Operating Requirements	\$ 6,303,305

Operating Expense by Category	2024-25 Actual	2025-26 Budget	2025-26 Projected	2026-27 Proposed	Budget % Change to 2025-26	2027-28 Proposed	Budget % Change to 2026-27
Personnel	\$ 4,823,437	\$ 4,959,282	\$ 5,088,790	\$ 5,546,964	11.85%	\$ 5,956,488	7.38%
Supplies	26,632	27,986	32,173	43,850	56.69%	45,697	4.21%
Professional & Contractual Services	49,000	-	-	380,000	-	300,000	(21.05%)
Research & Monitoring	-	-	-	-	-	-	-
Repairs & Maintenance	-	-	-	-	-	-	-
Utilities	-	-	-	-	-	-	-
Other	865	840	880	1,080	28.57%	1,120	3.70%
Total	\$ 4,899,934	\$ 4,988,108	\$ 5,121,843	\$ 5,971,894	19.72%	\$ 6,303,305	5.55%

Expenditure Trends

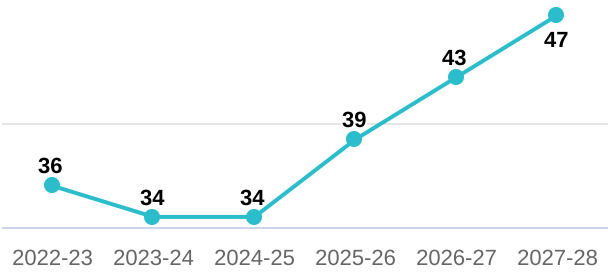




FY 26-27 & FY 27-28 Authorized FTE Positions

	2026-27	2027-28
Managers	1	1
Supervisors / Professionals	41	45
Administrative & Clerical	1	1
Total	43	47

Staffing Trends



Service Description

The mission of the division is to ensure that all projects are designed to be maintainable, operable, reliable, and affordable at optimum lifecycle costs in accordance with OC San’s Engineering Design Guidelines and industry standards and codes. This division provides construction support services and oversees commissioning to ensure projects conform with the contract documents. The division also provides control systems that are highly reliable, safe, secure, and available to monitor, record, control, and operate our facilities.

2025-26 Performance Objectives	2025-26 Performance Results
Ensure the division's expenditures are managed to 90-100% of proposed budget.	Projected to be 93%.
Update 12 standards and design guidelines.	Projected to update 25 standards and guidelines.
Ensure mission critical real-time control systems are online and available > 99.9%.	Projected to be >99.9%.
Complete control system programming prior to functional acceptance testing.	Projected to be 100%.

2026-27 & 2027-28 Performance Objectives
Ensure the division's expenditures are managed to 90-100% of proposed budget.
Update 12 standards and design guidelines.
Ensure mission critical real-time control systems are online and available > 99.9%.
Complete control system programming prior to functional acceptance testing.

Performance Measures					
Summary	2024-25 Actual	2025-26 Projected	2026-27 Proposed	2027-28 Proposed	Justification
Manage division budget	54%	93%	90-100%	90-100%	Division Workplan
Update standards and guidelines	25	25	12	12	Division Workplan
Control systems availability	Achieved	Planned	Planned	Planned	Division Workplan
Complete control system programming	Achieved	Planned	Planned	Planned	Division Workplan

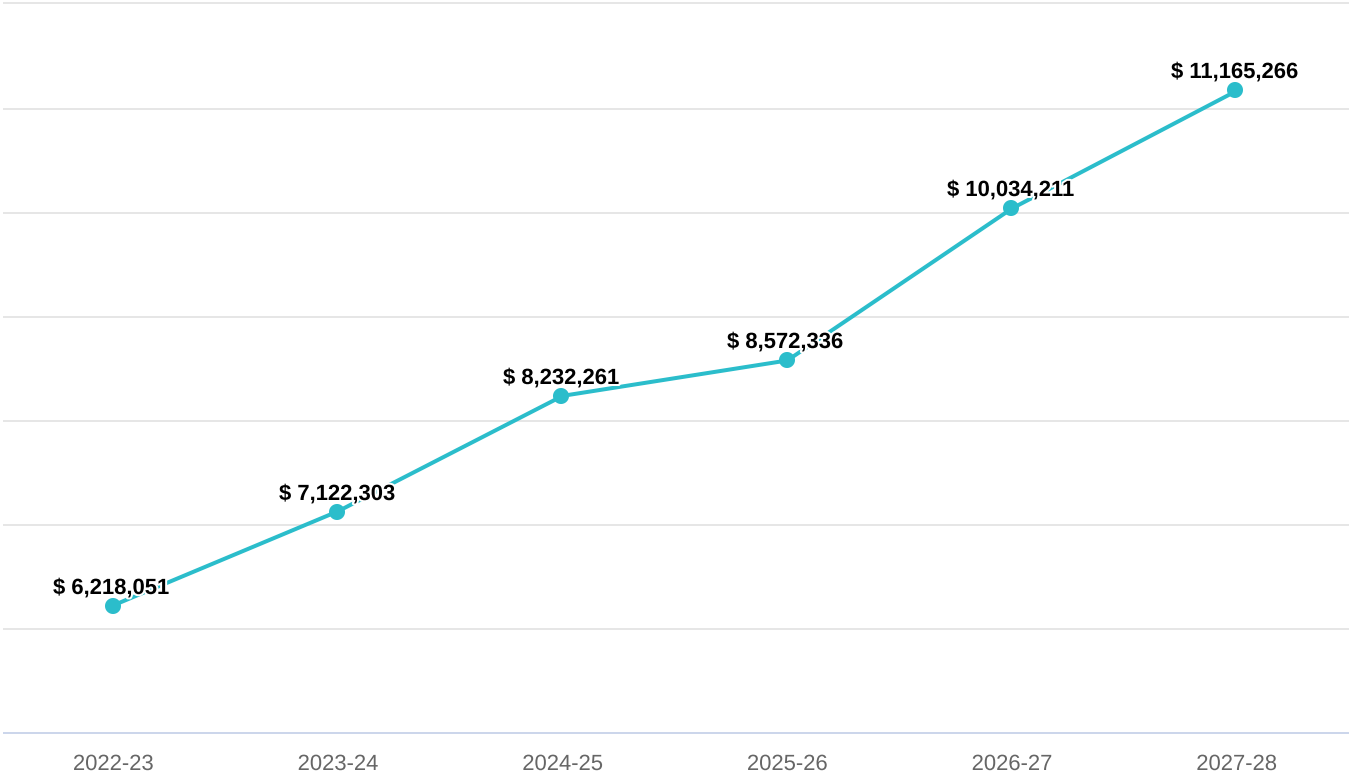
Budget Overview

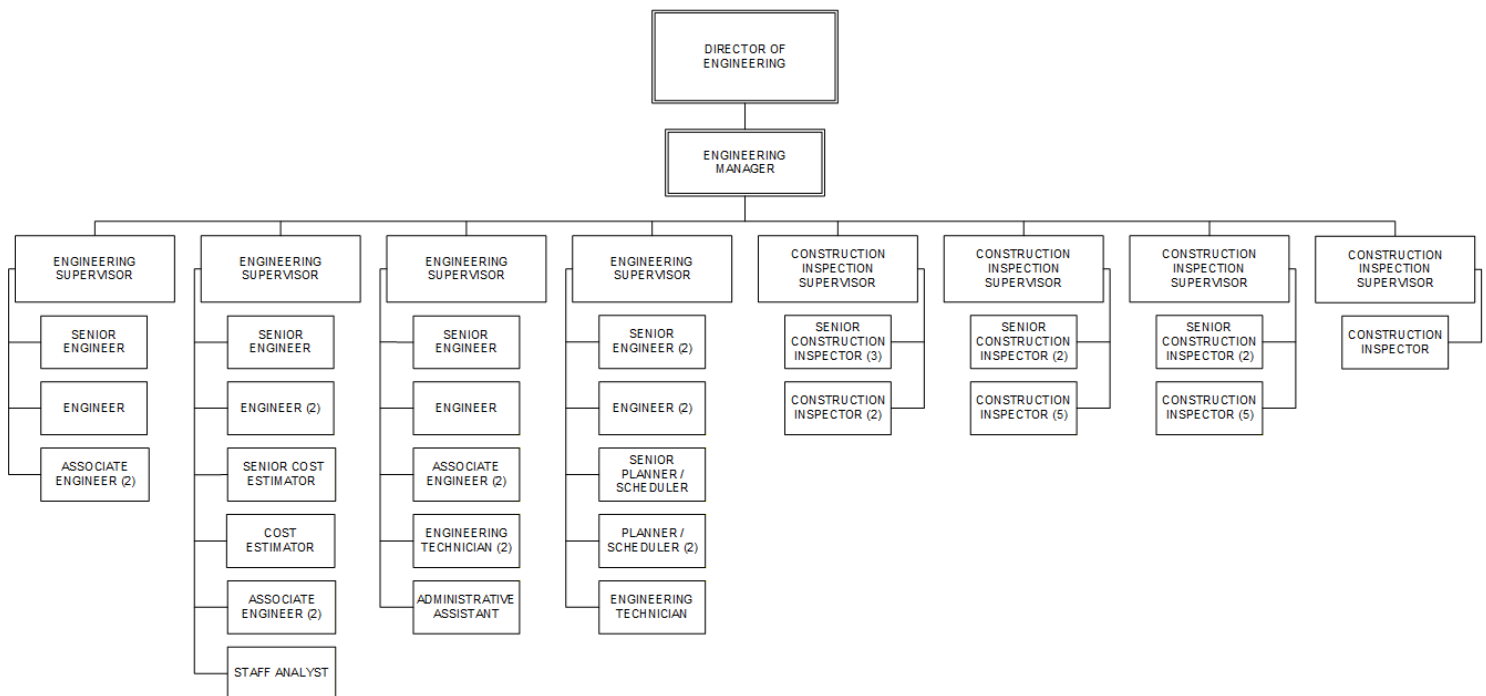
The FY 2026-27 & FY 2027-28 budgets for the Design Division reflect an increase of 17% and an increase of 11% over the prior year, respectively. The FY 2026-27 and FY 2027-28 increases are primarily due to personnel expenses.

2025-26 Adjusted Budget - Total Operating Requirements	\$ 8,572,336
Salaries for Position Changes: Transfer of Positions from/(to) Other Divisions New or (decreased) FTE	- 4
Changes in Personnel Expenses: Other net salary adjustments (MOU-related, leave payoffs, vacancy, etc.) Change in OCERS retirement costs Change in group insurance costs Other benefit cost adjustments	1,229,265 71,361 160,747 13,332
Other Cost Adjustments: Change in training & meetings Change in engineering services Change in software program consulting Change in small tools expense	(13,977) (40,000) 28,000 14,750
Aggregate change in Other Categories: Aggregate change in other materials, supplies, and services	(1,603)
2026-27 Proposed Budget - Total Operating Requirements	\$ 10,034,211
Changes in Personnel Expenses: Net salary adjustments (MOU-related, leave payoffs, vacancy, etc.) Change in OCERS retirement costs Change in group insurance costs Other benefit cost adjustments	940,677 106,941 131,138 9,555
Other Cost Adjustments: Change in training & meetings Change in software program consulting	(4,778) (45,000)
Aggregate change in Other Categories: Aggregate change in other materials, supplies, and services	(7,478)
2027-28 Proposed Budget - Total Operating Requirements	\$ 11,165,266

Operating Expense by Category	2024-25 Actual	2025-26 Budget	2025-26 Projected	2026-27 Proposed	Budget % Change to 2025-26	2027-28 Proposed	Budget % Change to 2026-27
Personnel	\$ 8,015,097	\$ 8,119,286	\$ 7,938,640	\$ 9,593,992	18.16%	\$ 10,782,303	12.39%
Supplies	44,598	150,070	147,600	149,999	(0.05%)	137,583	(8.28%)
Professional & Contractual Services	169,889	300,000	222,000	288,000	(4.00%)	243,000	(15.63%)
Research & Monitoring	-	-	-	-	-	-	-
Repairs & Maintenance	1,244	1,500	500	500	(66.67%)	500	-
Utilities	-	-	-	-	-	-	-
Other	1,434	1,480	1,480	1,720	16.22%	1,880	9.30%
Total	\$ 8,232,261	\$ 8,572,336	\$ 8,310,220	\$ 10,034,211	17.05%	\$ 11,165,266	11.27%

Expenditure Trends

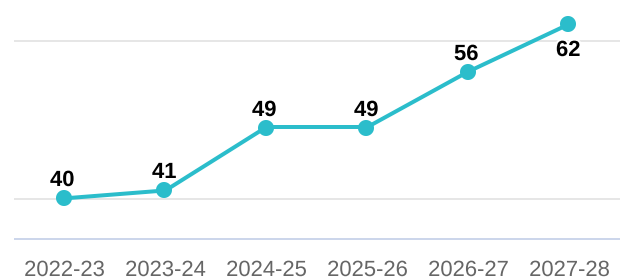




FY 26-27 & FY 27-28 Authorized FTE Positions

	2026-27	2027-28
Managers	1	1
Supervisors / Professionals	31	34
Administrative & Clerical	24	27
Total	56	62

Staffing Trends



Service Description

To deliver world-class engineering projects by providing construction management services that ensure OC San's Capital Improvement Program, facilities engineering, and facility repair projects are safely constructed in accordance with all applicable construction and engineering codes and standards and in compliance with the contract documents.

2025-26 Performance Objectives

Ensure the division's budget expenditures are managed to 90-100% of proposed budget.
Maintain a Change Order Management Plan goal of 10% for Collections projects.
Maintain a Change Order Management Plan goal of 8% for Plant rehabilitation projects.
Maintain a Change Order Management Plan goal of 5% for Plant new/replacement projects.
No spills or odor incidents related to construction projects.

2025-26 Performance Results

Projected to be 90%.
9.4% as of Dec. 31, 2025
7.1% as of Dec. 31, 2025
4.0% as of Dec. 31, 2025.
Achieved.

2026-27 & 2027-28 Performance Objectives

Ensure the division's expenditures are managed to 90-100% of proposed budget.
Maintain a Change Order Management Plan goal of 10% for Collections projects.
Maintain a Change Order Management Plan goal of 8% for Plant rehabilitation projects.
Maintain a Change Order Management Plan goal of 5% for Plant new/replacement projects.
No spills or odor incidents related to construction projects.

Performance Measures

Summary	2024-25 Actual	2025-26 Projected	2026-27 Proposed	2027-28 Proposed	Justification
Manage division budget	93%	90%	90-100%	90-100%	Division Workplan
Collections change order rate	9.4%	<10%	<10%	<10%	Division Workplan
Plant rehab change order rate	7.1%	<8%	<8%	<8%	Division Workplan
Plant new change order rate	4.0%	<5%	<5%	<5%	Division Workplan
No spills or odor incidents	Achieved	Planned	Planned	Planned	Level of Services

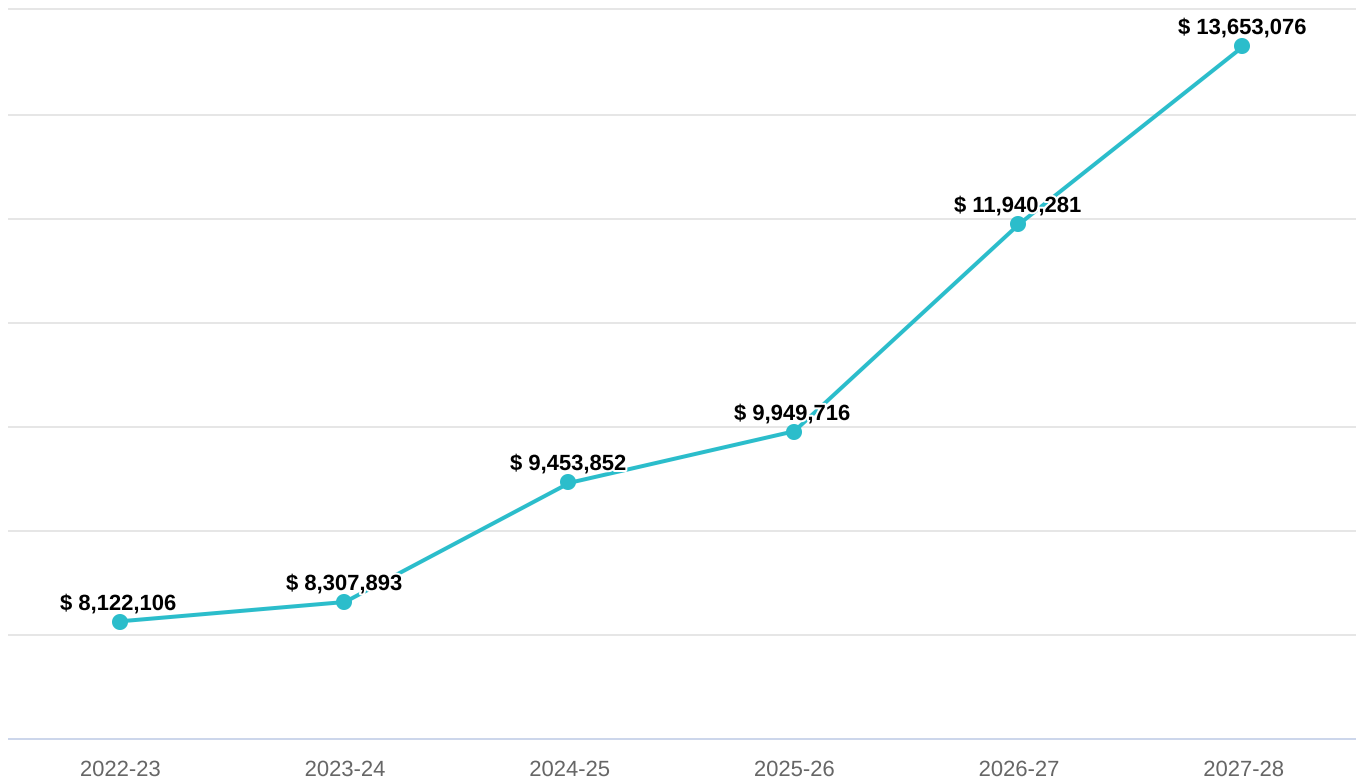
Budget Overview

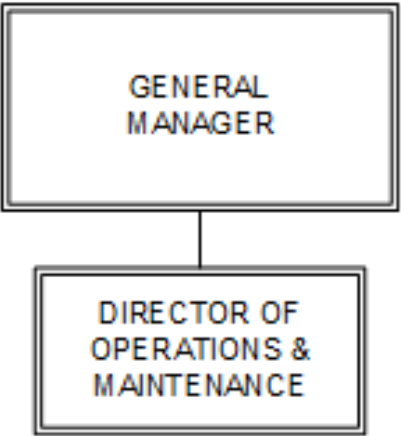
The FY 2026-27 & FY 2027-28 budgets for the Construction Management Division reflect an increase of 20% and an increase of 14% over the prior year, respectively. The FY 2026-27 and FY 2027-28 increases are primarily due to personnel expenses.

2025-26 Adjusted Budget - Total Operating Requirements	\$ 9,949,716
Salaries for Position Changes: Transfer of Positions from/(to) Other Divisions New or (decreased) FTE	- 7
Changes in Personnel Expenses: Other net salary adjustments (MOU-related, leave payoffs, vacancy, etc.) Change in OCERS retirement costs Change in group insurance costs Other benefit cost adjustments	1,719,231 54,418 209,622 17,753
Other Cost Adjustments: Change in administrative expenses Change in safety equipment & tools Change in training & meetings	2,546 8,000 (19,175)
Aggregate change in Other Categories: Aggregate change in other materials, supplies, and services	(1,830)
2026-27 Proposed Budget - Total Operating Requirements	\$ 11,940,281
Changes in Personnel Expenses: Net salary adjustments (MOU-related, leave payoffs, vacancy, etc.) Change in OCERS retirement costs Change in group insurance costs Other benefit cost adjustments	1,370,624 127,324 186,889 13,692
Other Cost Adjustments: Change in postage Change in training & meetings	1,100 11,800
Aggregate change in Other Categories: Aggregate change in other materials, supplies, and services	1,366
2027-28 Proposed Budget - Total Operating Requirements	\$ 13,653,076

Operating Expense by Category	2024-25 Actual	2025-26 Budget	2025-26 Projected	2026-27 Proposed	Budget % Change to 2025-26	2027-28 Proposed	Budget % Change to 2026-27
Personnel	\$ 9,349,003	\$ 9,829,002	\$ 9,830,159	\$ 11,830,026	20.36%	\$ 13,528,556	14.36%
Supplies	100,193	118,644	72,020	106,715	(10.05%)	120,740	13.14%
Professional & Contractual Services	1,342	-	-	-	-	-	-
Research & Monitoring	-	-	-	-	-	-	-
Repairs & Maintenance	1,192	110	1,000	1,500	1,263.64%	1,500	-
Utilities	-	-	-	-	-	-	-
Other	2,123	1,960	1,960	2,040	4.08%	2,280	11.76%
Total	\$ 9,453,852	\$ 9,949,716	\$ 9,905,139	\$ 11,940,281	20.01%	\$ 13,653,076	14.34%

Expenditure Trends

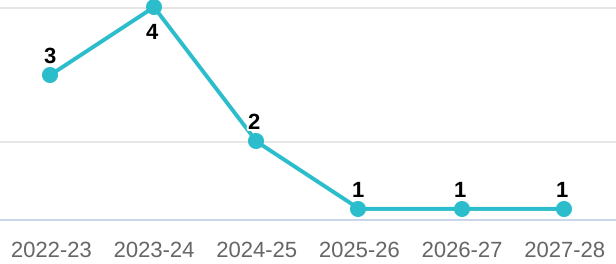




FY 26-27 & FY 27-28 Authorized FTE Positions

	2026-27	2027-28
Executive Managers	1	1
Total	1	1

Staffing Trends



Operations and Maintenance Administration

Service Description

The mission of the Operations and Maintenance Administration Division is to provide leadership and support, as well as management oversight and development of the department. Rate payer owned facilities and assets managed by the O&M Divisions have a replacement value that exceeds \$17 billion. The Director, as a member of the Executive Management Team, provides counsel and expertise in developing the necessary strategies to maintain alignment with OC San's Strategic Plan, Levels of Service, and annual divisional work plans. The Director and staff also proactively network with OC San member cities, sewer agencies and regional regulators on operational issues.

2025-26 Performance Objectives

Achieve 100% compliance with water, solids, air, and energy permits and regulatory requirements.

Achieve 100% compliance level of 90 - 100% of the Levels of Service targets.

Manage operating expenditures to within 96 - 100% of approved budget for the Department.

2025-26 Performance Results

Achieved 100% compliance with water, solids, air, and energy permits and regulatory requirements.

Achieved 100% compliance level of 90 - 100% of the Levels of Service targets.

Managed operating expenditures to 100% of approved budget for the Department.

2026-27 & 2027-28 Performance Objectives

Achieve zero enforceable compliance actions for water, solids, and air requirements.

Manage operating expenditures to within 96 to 100% of approved budget.

Achieve greater than 95% compliance with the safety scorecard.

Performance Measures

Summary	2024-25 Actual	2025-26 Projected	2026-27 Proposed	2027-28 Proposed	Justification
Compliance with Permits & Regulatory Requirements	Achieved	Achieved	Planned	Planned	OC San Standards
Levels of Service Compliance	Achieved	Achieved	Planned	Planned	Strategic Plan
Manage Budget	Achieved	Achieved	Planned	Planned	Board Approved

Operations and Maintenance Administration

Budget Overview

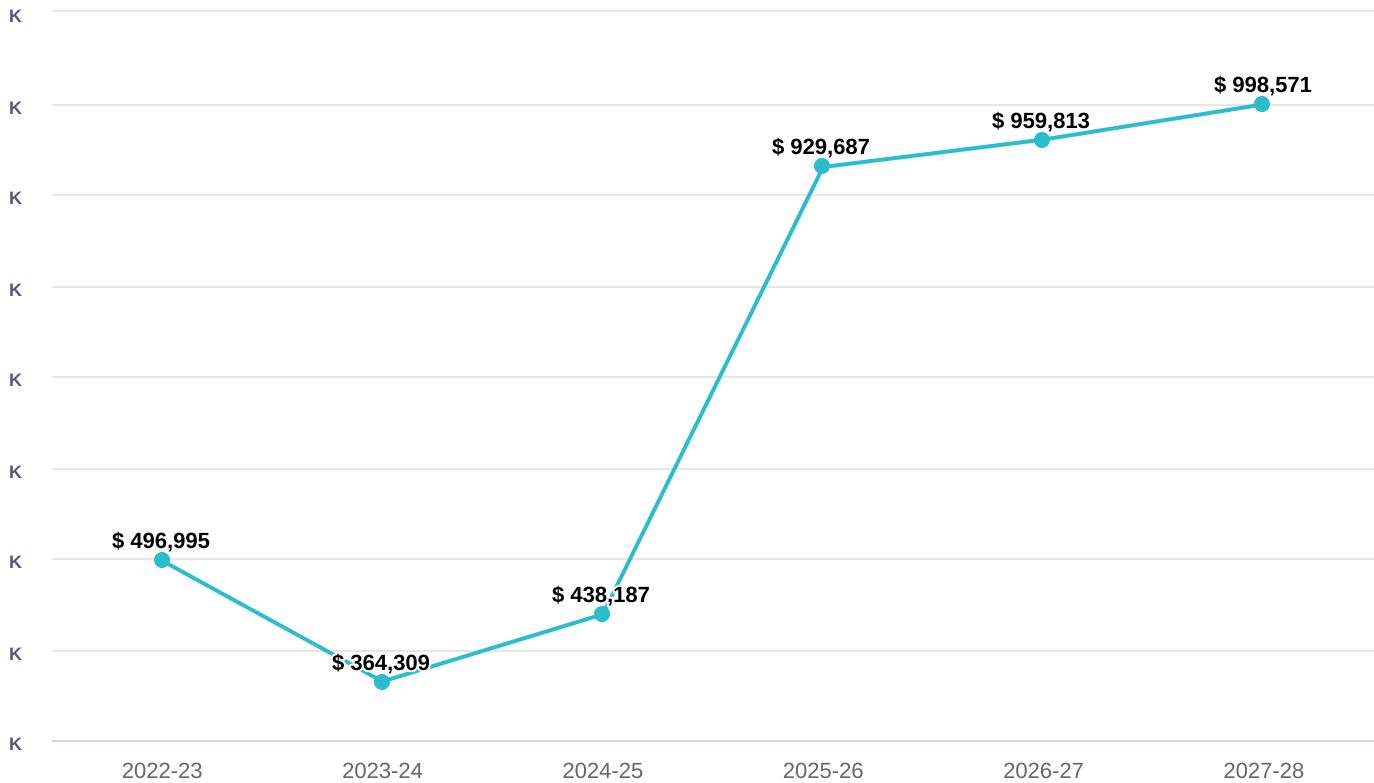
The FY 2026-27 & FY 2027-28 budgets for the Operations and Maintenance Administration Division reflect a increase of 3% and an increase of 4% over the prior year, respectively. The FY 2026-27 and FY 2027-28 increases are primarily due to personnel expenses.

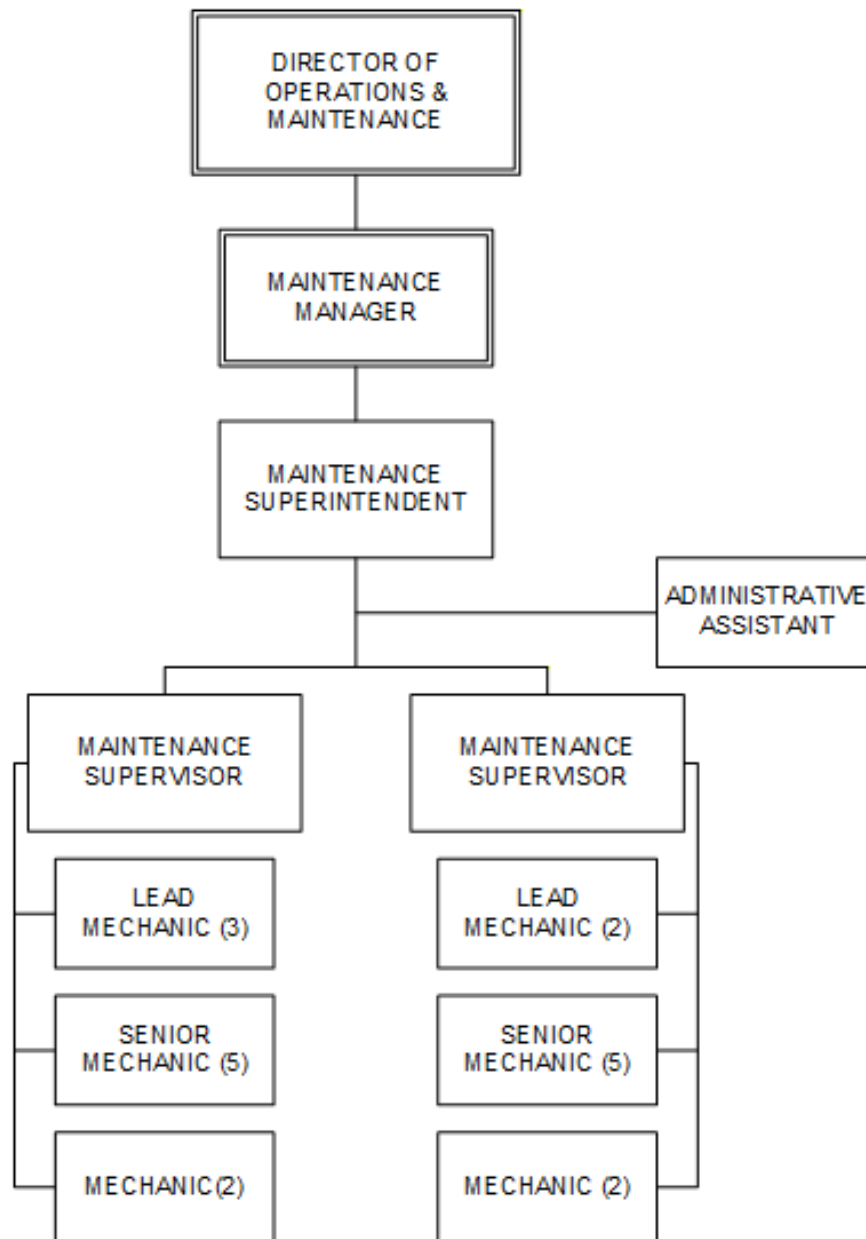
2025-26 Adjusted Budget - Total Operating Requirements	\$ 929,687
Salaries for Position Changes: Transfer of Positions from/(to) Other Divisions New or (decreased) FTE	- -
Changes in Personnel Expenses: Other net salary adjustments (MOU-related, leave payoffs, vacancy, etc.) Change in OCERS retirement costs Change in group insurance costs Other benefit cost adjustments	71,872 (30,244) 1,104 71
Other Cost Adjustments: Change in legal services	(10,500)
Aggregate change in Other Categories: Aggregate change in other materials, supplies, and services	(2,177)
2026-27 Proposed Budget - Total Operating Requirements	\$ 959,813
Changes in Personnel Expenses: Net salary adjustments (MOU-related, leave payoffs, vacancy, etc.) Change in OCERS retirement costs Change in group insurance costs Other benefit cost adjustments	(9,283) 43,097 1,068 75
Other Cost Adjustments: Change in legal services Change in trainings & meetings	2,000 1,800
Aggregate change in Other Categories: Aggregate change in other materials, supplies, and services	1
2027-28 Proposed Budget - Total Operating Requirements	\$ 998,571

Operations and Maintenance Administration

Operating Expense by Category	2024-25 Actual	2025-26 Budget	2025-26 Projected	2026-27 Proposed	Budget % Change to 2025-26	2027-28 Proposed	Budget % Change to 2026-27
Personnel	\$ 426,016	\$ 892,191	\$ 469,998	\$ 934,994	4.80%	\$ 969,952	3.74%
Supplies	147	4,916	2,706	2,739	(44.29%)	4,539	65.72%
Professional & Contractual Services	12,025	32,500	20,000	22,000	(32.31%)	24,000	9.09%
Research & Monitoring	-	-	-	-	-	-	-
Repairs & Maintenance	-	-	-	-	-	-	-
Utilities	-	-	-	-	-	-	-
Other	-	80	80	80	-	80	-
Total	\$ 438,187	\$ 929,687	\$ 492,784	\$ 959,813	3.24%	\$ 998,571	4.04%

Expenditure Trends

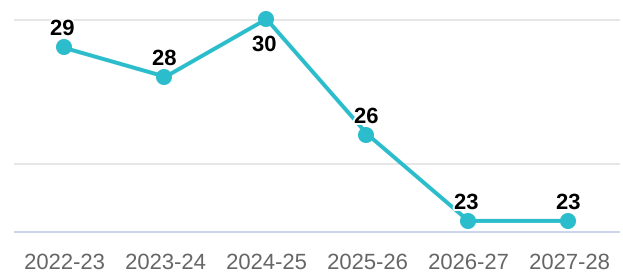




FY 26-27 & FY 27-28 Authorized FTE Positions

	2026-27	2027-28
Managers	1	1
Supervisors / Professionals	2	2
Operations & Maintenance	19	19
Administrative & Clerical	1	1
Total	23	23

Staffing Trends



Collections Facilities Operations and Maintenance

Service Description

The mission of OC San's Collections Division is to safely, reliably, and cost-effectively operate and maintain the regional sewer collection system, including gravity and pressure pipelines, pump stations, and force mains, to meet all regulatory requirements and protect the land, air, and water environments of Orange County and the 2.6 million residents we serve. The division provides proactive maintenance, emergency response, and Dig Alert support to ensure system reliability, minimize spills and service disruptions, and deliver efficient, compliant, and high-quality service.

2025-26 Performance Objectives

Achieve 100% compliance with water, solids, air, and energy permits and regulatory requirements.
Achieve 100% compliance level of 90 - 100% of the Levels of Service targets.
Manage operating expenditures to within 96 - 100% of approved budget.
Achieve greater than 95% compliance with the safety scorecard

2025-26 Performance Results

Achieved zero enforceable compliance actions for water, solids, and air requirements.
Achieved 100% compliance level of the Levels of Service targets.
Managed operating expenditures to 100% of approved budget.
Achieved 100% compliance with the safety scorecard.

2026-27 & 2027-28 Performance Objectives

Preventable Sanitary Sewer Overflows (SSOs) - Fewer than one SSO per 100 miles, or fewer than four SSOs per year
Scheduled Maintenance Completion - At least 90% completion of all scheduled maintenance activities.
Asset Availability (Critical Systems Uptime) - >98% uptime for pumps, lift stations, and critical infrastructure.
Proactive Inspections and Assessments - Complete at least 85% of all scheduled inspections and condition assessments
Annual Training Compliance - Achieve 100% completion of required safety and environmental training

Performance Measures

Summary	2024-25 Actual	2025-26 Projected	2026-27 Proposed	2027-28 Proposed	Justification
Preventable Sanitary Sewer Overflow (SSOs)	Achieved	Achieved	Sustain	Sustain	Industry Standards
Proactive Operations and Leading Indicators	Achieved	Achieved	Sustain	Sustain	Industry Standards
Workforce Safety & Readiness	Achieved	Achieved	Sustain	Sustain	Best Practices

Collections Facilities Operations and Maintenance

Budget Overview

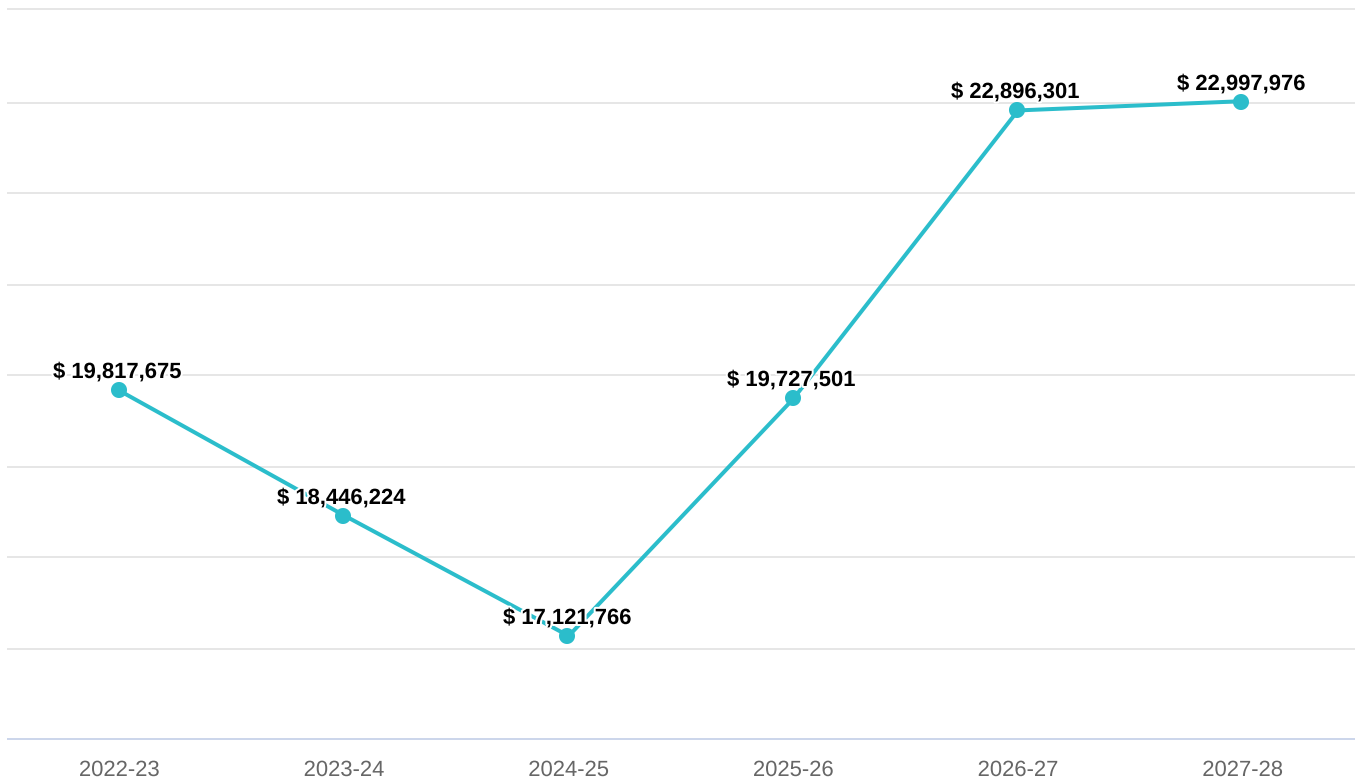
The FY 2026-27 budget for the Collection Facilities and Maintenance Division reflects an increase of 17% and remains steady for FY 2027-28. The FY 2026-27 increase is primarily due to an increase in repairs & maintenance, offset by a decrease in odor control.

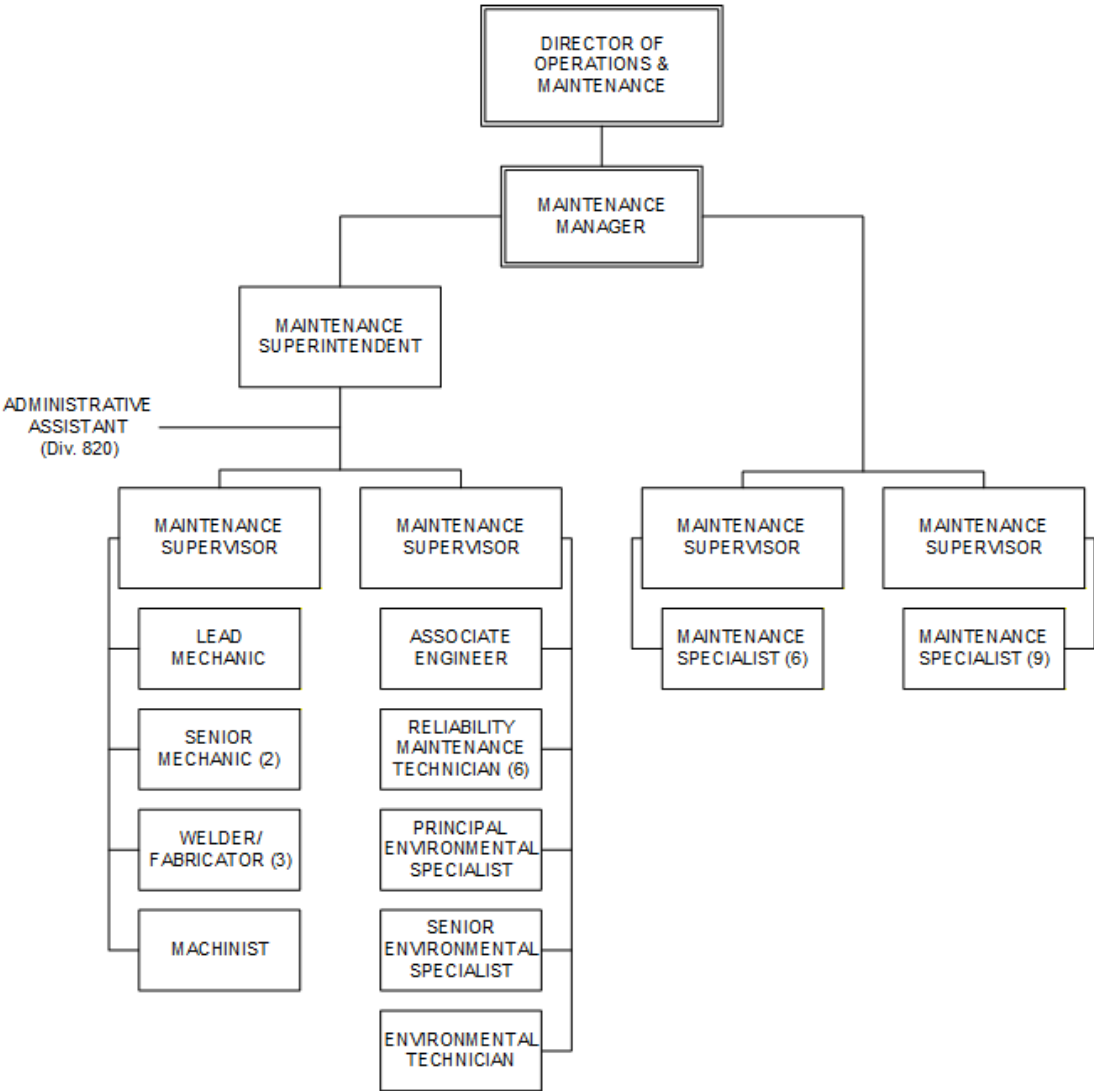
2025-26 Adjusted Budget - Total Operating Requirements	\$ 19,727,501
Salaries for Position Changes: Transfer of Positions from/(to) Other Divisions (3) New or (decreased) FTE -	
Changes in Personnel Expenses: Other net salary adjustments (MOU-related, leave payoffs, vacancy, etc.) (413,179) Change in OCERS retirement costs (80,398) Change in group insurance costs (37,808) Other benefit cost adjustments (6,765)	
Other Cost Adjustments: Change in misc. operating expenses 54,623 Change in training & meetings (48,541) Change in odor control (1,417,568) Change in tools 32,000 Change in professional services 339,512 Change in repairs & maintenance 4,632,919 Change in utilities 143,212	
Aggregate change in Other Categories: Aggregate change in other materials, supplies, and services (29,207)	
2026-27 Proposed Budget - Total Operating Requirements	\$ 22,896,301
Changes in Personnel Expenses: Net salary adjustments (MOU-related, leave payoffs, vacancy, etc.) 147,014 Change in OCERS retirement costs 19,703 Change in group insurance costs 23,480 Other benefit cost adjustments 1,730	
Other Cost Adjustments: Change in professional engineering services (73,500) Change in odor control 221,832 Change in repairs & maintenance (273,829) Change in utilities 36,393	
Aggregate change in Other Categories: Aggregate change in other materials, supplies, and services (1,148)	
2027-28 Proposed Budget - Total Operating Requirements	\$ 22,997,976

Collections Facilities Operations and Maintenance

Operating Expense by Category	2024-25 Actual	2025-26 Budget	2025-26 Projected	2026-27 Proposed	Budget % Change to 2025-26	2027-28 Proposed	Budget % Change to 2026-27
Personnel	\$ 4,256,528	\$ 4,655,683	\$ 4,125,376	\$ 4,117,534	(11.56%)	\$ 4,309,462	4.66%
Supplies	7,407,731	9,164,221	8,011,283	7,700,574	(15.97%)	7,919,384	2.84%
Professional & Contractual Services	586,867	133,838	463,827	463,600	246.39%	390,468	(15.77%)
Research & Monitoring	-	-	-	-	-	-	-
Repairs & Maintenance	3,688,366	4,630,420	4,595,000	9,263,339	100.05%	8,989,510	(2.96%)
Utilities	1,134,776	1,069,872	1,067,446	1,213,084	13.39%	1,249,477	3.00%
Other	47,498	73,467	73,467	138,170	88.07%	139,675	1.09%
Total	\$ 17,121,766	\$ 19,727,501	\$ 18,336,398	\$ 22,896,301	16.06%	\$ 22,997,976	0.44%

Expenditure Trends

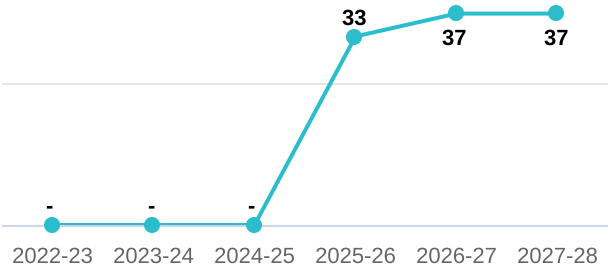




FY 26-27 & FY 27-28 Authorized FTE Positions

	2026-27	2027-28
Supervisors / Professionals	23	23
Operations & Maintenance	13	13
Technical Services	1	1
Total	37	37

Staffing Trends



Service Description

The mission of Maintenance Support Services is to provide reliable and efficient maintenance support that optimizes OC San's critical infrastructure through proactive odor control, rebuild services, coordinated shutdowns, and effective contract management. The division safeguards public health and the environment while ensuring regulatory compliance by leveraging Computer Maintenance Management System (CMMS), predictive maintenance, and engineering expertise to extend asset life, minimize downtime, and deliver high-quality service.

2025-26 Performance Objectives

Scheduled Preventive Maintenance (PM) Completion - ≥95% of scheduled PMs completed on time	On track
Reliability Work Completion Rate - ≥90% of planned reliability-focused work completed on schedule	On track
Rebuild Completion Rate - ≥90% of rebuilds completed on schedule as close to OEM specs	On track
Shutdown Coordination Execution Rate - ≥90–95% of scheduled shutdowns executed per month	On track
Odor Inspection Completion - ≥90% of odor inspections completed on time	On track

2025-26 Performance Results

2026-27 & 2027-28 Performance Objectives

Scheduled Preventive Maintenance (PM) Completion - ≥95% of scheduled PMs completed on time
Reliability Work Completion Rate - ≥90% of planned reliability-focused work completed on schedule
Rebuild Completion Rate - ≥90% of rebuilds completed on schedule as close to OEM specs
Shutdown Coordination Execution Rate - ≥90–95% of scheduled shutdowns executed per month
Odor Inspection Completion - ≥90% of odor inspections completed on time

Performance Measures

Summary	2024-25 Actual	2025-26 Projected	2026-27 Proposed	2027-28 Proposed	Justification
Service Area Standards		Achieved	Sustain	Sustain	OC San Standards
Proactive Operations (Leading Indicators)		Achieved	Sustain	Sustain	OC San Standards
Workforce Safety & Readiness		Achieved	Sustain	Sustain	Best Practices

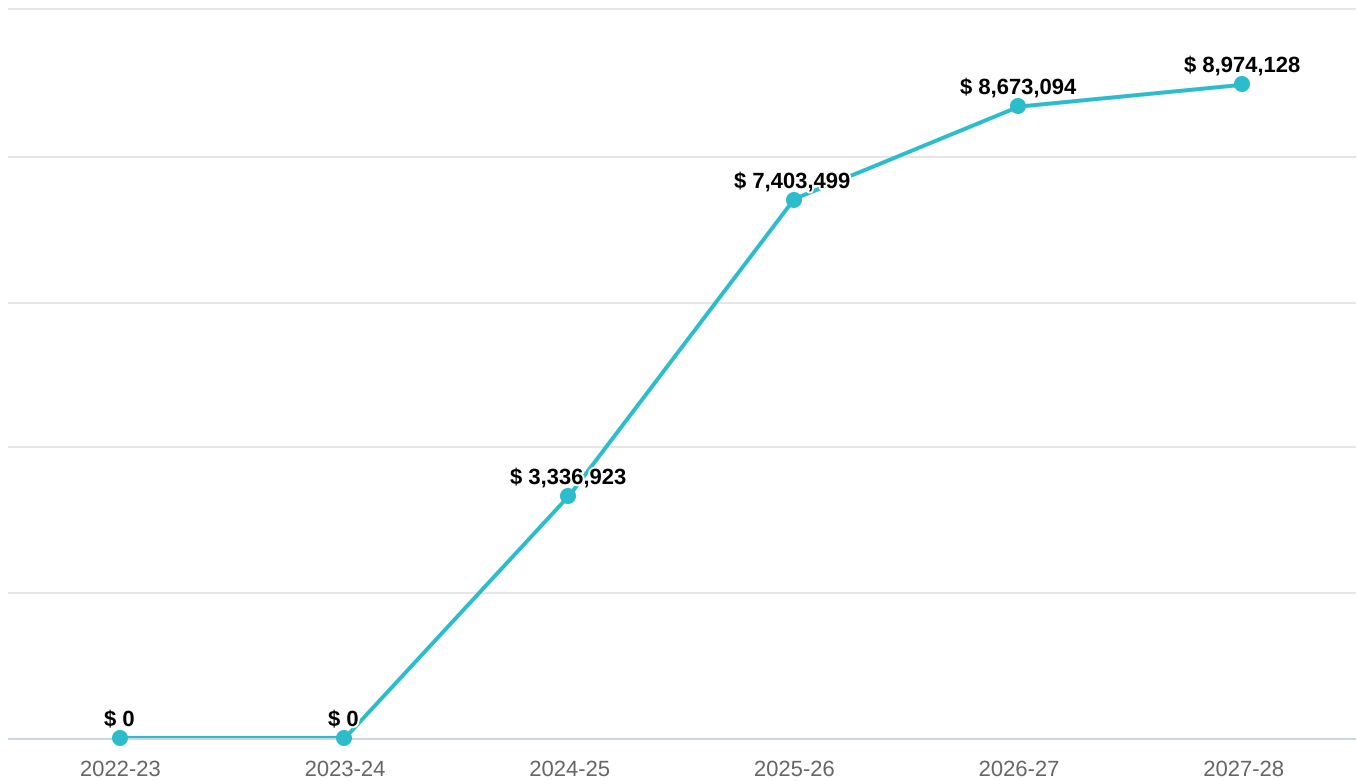
Budget Overview

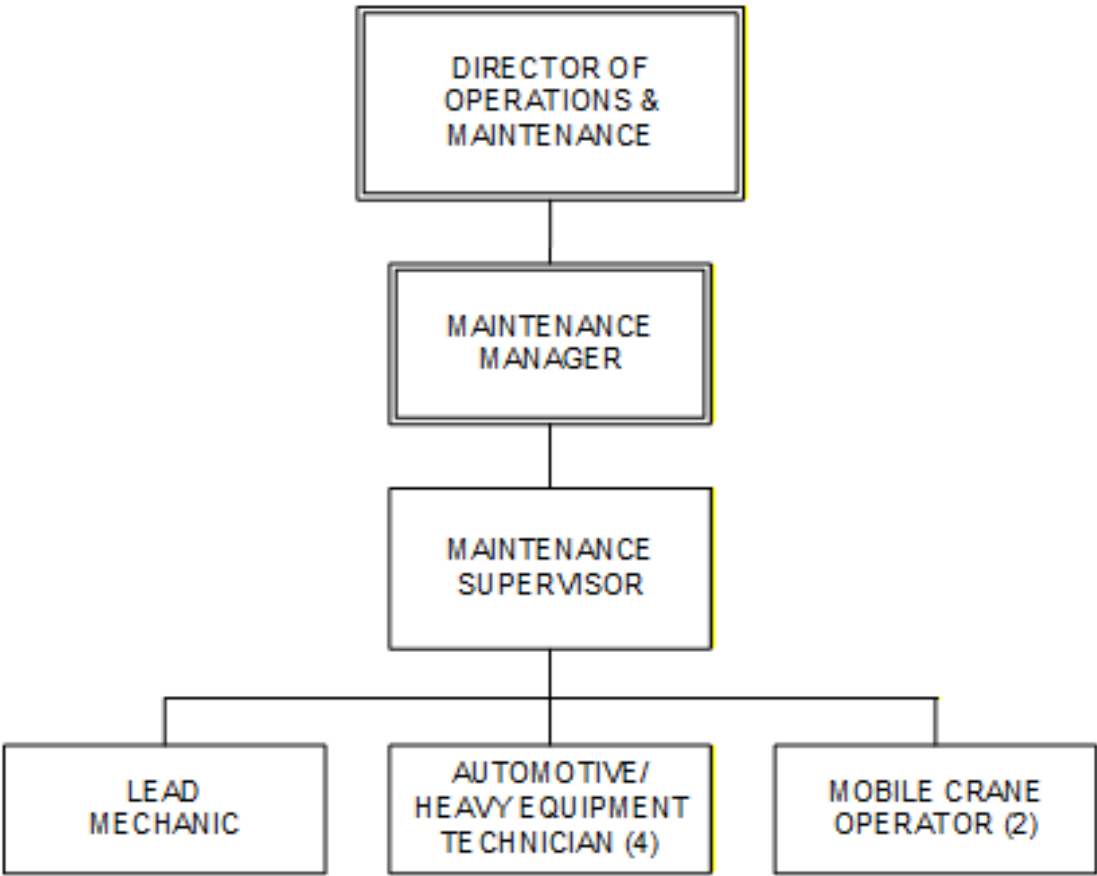
The FY 2026-27 & FY 2027-28 budgets for the Maintenance Support Services Division reflect an increase of 17% and a increase of 3% over the prior year, respectively. The FY 2026-27 increase is primarily due to an increase in personnel expenses as a result of the ordor control staff being tranferred form the Collections division, and an increase in tools, offset by a decrease in repairs & maintenance. The FY 2027-28 increase is primarily due personnel expenses, off set by a decrease in tools.

2025-26 Adjusted Budget - Total Operating Requirements	\$ 7,403,499
Salaries for Position Changes: Transfer of Positions from/(to) Other Divisions New or (decreased) FTE	3 1
Changes in Personnel Expenses: Other net salary adjustments (MOU-related, leave payoffs, vacancy, etc.) Change in OCERS retirement costs Change in group insurance costs Other benefit cost adjustments	1,378,249 96,123 133,227 72,934
Other Cost Adjustments: Change in training & meetings Change in tools Change in professional services Change in repairs & maintenance	26,359 180,000 (50,000) (565,260)
Aggregate change in Other Categories: Aggregate change in other materials, supplies, and services	(3,582)
2026-27 Proposed Budget - Total Operating Requirements	\$ 8,673,094
Changes in Personnel Expenses: Net salary adjustments (MOU-related, leave payoffs, vacancy, etc.) Change in OCERS retirement costs Change in group insurance costs Other benefit cost adjustments	288,676 34,227 38,507 2,784
Other Cost Adjustments: Change in training & meetings Change in tools Change in repairs & maintenance	36,603 (118,000) 14,465
Aggregate change in Other Categories: Aggregate change in other materials, supplies, and services	3,772
2027-28 Proposed Budget - Total Operating Requirements	\$ 8,974,128

Operating Expense by Category	2024-25 Actual	2025-26 Budget	2025-26 Projected	2026-27 Proposed	Budget % Change to 2025-26	2027-28 Proposed	Budget % Change to 2026-27
Personnel	\$ 2,847,919	\$ 5,797,409	\$ 6,905,652	\$ 7,477,942	28.99%	\$ 7,842,136	4.87%
Supplies	123,055	394,590	403,546	596,972	51.29%	519,347	(13.00%)
Professional & Contractual Services	-	85,000	-	35,000	(58.82%)	35,000	-
Research & Monitoring	-	-	-	-	-	-	-
Repairs & Maintenance	360,486	1,126,500	441,000	561,240	(50.18%)	575,705	2.58%
Utilities	-	-	-	-	-	-	-
Other	5,463	-	1,940	1,940	-	1,940	-
Total	\$ 3,336,923	\$ 7,403,499	\$ 7,752,138	\$ 8,673,094	17.15%	\$ 8,974,128	3.47%

Expenditure Trends

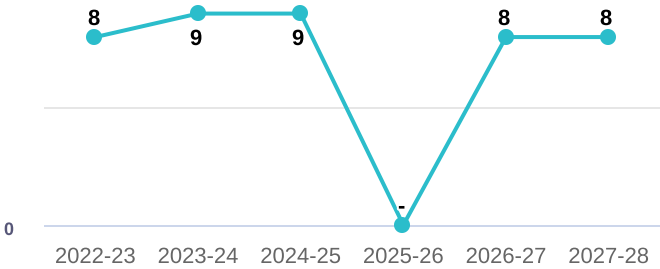




FY 26-27 & FY 27-28 Authorized FTE Positions

	2026-27	2027-28
Supervisors / Professionals	1	1
Operations & Maintenance	7	7
Total	8	8

Staffing Trends



In FY 2025-26, staff were budgeted under division 261, Fleet Services.

Service Description

The mission of the Fleet Services Division is to provide vehicles and equipment to serve the logistics and mobility needs of all staff. The division's highly skilled staff ensures vehicles and equipment are reliably maintained and readily available and supports the logistics needs of the organization through crane and transport services.

2025-26 Performance Objectives

FY 2025-26 performance objectives can be found in division 261.

2025-26 Performance Results

FY 2025-26 performance results can be found in division 261.

2026-27 & 2027-28 Performance Objectives

Maintain a safe work environment for all Fleet Services staff and contractors.

Ensure reliable operation of fleet vehicles and equipment through timely PM.

Maximize availability of all on-road vehicles and critical equipment.

Ensure complete compliance with all fleet-related regulatory requirements.

Deliver safe, timely, and compliant crane and transport services.

Performance Measures

Summary	2024-25 Actual	2025-26 Projected	2026-27 Proposed	2027-28 Proposed	Justification
Fleet Vehicles and Equipment Preventative ...			Planned	Planned	OC San Standards
Fleet related Regulatory Requirements			Planned	Planned	State/Federal Reg.
Vehicle/Equipment Replacements			Planned	Planned	OC San Standards

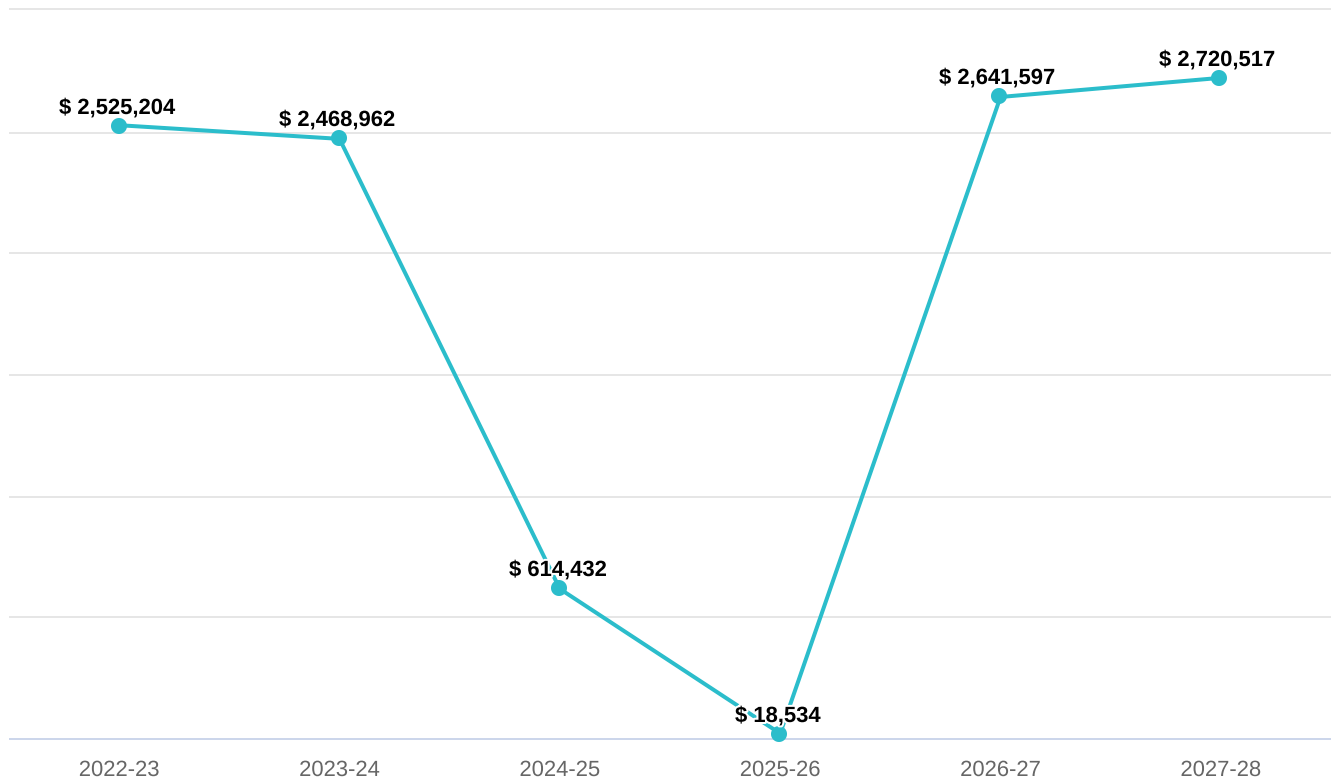
Budget Overview

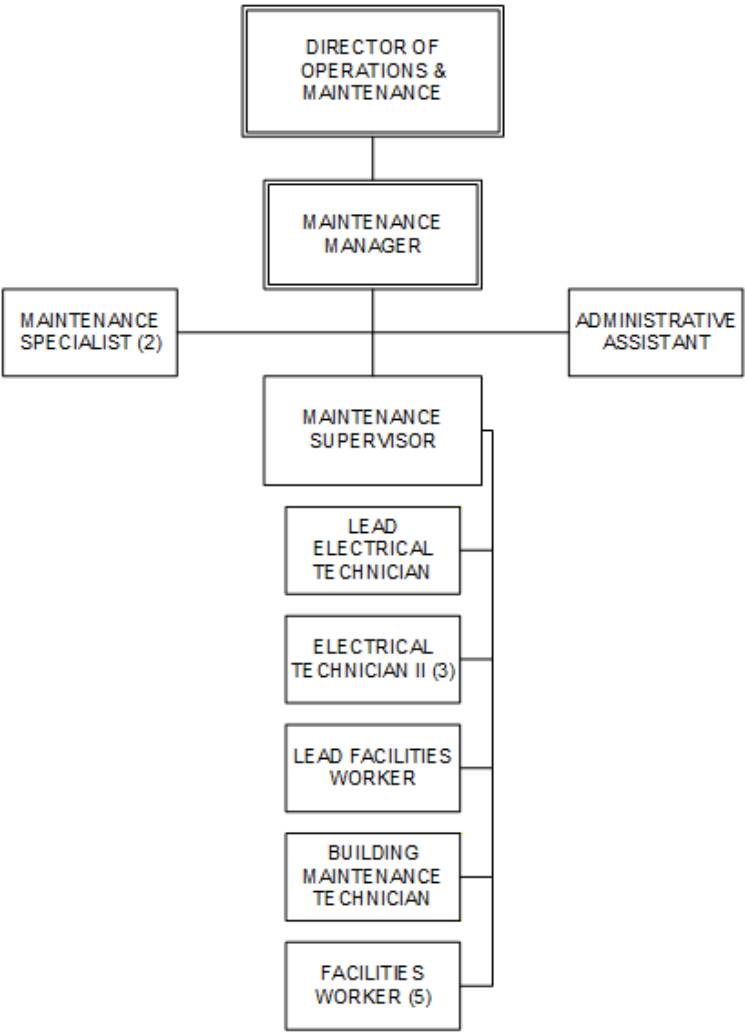
The FY 2026-27 budget for the Fleet Services Division reflects a significant increase due to the transfer of staff and services from the Administrative Services department. The FY 2027-28 increase is primarily due to an increase in personnel expenses.

2025-26 Adjusted Budget - Total Operating Requirements	\$ 18,534
Salaries for Position Changes: Transfer of Positions from/(to) Other Divisions 8 New or (decreased) FTE -	
Changes in Personnel Expenses: Other net salary adjustments (MOU-related, leave payoffs, vacancy, etc.) 981,208 Change in OCERS retirement costs 126,587 Change in group insurance costs 162,555 Other benefit cost adjustments 10,117	
Other Cost Adjustments: Change in training & meetings 19,200 Change in gas, diesel & oil 393,525 Change in operating materials & supplies 58,300 Change in repairs & maintenance 773,500 Change in utilities 36,750 Change in equipment rental & leases 60,000	
Aggregate change in Other Categories: Aggregate change in other materials, supplies, and services 5,820	
2026-27 Proposed Budget - Total Operating Requirements	\$ 2,641,597
Changes in Personnel Expenses: Net salary adjustments (MOU-related, leave payoffs, vacancy, etc.) 41,880 Change in OCERS retirement costs 5,001 Change in group insurance costs 8,024 Other benefit cost adjustments 602	
Other Cost Adjustments: Change in training & meetings 3,900 Change in gas, diesel & oil 18,676 Change in repairs & maintenance 6,000 Change in safety equipment & tools (7,000)	
Aggregate change in Other Categories: Aggregate change in other materials, supplies, and services 1,837	
2027-28 Proposed Budget - Total Operating Requirements	\$ 2,720,517

Operating Expense by Category	2024-25 Actual	2025-26 Budget	2025-26 Projected	2026-27 Proposed	Budget % Change to 2025-26	2027-28 Proposed	Budget % Change to 2026-27
Personnel	\$ 275,458	\$ 14,034	-	\$ 1,294,502	9,123.78%	\$ 1,350,008	4.29%
Supplies	66,049	-	-	476,445	-	492,021	3.27%
Professional & Contractual Services	-	-	-	-	-	-	-
Research & Monitoring	-	-	-	-	-	-	-
Repairs & Maintenance	251,927	-	-	773,500	-	779,500	0.78%
Utilities	4,733	-	-	36,750	-	38,588	5.00%
Other	16,265	4,500	-	60,400	1,242.22%	60,400	-
Total	\$ 614,432	\$ 18,534	-	\$ 2,641,597	14,152.40%	\$ 2,720,517	2.99%

Expenditure Trends

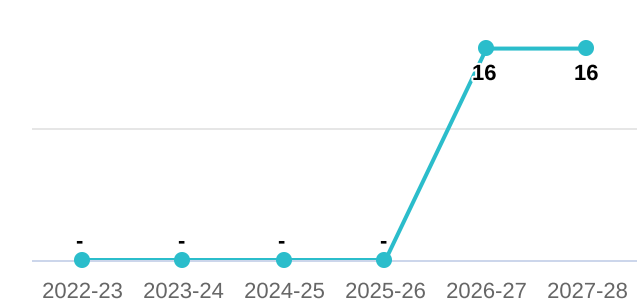




FY 26-27 & FY 27-28 Authorized FTE Positions

	2026-27	2027-28
Managers	1	1
Supervisors / Professionals	3	3
Operations & Maintenance	11	11
Administrative & Clerical	1	1
Total	16	16

Staffing Trends



In FY 2025-26, staff were budgeted under division 260, Civil Facilities Maintenance

Service Description

The mission of the Civil Facilities Maintenance Division is to proactively manage and maintain the physical assets and infrastructure of the built environment in a reliable, safe, and presentable manner. This includes, but is not limited to, treatment plants, collection systems, and headquarters buildings.

2025-26 Performance Objectives

FY 2025-26 performance objectives can be found in division 260.

2025-26 Performance Results

FY 2025-26 performance results can be found in division 260.

2026-27 & 2027-28 Performance Objectives

- Maintain a safe working environment for all staff, contractors, and visitors across all Civil Facilities.
- Ensure all building systems and infrastructure remain reliable and operational through timely preventive maintenance.
- Meet all regulatory requirements and standards related to facilities, environmental health, fire/life safety, ADA, real property, an...
- Maintain accurate, compliant, and legally sound real estate documentation and transactions.

Performance Measures

Summary	2024-25 Actual	2025-26 Projected	2026-27 Proposed	2027-28 Proposed	Justification
Building Structure and Infrastructure Preventative ...			Planned	Planned	OC San Standards
Regulatory Requirements and Standards			Planned	Planned	State/Federal Reg.
Real Property records			Planned	Planned	OC San Standards

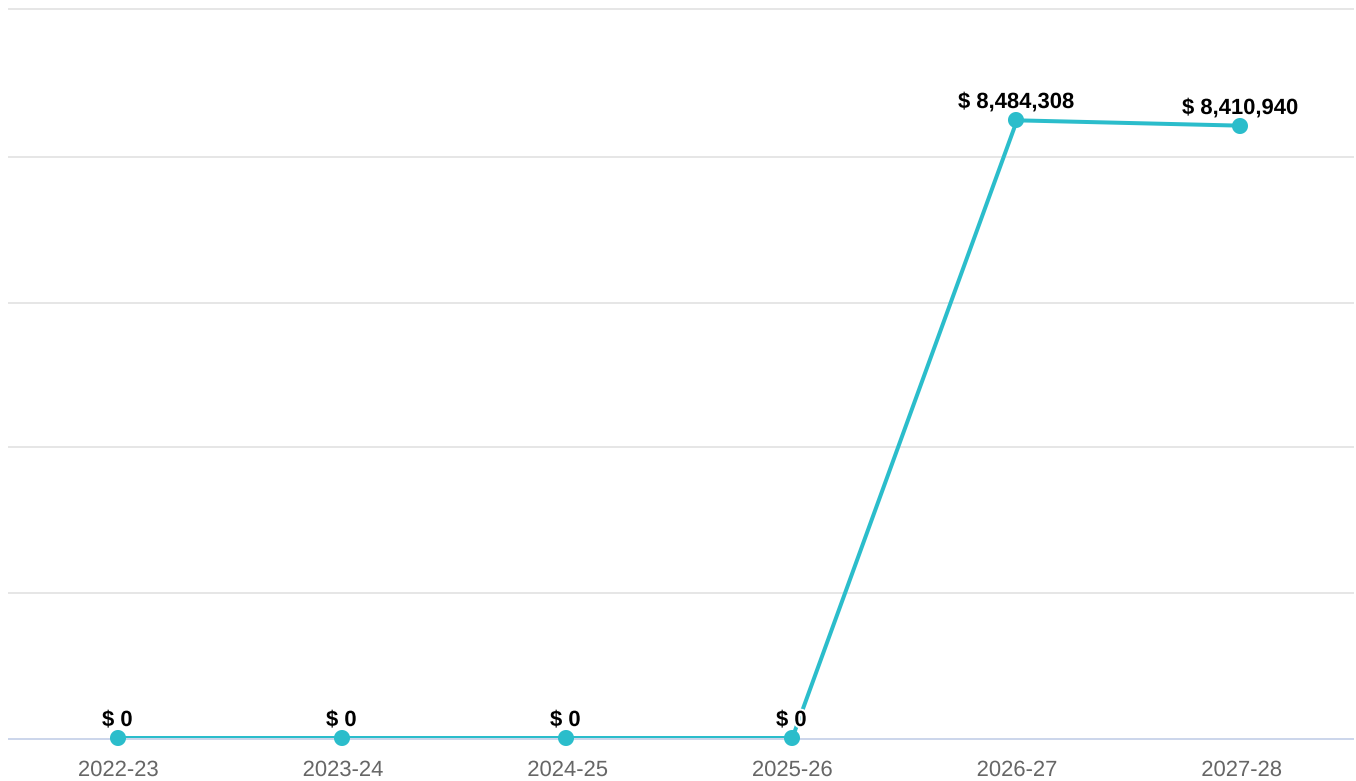
Budget Overview

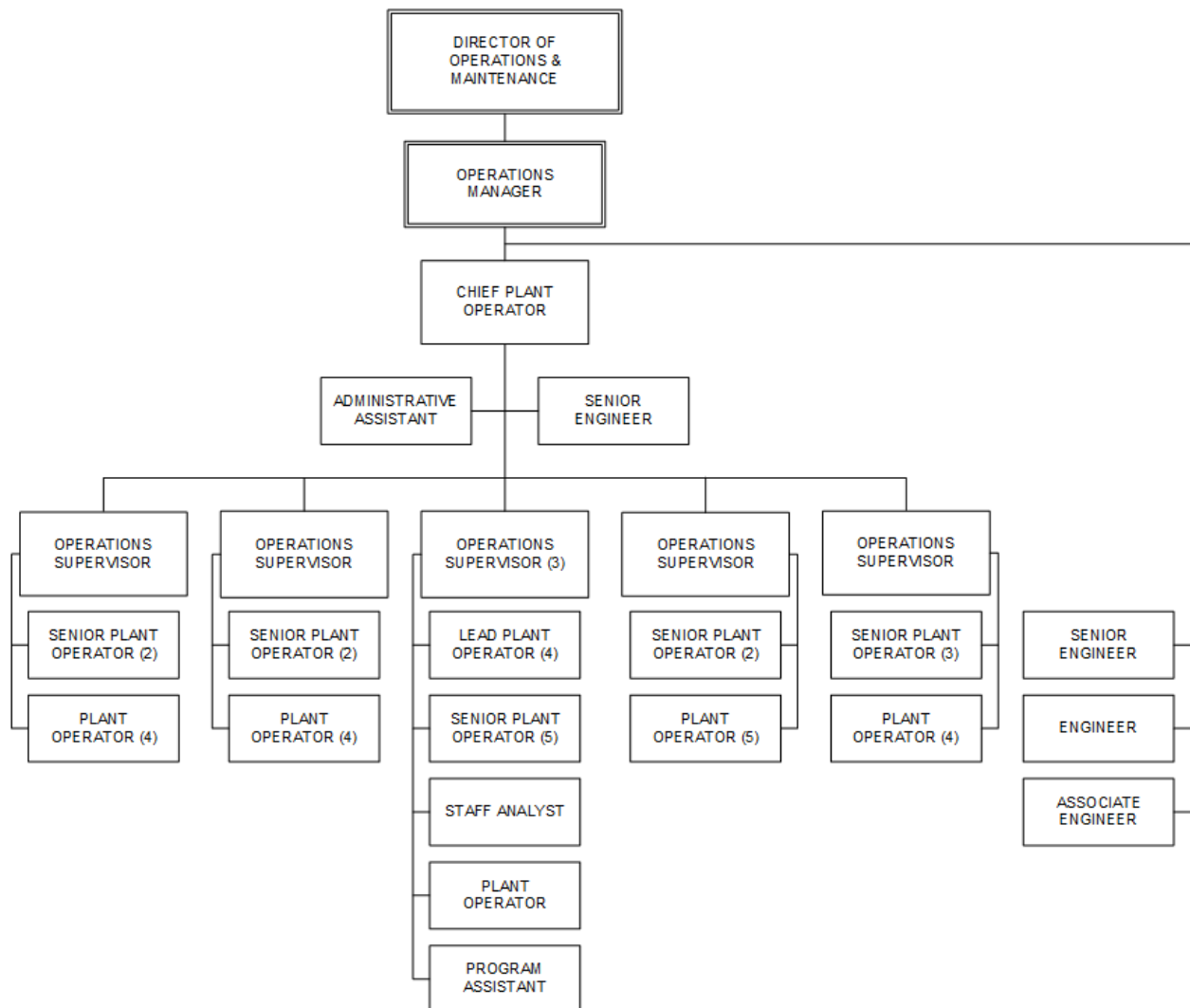
The FY 2026-27 budgets for the Civil Facilities Maintenance Division reflects a significant increase due to personnel and services being transferred from the Administrative Services department. The FY 2027-28 decrease is primarily due to a decrease in repairs & maintenance and partially offset by an increase in personnel expenses.

2025-26 Adjusted Budget - Total Operating Requirements	-
Salaries for Position Changes:	
Transfer of Positions from/(to) Other Divisions	15
New or (decreased) FTE	1
Changes in Personnel Expenses:	
Other net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	2,089,932
Change in OCERS retirement costs	249,358
Change in group insurance costs	326,959
Other benefit cost adjustments	55,354
Other Cost Adjustments:	
Change in training & meetings	43,200
Change in groundskeeping	240,000
Change in operating materials & supplies	145,510
Change in repairs & maintenance	3,619,000
Change in janitorial services	1,522,195
Change in waste disposal	155,000
Aggregate change in Other Categories:	
Aggregate change in other materials, supplies, and services	37,800
2026-27 Proposed Budget - Total Operating Requirements	\$ 8,484,308
Changes in Personnel Expenses:	
Net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	96,549
Change in OCERS retirement costs	10,795
Change in group insurance costs	16,233
Other benefit cost adjustments	1,204
Other Cost Adjustments:	
Change in training & meetings	(4,750)
Change in gas, diesel & oil	(2,950)
Change in repairs & maintenance	(200,000)
Change in waste disposal	5,000
Aggregate change in Other Categories:	
Aggregate change in other materials, supplies, and services	4,551
2027-28 Proposed Budget - Total Operating Requirements	\$ 8,410,940

Operating Expense by Category	2024-25 Actual	2025-26 Budget	2025-26 Projected	2026-27 Proposed	Budget % Change to 2025-26	2027-28 Proposed	Budget % Change to 2026-27
Personnel	-	-	-	\$ 2,721,603	-	\$ 2,846,383	4.58%
Supplies	-	-	-	225,830	-	222,682	(1.39%)
Professional & Contractual Services	-	-	-	1,917,195	-	1,922,195	0.26%
Research & Monitoring	-	-	-	-	-	-	-
Repairs & Maintenance	-	-	-	3,619,000	-	3,419,000	(5.53%)
Utilities	-	-	-	-	-	-	-
Other	-	-	-	680	-	680	-
Total	-	-	-	\$ 8,484,308	-	\$ 8,410,940	(0.86%)

Expenditure Trends

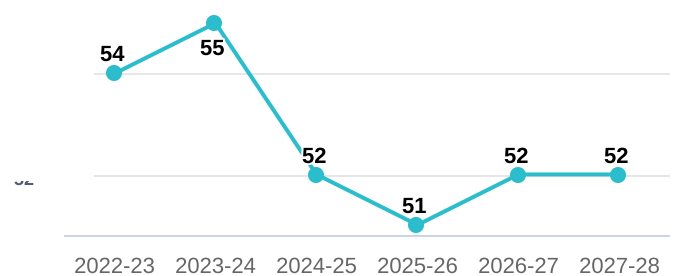




FY 26-27 & FY 27-28 Authorized FTE Positions

	2026-27	2027-28
Managers	1	1
Supervisors / Professionals	13	13
Operations & Maintenance	36	36
Administrative & Clerical	2	2
Total	52	52

Staffing Trends



Service Description

The mission of Plant No. 1 Operations Division is to safely, reliably, and cost effectively operate the plant to meet all regulatory requirements for the land, air, and water environments of Orange County and the 2.6 million residents we serve.

2025-26 Performance Objectives

Achieve zero enforceable compliance actions for water, solids, and air requirements.	Projected to achieve zero enforceable compliance actions for water, solids, and air requirements.
Achieve 100% compliance level of 90 to 100% of the Levels of Service targets.	Projected to achieve 100% compliance level of the Levels of Service targets.
Manage operating expenditures to within 96 to 100% of approved budget.	Projected to manage operating expenditures to greater than 96% of approved budget.
Achieve greater than 95% compliance with the safety scorecard.	Projected to achieve 100% compliance with the safety scorecard.

2025-26 Performance Results

2026-27 & 2027-28 Performance Objectives

Achieve zero enforceable compliance actions for water, solids, and air requirements.
Manage operating expenditures to within 96 to 100% of approved budget.
Achieve greater than 95% compliance with the safety scorecard.

Performance Measures

Summary	2024-25 Actual	2025-26 Projected	2026-27 Proposed	2027-28 Proposed	Justification
Compliance with Permits & Regulatory Requirements	Achieved	Achieved	Ongoing	Ongoing	Permit Requirements
Levels of Service Compliance	Achieved	Achieved	Ongoing	Ongoing	Strategic Plan
Manage Budget	Achieved	Achieved	Ongoing	Ongoing	OC San Standards
Compliance with Safety Scorecard	Achieved	Achieved	Ongoing	Ongoing	OC San Standards

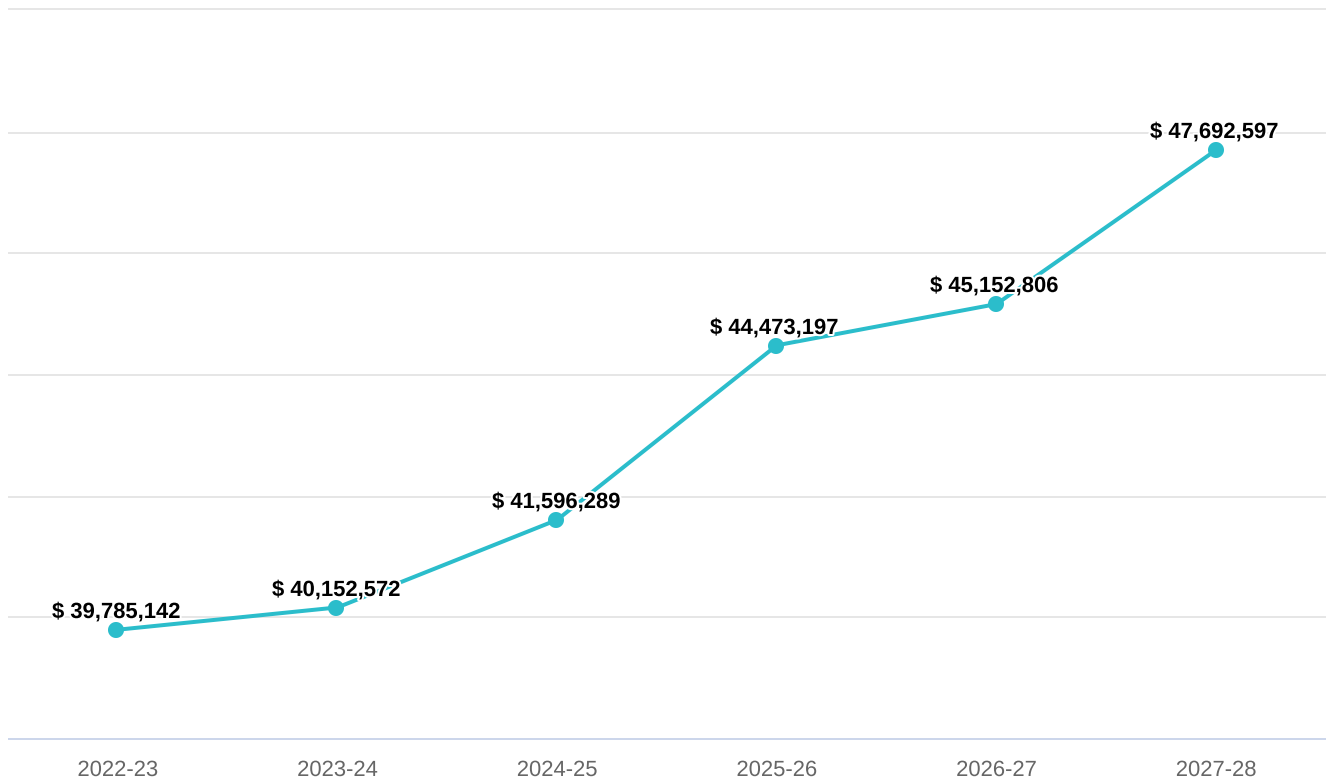
Budget Overview

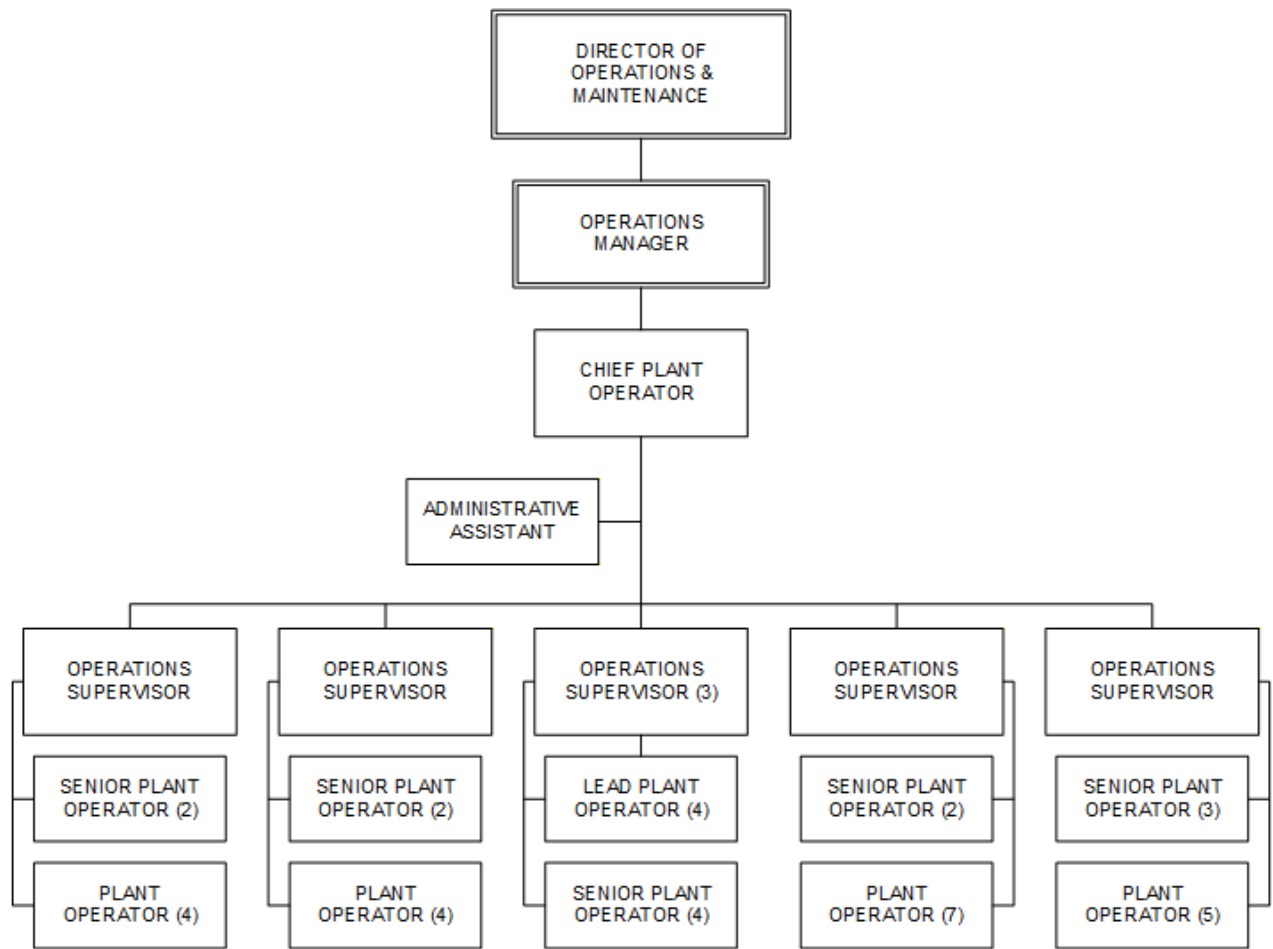
The FY 2026-27 & FY 2027-28 budgets for the Plant No. 1 Operations Division reflect an increase of 2% and an increase of 6% over the prior year, respectively. The FY 2026-27 increase is primarily due to an increase in chemical coagulants, offset by a decrease in utilities. The FY 2027-28 increase is primarily due to personnel expenses, chemical coagulants, solids removal and utilities.

2025-26 Adjusted Budget - Total Operating Requirements	\$ 44,473,197
Salaries for Position Changes:	
Transfer of Positions from/(to) Other Divisions	-
New or (decreased) FTE	1
Changes in Personnel Expenses:	
Other net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	421,463
Change in OCERS retirement costs	28,154
Change in group insurance costs	50,146
Other benefit cost adjustments	(6,252)
Other Cost Adjustments:	
Change in training & meetings	(326)
Change in chemical coagulants	1,315,700
Change in odor control	(116,500)
Change in disinfection	18,000
Change in chemicals - cogen	(37,000)
Change in misc. chemicals	52,118
Change in solids removal	280,000
Change in repairs & maintenance	50,000
Change in utilities	(1,382,900)
Aggregate change in Other Categories:	
Aggregate change in other materials, supplies, and services	6,906
2026-27 Proposed Budget - Total Operating Requirements	\$ 45,152,806
Changes in Personnel Expenses:	
Net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	296,212
Change in OCERS retirement costs	40,812
Change in group insurance costs	52,333
Other benefit cost adjustments	3,912
Other Cost Adjustments:	
Change in service maintenance agreements	18,000
Change in training & meetings	(3,124)
Change in chemical coagulants	1,261,000
Change in odor control	75,330
Change in disinfection	44,800
Change in solids removal	344,160
Change in grit & screenings disposal	19,620
Change in utilities	377,100
Aggregate change in Other Categories:	
Aggregate change in other materials, supplies, and services	9,636
2027-28 Proposed Budget - Total Operating Requirements	\$ 47,692,597

Operating Expense by Category	2024-25 Actual	2025-26 Budget	2025-26 Projected	2026-27 Proposed	Budget % Change to 2025-26	2027-28 Proposed	Budget % Change to 2026-27
Personnel	\$ 9,403,550	\$ 9,889,521	\$ 9,536,636	\$ 10,383,033	4.99%	\$ 10,776,302	3.79%
Supplies	12,847,570	12,838,976	13,742,417	14,063,133	9.53%	15,446,735	9.84%
Professional & Contractual Services	9,565,552	9,878,000	9,881,000	10,177,000	3.03%	10,540,780	3.57%
Research & Monitoring	-	-	-	-	-	-	-
Repairs & Maintenance	93,903	150,000	180,000	200,000	33.33%	218,000	9.00%
Utilities	9,683,908	11,710,500	10,227,900	10,327,600	(11.81%)	10,704,700	3.65%
Other	1,806	6,200	6,080	2,040	(67.10%)	6,080	198.04%
Total	\$ 41,596,289	\$ 44,473,197	\$ 43,574,033	\$ 45,152,806	1.53%	\$ 47,692,597	5.62%

Expenditure Trends

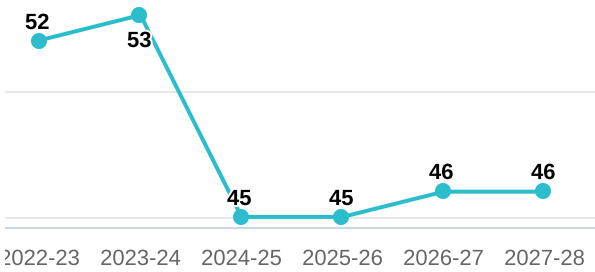




FY 26-27 & FY 27-28 Authorized FTE Positions

	2026-27	2027-28
Supervisors / Professionals	8	8
Operations & Maintenance	37	37
Administrative & Clerical	1	1
Total	46	46

Staffing Trends



Service Description

The mission of Plant No. 2 Operations Division is to safely, reliably, and cost effectively operate the plant to meet all regulatory requirements for the land, air, and water environments of Orange County and the 2.6 million residents we serve.

2025-26 Performance Objectives

Achieve zero enforceable compliance actions for water, solids, and air requirements.	Projecting to achieved zero enforceable compliance actions for water, solids, and air requirements.
Achieve 100% compliance level of 90 to 100% of the Levels of Service targets.	Projecting to achieved 100% compliance level of the Levels of Service targets.
Manage operating expenditures to within 96 to 100% of approved budget.	Projecting to manage operating expenditures to greater than 96% of approved budget.
Achieve greater than 95% compliance with the safety scorecard.	Projected to achieved 100% compliance with the safety scorecard.

2025-26 Performance Results

2026-27 & 2027-28 Performance Objectives

Achieve zero enforceable compliance actions for water, solids, and air requirements.
Manage operating expenditures to within 96 to 100% of approved budget.
Achieve greater than 95% compliance with the safety scorecard.

Performance Measures

Summary	2024-25 Actual	2025-26 Projected	2026-27 Proposed	2027-28 Proposed	Justification
Compliance with Permits & Regulatory Requirements	One NOV	Achieved	Ongoing	Ongoing	Permit Requirements
Levels of Service Compliance	Achieved	Achieved	Ongoing	Ongoing	Strategic Plan
Manage Budget	Achieved	Achieved	Ongoing	Ongoing	OC San Standards
Compliance with Safety Scorecard	Achieved	Achieved	Ongoing	Ongoing	OC San Standards

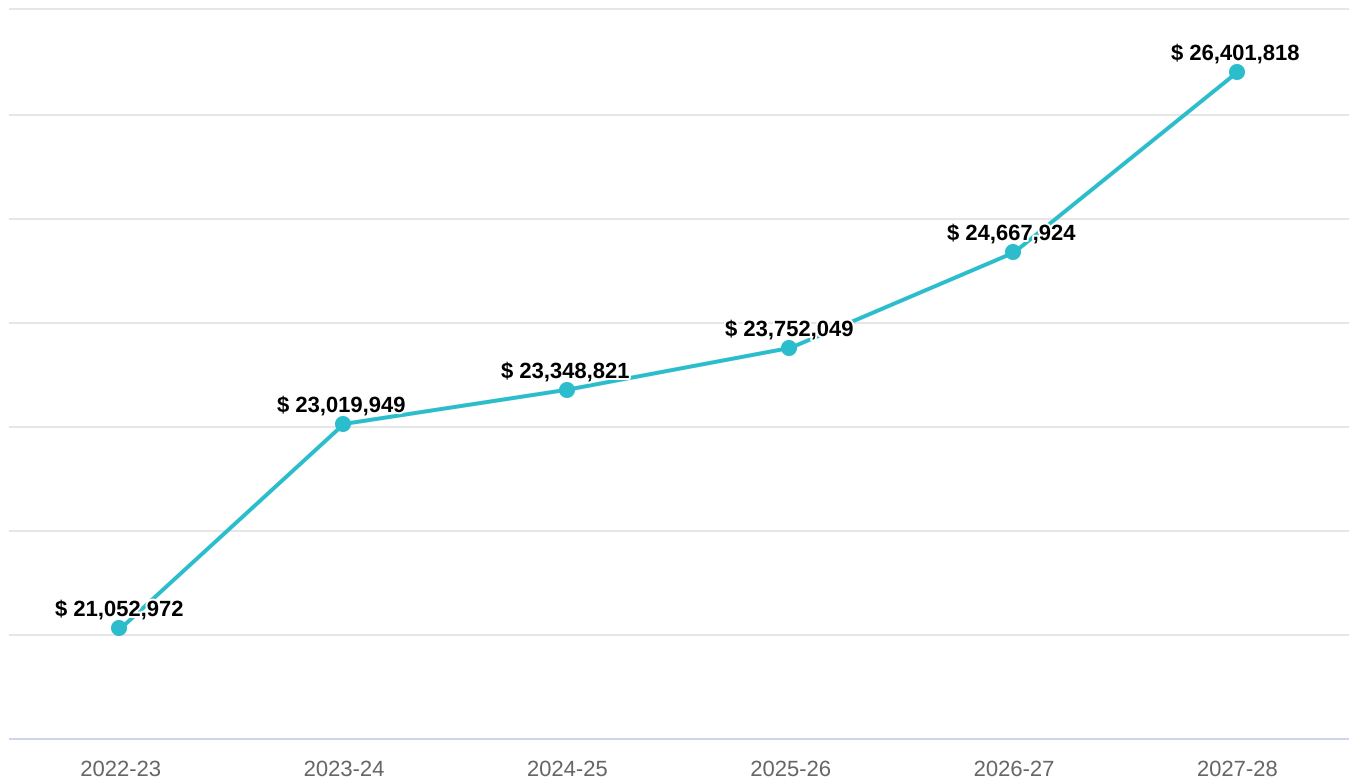
Budget Overview

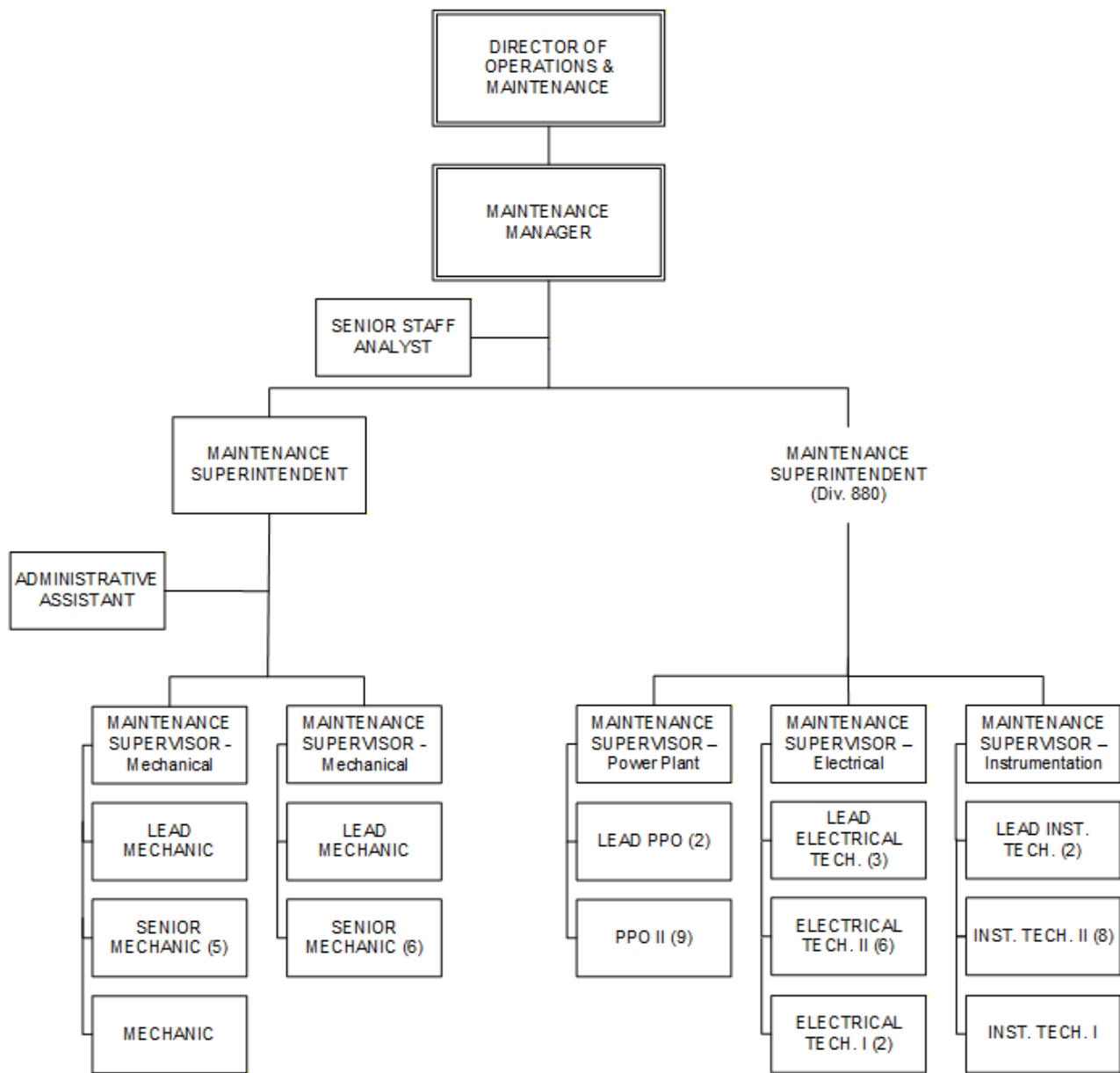
The FY 2026-27 & FY 2027-28 budgets for the Plant No. 2 Operations Division reflect an increase of 4% and an increase of 7% over the prior year, respectively. The FY 2026-27 increase is primarily due to an increase in personnel expenses, chemical coagulants, odor control, solids removal, and oxygen plant operations. The FY 2027-28 increase is primarily due to personnel expenses, utilities, chemical coagulants, solids removal, and oxygen plant operations.

2025-26 Adjusted Budget - Total Operating Requirements	\$ 23,752,049
Salaries for Position Changes: Transfer of Positions from/(to) Other Divisions New or (decreased) FTE	- 1
Changes in Personnel Expenses: Other net salary adjustments (MOU-related, leave payoffs, vacancy, etc.) Change in OCERS retirement costs Change in group insurance costs Other benefit cost adjustments	405,106 (17,313) 63,346 20,146
Other Cost Adjustments: Change in training & meetings Change in operating materials & supplies Change in chemical coagulants Change in odor control Change in chemicals - cogen Change in solids removal Change in oxygen plant operations Change in utilities	(6,613) (36,000) 75,935 140,616 (30,000) 150,000 180,000 (64,200)
Aggregate change in Other Categories: Aggregate change in other materials, supplies, and services	34,852
2026-27 Proposed Budget - Total Operating Requirements	\$ 24,667,924
Changes in Personnel Expenses: Net salary adjustments (MOU-related, leave payoffs, vacancy, etc.) Change in OCERS retirement costs Change in group insurance costs Other benefit cost adjustments	253,372 29,528 46,045 3,461
Other Cost Adjustments: Change in utilities Change in chemical coagulants Change in odor control Change in disinfection Change in solids removal Change in grit & screenings disposal Change in oxygen plant operations	417,000 524,000 92,100 20,550 183,960 8,388 155,000
Aggregate change in Other Categories: Aggregate change in other materials, supplies, and services	490
2027-28 Proposed Budget - Total Operating Requirements	\$ 26,401,818

Operating Expense by Category	2024-25 Actual	2025-26 Budget	2025-26 Projected	2026-27 Proposed	Budget % Change to 2025-26	2027-28 Proposed	Budget % Change to 2026-27
Personnel	\$ 7,650,855	\$ 8,393,131	\$ 8,335,386	\$ 8,864,415	5.62%	\$ 9,196,822	3.75%
Supplies	6,892,489	6,320,249	6,384,808	6,498,829	2.83%	7,135,968	9.80%
Professional & Contractual Services	6,414,153	6,562,789	6,696,000	6,903,000	5.18%	7,250,348	5.03%
Research & Monitoring	-	-	-	-	-	-	-
Repairs & Maintenance	25,567	47,000	35,000	37,000	(21.28%)	37,000	-
Utilities	2,363,994	2,423,200	3,045,600	2,359,000	(2.65%)	2,776,000	17.68%
Other	1,764	5,680	5,680	5,680	-	5,680	-
Total	\$ 23,348,821	\$ 23,752,049	\$ 24,502,474	\$ 24,667,924	3.86%	\$ 26,401,818	7.03%

Expenditure Trends

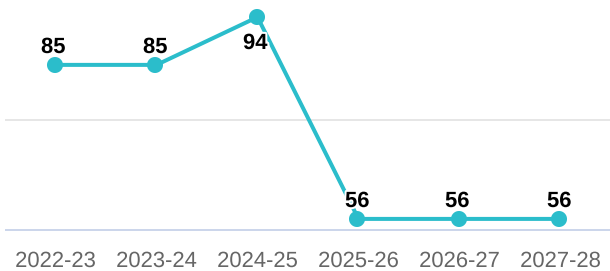




FY 26-27 & FY 27-28 Authorized FTE Positions

	2026-27	2027-28
Managers	1	1
Supervisors / Professionals	7	7
Operations & Maintenance	47	47
Administrative & Clerical	1	1
Total	56	56

Staffing Trends



Service Description

The mission of the OC San Plant 1 Maintenance Division is to protect public health and the community by safeguarding reliable, efficient, and permit compliant machines and processes. Maintenance accomplishes the mission through proactive maintenance, timely repairs, and precise process management to ensure the assets are well-maintained and in good working condition for OC San's wastewater treatment process. Increasing asset lifecycles is accomplished by professional and talented staff who minimize environmental impacts by maintaining the proper operation and efficiency of the wastewater plants. Maintaining and protecting reliable assets supports the principles of maintenance best practices.

2025-26 Performance Objectives

Achieve 100% compliance with water, solids, air, and energy permits and regulatory requirements.
Achieve 100% compliance level of 90 - 100% of the Levels of Service targets
Manage operating expenditures to within 96 - 100% of approved budget.
Maintain a Work Order backlog of less than 5 weeks.
Achieve greater than 95% compliance with the safety scorecard.

2025-26 Performance Results

Achieved 100% compliance with water, solids, air, and energy permits and regulatory requirements.
Achieved 100% compliance level of 90 - 100% of the Levels of Service targets
Managed operating expenditures at 98.7% of approved budget.
Maintained a Work Order backlog of less than 5 weeks.
Achieved 100% compliance with the safety scorecard.

2026-27 & 2027-28 Performance Objectives

Achieve 100% compliance with water, solids, air, and energy permits and regulatory requirements.
Achieve preventative maintenance compliance of greater than 80%.
Manage operating expenditures to within 96 - 100% of approved budget.
Maintain a 90% "readiness" status for all major equipment.
Achieve greater than 95% compliance with the safety scorecard.

Performance Measures

Summary	2024-25 Actual	2025-26 Projected	2026-27 Proposed	2027-28 Proposed	Justification
Compliance with Permits and Regulatory	Achieved	Achieved	Planned	Planned	OC San Standards
Manage Budget	Achieved	Achieved	Planned	Planned	OC San Standards
Work Order Backlog	Achieved	Achieved	Planned	Planned	OC San Standards
Safety Scorecard	Achieved	Achieved	Planned	Planned	OC San Standards
PM Compliance	Achieved	Achieved	Planned	Planned	OC San Standards

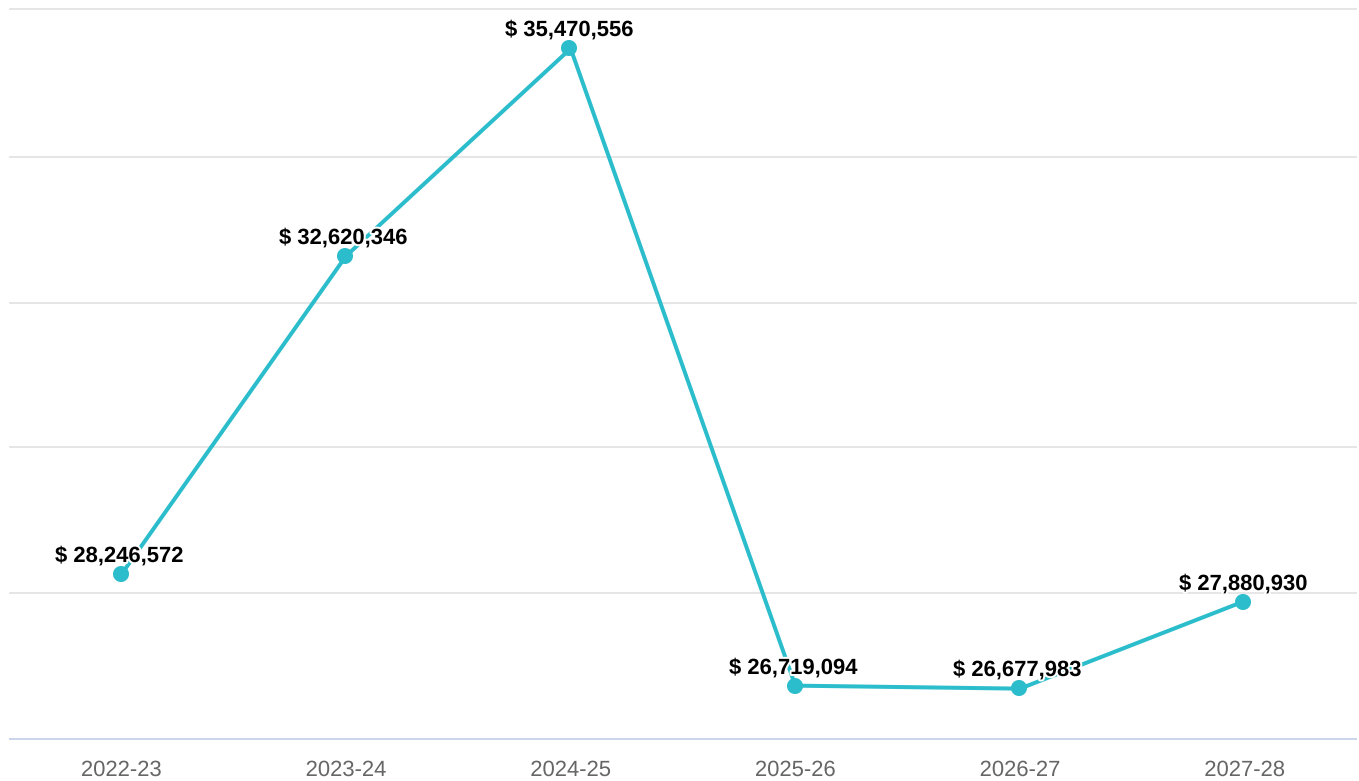
Budget Overview

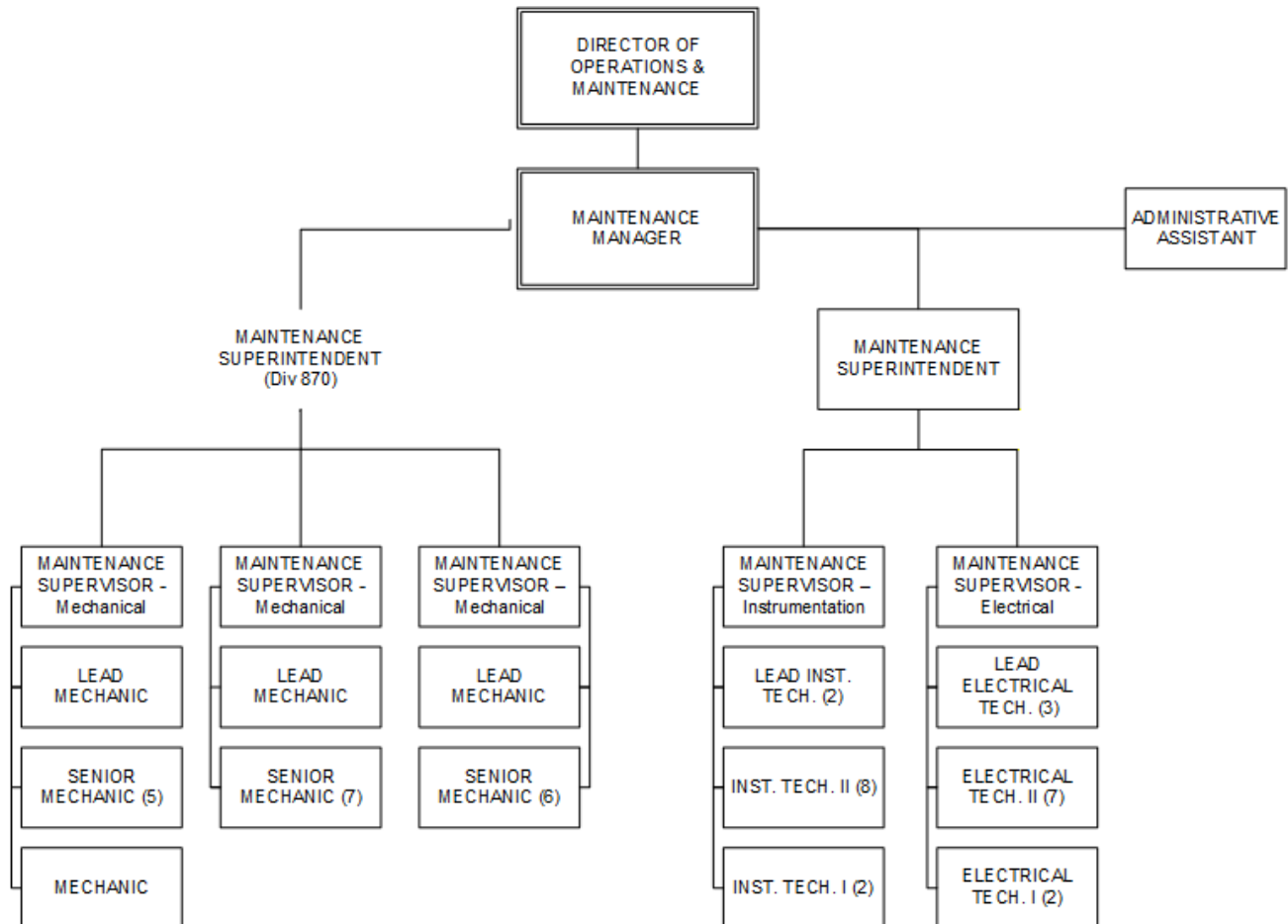
The FY 2026-27 & FY 2027-28 budgets for the Plant No. 1 Maintenance Division remain steady and an increase of 5% over the prior year, respectively. The FY 2027-28 increase is primarily due to personnel expenses and repairs & maintenance.

2025-26 Adjusted Budget - Total Operating Requirements	\$ 26,719,094
Salaries for Position Changes: Transfer of Positions from/(to) Other Divisions New or (decreased) FTE	- -
Changes in Personnel Expenses: Other net salary adjustments (MOU-related, leave payoffs, vacancy, etc.) Change in OCERS retirement costs Change in group insurance costs Other benefit cost adjustments	148,199 (57,342) 12,028 (68,649)
Other Cost Adjustments: Change in memberships Change in minor furniture & fixtures Change in training & meetings Change in waste disposal Change in gas, diesel & oil Change in operating materials & supplies Change in professional services Change in repairs & maintenance Change in other operating supplies	(1,432) (185,000) 56,584 (90,000) 300 69,680 413,514 (363,144) 24,960
Aggregate change in Other Categories: Aggregate change in other materials, supplies, and services	509
2026-27 Proposed Budget - Total Operating Requirements	\$ 26,677,983
Changes in Personnel Expenses: Net salary adjustments (MOU-related, leave payoffs, vacancy, etc.) Change in OCERS retirement costs Change in group insurance costs Other benefit cost adjustments	409,605 43,782 57,685 4,213
Other Cost Adjustments: Change in minor furniture & fixtures Change in training & meetings Change in chemicals - cogen Change in tools Change in misc. operating supplies Change in engineering services Change in repairs & maintenance Change in safety equipment & tools	(100,000) 3,374 9,540 13,375 4,500 45,676 679,179 12,500
Aggregate change in Other Categories: Aggregate change in other materials, supplies, and services	19,517
2027-28 Proposed Budget - Total Operating Requirements	\$ 27,880,930

Operating Expense by Category	2024-25 Actual	2025-26 Budget	2025-26 Projected	2026-27 Proposed	Budget % Change to 2025-26	2027-28 Proposed	Budget % Change to 2026-27
Personnel	\$ 13,454,980	\$ 10,562,786	\$ 10,230,115	\$ 10,597,023	0.32%	\$ 11,112,307	4.86%
Supplies	1,654,905	1,677,542	1,097,758	1,616,364	(3.65%)	1,574,247	(2.61%)
Professional & Contractual Services	1,201,519	690,000	1,050,916	1,013,514	46.89%	1,059,190	4.51%
Research & Monitoring	-	-	-	-	-	-	-
Repairs & Maintenance	19,096,538	13,756,726	12,464,517	13,393,582	(2.64%)	14,072,761	5.07%
Utilities	-	-	-	-	-	-	-
Other	62,614	32,040	20,403	57,500	79.46%	62,425	8.57%
Total	\$ 35,470,556	\$ 26,719,094	\$ 24,863,709	\$ 26,677,983	(0.15%)	\$ 27,880,930	4.51%

Expenditure Trends

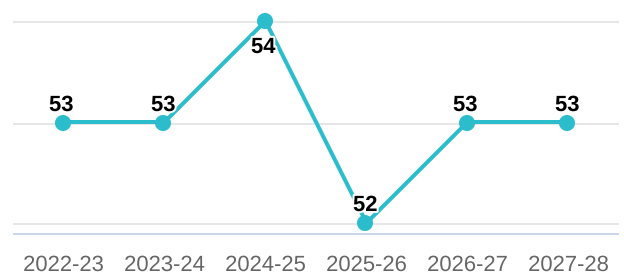




FY 26-27 & FY 27-28 Authorized FTE Positions

	2026-27	2027-28
Supervisors / Professionals	6	6
Operations & Maintenance	46	46
Administrative & Clerical	1	1
Total	53	53

Staffing Trends



Service Description

The mission of the OC San Plant 2 Maintenance Division is to protect public health and the community by safeguarding reliable, efficient, and permit compliant machines and processes. Maintenance accomplishes the mission through proactive maintenance, timely repairs, and precise process management to ensure the assets are well-maintained and in good working condition for OC San's wastewater treatment process. Increasing asset lifecycles is accomplished by professional and talented staff who minimize environmental impacts by maintaining the proper operation and efficiency of the wastewater plants. Maintaining and protecting reliable assets supports the principles of maintenance best practices.

2025-26 Performance Objectives

Achieve 100% compliance with water, solids, air, and energy permits and regulatory requirements.
Achieve 100% compliance level of 90 - 100% of the Levels of Service targets.
Manage operating expenditures to within 96 - 100% of approved budget.
Maintain a Work Order backlog of less than 5 weeks.
Achieve greater than 95% compliance with the safety scorecard.

2025-26 Performance Results

Achieved 100% compliance with water, solids, air, and energy permits and regulatory requirements.
Achieved 100% compliance level of 90 - 100% of the Levels of Service targets.
Managed operating expenditures at 99% of approved budget.
Maintained a Work Order backlog of less than 5 weeks.
Achieved greater than 90% compliance with the safety scorecard.

2026-27 & 2027-28 Performance Objectives

Achieve 100% compliance with water, solids, air, and energy permits and regulatory requirements.
Achieve preventative maintenance compliance of greater than 80%.
Manage operating expenditures to within 96 - 100% of approved budget.
Maintain a 90% "readiness" status for all major equipment.
Achieve greater than 95% compliance with the safety scorecard.

Performance Measures

Summary	2024-25 Actual	2025-26 Projected	2026-27 Proposed	2027-28 Proposed	Justification
Compliance with Permits and Regulatory	Achieved	Achieved	Planned	Planned	OC San Standards
Manage Budget	Achieved	Achieved	Planned	Planned	OC San Standards
Work Order Backlog	Achieved	Achieved	Planned	Planned	OC San Standards
Safety Scorecard	Achieved	Achieved	Planned	Planned	OC San Standards
PM Compliance	Achieved	Achieved	Planned	Planned	OC San Standards

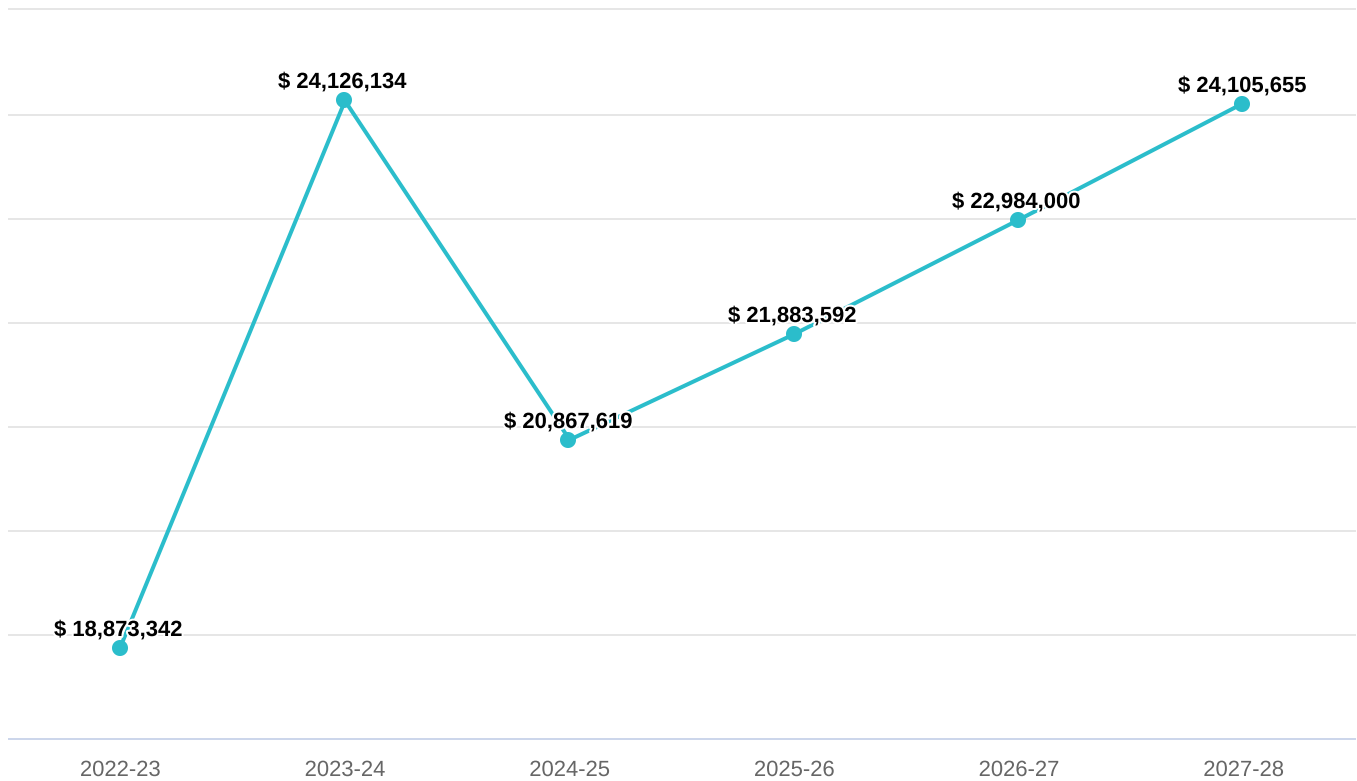
Budget Overview

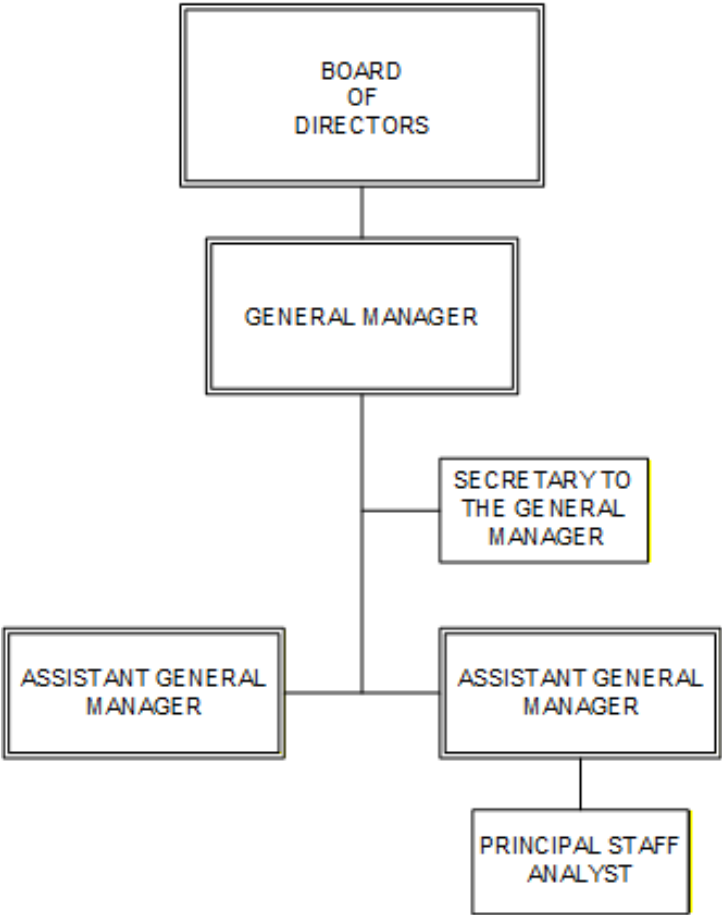
The FY 2026-27 & FY 2027-28 budgets for the Plant No. 2 Maintenance Division reflect an increase of 5% and an increase of 5% over the prior year, respectively. The FY 2026-27 increase is primarily due to an increase in personnel expenses, cogen chemicals and repairs & maintenance. The FY 2027-28 increase is primarily due to personnel expenses and repairs & maintenance.

2025-26 Adjusted Budget - Total Operating Requirements	\$ 21,883,592
Salaries for Position Changes: Transfer of Positions from/(to) Other Divisions New or (decreased) FTE	 1
Changes in Personnel Expenses: Other net salary adjustments (MOU-related, leave payoffs, vacancy, etc.) Change in OCERS retirement costs Change in group insurance costs Other benefit cost adjustments	 492,694 (6,388) 68,950 (5,676)
Other Cost Adjustments: Change in memberships Change in tools Change in training & meetings Change in chemicals - cogen Change in gas, diesel & oil Change in safety equipment/tools Change in misc. operating supplies Change in engineering services Change in other professional services Change in repairs & maintenance	 5,587 (24,819) 2,412 86,000 43,300 (45,415) 11,000 15,250 (2,000) 462,653
Aggregate change in Other Categories: Aggregate change in other materials, supplies, and services	 (3,141)
2026-27 Proposed Budget - Total Operating Requirements	\$ 22,984,000
Changes in Personnel Expenses: Net salary adjustments (MOU-related, leave payoffs, vacancy, etc.) Change in OCERS retirement costs Change in group insurance costs Other benefit cost adjustments	 393,855 41,926 54,755 3,987
Other Cost Adjustments: Change in administrative expenses Change in training & meetings Change in gas, diesel & oil Change in tools Change in operating materials & supplies Change in engineering services Change in repairs & maintenance	 5,976 11,418 10,165 54,298 2,250 (8,987) 545,208
Aggregate change in Other Categories: Aggregate change in other materials, supplies, and services	 7,803
2027-28 Proposed Budget - Total Operating Requirements	\$ 24,105,655

Operating Expense by Category	2024-25 Actual	2025-26 Budget	2025-26 Projected	2026-27 Proposed	Budget % Change to 2025-26	2027-28 Proposed	Budget % Change to 2026-27
Personnel	\$ 8,132,477	\$ 9,188,164	\$ 8,483,901	\$ 9,737,744	5.98%	\$ 10,232,267	5.08%
Supplies	1,012,860	1,020,488	1,168,558	1,100,853	7.88%	1,183,164	7.48%
Professional & Contractual Services	543,994	523,000	538,939	536,250	2.53%	535,863	(0.07%)
Research & Monitoring	-	-	-	-	-	-	-
Repairs & Maintenance	11,172,742	11,141,500	11,815,029	11,604,153	4.15%	12,149,361	4.70%
Utilities	-	-	-	-	-	-	-
Other	5,546	10,440	3,242	5,000	(52.11%)	5,000	-
Total	\$ 20,867,619	\$ 21,883,592	\$ 22,009,668	\$ 22,984,000	5.03%	\$ 24,105,655	4.88%

Expenditure Trends

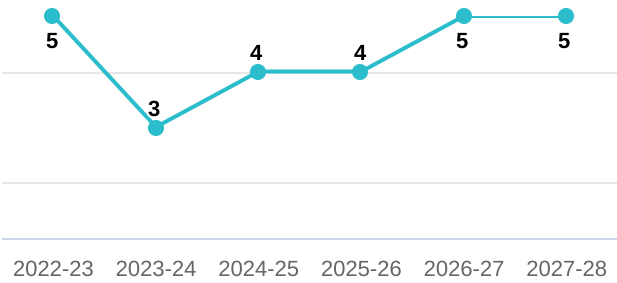




FY 26-27 & FY 27-28 Authorized FTE Positions

	2026-27	2027-28
Executive Managers	3	3
Supervisors / Professionals	1	1
Confidential	1	1
Total	5	5

Staffing Trends



Service Description

The mission of the General Manager's Administration Division is to work with the Board of Directors, other agencies, and the public to establish agency standards, policies, procedures, and the Strategic Plan. The Division reports OC San's progress toward these goals and provides oversight of agency operations. The General Manager reports directly to the Board and leads agency operations and strategic planning.

2025-26 Performance Objectives

Create a new two-year Strategic Plan & recommend for Board adoption
Manage operating expenditures to within 96% to 100% of the approved budget
Ensure OC San does not exceed 669.5 authorized full-time equivalent (FTE) positions
Create a new annual GM Work Plan for Fiscal Year 2025-26

2025-26 Performance Results

The two-year Strategic Plan was created and approved by the Board of Directors in November 2025
All planned expenditures were met
Current FTE count is 639
New Work Plan approved by the Board of Directors in June 2025

2026-27 & 2027-28 Performance Objectives

Create a new annual GM Work Plan for Fiscal Year 2026-27 and 2027-28.
Update two-year Strategic Plan & Recommend for Board Adoption in FY 2027-28.
Manage operating expenditures to within 96% to 100% of the approved budget.
Ensure OC San does not exceed authorized FTEs

Performance Measures

Summary	2024-25 Actual	2025-26 Projected	2026-27 Proposed	2027-28 Proposed	Justification
Create annual GM Work Plan	Achieved	Achieved	Planned	Planned	Board Approved
Create new biennial Strategic Plan		Achieved		Planned	Board Approved
Operating expenditures within 96% to 100%	Achieved	Achieved	Planned	Planned	Board Approved
Do not exceed authorized FTEs	Achieved	Achieved	Planned	Planned	Board Approved

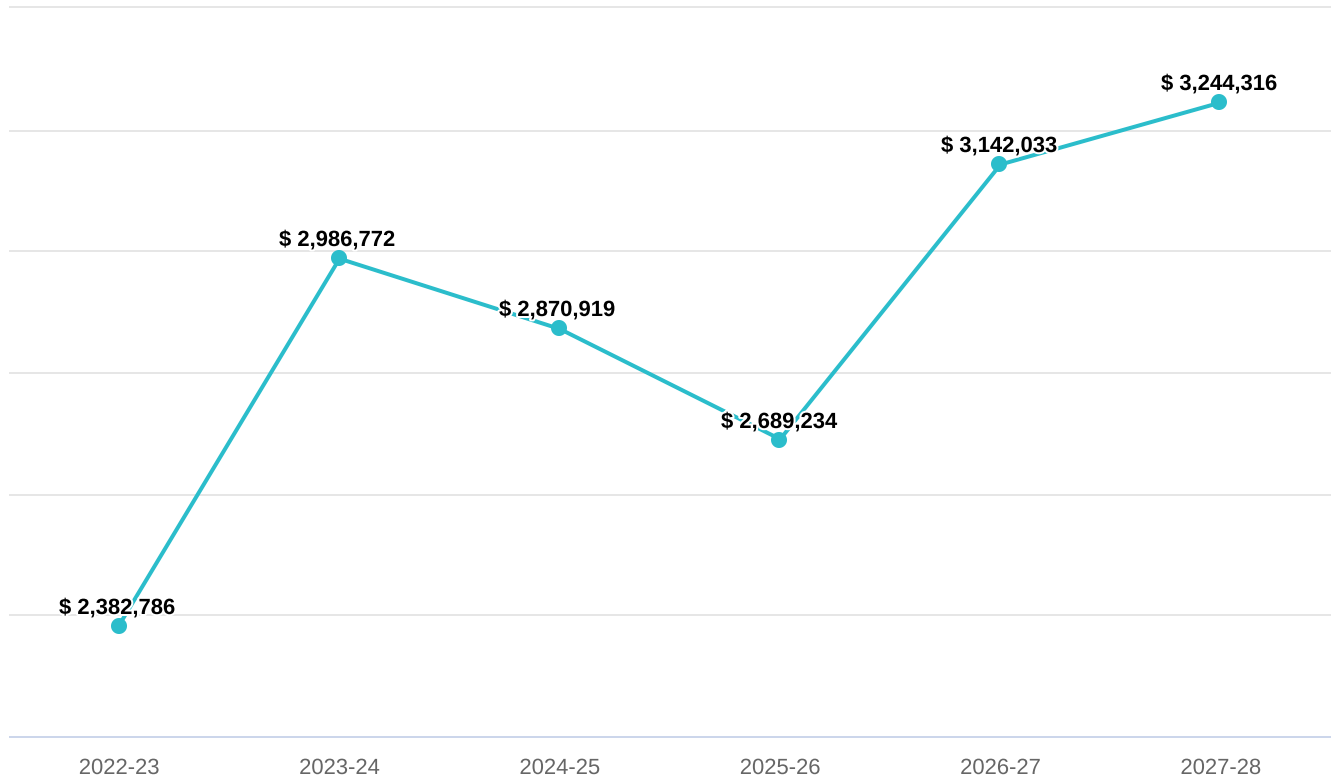
Budget Overview

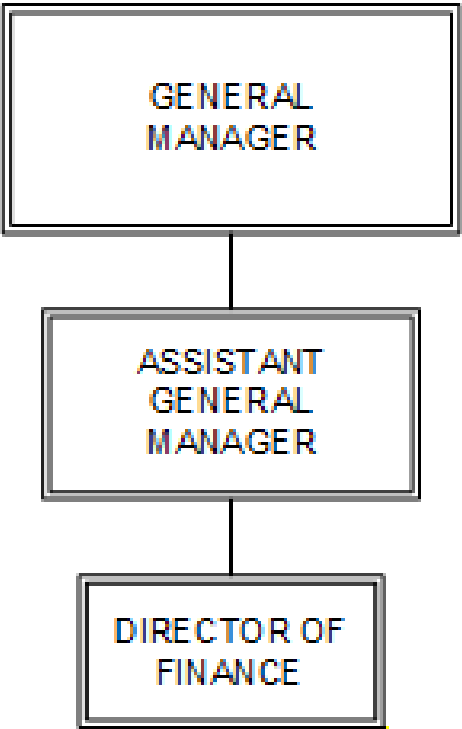
The FY 2026-27 & FY 2027-28 budgets for the General Management Administration Division reflect an increase of 17% and an increase of 3% over the prior year, respectively. The FY 2026-27 increase is primarily due to an increase in personnel expenses, trainings and meetings. The FY 2027-28 increase is primarily due to personnel expenses and profesisonal services.

2025-26 Adjusted Budget - Total Operating Requirements	\$ 2,689,234
Salaries for Position Changes: Transfer of Positions from/(to) Other Divisions New or (decreased) FTE	- 1
Changes in Personnel Expenses: Other net salary adjustments (MOU-related, leave payoffs, vacancy, etc.) Change in OCERS retirement costs Change in group insurance costs Other benefit cost adjustments	373,955 17,290 27,053 1,790
Other Cost Adjustments: Change in training & meetings	31,450
Aggregate change in Other Categories: Aggregate change in other materials, supplies, and services	1,261
2026-27 Proposed Budget - Total Operating Requirements	\$ 3,142,033
Changes in Personnel Expenses: Net salary adjustments (MOU-related, leave payoffs, vacancy, etc.) Change in OCERS retirement costs Change in group insurance costs Other benefit cost adjustments	58,968 7,832 5,468 376
Other Cost Adjustments: Change in professional services	28,000
Aggregate change in Other Categories: Aggregate change in other materials, supplies, and services	1,640
2027-28 Proposed Budget - Total Operating Requirements	\$ 3,244,316

Operating Expense by Category	2024-25 Actual	2025-26 Budget	2025-26 Projected	2026-27 Proposed	Budget % Change to 2025-26	2027-28 Proposed	Budget % Change to 2026-27
Personnel	\$ 1,792,878	\$ 1,787,759	\$ 1,761,079	\$ 2,207,848	23.50%	\$ 2,280,493	3.29%
Supplies	439,801	340,775	427,797	369,760	8.51%	371,399	0.44%
Professional & Contractual Services	637,271	560,000	560,000	560,000	-	588,000	5.00%
Research & Monitoring	-	-	-	-	-	-	-
Repairs & Maintenance	-	-	-	-	-	-	-
Utilities	-	-	-	-	-	-	-
Other	970	700	4,425	4,425	532.14%	4,425	-
Total	\$ 2,870,919	\$ 2,689,234	\$ 2,753,300	\$ 3,142,033	16.84%	\$ 3,244,316	3.26%

Expenditure Trends

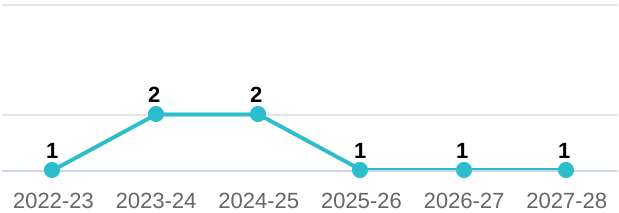




FY 26-27 & FY 27-28 Authorized FTE Positions

	2026-27	2027-28
Executive Managers	1	1
Total	1	1

Staffing Trends



Administrative Services Administration

Service Description

The mission of the Administrative Services Administration Division is to oversee the functions of the Financial Management, Contracts, Purchasing, & Materials Management, and Information Technology Divisions. This oversight includes both day-to-day operations and strategic planning. The division is the departmental liaison with Executive Management, the Administration Committee, the Board of Directors, and other departments of OC San.

2025-26 Performance Objectives

Submittal of annual sewer service fees (SSF) within property parcel database to the County by August 8th.

All Treasury investments will be in compliance with the California State Government Code 100% of the time.

Coordinate and uphold solicitation schedules in support of planned projects and emergency procurements.

2025-26 Performance Results

Submittal completed in time for placement on secured property tax bills.

All Treasury investments in compliance 100% of the time.

Solicitation schedules upheld at 100% completion.

2026-27 & 2027-28 Performance Objectives

Submit annual sewer service fees (SSF) within property parcel database to the County by August 8th.

Comply with the California State Government Code 100% of the time with all treasury investments.

Coordinate and uphold solicitation schedules in support of planned projects and emergency procurements.

Performance Measures

Summary	2024-25 Actual	2025-26 Projected	2026-27 Proposed	2027-28 Proposed	Justification
Submit SSF to the County by August 8th.	Achieved	Planned	Planned	Planned	OC San Standards
Investment Compliance	Achieved	Planned	Planned	Planned	OC San Standards
Uphold Solicitation Schedules	Achieved	Planned	Planned	Planned	OC San Standards

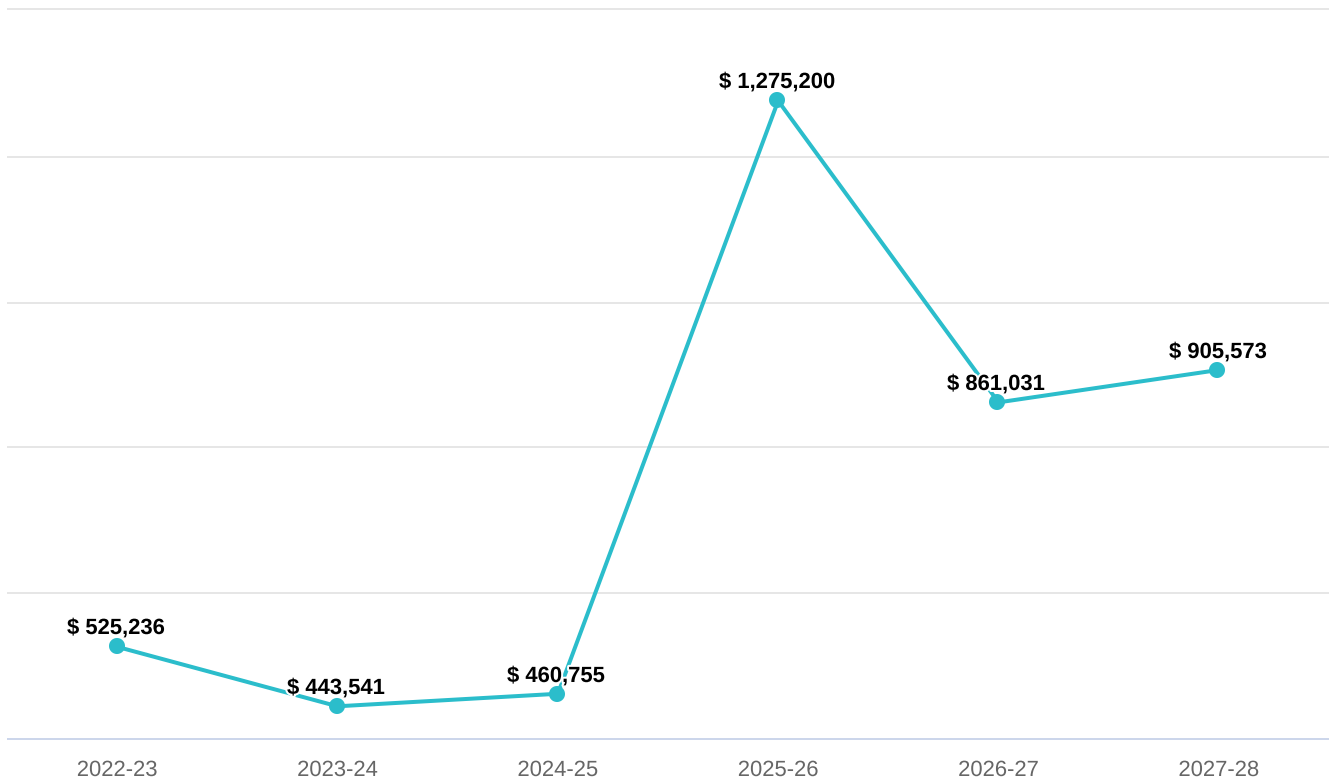
Budget Overview

The FY 2026-27 & FY 2027-28 budgets for the Administrative Services Division reflect a decrease of 32% and an increase of 5% over the prior year, respectively. The FY 2026-27 decrease is primarily due to a decrease in legal costs. The FY 2027-28 increase is primarily due to personnel expenses, memberships and training & meetings.

2025-26 Adjusted Budget - Total Operating Requirements	\$ 1,275,200
Salaries for Position Changes: Transfer of Positions from/(to) Other Divisions New or (decreased) FTE	- -
Changes in Personnel Expenses: Other net salary adjustments (MOU-related, leave payoffs, vacancy, etc.) Change in OCERS retirement costs Change in group insurance costs Other benefit cost adjustments	(115,999) (12,723) (18,549) (16,063)
Other Cost Adjustments: Change in legal services	(250,000)
Aggregate change in Other Categories: Aggregate change in other materials, supplies, and services	(835)
2026-27 Proposed Budget - Total Operating Requirements	\$ 861,031
Changes in Personnel Expenses: Net salary adjustments (MOU-related, leave payoffs, vacancy, etc.) Change in OCERS retirement costs Change in group insurance costs Other benefit cost adjustments	18,564 1,901 1,206 75
Other Cost Adjustments: Change in legal services	25,000
Aggregate change in Other Categories: Aggregate change in other materials, supplies, and services	(2,204)
2027-28 Proposed Budget - Total Operating Requirements	\$ 905,573

Operating Expense by Category	2024-25 Actual	2025-26 Budget	2025-26 Projected	2026-27 Proposed	Budget % Change to 2025-26	2027-28 Proposed	Budget % Change to 2026-27
Personnel	\$ 338,574	\$ 517,345	\$ 358,396	\$ 354,011	(31.57%)	\$ 375,758	6.14%
Supplies	1,331	7,815	6,710	6,980	(10.68%)	4,775	(31.59%)
Professional & Contractual Services	120,825	750,000	450,000	500,000	(33.33%)	525,000	5.00%
Research & Monitoring	-	-	-	-	-	-	-
Repairs & Maintenance	-	-	-	-	-	-	-
Utilities	-	-	-	-	-	-	-
Other	25	40	40	40	-	40	-
Total	\$ 460,755	\$ 1,275,200	\$ 815,146	\$ 861,031	(32.48%)	\$ 905,573	5.17%

Expenditure Trends



This division is a financial tracking division and is not staffed.

Service Description

The mission of the Consolidated Services Division is to centralize and streamline all common costs that support all staff, functions, and facilities at OC San. This division is a financial tracking division and is not staffed.

2025-26 Performance Objectives

Coordinate all common costs for OC San shared support services.
Manage the division’s budget to within 96% to 100% of the approved budget.

2025-26 Performance Results

On track
Estimated to stay within budget.

2026-27 & 2027-28 Performance Objectives

Coordinate all common costs for OC San shared support services.
Manage the division’s budget to within 96% to 100% of the approved budget

Performance Measures

Summary	2024-25 Actual	2025-26 Projected	2026-27 Proposed	2027-28 Proposed	Justification
Consolidate shared support costs	Achieved	Achieved	Expected	Expected	OC San Standards
Manage budget	Achieved	Ongoing	96-100%	96-100%	OC San Standards

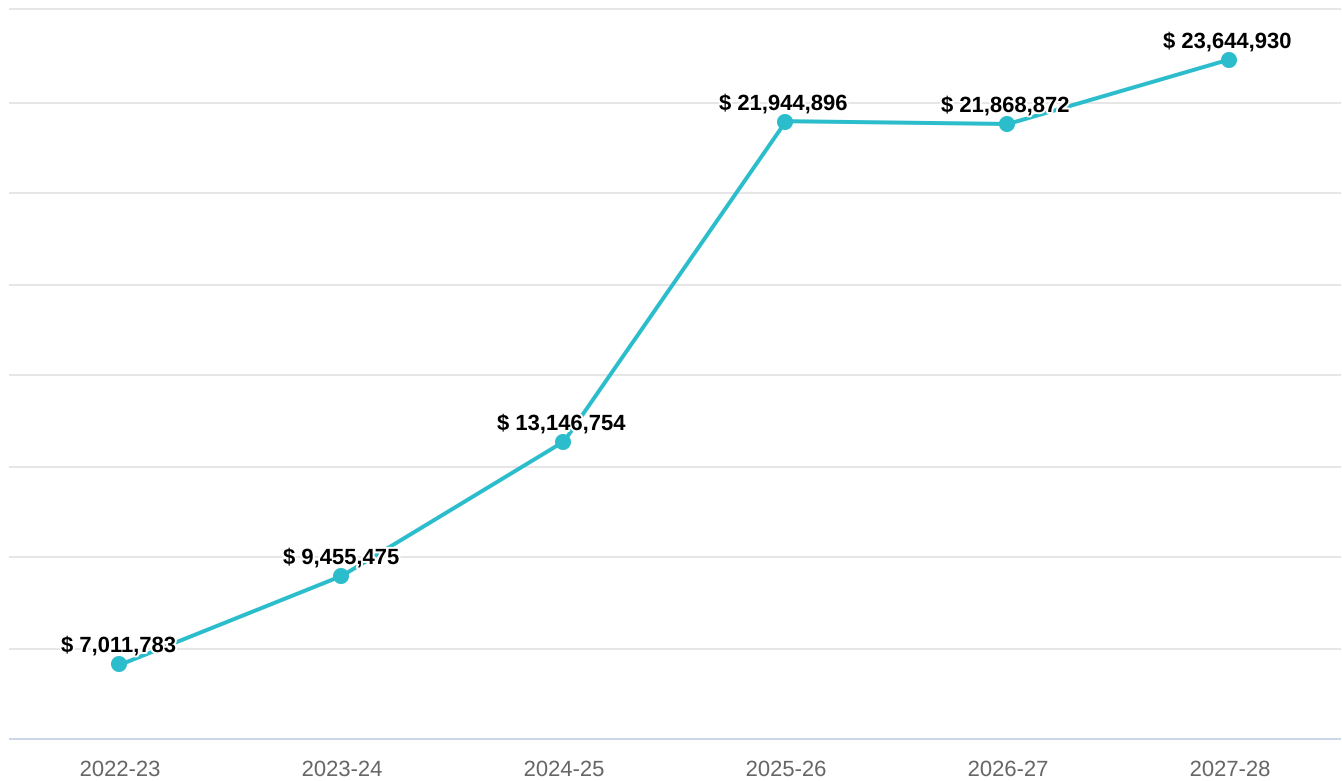
Budget Overview

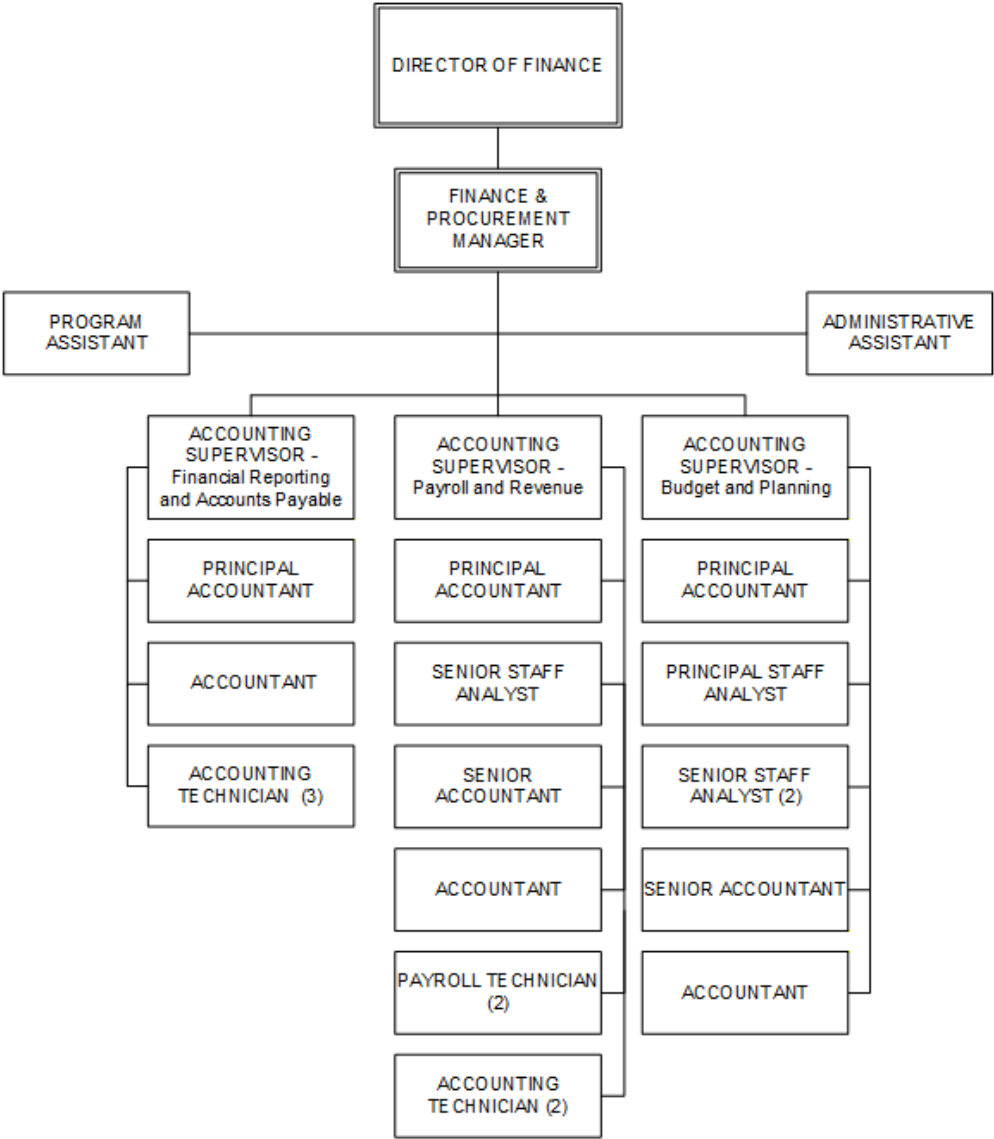
The FY 2026-27 budget for the Consolidated Service Division remains steady & the FY 2027-28 budget reflects an increase of 8% over the prior year. The FY 2027-28 increase is primarily due to security services, utilities and other operating funding construction projects.

2025-26 Adjusted Budget - Total Operating Requirements	\$ 21,944,896
Salaries for Position Changes: Transfer of Positions from/(to) Other Divisions New or (decreased) FTE	- -
Changes in Personnel Expenses: Other net salary adjustments (MOU-related, leave payoffs, vacancy, etc.) Change in OCERS retirement costs Change in group insurance costs Other benefit cost adjustments	- 56,967 - (455,365)
Other Cost Adjustments: Change in trainings & meetings Change in operating materials & supplies Change in contractual services Change in other professional services Change in utilities Change in other operating expense	(66,000) (114,600) 315,045 (757,800) (27,200) 672,414
Aggregate change in Other Categories: Aggregate change in other materials, supplies, and services	\$589
2026-27 Proposed Budget - Total Operating Requirements	\$ 21,868,872
Changes in Personnel Expenses: Net salary adjustments (MOU-related, leave payoffs, vacancy, etc.) Change in OCERS retirement costs Change in group insurance costs Other benefit cost adjustments	- 59,815 - -
Other Cost Adjustments: Change in training & meetings Change in contractual services Change in utilities Change in other operating expense	5,250 307,320 203,500 1,430,647
Aggregate change in Other Categories: Aggregate change in other materials, supplies, and services	28,640
2027-28 Proposed Budget - Total Operating Requirements	\$ 23,644,930

Operating Expense by Category	2024-25 Actual	2025-26 Budget	2025-26 Projected	2026-27 Proposed	Budget % Change to 2025-26	2027-28 Proposed	Budget % Change to 2026-27
Personnel	\$ 1,306,571	\$ 1,594,701	\$ 1,706,145	\$ 1,496,818	(6.14%)	\$ 1,571,659	5.00%
Supplies	638,238	381,300	74,055	200,700	(47.36%)	210,450	4.86%
Professional & Contractual Services	4,701,461	4,837,755	4,393,500	4,395,000	(9.15%)	4,452,320	1.30%
Research & Monitoring	-	-	-	-	-	-	-
Repairs & Maintenance	114,987	155,000	155,000	155,000	-	155,000	-
Utilities	1,784,620	1,704,200	1,976,823	1,677,000	(1.60%)	1,880,500	12.13%
Other	4,600,878	13,271,940	12,668,805	13,944,354	5.07%	15,375,001	10.26%
Total	\$ 13,146,754	\$ 21,944,896	\$ 20,974,328	\$ 21,868,872	(0.35%)	\$ 23,644,930	8.12%

Expenditure Trends

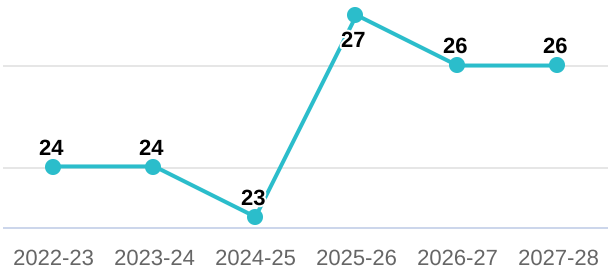




FY 26-27 & FY 27-28 Authorized FTE Positions

	2026-27	2027-28
Managers	1	1
Supervisors / Professionals	16	16
Administrative & Clerical	9	9
Total	26	26

Staffing Trends



Service Description

The mission of the Financial Management Division is to maintain financial oversight and administration of all OC San funds and accounts. The Financial Management Division is responsible for administering the treasury management and debt financing programs, the processing of cash receipts, accounts payable, accounts receivable, user fees, payroll, accounting for fixed assets, and coordinating the capital and operating budget process throughout OC San. The annual audit required by law and all financial reporting required of special districts by the State of California is coordinated and administered through this division.

2025-26 Performance Objectives

Issue monthly financial reports within 10 working days of the following month for 83% of the year.
No more than 30 invoices for payment outstanding longer than 30 days during the completion of any one accounts payable cycle 90% of the time.
The current backlog of rebate claims will be processed resulting in all claims being processed with 90 days of receipt.
Payroll processing will be completed on time 100% of the time and error free >99.5% of the time.
All debt service payments will be paid electronically, by the due dates, and error free 100% of the time.

2025-26 Performance Results

Goal was achieved.
No more than 30 invoices for payment outstanding longer than 30 days during the completion of any one accounts payable cycle 100% of the time.
Sewer service rebate claims were processed within 90 days approximately 80% of the time.
Payroll was processed with an error-free rate of 100% on a bi-weekly and interim basis.
All debt service payments were paid electronically, by the due dates, and error free 100% of the time.

2026-27 & 2027-28 Performance Objectives

Issue monthly reports within 10 working days of the next month for 92% of the year.
No more than 30 invoices shall be outstanding more than 30 days 90% of the time.
Rebate claims to be processed < 90 days of receipt 90% of the time.
Payroll processing to be completed on time and error free >99.5% of the time.
Debt service payments will be paid on time electronically, and be error free.

Performance Measures

Summary	2024-25 Actual	2025-26 Projected	2026-27 Proposed	2027-28 Proposed	Justification
Financial Reports Issuance Standard	92%	92%	92%	92%	OC San Standards
Accounts Payable Standard	100%	100%	90%	90%	OC San Standards
Sewer Service Refund 90 Day Standard	80%	80%	90%	90%	OC San Standards
Payroll Error Free Standard	100%	100%	99.5%	99.5%	OC San Standards
Debt Service Payment Standard	100%	100%	100%	100%	OC San Standards

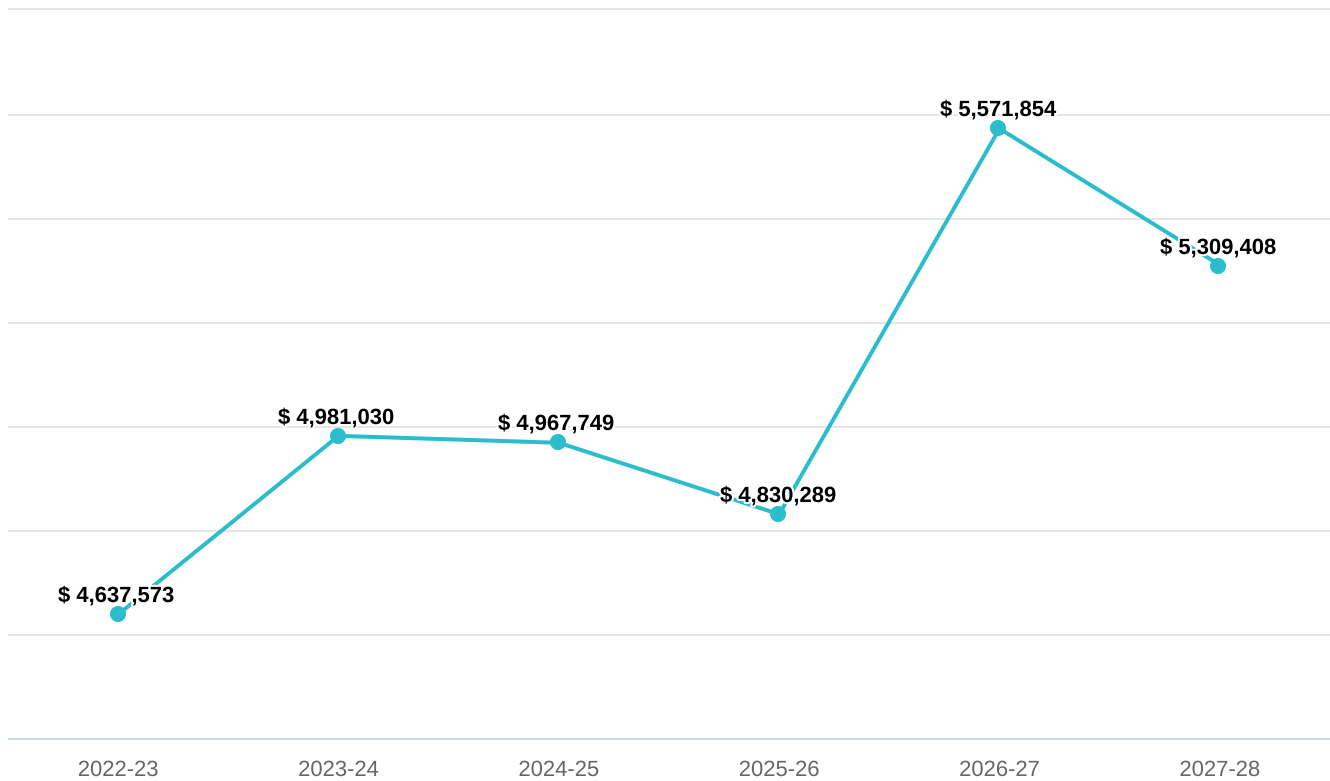
Budget Overview

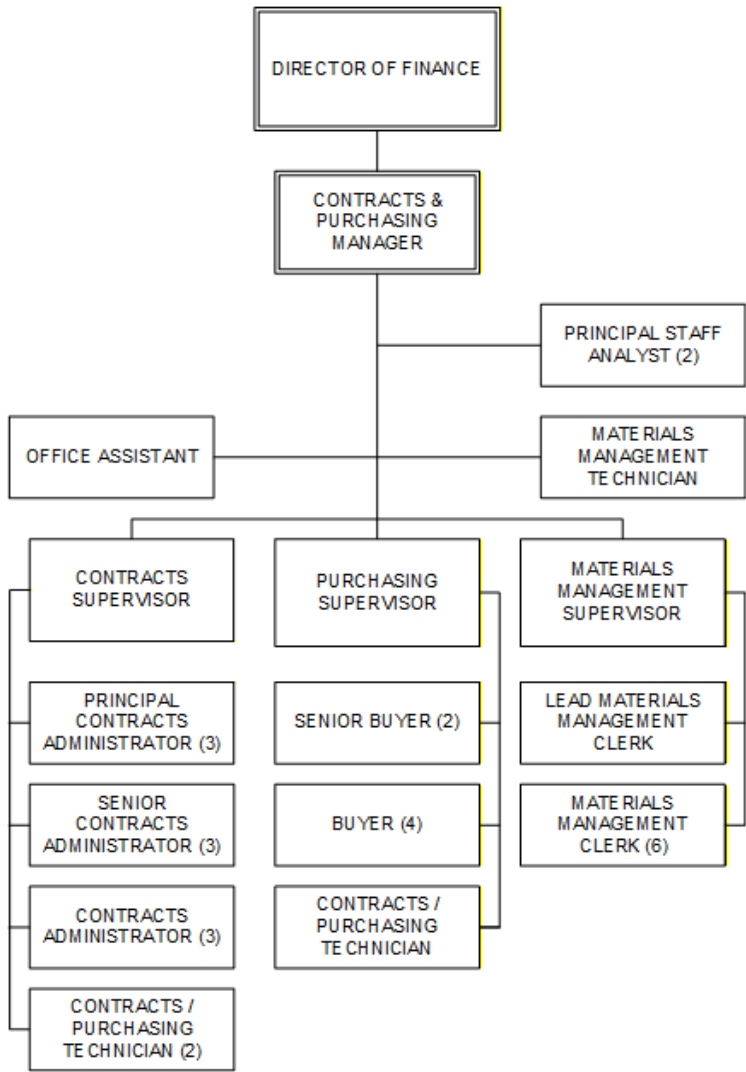
The FY 2026-27 & FY 2027-28 budgets for the Financial Management Division reflect an increase of 15% and an decrease of 5% over the prior year, respectively. The FY 2026-27 increase is primarily due to an increase in professional services to conduct a cost of service study and implement an online customer application portal for capacity fees. The FY 2027-28 decrease is due to the service for the prior year concluding.

2025-26 Adjusted Budget - Total Operating Requirements	\$ 4,830,289
Salaries for Position Changes: Transfer of Positions from/(to) Other Divisions New or (decreased) FTE	 (2) 1
Changes in Personnel Expenses: Other net salary adjustments (MOU-related, leave payoffs, vacancy, etc.) Change in OCERS retirement costs Change in group insurance costs Other benefit cost adjustments	 192,419 (21,052) 43,121 2,802
Other Cost Adjustments: Change in training & meetings Change in professional services	 9,950 520,000
Aggregate change in Other Categories: Aggregate change in other materials, supplies, and services	 (5,675)
2026-27 Proposed Budget - Total Operating Requirements	\$ 5,571,854
Changes in Personnel Expenses: Net salary adjustments (MOU-related, leave payoffs, vacancy, etc.) Change in OCERS retirement costs Change in group insurance costs Other benefit cost adjustments	 179,757 26,550 26,924 1,956
Other Cost Adjustments: Change in training & meetings Change in professional services	 (4,025) (494,600)
Aggregate change in Other Categories: Aggregate change in other materials, supplies, and services	 (992)
2027-28 Proposed Budget - Total Operating Requirements	\$ 5,309,408

Operating Expense by Category	2024-25 Actual	2025-26 Budget	2025-26 Projected	2026-27 Proposed	Budget % Change to 2025-26	2027-28 Proposed	Budget % Change to 2026-27
Personnel	\$ 4,379,987	\$ 4,431,614	\$ 4,639,554	\$ 4,648,904	4.90%	\$ 4,884,092	5.06%
Supplies	57,884	37,715	43,395	51,950	37.74%	48,917	(5.84%)
Professional & Contractual Services	529,061	360,000	329,396	870,000	141.67%	375,400	(56.85%)
Research & Monitoring	-	-	-	-	-	-	-
Repairs & Maintenance	-	-	-	-	-	-	-
Utilities	-	-	-	-	-	-	-
Other	818	960	960	1,000	4.17%	1,000	-
Total	\$ 4,967,749	\$ 4,830,289	\$ 5,013,304	\$ 5,571,854	15.35%	\$ 5,309,408	(4.71%)

Expenditure Trends

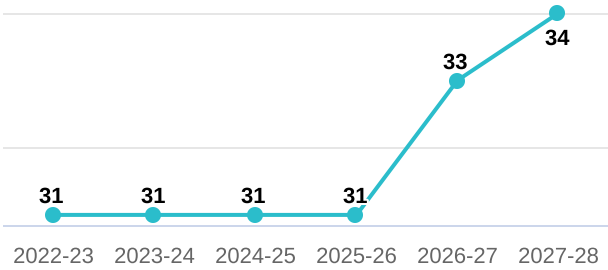




FY 26-27 & FY 27-28 Authorized FTE Positions

	2026-27	2027-28
Managers	1	1
Supervisors / Professionals	20	21
Administrative & Clerical	12	12
Total	33	34

Staffing Trends



Contracts, Purchasing, & Materials Management

Service Description

The Contracts, Purchasing and Materials Management Division's goal is to provide goods, services and information with the commitment to achieving the highest ethical, economic and progressive standards possible. The division is responsible for contract administration and procurement for all OC San departments. OC San's warehouse receives inventory and distributes supplies, materials and equipment to all departments in addition to inventory control analysis and surplus disposition.

2025-26 Performance Objectives

Maintain the cycle count program and maintain a 98% accuracy rate or better.
Obtain the 2025 "Achievement of Excellence in Procurement" (AEP) award by meeting all National requirements.
Conduct agency-wide procurement training.

2025-26 Performance Results

Achieved.
AEP Award Received.
Achieved and ongoing.

2026-27 & 2027-28 Performance Objectives

Maintain the cycle count program and maintain a 98% accuracy rate or better.
Obtain the annual "Achievement of Excellence in Procurement" (AEP) award by meeting all National requirements.
Conduct agency-wide procurement training.
Ensure that 100% of staff complete regular training on ethics and regulatory changes, as well as quarterly safety training.
Ensure boilerplate contract and procurement documents are accurate and comprehensive, and are consistently updated.

Performance Measures

Summary	2024-25 Actual	2025-26 Projected	2026-27 Proposed	2027-28 Proposed	Justification
Cycle Count	Achieved	Achieved	Achieve	Achieve	APICS Standard
AEP Award	Achieved	Achieved	Achieve	Achieve	Industry Standards
Procurement Training	Ongoing	Ongoing	Ongoing	Ongoing	Best Practices
Safety Training	Achieved	Ongoing	Ongoing	Ongoing	Compliance
Template Updates	Ongoing	Ongoing	Ongoing	Ongoing	Best Practices

Contracts, Purchasing, & Materials Management

Budget Overview

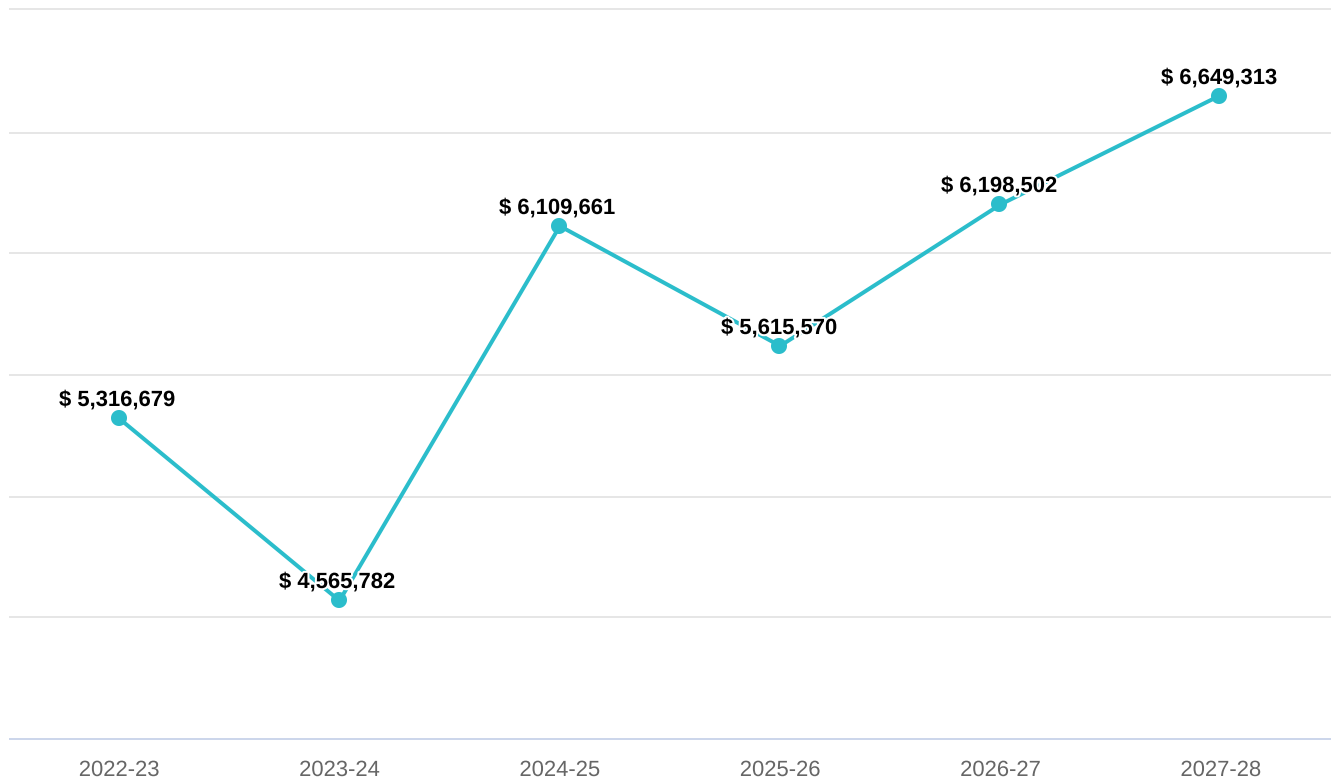
The FY 2026-27 & FY 2027-28 budgets for the Contracts, Purchases, & Materials Management Division reflect an increase of 10% and an increase of 7% over the prior year, respectively. The FY 2026-27 and FY 2027-28 increases is primarily due to personnel expenses.

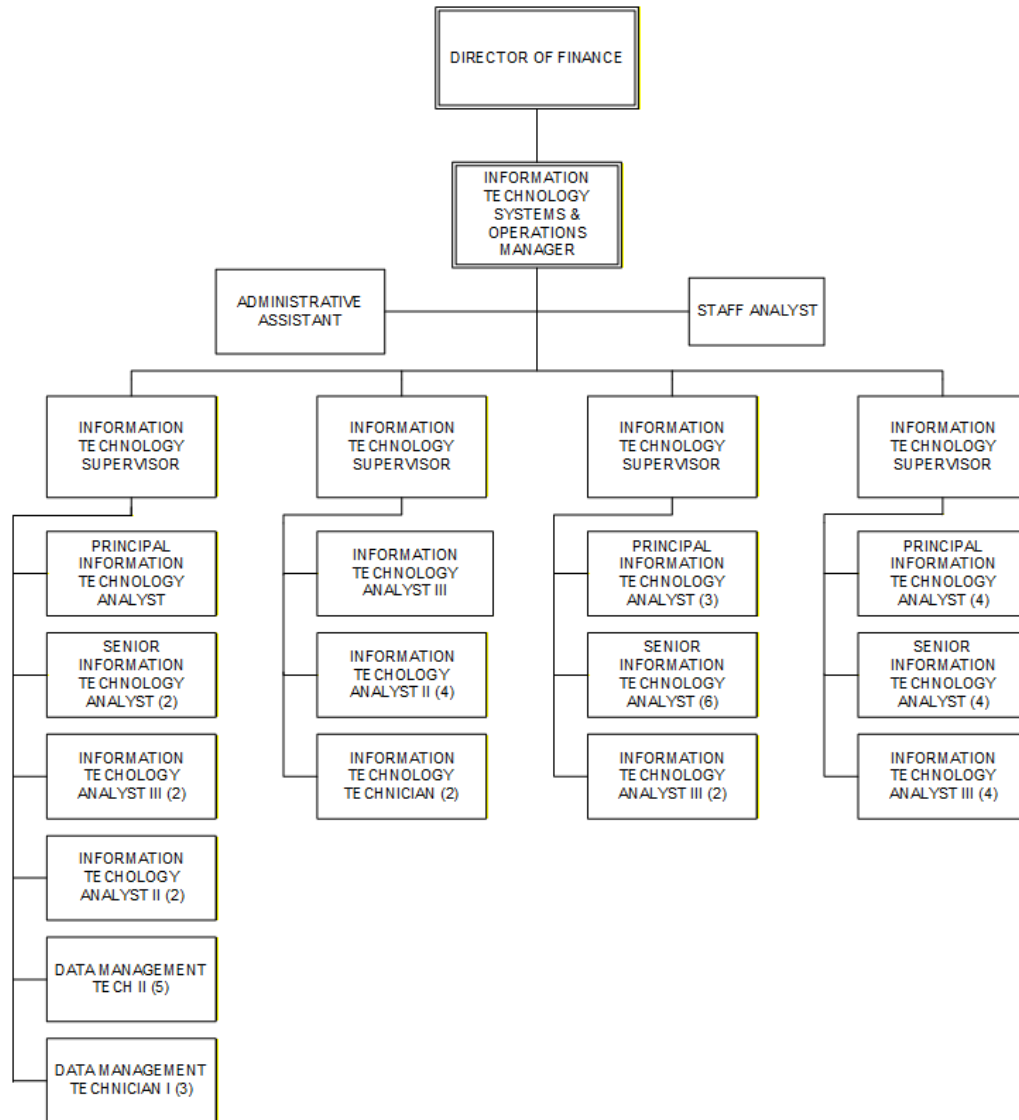
2025-26 Adjusted Budget - Total Operating Requirements	\$ 5,615,570
Salaries for Position Changes:	
Transfer of Positions from/(to) Other Divisions	2
New or (decreased) FTE	-
Changes in Personnel Expenses:	
Other net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	566,090
Change in OCERS retirement costs	(320)
Change in group insurance costs	71,554
Other benefit cost adjustments	13,782
Other Cost Adjustments:	
Change in minor furniture & fixtures	10,000
Change in training & meetings	13,821
Change in software program consulting	(25,000)
Change in other professional services	(69,000)
Aggregate change in Other Categories:	
Aggregate change in other materials, supplies, and services	(2,005)
2026-27 Proposed Budget - Total Operating Requirements	\$ 6,198,502
Changes in Personnel Expenses:	
Net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	347,814
Change in OCERS retirement costs	36,879
Change in group insurance costs	55,053
Other benefit cost adjustments	4,063
Other Cost Adjustments:	
Change in training & meetings	6,918
Aggregate change in Other Categories:	
Aggregate change in other materials, supplies, and services	84
2027-28 Proposed Budget - Total Operating Requirements	\$ 6,649,313

Contracts, Purchasing, & Materials Management

Operating Expense by Category	2024-25 Actual	2025-26 Budget	2025-26 Projected	2026-27 Proposed	Budget % Change to 2025-26	2027-28 Proposed	Budget % Change to 2026-27
Personnel	\$ 4,890,195	\$ 5,314,334	\$ 5,244,271	\$ 5,965,440	12.25%	\$ 6,409,248	7.44%
Supplies	180,091	154,036	163,956	179,782	16.71%	186,785	3.90%
Professional & Contractual Services	1,024,877	115,000	-	21,000	(81.74%)	21,000	-
Research & Monitoring	-	-	-	-	-	-	-
Repairs & Maintenance	13,721	21,000	21,000	21,000	-	21,000	-
Utilities	-	-	-	-	-	-	-
Other	778	11,200	1,200	11,280	0.71%	11,280	-
Total	\$ 6,109,661	\$ 5,615,570	\$ 5,430,427	\$ 6,198,502	10.38%	\$ 6,649,313	7.27%

Expenditure Trends

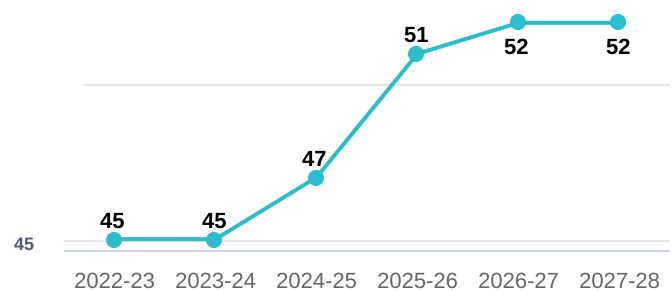




FY 26-27 & FY 27-28 Authorized FTE Positions

	2026-27	2027-28
Managers	1	1
Supervisors / Professionals	40	40
Administrative & Clerical	1	1
Technical Services	10	10
Total	52	52

Staffing Trends



Service Description

Information Technology provides support to OC San users of related assets/services, developing and implementing solutions. IT procures/manages hardware/software and provides end user support in computer and telecom installations, moves and changes as well as IT support for board meetings. IT is responsible for the design, installation, maintenance, troubleshooting and upgrades of enterprise applications, networking infrastructure components, back-end computer systems, wireless connectivity, plant radio, public address/fire systems, cyber security infrastructure, reprographics and copy center. IT works closely with departments to provide systems analysis, design, custom programming, system implementation, database/data warehousing, and support.

2025-26 Performance Objectives

Replace 20% of obsolete desktops and laptops.
Maintain Safety Scorecard above 90%.
Cyber Security Awareness/Protection - better the industry average by 15%.
Replace 30% of obsolete network infrastructure for OC San's office computing.
Manage Operating Budget between 96% and 100% of approved budget.

2025-26 Performance Results

Replaced 17% of computer inventory.
The Safety Scorecard is at 100%.
OC San's phishing-prone percentage has remained steady and is 16% better than the industry average.
Replaced 15% of network infrastructure
Currently spent 90% of approved budget.

2026-27 & 2027-28 Performance Objectives

Replace 20% of obsolete desktop and laptops.
Maintain a Safety Scorecard above 95% for overall score.
Cyber Security Awareness/Protection – phishing campaign effectiveness, targeting 15% above the industry average
Replace 30% of obsolete network infrastructure for OC San's office computing.
Maintain a Service Desk score above 90%.

Performance Measures

Summary	2024-25 Actual	2025-26 Projected	2026-27 Proposed	2027-28 Proposed	Justification
Replace Obsolete Desktop and Laptop Computers	20%	20%	20%	20%	WS 5 / LT 3 Years
Maintain a Safety Scorecard above 95%	100%	100%	95%	95%	OC San Standards
Cyber Security Awareness	2.5%	3.1%	>1%	>1%	GM Workplan
Replace Obsolete Office Network Infrastructure	50%	15%	30%	30%	Cybersecurity
Manage Operating Budget	85%	96%	96-100%	96-100%	In-house standard

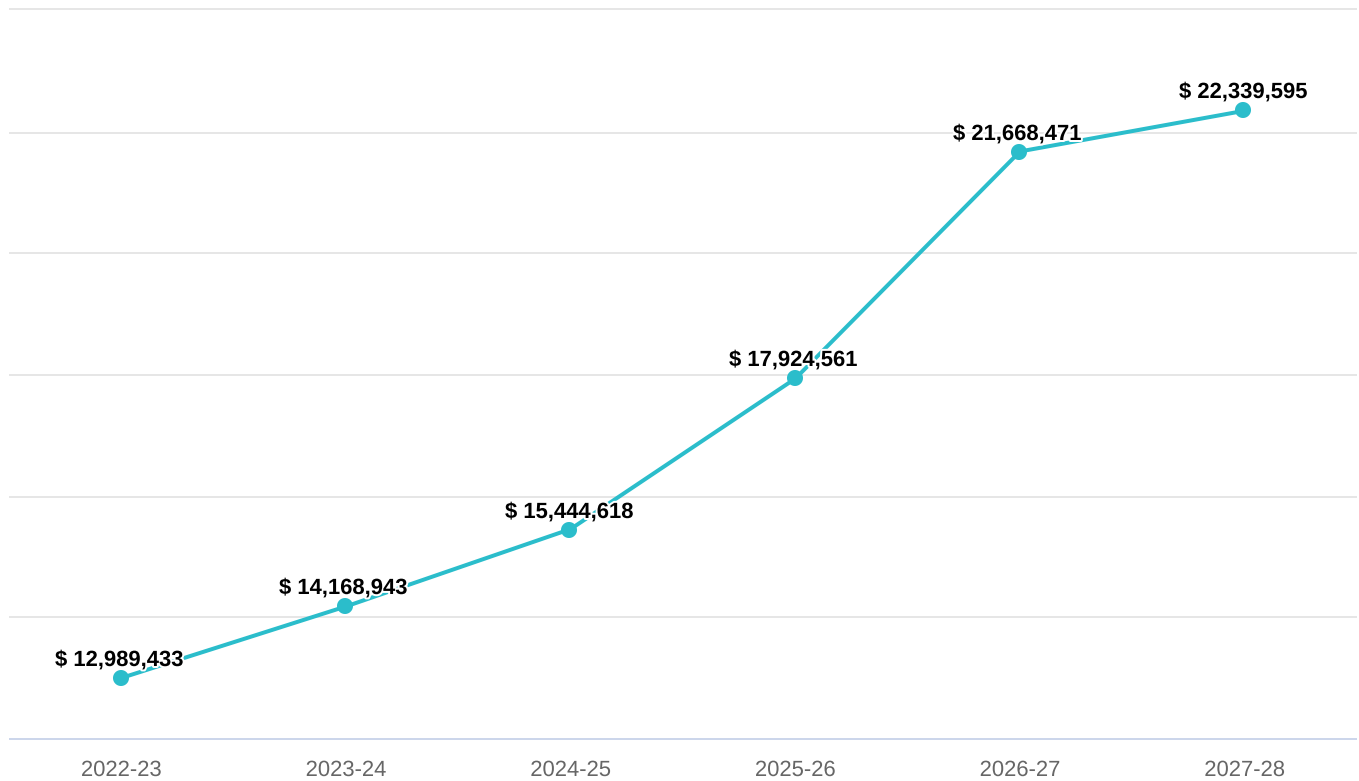
Budget Overview

The FY 2026-27 & FY 2027-28 budgets for the Information Technology Division reflect an increase of 21% and an increase of 3% over the prior year, respectively. The FY 2026-27 increase is primarily due to an increase in personnel expenses, professional services, and service maintenance agreements. The FY 2027-28 increase is primarily due to personnel expenses and and service maintenance agreements.

2025-26 Adjusted Budget - Total Operating Requirements	\$ 17,924,561
Salaries for Position Changes: Transfer of Positions from/(to) Other Divisions New or (decreased) FTE	- 1
Changes in Personnel Expenses: Other net salary adjustments (MOU-related, leave payoffs, vacancy, etc.) Change in OCERS retirement costs Change in group insurance costs Other benefit cost adjustments	753,010 (26,488) 73,342 (3,602)
Other Cost Adjustments: Change in small computer items Change in printing & publications Change in trainings & meetings Change in temporary services Change in professional services Change in repairs & maintenance services Change in service maintenance agreements	39,807 (115,000) 37,405 70,000 482,700 80,000 2,357,960
Aggregate change in Other Categories: Aggregate change in other materials, supplies, and services	(5,224)
2026-27 Proposed Budget - Total Operating Requirements	\$ 21,668,471
Changes in Personnel Expenses: Net salary adjustments (MOU-related, leave payoffs, vacancy, etc.) Change in OCERS retirement costs Change in group insurance costs Other benefit cost adjustments	99,445 22,020 49,347 3,912
Other Cost Adjustments: Change in small computer items Change in software program consulting Change in service maintenance agreements	34,168 (81,400) 538,302
Aggregate change in Other Categories: Aggregate change in other materials, supplies, and services	(14,670)
2027-28 Proposed Budget - Total Operating Requirements	\$ 22,339,595

Operating Expense by Category	2024-25 Actual	2025-26 Budget	2025-26 Projected	2026-27 Proposed	Budget % Change to 2025-26	2027-28 Proposed	Budget % Change to 2026-27
Personnel	\$ 10,015,838	\$ 10,165,657	\$ 10,377,618	\$ 10,961,920	7.83%	\$ 11,136,643	1.59%
Supplies	1,390,763	1,815,813	1,420,920	1,772,800	(2.37%)	1,809,228	2.05%
Professional & Contractual Services	381,813	972,700	900,000	1,525,400	56.82%	1,444,000	(5.34%)
Research & Monitoring	-	-	-	-	-	-	-
Repairs & Maintenance	3,655,507	4,941,991	4,702,000	7,379,951	49.33%	7,918,753	7.30%
Utilities	-	-	-	-	-	-	-
Other	698	28,400	2,579	28,400	-	30,970	9.05%
Total	\$ 15,444,618	\$ 17,924,561	\$ 17,403,117	\$ 21,668,471	20.89%	\$ 22,339,595	3.10%

Expenditure Trends



Staff from this division have been transferred to division 823,
Civil Facilities Maintenance.

Service Description

The mission of the Civil Facilities Maintenance Division is to proactively manage and maintain the physical assets and infrastructure of the built environment in a reliable, safe, and presentable manner. This includes, but is not limited to, treatment plants, collection systems, and headquarters buildings. The division also handles real estate matters, including easements, acquisitions, legal issues, property assessments, and overall property management.

2025-26 Performance Objectives

Maintain 99% safety scorecard rating
Ensure all building systems and infrastructure remain reliable and operational through timely preventive maintenance.
Meet all regulatory requirements and standards related to facilities, environmental health, fire/life safety, ADA, real property, and operations.
Maintain accurate, compliant, and legally sound real estate documentation and transactions.

2025-26 Performance Results

Maintain 99% safety scorecard rating
Maintain 95% PM compliance for all maintained assets (HVAC, plumbing, electrical, automation, roofs, fire systems, etc.).
Maintain 100% regulatory compliance across all facilities and real property functions.
Maintain accurate and up to date real property records, including easements, acquisitions, dispositions, assessments, and maps.

2026-27 & 2027-28 Performance Objectives

Performance objectives for FY 2026-27 and FY 2027-28 can be found in division 823.

Performance Measures

Summary	2024-25 Actual	2025-26 Projected	2026-27 Proposed	2027-28 Proposed	Justification
Building Structure and Infrastructure Preventative ...	Achieved	Ongoing			OC San Standards
Regulatory Requirements and Standards	Achieved	Ongoing			State/Federal Reg.
Real Property records	Achieved	Ongoing			OC San Standards

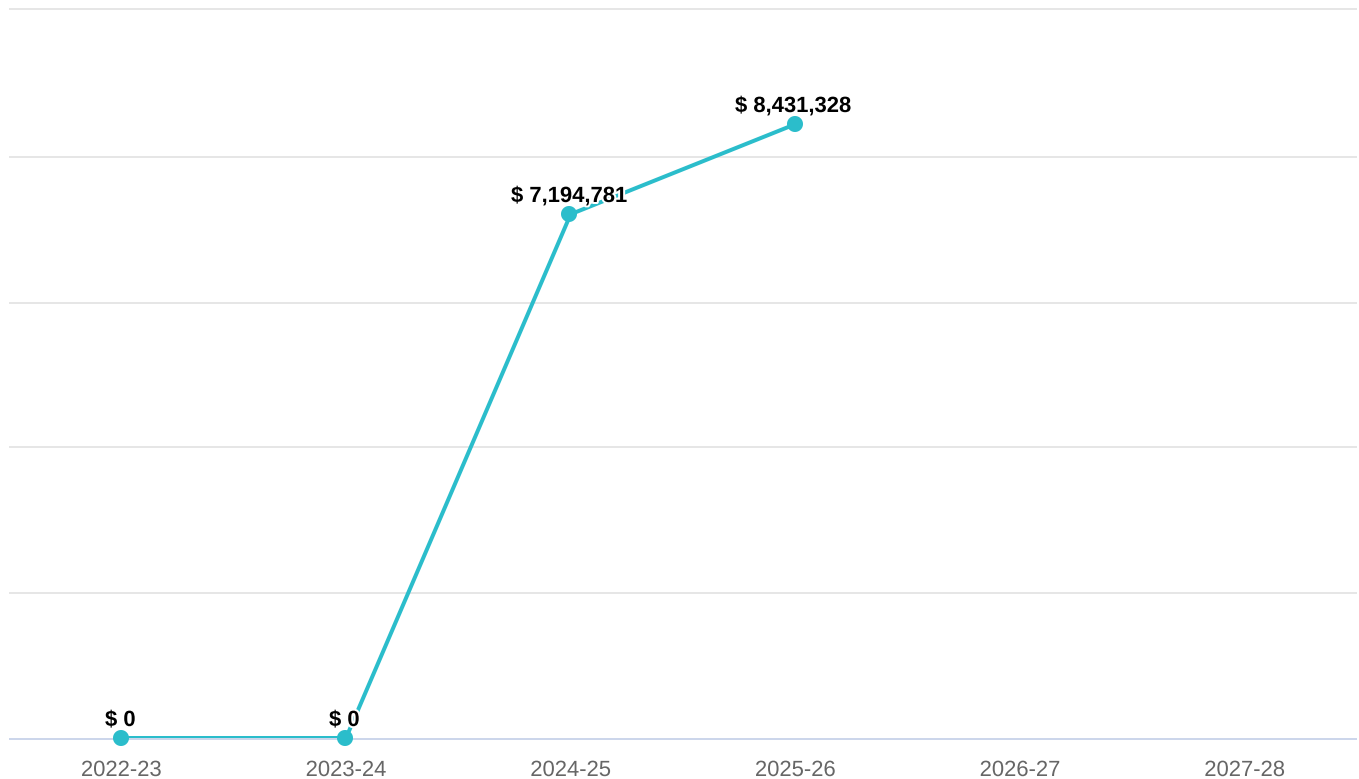
Budget Overview

The FY 2026-27 & FY 2027-28 budgets for the Civil Facilities Division reflect the transfer of all maintenance services and staff to the operating and maintenance department, and the transfer of property related service and staff to the engineering department. All staff and services from this division are being transferred to division 823 within the Operations and Maintenance Department.

2025-26 Adjusted Budget - Total Operating Requirements	\$ 8,431,328
Salaries for Position Changes: Transfer of Positions from/(to) Other Divisions (16) New or (decreased) FTE -	
Changes in Personnel Expenses: Other net salary adjustments (MOU-related, leave payoffs, vacancy, etc.) (2,059,406) Change in OCERS retirement costs (251,473) Change in group insurance costs (312,370) Other benefit cost adjustments (22,932)	
Other Cost Adjustments: Change in administrative expense (28,780) Change in printing & publications (4,300) Change in trainings & meetings (66,015) Change in operating materials and supplies (141,000) Change in professional services (1,000,000) Change in contractual services (1,796,212) Change in repairs & maintenance (2,748,120)	
Aggregate change in Other Categories: Aggregate change in other materials, supplies, and services (720)	
2026-27 Proposed Budget - Total Operating Requirements	-
Changes in Personnel Expenses: Net salary adjustments (MOU-related, leave payoffs, vacancy, etc.) - Change in OCERS retirement costs - Change in group insurance costs - Other benefit cost adjustments -	
Other Cost Adjustments: Change in small computer items - Change in software program consulting - Change in other professional services - Change in repairs & maintenance services - Change in service maintenance agreements -	
Aggregate change in Other Categories: Aggregate change in other materials, supplies, and services -	
2027-28 Proposed Budget - Total Operating Requirements	-

Operating Expense by Category	2024-25 Actual	2025-26 Budget	2025-26 Projected	2026-27 Proposed	Budget % Change to 2025-26	2027-28 Proposed	Budget % Change to 2026-27
Personnel	\$ 3,102,499	\$ 2,646,181	\$ 3,202,781	-	(100.00%)	-	-
Supplies	282,268	240,095	216,730	-	(100.00%)	-	-
Professional & Contractual Services	1,018,367	2,796,212	2,796,212	-	(100.00%)	-	-
Research & Monitoring	-	-	-	-	-	-	-
Repairs & Maintenance	2,736,544	2,748,120	3,414,000	-	(100.00%)	-	-
Utilities	46,876	-	-	-	-	-	-
Other	8,227	720	720	-	(100.00%)	-	-
Total	\$ 7,194,781	\$ 8,431,328	\$ 9,630,443	-	(100.00%)	-	-

Expenditure Trends



Staff from this division have been transferred to division 822,
Fleet Services.

Service Description

The mission of the Fleet Services Division is to provide vehicles and equipment to serve the logistics and mobility needs of all staff. The division's highly skilled staff ensures vehicles and equipment are reliably maintained and readily available and supports the logistics needs of the organization through crane and transport services.

2025-26 Performance Objectives

Ensure reliable operation of fleet vehicles and equipment through timely PM.

Ensure complete compliance with all fleet related regulatory requirements.

Support efficient acquisition, replacement, and disposal of fleet assets.

2025-26 Performance Results

Maintain or exceed 95% PM compliance.

Maintain 100% regulatory compliance, including emissions, inspections, and environmental standards.

Complete planned vehicle/equipment replacements on schedule; Maintain up to date lifecycle cost and condition assessments; Support procurement with ...

2026-27 & 2027-28 Performance Objectives

Performance objectives for FY 2026-27 and FY 2027-28 can be found in division 822.

Performance Measures

Summary	2024-25 Actual	2025-26 Projected	2026-27 Proposed	2027-28 Proposed	Justification
Fleet Vehicles and Equipment Preventative ...	Achieved	Ongoing			OC San Standards
Fleet related Regulatory Requirements	Achieved	Ongoing			State/Federal Reg.
Vehicle/Equipment Replacements	Achieved	Ongoing			OC San Standards

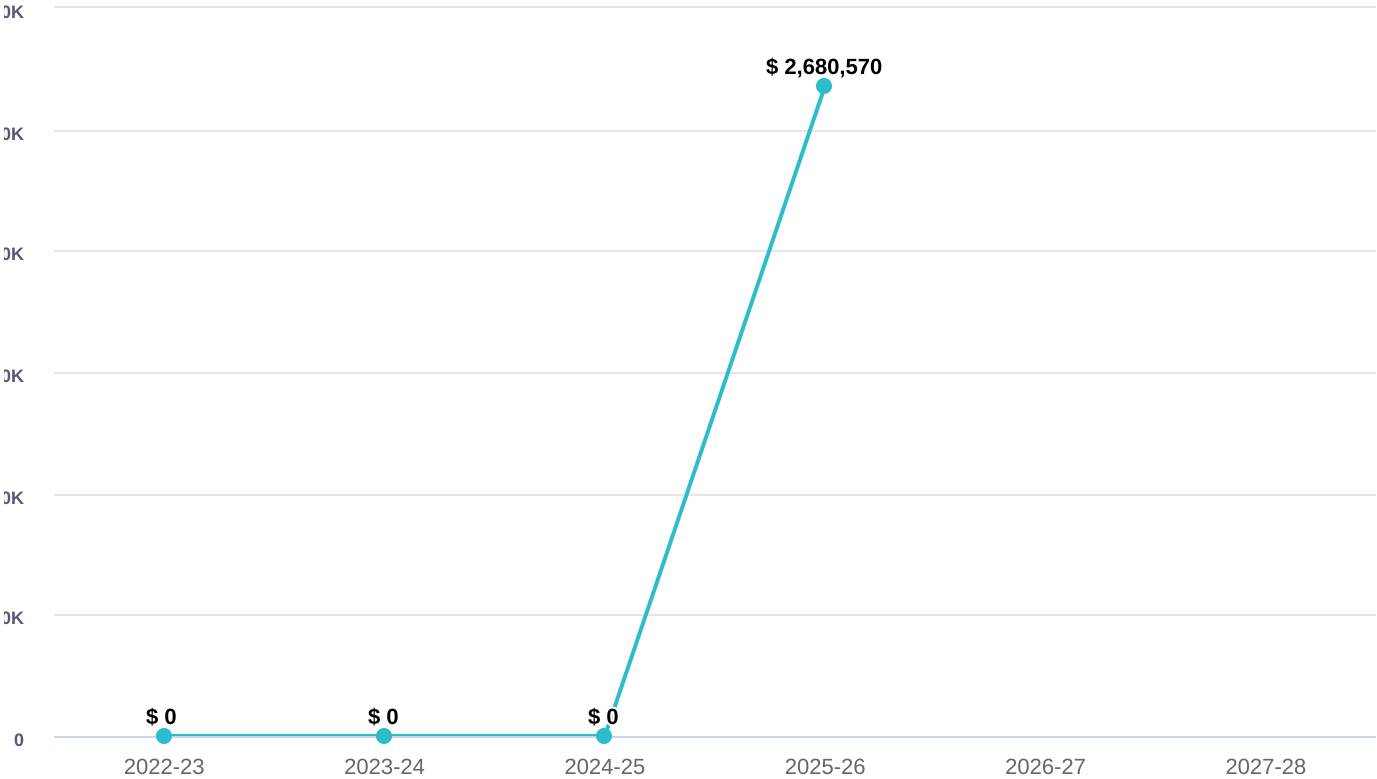
Budget Overview

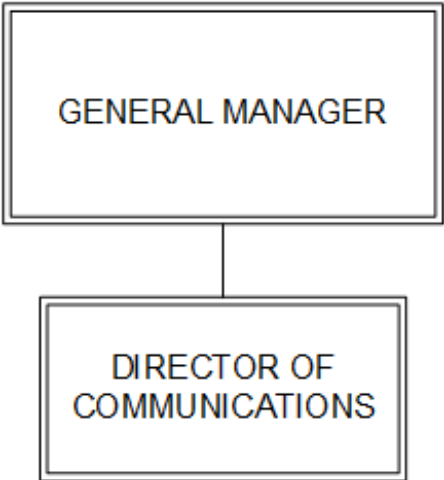
The FY 2026-27 & FY 2027-28 budgets for the Fleet Services Division reflect the transfer of all services and staff to the operating and maintenance department. All staff and services from this division are being transferred to division 822 within the Operations and Maintenance Department.

2025-26 Adjusted Budget - Total Operating Requirements	\$ 2,680,570
Salaries for Position Changes: Transfer of Positions from/(to) Other Divisions (8) New or (decreased) FTE -	
Changes in Personnel Expenses: Other net salary adjustments (MOU-related, leave payoffs, vacancy, etc.) (1,003,571) Change in OCERS retirement costs (124,747) Change in group insurance costs (155,539) Other benefit cost adjustments (11,466)	
Other Cost Adjustments: Change in administrative expense (8,020) Change in trainings & meetings (49,600) Change in operating materials & supplies (459,450) Change in repairs & maintenance (734,627) Change in utilities (65,000) Change in other operating expenses (51,300)	
Aggregate change in Other Categories: Aggregate change in other materials, supplies, and services (17,250)	
2026-27 Proposed Budget - Total Operating Requirements	-
Changes in Personnel Expenses: Net salary adjustments (MOU-related, leave payoffs, vacancy, etc.) - Change in OCERS retirement costs - Change in group insurance costs - Other benefit cost adjustments -	
Other Cost Adjustments: Change in small computer items - Change in software program consulting - Change in other professional services - Change in repairs & maintenance services - Change in service maintenance agreements -	
Aggregate change in Other Categories: Aggregate change in other materials, supplies, and services -	
2027-28 Proposed Budget - Total Operating Requirements	-

Operating Expense by Category	2024-25 Actual	2025-26 Budget	2025-26 Projected	2026-27 Proposed	Budget % Change to 2025-26	2027-28 Proposed	Budget % Change to 2026-27
Personnel	-	\$ 1,295,323	\$ 1,003,609	-	(100.00%)	-	-
Supplies	-	519,320	487,200	-	(100.00%)	-	-
Professional & Contractual Services	-	15,000	98,515	-	(100.00%)	-	-
Research & Monitoring	-	-	-	-	-	-	-
Repairs & Maintenance	-	734,627	710,000	-	(100.00%)	-	-
Utilities	-	65,000	35,000	-	(100.00%)	-	-
Other	-	51,300	50,400	-	(100.00%)	-	-
Total	-	\$ 2,680,570	\$ 2,384,724	-	(100.00%)	-	-

Expenditure Trends

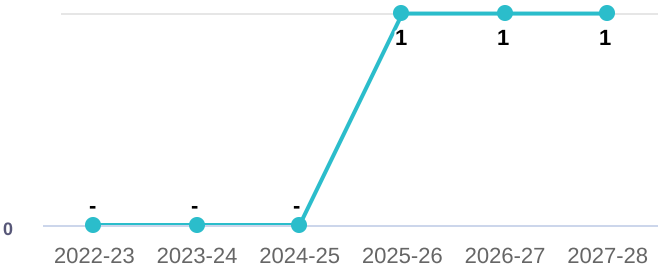




FY 26-27 & FY 27-28 Authorized FTE Positions

	2026-27	2027-28
Executive Managers	1	1
Total	1	1

Staffing Trends



Service Description

The Communications Administrative Division provides centralized leadership to streamline communication and enhance transparency between government entities, the public, and employees. We specialize in meeting management, public records, and crafting clear and engaging messages that convey important information, policies, and initiatives to diverse audiences. Our team ensures agency actions are communicated clearly and are accessible, fostering trust and accountability within internal and external communities.

2025-26 Performance Objectives

Maintain the Special District Leadership Foundation (SLDF) District Transparency Certificate of Excellence.
Respond to 95% of public records requests within ten business days
Provide information to Board of Directors through the General Manager's monthly report and the new Board Member orientation.
Provide services and programs that meet communication needs of OC San's audiences by reaching a minimum of 25,000 people per year, and 500 pieces of communications.
Engage proactively in legislative advocacy efforts that could impact OC San and the wastewater industry through implementation of the Legislative and Regulatory Affairs Plan.

2025-26 Performance Results

Achieved.
Achieved 100% success rate.
Achieved.
Achieved.
Achieved.

2026-27 & 2027-28 Performance Objectives

Maintain the Special District Leadership Foundation (SLDF) District Transparency Certificate of Excellence.
Respond to 100% of Public Records Acts (PRA) requests within ten business days
Provide information to Board of Directors through the General Manager's monthly report and new Board Member orientation.
Provide services and programs for OC San's audiences by reaching 25,000 people per year and 500 pieces of communications.
Engage proactively in legislative advocacy efforts that could impact OC San and the wastewater industry.

Performance Measures

Summary	2024-25 Actual	2025-26 Projected	2026-27 Proposed	2027-28 Proposed	Justification
Maintain the SLDF Transparency Certificate	Achieved	Achieved	100%	100%	OC San Standards
Respond to 95% PRAs within ten business days	Achieved	Achieved	100%	100%	OC San Standards
Board of Directors and GM Support	Achieved	Achieved	Achieve	Achieve	OC San Standards
Legislative Advocacy	Achieved	Achieved	Achieve	Achieve	OC San Standards
Manage Budget	Achieved	Achieved	100%	100%	OC San Standards

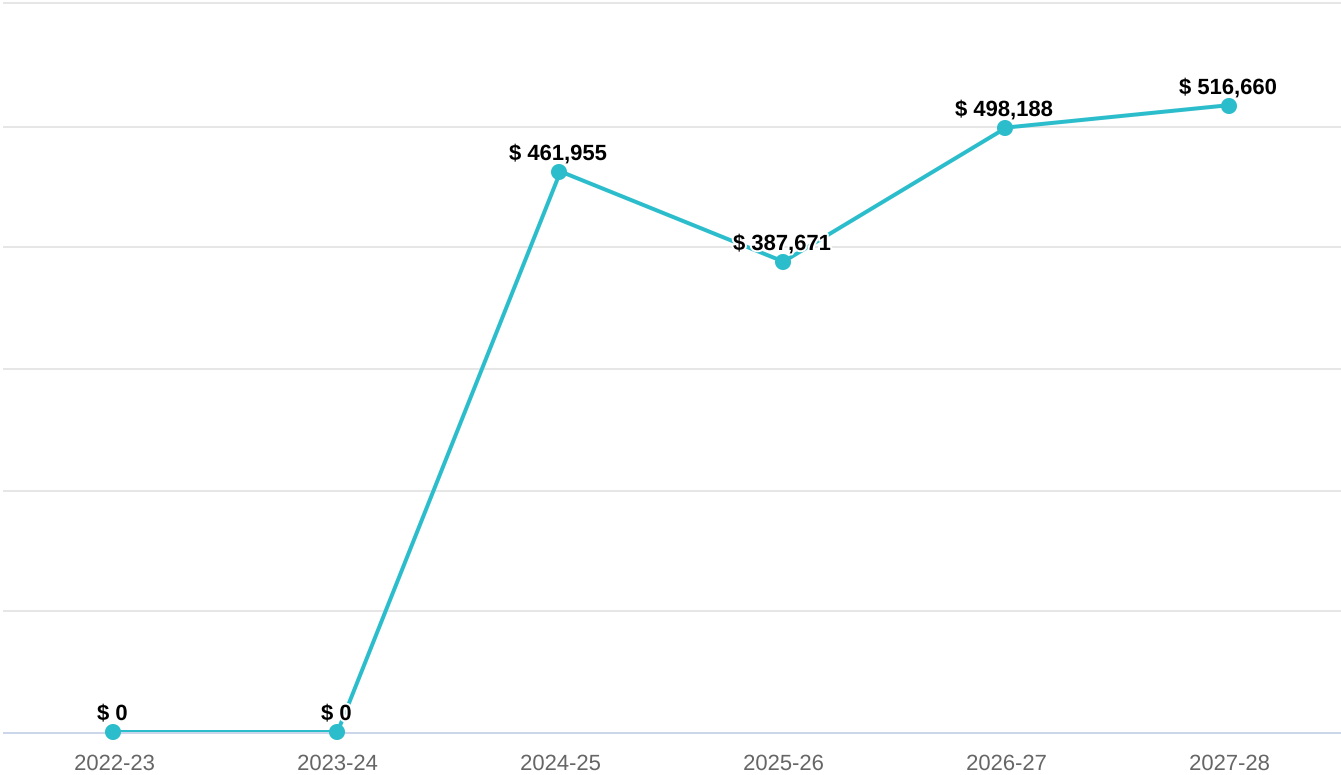
Budget Overview

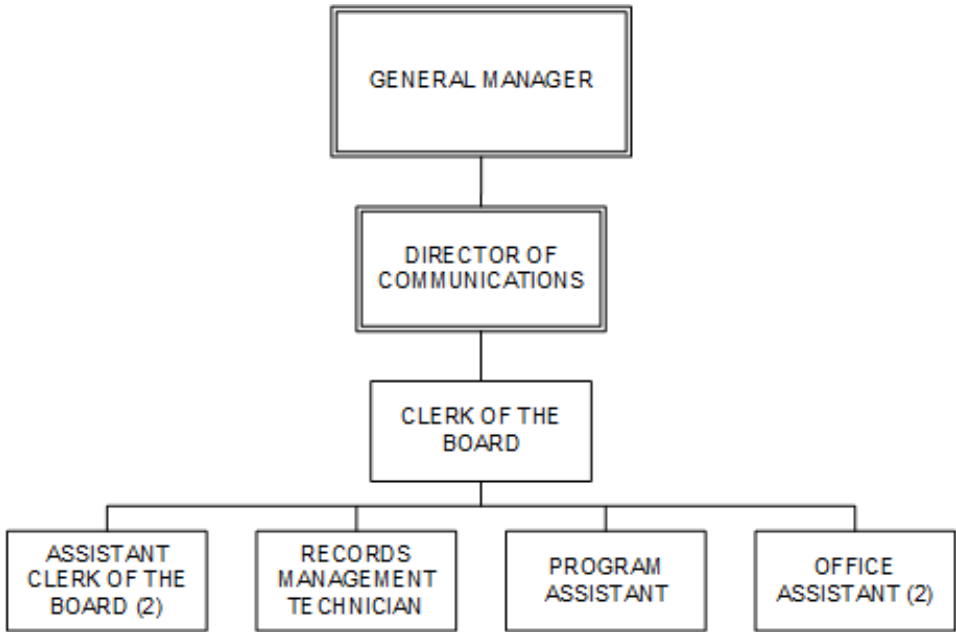
The FY 2026-27 & FY 2027-28 budgets for the new Communications Administration Division reflect an increase of 29% and 4% over the prior year, respectively. The FY 2026-27 and FY 2027-28 increases are primarily due to a increase in personnel costs.

2025-26 Adjusted Budget - Total Operating Requirements	\$ 387,671
Salaries for Position Changes: Transfer of Positions from/(to) Other Divisions New or (decreased) FTE	- -
Changes in Personnel Expenses: Other net salary adjustments (MOU-related, leave payoffs, vacancy, etc.) Change in OCERS retirement costs Change in group insurance costs Other benefit cost adjustments	94,391 18,043 2,303 (2,671)
Other Cost Adjustments: Change in training & meetings	(3,050) -
Aggregate change in Other Categories: Aggregate change in other materials, supplies, and services	(1,549)
2026-27 Proposed Budget - Total Operating Requirements	\$ 498,188
Changes in Personnel Expenses: Net salary adjustments (MOU-related, leave payoffs, vacancy, etc.) Change in OCERS retirement costs Change in group insurance costs Other benefit cost adjustments	20,077 4,008 1,259 75
Other Cost Adjustments: Change in trainings & meetings Change in professional services	(12,000) 5,000
Aggregate change in Other Categories: Aggregate change in other materials, supplies, and services	53
2027-28 Proposed Budget - Total Operating Requirements	\$ 516,660

Operating Expense by Category	2024-25 Actual	2025-26 Budget	2025-26 Projected	2026-27 Proposed	Budget % Change to 2025-26	2027-28 Proposed	Budget % Change to 2026-27
Personnel	\$ 347,582	\$ 263,771	\$ 369,781	\$ 375,838	42.49%	\$ 401,256	6.76%
Supplies	1,485	23,900	8,200	22,350	(6.49%)	10,404	(53.45%)
Professional & Contractual Services	112,848	100,000	71,897	100,000	-	105,000	5.00%
Research & Monitoring	-	-	-	-	-	-	-
Repairs & Maintenance	-	-	-	-	-	-	-
Utilities	-	-	-	-	-	-	-
Other	40	-	-	-	-	-	-
Total	\$ 461,955	\$ 387,671	\$ 449,879	\$ 498,188	28.51%	\$ 516,660	3.71%

Expenditure Trends

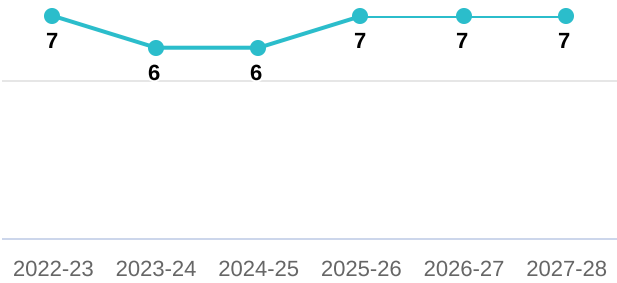




FY 26-27 & FY 27-28 Authorized FTE Positions

	2026-27	2027-28
Administrative & Clerical	4	4
Confidential	3	3
Total	7	7

Staffing Trends



Service Description

The mission of the Board Services Division is to provide exceptional customer service and support to the Board of Directors, OC San staff and the general public through the Clerk of the Board's office. The Clerk's office promotes public trust and ensures transparency by: accurately recording and preserving the legislative actions of OC San; safeguarding the vital, historic and permanent records of OC San as its official custodian; preparing and publishing agendas and notices in accordance with legal requirements; receiving and responding to requests for records; acting as filing officer for Statement of Economic Interest filings; receiving and processing summons, subpoenas and complaints filed against OC San; and maintaining rosters of the Board of Directors, appointed committees and historical records.

2025-26 Performance Objectives

Mail Board agenda packages six calendar days prior to Committee and Board meetings, 100% of the time.
Maintain accurate records of official actions taken by the Board of Directors and post those actions to website by 5:00 p.m. the day following the meeting.
Respond to 95% of Public Records Requests within 7 business days.
Maintain legal compliance with various federal, state and local laws (Brown Act, Political Reform Act, etc.)
Maintain OC San Transparency Certificate of Excellence (SDF).

2025-26 Performance Results

Achieved 100% success rate.
Achieved 100% success rate.
Achieved 100% success rate.
Achieved 100% success rate.
Achieved 100% success rate.

2026-27 & 2027-28 Performance Objectives

Publish Board agenda packages six calendar days prior to Committee & Board meetings unless authorized by the GM
Maintain and post records of official actions taken by the Board of Directors to website by 5:00 pm the day after the meeting.
Maintain legal compliance with various federal, state and local laws (Brown Act, Political Reform Act, etc.)
Respond to 95% of Public Records Act (PRA) requests within 7 business days.
Maintain OC San Transparency Certificate of Excellence (SDF).

Performance Measures

Summary	2024-25 Actual	2025-26 Projected	2026-27 Proposed	2027-28 Proposed	Justification
Board Agenda Packages	Achieved	Achieved	Sustain	Sustain	OC San Standards
Maintain & Post accurate records of Board actions	Achieved	Achieved	Sustain	Sustain	Legal Compliance
Public requests response within 7 business days	Achieved	Achieved	Sustain	Sustain	OC San Standards
Maintain Legal Compliance	Achieved	Achieved	Sustain	Sustain	Legal Compliance
Maintain OC San Transparency Certificate	Achieved	Achieved	Sustain	Sustain	OC San Standards

Budget Overview

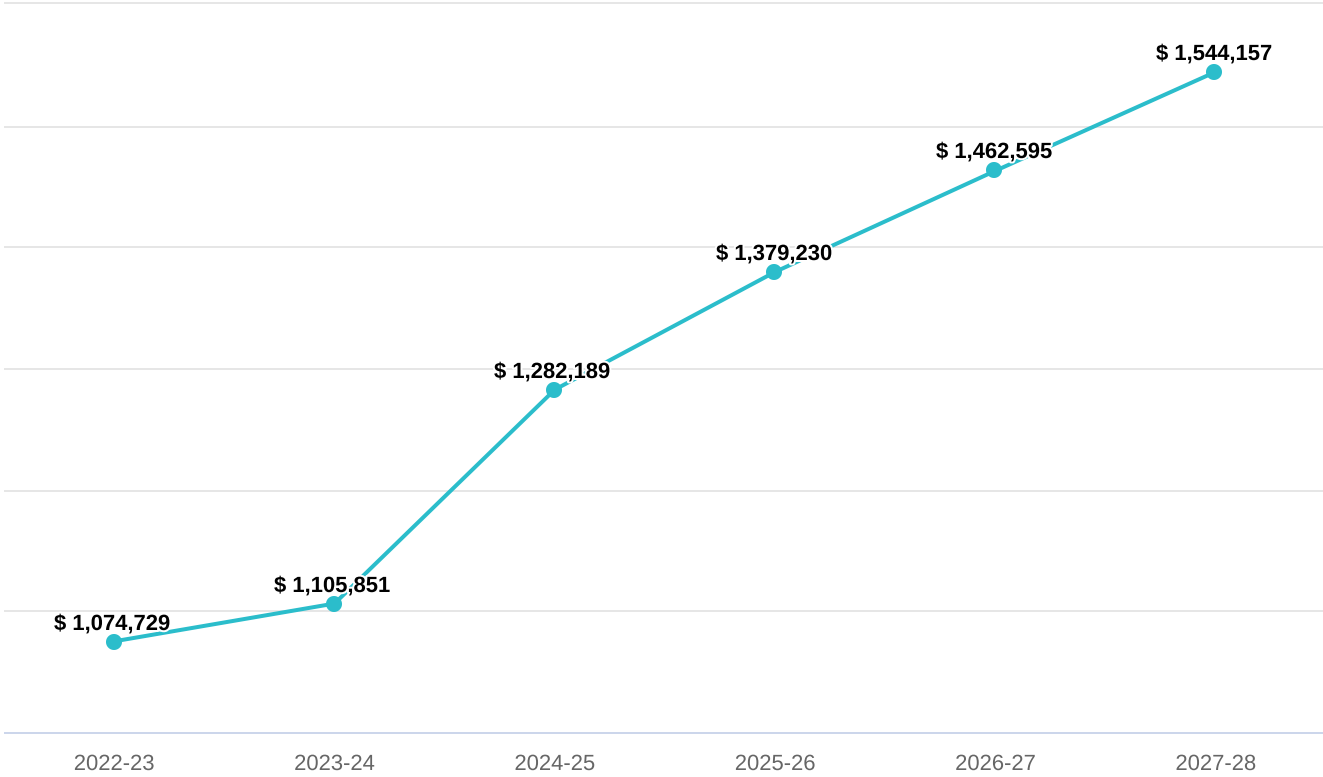
The FY 2026-27 & FY 2027-28 budgets for the Board Services Division reflect a increase of 6% and 6% over the prior year, respectively.

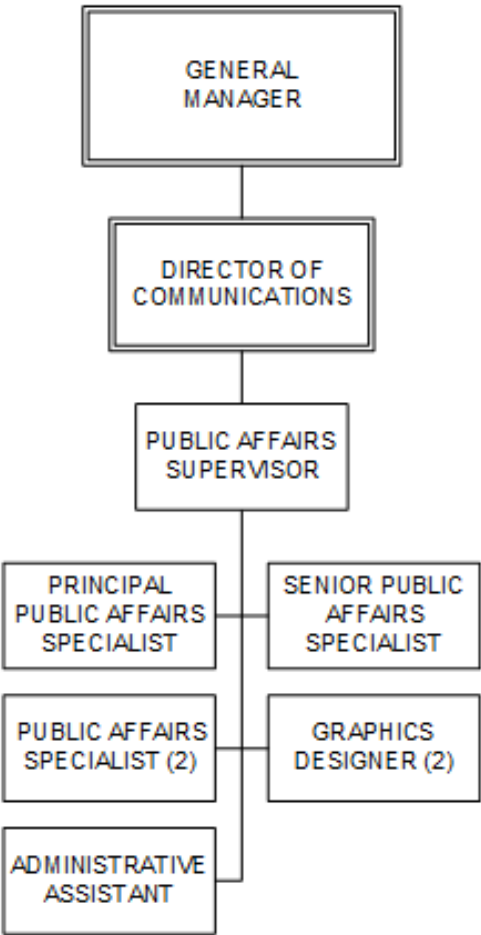
The FY 2026-27 and FY 2027-28 increases are primarily due to personnel expenses.

2025-26 Adjusted Budget - Total Operating Requirements	\$ 1,379,230
Salaries for Position Changes: Transfer of Positions from/(to) Other Divisions - New or (decreased) FTE -	
Changes in Personnel Expenses: Other net salary adjustments (MOU-related, leave payoffs, vacancy, etc.) 59,195 Change in OCERS retirement costs 10,049 Change in group insurance costs 6,791 Other benefit cost adjustments 2,020	
Other Cost Adjustments: Change in other professional services 25,000 Change in misc. operating expenses (20,000)	
Aggregate change in Other Categories: Aggregate change in other materials, supplies, and services 310	
2026-27 Proposed Budget - Total Operating Requirements	\$ 1,462,595
Changes in Personnel Expenses: Net salary adjustments (MOU-related, leave payoffs, vacancy, etc.) 44,072 Change in OCERS retirement costs 5,270 Change in group insurance costs 7,143 Other benefit cost adjustments 527	
Other Cost Adjustments: Change in postage 3,950 Change in training & meetings 2,268 Change in other professional services 10,000 Change in misc. operating expenses 4,000	
Aggregate change in Other Categories: Aggregate change in other materials, supplies, and services 4,332	
2027-28 Proposed Budget - Total Operating Requirements	\$ 1,544,157

Operating Expense by Category	2024-25 Actual	2025-26 Budget	2025-26 Projected	2026-27 Proposed	Budget % Change to 2025-26	2027-28 Proposed	Budget % Change to 2026-27
Personnel	\$ 993,358	\$ 1,037,935	\$ 1,060,100	\$ 1,115,990	7.52%	\$ 1,173,002	5.11%
Supplies	94,206	131,015	134,918	131,480	0.35%	140,280	6.69%
Professional & Contractual Services	113,001	110,000	110,000	135,000	22.73%	146,750	8.70%
Research & Monitoring	-	-	-	-	-	-	-
Repairs & Maintenance	-	-	-	-	-	-	-
Utilities	-	-	-	-	-	-	-
Other	81,624	100,280	80,125	80,125	(20.10%)	84,125	4.99%
Total	\$ 1,282,189	\$ 1,379,230	\$ 1,385,144	\$ 1,462,595	6.04%	\$ 1,544,157	5.58%

Expenditure Trends

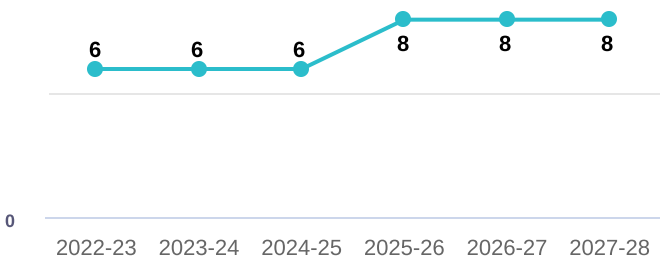




FY 26-27 & FY 27-28 Authorized FTE Positions

	2026-27	2027-28
Supervisors / Professionals	5	5
Administrative & Clerical	3	3
Total	8	8

Staffing Trends



Service Description

The Public Affairs Division delivers consistent messaging that advances OC San's mission, educates the public, supports internal communication, and fosters strong relationships with the community, legislators, and media. These efforts are achieved through cohesive branding and graphic design, and strategic engagement and advocacy across multiple communication channels. The division's goal is to maintain a robust communications program that ensures clear and transparent interactions with key audiences while promoting OC San's mission to protect public health and the environment.

2025-26 Performance Objectives

Provide services and implement programs that meet the communications needs of OC San's internal audiences by producing a minimum of 500 internal communication pieces.	Estimated to be completed by end of FY 25/26.
Provide services and implement programs that meet communications needs of OC San's external audiences by reaching at least 25,000 annually.	Achieved 100% success rate.
Support General Manager activities and provide information to the Board of Directors through the General Manager's monthly report, monthly city/agency specific briefing reports.	Achieved 100% success rate.
Engage proactively in legislative advocacy efforts that could impact OC San and the industry.	Achieved 100% success rate.

2026-27 & 2027-28 Performance Objectives

Provide services and implement programs that meet the needs of OC San by producing communication pieces.
Support General Manager activities and provide information to the Board of Directors through the monthly reports and briefings.
Proactive engagement in legislative advocacy efforts that could impact OC San and the industry.

Performance Measures

Summary	2024-25 Actual	2025-26 Projected	2026-27 Proposed	2027-28 Proposed	Justification
Internal Services and Programs	Achieved	Sustain	Planned	Planned	Division Workplan
External Services and Programs	Achieved	Achieved	Planned	Planned	Strategic Plan
Board of Directors and General Manager Support	Achieved	Sustain	Planned	Planned	GM Workplan
Legislative Advocacy	Achieved	Sustain	Planned	Planned	State/Federal Reg.

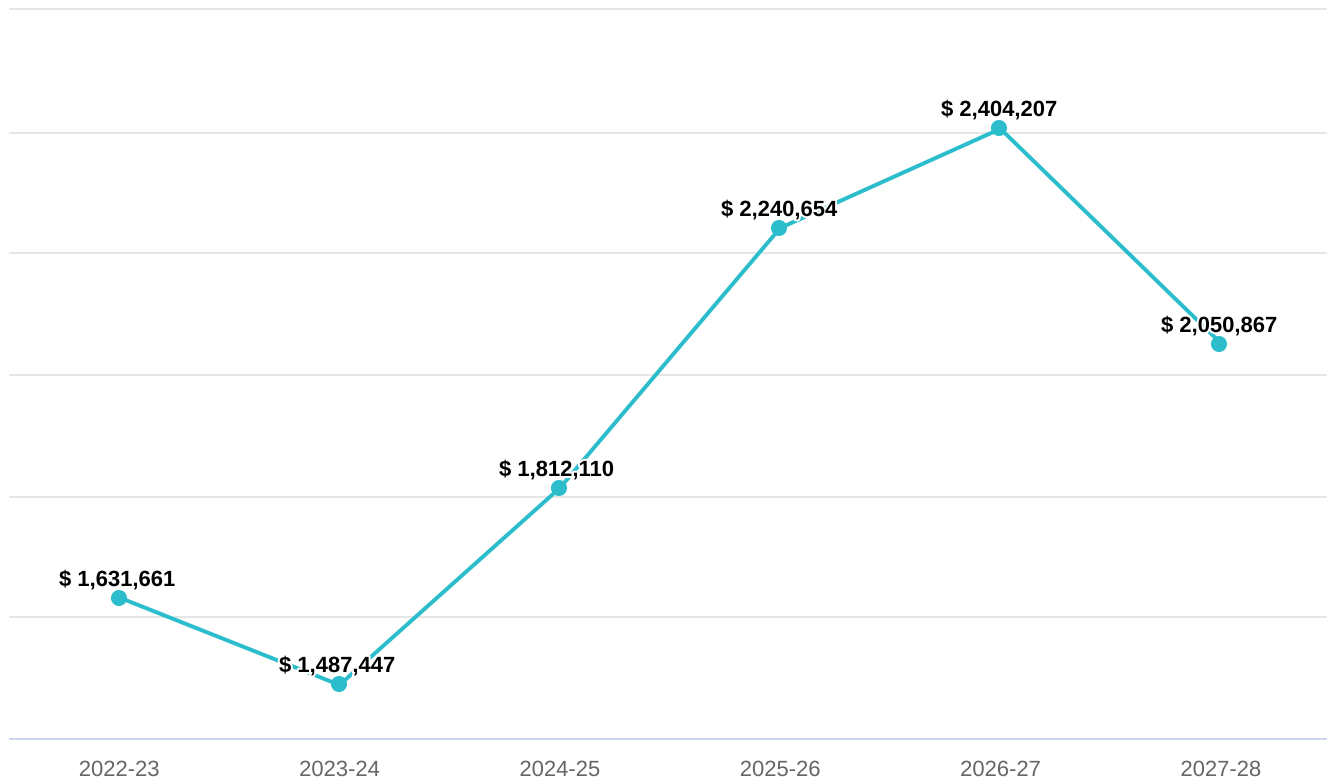
Budget Overview

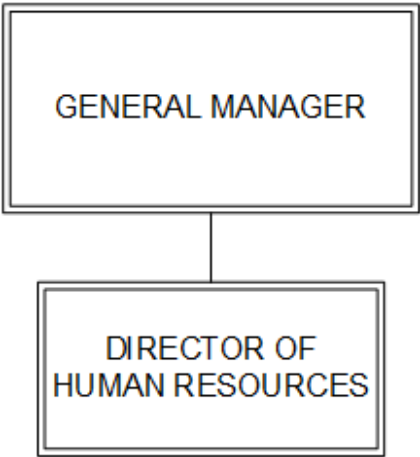
The FY 2026-27 & FY 2027-28 budgets for the Public Affairs Division reflect an increase of 7% and a decrease of 15% over the prior year, respectively. The FY 2026-27 increase is primarily due to an increase in printing and postage for the upcoming Proposition 218 rate increase notifications, offset by a decrease in other professional services. The FY 2027-28 decrease is primarily due to the completion of the rate increase notifications.

2025-26 Adjusted Budget - Total Operating Requirements	\$ 2,240,654
Salaries for Position Changes: Transfer of Positions from/(to) Other Divisions - New or (decreased) FTE -	
Changes in Personnel Expenses: Other net salary adjustments (MOU-related, leave payoffs, vacancy, etc.) 26,743 Change in OCERS retirement costs (7,530) Change in group insurance costs 7,637 Other benefit cost adjustments 3,424	
Other Cost Adjustments: Change in printing & publication 411,500 Change in operating materials & supplies (7,050) Change in other professional services (246,500) Change in misc. operating expense (18,000)	
Aggregate change in Other Categories: Aggregate change in other materials, supplies, and services (6,671)	
2026-27 Proposed Budget - Total Operating Requirements	\$ 2,404,207
Changes in Personnel Expenses: Net salary adjustments (MOU-related, leave payoffs, vacancy, etc.) 44,503 Change in OCERS retirement costs 10,085 Change in group insurance costs 8,170 Other benefit cost adjustments 602	
Other Cost Adjustments: Change in printing & postage (417,000) Change in training & meetings 800 Change in other professional services (6,000) Change in misc. operating expense (7,000)	
Aggregate change in Other Categories: Aggregate change in other materials, supplies, and services 12,497	
2027-28 Proposed Budget - Total Operating Requirements	\$ 2,050,867

Operating Expense by Category	2024-25 Actual	2025-26 Budget	2025-26 Projected	2026-27 Proposed	Budget % Change to 2025-26	2027-28 Proposed	Budget % Change to 2026-27
Personnel	\$ 1,309,073	\$ 1,425,814	\$ 1,333,520	\$ 1,456,087	2.12%	\$ 1,519,447	4.35%
Supplies	33,236	64,980	46,850	462,760	612.16%	47,060	(89.83%)
Professional & Contractual Services	319,983	554,500	554,500	308,000	(44.45%)	314,000	1.95%
Research & Monitoring	-	-	-	-	-	-	-
Repairs & Maintenance	-	-	100	-	-	-	-
Utilities	-	-	-	-	-	-	-
Other	149,819	195,360	195,360	177,360	(9.21%)	170,360	(3.95%)
Total	\$ 1,812,110	\$ 2,240,654	\$ 2,130,330	\$ 2,404,207	7.30%	\$ 2,050,867	(14.70%)

Expenditure Trends

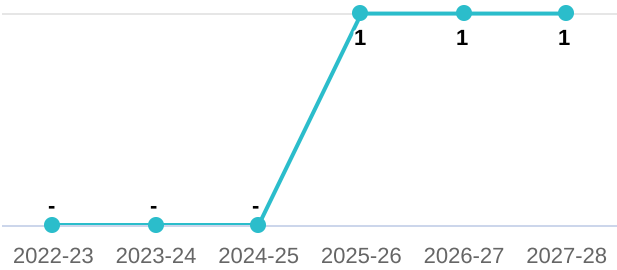




FY 26-27 & FY 27-28 Authorized FTE Positions

	2026-27	2027-28
Executive Managers	1	1
Total	1	1

Staffing Trends



Service Description

Human Resources is a full-service centralized department responsible for Human Resources and Risk Management programs and services. These include managing OC San's human capital, developing and administering programs that are legally compliant and ensuring a productive and safe workplace that attracts and retains top talent, and contributes to operational efficiency and a resilient workforce. The Human Resources Department is committed to a workplace grounded in fair and equitable employment decisions and safe work practices. This department serves as a strategic partner and advisor to the General Manager, executive staff, OC San departments, and all staff by delivering high quality services.

2025-26 Performance Objectives

Ensure reporting divisions achieve 90% of individual performance objectives.
Manage the department's budget to within 96% to 100% of the approved budget.
Develop and implement Job Safety Analyses (JSAs).
Provide Safety Training & Orientations.

2025-26 Performance Results

Ongoing.
Ongoing.
Achieved.
Ongoing.

2026-27 & 2027-28 Performance Objectives

Work with upper management to resolve issues at the lowest level through focused training and conflict resolution techniques.
Manage the department's budget to be within 96% to 100% of the approved budget
Meet the training level of service of 40+ hours per employee.
Ensure 100% completion of Safety Training and Contractor Safety Orientations.
Develop, implement, and update Job Safety Analyses for high-risk work activities.

Performance Measures

Summary	2024-25 Actual	2025-26 Projected	2026-27 Proposed	2027-28 Proposed	Justification
Legal and Regulatory Compliance	Ongoing	Achieved	Planned	Planned	OC San Standards
Department Performance Objectives	Sustain	Sustain	Sustain	Sustain	OC San Standards
Maintain Budget	Sustain	Sustain	Sustain	Sustain	OC San Standards

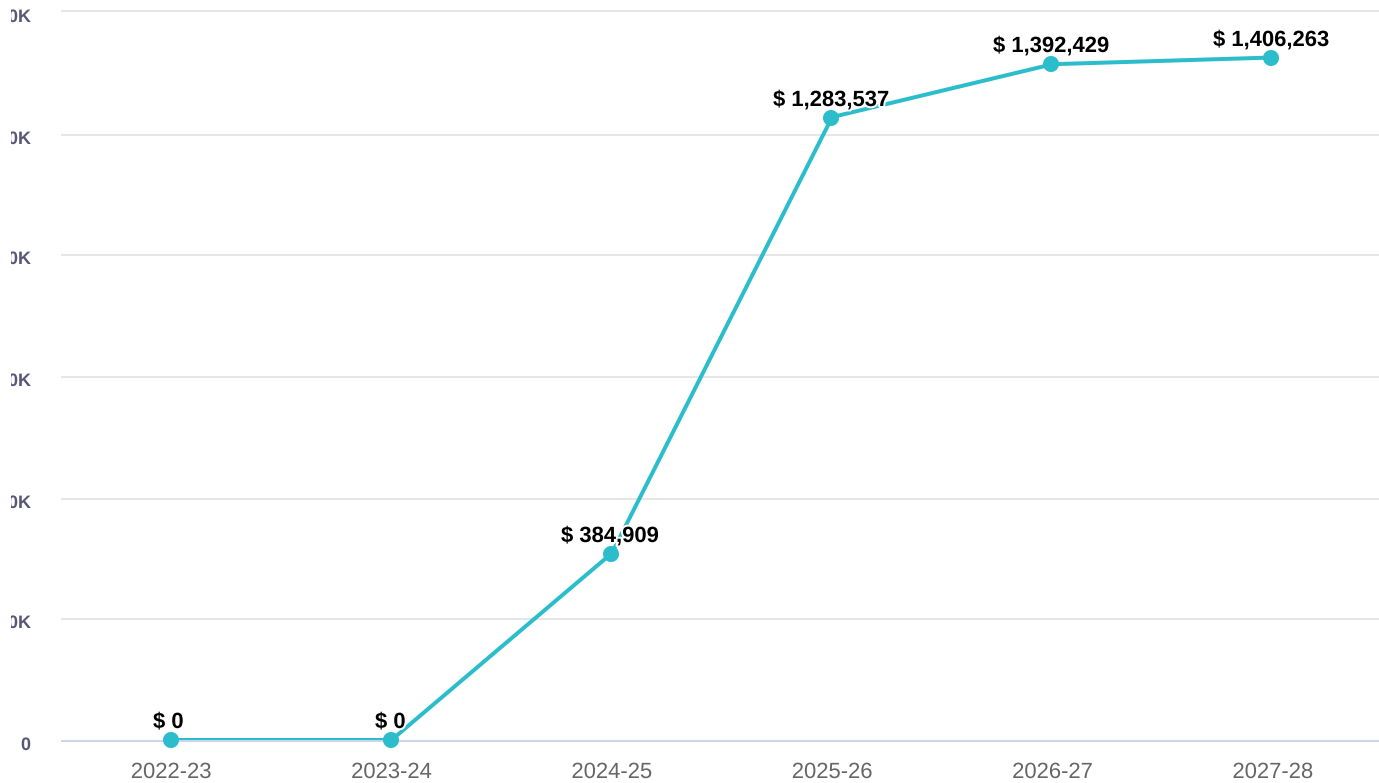
Budget Overview

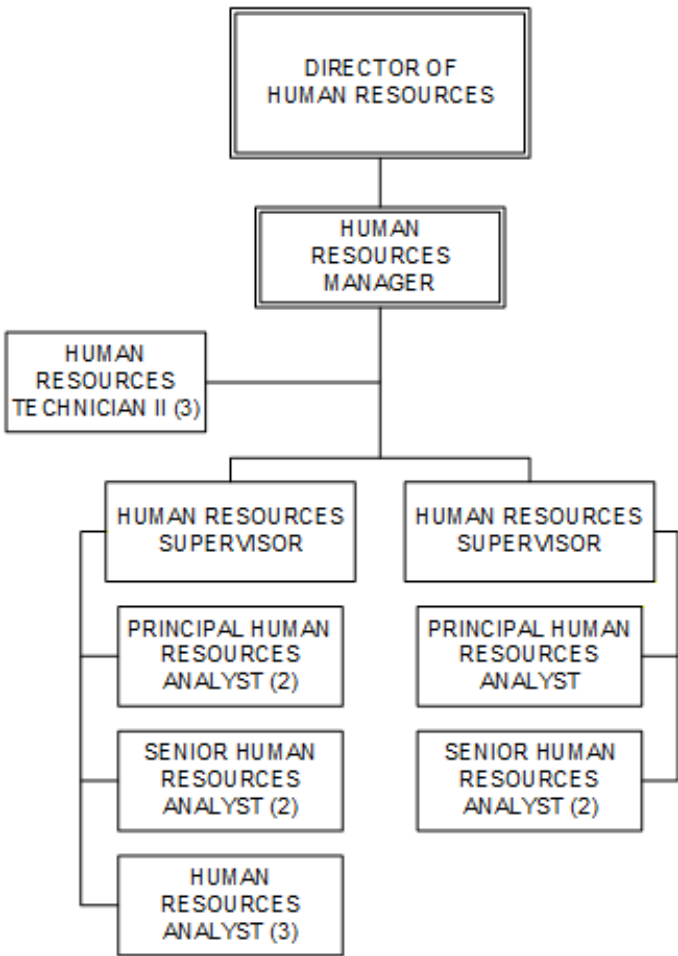
The FY 2026-27 & FY 2027-28 budgets for the new Human Resources Administration Division reflect an increase of 8% and an increase of 1% over the prior year, respectively. The FY 2026-27 increase is due to increase in personnel costs and legal services. The FY 2027-28 increase is primarily due to personnel expenses.

2025-26 Adjusted Budget - Total Operating Requirements	\$ 1,283,537
Salaries for Position Changes: Transfer of Positions from/(to) Other Divisions - New or (decreased) FTE -	
Changes in Personnel Expenses: Other net salary adjustments (MOU-related, leave payoffs, vacancy, etc.) 53,847 Change in OCERS retirement costs 7,166 Change in group insurance costs 1,312 Other benefit cost adjustments 71	
Other Cost Adjustments: Change in legal services 48,000 Change in training & meetings (1,445)	
Aggregate change in Other Categories: Aggregate change in other materials, supplies, and services (59)	
2026-27 Proposed Budget - Total Operating Requirements	\$ 1,392,429
Changes in Personnel Expenses: Net salary adjustments (MOU-related, leave payoffs, vacancy, etc.) 10,451 Change in OCERS retirement costs 1,668 Change in group insurance costs 1,065 Other benefit cost adjustments 75	
Other Cost Adjustments: Change in training & meetings 525	
Aggregate change in Other Categories: Aggregate change in other materials, supplies, and services 50	
2027-28 Proposed Budget - Total Operating Requirements	\$ 1,406,263

Operating Expense by Category	2024-25 Actual	2025-26 Budget	2025-26 Projected	2026-27 Proposed	Budget % Change to 2025-26	2027-28 Proposed	Budget % Change to 2026-27
Personnel	\$ 374,221	\$ 374,457	\$ 429,650	\$ 436,854	16.66%	\$ 450,113	3.04%
Supplies	690	7,080	4,850	5,575	(21.26%)	6,150	10.31%
Professional & Contractual Services	9,998	902,000	902,000	950,000	5.32%	950,000	-
Research & Monitoring	-	-	-	-	-	-	-
Repairs & Maintenance	-	-	-	-	-	-	-
Utilities	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total	\$ 384,909	\$ 1,283,537	\$ 1,336,500	\$ 1,392,429	8.48%	\$ 1,406,263	0.99%

Expenditure Trends

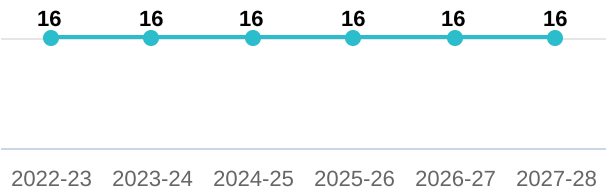




FY 26-27 & FY 27-28 Authorized FTE Positions

	2026-27	2027-28
Confidential	16	16
Total	16	16

Staffing Trends



Service Description

Human Resources serves as a strategic partner to departments on employment matters and organizational programs. The division ensures compliance with labor and employment law, and oversees programs and services designed to attract, develop, motivate and retain a high performing workforce that meet the needs of the organization. The team provides responsive support to employees across a range of human resources services, including recruitment and selection, classification and compensation, benefits, training, employee and labor relations, leave administration, performance management, and employee recognition. The division develops and implements policies and procedures and provides professional consultation on human resources matters.

2025-26 Performance Objectives

Complete all labor negotiations with all units by 6/30/25.
Fully implement the Centralized Training Program and employee development plans by FY 25/26.
Meet the training level of service of 40-45 hours per employee.
Manage the department's budget to be within 96% to 100% of the approved budget.
Expand OC San U training offerings to outside agencies to two per year, and continue to offer one employee training session per month for OC San employees.

2025-26 Performance Results

Completed.
Complete and Ongoing.
Completed and Ongoing.
On track.
Completed.

2026-27 & 2027-28 Performance Objectives

Initiate organizational wide Comp & Class Study in FY 27/28.
Conduct comprehensive review and update of all HR policies for legal compliance and evolving operational requirements.
Work with upper management to resolve issues at the lowest level through focused training and conflict resolution techniques.
Manage the department's budget to be within 96% to 100% of the approved budget.
Meet the training level of service of 40+ hours per employee.

Performance Measures

Summary	2024-25 Actual	2025-26 Projected	2026-27 Proposed	2027-28 Proposed	Justification
Approved Labor Contracts	Achieved	Achieved		Planned	Division Workplan
Workforce Planning/Workforce Development	Achieved	Sustain	Sustain	Sustain	Strategic Plan
Training Level of Service	Ongoing	Sustain	Sustain	Sustain	Level of Services
Managing Budget	Achieved	Sustain	Sustain	Sustain	OC San Standards

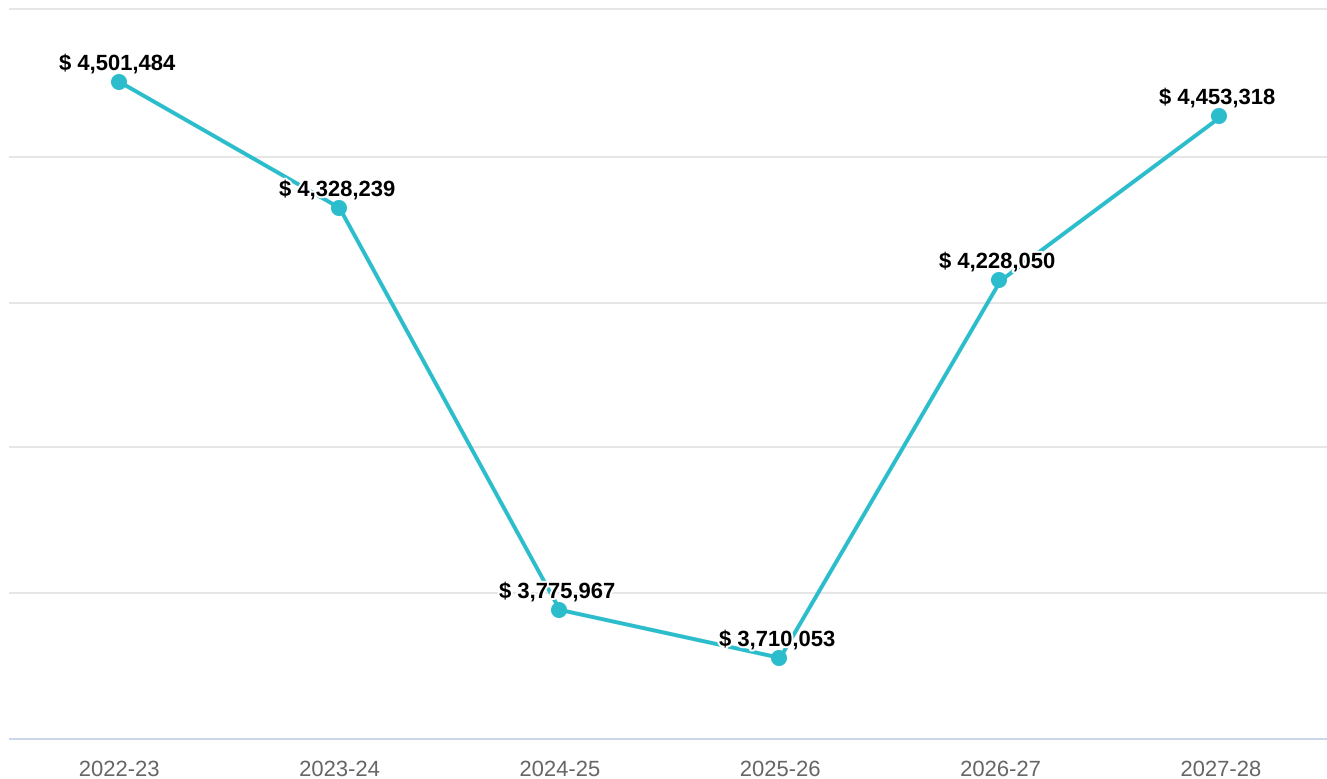
Budget Overview

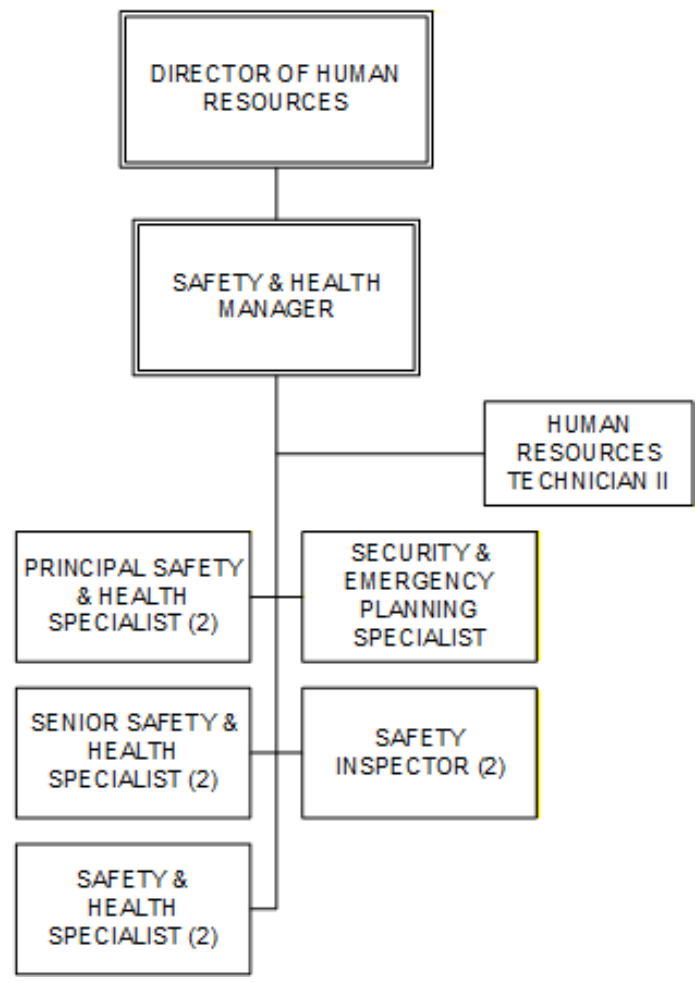
The FY 2026-27 & FY 2027-28 budgets for the Human Resources Division reflect an increase of 14% and an increase of 5% over the prior year, respectively. The FY 2026-27 increase is primarily due to an increase in personnel expenses, training & meetings, and other professional services. The FY 2027-28 increase is primarily due to personnel expenses, training & meetings, and labor negotiation services.

2025-26 Adjusted Budget - Total Operating Requirements	\$ 3,710,053
Salaries for Position Changes: Transfer of Positions from/(to) Other Divisions - New or (decreased) FTE -	
Changes in Personnel Expenses: Other net salary adjustments (MOU-related, leave payoffs, vacancy, etc.) 156,327 Change in OCERS retirement costs (35,771) Change in group insurance costs 16,116 Other benefit cost adjustments 21,794	
Other Cost Adjustments: Change in training & meetings 226,975 Change in other professional services 84,000	
Aggregate change in Other Categories: Aggregate change in other materials, supplies, and services 48,556	
2026-27 Proposed Budget - Total Operating Requirements	\$ 4,228,050
Changes in Personnel Expenses: Net salary adjustments (MOU-related, leave payoffs, vacancy, etc.) 88,628 Change in OCERS retirement costs 17,104 Change in group insurance costs 16,183 Other benefit cost adjustments 1,204	
Other Cost Adjustments: Change in training & meetings 52,882 Change in labor negotiation services 30,000	
Aggregate change in Other Categories: Aggregate change in other materials, supplies, and services 19,267	
2027-28 Proposed Budget - Total Operating Requirements	\$ 4,453,318

Operating Expense by Category	2024-25 Actual	2025-26 Budget	2025-26 Projected	2026-27 Proposed	Budget % Change to 2025-26	2027-28 Proposed	Budget % Change to 2026-27
Personnel	\$ 2,960,266	\$ 3,268,225	\$ 3,313,520	\$ 3,530,485	8.02%	\$ 3,662,396	3.74%
Supplies	100,376	89,998	251,917	297,565	230.64%	355,922	19.61%
Professional & Contractual Services	634,926	240,500	192,500	297,000	23.49%	332,000	11.78%
Research & Monitoring	-	-	-	-	-	-	-
Repairs & Maintenance	468	-	-	-	-	-	-
Utilities	-	-	-	-	-	-	-
Other	79,931	111,330	106,830	103,000	(7.48%)	103,000	-
Total	\$ 3,775,967	\$ 3,710,053	\$ 3,864,767	\$ 4,228,050	13.96%	\$ 4,453,318	5.33%

Expenditure Trends

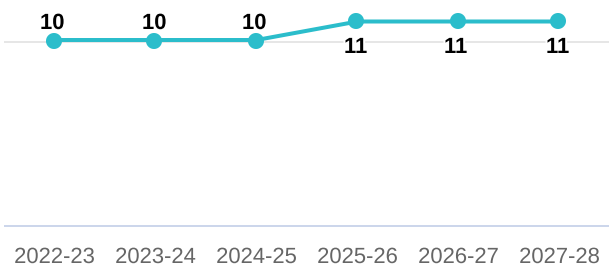




FY 26-27 & FY 27-28 Authorized FTE Positions

	2026-27	2027-28
Managers	1	1
Supervisors / Professionals	7	7
Administrative & Clerical	2	2
Confidential	1	1
Total	11	11

Staffing Trends



Service Description

Risk Management ensures regulatory compliance and safeguards the wellbeing of employees, contractors and visitors through comprehensive safety and health programs. The division is responsible for the identification of potential or known hazards, safety training, incident investigations, construction contractor oversight, facility inspections and audits, and industrial hygiene assessments to mitigate risk and workplace accidents and injuries. Other responsibilities include physical security and emergency management services including surveillance of critical infrastructure and emergency response and recovery efforts.

2025-26 Performance Objectives

2025-26 Performance Results

Provide Safety Training & Orientations	Ongoing
Develop and implement Job Safety Analyses (JSAs)	Achieved
Evaluate and monitor the Safety & Health Program	Ongoing
Implement Physical Security Plan	Ongoing
Emergency Management	Ongoing

2026-27 & 2027-28 Performance Objectives

Ensure 100% completion of Safety Training and Contractor Safety Orientations.
Develop, implement, and update Job Safety Analyses for high-risk work activities
Evaluate the Safety & Health Program through third party safety audits, periodic inspections, and key performance indicators
Implementation of Physical Security Plans on new designs and renovation projects
Prepare and conduct routine Emergency Response Exercises; provide and monitor emergency response training

Performance Measures

Summary	2024-25 Actual	2025-26 Projected	2026-27 Proposed	2027-28 Proposed	Justification
Safety Training & Orientations	Achieved	Achieved	Planned	Planned	State/Federal Reg.
Job Safety Analysis	Achieved	Achieved	Planned	Planned	State/Federal Reg.
Safety & Health Program	Achieved	Achieved	Planned	Ongoing	State/Federal Reg.
Physical Security Plan	Achieved	Achieved	Planned	Ongoing	Industry Standards
Emergency Management	Achieved	Achieved	Planned	Ongoing	State/Federal Reg.

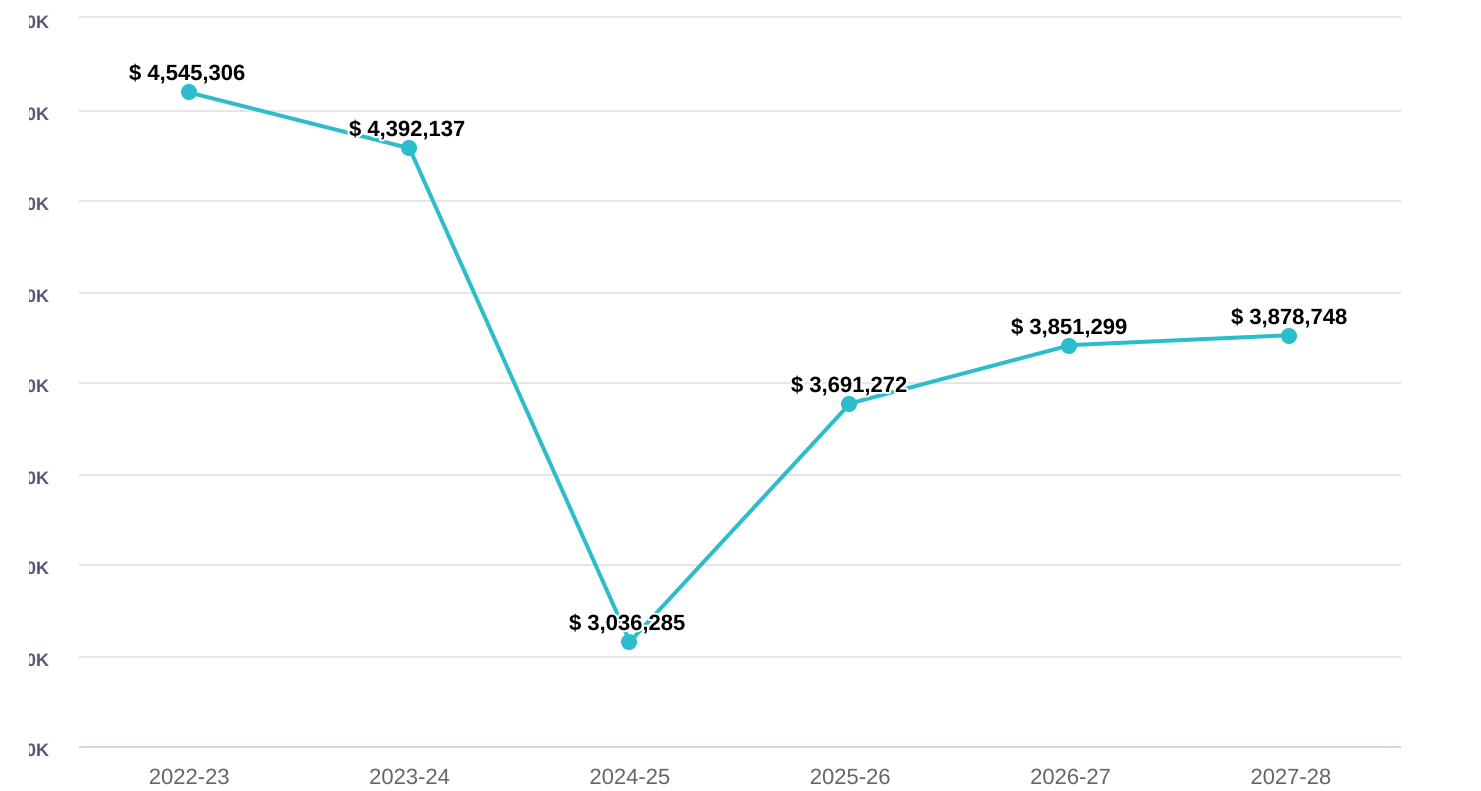
Budget Overview

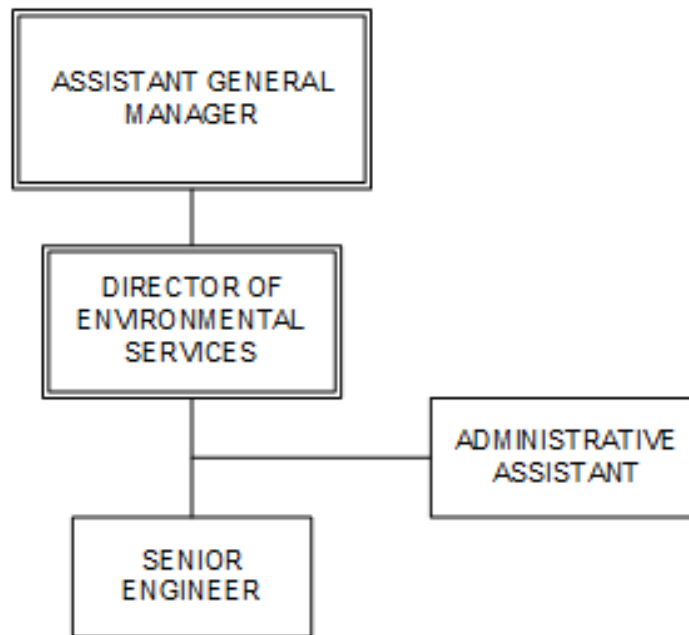
The FY 2026-27 & FY 2027-28 budgets for the Risk Management Division reflect an increase of 4% and an increase of 1% over the prior year, respectively. The FY 2026-27 increase is primarily due to a increase in personnel costs, safety equipment & tools, and other contractual services. The FY 2027-28 increase is primarily due to personnel expenses offset by decreases in trainings & meetings, and safety equipment & tools.

2025-26 Adjusted Budget - Total Operating Requirements	\$ 3,691,272
Salaries for Position Changes: Transfer of Positions from/(to) Other Divisions - New or (decreased) FTE -	
Changes in Personnel Expenses: Other net salary adjustments (MOU-related, leave payoffs, vacancy, etc.) 73,450 Change in OCERS retirement costs 3,508 Change in group insurance costs 10,948 Other benefit cost adjustments 10,677	
Other Cost Adjustments: Change in training & meetings (76,813) Change in safety equipment & tools 92,600 Change in other contractual services 42,500	
Aggregate change in Other Categories: Aggregate change in other materials, supplies, and services 3,157	
2026-27 Proposed Budget - Total Operating Requirements	\$ 3,851,299
Changes in Personnel Expenses: Net salary adjustments (MOU-related, leave payoffs, vacancy, etc.) 68,538 Change in OCERS retirement costs 11,599 Change in group insurance costs 11,294 Other benefit cost adjustments 828	
Other Cost Adjustments: Change in trainings & meetings (26,084) Change in safety equipment & tools (31,750)	
Aggregate change in Other Categories: Aggregate change in other materials, supplies, and services (6,976)	
2027-28 Proposed Budget - Total Operating Requirements	\$ 3,878,748

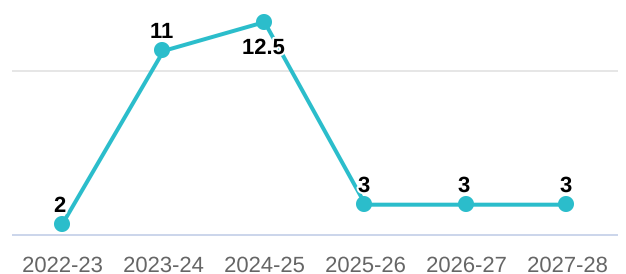
Operating Expense by Category	2024-25 Actual	2025-26 Budget	2025-26 Projected	2026-27 Proposed	Budget % Change to 2025-26	2027-28 Proposed	Budget % Change to 2026-27
Personnel	\$ 1,981,953	\$ 2,055,255	\$ 1,975,377	\$ 2,153,837	4.80%	\$ 2,246,095	4.28%
Supplies	360,562	675,852	591,289	683,517	1.13%	629,845	(7.85%)
Professional & Contractual Services	601,878	862,200	786,000	909,200	5.45%	895,746	(1.48%)
Research & Monitoring	-	-	-	-	-	-	-
Repairs & Maintenance	47,108	47,245	311,500	42,745	(9.52%)	43,962	2.85%
Utilities	-	-	-	-	-	-	-
Other	44,785	50,720	59,500	62,000	22.24%	63,100	1.77%
Total	\$ 3,036,285	\$ 3,691,272	\$ 3,723,666	\$ 3,851,299	4.34%	\$ 3,878,748	0.71%

Expenditure Trends



**FY 26-27 & FY 27-28 Authorized FTE Positions**

	2026-27	2027-28
Executive Managers	1	1
Supervisors / Professionals	1	1
Administrative & Clerical	1	1
Total	3	3

Staffing Trends

Service Description

Environmental Services Administration provides leadership, support, and management oversight for the Department to accomplish OC San's Strategic Plan and departmental annual goals. The team actively advocates for responsible and pragmatic environmental regulations relevant to wastewater treatment and resource recovery.

2025-26 Performance Objectives

Manage operating expenditures to within 96% to 100% of the approved budget.

Ensure that reporting divisions achieve 90% of individual performance objectives.

2025-26 Performance Results

On track

On track

2026-27 & 2027-28 Performance Objectives

Manage operating expenditures to within 96% to 100% of the approved budget.

Ensure that reporting divisions achieve 90% of individual performance objectives.

Performance Measures

Summary	2024-25 Actual	2025-26 Projected	2026-27 Proposed	2027-28 Proposed	Justification
Manage Budget	Achieved	Ongoing	Planned	Planned	Board Approved
Department Performance Objectives	Achieved	Ongoing	Planned	Planned	OC San Standards

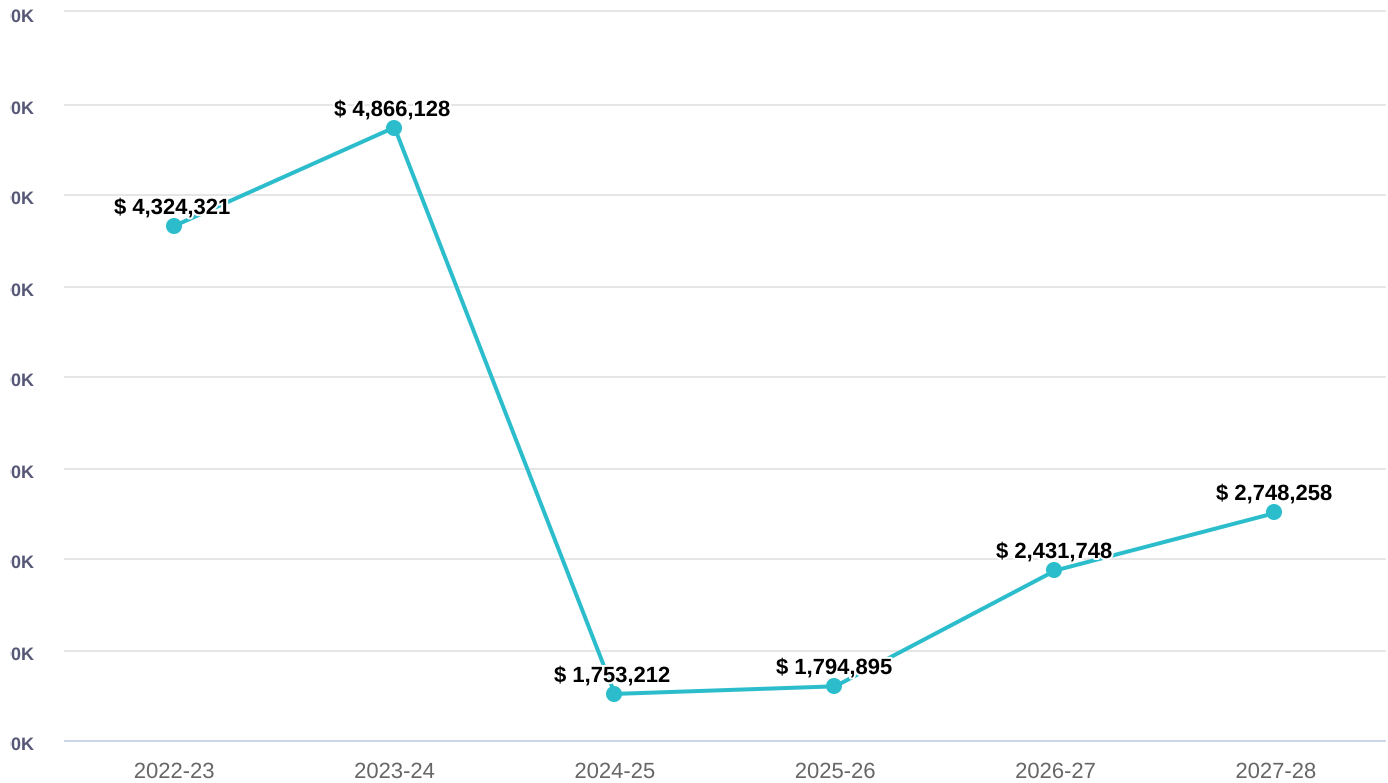
Budget Overview

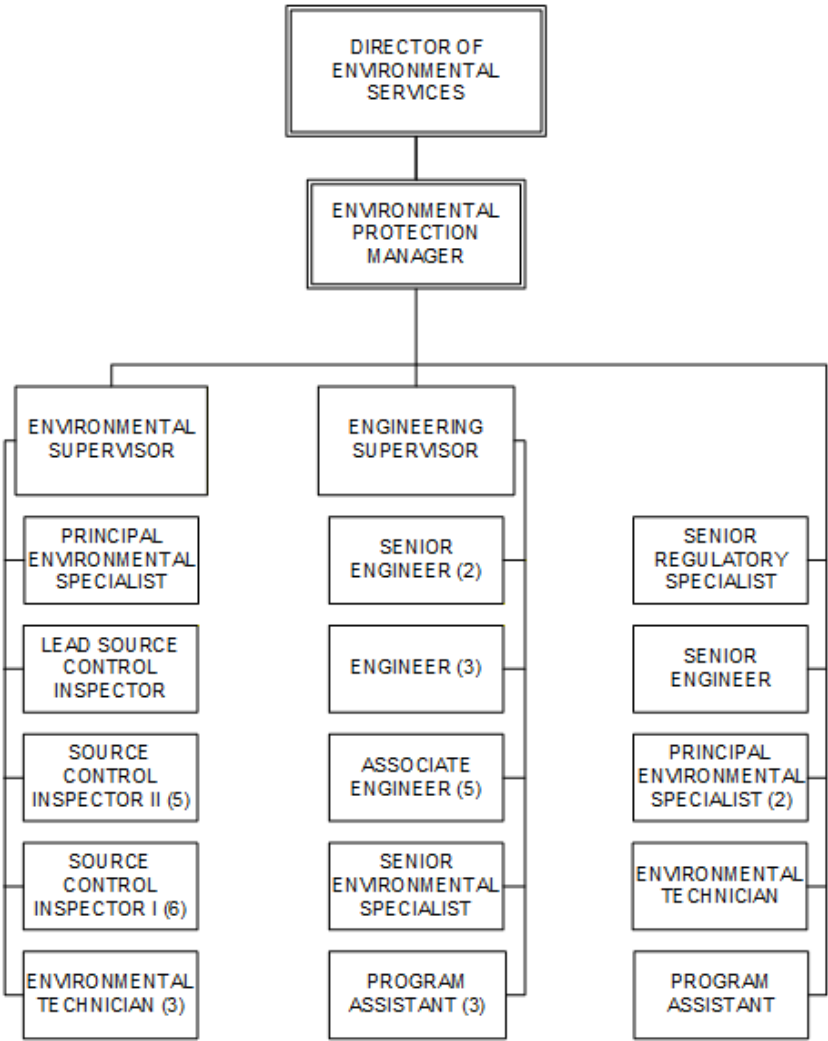
The FY 2026-27 & FY 2027-28 budgets for the Environmental Services Administration Division reflect a increase of 35% and an increase of 13% over the prior year, respectively. The FY 2026-27 increase is primarily due to a increase in personnel expenses, legal services, and temporary services. The FY 2027-28 increase is primarily due to personnel expenses and temporary services.

2025-26 Adjusted Budget - Total Operating Requirements	\$ 1,794,895
Salaries for Position Changes: Transfer of Positions from/(to) Other Divisions New or (decreased) FTE	 - -
Changes in Personnel Expenses: Other net salary adjustments (MOU-related, leave payoffs, vacancy, etc.) Change in OCERS retirement costs Change in group insurance costs Other benefit cost adjustments	 233,560 11,461 23,510 4,390
Other Cost Adjustments: Change in trainings & meetings Change in legal services Change in research & monitoring Change in temporary services	 2,050 230,000 20,363 110,000
Aggregate change in Other Categories: Aggregate change in other materials, supplies, and services	 1,519
2026-27 Proposed Budget - Total Operating Requirements	\$ 2,431,748
Changes in Personnel Expenses: Net salary adjustments (MOU-related, leave payoffs, vacancy, etc.) Change in OCERS retirement costs Change in group insurance costs Other benefit cost adjustments	 26,925 3,220 3,140 226
Other Cost Adjustments: Change in temporary services Change in legal services Change in research & monitoring	 215,000 50,000 18,000
Aggregate change in Other Categories: Aggregate change in other materials, supplies, and services	 (1)
2027-28 Proposed Budget - Total Operating Requirements	\$ 2,748,258

Operating Expense by Category	2024-25 Actual	2025-26 Budget	2025-26 Projected	2026-27 Proposed	Budget % Change to 2025-26	2027-28 Proposed	Budget % Change to 2026-27
Personnel	\$ 863,669	\$ 620,088	\$ 873,988	\$ 893,008	44.01%	\$ 926,518	3.75%
Supplies	128,722	120,090	139,985	123,660	2.97%	123,660	-
Professional & Contractual Services	321,638	475,000	706,203	815,000	71.58%	1,080,000	32.52%
Research & Monitoring	439,286	579,637	579,637	600,000	3.51%	618,000	3.00%
Repairs & Maintenance	-	-	-	-	-	-	-
Utilities	-	-	-	-	-	-	-
Other	(103)	80	80	80	-	80	-
Total	\$ 1,753,212	\$ 1,794,895	\$ 2,299,892	\$ 2,431,748	35.48%	\$ 2,748,258	13.02%

Expenditure Trends

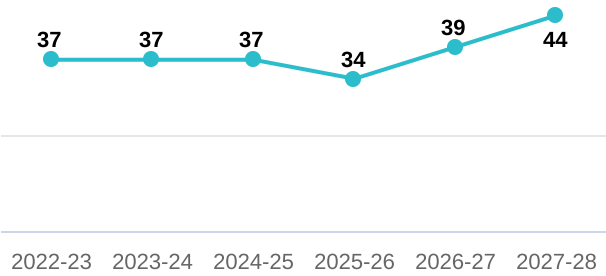




FY 26-27 & FY 27-28 Authorized FTE Positions

	2026-27	2027-28
Managers	1	1
Supervisors / Professionals	18	19
Administrative & Clerical	4	5
Technical Services	16	19
Total	39	44

Staffing Trends



Service Description

Resource Protection provides local enforcement of federal pretreatment regulations and ensures continuous improvement in OC San's source control program to sustain water reclamation and beneficial biosolids reuse. The division conducts its industrial and non-industrial source control activities in a cost effective and legally defensible manner to protect OC San's assets, employees, public health, and the environment.

2025-26 Performance Objectives

Meet 100% of regulatory deadlines for required pretreatment program reports.
Implement Ordinance terms and conditions, enforcing prohibitions (e.g., stormwater, slug discharges, etc.).
Issue and renew 100% of the industrial wastewater permits prior to the expiration date.
Complete all assigned inspections and monitoring of Class I industrial permit holders.
Support of GWRS, special projects and routine monitoring requirements.

2025-26 Performance Results

To date, 100% compliance.
To date, 100% compliance.
To date, staff issued and renewed 100% of the industrial wastewater permits prior to the expiration dates.
To date, staff completed all assigned inspections and monitoring of Class I industrial permit holders.
Staff is supporting GWRS, special projects, and routine monitoring requirements.

2026-27 & 2027-28 Performance Objectives

Ensure the division's expenditures are managed to within 5% of proposed budget.
Meet 100% of regulatory deadlines for required pretreatment program reports.
Implement Ordinance terms and conditions, enforcing prohibitions (e.g., stormwater, slug discharges, etc.).
Issue and renew 100% of the regular industrial wastewater discharge permits on time.
Complete all required inspections and monitoring of Class I industrial permittees.

Performance Measures

Summary	2024-25 Actual	2025-26 Projected	2026-27 Proposed	2027-28 Proposed	Justification
Complete all required Class I permit inspections.	Achieved	Achieved	Sustain	Sustain	OC San Standards
Meet 100% of Regulatory Deadlines (Reports)	Achieved	Achieved	Sustain	Sustain	Permit Requirements
Implement Ordinance	Achieved	Achieved	Sustain	Sustain	Permit Requirements
Industrial Permit Issuance/Renewal	Achieved	Achieved	Sustain	Sustain	Permit Requirements
Inspections/Monitoring	Achieved	Achieved	Sustain	Sustain	Joint Agreement

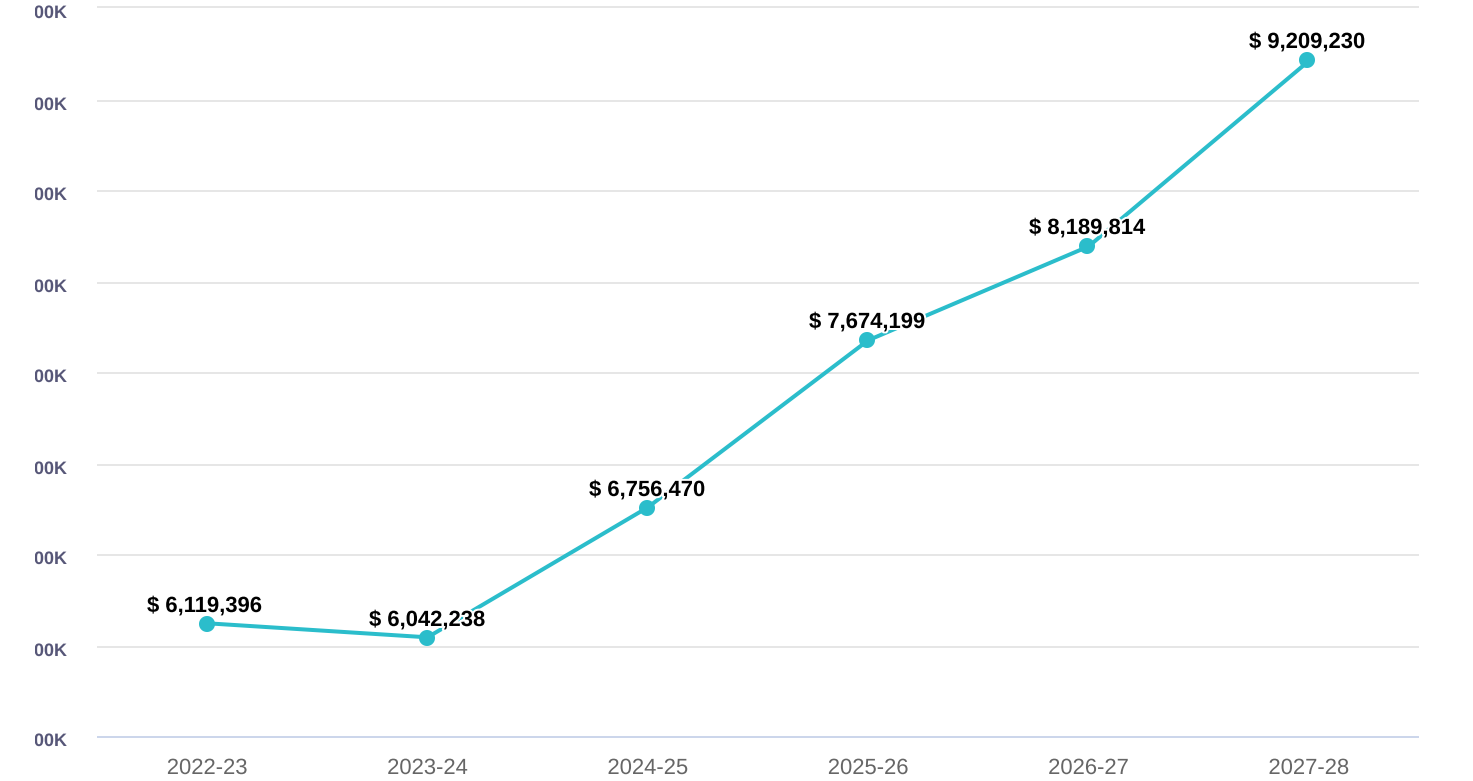
Budget Overview

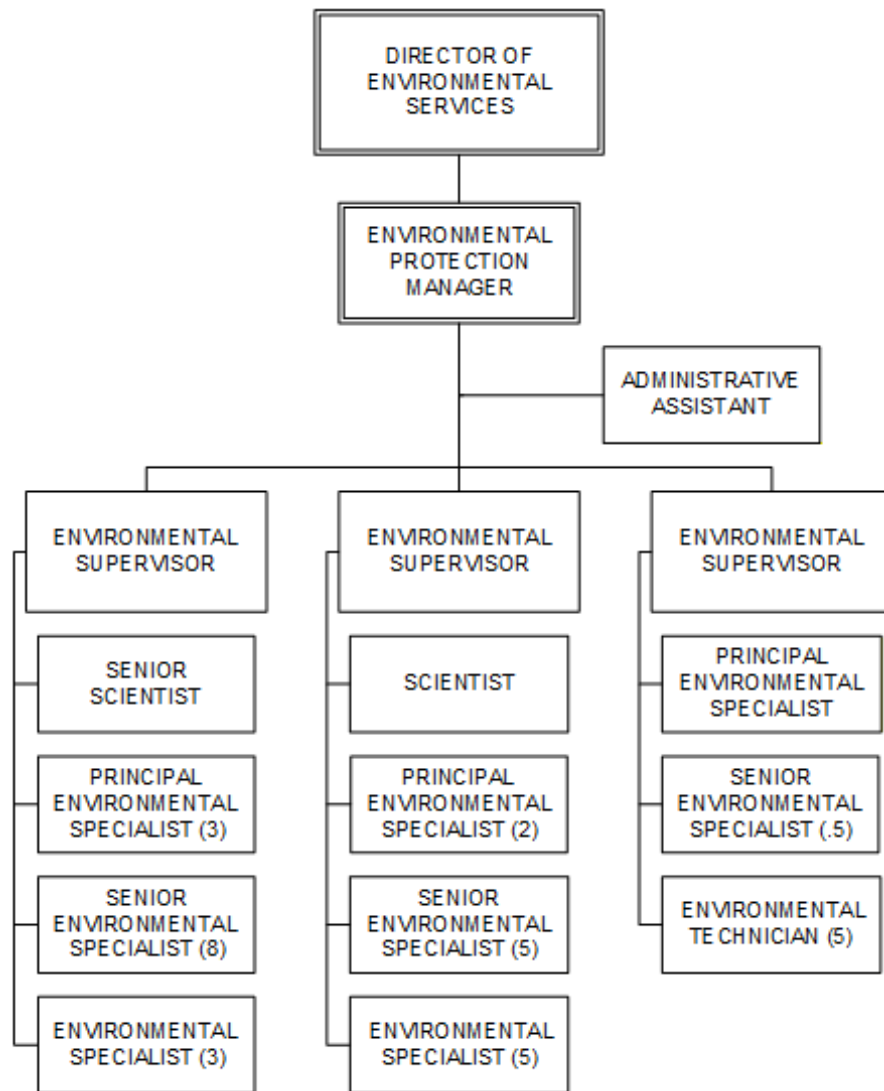
The FY 2026-27 & FY 2027-28 budgets for the Resource Protection Division reflect a increase of 7% and an increase of 12% over the prior year, respectively. The FY 2026-27 increase is primarily due to a increase in personnel costs, offset by a decrease in environmental scientific consulting. The FY 2027-28 increase is primarily due to personnel expenses.

2025-26 Adjusted Budget - Total Operating Requirements	\$ 7,674,199
Salaries for Position Changes: Transfer of Positions from/(to) Other Divisions New or (decreased) FTE	- 5
Changes in Personnel Expenses: Other net salary adjustments (MOU-related, leave payoffs, vacancy, etc.) Change in OCERS retirement costs Change in group insurance costs Other benefit cost adjustments	589,227 2,948 95,739 40,226
Other Cost Adjustments: Change in trainings & meetings Change in tools Change in environmental scientific consulting	(11,650) (20,000) (200,000)
Aggregate change in Other Categories: Aggregate change in other materials, supplies, and services	19,125
2026-27 Proposed Budget - Total Operating Requirements	\$ 8,189,814
Changes in Personnel Expenses: Net salary adjustments (MOU-related, leave payoffs, vacancy, etc.) Change in OCERS retirement costs Change in group insurance costs Other benefit cost adjustments	723,546 71,320 143,106 10,833
Other Cost Adjustments: Change in trainings & meetings Change in safety equipment & tools Change in solvents, painting, & janitorial Change in laboratory supplies	48,650 5,000 2,500 5,000
Aggregate change in Other Categories: Aggregate change in other materials, supplies, and services	9,461
2027-28 Proposed Budget - Total Operating Requirements	\$ 9,209,230

Operating Expense by Category	2024-25 Actual	2025-26 Budget	2025-26 Projected	2026-27 Proposed	Budget % Change to 2025-26	2027-28 Proposed	Budget % Change to 2026-27
Personnel	\$ 5,903,779	\$ 6,473,784	\$ 5,981,068	\$ 7,201,924	11.25%	\$ 8,156,050	13.25%
Supplies	213,449	258,655	243,155	224,890	(13.05%)	287,980	28.05%
Professional & Contractual Services	618,631	897,000	628,409	670,000	(25.31%)	670,000	-
Research & Monitoring	-	25,000	-	75,000	200.00%	75,000	-
Repairs & Maintenance	20,537	18,000	18,000	16,000	(11.11%)	18,000	12.50%
Utilities	-	-	-	-	-	-	-
Other	74	1,760	1,760	2,000	13.64%	2,200	10.00%
Total	\$ 6,756,470	\$ 7,674,199	\$ 6,872,391	\$ 8,189,814	6.72%	\$ 9,209,230	12.45%

Expenditure Trends

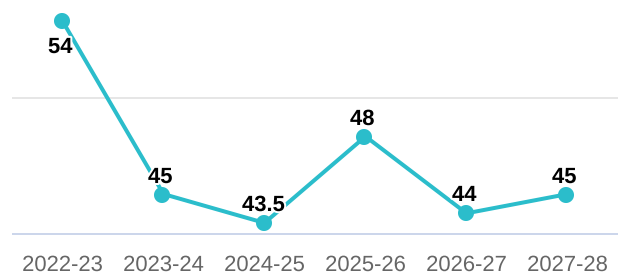




FY 26-27 & FY 27-28 Authorized FTE Positions

	2026-27	2027-28
Managers	1	1
Supervisors / Professionals	37	38
Administrative & Clerical	1	1
Technical Services	5	5
Total	44	45

Staffing Trends



Service Description

The Environmental Laboratory provides support across OC San through sampling and performing over 100,000 laboratory analyses each year for source control, operational support, and receiving environment. The lab is committed to excellent data quality and analytical innovations. The Environmental Laboratory is accredited at both national and state levels.

2025-26 Performance Objectives

Continued efficiency improvement as measured by internal standards and industry benchmarking with regional laboratories.
Successful performance on proficiency test standards to maintain lab accreditations
Manage Budget
Support of GWRS, special projects, and routine monitoring requirements
Meet all NPDES Permit requirements

2025-26 Performance Results

On Track
On Track
On Track to meet goal of 96-100%
On Track
On Track

2026-27 & 2027-28 Performance Objectives

Continue efficiency improvements.
Successful performance on proficiency test standards.
Manage operating expenditures to 96% to 100% of the approved budget.
Support GWRS, special projects, and routine monitoring requirements.
Meet all NPDES permit requirements.

Performance Measures

Summary	2024-25 Actual	2025-26 Projected	2026-27 Proposed	2027-28 Proposed	Justification
Laboratory Productivity	Achieved	Ongoing	Sustain	Sustain	OC San Standards
Lab Accreditation	Achieved	Ongoing	Sustain	Sustain	Lab Accreditation
Manage Budget	Achieved	Ongoing	Sustain	Sustain	OC San Standards
Support initiatives and projects	Achieved	Ongoing	Sustain	Sustain	OC San Standards
Permit Compliance	Achieved	Ongoing	Sustain	Sustain	Permit Requirements

Environmental Laboratory & Ocean Monitoring

Budget Overview

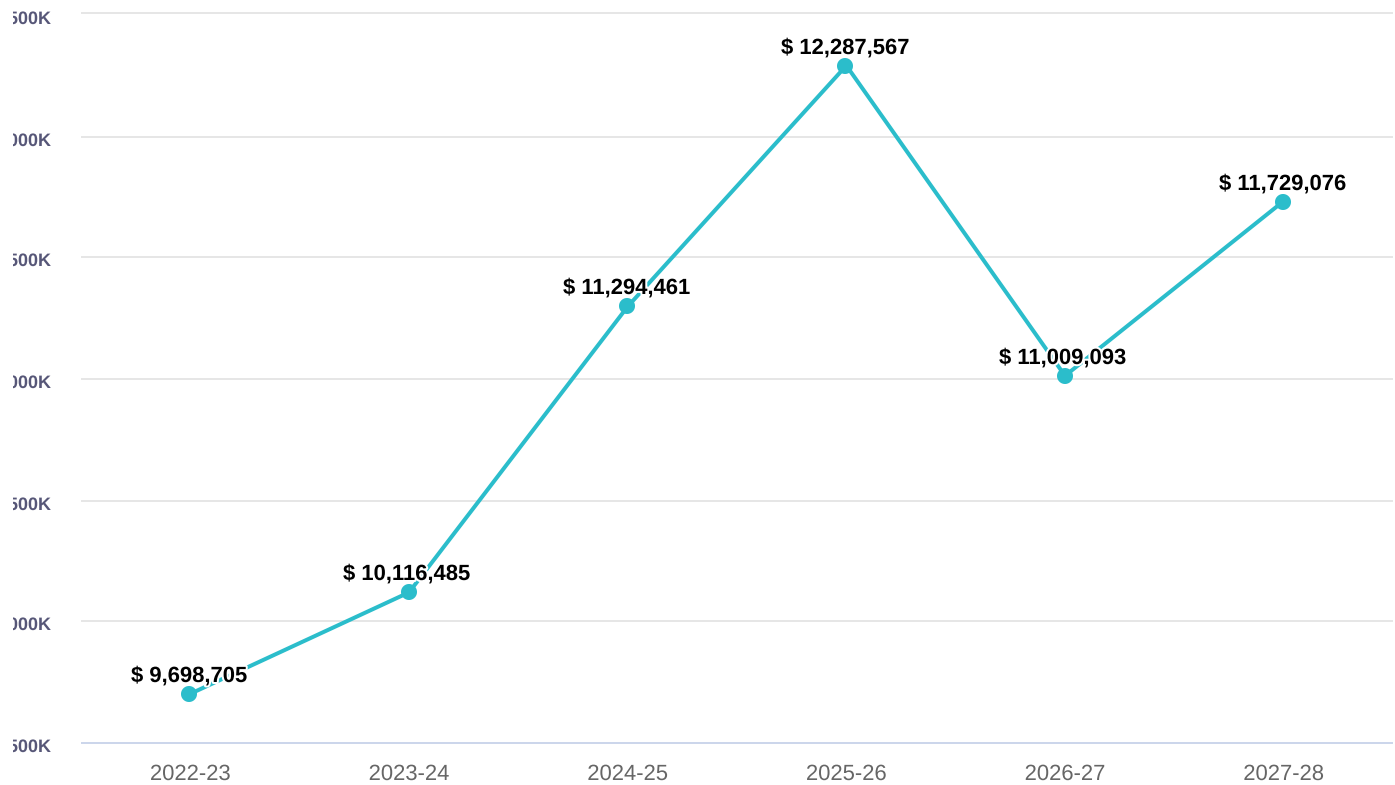
The FY 2026-27 & FY 2027-28 budgets for the Environmental Laboratory Division reflect an decrease of 10% and an increase of 7% over the prior year, respectively. The FY 2026-27 decrease is primarily due to transferring the ocean monitoring staff and services to the Environmental Compliance division. The FY 2027-28 increase is primarily due to personnel expenses.

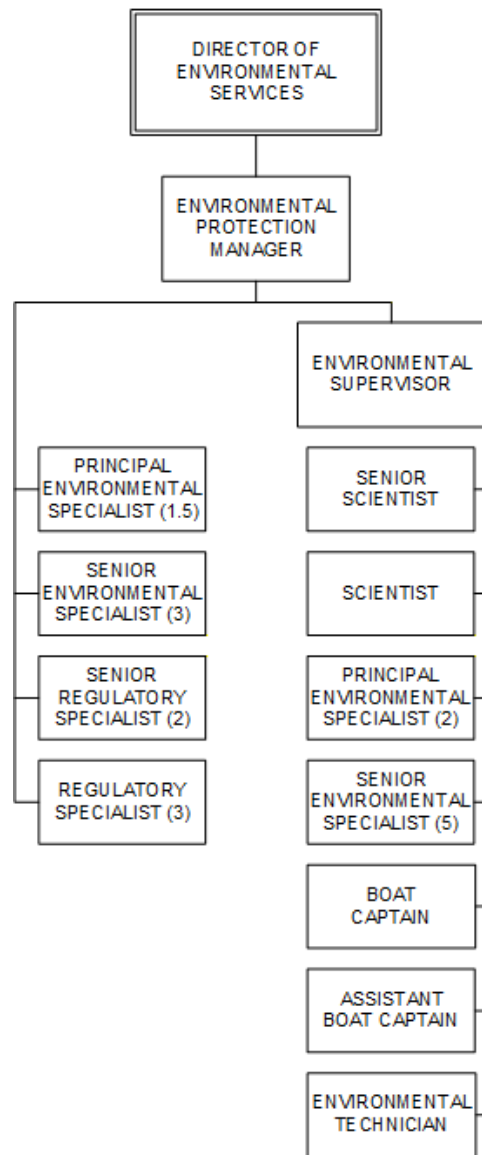
2025-26 Adjusted Budget - Total Operating Requirements	\$ 12,287,567
Salaries for Position Changes: Transfer of Positions from/(to) Other Divisions (8) New or (decreased) FTE 4	
Changes in Personnel Expenses: Other net salary adjustments (MOU-related, leave payoffs, vacancy, etc.) (118,404) Change in OCERS retirement costs (29,685) Change in group insurance costs (16,773) Other benefit cost adjustments (13,530)	
Other Cost Adjustments: Change in trainings & meetings 21,349 Change in gas, diesel, & oil expenses (39,900) Change in laboratory chemicals & supplies 116,330 Change in environmental research & monitoring (1,270,000) Change in repairs & maintenance expenses 65,000 Change in regulatory operating fees (10,000)	
Aggregate change in Other Categories: Aggregate change in other materials, supplies, and services 17,141	
2026-27 Proposed Budget - Total Operating Requirements	\$ 11,009,093
Changes in Personnel Expenses: Net salary adjustments (MOU-related, leave payoffs, vacancy, etc.) 396,710 Change in OCERS retirement costs 58,905 Change in group insurance costs 66,049 Other benefit cost adjustments 4,890	
Other Cost Adjustments: Change in laboratory chemicals & supplies 45,817 Change in outside laboratory services 50,000 Change in repairs & maintenance expenses 92,500 Change in regulatory operating fees 10,000	
Aggregate change in Other Categories: Aggregate change in other materials, supplies, and services (1,894)	
2027-28 Proposed Budget - Total Operating Requirements	\$ 11,729,076

Environmental Laboratory & Ocean Monitoring

Operating Expense by Category	2024-25 Actual	2025-26 Budget	2025-26 Projected	2026-27 Proposed	Budget % Change to 2025-26	2027-28 Proposed	Budget % Change to 2026-27
Personnel	\$ 8,414,395	\$ 8,821,147	\$ 9,291,096	\$ 8,642,754	(2.02%)	\$ 9,169,308	6.09%
Supplies	867,467	964,620	964,653	1,072,539	11.19%	1,106,217	3.14%
Professional & Contractual Services	620,713	512,000	387,000	512,000	-	562,000	9.77%
Research & Monitoring	832,477	1,270,000	1,196,000	-	(100.00%)	-	-
Repairs & Maintenance	431,118	555,000	500,000	620,000	11.71%	712,500	14.92%
Utilities	-	-	-	-	-	-	-
Other	128,291	164,800	166,056	161,800	(1.82%)	179,050	10.66%
Total	\$ 11,294,461	\$ 12,287,567	\$ 12,504,804	\$ 11,009,093	(10.40%)	\$ 11,729,076	6.54%

Expenditure Trends

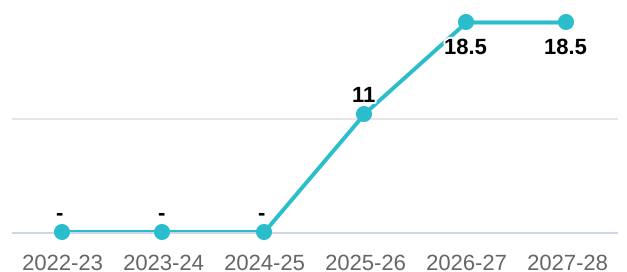




FY 26-27 & FY 27-28 Authorized FTE Positions

	2026-27	2027-28
Managers	1	1
Supervisors / Professionals	16.5	16.5
Technical Services	1	1
Total	18.5	18.5

Staffing Trends



Environmental Compliance and Ocean Monitoring

Service Description

Environmental Compliance and Ocean Monitoring is tasked with ensuring adherence to environmental regulations and permit conditions for ocean discharge, air emissions, and biosolids/solids management. The team actively advocates responsible and pragmatic environmental regulations relevant to wastewater treatment and resource recovery and provides sampling and oceanographic research services to OC San's operations to protect receiving water quality.

2025-26 Performance Objectives

Ensure all environmental compliance reporting requirements are met on or before required submission date 100% of time.
Audit all major environmental permits within adopted audit schedule: quarterly, semiannual, annual, every 2 years.
Support GWRS, special projects, and routine monitoring requirements.
Meet all NPDES Permit requirements.
Manage operating expenditures to 96% to 100% of the approved budget.

2025-26 Performance Results

Achieved
Achieved
Achieved
Achieved
Achieved

2026-27 & 2027-28 Performance Objectives

Ensure all environmental compliance reporting requirements are met on or before required submission date 100% of time.
Audit all major environmental permits within adopted audit schedule: quarterly, semiannual, annual, every 2 years.
Support GWRS, special projects, and routine monitoring requirements.
Meet all NPDES Permit requirements.
Manage operating expenditures to 96% to 100% of the approved budget.

Performance Measures

Summary	2024-25 Actual	2025-26 Projected	2026-27 Proposed	2027-28 Proposed	Justification
Compliance Reporting Requirements	Achieved	Ongoing	Sustain	Sustain	Permit Requirements
Audit Environmental Permits	Achieved	Ongoing	Sustain	Sustain	Permit Requirements
Support Initiatives and Projects	Achieved	Ongoing	Sustain	Sustain	OC San Standards
Permit Compliance	Achieved	Ongoing	Sustain	Sustain	Permit Requirements
Manage Budget	Achieved	Ongoing	Planned	Planned	Board Approved

Environmental Compliance and Ocean Monitoring

Budget Overview

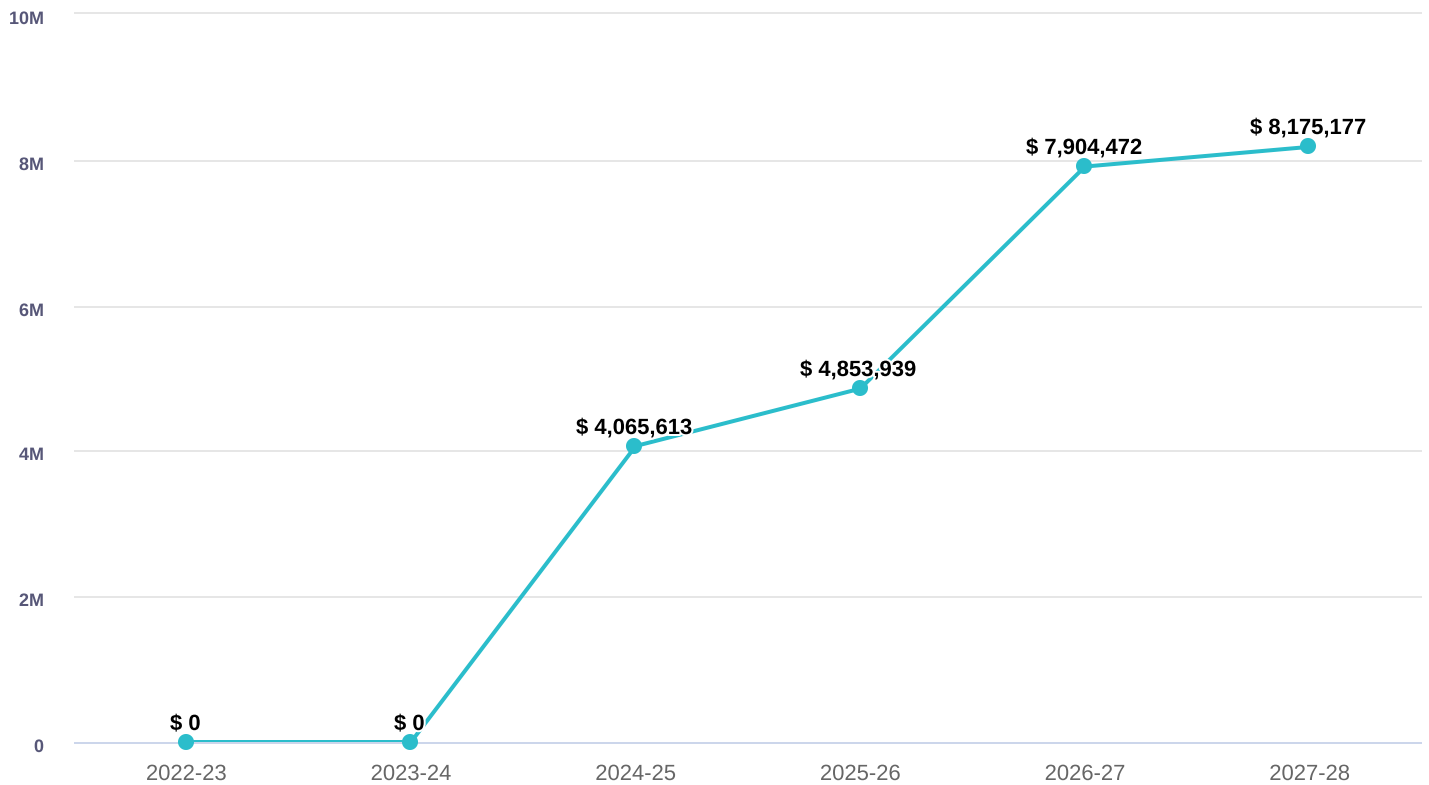
The FY 2026-27 & FY 2027-28 budgets for the Environmental Compliance & Ocean Monitoring Division reflect an increase of 63% and an increase of 3% over the prior year, respectively. The FY 2026-27 budget increase is primary due to the transfer of ocean monitoring staff and services from the Environmental Laboratory division. The FY 2027-28 increase is primarily due to environmental monitoring expenses.

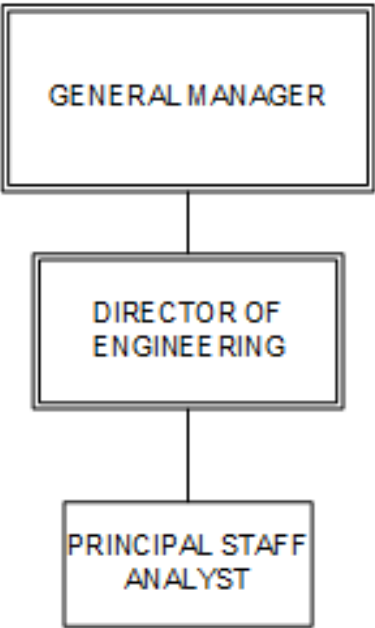
2025-26 Adjusted Budget - Total Operating Requirements	\$ 4,853,939
Salaries for Position Changes: Transfer of Positions from/(to) Other Divisions 8 New or (decreased) FTE -	
Changes in Personnel Expenses: Other net salary adjustments (MOU-related, leave payoffs, vacancy, etc.) 1,394,278 Change in OCERS retirement costs 119,385 Change in group insurance costs 175,475 Other benefit cost adjustments 42,416	
Other Cost Adjustments: Change in training & meetings 34,430 Change in operating materials & supplies 34,690 Change in professional services-auditing (21,744) Change in environmental scientific consulting (69,000) Change in advocacy efforts 1,400 Change in other professional services 250,000 Change in environmental monitoring 1,104,000	
Aggregate change in Other Categories: Aggregate change in other materials, supplies, and services (14,796)	
2026-27 Proposed Budget - Total Operating Requirements	\$ 7,904,472
Changes in Personnel Expenses: Net salary adjustments (MOU-related, leave payoffs, vacancy, etc.) (59,541) Change in OCERS retirement costs (11,222) Change in group insurance costs 16,084 Other benefit cost adjustments 1,392	
Other Cost Adjustments: Change in professional services-auditing 40,572 Change in environmental monitoring 238,000 Change in air quality monitoring 30,000	
Aggregate change in Other Categories: Aggregate change in other materials, supplies, and services 15,421	
2027-28 Proposed Budget - Total Operating Requirements	\$ 8,175,177

Environmental Compliance and Ocean Monitoring

Operating Expense by Category	2024-25 Actual	2025-26 Budget	2025-26 Projected	2026-27 Proposed	Budget % Change to 2025-26	2027-28 Proposed	Budget % Change to 2026-27
Personnel	\$ 2,306,736	\$ 2,278,556	\$ 2,213,385	\$ 4,010,109	75.99%	\$ 3,956,822	(1.33%)
Supplies	13,441	31,930	19,435	141,519	343.22%	156,939	10.90%
Professional & Contractual Services	355,817	416,600	411,600	577,256	38.56%	617,828	7.03%
Research & Monitoring	246,431	300,000	250,000	1,404,000	368.00%	1,672,000	19.09%
Repairs & Maintenance	-	-	-	58,000	-	58,000	-
Utilities	-	-	-	-	-	-	-
Other	1,143,189	1,826,853	1,320,480	1,713,588	(6.20%)	1,713,588	-
Total	\$ 4,065,613	\$ 4,853,939	\$ 4,214,900	\$ 7,904,472	62.85%	\$ 8,175,177	3.42%

Expenditure Trends

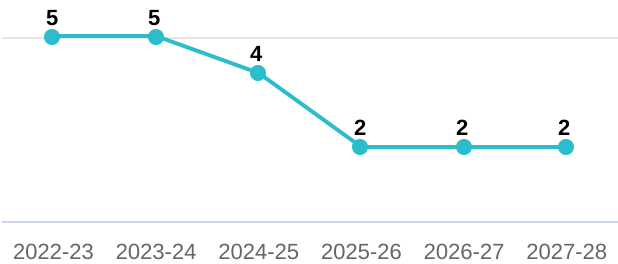




FY 26-27 & FY 27-28 Authorized FTE Positions

	2026-27	2027-28
Executive Managers	1	1
Supervisors / Professionals	1	1
Total	2	2

Staffing Trends



Service Description

The mission statement of the Engineering Department is to deliver world class engineering projects through skilled staff, technical excellence, proactive project planning, efficient project delivery, effective communication, and critical thinking.

2025-26 Performance Objectives

Ensure expenditures are managed to 90-100% of the proposed budget.

Ensure reporting divisions achieve an average of 90% or better of individual performance objectives.

2025-26 Performance Results

Projected to be 96%.

Projected to achieve 83%.

2026-27 & 2027-28 Performance Objectives

Ensure the division's expenditures are managed to 90-100% of proposed budget.

Ensure reporting divisions achieve 90% of individual performance objectives.

Performance Measures

Summary	2024-25 Actual	2025-26 Projected	2026-27 Proposed	2027-28 Proposed	Justification
Manage division budget	366%	96%	90-100%	90-100%	Division Workplan
Division performance objectives	85.4%	83%	90%	90%	Division Workplan

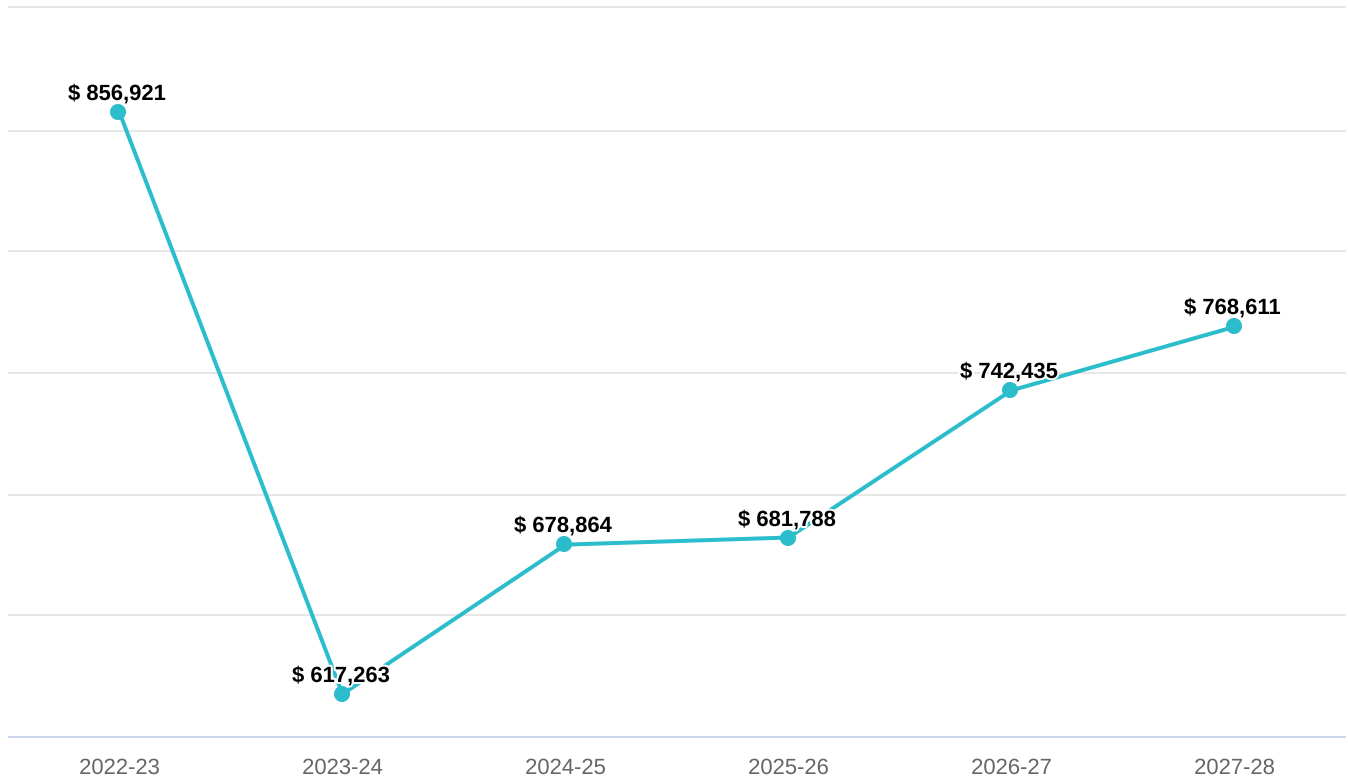
Budget Overview

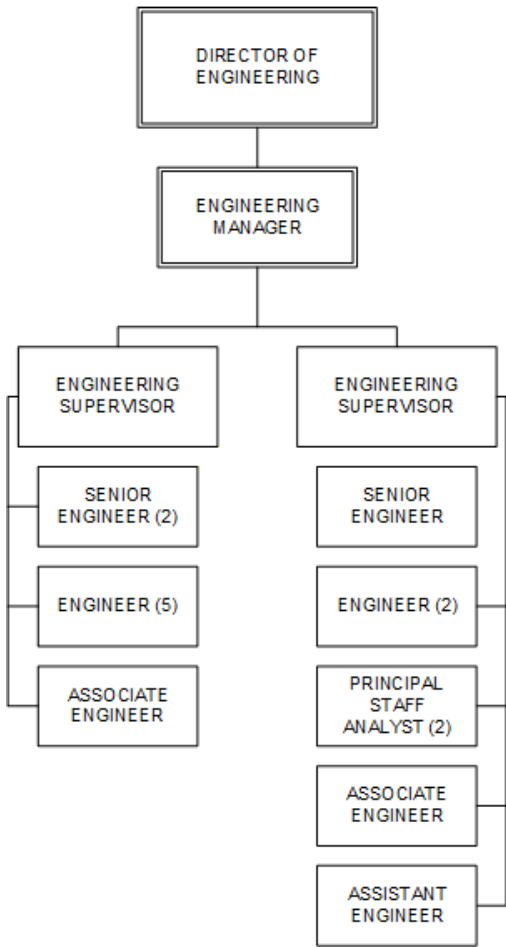
The FY 2026-27 & FY 2027-28 budgets for the Engineering Administration Division reflect a increase of 9% and an increase of 4% over the prior year, respectively. The FY 2026-27 and FY 2027-28 increases are primarily due to personnel expenses.

2025-26 Adjusted Budget - Total Operating Requirements	\$ 681,788
Salaries for Position Changes: Transfer of Positions from/(to) Other Divisions New or (decreased) FTE	- -
Changes in Personnel Expenses: Other net salary adjustments (MOU-related, leave payoffs, vacancy, etc.) Change in OCERS retirement costs Change in group insurance costs Other benefit cost adjustments	60,624 7,169 2,086 143
Other Cost Adjustments: Change in legal services	(10,000)
Aggregate change in Other Categories: Aggregate change in other materials, supplies, and services	625
2026-27 Proposed Budget - Total Operating Requirements	\$ 742,435
Changes in Personnel Expenses: Net salary adjustments (MOU-related, leave payoffs, vacancy, etc.) Change in OCERS retirement costs Change in group insurance costs Other benefit cost adjustments	20,421 3,256 2,123 150
Other Cost Adjustments: Change in trainings & meetings	225
Aggregate change in Other Categories: Aggregate change in other materials, supplies, and services	1
2027-28 Proposed Budget - Total Operating Requirements	\$ 768,611

Operating Expense by Category	2024-25 Actual	2025-26 Budget	2025-26 Projected	2026-27 Proposed	Budget % Change to 2025-26	2027-28 Proposed	Budget % Change to 2026-27
Personnel	\$ 671,426	\$ 659,758	\$ 709,553	\$ 729,780	10.61%	\$ 755,731	3.56%
Supplies	3,117	1,950	1,150	2,575	32.05%	2,800	8.74%
Professional & Contractual Services	4,254	20,000	2,000	10,000	(50.00%)	10,000	-
Research & Monitoring	-	-	-	-	-	-	-
Repairs & Maintenance	-	-	-	-	-	-	-
Utilities	-	-	-	-	-	-	-
Other	67	80	80	80	-	80	-
Total	\$ 678,864	\$ 681,788	\$ 712,783	\$ 742,435	8.90%	\$ 768,611	3.53%

Expenditure Trends

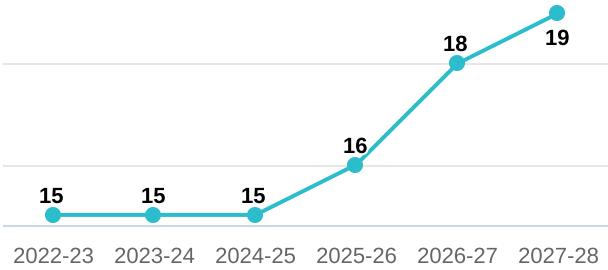




FY 26-27 & FY 27-28 Authorized FTE Positions

	2026-27	2027-28
Managers	1	1
Supervisors / Professionals	17	18
Total	18	19

Staffing Trends



Service Description

The mission of the division is to provide asset management and maintain a long-term Capital Improvement Program (CIP) to ensure availability of adequate, reliable, and cost-effective infrastructure, while protecting the environment and addressing growth within our service area. The Planning Division also establishes partnerships with the public and private sectors to resolve complex issues; has a mission to research new technologies and treatment processes; and reviews and processes connection permits; utility requests, annexations, and inter-agency agreements in an expeditious manner to best serve the public. The division also handles real estate matters, including easements, acquisitions, legal issues, property assessments, and overall property management.

2025-26 Performance Objectives

Ensure the division's expenditures are managed to 90-100% of proposed budget.
Respond to 100% of environmental correspondence within 45 days.
Respond to utility requests within five business days of receipt.

2025-26 Performance Results

Projected to be 98%.
Achieved.
Achieved.

2026-27 & 2027-28 Performance Objectives

Ensure the division's expenditures are managed to 90-100% of proposed budget.
Respond to 100% of environmental correspondence within 45 days.
Respond to utility requests within 5 business days of receipt.

Performance Measures

Summary	2024-25 Actual	2025-26 Projected	2026-27 Proposed	2027-28 Proposed	Justification
Manage division budget	104%	98%	90-100%	90-100%	Division Workplan
Respond to environmental correspondence	Achieved	Planned	Planned	Planned	Division Workplan
Respond to utility requests	Achieved	Planned	Planned	Planned	Division Workplan

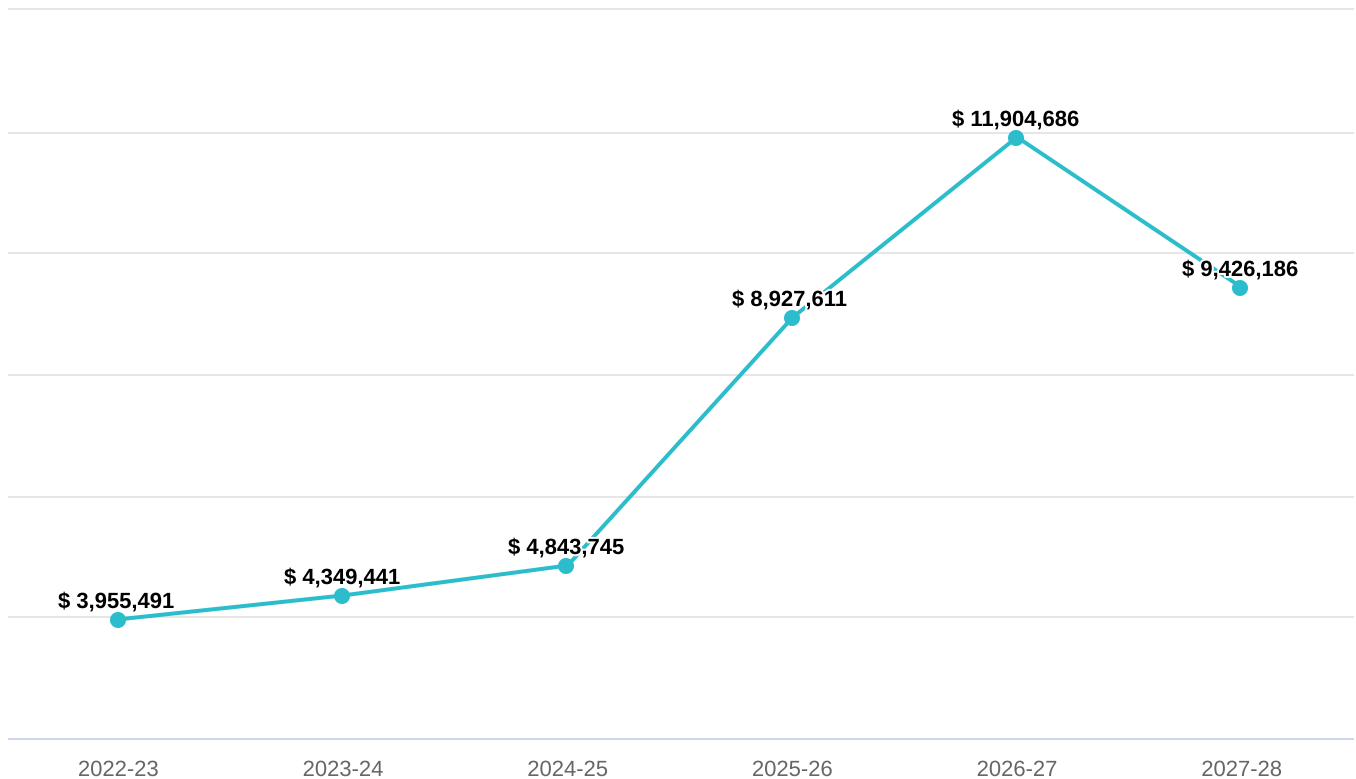
Budget Overview

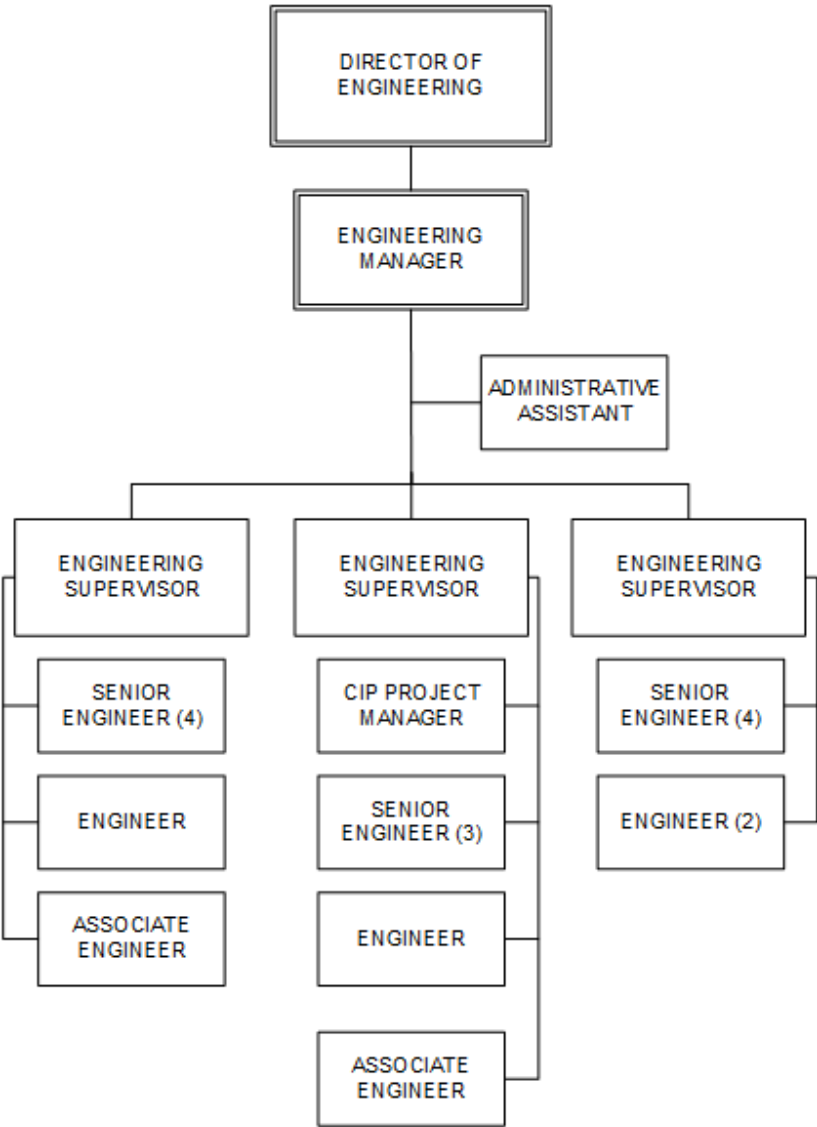
The FY 2026-27 & FY 2027-28 budgets for the Planning Division reflect an increase of 33% and an decrease of 21% over the prior year, respectively. The FY 2026-27 increase is primarily due to an the tranfer of real property staff and service from the Civil Facilities Maintenance division, and the transfer of feasibility studies from the capital budget to the operating budget. The FY 2027-28 decrease is primarily due to decrease in feasibility studies.

2025-26 Adjusted Budget - Total Operating Requirements	\$ 8,927,611
Salaries for Position Changes: Transfer of Positions from/(to) Other Divisions New or (decreased) FTE	1 1
Changes in Personnel Expenses: Other net salary adjustments (MOU-related, leave payoffs, vacancy, etc.) Change in OCERS retirement costs Change in group insurance costs Other benefit cost adjustments	500,519 36,604 56,957 11,299
Other Cost Adjustments: Change in professional services Change in feasibility studies Change in contractual services	1,050,000 1,249,889 50,000
Aggregate change in Other Categories: Aggregate change in other materials, supplies, and services	21,807
2026-27 Proposed Budget - Total Operating Requirements	\$ 11,904,686
Changes in Personnel Expenses: Net salary adjustments (MOU-related, leave payoffs, vacancy, etc.) Change in OCERS retirement costs Change in group insurance costs Other benefit cost adjustments	296,934 33,419 40,331 2,934
Other Cost Adjustments: Change in professional services Change in feasibility studies Change in contractual services	(200,000) (2,711,834) 50,000
Aggregate change in Other Categories: Aggregate change in other materials, supplies, and services	9,716
2027-28 Proposed Budget - Total Operating Requirements	\$ 9,426,186

Operating Expense by Category	2024-25 Actual	2025-26 Budget	2025-26 Projected	2026-27 Proposed	Budget % Change to 2025-26	2027-28 Proposed	Budget % Change to 2026-27
Personnel	\$ 3,438,436	\$ 3,566,404	\$ 3,428,063	\$ 4,171,783	16.97%	\$ 4,545,401	8.96%
Supplies	132,233	135,150	132,503	156,877	16.08%	166,553	6.17%
Professional & Contractual Services	1,316,317	1,450,000	1,425,000	2,550,000	75.86%	2,400,000	(5.88%)
Research & Monitoring	-	-	-	-	-	-	-
Repairs & Maintenance	(44,038)	-	1	-	-	-	-
Utilities	-	-	-	-	-	-	-
Other	797	3,776,057	3,776,057	5,026,026	33.10%	2,314,232	(53.96%)
Total	\$ 4,843,745	\$ 8,927,611	\$ 8,761,624	\$ 11,904,686	33.35%	\$ 9,426,186	(20.82%)

Expenditure Trends

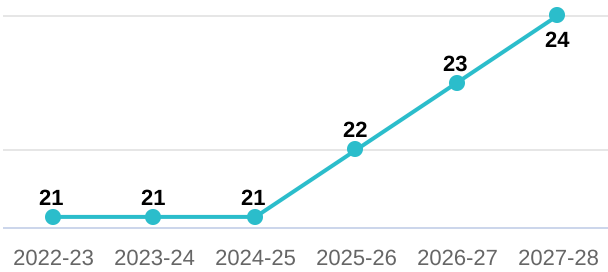




FY 26-27 & FY 27-28 Authorized FTE Positions

	2026-27	2027-28
Managers	1	1
Supervisors / Professionals	21	22
Administrative & Clerical	1	1
Total	23	24

Staffing Trends



Service Description

The mission of the division is to timely deliver high quality, reliable, and cost-effective projects to enable OC San to meet all treatment and regulatory goals.

2025-26 Performance Objectives

Ensure the division's expenditures are managed to 90-100% of proposed budget.
Expend 85-105% of budgeted net CIP outlay.
Maintain or improve CIP program non-construction cost for active projects at 35% or less.

2025-26 Performance Results

Projected to be 115%.
Projected to be 119-126%.
Projected to be 32.4%.

2026-27 & 2027-28 Performance Objectives

Ensure the division's expenditures are managed to 90-100% of proposed budget.
Expend 85-105% of budgeted net CIP outlay.
Maintain or improve CIP program non-construction costs for active projects at 35% or less.

Performance Measures

Summary	2024-25 Actual	2025-26 Projected	2026-27 Proposed	2027-28 Proposed	Justification
Manage division budget	101%	115%	90-100%	90-100%	Division Workplan
Net CIP outlay	102%	119-...	85-105%	85-105%	Division Workplan
Non-construction costs	32.4%	<35%	<35%	<35%	Division Workplan

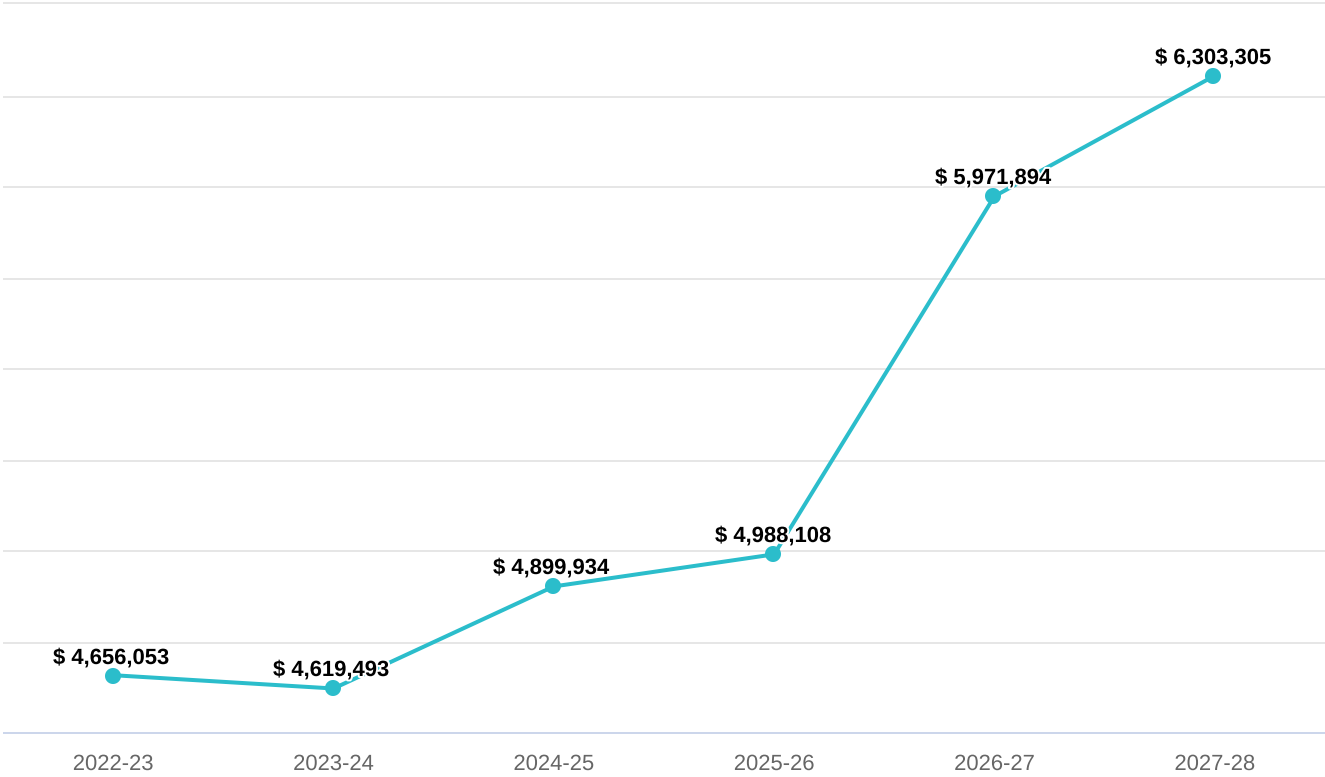
Budget Overview

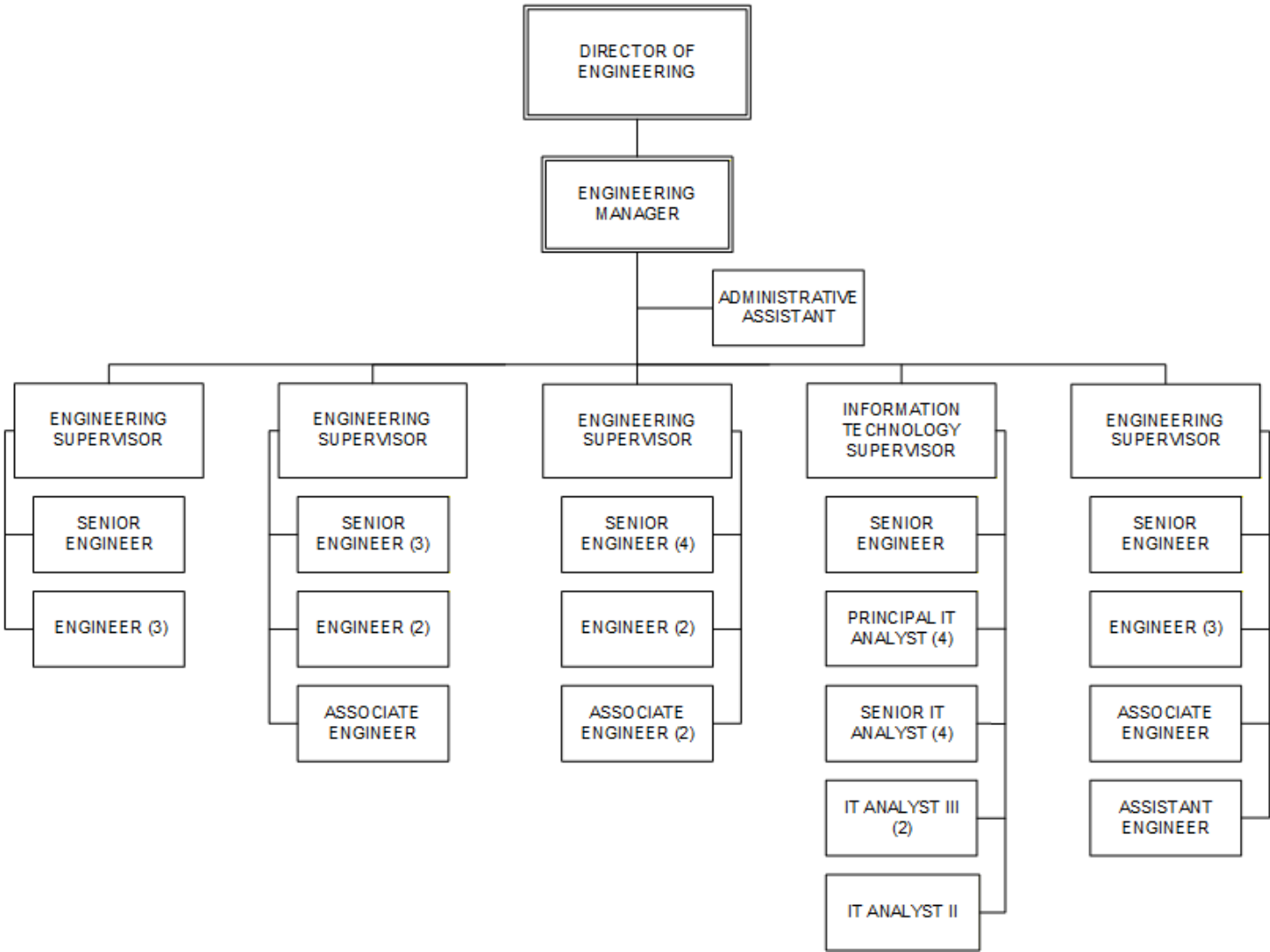
The FY 2026-27 & FY 2027-28 budgets for the Project Management Office Division reflect an increase of 20% and an increase of 6% over the prior year, respectively. The FY 2026-27 increase is primarily due to an increase in personnel expenses and professional engineering services. The FY 2027-28 increase is primarily due to personnel expenses.

2025-26 Adjusted Budget - Total Operating Requirements	\$ 4,988,108
Salaries for Position Changes: Transfer of Positions from/(to) Other Divisions New or (decreased) FTE	- 1
Changes in Personnel Expenses: Other net salary adjustments (MOU-related, leave payoffs, vacancy, etc.) Change in OCERS retirement costs Change in group insurance costs Other benefit cost adjustments	522,491 (4,510) 62,992 6,710
Other Cost Adjustments: Change in training & meetings Change in professional engineering services	13,360 380,000
Aggregate change in Other Categories: Aggregate change in other materials, supplies, and services	2,743
2026-27 Proposed Budget - Total Operating Requirements	\$ 5,971,894
Changes in Personnel Expenses: Net salary adjustments (MOU-related, leave payoffs, vacancy, etc.) Change in OCERS retirement costs Change in group insurance costs Other benefit cost adjustments	327,180 33,737 45,296 3,310
Other Cost Adjustments: Change in professional engineering services	(80,000)
Aggregate change in Other Categories: Aggregate change in other materials, supplies, and services	1,888
2027-28 Proposed Budget - Total Operating Requirements	\$ 6,303,305

Operating Expense by Category	2024-25 Actual	2025-26 Budget	2025-26 Projected	2026-27 Proposed	Budget % Change to 2025-26	2027-28 Proposed	Budget % Change to 2026-27
Personnel	\$ 4,823,437	\$ 4,959,282	\$ 5,088,790	\$ 5,546,964	11.85%	\$ 5,956,488	7.38%
Supplies	26,632	27,986	32,173	43,850	56.69%	45,697	4.21%
Professional & Contractual Services	49,000	-	-	380,000	-	300,000	(21.05%)
Research & Monitoring	-	-	-	-	-	-	-
Repairs & Maintenance	-	-	-	-	-	-	-
Utilities	-	-	-	-	-	-	-
Other	865	840	880	1,080	28.57%	1,120	3.70%
Total	\$ 4,899,934	\$ 4,988,108	\$ 5,121,843	\$ 5,971,894	19.72%	\$ 6,303,305	5.55%

Expenditure Trends

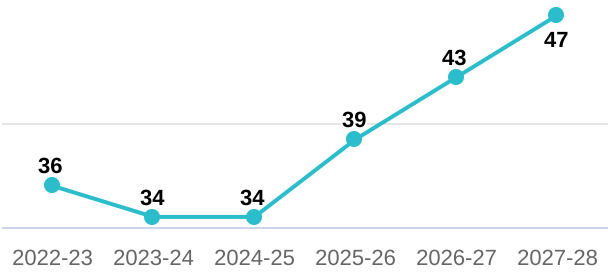




FY 26-27 & FY 27-28 Authorized FTE Positions

	2026-27	2027-28
Managers	1	1
Supervisors / Professionals	41	45
Administrative & Clerical	1	1
Total	43	47

Staffing Trends



Service Description

The mission of the division is to ensure that all projects are designed to be maintainable, operable, reliable, and affordable at optimum lifecycle costs in accordance with OC San’s Engineering Design Guidelines and industry standards and codes. This division provides construction support services and oversees commissioning to ensure projects conform with the contract documents. The division also provides control systems that are highly reliable, safe, secure, and available to monitor, record, control, and operate our facilities.

2025-26 Performance Objectives

Ensure the division's expenditures are managed to 90-100% of proposed budget.
Update 12 standards and design guidelines.
Ensure mission critical real-time control systems are online and available > 99.9%.
Complete control system programming prior to functional acceptance testing.

2025-26 Performance Results

Projected to be 93%.
Projected to update 25 standards and guidelines.
Projected to be >99.9%.
Projected to be 100%.

2026-27 & 2027-28 Performance Objectives

Ensure the division's expenditures are managed to 90-100% of proposed budget.
Update 12 standards and design guidelines.
Ensure mission critical real-time control systems are online and available > 99.9%.
Complete control system programming prior to functional acceptance testing.

Performance Measures

Summary	2024-25 Actual	2025-26 Projected	2026-27 Proposed	2027-28 Proposed	Justification
Manage division budget	54%	93%	90-100%	90-100%	Division Workplan
Update standards and guidelines	25	25	12	12	Division Workplan
Control systems availability	Achieved	Planned	Planned	Planned	Division Workplan
Complete control system programming	Achieved	Planned	Planned	Planned	Division Workplan

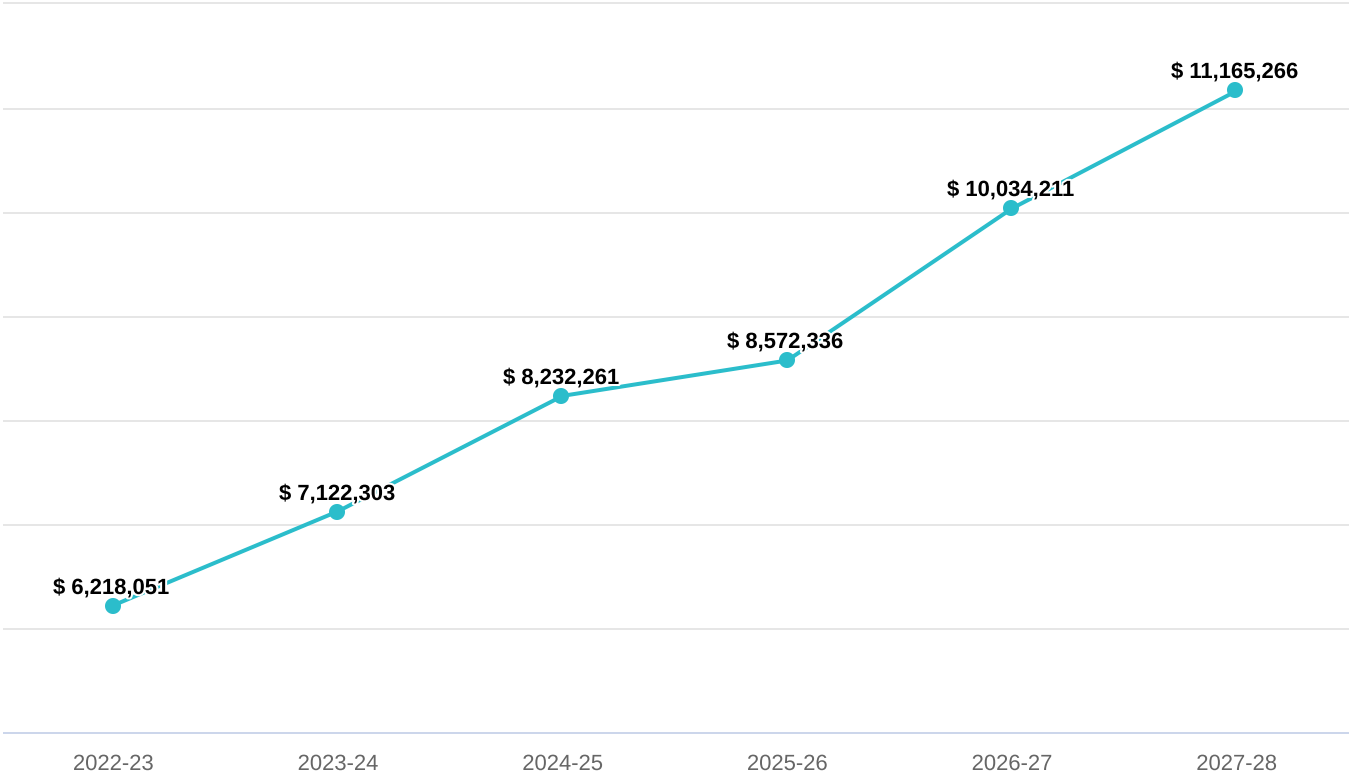
Budget Overview

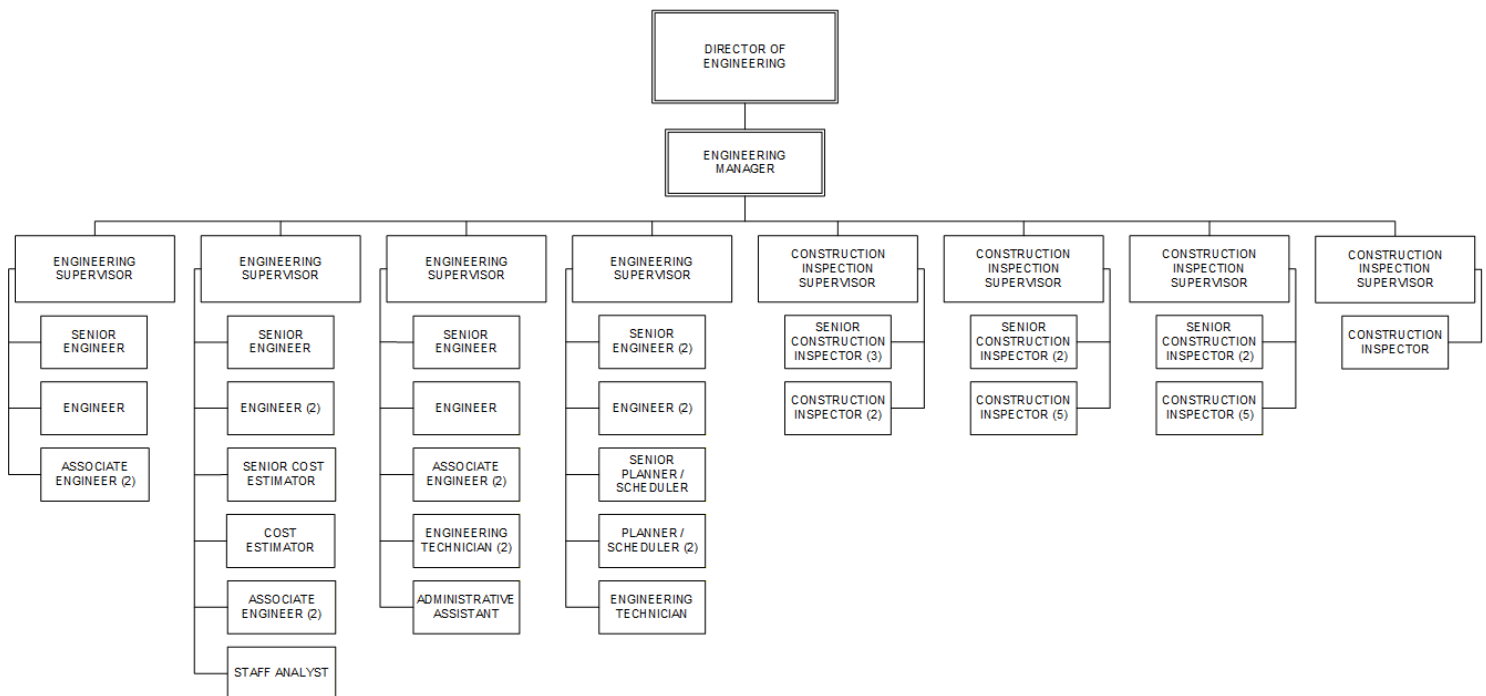
The FY 2026-27 & FY 2027-28 budgets for the Design Division reflect an increase of 17% and an increase of 11% over the prior year, respectively. The FY 2026-27 and FY 2027-28 increases are primarily due to personnel expenses.

2025-26 Adjusted Budget - Total Operating Requirements	\$ 8,572,336
Salaries for Position Changes: Transfer of Positions from/(to) Other Divisions New or (decreased) FTE	- 4
Changes in Personnel Expenses: Other net salary adjustments (MOU-related, leave payoffs, vacancy, etc.) Change in OCERS retirement costs Change in group insurance costs Other benefit cost adjustments	1,229,265 71,361 160,747 13,332
Other Cost Adjustments: Change in training & meetings Change in engineering services Change in software program consulting Change in small tools expense	(13,977) (40,000) 28,000 14,750
Aggregate change in Other Categories: Aggregate change in other materials, supplies, and services	(1,603)
2026-27 Proposed Budget - Total Operating Requirements	\$ 10,034,211
Changes in Personnel Expenses: Net salary adjustments (MOU-related, leave payoffs, vacancy, etc.) Change in OCERS retirement costs Change in group insurance costs Other benefit cost adjustments	940,677 106,941 131,138 9,555
Other Cost Adjustments: Change in training & meetings Change in software program consulting	(4,778) (45,000)
Aggregate change in Other Categories: Aggregate change in other materials, supplies, and services	(7,478)
2027-28 Proposed Budget - Total Operating Requirements	\$ 11,165,266

Operating Expense by Category	2024-25 Actual	2025-26 Budget	2025-26 Projected	2026-27 Proposed	Budget % Change to 2025-26	2027-28 Proposed	Budget % Change to 2026-27
Personnel	\$ 8,015,097	\$ 8,119,286	\$ 7,938,640	\$ 9,593,992	18.16%	\$ 10,782,303	12.39%
Supplies	44,598	150,070	147,600	149,999	(0.05%)	137,583	(8.28%)
Professional & Contractual Services	169,889	300,000	222,000	288,000	(4.00%)	243,000	(15.63%)
Research & Monitoring	-	-	-	-	-	-	-
Repairs & Maintenance	1,244	1,500	500	500	(66.67%)	500	-
Utilities	-	-	-	-	-	-	-
Other	1,434	1,480	1,480	1,720	16.22%	1,880	9.30%
Total	\$ 8,232,261	\$ 8,572,336	\$ 8,310,220	\$ 10,034,211	17.05%	\$ 11,165,266	11.27%

Expenditure Trends

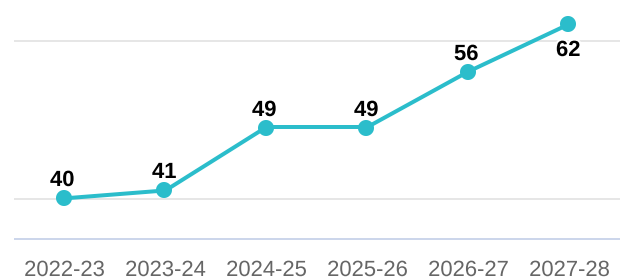




FY 26-27 & FY 27-28 Authorized FTE Positions

	2026-27	2027-28
Managers	1	1
Supervisors / Professionals	31	34
Administrative & Clerical	24	27
Total	56	62

Staffing Trends



Service Description

To deliver world-class engineering projects by providing construction management services that ensure OC San's Capital Improvement Program, facilities engineering, and facility repair projects are safely constructed in accordance with all applicable construction and engineering codes and standards and in compliance with the contract documents.

2025-26 Performance Objectives

Ensure the division's budget expenditures are managed to 90-100% of proposed budget.
Maintain a Change Order Management Plan goal of 10% for Collections projects.
Maintain a Change Order Management Plan goal of 8% for Plant rehabilitation projects.
Maintain a Change Order Management Plan goal of 5% for Plant new/replacement projects.
No spills or odor incidents related to construction projects.

2025-26 Performance Results

Projected to be 90%.
9.4% as of Dec. 31, 2025
7.1% as of Dec. 31, 2025
4.0% as of Dec. 31, 2025.
Achieved.

2026-27 & 2027-28 Performance Objectives

Ensure the division's expenditures are managed to 90-100% of proposed budget.
Maintain a Change Order Management Plan goal of 10% for Collections projects.
Maintain a Change Order Management Plan goal of 8% for Plant rehabilitation projects.
Maintain a Change Order Management Plan goal of 5% for Plant new/replacement projects.
No spills or odor incidents related to construction projects.

Performance Measures

Summary	2024-25 Actual	2025-26 Projected	2026-27 Proposed	2027-28 Proposed	Justification
Manage division budget	93%	90%	90-100%	90-100%	Division Workplan
Collections change order rate	9.4%	<10%	<10%	<10%	Division Workplan
Plant rehab change order rate	7.1%	<8%	<8%	<8%	Division Workplan
Plant new change order rate	4.0%	<5%	<5%	<5%	Division Workplan
No spills or odor incidents	Achieved	Planned	Planned	Planned	Level of Services

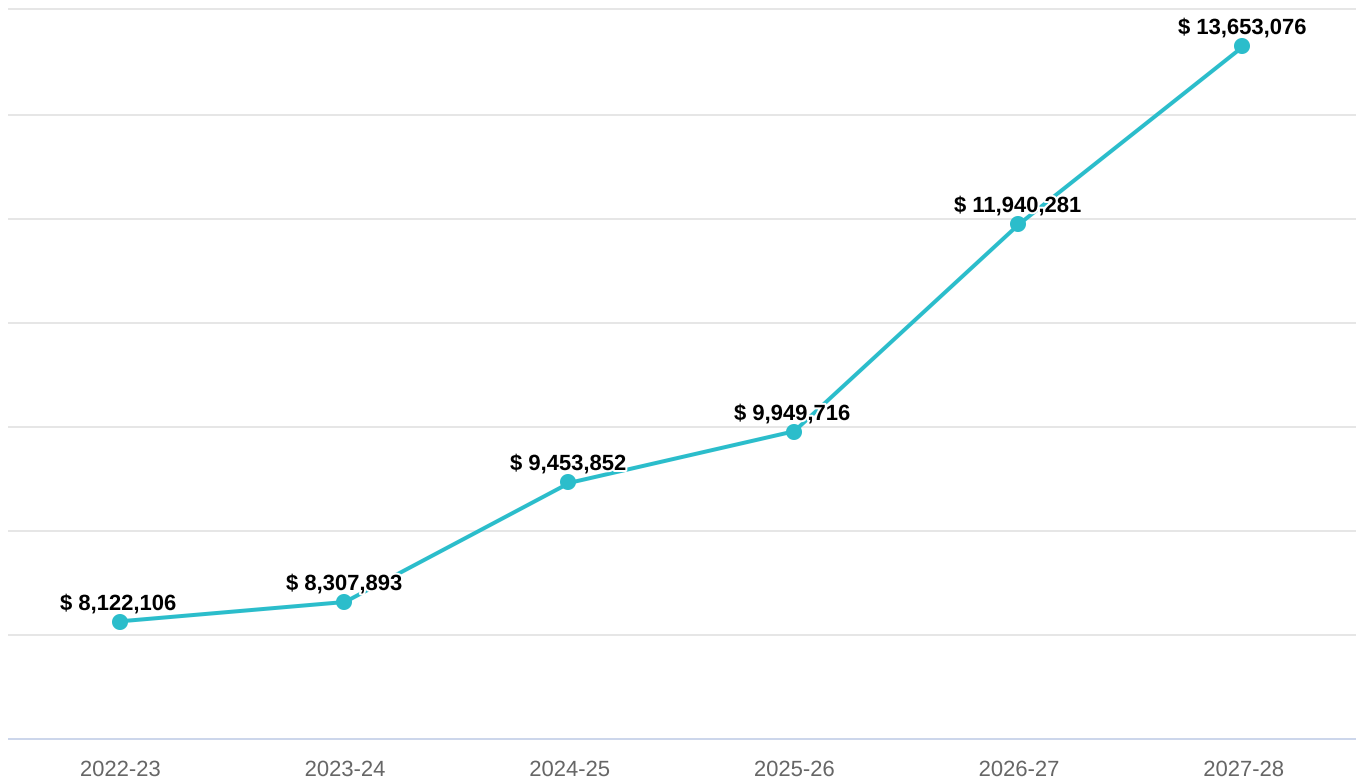
Budget Overview

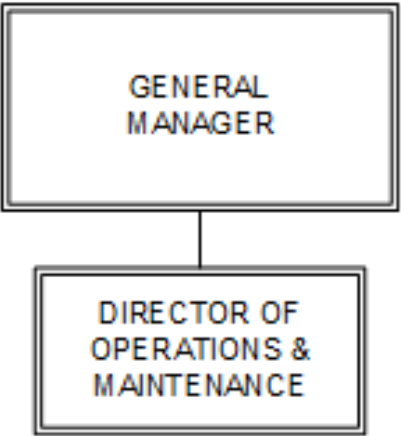
The FY 2026-27 & FY 2027-28 budgets for the Construction Management Division reflect an increase of 20% and an increase of 14% over the prior year, respectively. The FY 2026-27 and FY 2027-28 increases are primarily due to personnel expenses.

2025-26 Adjusted Budget - Total Operating Requirements	\$ 9,949,716
Salaries for Position Changes: Transfer of Positions from/(to) Other Divisions New or (decreased) FTE	- 7
Changes in Personnel Expenses: Other net salary adjustments (MOU-related, leave payoffs, vacancy, etc.) Change in OCERS retirement costs Change in group insurance costs Other benefit cost adjustments	1,719,231 54,418 209,622 17,753
Other Cost Adjustments: Change in administrative expenses Change in safety equipment & tools Change in training & meetings	2,546 8,000 (19,175)
Aggregate change in Other Categories: Aggregate change in other materials, supplies, and services	(1,830)
2026-27 Proposed Budget - Total Operating Requirements	\$ 11,940,281
Changes in Personnel Expenses: Net salary adjustments (MOU-related, leave payoffs, vacancy, etc.) Change in OCERS retirement costs Change in group insurance costs Other benefit cost adjustments	1,370,624 127,324 186,889 13,692
Other Cost Adjustments: Change in postage Change in training & meetings	1,100 11,800
Aggregate change in Other Categories: Aggregate change in other materials, supplies, and services	1,366
2027-28 Proposed Budget - Total Operating Requirements	\$ 13,653,076

Operating Expense by Category	2024-25 Actual	2025-26 Budget	2025-26 Projected	2026-27 Proposed	Budget % Change to 2025-26	2027-28 Proposed	Budget % Change to 2026-27
Personnel	\$ 9,349,003	\$ 9,829,002	\$ 9,830,159	\$ 11,830,026	20.36%	\$ 13,528,556	14.36%
Supplies	100,193	118,644	72,020	106,715	(10.05%)	120,740	13.14%
Professional & Contractual Services	1,342	-	-	-	-	-	-
Research & Monitoring	-	-	-	-	-	-	-
Repairs & Maintenance	1,192	110	1,000	1,500	1,263.64%	1,500	-
Utilities	-	-	-	-	-	-	-
Other	2,123	1,960	1,960	2,040	4.08%	2,280	11.76%
Total	\$ 9,453,852	\$ 9,949,716	\$ 9,905,139	\$ 11,940,281	20.01%	\$ 13,653,076	14.34%

Expenditure Trends

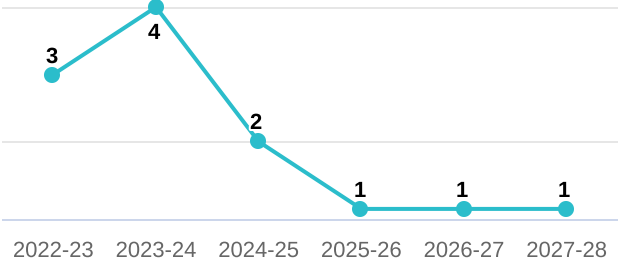




FY 26-27 & FY 27-28 Authorized FTE Positions

	2026-27	2027-28
Executive Managers	1	1
Total	1	1

Staffing Trends



Operations and Maintenance Administration

Service Description

The mission of the Operations and Maintenance Administration Division is to provide leadership and support, as well as management oversight and development of the department. Rate payer owned facilities and assets managed by the O&M Divisions have a replacement value that exceeds \$17 billion. The Director, as a member of the Executive Management Team, provides counsel and expertise in developing the necessary strategies to maintain alignment with OC San's Strategic Plan, Levels of Service, and annual divisional work plans. The Director and staff also proactively network with OC San member cities, sewer agencies and regional regulators on operational issues.

2025-26 Performance Objectives

Achieve 100% compliance with water, solids, air, and energy permits and regulatory requirements.

Achieve 100% compliance level of 90 - 100% of the Levels of Service targets.

Manage operating expenditures to within 96 - 100% of approved budget for the Department.

2025-26 Performance Results

Achieved 100% compliance with water, solids, air, and energy permits and regulatory requirements.

Achieved 100% compliance level of 90 - 100% of the Levels of Service targets.

Managed operating expenditures to 100% of approved budget for the Department.

2026-27 & 2027-28 Performance Objectives

Achieve zero enforceable compliance actions for water, solids, and air requirements.

Manage operating expenditures to within 96 to 100% of approved budget.

Achieve greater than 95% compliance with the safety scorecard.

Performance Measures

Summary	2024-25 Actual	2025-26 Projected	2026-27 Proposed	2027-28 Proposed	Justification
Compliance with Permits & Regulatory Requirements	Achieved	Achieved	Planned	Planned	OC San Standards
Levels of Service Compliance	Achieved	Achieved	Planned	Planned	Strategic Plan
Manage Budget	Achieved	Achieved	Planned	Planned	Board Approved

Operations and Maintenance Administration

Budget Overview

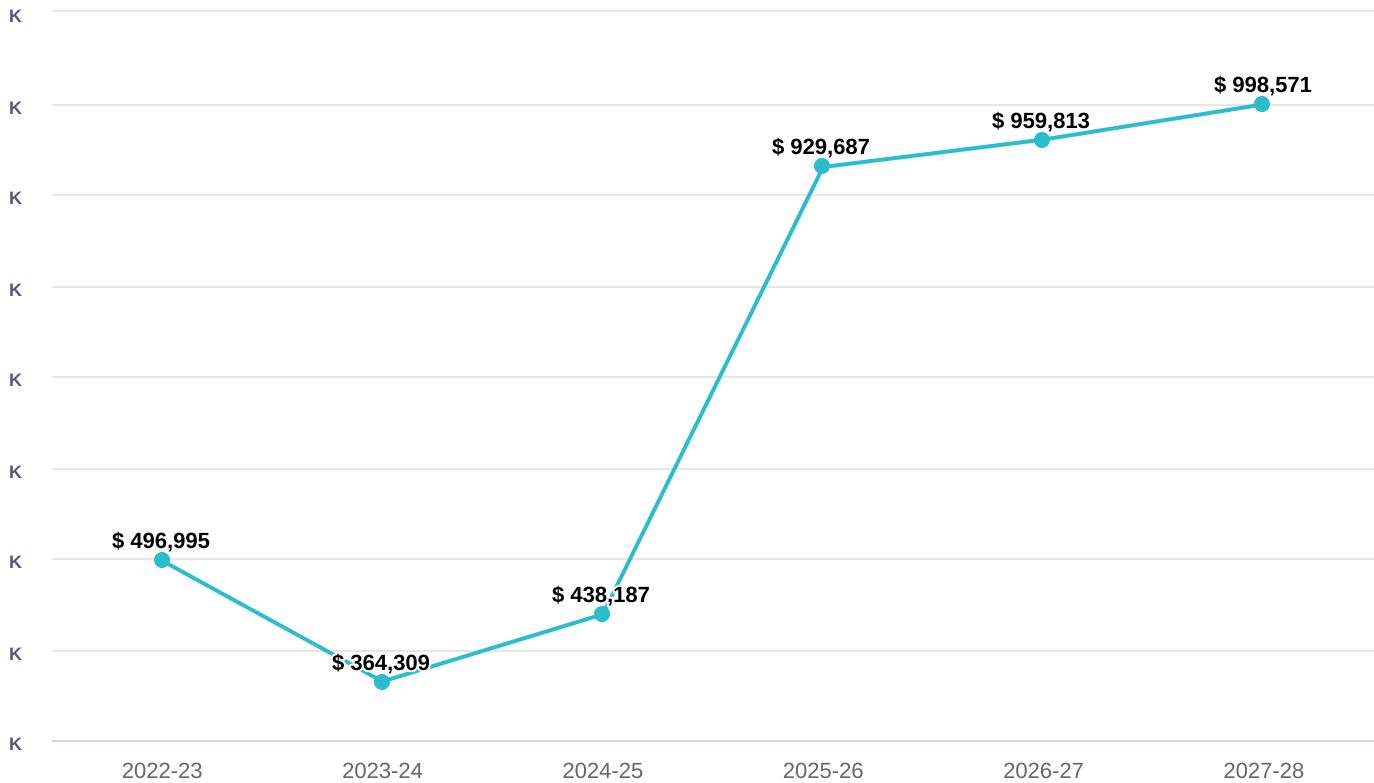
The FY 2026-27 & FY 2027-28 budgets for the Operations and Maintenance Administration Division reflect a increase of 3% and an increase of 4% over the prior year, respectively. The FY 2026-27 and FY 2027-28 increases are primarily due to personnel expenses.

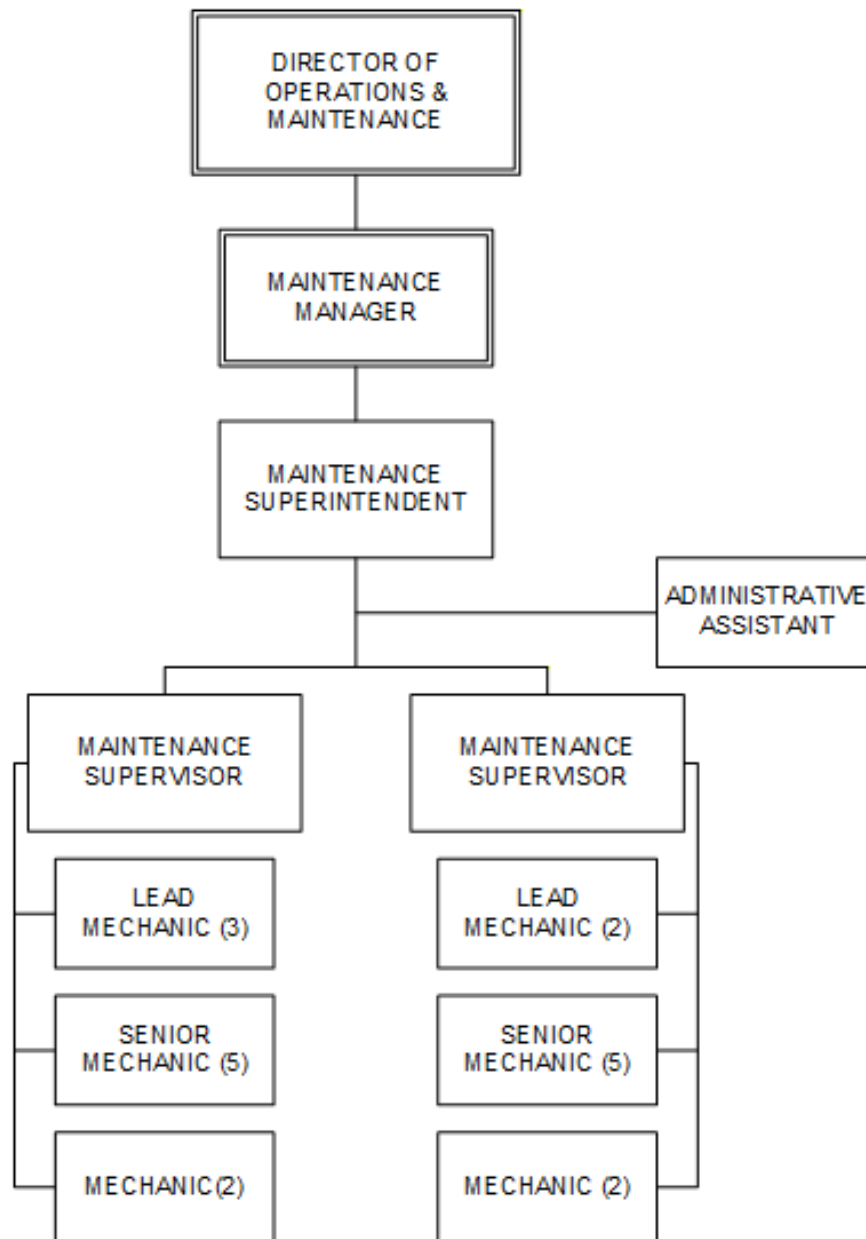
2025-26 Adjusted Budget - Total Operating Requirements	\$ 929,687
Salaries for Position Changes: Transfer of Positions from/(to) Other Divisions New or (decreased) FTE	- -
Changes in Personnel Expenses: Other net salary adjustments (MOU-related, leave payoffs, vacancy, etc.) Change in OCERS retirement costs Change in group insurance costs Other benefit cost adjustments	71,872 (30,244) 1,104 71
Other Cost Adjustments: Change in legal services	(10,500)
Aggregate change in Other Categories: Aggregate change in other materials, supplies, and services	(2,177)
2026-27 Proposed Budget - Total Operating Requirements	\$ 959,813
Changes in Personnel Expenses: Net salary adjustments (MOU-related, leave payoffs, vacancy, etc.) Change in OCERS retirement costs Change in group insurance costs Other benefit cost adjustments	(9,283) 43,097 1,068 75
Other Cost Adjustments: Change in legal services Change in trainings & meetings	2,000 1,800
Aggregate change in Other Categories: Aggregate change in other materials, supplies, and services	1
2027-28 Proposed Budget - Total Operating Requirements	\$ 998,571

Operations and Maintenance Administration

Operating Expense by Category	2024-25 Actual	2025-26 Budget	2025-26 Projected	2026-27 Proposed	Budget % Change to 2025-26	2027-28 Proposed	Budget % Change to 2026-27
Personnel	\$ 426,016	\$ 892,191	\$ 469,998	\$ 934,994	4.80%	\$ 969,952	3.74%
Supplies	147	4,916	2,706	2,739	(44.29%)	4,539	65.72%
Professional & Contractual Services	12,025	32,500	20,000	22,000	(32.31%)	24,000	9.09%
Research & Monitoring	-	-	-	-	-	-	-
Repairs & Maintenance	-	-	-	-	-	-	-
Utilities	-	-	-	-	-	-	-
Other	-	80	80	80	-	80	-
Total	\$ 438,187	\$ 929,687	\$ 492,784	\$ 959,813	3.24%	\$ 998,571	4.04%

Expenditure Trends

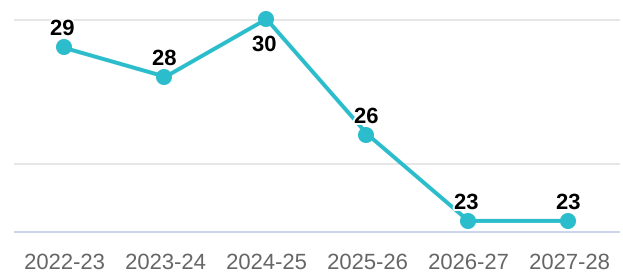




FY 26-27 & FY 27-28 Authorized FTE Positions

	2026-27	2027-28
Managers	1	1
Supervisors / Professionals	2	2
Operations & Maintenance	19	19
Administrative & Clerical	1	1
Total	23	23

Staffing Trends



Collections Facilities Operations and Maintenance

Service Description

The mission of OC San's Collections Division is to safely, reliably, and cost-effectively operate and maintain the regional sewer collection system, including gravity and pressure pipelines, pump stations, and force mains, to meet all regulatory requirements and protect the land, air, and water environments of Orange County and the 2.6 million residents we serve. The division provides proactive maintenance, emergency response, and Dig Alert support to ensure system reliability, minimize spills and service disruptions, and deliver efficient, compliant, and high-quality service.

2025-26 Performance Objectives

Achieve 100% compliance with water, solids, air, and energy permits and regulatory requirements.
Achieve 100% compliance level of 90 - 100% of the Levels of Service targets.
Manage operating expenditures to within 96 - 100% of approved budget.
Achieve greater than 95% compliance with the safety scorecard

2025-26 Performance Results

Achieved zero enforceable compliance actions for water, solids, and air requirements.
Achieved 100% compliance level of the Levels of Service targets.
Managed operating expenditures to 100% of approved budget.
Achieved 100% compliance with the safety scorecard.

2026-27 & 2027-28 Performance Objectives

Preventable Sanitary Sewer Overflows (SSOs) - Fewer than one SSO per 100 miles, or fewer than four SSOs per year
Scheduled Maintenance Completion - At least 90% completion of all scheduled maintenance activities.
Asset Availability (Critical Systems Uptime) - >98% uptime for pumps, lift stations, and critical infrastructure.
Proactive Inspections and Assessments - Complete at least 85% of all scheduled inspections and condition assessments
Annual Training Compliance - Achieve 100% completion of required safety and environmental training

Performance Measures

Summary	2024-25 Actual	2025-26 Projected	2026-27 Proposed	2027-28 Proposed	Justification
Preventable Sanitary Sewer Overflow (SSOs)	Achieved	Achieved	Sustain	Sustain	Industry Standards
Proactive Operations and Leading Indicators	Achieved	Achieved	Sustain	Sustain	Industry Standards
Workforce Safety & Readiness	Achieved	Achieved	Sustain	Sustain	Best Practices

Collections Facilities Operations and Maintenance

Budget Overview

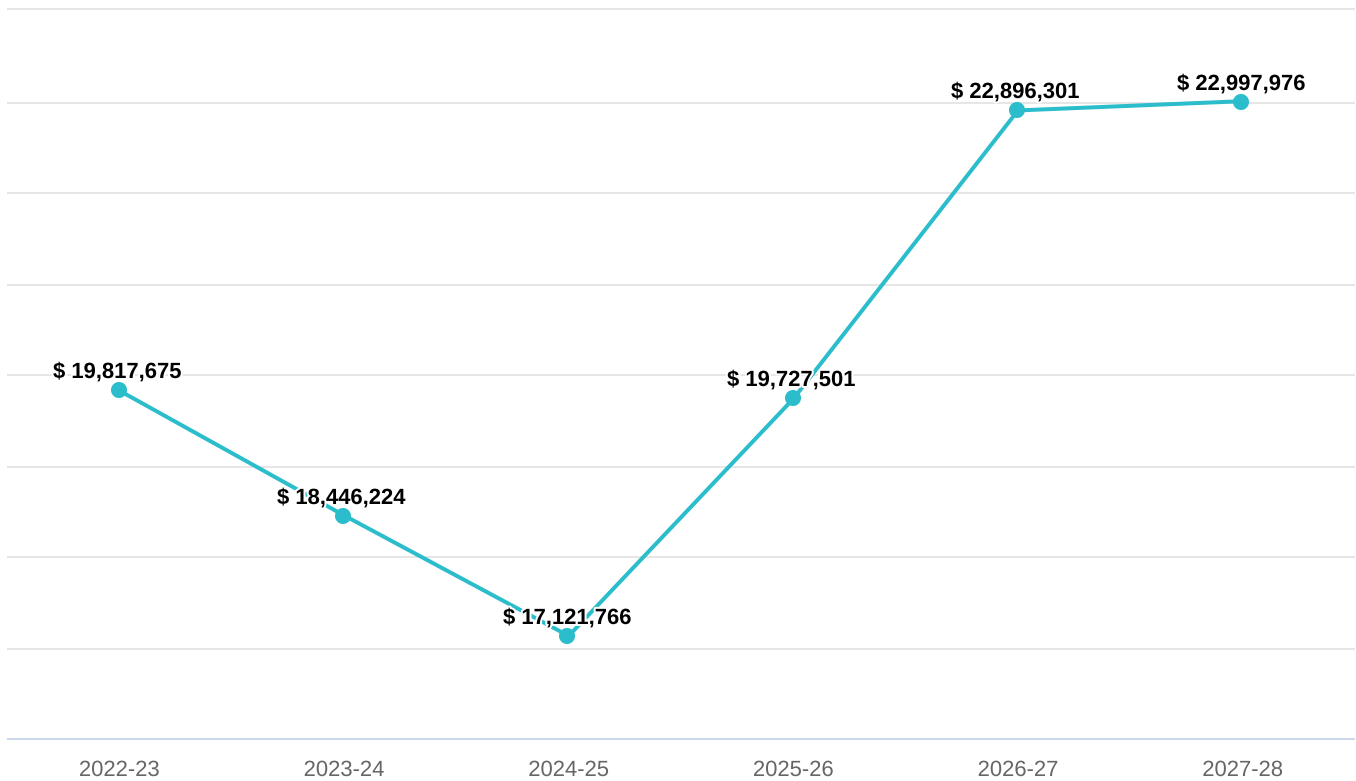
The FY 2026-27 budget for the Collection Facilities and Maintenance Division reflects an increase of 17% and remains steady for FY 2027-28. The FY 2026-27 increase is primarily due to an increase in repairs & maintenance, offset by a decrease in odor control.

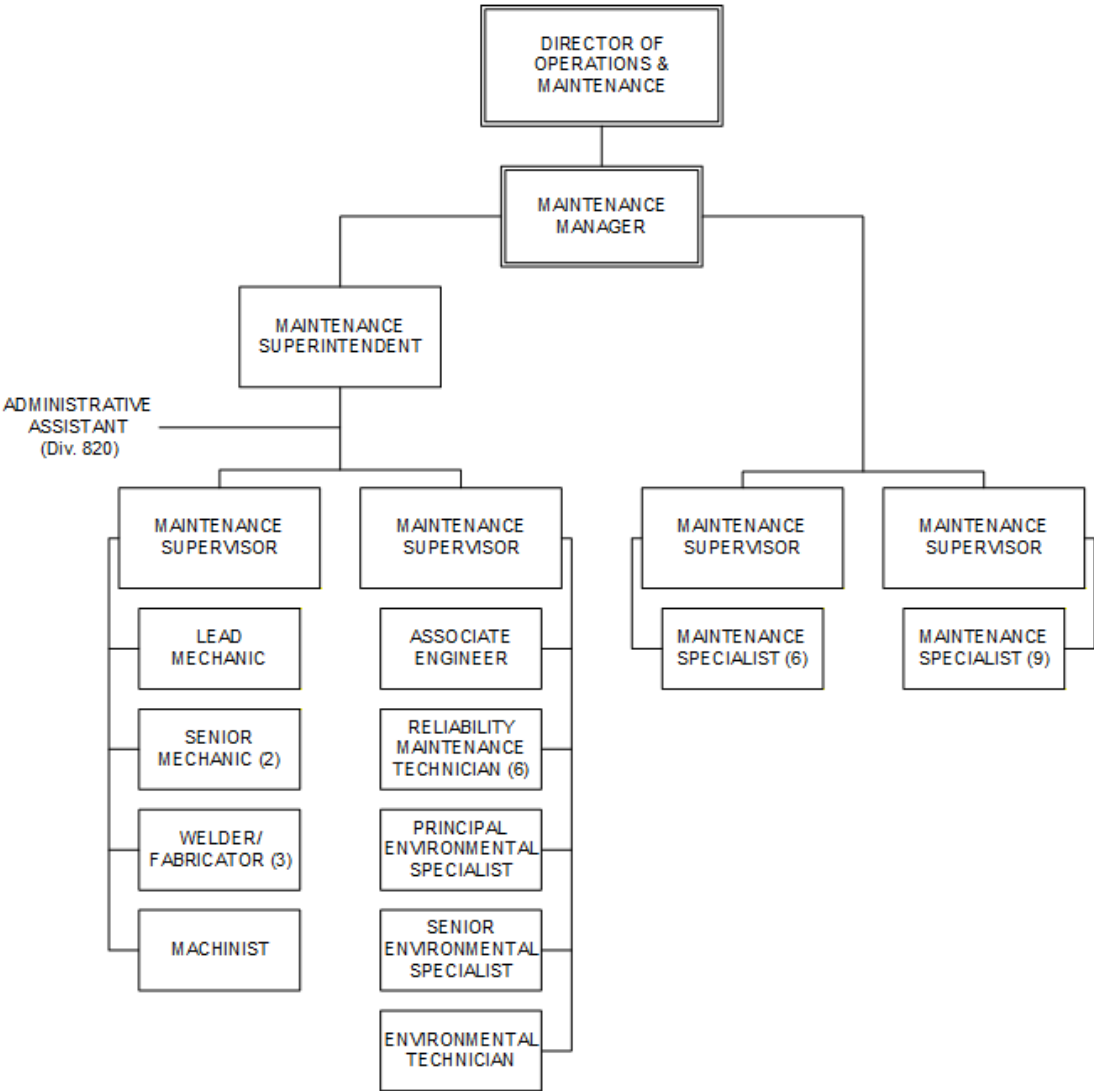
2025-26 Adjusted Budget - Total Operating Requirements	\$ 19,727,501
Salaries for Position Changes: Transfer of Positions from/(to) Other Divisions (3) New or (decreased) FTE -	
Changes in Personnel Expenses: Other net salary adjustments (MOU-related, leave payoffs, vacancy, etc.) (413,179) Change in OCERS retirement costs (80,398) Change in group insurance costs (37,808) Other benefit cost adjustments (6,765)	
Other Cost Adjustments: Change in misc. operating expenses 54,623 Change in training & meetings (48,541) Change in odor control (1,417,568) Change in tools 32,000 Change in professional services 339,512 Change in repairs & maintenance 4,632,919 Change in utilities 143,212	
Aggregate change in Other Categories: Aggregate change in other materials, supplies, and services (29,207)	
2026-27 Proposed Budget - Total Operating Requirements	\$ 22,896,301
Changes in Personnel Expenses: Net salary adjustments (MOU-related, leave payoffs, vacancy, etc.) 147,014 Change in OCERS retirement costs 19,703 Change in group insurance costs 23,480 Other benefit cost adjustments 1,730	
Other Cost Adjustments: Change in professional engineering services (73,500) Change in odor control 221,832 Change in repairs & maintenance (273,829) Change in utilities 36,393	
Aggregate change in Other Categories: Aggregate change in other materials, supplies, and services (1,148)	
2027-28 Proposed Budget - Total Operating Requirements	\$ 22,997,976

Collections Facilities Operations and Maintenance

Operating Expense by Category	2024-25 Actual	2025-26 Budget	2025-26 Projected	2026-27 Proposed	Budget % Change to 2025-26	2027-28 Proposed	Budget % Change to 2026-27
Personnel	\$ 4,256,528	\$ 4,655,683	\$ 4,125,376	\$ 4,117,534	(11.56%)	\$ 4,309,462	4.66%
Supplies	7,407,731	9,164,221	8,011,283	7,700,574	(15.97%)	7,919,384	2.84%
Professional & Contractual Services	586,867	133,838	463,827	463,600	246.39%	390,468	(15.77%)
Research & Monitoring	-	-	-	-	-	-	-
Repairs & Maintenance	3,688,366	4,630,420	4,595,000	9,263,339	100.05%	8,989,510	(2.96%)
Utilities	1,134,776	1,069,872	1,067,446	1,213,084	13.39%	1,249,477	3.00%
Other	47,498	73,467	73,467	138,170	88.07%	139,675	1.09%
Total	\$ 17,121,766	\$ 19,727,501	\$ 18,336,398	\$ 22,896,301	16.06%	\$ 22,997,976	0.44%

Expenditure Trends

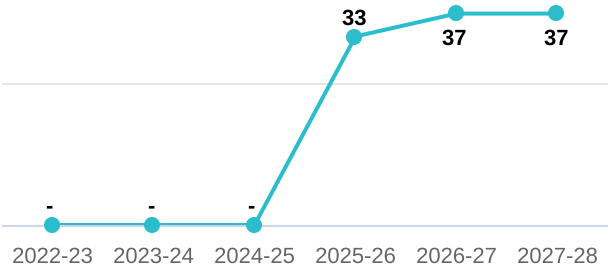




FY 26-27 & FY 27-28 Authorized FTE Positions

	2026-27	2027-28
Supervisors / Professionals	23	23
Operations & Maintenance	13	13
Technical Services	1	1
Total	37	37

Staffing Trends



Service Description

The mission of Maintenance Support Services is to provide reliable and efficient maintenance support that optimizes OC San's critical infrastructure through proactive odor control, rebuild services, coordinated shutdowns, and effective contract management. The division safeguards public health and the environment while ensuring regulatory compliance by leveraging Computer Maintenance Management System (CMMS), predictive maintenance, and engineering expertise to extend asset life, minimize downtime, and deliver high-quality service.

2025-26 Performance Objectives

Scheduled Preventive Maintenance (PM) Completion - ≥95% of scheduled PMs completed on time	On track
Reliability Work Completion Rate - ≥90% of planned reliability-focused work completed on schedule	On track
Rebuild Completion Rate - ≥90% of rebuilds completed on schedule as close to OEM specs	On track
Shutdown Coordination Execution Rate - ≥90–95% of scheduled shutdowns executed per month	On track
Odor Inspection Completion - ≥90% of odor inspections completed on time	On track

2025-26 Performance Results

2026-27 & 2027-28 Performance Objectives

Scheduled Preventive Maintenance (PM) Completion - ≥95% of scheduled PMs completed on time
Reliability Work Completion Rate - ≥90% of planned reliability-focused work completed on schedule
Rebuild Completion Rate - ≥90% of rebuilds completed on schedule as close to OEM specs
Shutdown Coordination Execution Rate - ≥90–95% of scheduled shutdowns executed per month
Odor Inspection Completion - ≥90% of odor inspections completed on time

Performance Measures

Summary	2024-25 Actual	2025-26 Projected	2026-27 Proposed	2027-28 Proposed	Justification
Service Area Standards		Achieved	Sustain	Sustain	OC San Standards
Proactive Operations (Leading Indicators)		Achieved	Sustain	Sustain	OC San Standards
Workforce Safety & Readiness		Achieved	Sustain	Sustain	Best Practices

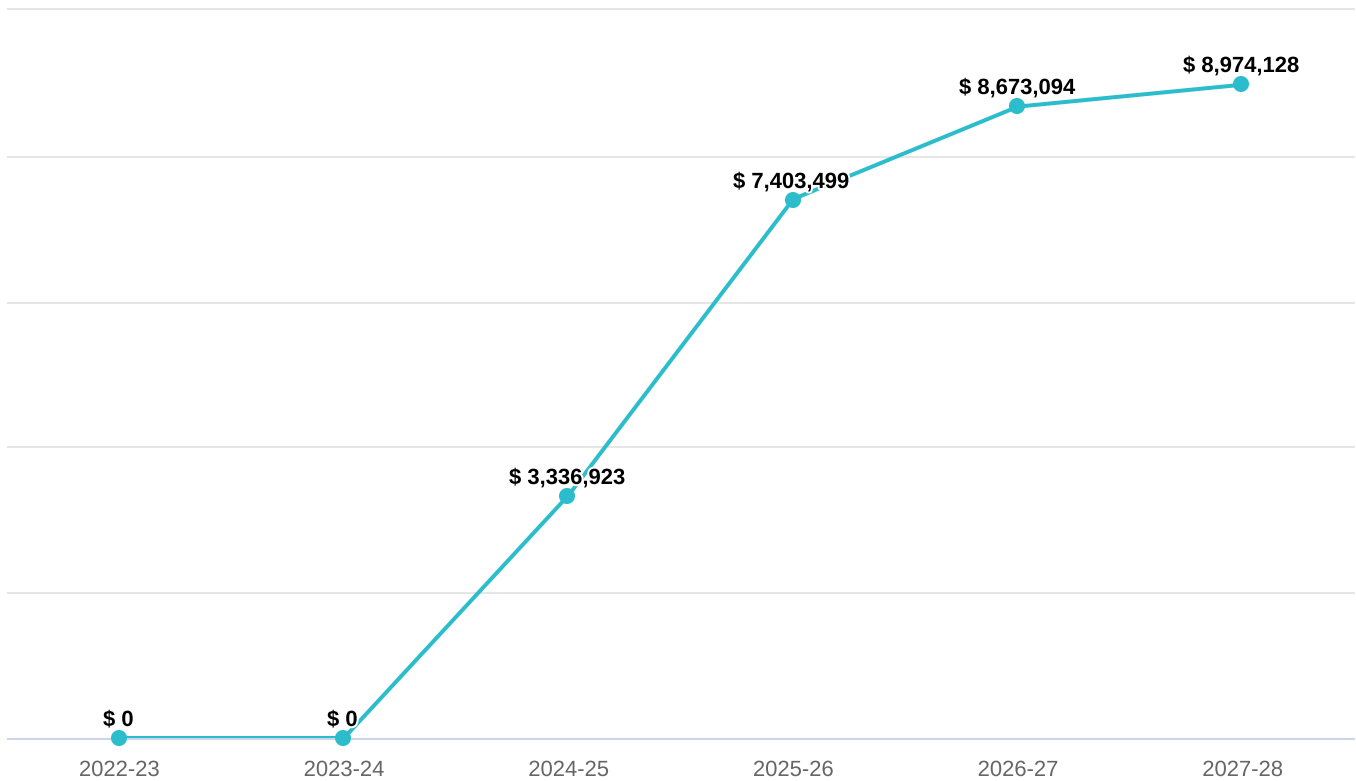
Budget Overview

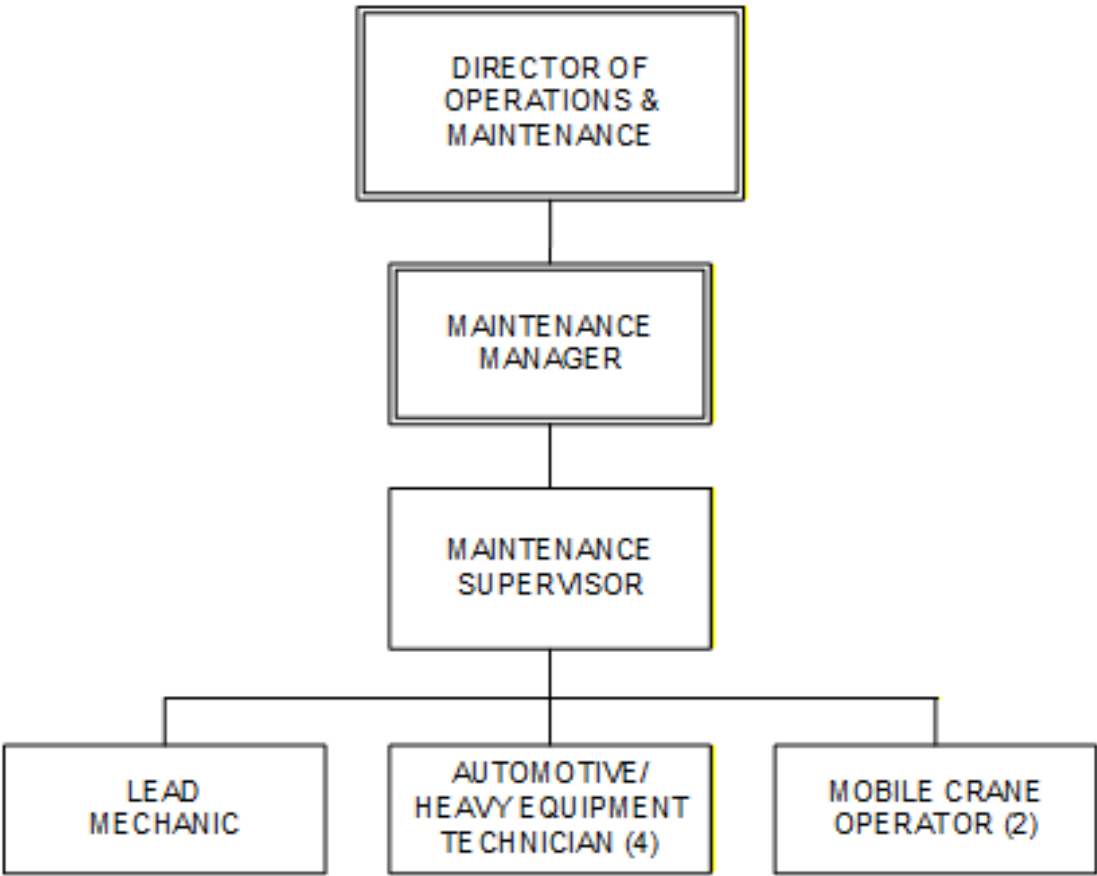
The FY 2026-27 & FY 2027-28 budgets for the Maintenance Support Services Division reflect an increase of 17% and a increase of 3% over the prior year, respectively. The FY 2026-27 increase is primarily due to an increase in personnel expenses as a result of the ordor control staff being tranferred form the Collections division, and an increase in tools, offset by a decrease in repairs & maintenance. The FY 2027-28 increase is primarily due personnel expenses, off set by a decrease in tools.

2025-26 Adjusted Budget - Total Operating Requirements	\$ 7,403,499
Salaries for Position Changes: Transfer of Positions from/(to) Other Divisions New or (decreased) FTE	3 1
Changes in Personnel Expenses: Other net salary adjustments (MOU-related, leave payoffs, vacancy, etc.) Change in OCERS retirement costs Change in group insurance costs Other benefit cost adjustments	1,378,249 96,123 133,227 72,934
Other Cost Adjustments: Change in training & meetings Change in tools Change in professional services Change in repairs & maintenance	26,359 180,000 (50,000) (565,260)
Aggregate change in Other Categories: Aggregate change in other materials, supplies, and services	(3,582)
2026-27 Proposed Budget - Total Operating Requirements	\$ 8,673,094
Changes in Personnel Expenses: Net salary adjustments (MOU-related, leave payoffs, vacancy, etc.) Change in OCERS retirement costs Change in group insurance costs Other benefit cost adjustments	288,676 34,227 38,507 2,784
Other Cost Adjustments: Change in training & meetings Change in tools Change in repairs & maintenance	36,603 (118,000) 14,465
Aggregate change in Other Categories: Aggregate change in other materials, supplies, and services	3,772
2027-28 Proposed Budget - Total Operating Requirements	\$ 8,974,128

Operating Expense by Category	2024-25 Actual	2025-26 Budget	2025-26 Projected	2026-27 Proposed	Budget % Change to 2025-26	2027-28 Proposed	Budget % Change to 2026-27
Personnel	\$ 2,847,919	\$ 5,797,409	\$ 6,905,652	\$ 7,477,942	28.99%	\$ 7,842,136	4.87%
Supplies	123,055	394,590	403,546	596,972	51.29%	519,347	(13.00%)
Professional & Contractual Services	-	85,000	-	35,000	(58.82%)	35,000	-
Research & Monitoring	-	-	-	-	-	-	-
Repairs & Maintenance	360,486	1,126,500	441,000	561,240	(50.18%)	575,705	2.58%
Utilities	-	-	-	-	-	-	-
Other	5,463	-	1,940	1,940	-	1,940	-
Total	\$ 3,336,923	\$ 7,403,499	\$ 7,752,138	\$ 8,673,094	17.15%	\$ 8,974,128	3.47%

Expenditure Trends

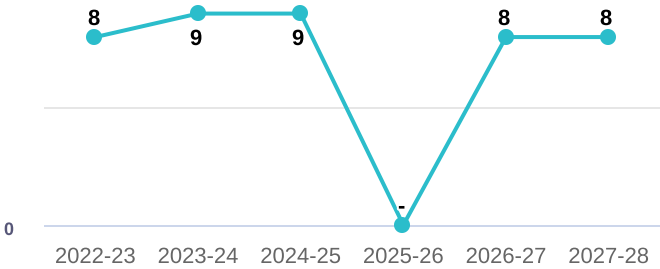




FY 26-27 & FY 27-28 Authorized FTE Positions

	2026-27	2027-28
Supervisors / Professionals	1	1
Operations & Maintenance	7	7
Total	8	8

Staffing Trends



In FY 2025-26, staff were budgeted under division 261, Fleet Services.

Service Description

The mission of the Fleet Services Division is to provide vehicles and equipment to serve the logistics and mobility needs of all staff. The division's highly skilled staff ensures vehicles and equipment are reliably maintained and readily available and supports the logistics needs of the organization through crane and transport services.

2025-26 Performance Objectives

FY 2025-26 performance objectives can be found in division 261.

2025-26 Performance Results

FY 2025-26 performance results can be found in division 261.

2026-27 & 2027-28 Performance Objectives

Maintain a safe work environment for all Fleet Services staff and contractors.

Ensure reliable operation of fleet vehicles and equipment through timely PM.

Maximize availability of all on-road vehicles and critical equipment.

Ensure complete compliance with all fleet-related regulatory requirements.

Deliver safe, timely, and compliant crane and transport services.

Performance Measures

Summary	2024-25 Actual	2025-26 Projected	2026-27 Proposed	2027-28 Proposed	Justification
Fleet Vehicles and Equipment Preventative ...			Planned	Planned	OC San Standards
Fleet related Regulatory Requirements			Planned	Planned	State/Federal Reg.
Vehicle/Equipment Replacements			Planned	Planned	OC San Standards

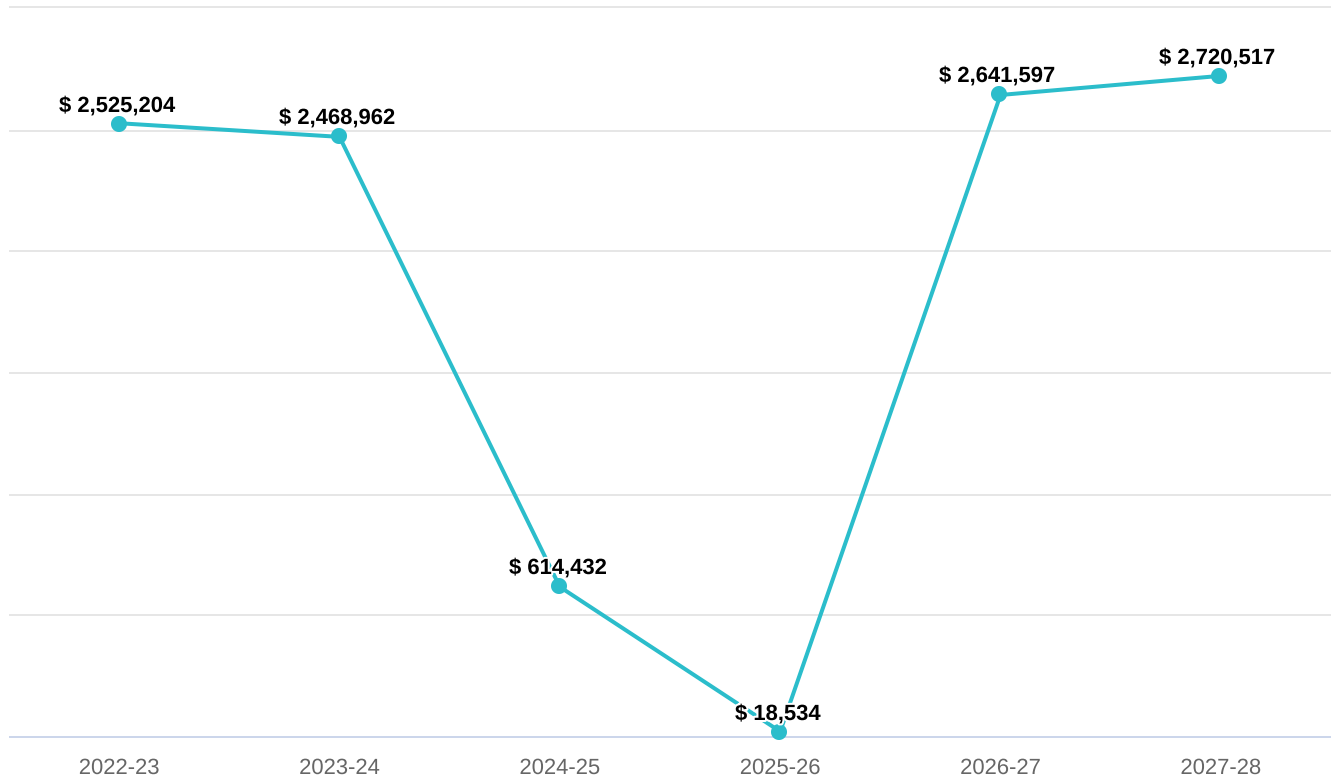
Budget Overview

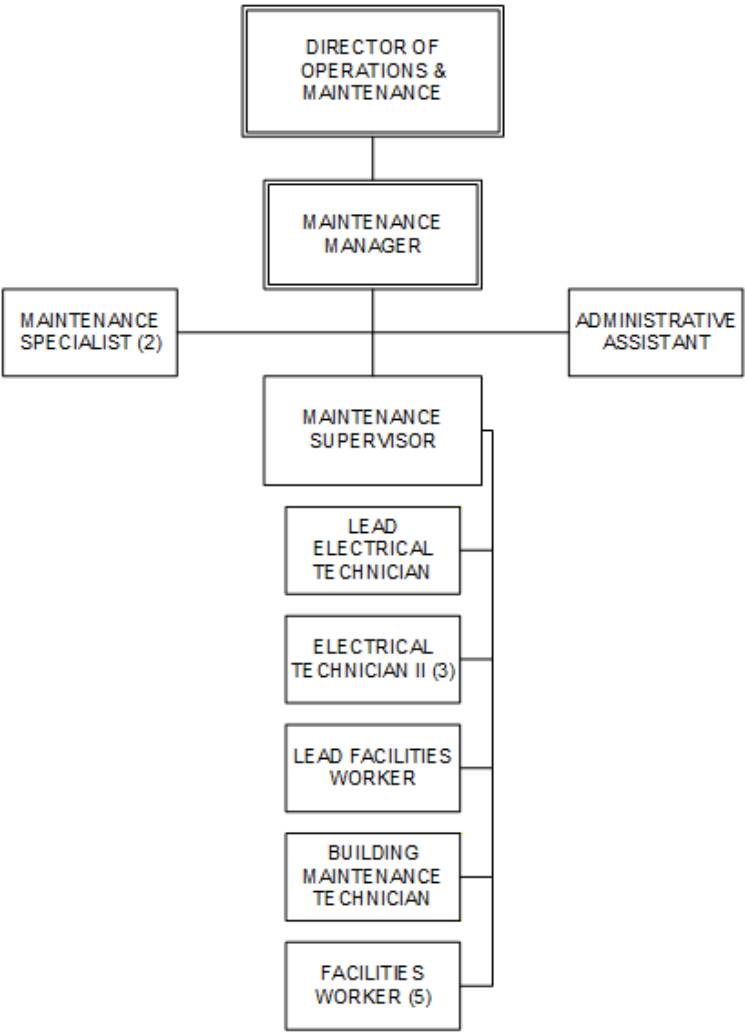
The FY 2026-27 budget for the Fleet Services Division reflects a significant increase due to the transfer of staff and services from the Administrative Services department. The FY 2027-28 increase is primarily due to an increase in personnel expenses.

2025-26 Adjusted Budget - Total Operating Requirements	\$ 18,534
Salaries for Position Changes: Transfer of Positions from/(to) Other Divisions 8 New or (decreased) FTE -	
Changes in Personnel Expenses: Other net salary adjustments (MOU-related, leave payoffs, vacancy, etc.) 981,208 Change in OCERS retirement costs 126,587 Change in group insurance costs 162,555 Other benefit cost adjustments 10,117	
Other Cost Adjustments: Change in training & meetings 19,200 Change in gas, diesel & oil 393,525 Change in operating materials & supplies 58,300 Change in repairs & maintenance 773,500 Change in utilities 36,750 Change in equipment rental & leases 60,000	
Aggregate change in Other Categories: Aggregate change in other materials, supplies, and services 5,820	
2026-27 Proposed Budget - Total Operating Requirements	\$ 2,641,597
Changes in Personnel Expenses: Net salary adjustments (MOU-related, leave payoffs, vacancy, etc.) 41,880 Change in OCERS retirement costs 5,001 Change in group insurance costs 8,024 Other benefit cost adjustments 602	
Other Cost Adjustments: Change in training & meetings 3,900 Change in gas, diesel & oil 18,676 Change in repairs & maintenance 6,000 Change in safety equipment & tools (7,000)	
Aggregate change in Other Categories: Aggregate change in other materials, supplies, and services 1,837	
2027-28 Proposed Budget - Total Operating Requirements	\$ 2,720,517

Operating Expense by Category	2024-25 Actual	2025-26 Budget	2025-26 Projected	2026-27 Proposed	Budget % Change to 2025-26	2027-28 Proposed	Budget % Change to 2026-27
Personnel	\$ 275,458	\$ 14,034	-	\$ 1,294,502	9,123.78%	\$ 1,350,008	4.29%
Supplies	66,049	-	-	476,445	-	492,021	3.27%
Professional & Contractual Services	-	-	-	-	-	-	-
Research & Monitoring	-	-	-	-	-	-	-
Repairs & Maintenance	251,927	-	-	773,500	-	779,500	0.78%
Utilities	4,733	-	-	36,750	-	38,588	5.00%
Other	16,265	4,500	-	60,400	1,242.22%	60,400	-
Total	\$ 614,432	\$ 18,534	-	\$ 2,641,597	14,152.40%	\$ 2,720,517	2.99%

Expenditure Trends

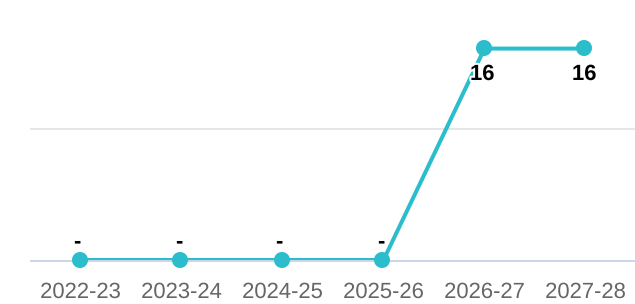




FY 26-27 & FY 27-28 Authorized FTE Positions

	2026-27	2027-28
Managers	1	1
Supervisors / Professionals	3	3
Operations & Maintenance	11	11
Administrative & Clerical	1	1
Total	16	16

Staffing Trends



In FY 2025-26, staff were budgeted under division 260, Civil Facilities Maintenance

Service Description

The mission of the Civil Facilities Maintenance Division is to proactively manage and maintain the physical assets and infrastructure of the built environment in a reliable, safe, and presentable manner. This includes, but is not limited to, treatment plants, collection systems, and headquarters buildings.

2025-26 Performance Objectives

FY 2025-26 performance objectives can be found in division 260.

2025-26 Performance Results

FY 2025-26 performance results can be found in division 260.

2026-27 & 2027-28 Performance Objectives

Maintain a safe working environment for all staff, contractors, and visitors across all Civil Facilities.

Ensure all building systems and infrastructure remain reliable and operational through timely preventive maintenance.

Meet all regulatory requirements and standards related to facilities, environmental health, fire/life safety, ADA, real property, an...

Maintain accurate, compliant, and legally sound real estate documentation and transactions.

Performance Measures

Summary	2024-25 Actual	2025-26 Projected	2026-27 Proposed	2027-28 Proposed	Justification
Building Structure and Infrastructure Preventative ...			Planned	Planned	OC San Standards
Regulatory Requirements and Standards			Planned	Planned	State/Federal Reg.
Real Property records			Planned	Planned	OC San Standards

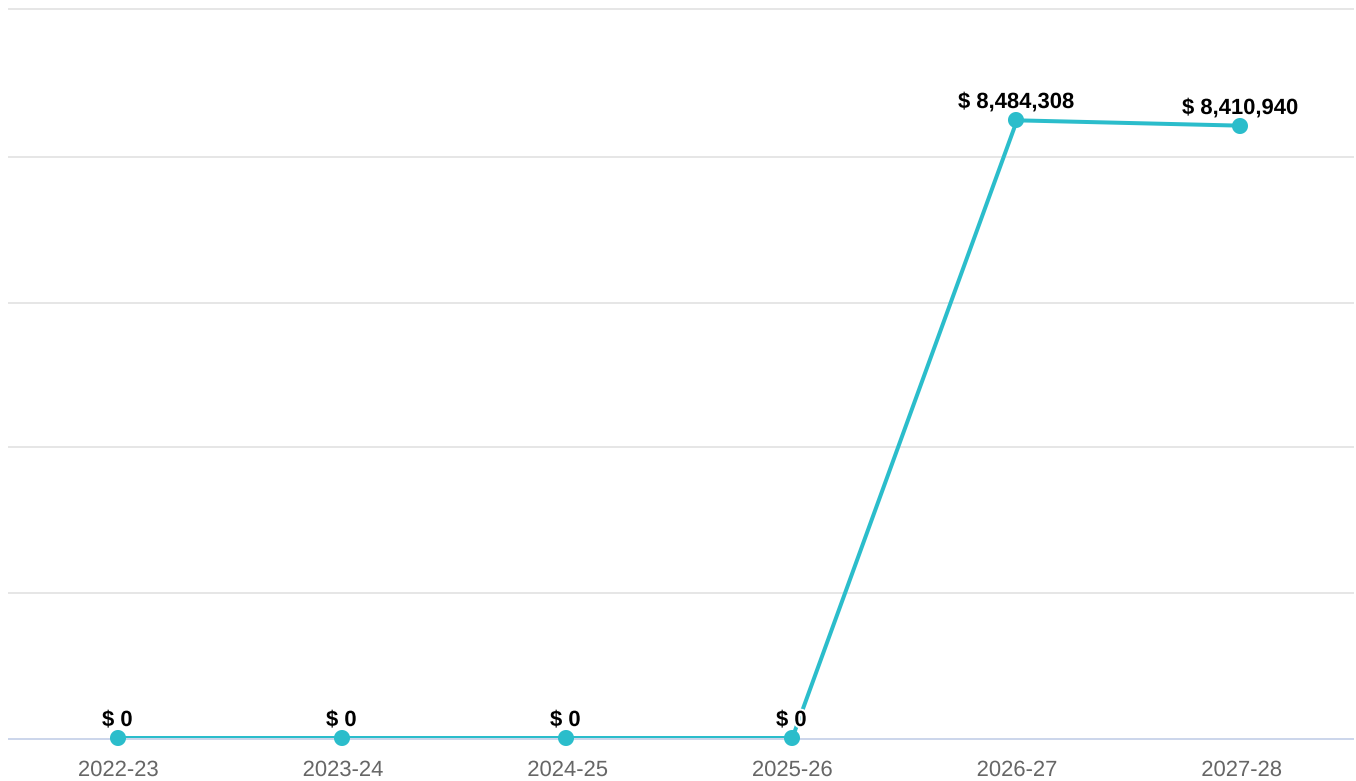
Budget Overview

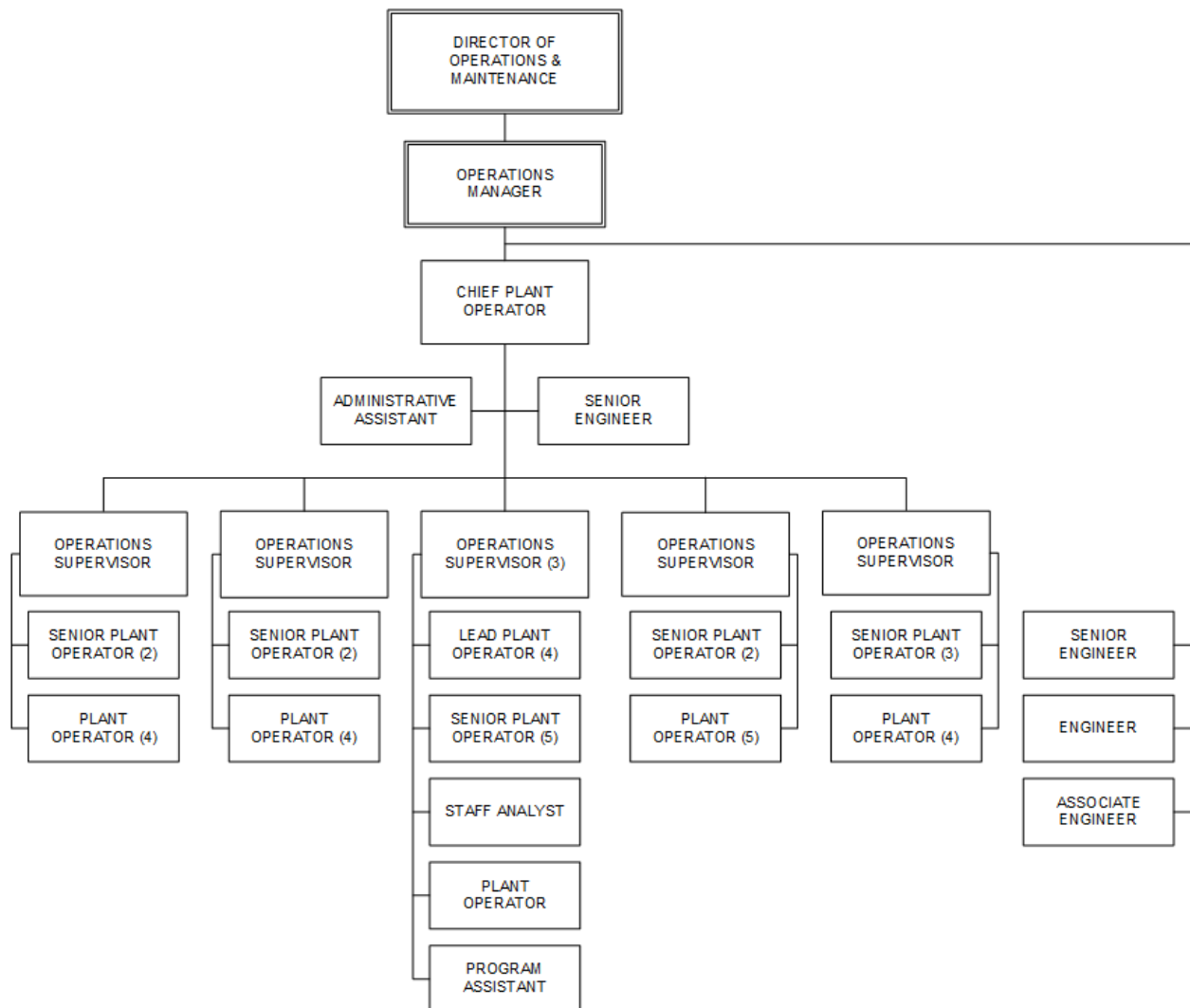
The FY 2026-27 budgets for the Civil Facilities Maintenance Division reflects a significant increase due to personnel and services being transferred from the Administrative Services department. The FY 2027-28 decrease is primarily due to a decrease in repairs & maintenance and partially offset by an increase in personnel expenses.

2025-26 Adjusted Budget - Total Operating Requirements	-
Salaries for Position Changes:	
Transfer of Positions from/(to) Other Divisions	15
New or (decreased) FTE	1
Changes in Personnel Expenses:	
Other net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	2,089,932
Change in OCERS retirement costs	249,358
Change in group insurance costs	326,959
Other benefit cost adjustments	55,354
Other Cost Adjustments:	
Change in training & meetings	43,200
Change in groundskeeping	240,000
Change in operating materials & supplies	145,510
Change in repairs & maintenance	3,619,000
Change in janitorial services	1,522,195
Change in waste disposal	155,000
Aggregate change in Other Categories:	
Aggregate change in other materials, supplies, and services	37,800
2026-27 Proposed Budget - Total Operating Requirements	\$ 8,484,308
Changes in Personnel Expenses:	
Net salary adjustments (MOU-related, leave payoffs, vacancy, etc.)	96,549
Change in OCERS retirement costs	10,795
Change in group insurance costs	16,233
Other benefit cost adjustments	1,204
Other Cost Adjustments:	
Change in training & meetings	(4,750)
Change in gas, diesel & oil	(2,950)
Change in repairs & maintenance	(200,000)
Change in waste disposal	5,000
Aggregate change in Other Categories:	
Aggregate change in other materials, supplies, and services	4,551
2027-28 Proposed Budget - Total Operating Requirements	\$ 8,410,940

Operating Expense by Category	2024-25 Actual	2025-26 Budget	2025-26 Projected	2026-27 Proposed	Budget % Change to 2025-26	2027-28 Proposed	Budget % Change to 2026-27
Personnel	-	-	-	\$ 2,721,603	-	\$ 2,846,383	4.58%
Supplies	-	-	-	225,830	-	222,682	(1.39%)
Professional & Contractual Services	-	-	-	1,917,195	-	1,922,195	0.26%
Research & Monitoring	-	-	-	-	-	-	-
Repairs & Maintenance	-	-	-	3,619,000	-	3,419,000	(5.53%)
Utilities	-	-	-	-	-	-	-
Other	-	-	-	680	-	680	-
Total	-	-	-	\$ 8,484,308	-	\$ 8,410,940	(0.86%)

Expenditure Trends

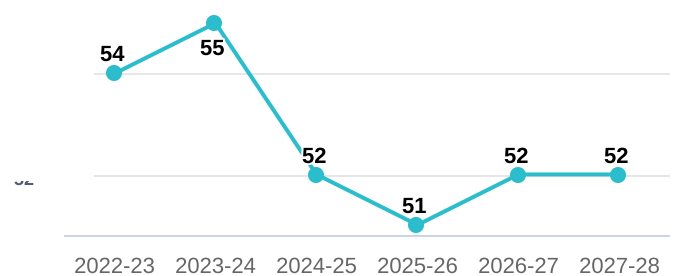




FY 26-27 & FY 27-28 Authorized FTE Positions

	2026-27	2027-28
Managers	1	1
Supervisors / Professionals	13	13
Operations & Maintenance	36	36
Administrative & Clerical	2	2
Total	52	52

Staffing Trends



Service Description

The mission of Plant No. 1 Operations Division is to safely, reliably, and cost effectively operate the plant to meet all regulatory requirements for the land, air, and water environments of Orange County and the 2.6 million residents we serve.

2025-26 Performance Objectives

Achieve zero enforceable compliance actions for water, solids, and air requirements.	Projected to achieve zero enforceable compliance actions for water, solids, and air requirements.
Achieve 100% compliance level of 90 to 100% of the Levels of Service targets.	Projected to achieve 100% compliance level of the Levels of Service targets.
Manage operating expenditures to within 96 to 100% of approved budget.	Projected to manage operating expenditures to greater than 96% of approved budget.
Achieve greater than 95% compliance with the safety scorecard.	Projected to achieve 100% compliance with the safety scorecard.

2025-26 Performance Results

2026-27 & 2027-28 Performance Objectives

Achieve zero enforceable compliance actions for water, solids, and air requirements.
Manage operating expenditures to within 96 to 100% of approved budget.
Achieve greater than 95% compliance with the safety scorecard.

Performance Measures

Summary	2024-25 Actual	2025-26 Projected	2026-27 Proposed	2027-28 Proposed	Justification
Compliance with Permits & Regulatory Requirements	Achieved	Achieved	Ongoing	Ongoing	Permit Requirements
Levels of Service Compliance	Achieved	Achieved	Ongoing	Ongoing	Strategic Plan
Manage Budget	Achieved	Achieved	Ongoing	Ongoing	OC San Standards
Compliance with Safety Scorecard	Achieved	Achieved	Ongoing	Ongoing	OC San Standards

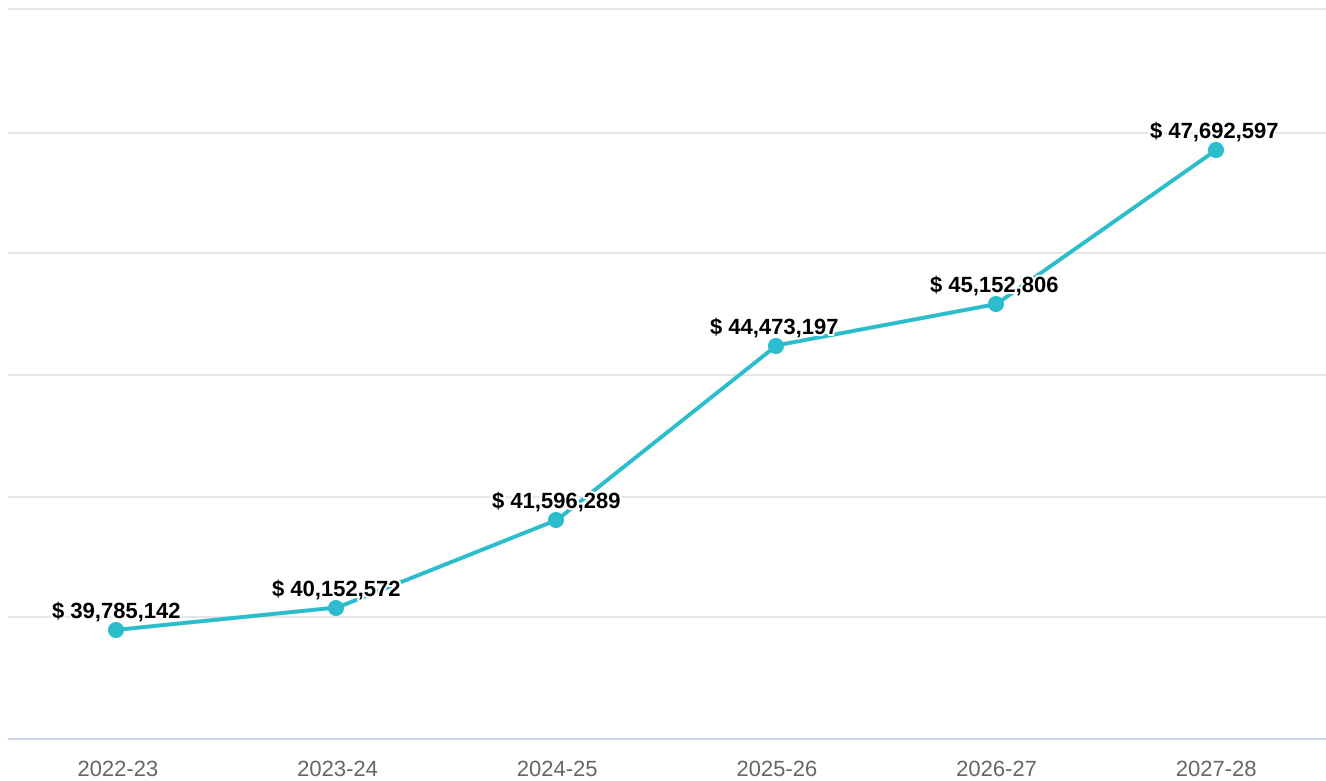
Budget Overview

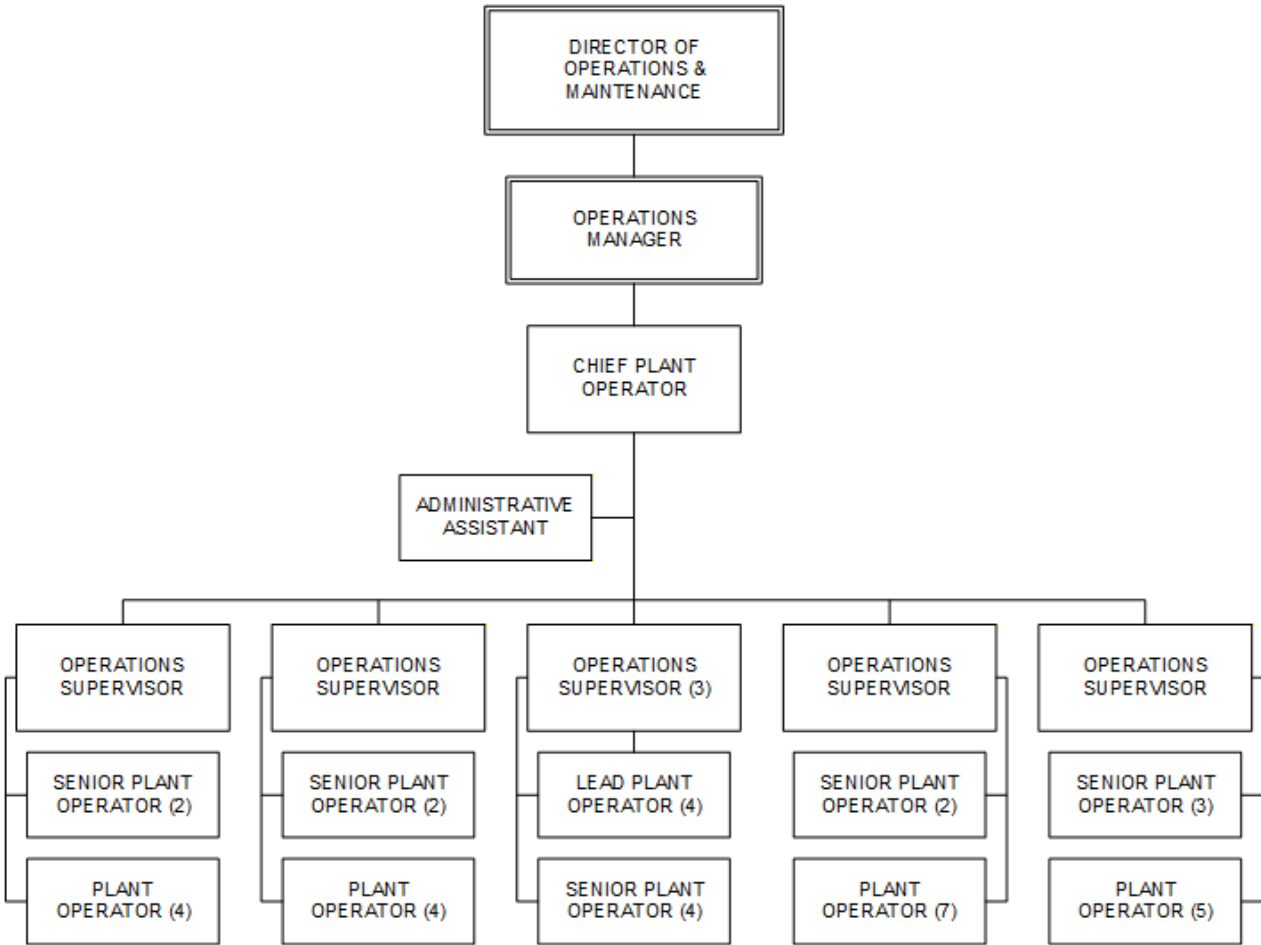
The FY 2026-27 & FY 2027-28 budgets for the Plant No. 1 Operations Division reflect an increase of 2% and an increase of 6% over the prior year, respectively. The FY 2026-27 increase is primarily due to an increase in chemical coagulants, offset by a decrease in utilities. The FY 2027-28 increase is primarily due to personnel expenses, chemical coagulants, solids removal and utilities.

2025-26 Adjusted Budget - Total Operating Requirements	\$ 44,473,197
Salaries for Position Changes: Transfer of Positions from/(to) Other Divisions New or (decreased) FTE	- 1
Changes in Personnel Expenses: Other net salary adjustments (MOU-related, leave payoffs, vacancy, etc.) Change in OCERS retirement costs Change in group insurance costs Other benefit cost adjustments	421,463 28,154 50,146 (6,252)
Other Cost Adjustments: Change in training & meetings Change in chemical coagulants Change in odor control Change in disinfection Change in chemicals - cogen Change in misc. chemicals Change in solids removal Change in repairs & maintenance Change in utilities	(326) 1,315,700 (116,500) 18,000 (37,000) 52,118 280,000 50,000 (1,382,900)
Aggregate change in Other Categories: Aggregate change in other materials, supplies, and services	6,906
2026-27 Proposed Budget - Total Operating Requirements	\$ 45,152,806
Changes in Personnel Expenses: Net salary adjustments (MOU-related, leave payoffs, vacancy, etc.) Change in OCERS retirement costs Change in group insurance costs Other benefit cost adjustments	296,212 40,812 52,333 3,912
Other Cost Adjustments: Change in service maintenance agreements Change in training & meetings Change in chemical coagulants Change in odor control Change in disinfection Change in solids removal Change in grit & screenings disposal Change in utilities	18,000 (3,124) 1,261,000 75,330 44,800 344,160 19,620 377,100
Aggregate change in Other Categories: Aggregate change in other materials, supplies, and services	9,636
2027-28 Proposed Budget - Total Operating Requirements	\$ 47,692,597

Operating Expense by Category	2024-25 Actual	2025-26 Budget	2025-26 Projected	2026-27 Proposed	Budget % Change to 2025-26	2027-28 Proposed	Budget % Change to 2026-27
Personnel	\$ 9,403,550	\$ 9,889,521	\$ 9,536,636	\$ 10,383,033	4.99%	\$ 10,776,302	3.79%
Supplies	12,847,570	12,838,976	13,742,417	14,063,133	9.53%	15,446,735	9.84%
Professional & Contractual Services	9,565,552	9,878,000	9,881,000	10,177,000	3.03%	10,540,780	3.57%
Research & Monitoring	-	-	-	-	-	-	-
Repairs & Maintenance	93,903	150,000	180,000	200,000	33.33%	218,000	9.00%
Utilities	9,683,908	11,710,500	10,227,900	10,327,600	(11.81%)	10,704,700	3.65%
Other	1,806	6,200	6,080	2,040	(67.10%)	6,080	198.04%
Total	\$ 41,596,289	\$ 44,473,197	\$ 43,574,033	\$ 45,152,806	1.53%	\$ 47,692,597	5.62%

Expenditure Trends

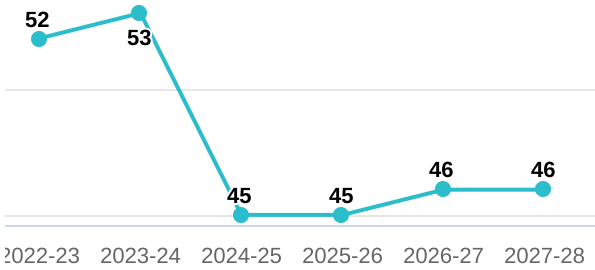




FY 26-27 & FY 27-28 Authorized FTE Positions

	2026-27	2027-28
Supervisors / Professionals	8	8
Operations & Maintenance	37	37
Administrative & Clerical	1	1
Total	46	46

Staffing Trends



Service Description

The mission of Plant No. 2 Operations Division is to safely, reliably, and cost effectively operate the plant to meet all regulatory requirements for the land, air, and water environments of Orange County and the 2.6 million residents we serve.

2025-26 Performance Objectives

Achieve zero enforceable compliance actions for water, solids, and air requirements.	Projecting to achieved zero enforceable compliance actions for water, solids, and air requirements.
Achieve 100% compliance level of 90 to 100% of the Levels of Service targets.	Projecting to achieved 100% compliance level of the Levels of Service targets.
Manage operating expenditures to within 96 to 100% of approved budget.	Projecting to manage operating expenditures to greater than 96% of approved budget.
Achieve greater than 95% compliance with the safety scorecard.	Projected to achieved 100% compliance with the safety scorecard.

2025-26 Performance Results

2026-27 & 2027-28 Performance Objectives

Achieve zero enforceable compliance actions for water, solids, and air requirements.
Manage operating expenditures to within 96 to 100% of approved budget.
Achieve greater than 95% compliance with the safety scorecard.

Performance Measures

Summary	2024-25 Actual	2025-26 Projected	2026-27 Proposed	2027-28 Proposed	Justification
Compliance with Permits & Regulatory Requirements	One NOV	Achieved	Ongoing	Ongoing	Permit Requirements
Levels of Service Compliance	Achieved	Achieved	Ongoing	Ongoing	Strategic Plan
Manage Budget	Achieved	Achieved	Ongoing	Ongoing	OC San Standards
Compliance with Safety Scorecard	Achieved	Achieved	Ongoing	Ongoing	OC San Standards

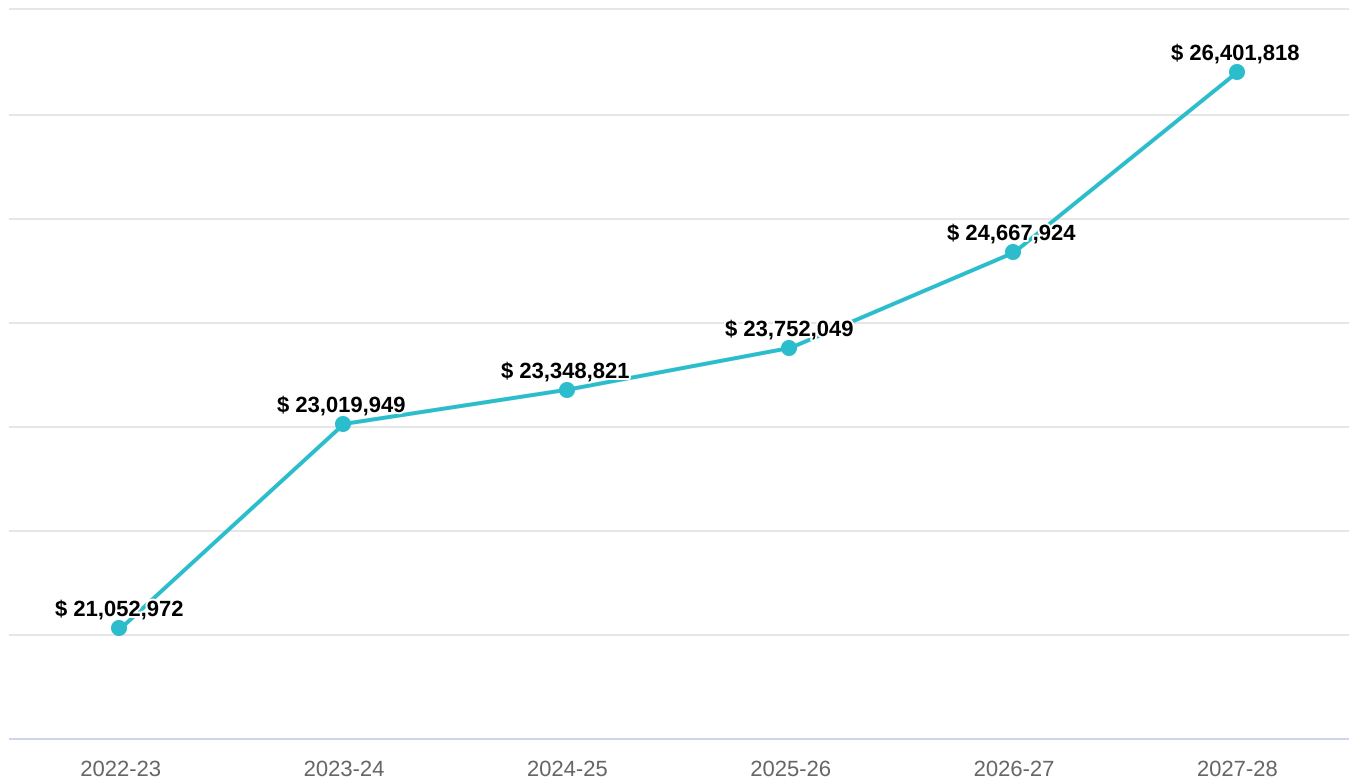
Budget Overview

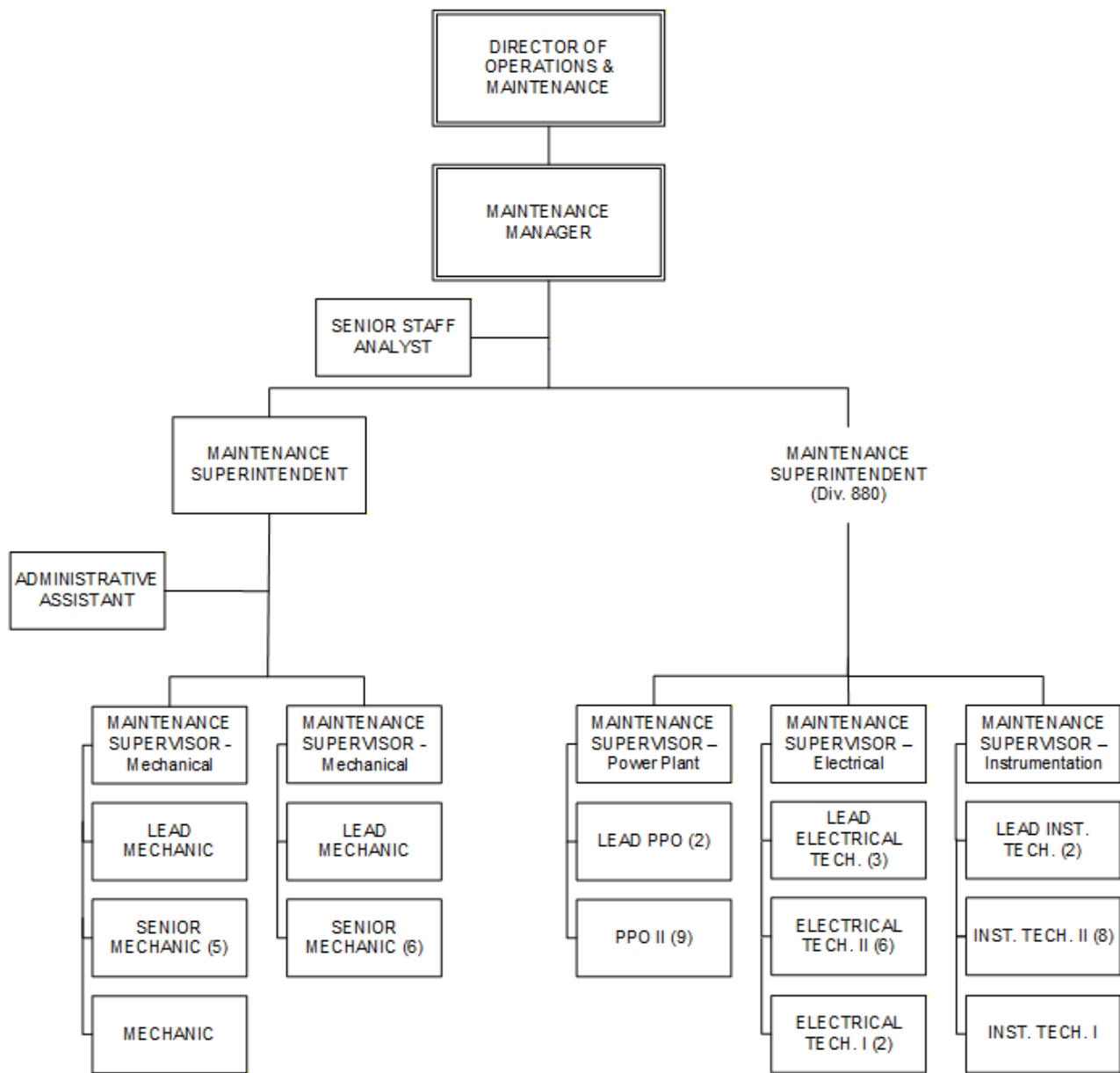
The FY 2026-27 & FY 2027-28 budgets for the Plant No. 2 Operations Division reflect an increase of 4% and an increase of 7% over the prior year, respectively. The FY 2026-27 increase is primarily due to an increase in personnel expenses, chemical coagulants, odor control, solids removal, and oxygen plant operations. The FY 2027-28 increase is primarily due to personnel expenses, utilities, chemical coagulants, solids removal, and oxygen plant operations.

2025-26 Adjusted Budget - Total Operating Requirements	\$ 23,752,049
Salaries for Position Changes: Transfer of Positions from/(to) Other Divisions New or (decreased) FTE	- 1
Changes in Personnel Expenses: Other net salary adjustments (MOU-related, leave payoffs, vacancy, etc.) Change in OCERS retirement costs Change in group insurance costs Other benefit cost adjustments	405,106 (17,313) 63,346 20,146
Other Cost Adjustments: Change in training & meetings Change in operating materials & supplies Change in chemical coagulants Change in odor control Change in chemicals - cogen Change in solids removal Change in oxygen plant operations Change in utilities	(6,613) (36,000) 75,935 140,616 (30,000) 150,000 180,000 (64,200)
Aggregate change in Other Categories: Aggregate change in other materials, supplies, and services	34,852
2026-27 Proposed Budget - Total Operating Requirements	\$ 24,667,924
Changes in Personnel Expenses: Net salary adjustments (MOU-related, leave payoffs, vacancy, etc.) Change in OCERS retirement costs Change in group insurance costs Other benefit cost adjustments	253,372 29,528 46,045 3,461
Other Cost Adjustments: Change in utilities Change in chemical coagulants Change in odor control Change in disinfection Change in solids removal Change in grit & screenings disposal Change in oxygen plant operations	417,000 524,000 92,100 20,550 183,960 8,388 155,000
Aggregate change in Other Categories: Aggregate change in other materials, supplies, and services	490
2027-28 Proposed Budget - Total Operating Requirements	\$ 26,401,818

Operating Expense by Category	2024-25 Actual	2025-26 Budget	2025-26 Projected	2026-27 Proposed	Budget % Change to 2025-26	2027-28 Proposed	Budget % Change to 2026-27
Personnel	\$ 7,650,855	\$ 8,393,131	\$ 8,335,386	\$ 8,864,415	5.62%	\$ 9,196,822	3.75%
Supplies	6,892,489	6,320,249	6,384,808	6,498,829	2.83%	7,135,968	9.80%
Professional & Contractual Services	6,414,153	6,562,789	6,696,000	6,903,000	5.18%	7,250,348	5.03%
Research & Monitoring	-	-	-	-	-	-	-
Repairs & Maintenance	25,567	47,000	35,000	37,000	(21.28%)	37,000	-
Utilities	2,363,994	2,423,200	3,045,600	2,359,000	(2.65%)	2,776,000	17.68%
Other	1,764	5,680	5,680	5,680	-	5,680	-
Total	\$ 23,348,821	\$ 23,752,049	\$ 24,502,474	\$ 24,667,924	3.86%	\$ 26,401,818	7.03%

Expenditure Trends

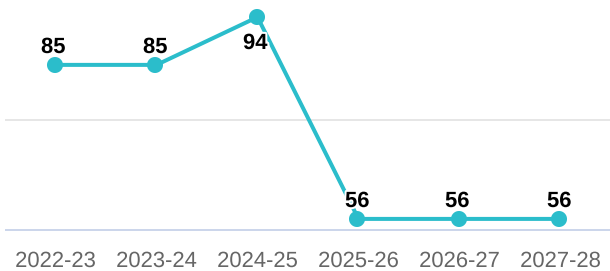




FY 26-27 & FY 27-28 Authorized FTE Positions

	2026-27	2027-28
Managers	1	1
Supervisors / Professionals	7	7
Operations & Maintenance	47	47
Administrative & Clerical	1	1
Total	56	56

Staffing Trends



Service Description

The mission of the OC San Plant 1 Maintenance Division is to protect public health and the community by safeguarding reliable, efficient, and permit compliant machines and processes. Maintenance accomplishes the mission through proactive maintenance, timely repairs, and precise process management to ensure the assets are well-maintained and in good working condition for OC San's wastewater treatment process. Increasing asset lifecycles is accomplished by professional and talented staff who minimize environmental impacts by maintaining the proper operation and efficiency of the wastewater plants. Maintaining and protecting reliable assets supports the principles of maintenance best practices.

2025-26 Performance Objectives

Achieve 100% compliance with water, solids, air, and energy permits and regulatory requirements.
Achieve 100% compliance level of 90 - 100% of the Levels of Service targets
Manage operating expenditures to within 96 - 100% of approved budget.
Maintain a Work Order backlog of less than 5 weeks.
Achieve greater than 95% compliance with the safety scorecard.

2025-26 Performance Results

Achieved 100% compliance with water, solids, air, and energy permits and regulatory requirements.
Achieved 100% compliance level of 90 - 100% of the Levels of Service targets
Managed operating expenditures at 98.7% of approved budget.
Maintained a Work Order backlog of less than 5 weeks.
Achieved 100% compliance with the safety scorecard.

2026-27 & 2027-28 Performance Objectives

Achieve 100% compliance with water, solids, air, and energy permits and regulatory requirements.
Achieve preventative maintenance compliance of greater than 80%.
Manage operating expenditures to within 96 - 100% of approved budget.
Maintain a 90% "readiness" status for all major equipment.
Achieve greater than 95% compliance with the safety scorecard.

Performance Measures

Summary	2024-25 Actual	2025-26 Projected	2026-27 Proposed	2027-28 Proposed	Justification
Compliance with Permits and Regulatory	Achieved	Achieved	Planned	Planned	OC San Standards
Manage Budget	Achieved	Achieved	Planned	Planned	OC San Standards
Work Order Backlog	Achieved	Achieved	Planned	Planned	OC San Standards
Safety Scorecard	Achieved	Achieved	Planned	Planned	OC San Standards
PM Compliance	Achieved	Achieved	Planned	Planned	OC San Standards

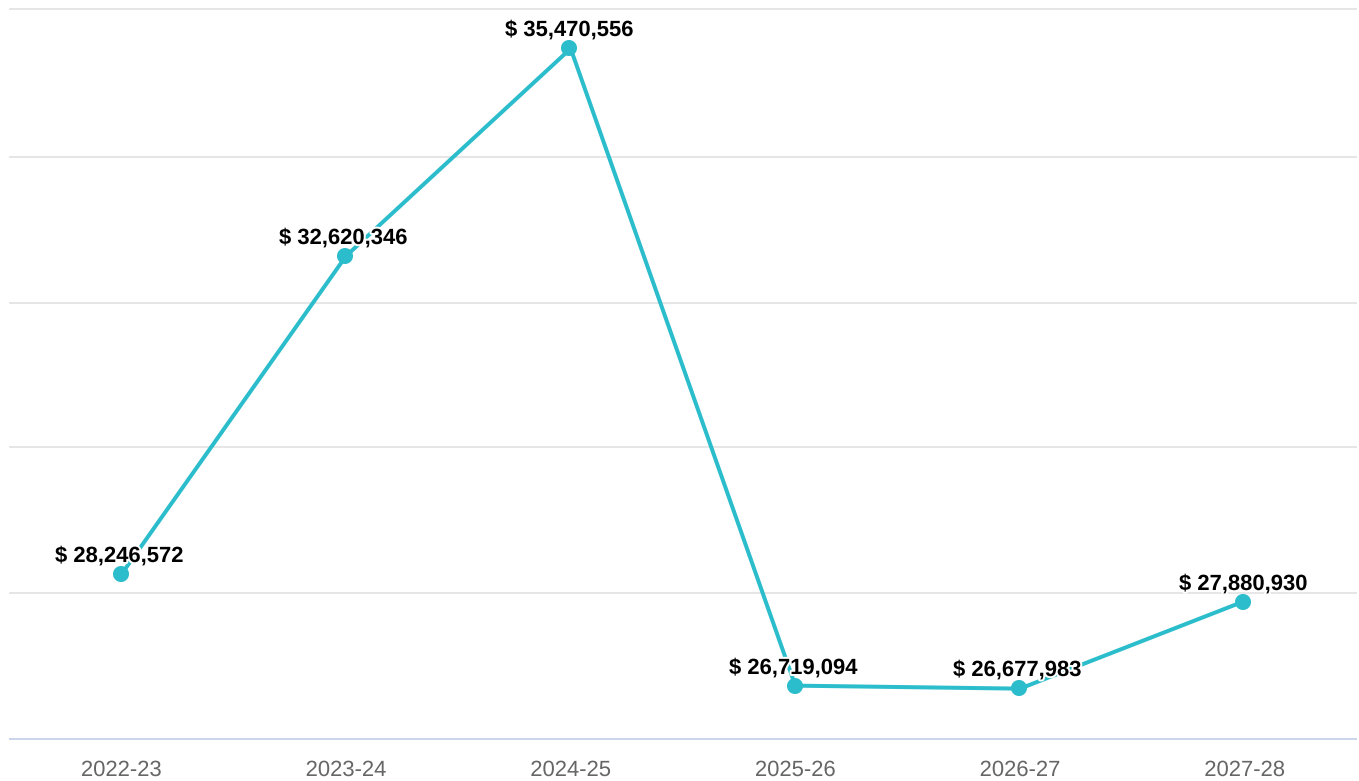
Budget Overview

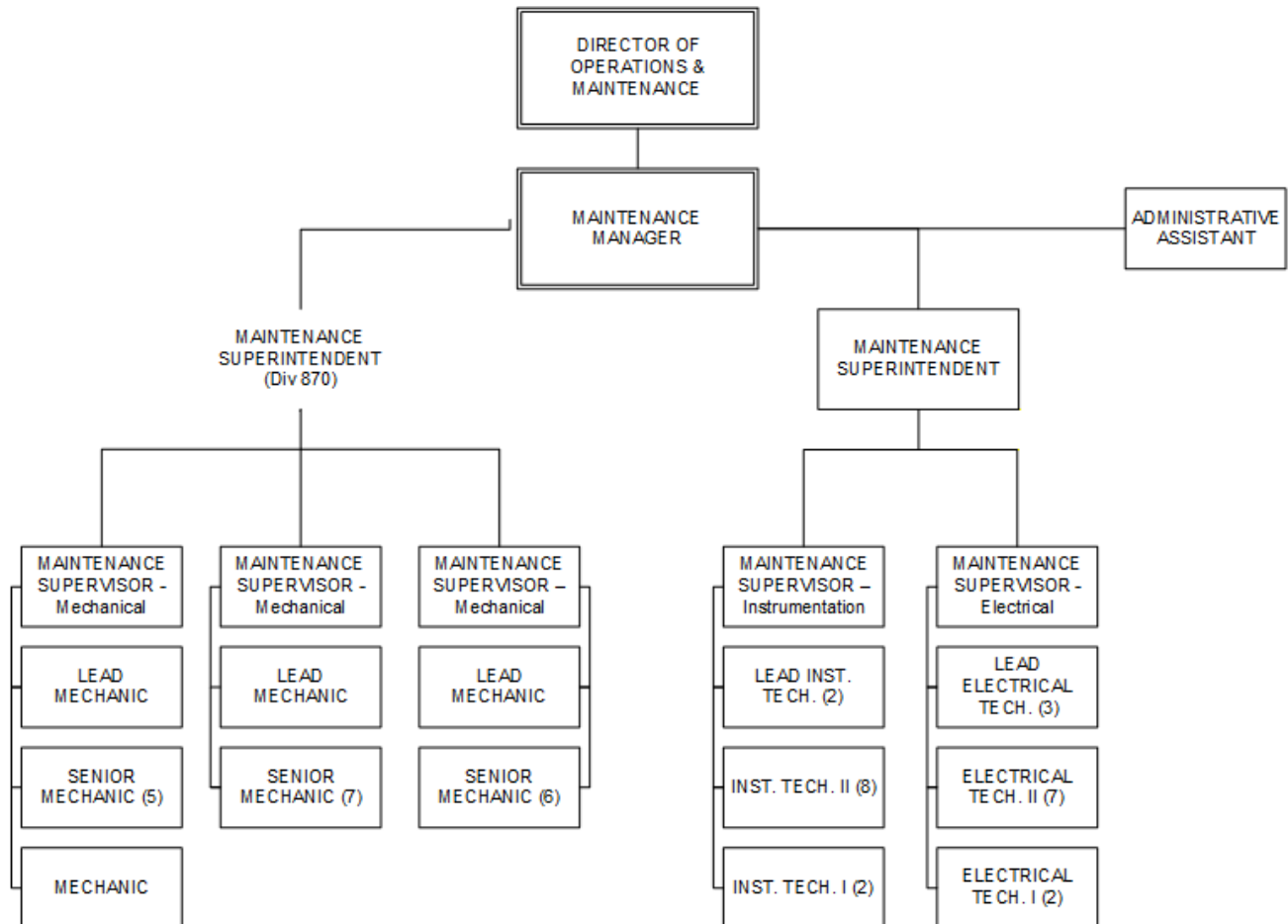
The FY 2026-27 & FY 2027-28 budgets for the Plant No. 1 Maintenance Division remain steady and an increase of 5% over the prior year, respectively. The FY 2027-28 increase is primarily due to personnel expenses and repairs & maintenance.

2025-26 Adjusted Budget - Total Operating Requirements	\$ 26,719,094
Salaries for Position Changes: Transfer of Positions from/(to) Other Divisions New or (decreased) FTE	- -
Changes in Personnel Expenses: Other net salary adjustments (MOU-related, leave payoffs, vacancy, etc.) Change in OCERS retirement costs Change in group insurance costs Other benefit cost adjustments	148,199 (57,342) 12,028 (68,649)
Other Cost Adjustments: Change in memberships Change in minor furniture & fixtures Change in training & meetings Change in waste disposal Change in gas, diesel & oil Change in operating materials & supplies Change in professional services Change in repairs & maintenance Change in other operating supplies	(1,432) (185,000) 56,584 (90,000) 300 69,680 413,514 (363,144) 24,960
Aggregate change in Other Categories: Aggregate change in other materials, supplies, and services	509
2026-27 Proposed Budget - Total Operating Requirements	\$ 26,677,983
Changes in Personnel Expenses: Net salary adjustments (MOU-related, leave payoffs, vacancy, etc.) Change in OCERS retirement costs Change in group insurance costs Other benefit cost adjustments	409,605 43,782 57,685 4,213
Other Cost Adjustments: Change in minor furniture & fixtures Change in training & meetings Change in chemicals - cogen Change in tools Change in misc. operating supplies Change in engineering services Change in repairs & maintenance Change in safety equipment & tools	(100,000) 3,374 9,540 13,375 4,500 45,676 679,179 12,500
Aggregate change in Other Categories: Aggregate change in other materials, supplies, and services	19,517
2027-28 Proposed Budget - Total Operating Requirements	\$ 27,880,930

Operating Expense by Category	2024-25 Actual	2025-26 Budget	2025-26 Projected	2026-27 Proposed	Budget % Change to 2025-26	2027-28 Proposed	Budget % Change to 2026-27
Personnel	\$ 13,454,980	\$ 10,562,786	\$ 10,230,115	\$ 10,597,023	0.32%	\$ 11,112,307	4.86%
Supplies	1,654,905	1,677,542	1,097,758	1,616,364	(3.65%)	1,574,247	(2.61%)
Professional & Contractual Services	1,201,519	690,000	1,050,916	1,013,514	46.89%	1,059,190	4.51%
Research & Monitoring	-	-	-	-	-	-	-
Repairs & Maintenance	19,096,538	13,756,726	12,464,517	13,393,582	(2.64%)	14,072,761	5.07%
Utilities	-	-	-	-	-	-	-
Other	62,614	32,040	20,403	57,500	79.46%	62,425	8.57%
Total	\$ 35,470,556	\$ 26,719,094	\$ 24,863,709	\$ 26,677,983	(0.15%)	\$ 27,880,930	4.51%

Expenditure Trends

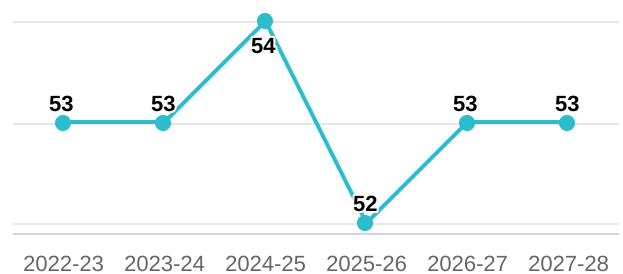




FY 26-27 & FY 27-28 Authorized FTE Positions

	2026-27	2027-28
Supervisors / Professionals	6	6
Operations & Maintenance	46	46
Administrative & Clerical	1	1
Total	53	53

Staffing Trends



Service Description

The mission of the OC San Plant 2 Maintenance Division is to protect public health and the community by safeguarding reliable, efficient, and permit compliant machines and processes. Maintenance accomplishes the mission through proactive maintenance, timely repairs, and precise process management to ensure the assets are well-maintained and in good working condition for OC San's wastewater treatment process. Increasing asset lifecycles is accomplished by professional and talented staff who minimize environmental impacts by maintaining the proper operation and efficiency of the wastewater plants. Maintaining and protecting reliable assets supports the principles of maintenance best practices.

2025-26 Performance Objectives

Achieve 100% compliance with water, solids, air, and energy permits and regulatory requirements.
Achieve 100% compliance level of 90 - 100% of the Levels of Service targets.
Manage operating expenditures to within 96 - 100% of approved budget.
Maintain a Work Order backlog of less than 5 weeks.
Achieve greater than 95% compliance with the safety scorecard.

2025-26 Performance Results

Achieved 100% compliance with water, solids, air, and energy permits and regulatory requirements.
Achieved 100% compliance level of 90 - 100% of the Levels of Service targets.
Managed operating expenditures at 99% of approved budget.
Maintained a Work Order backlog of less than 5 weeks.
Achieved greater than 90% compliance with the safety scorecard.

2026-27 & 2027-28 Performance Objectives

Achieve 100% compliance with water, solids, air, and energy permits and regulatory requirements.
Achieve preventative maintenance compliance of greater than 80%.
Manage operating expenditures to within 96 - 100% of approved budget.
Maintain a 90% "readiness" status for all major equipment.
Achieve greater than 95% compliance with the safety scorecard.

Performance Measures

Summary	2024-25 Actual	2025-26 Projected	2026-27 Proposed	2027-28 Proposed	Justification
Compliance with Permits and Regulatory	Achieved	Achieved	Planned	Planned	OC San Standards
Manage Budget	Achieved	Achieved	Planned	Planned	OC San Standards
Work Order Backlog	Achieved	Achieved	Planned	Planned	OC San Standards
Safety Scorecard	Achieved	Achieved	Planned	Planned	OC San Standards
PM Compliance	Achieved	Achieved	Planned	Planned	OC San Standards

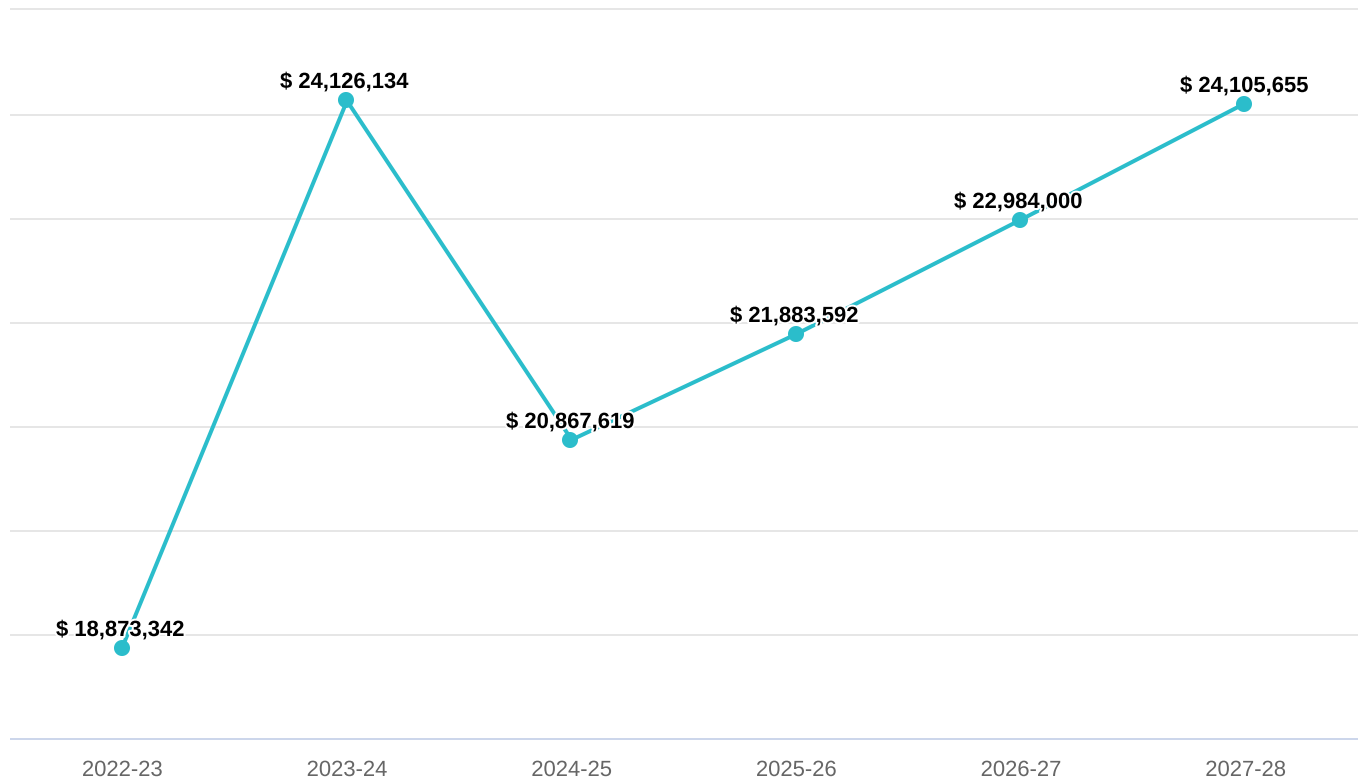
Budget Overview

The FY 2026-27 & FY 2027-28 budgets for the Plant No. 2 Maintenance Division reflect an increase of 5% and an increase of 5% over the prior year, respectively. The FY 2026-27 increase is primarily due to an increase in personnel expenses, cogen chemicals and repairs & maintenance. The FY 2027-28 increase is primarily due to personnel expenses and repairs & maintenance.

2025-26 Adjusted Budget - Total Operating Requirements	\$ 21,883,592
Salaries for Position Changes: Transfer of Positions from/(to) Other Divisions New or (decreased) FTE	- 1
Changes in Personnel Expenses: Other net salary adjustments (MOU-related, leave payoffs, vacancy, etc.) Change in OCERS retirement costs Change in group insurance costs Other benefit cost adjustments	492,694 (6,388) 68,950 (5,676)
Other Cost Adjustments: Change in memberships Change in tools Change in training & meetings Change in chemicals - cogen Change in gas, diesel & oil Change in safety equipment/tools Change in misc. operating supplies Change in engineering services Change in other professional services Change in repairs & maintenance	5,587 (24,819) 2,412 86,000 43,300 (45,415) 11,000 15,250 (2,000) 462,653
Aggregate change in Other Categories: Aggregate change in other materials, supplies, and services	(3,141)
2026-27 Proposed Budget - Total Operating Requirements	\$ 22,984,000
Changes in Personnel Expenses: Net salary adjustments (MOU-related, leave payoffs, vacancy, etc.) Change in OCERS retirement costs Change in group insurance costs Other benefit cost adjustments	393,855 41,926 54,755 3,987
Other Cost Adjustments: Change in administrative expenses Change in training & meetings Change in gas, diesel & oil Change in tools Change in operating materials & supplies Change in engineering services Change in repairs & maintenance	5,976 11,418 10,165 54,298 2,250 (8,987) 545,208
Aggregate change in Other Categories: Aggregate change in other materials, supplies, and services	7,803
2027-28 Proposed Budget - Total Operating Requirements	\$ 24,105,655

Operating Expense by Category	2024-25 Actual	2025-26 Budget	2025-26 Projected	2026-27 Proposed	Budget % Change to 2025-26	2027-28 Proposed	Budget % Change to 2026-27
Personnel	\$ 8,132,477	\$ 9,188,164	\$ 8,483,901	\$ 9,737,744	5.98%	\$ 10,232,267	5.08%
Supplies	1,012,860	1,020,488	1,168,558	1,100,853	7.88%	1,183,164	7.48%
Professional & Contractual Services	543,994	523,000	538,939	536,250	2.53%	535,863	(0.07%)
Research & Monitoring	-	-	-	-	-	-	-
Repairs & Maintenance	11,172,742	11,141,500	11,815,029	11,604,153	4.15%	12,149,361	4.70%
Utilities	-	-	-	-	-	-	-
Other	5,546	10,440	3,242	5,000	(52.11%)	5,000	-
Total	\$ 20,867,619	\$ 21,883,592	\$ 22,009,668	\$ 22,984,000	5.03%	\$ 24,105,655	4.88%

Expenditure Trends



Self-Funded Insurance Plans

OC San is partially self-insured for general liability and workers' compensation. The General Liability and Property program and the Workers' Compensation program have been in existence since 1979. The annual in-lieu premiums and charges to the Revenue Areas or Operating Divisions are the revenue sources within these programs. Expenses primarily consist of claim settlements, legal fees, and excess loss insurance premiums. Ending Reserve Balances are projected at \$100 million in FY 2026-27 and in FY 2027-28.

General Liability and Property

OC San's current outside excess general liability insurance coverage is \$40 million per occurrence with an annual aggregate limit and with a self-insured retention of \$1 million.

OC San's current property insurance coverage is \$1.25 billion for perils of flood, subject to a self-insured retention of \$1 million. OC San is partially self-insured for earthquake exposures and maintains earthquake insurance coverage of \$7.5 million as part of a \$25 million primary program covering 15 key structures, subject to a \$5 million deductible and various sub-limits. OC San also maintains a \$50 million builder's risk sublimit under its property insurance program for Course of Construction and Additions coverage to ensure upcoming construction projects are adequately covered.

In order to maintain a reserve balance of \$100 million for FY 2026-27 and FY 2027-28 for the Property and General Liability program, appropriations for in-lieu premiums charged to the Revenue Areas are recommended at \$4.4 million and \$4.6 million for FY 2026-27 and FY 2027-28 respectively.

Workers' Compensation

OC San's current excess workers' compensation insurance program provides statutory Workers' Compensation benefits and \$4 million Employers' Liability limits, with a self-insured retention of \$1 million per person per occurrence.

In order to maintain the reserve balance of \$2 million for the Workers' Compensation program, appropriations for in-lieu premiums charged to operating divisions are recommended at \$518,000 and \$647,500 for FY 2026-27 and FY 2027-28 respectively.

Total of the Self-Insurance Programs

DESCRIPTION OR ACCOUNT TITLE	2024- 25 Actuals	2025- 26 Budget	2025-26 Thru 12/31/2025	2025-26 Projected	2026-27 Proposed	2027-28 Proposed
Beginning Reserves	\$ 100,950,964	\$ 101,179,224	\$ 101,179,224	\$ 101,179,224	\$ 100,000,000	\$ 100,000,000
<u>Revenues</u>						
In-Lieu Premiums	5,041,529	5,441,341	2,720,667	5,441,400	5,199,970	5,797,667
Miscellaneous Other Revenue	-	-	-	-	-	-
Reserve Contribution	1,999,892	-	-	(824,724)	1,075,930	1,045,023
Service Department Allocation	60,264	125,000	136,782	273,600	284,070	314,977
Total Revenues	7,101,685	5,566,341	2,857,449	4,890,276	6,559,970	7,157,667
<u>Expenses</u>						
Benefits/Claims	511,615	1,000,000	88,414	675,000	900,000	900,000
Contractual Services	-	-	-	-	-	-
Legal Services	1,290,801	250,000	143,135	286,300	300,000	300,000
Professional Services	65,715	120,000	74,671	153,900	160,000	160,000
Subtotal	1,868,131	1,370,000	306,220	1,115,200	1,360,000	1,360,000
Policy Premium Expense	5,005,294	5,375,565	2,477,176	4,954,300	5,199,970	5,797,667
Total Expenses	6,873,425	6,745,565	2,783,396	6,069,500	6,559,970	7,157,667
Excess Revenue (Expenses)	228,260	(1,179,224)	74,053	(1,179,224)	-	-
Ending Reserves	\$ 101,179,224	\$ 100,000,000	\$ 101,253,277	\$ 100,000,000	\$ 100,000,000	\$ 100,000,000

General Liability and Property Self-Insurance Program

DESCRIPTION OR ACCOUNT TITLE	2024- 25 Actuals	2025- 26 Budget	2025-26 Thru 12/31/2025	2025-26 Projected	2026-27 Proposed	2027-28 Proposed
Beginning Reserves	\$ 98,950,964	\$ 98,644,679	\$ 98,644,679	\$ 98,644,679	\$ 98,000,000	\$ 98,000,000

Revenues						
In-Lieu Premiums	4,381,983	4,649,886	2,324,940	4,649,900	4,681,970	5,150,167
Miscellaneous Other Revenue	-	-	-	-	-	-
Reserve Contribution	-	-	-	(761,279)	85,000	60,000
Service Department Allocation	(3,240)	25,000	109,932	219,900	225,000	250,000
Total Revenues	4,378,743	4,674,886	2,434,872	4,108,521	4,991,970	5,460,167

Expenses						
Benefits/Claims	41,221	400,000	-	200,000	300,000	300,000
Contractual Services	-	-	-	-	-	-
Legal Services	-	-	-	-	-	-
Professional Services	6,493	20,000	2,700	10,000	10,000	10,000
Subtotal	47,713	420,000	2,700	210,000	310,000	310,000
Policy Premium Expense	4,637,314	4,899,565	2,271,624	4,543,200	4,681,970	5,150,167
Total Expenses	4,685,028	5,319,565	2,274,324	4,753,200	4,991,970	5,460,167

Excess Revenue (Expenses)	(306,285)	(644,679)	160,548	(644,679)	-	-

Ending Reserves	\$ 98,644,679	\$ 98,000,000	\$ 98,805,227	\$ 98,000,000	\$ 98,000,000	\$ 98,000,000

Workers' Compensation Self-Insurance Program

DESCRIPTION OR ACCOUNT TITLE	2024- 25 Actuals	2025- 26 Budget	2025-26 Thru 12/31/2025	2025-26 Projected	2026-27 Proposed	2027-28 Proposed
Beginning Reserves	\$ 2,000,000	\$ 2,534,545	\$ 2,534,545	\$ 2,534,545	\$ 2,000,000	\$ 2,000,000

<u>Revenues</u>						
In-Lieu Premiums	659,546	791,455	395,727	791,500	518,000	647,500
Miscellaneous Other Revenue	-	-	-	-	-	-
Reserve Contribution	1,999,892	-	-	(63,445)	990,930	985,023
Service Department Allocation	63,504	100,000	26,850	53,700	59,070	64,977
Total Revenues	2,722,942	891,455	422,577	781,755	1,568,000	1,697,500

<u>Expenses</u>						
Benefits/Claims	470,394	600,000	88,414	475,000	600,000	600,000
Contractual Services	-	-	-	-	-	-
Legal Services	1,290,801	250,000	143,135	286,300	300,000	300,000
Professional Services	59,222	100,000	71,971	143,900	150,000	150,000
Subtotal	1,820,417	950,000	303,520	905,200	1,050,000	1,050,000
Policy Premium Expense	367,980	476,000	205,552	411,100	518,000	647,500
Total Expenses	2,188,397	1,426,000	509,072	1,316,300	1,568,000	1,697,500

Excess Revenue (Expenses)	534,545	(534,545)	(86,495)	(534,545)	-	-

Ending Reserves	\$ 2,534,545	\$ 2,000,000	\$ 2,448,050	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000

CIP Budget Request Summary

OC San utilizes an asset management focused approach to effectively manage \$17.7 billion of aging assets which require ongoing investment and attention. This approach includes both the consistent evaluation of the condition of existing assets and the consideration of what future facilities will be needed to address changing regulations, demographics, and strategic initiatives. OC San also performs annual reviews of active and future projects through our Capital Improvement Program (CIP) validation process.

The Project Management Office manages the scope, schedule, budget, risks, and other key project indicators of active projects. Updates are recorded monthly so that individual project and programmatic information can be monitored. During validation, OC San staff review each ongoing capital improvement project to ensure that the scopes of the projects remain appropriate, that cost estimates are current, and that prioritization and schedule fit within the program.

For future projects, the Planning Division reviews how to best package and schedule those items identified via the Asset Management Program to facilitate their execution and maintain operational reliability. During validation, OC San staff carefully review all future projects to ensure timing needs are accurate and no further scope changes are required.

The result of this asset management focused approach and validation process is an updated 20-year CIP budget each year. The following information summarizes the outcome of the 2026 budget validation process which results in the proposed budget for the FY 2026-28 two-year budget.

The validated CIP includes 102 capital projects with a total 10-year estimated cashflow expenditure of \$3.6 billion. Descriptions and justifications for the capital improvement projects over \$7.5 million within the proposed budget for FY's 2026-27 and 2027-28 are provided later in this section. They give the reader a brief overview of each project, the budget for the total project, and any potential changes in the operating budget resulting from the implementation of the project.

This year, seven new projects are proposed for addition to the FY 2026-27 budget. These are:

Project No. 11-36: Lake - Atlanta Sewer Rehabilitation
Project No. 3-69: Bushard Diversion Structure Improvements
Project No. 3-70: McFadden Branch -Bolsa Relief Trunk Rehabilitation
Project No. 5-70: Lido Pump Station Rehabilitation
Project No. P1-144: Service Center and Cengen Electrical Dist. Equipment Repl. at P1
Project No. P2-144: Power Building C Replacement at Plant No. 2
Project No. P2-145: Southern California Edison Substation Replacement at Plant No. 2

The result of all the changes reflected in the validated budget is that the total CIP budget authority has increased by \$263.7 million, from \$4.9 billion in FY 2025-26 . The changes are summarized below:

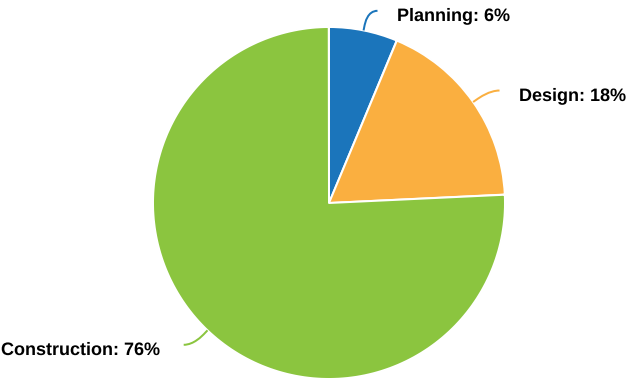
FY 2025-26 Approved Total CIP Budget Authority	\$4.9 B
Project Net Changes:	
New	\$391.4 M
Budget Increases	\$556.8 M
Budget Decreases	(\$446.2 M)
Cancellation/Closures	(\$238.2 M)
Total:	\$263.7 M
FY 2026-27 Proposed Total CIP Budget Authority	\$5.3 B

Following is a table of the FY 2026-27 proposed CIP budget:

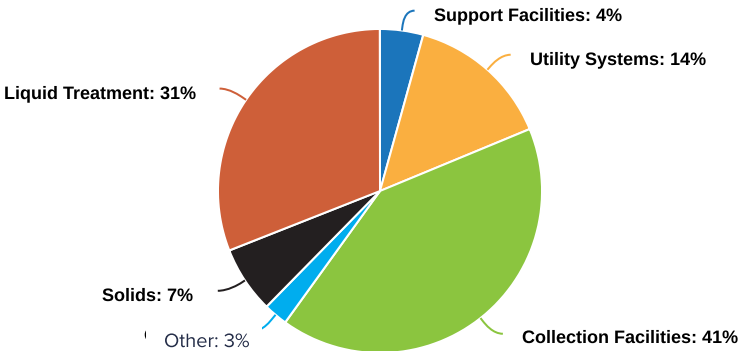
Description	FY 2026-27 CIP Budget
Capital Improvement Program (CIP)	\$311.4 M
Less: Savings and Deferrals	(\$20.0 M)
Net CIP Outlay	\$291.4 M

The proposed FY 2026-27 net CIP outlays can be categorized by the project status (work phase), area ((type of wastewater treatment process or location), or driver (the reason(s) why a project is needed). Charts showing the distribution of the funds by CIP outlay for each of these categories are provided on the following page.

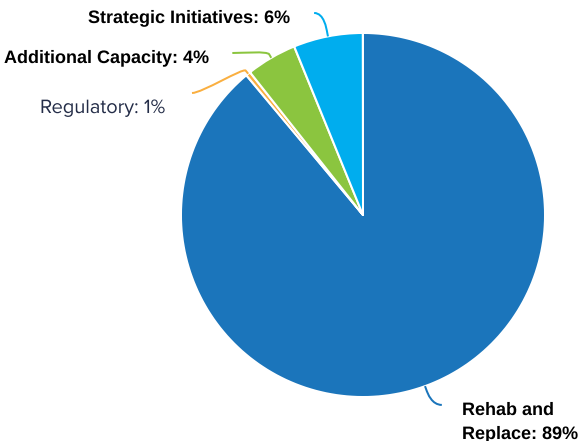
Projected FY 2026-27 Net CIP Outlay by Project Stage



Projected FY 2026-27 Net CIP Outlay by Area



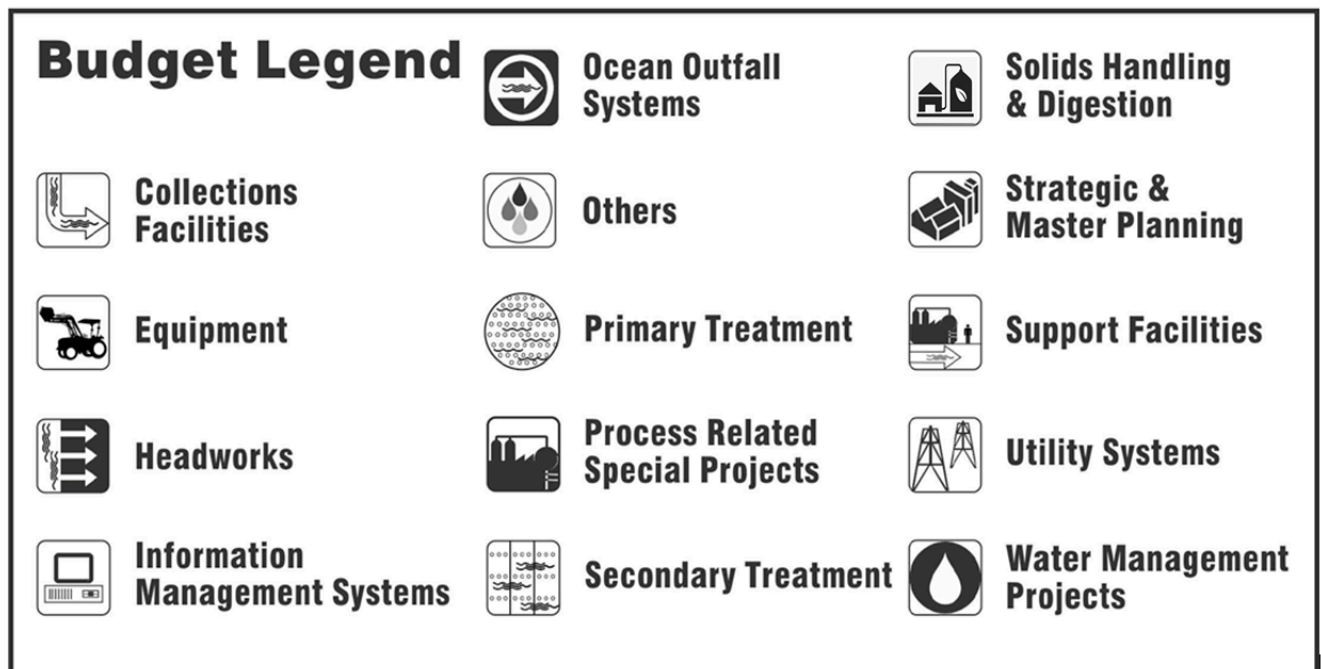
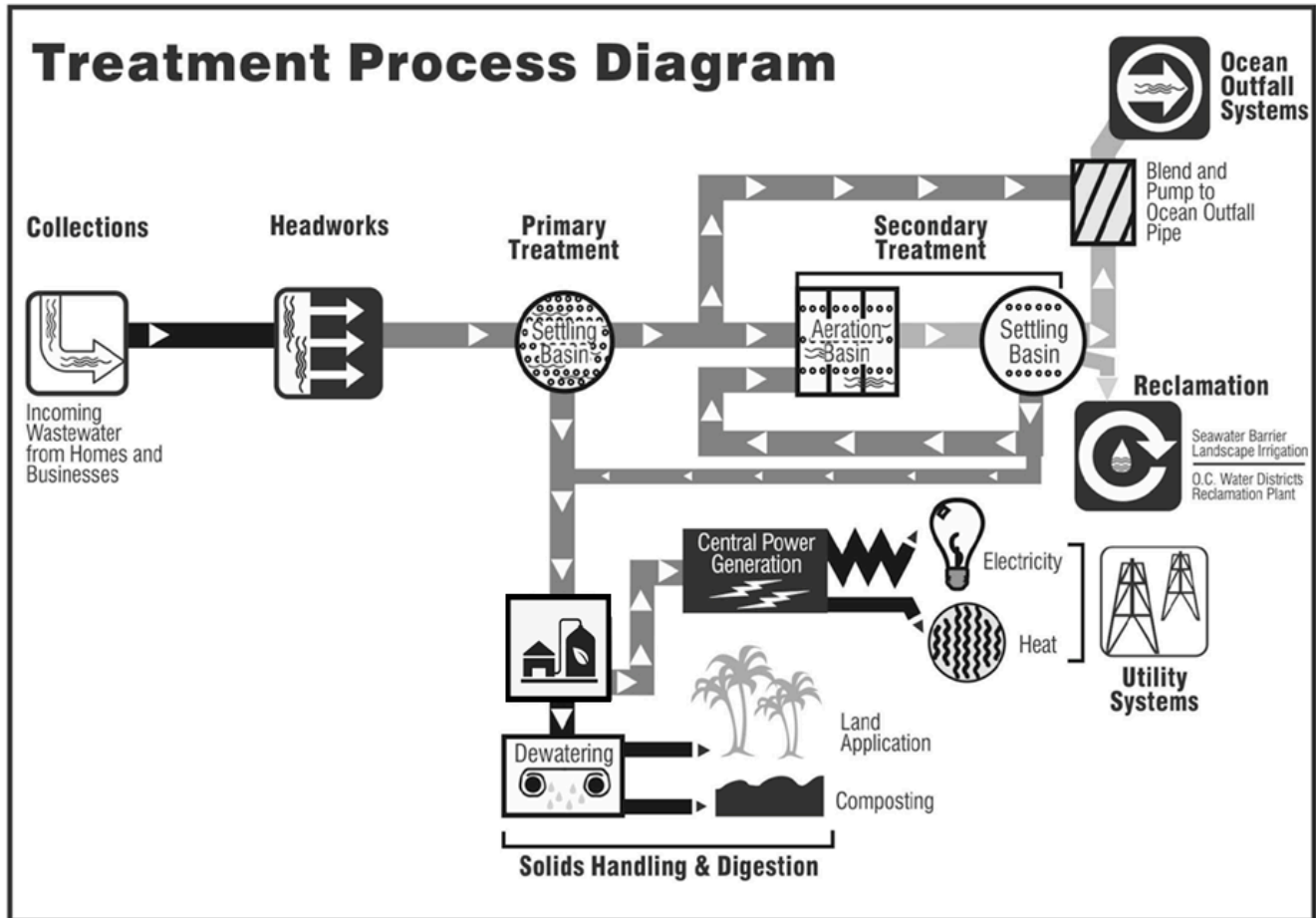
Projected FY 2026-27 Net CIP Outlay by Project Driver



Construction is the primary outlay for FY 2026-27 with a total outlay of approximately \$235.9 million. A good example of a large project in construction continues to be P1-105. The existing facility is over 30 years old with some portions dating back to the 1950's - a comprehensive refurbishment is required to extend its useful life. The project will rehabilitate and/or replace the following: metering and diversion structure, bar screen building, bin loading building, main sewage pump station, grit basins, primary influent channels, headworks odor control scrubbers, electrical power distribution and control systems, and original emergency pumping system. The total budgeted cost for this project is \$340 million with construction anticipated to finish in 2029. The FY 2026-27 expenditures are estimated to be \$27.9 million.

Collection facilities comprise 41% of the FY 2026-27 Net CIP outlay. 3-67: Seal Beach Pump Station Replacement and 5-67: Bay Bridge Pump Station Replacement are two projects which continue to drive significant spending with the full replacement of two of OC San's larger pump stations. Both projects are ramping up with excavation and initial construction underway. Projects 3-67 and 5-67 are anticipated to spend \$34 million and 38 million, respectively in FY 2026-27. Construction is scheduled to end in 2028 for 3-67 and in 2030 for 5-67. The total project budget is \$133 million for 3-67 and \$172 million for 5-67.

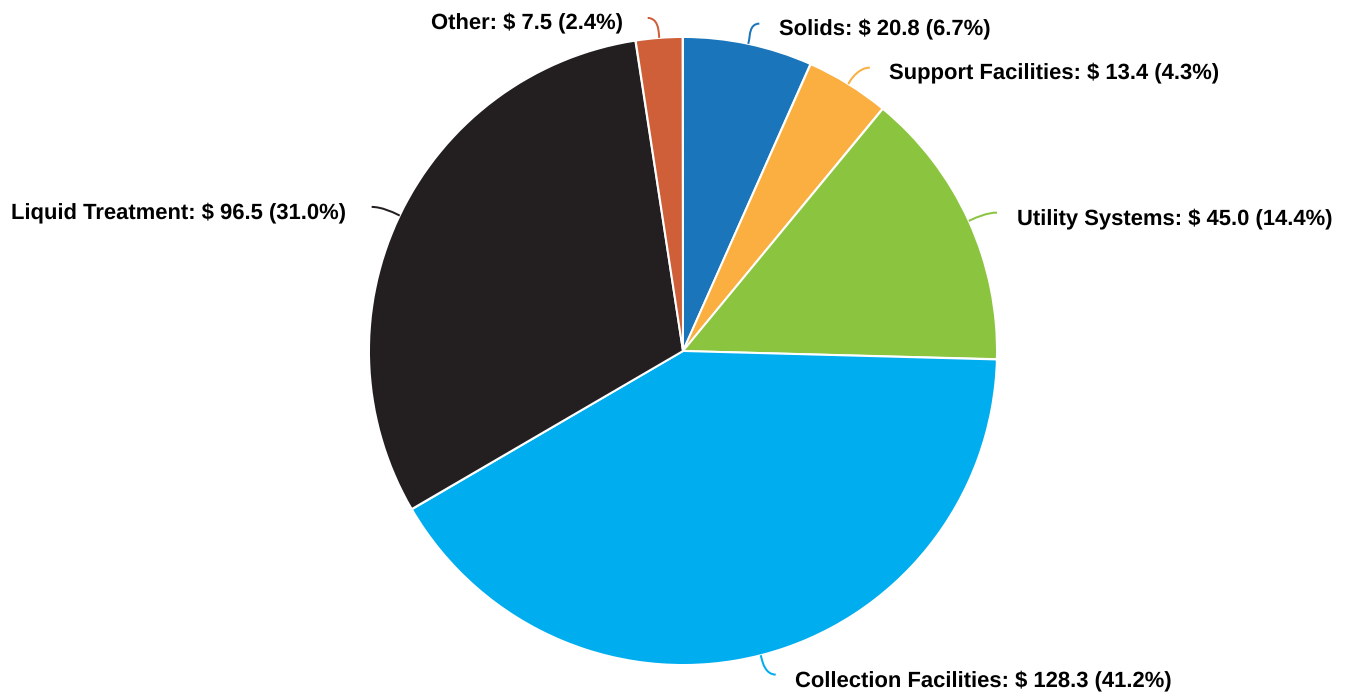
Project drivers are dominated by Rehabilitation and Replacement Projects at 89% of FY 2026-27 Net CIP Outlay. This is indicative of facilities which were constructed over a period of the prior seven decades and are naturally reaching the end of their useful life. For the top ten projects in terms of anticipated FY 2026-27 spending, all ten consist of the rehabilitation or replacement of critical conveyance and treatment infrastructure.



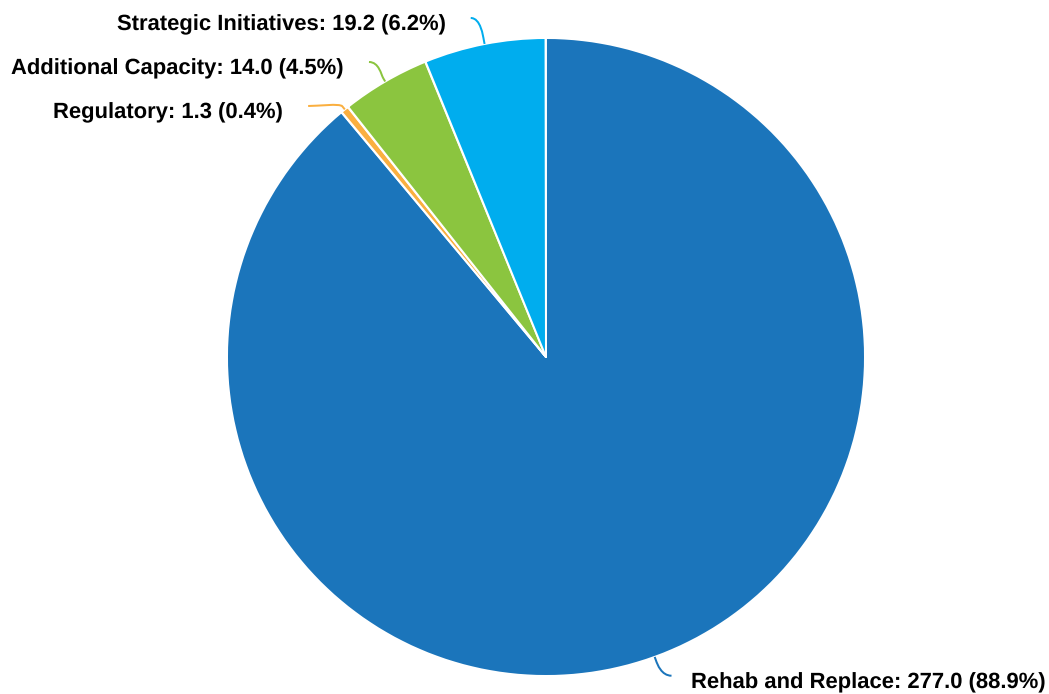
Project Summary FY 2026-27

Item	Rehabilitation and Replacement	Strategic Initiatives	Additional Capacity	Regulatory	Total Budget Authority
Collections Facilities	\$ 114,148,801	\$ 1,388,178	\$ 12,734,316	-	\$ 128,271,295
Solids Handling & Digestion	14,913,296	5,310,288	535,079	-	20,758,663
Support Facilities	6,814,871	5,033,680	291,939	1,290,895	13,431,384
Utility Systems	42,168,666	2,410,352	410,322	-	44,989,339
<u>Liquid Treatment:</u>					
Headworks	28,943,288	-	-	-	28,943,288
Primary Treatment	23,669,281	-	-	-	23,669,281
Ocean Outfall Systems	21,759,082	2,339,033	-	-	24,098,114
Secondary Treatment	17,130,605	2,625,237	-	-	19,755,841
Liquid Treatment Subtotal	91,502,255	4,964,269	-	-	96,466,524
<u>Other:</u>					
Information Management Systems	7,149,436	54,780	-	-	7,204,215
Others	271,758	43,319	-	-	315,077
Water Management Projects	-	-	-	-	-
Other Subtotal	7,421,194	98,099	-	-	7,519,292
Grand Total	276,969,082	19,204,865	13,971,656	1,290,895	311,436,497
Less: CIP Savings & Deferrals	-	-	-	-	(19,961,056)
Allocation for Future Rehab.	-	-	-	-	-
Proposed Net CIP Outlay	-	-	-	-	\$ 291,475,441

Summary of Capital Requirements - FY 2026-27



FY 2026-27 Capital Improvement Program Outlay by Process - \$311.4 Million
Net CIP Outlay - \$291.4 Million

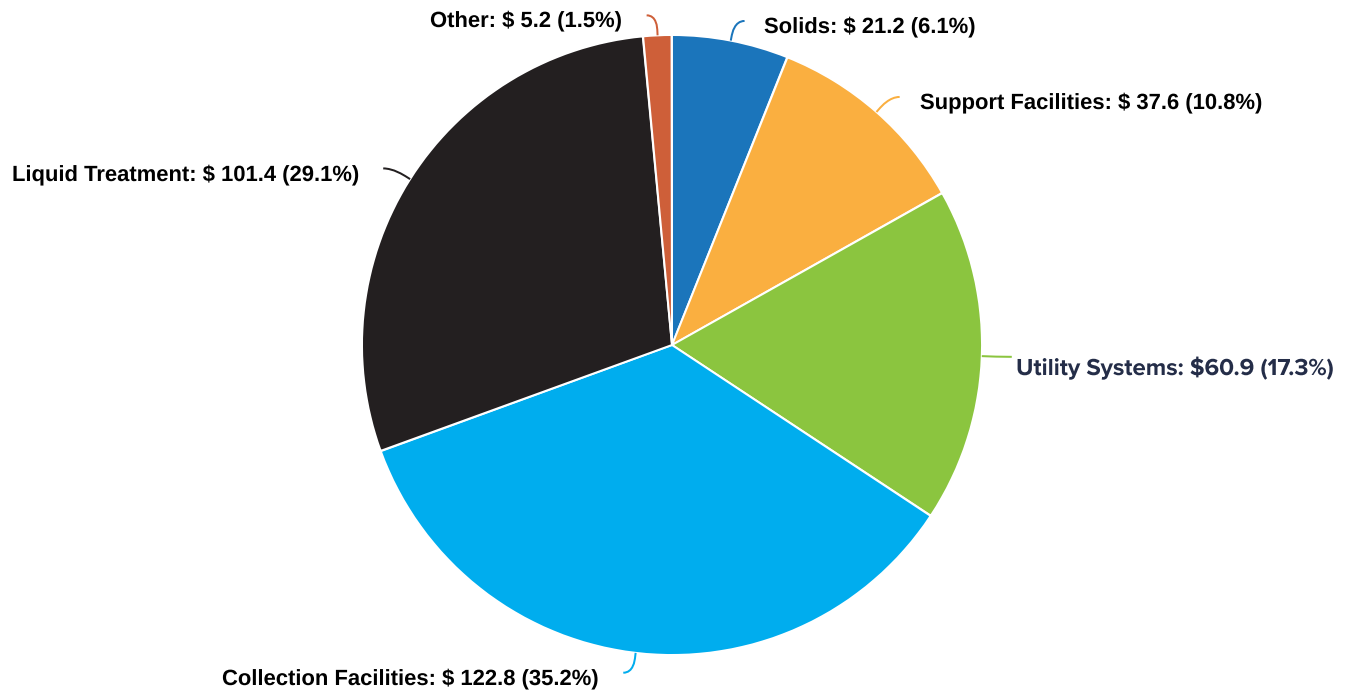


FY 2026-27 Capital Improvement Program Outlay by Driver - \$311.4 Million
Net CIP Outlay - \$291.4 Million

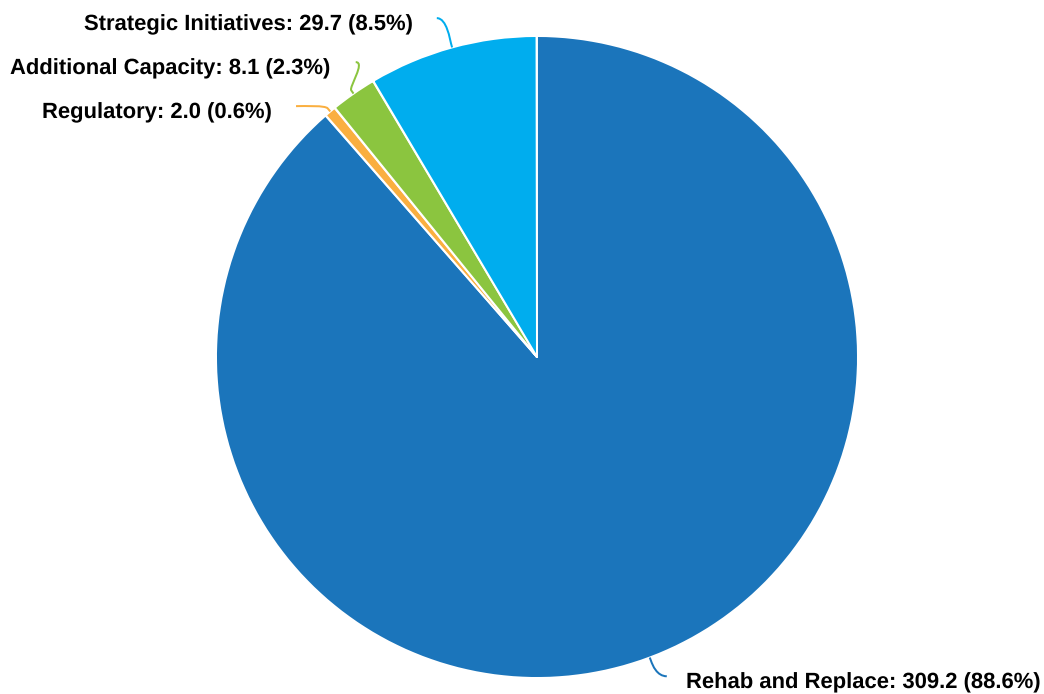
Project Summary FY 2027-28

Item	Rehabilitation and Replacement	Strategic Initiatives	Additional Capacity	Regulatory	Total Budget Authority
Collections Facilities	\$ 116,604,109	\$ 897,815	\$ 5,248,350	-	\$ 122,750,274
Solids Handling & Digestion	16,733,828	3,485,027	973,378	-	21,192,233
Support Facilities	18,209,590	15,751,874	1,660,596	2,017,212	37,639,272
Utility Systems	57,020,757	3,591,762	244,609	-	60,857,128
<u>Liquid Treatment:</u>					
Headworks	21,962,008	-	-	-	21,962,008
Primary Treatment	28,155,059	-	-	-	28,155,059
Ocean Outfall Systems	25,475,765	2,321,869	-	-	27,797,633
Secondary Treatment	20,078,387	3,455,309	-	-	23,533,696
Liquid Treatment Subtotal	95,671,219	5,777,177	-	-	101,448,396
<u>Other:</u>					
Information Management Systems	4,815,386	138,465	-	-	4,953,851
Others	123,253	96,933	-	-	220,185
Water Management Projects	-	-	-	-	-
Other Subtotal	4,938,639	235,398	-	-	5,174,036
Grand Total	309,178,141	29,739,053	8,126,934	2,017,212	349,061,339
Less: CIP Savings & Deferrals	-	-	-	-	(35,520,732)
Allocation for Future Rehab.	-	-	-	-	-
Proposed Net CIP Outlay	-	-	-	-	\$ 313,540,607

Summary of Capital Requirements - FY 2027-28



FY 2027-28 Capital Improvement Program Outlay by Process - \$349.0 Million
Net CIP Outlay - \$313.5 Million



FY 2027-28 Capital Improvement Program Outlay by Driver - \$349.0 Million
Net CIP Outlay - \$313.5 Million

Summary of Capital Requirements

Summary of Capital Requirement - Collection System Improvement Projects

	Project Number	Project Phase 7/1/26	Total Project Budget	Est. Cost To Date 6/30/26	Proposed 2026-27 Outlay	Proposed 2027-28 Outlay	Future Outlay
Collections Facilities							
1-23: Santa Ana Trunk Sewer Rehabilitation	1-23	Design	65,900,000	9,870,883	18,493,261	28,242,335	9,293,521
2-49: Taft Branch Improvements	2-49	Construction	30,200,000	21,543,191	7,942,151	714,658	-
2-73: Fullerton - Placentia Sewer Facilities ...	2-73	Planning	31,100,000	226,884	791,869	715,058	29,366,189
2-78: Atwood - Santa Ana Canyon Sewer ...	2-78	Planning	20,160,000	-	-	-	20,160,000
3-60: Knott - Miller Holder Artesia Branch ...	3-60	Design	20,900,000	1,741,555	3,518,365	14,050,419	1,589,661
3-64: Rehabilitation of Western Regional Sewers	3-64	Construction	96,300,000	58,132,748	19,168,660	18,134,769	863,823
3-67: Seal Beach Pump Station Replacement	3-67	Construction	132,500,000	52,229,488	33,875,929	27,681,302	18,713,281
3-68: Seal Beach Sewer Facilities Improvements	3-68	Planning	179,650,000	-	-	-	179,650,000
3-69: Bushard Diversion Structure Improvements	3-69	Planning	5,580,000	-	-	120,300	5,459,700
3-70: McFadden Branch -Bolsa Relief Trunk ...	3-70	Planning	15,380,000	-	-	285,942	15,094,058
5-66: Crystal Cove Pump Station Rehabilitation	5-66	Planning	16,900,000	-	-	-	16,900,000
5-67: Bay Bridge Pump Station Replacement	5-67	Construction	172,000,000	64,264,201	37,782,707	26,744,596	43,208,496
5-69: East Coast Highway Sewer Rehabilitation	5-69	Planning	12,200,000	49,907	100,581	673,539	11,375,973
5-70: Lido Pump Station Rehabilitation	5-70	Planning	28,050,000	-	-	432,511	27,617,489
6-20: Fairview Sewer Rehabilitation	6-20	Design	27,500,000	1,744,197	-	-	25,755,803
7-63: MacArthur Pump Station Rehabilitation	7-63	Design	16,200,000	239,883	623,083	557,764	14,779,270
7-64: Main Street Pump Station Rehabilitation	7-64	Planning	48,960,000	-	-	-	48,960,000
7-65: Gisler-Red Hill Interceptor and Baker Force...	7-65	Construction	55,500,000	52,856,730	2,387,786	255,484	-
7-68: MacArthur Force Main Improvements	7-68	Construction	6,400,000	6,399,601	399	-	-
7-69: North Tustin-Orange Sewer Rehabilitation	7-69	Design	45,100,000	442,009	2,483,141	1,236,463	40,938,387
FE19-01: Pump Station Portable Generator ...	FE19-01	Construction	2,730,000	2,505,621	171,973	52,406	-
FE20-08: Olive Sub-Trunk Siphon Rehabilitation ...	FE20-08	Construction	3,500,000	3,484,821	15,179	-	-
FE21-08: Newhope-Placentia Sewer Manhole ...	FE21-08	Construction	2,700,000	2,549,118	150,882	-	-
FE23-03: Wetwell Level Monitoring Upgrade at ...	FE23-03	Design	2,660,000	471,078	495,813	1,489,306	203,803
11-33: Edinger Pump Station Replacement	11-33	Planning	36,500,000	4,178,969	-	505,656	31,815,375
11-34: Slater Pump Station Rehabilitation	11-34	Planning	52,780,000	16,480	-	-	52,763,520
11-35: North Huntington Beach Sewer ...	11-35	Planning	15,030,000	-	269,516	638,427	14,122,057
11-36: Lake - Atlanta Sewer Rehabilitation	11-36	Planning	11,810,000	-	-	219,339	11,590,661
Collections Facilities Total			1,154,190,000	282,947,364	128,271,295	122,750,274	620,221,067

Summary of Capital Requirements

Summary of Capital Requirement - Treatment System Improvement Projects

	Project Number	Project Phase 7/1/26	Total Project Budget	Est. Cost To Date 6/30/26	Proposed 2026-27 Outlay	Proposed 2027-28 Outlay	Future Outlay
Headworks							
FE19-04: Sunflower Pump Replacement at Plant ...	FE19-04	Construction	5,175,000	4,988,463	172,746	13,791	-
FE24-11: Steve Anderson Lift Station (SALS) ...	FE24-11	Construction	680,000	330,993	182,981	166,026	-
FE25-01: Sunflower Pump No. 2 Replacement at...	FE25-01	Design	8,300,000	319,298	691,823	1,546,822	5,742,057
P1-105: Headworks Rehabilitation at Plant 1	P1-105	Construction	350,000,000	245,644,676	27,895,738	20,235,369	56,224,217
Headworks Total			364,155,000	251,283,430	28,943,288	21,962,008	61,966,274

Primary Treatment							
FE23-05: Primary Clarifier Nos. 6-31 Scum Pump...	FE23-05	Design	3,789,000	401,061	623,255	2,121,336	643,348
FE23-09: Primary Clarifiers F and G Rotating ...	FE23-09	Construction	5,250,000	5,050,517	199,483	-	-
P1-126: Primary Sedimentation Basins No. 3-5 ...	P1-126	Design	338,700,000	16,749,684	1,543,063	2,165,077	318,242,176
P1-133: Primary Sedimentation Basins No. 6-31 ...	P1-133	Construction	12,100,000	11,492,833	607,167	-	-
P2-133: B/C-Side Primary Sedimentation Basins ...	P2-133	Planning	263,660,000	-	638,966	3,745,992	259,275,042
P2-98: Primary Treatment Rehabilitation at Plant ...	P2-98	Construction	189,000,000	147,726,554	20,057,347	20,122,654	1,093,445
Primary Treatment Total			812,499,000	181,420,649	23,669,281	28,155,059	579,254,011

Secondary Treatment							
FE19-03: Trickling Filter Sludge and Scum Pump...	FE19-03	Construction	2,400,000	2,203,582	196,418	-	-
FE19-08: Secondary Treatment VFD ...	FE19-08	Design	4,300,000	1,312,329	445,441	797,845	1,744,385
FE20-05: Plant Water Piping Replacement at ...	FE20-05	Construction	2,485,000	2,320,368	164,632	-	-
FE21-07: Liquid Oxygen Tank A Replacement at ...	FE21-07	Construction	3,800,000	3,679,713	120,287	-	-
FE22-02: Liquid Oxygen Tank B Replacement at ...	FE22-02	Construction	4,375,000	2,338,796	1,881,693	154,511	-
FE24-10: Activated Sludge Clarifier D, G, and J ...	FE24-10	Design	7,565,000	273,158	575,584	3,013,799	3,702,459
P1-140: Blower Building 1 Standby Power ...	P1-140	Design	96,010,000	17,639,405	2,883,777	3,857,429	71,629,389
P1-142: Trickling Filter Media Replacement at ...	P1-142	Construction	27,700,000	2,005,856	10,500,946	13,821,235	1,371,963
P2-136: Activated Sludge Aeration Basin ...	P2-136	Design	79,600,000	3,239,628	2,987,063	1,888,877	71,484,432
Secondary Treatment Total			228,235,000	35,012,835	19,755,841	23,533,696	149,932,628

Solids Handling & Digestion							
FE19-10: Digesters C, D, F, G and I Gas Balance ...	FE19-10	Construction	176,000	176,000	-	-	-
FE20-02: Digester C, D, F, and G Mechanical ...	FE20-02	Construction	6,622,000	4,872,459	787,789	961,752	-
FE23-04: Truck Loading Scale Replacement at ...	FE23-04	Construction	916,000	916,000	-	-	-
FE24-01: Chopper Pump Trial for Digester Mixin...	FE24-01	Construction	160,000	111,258	33,567	15,175	-
FE24-02: Gas Compressor Building Heat ...	FE24-02	Planning	640,000	69,060	505,369	65,571	-
J-143: Deep Well Injection Facility	J-143	Planning	101,900,000	210,534	1,070,158	1,946,756	98,672,552
P2-124: Interim Food Waste Receiving Facility	P2-124	Design	10,000,000	1,421,408	171,992	104,582	8,302,018
P2-128: Digester Replacement at Plant No. 2	P2-128	Design	689,590,000	64,262,626	16,795,191	8,176,040	600,356,143
P2-137: Digesters Rehabilitation at Plant No. 2	P2-137	Design	79,000,000	8,980,235	945,242	9,518,960	59,555,563
P2-140: Truck Loading Bay Odor Control ...	P2-140	Design	9,700,000	703,170	449,355	403,397	8,144,078
Solids Handling & Digestion Total			898,704,000	81,722,750	20,758,663	21,192,233	775,030,354

Summary of Capital Requirements

Summary of Capital Requirement - Treatment System Improvement Projects

	Project Number	Project Phase 7/1/26	Total Project Budget	Est. Cost To Date 6/30/26	Proposed 2026-27 Outlay	Proposed 2027-28 Outlay	Future Outlay
Ocean Outfall System							
FE24-05: Long Outfall Air Valve Relocation at ...	FE24-05	Design	400,000	147,111	252,889	-	-
J-117: Ocean Outfall System Rehabilitation	J-117	Construction	180,710,000	163,791,172	4,678,065	4,643,737	7,597,026
J-137: Ocean Outfalls Rehabilitation	J-137	Design	127,000,000	5,902,349	13,819,790	20,066,022	87,211,839
P2-135: Chemical Systems Rehabilitation at Plan...	P2-135	Construction	9,860,000	2,716,883	4,489,677	2,413,768	239,672
P2-139: Emergency Overflow Pipes and ...	P2-139	Planning	16,280,000	139,363	-	162,508	15,978,129
SC19-06: EPSA Standby Power Generator Contr...	SC19-06	Construction	5,400,000	4,598,012	801,988	-	-
SC22-01: EPSA Electrical Building and Distributi...	SC22-01	Construction	5,100,000	4,532,697	55,705	511,598	-
Ocean Outfall Systems Total			344,750,000	181,827,587	24,098,114	27,797,633	111,026,666

Utility Systems							
FE18-06: CenGen Instrument Air Compressors ...	FE18-06	Design	2,270,000	836,810	820,644	489,218	123,328
FE19-02: Cengen Plant Water Pipe Replacement...	FE19-02	Construction	5,950,000	3,090,588	2,648,089	211,323	-
FE20-04: Cengen Cooling Water Pipe ...	FE20-04	Construction	6,080,000	4,825,129	979,969	274,902	-
FE23-01: Digester Gas Compressor Dryer ...	FE23-01	Construction	7,500,000	2,309,360	4,658,403	532,237	-
FE23-08: Power Buildings 7 and 8 HVAC ...	FE23-08	Construction	850,000	733,318	116,682	-	-
FE23-10: 12 kV Switchgear Replacement for ...	FE23-10	Construction	12,440,000	259,091	557,217	3,450,436	8,173,256
J-124: Digester Gas Facilities Rehabilitation	J-124	Design	230,000,000	24,370,519	2,990,080	10,158,969	192,480,432
J-135: Central Generation Engine Overhauls at ...	J-135	Construction	74,700,000	37,334,611	15,111,782	16,037,132	6,216,475
J-141: Public Address System Replacement	J-141	Planning	12,208,000	89,579	576,303	798,354	10,743,764
J-98: Electrical Power Distribution System ...	J-98	Construction	43,000,000	8,274,402	8,488,800	12,770,339	13,466,459
P1-132: Uninterruptable Power Supply ...	P1-132	Construction	9,600,000	9,219,386	363,833	16,781	-
P1-138: Industrial Control System and IT Data ...	P1-138	Design	40,560,000	505,840	-	-	40,054,160
P1-144: Service Center and Cengen Electrical ...	P1-144	Planning	69,240,000	-	-	-	69,240,000
P2-141: Headworks Electrical Distribution ...	P2-141	Planning	46,500,000	815,766	5,120,222	12,845,131	27,718,881
P2-144: Power Building C Replacement at Plant ...	P2-144	Planning	52,690,000	41,292	161,306	878,620	51,608,782
P2-145: Southern California Edison Substation ...	P2-145	Planning	121,650,000	-	347,549	2,237,771	119,064,680
SC22-02: HVAC Replacement for Plant 2 ...	SC22-02	Construction	3,712,000	1,507,625	2,048,460	155,915	-
Utility Systems Total			738,950,000	94,213,316	44,989,339	60,857,128	538,890,217

Information Management Systems							
J-120: Process Control Systems Upgrades	J-120	Construction	32,500,000	19,687,897	7,094,656	4,676,921	1,040,526
J-139: Process Control System Alarm Optimization	J-139	Planning	2,500,000	28,602	109,559	276,930	2,084,909
Information Management Systems Total			35,000,000	19,716,499	7,204,215	4,953,851	3,125,435

Summary of Capital Requirements

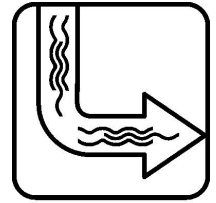
Summary of Capital Requirement - Treatment System Improvement Projects

	Project Number	Project Phase 2026-2027	Total Project Budget	Est. Cost To Date 2026-2027	Proposed 2026-2027 Outlay	Proposed 2027-2028 Outlay	Future Outlay
Support Facilities							
FE21-01: Plasma Cutting Fume Extractor ...	FE21-01	Design	750,000	98,885	334,722	311,929	4,464
FE22-01: Platform Modifications for Process Are...	FE22-01	Construction	1,300,000	1,130,704	169,296	-	-
FE23-06: HVAC Replacements at Plant Nos. 1 an...	FE23-06	Construction	2,840,000	2,493,789	346,211	-	-
FE24-06: Building 6, Control Center, & Laborator...	FE24-06	Construction	780,000	38,933	378,838	361,695	534
FE25-02: Headquarters Pantry Electrical ...	FE25-02	Design	320,000	47,174	195,778	77,048	-
FE25-03: Headquarters' Interview and Conferen...	FE25-03	Design	500,000	58,747	233,233	187,693	20,327
J-133: New Laboratory Facility	J-133	Planning	129,300,000	1,274,280	2,924,539	4,917,938	120,183,243
J-140: CenGen Monitoring System Improvement...	J-140	Planning	30,900,000	124,413	390,546	1,538,687	28,846,354
J-145: Warehouse Facility Improvements	J-145	Planning	7,000,000	-	12,130	136,161	6,851,709
M-FE_FY26: Small Construction Projects Program	M-FE_FY26	Planning	40,000,000	-	2,798,086	12,418,890	24,783,024
M-FE_FY27: Small Construction Projects Program	M-FE_FY27	Planning	40,000,000	-	-	2,825,464	37,174,536
P1-128: Headquarters Complex	P1-128	Construction	171,000,000	170,364,702	635,298	-	-
P1-137: Support Buildings Seismic Improvement...	P1-137	Construction	33,500,000	2,751,696	4,545,377	13,665,215	12,537,712
P2-127: Collections Yard Relocation and ...	P2-127	Construction	9,400,000	9,400,000	-	-	-
P2-138: Operations and Maintenance Complex a...	P2-138	Planning	200,800,000	6,308,480	416,989	1,124,447	192,950,084
P2-143: Waste Sidestream Pump Station A ...	P2-143	Planning	14,690,000	-	-	74,105	14,615,895
SC20-02: Ocean Outfall Booster Station Elevator...	SC20-02	Construction	460,000	409,659	50,341	-	-
Support Facilities Total			683,540,000	194,501,462	13,431,384	37,639,272	437,967,882
Others							
FE24-09: Security Fence Replacements at Plant ...	FE24-09	Planning	2,556,700	32,892	86,638	193,865	2,243,305
SC23-02: Effluent Junction Box Security Fence ...	SC23-02	Design	280,000	25,241	228,439	26,320	-
Others Total			2,836,700	58,133	315,077	220,185	2,243,305
Total Treatment and Disposal Projects			4,108,669,700	1,039,756,661	183,165,202	226,311,065	2,659,436,772
Total Collections Facilities			1,154,190,000	282,947,364	128,271,295	122,750,274	620,221,067
Total Capital Improvement Program Budget			\$ 5,262,859,700	\$ 1,322,704,0...	\$ 311,436,497	\$ 349,061,339	\$ 3,279,657,839
Less: CIP Savings & Deferrals			-	-	(19,961,056)	(35,520,732)	-
Allocation for Future Rehab.			-	-	-	-	-
Proposed Net CIP Outlay			-	-	\$ 291,475,441	\$ 313,540,607	-

Project Name & Number	Santa Ana Trunk Sewer Rehabilitation - 1-23		
Project Category	Collections Facilities	Project Status:	Revised

Description

This project will rehabilitate a portion of the Santa Ana Trunk sewer north of Interstate 405. This will include rehabilitation of approximately 15,000 feet of large diameter sewers along Alton Avenue and easements crossing MacArthur Boulevard, Harbor Boulevard, Scenic Avenue, Hyland Avenue, and Sunflower Avenue in the Cities of Santa Ana and Costa Mesa.



**Collections
Facilities**

Justification

This sewer is unlined reinforced concrete piping that is subject to corrosion. Rehabilitation is needed to extend the life of these assets and prevent potential structural failure.

Financial Consideration

The project budget has been increased from \$65,400,000 to \$65,900,000.

The project's estimated construction contract cost is \$44,787,000.

This project will not have an impact on operational budgets.

The increased budget is a result of an updated estimate to complete the work.

Budget Projections

Budget Phase	Cost to Date	2026-27	2027-28	2028-29	2029-30	2030-31	Thereafter	Total Project Budget
Planning	\$ 98,580	-	-	-	-	-	-	\$ 98,580
Prelim Design	2,213,702	-	-	-	-	-	-	2,213,702
Design	5,671,907	-	-	-	-	-	-	5,671,907
Construction	1,871,394	18,493,261	28,242,335	3,790,415	-	-	-	52,397,405
Commissioning	15,300	-	-	-	-	-	-	15,300
Close-out	-	-	-	59,286	-	-	-	59,286
Contingency	-	-	-	5,077,901	365,919	-	-	5,443,820
Total	\$ 9,870,883	\$ 18,493,261	\$ 28,242,335	\$ 8,927,602	\$ 365,919	-	-	\$ 65,900,000

Project Name & Number | **Taft Branch Improvements - 2-49**

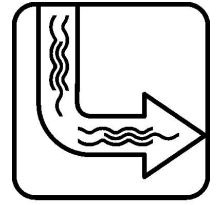
Project Category | **Collections Facilities**

Project Status:

Continuing

Description

This project will upsize the upper reach of the Taft Branch sewer in the City of Orange. This will include replacement of nearly 7,000 feet of pipe and associated manholes along Meats Ave and Taft Avenue. It includes a new alignment of 3,400 feet on Sacrament St. and Taft Ave to alleviate existing manhole access issues. The project will also include a swap of regional and local sewers. 2,700 feet of existing OC San facilities on Tustin Ave will be transferred to the City of Orange and 2,600 feet of regional piping owned by City of Orange will be transferred to OC San.



**Collections
Facilities**

Justification

The need for this project was identified in the Collections Capacity Evaluation Study, Project No. PS15-08. These improvements will accommodate changing flow patterns and potential wet weather surcharges.

Financial Consideration

The project budget is \$30,200,000.

The project's estimated construction contract cost is \$20,660,041.

This project will have an impact on the operational budget in the following areas: Operational Labor.

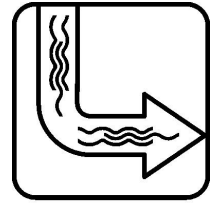
Budget Projections

Budget Phase	Cost to Date	2026-27	2027-28	2028-29	2029-30	2030-31	Thereafter	Total Project Budget
Planning	\$ 58,068	-	-	-	-	-	-	\$ 58,068
Prelim Design	1,447,697	-	-	-	-	-	-	1,447,697
Design	1,458,387	-	-	-	-	-	-	1,458,387
Construction	18,579,039	5,843,741	-	-	-	-	-	24,422,780
Commissioning	-	-	-	-	-	-	-	-
Close-out	-	37,466	41,994	-	-	-	-	79,460
Contingency	-	2,060,944	672,664	-	-	-	-	2,733,608
Total	\$ 21,543,191	\$ 7,942,151	\$ 714,658	-	-	-	-	\$ 30,200,000

Project Name & Number	Fullerton - Placentia Sewer Facilities Demolition and Rehabilitation - 2-73		
Project Category	Collections Facilities	Project Status:	Revised

Description

This project will demolish the Yorba Linda Pump Station, the associated force main, and the Yorba Linda Spur Odor Station within the cities of Fullerton and Yorba Linda. Gravity sewers located in Yorba Linda Boulevard will be reconfigured to divert flow away from the pump station. The project will abandon 6700 feet of 12-inch sewer in Craig Regional Park and Associated Road and will also rehabilitate 15-inch to 24-inch sewers and manholes in the cities of Brea, Fullerton, and Placentia. Spot repairs and new manholes will be constructed where required throughout the project.



**Collections
Facilities**

Justification

The Yorba Linda Pump Station was built to convey flow away from undersized gravity sewers; however, these pipelines have been upsized, and flow may now continue via gravity. In addition, existing sewers and manholes in the area require rehabilitation to address identified defects and provide additional life to facilitate reliable operation. Lastly, there are flows in the area that are currently routed to the non-reclaimable SARI trunk - these flows can be rerouted to the Newhope trunk and increase reclaimable flows.

Financial Consideration

The project budget has been increased from \$21,700,000 to \$31,100,000.

The project's estimated construction contract cost is \$19,848,000.

This project will not have an impact on operational budgets.

The increased budget is a result of an updated estimate to complete the work.

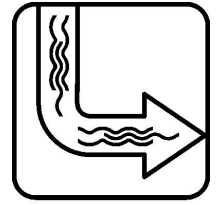
Budget Projections

Budget Phase	Cost to Date	2026-27	2027-28	2028-29	2029-30	2030-31	Thereafter	Total Project Budget
Planning	\$ 225,570	\$ 16,097	-	-	-	-	-	\$ 241,667
Prelim Design	1,314	775,772	194,406	-	-	-	-	971,492
Design	-	-	520,652	991,676	233,616	-	-	1,745,944
Construction	-	-	-	-	6,821,623	15,590,269	-	22,411,892
Commissioning	-	-	-	-	-	-	-	-
Close-out	-	-	-	-	-	44,201	3,687	47,888
Contingency	-	-	-	-	198,480	1,984,800	3,497,837	5,681,117
Total	\$ 226,884	\$ 791,869	\$ 715,058	\$ 991,676	\$ 7,253,719	\$ 17,619,270	\$ 3,501,524	\$ 31,100,000

Project Name & Number	Atwood - Santa Ana Canyon Sewer Rehabilitation - 2-78		
Project Category	Collections Facilities	Project Status:	Future

Description

This project will rehabilitate the Atwood Sub-Trunk and Santa Ana Canyon South River Trunk within the cities of Anaheim and Placentia. The project includes the construction of 300 LF of new air jumper pipe and 4 new manholes; rehabilitation of 2,400 feet of 18-inch to 33-inch sewer and 81 manholes; and several spot repairs. The project also includes the construction of 700 feet of new access road and other modifications to improve maintenance accessibility in easement areas.



**Collections
Facilities**

Justification

The condition of these collection system facilities has deteriorated over time. Rehabilitation of these assets will address identified defects and provide additional life to facilitate reliable operation. The addition of the air jumper at an existing inverted siphons will minimize future system corrosion risks and reduce the likelihood of fugitive odors at this location. Access improvements will facilitate maintenance activities and reduce risks.

Financial Consideration

The project budget is \$20,160,000.

The project's estimated construction contract cost is \$12,817,988.

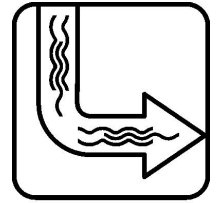
Budget Projections

Budget Phase	Cost to Date	2026-27	2027-28	2028-29	2029-30	2030-31	Thereafter	Total Project Budget
Planning	-	-	-	-	-	-	-	-
Prelim Design	-	-	-	-	-	-	-	-
Design	-	-	-	-	-	163,149	1,324,226	1,487,375
Construction	-	-	-	-	-	-	14,892,623	14,892,623
Commissioning	-	-	-	-	-	-	-	-
Close-out	-	-	-	-	-	-	-	-
Contingency	-	-	-	-	-	-	3,780,002	3,780,002
Total	-	-	-	-	-	\$ 163,149	\$ 19,996,851	\$ 20,160,000

Project Name & Number	Knott - Miller Holder Artesia Branch Rehabilitation - 3-60		
Project Category	Collections Facilities	Project Status:	Revised

Description

This project will rehabilitate a portion of the Knott Interceptor, Miller Holder Trunk and Artesia Branch sewers in the City of Buena Park. The project includes the rehabilitation of 3,900 feet of 18-inch to 45-inch sewer and manholes and installation of two new manholes. A new air jumper will also be constructed.



**Collections
Facilities**

Justification

The condition of these collection system facilities has deteriorated over time. Rehabilitation of these assets will address identified defects and provide additional life to facilitate reliable operation. The addition of the air jumper at an existing inverted siphons will minimize future system corrosion risks and reduce the likelihood of fugitive odors at this location.

Financial Consideration

The project budget has been increased from \$19,700,000 to \$20,900,000.

The project's estimated construction contract cost is \$13,005,000.

This project will not have an impact on operational budgets.

The increased budget is a result of an updated estimate to complete the work.

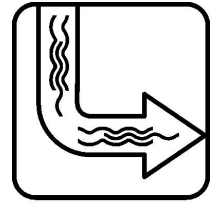
Budget Projections

Budget Phase	Cost to Date	2026-27	2027-28	2028-29	2029-30	2030-31	Thereafter	Total Project Budget
Planning	\$ 80,152	-	-	-	-	-	-	\$ 80,152
Prelim Design	899,144	-	-	-	-	-	-	899,144
Design	762,259	88,691	-	-	-	-	-	850,950
Construction	-	3,309,674	12,708,676	-	-	-	-	16,018,350
Commissioning	-	-	-	-	-	-	-	-
Close-out	-	-	41,643	14,874	-	-	-	56,517
Contingency	-	120,000	1,300,100	1,574,787	-	-	-	2,994,887
Total	\$ 1,741,555	\$ 3,518,365	\$ 14,050,419	\$ 1,589,661	-	-	-	\$ 20,900,000

Project Name & Number	Rehabilitation of Western Regional Sewers - 3-64		
Project Category	Collections Facilities	Project Status:	Continuing

Description

This project will replace or rehabilitate a portion of the sewers and manholes located in OC San's northwestern service area. The work will be completed under two construction contracts. The Orange Western Sub-Trunk and Los Alamitos Trunk Sewer Rehabilitation covers approximately 46,000 feet of pipe and the Los Alamitos Sub-Trunk Sewer and Westside Relief Interceptor Rehabilitation covers approximately 35,000 feet of pipe. These sewers are located primarily within public rights of way in the Cities of Seal Beach, Los Alamitos, Cypress, Anaheim, Buena Park, and La Palma.



**Collections
Facilities**

Justification

Most of the sewers were constructed in late 1950's and early 1960's for an estimated life of 40 to 50 years. Inspections have identified significant defects and the joints that allow significant infiltration of groundwater into the sewers.

Financial Consideration

The project budget is \$96,300,000.

The project's estimated construction contract cost is \$54,038,412.

This project will not have an impact on operational budgets.

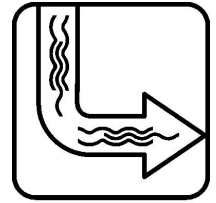
Budget Projections

Budget Phase	Cost to Date	2026-27	2027-28	2028-29	2029-30	2030-31	Thereafter	Total Project Budget
Planning	\$ 489,084	-	-	-	-	-	-	\$ 489,084
Prelim Design	12,916,443	-	-	-	-	-	-	12,916,443
Design	9,017,299	-	-	-	-	-	-	9,017,299
Construction	34,447,906	18,991,027	11,375,542	-	-	-	-	64,814,475
Commissioning	295,875	9,773	5,320	-	-	-	-	310,968
Close-out	190,037	-	66,567	6,136	-	-	-	262,740
Contingency	776,104	167,860	6,687,340	857,687	-	-	-	8,488,991
Total	\$ 58,132,748	\$ 19,168,660	\$ 18,134,769	\$ 863,823	-	-	-	\$ 96,300,000

Project Name & Number	Seal Beach Pump Station Replacement - 3-67		
Project Category	Collections Facilities	Project Status:	Continuing

Description

This project will replace the existing Seal Beach Pump Station on the existing site and demolish the old pump station when the new one is complete. The new pump station will have a deeper wet well to allow West Side Pump Station to be abandoned. The project will also include a standby generator, and odor control improvements of vapor-phase and liquid-phase treatment to minimize both upstream and downstream odors and corrosion.



**Collections
Facilities**

Justification

The existing Seal Beach Pump Station is in need of extensive rehabilitation due to age and condition. A life-cycle cost evaluation determined that the most cost-effective alternative is to replace the existing pump station on site with a deeper wet well to allow extension of the Los Alamitos Sub-Trunk by gravity and abandonment of the West Side Pump Station under future Project No. 3-68, Seal Beach Sewer Facility Improvements.

Financial Consideration

The project budget is \$132,500,000.

The project's estimated construction contract cost is \$97,614,968.

This project will have an impact on the operational budget in the following areas: Utilities, Chemicals, Maintenance, Contract Services.

Budget Projections

Budget Phase	Cost to Date	2026-27	2027-28	2028-29	2029-30	2030-31	Thereafter	Total Project Budget
Planning	\$ 218,198	-	-	-	-	-	-	\$ 218,198
Prelim Design	3,212,270	-	-	-	-	-	-	3,212,270
Design	5,642,501	-	-	-	-	-	-	5,642,501
Construction	43,156,519	33,439,065	27,076,262	7,034,467	-	-	-	110,706,313
Commissioning	-	436,864	605,040	31,073	-	-	-	1,072,977
Close-out	-	-	-	864,609	-	-	-	864,609
Contingency	-	-	-	9,823,435	959,697	-	-	10,783,132
Total	\$ 52,229,488	\$ 33,875,929	\$ 27,681,302	\$ 17,753,584	\$ 959,697	-	-	\$ 132,500,000

Project Name & Number | **Seal Beach Sewer Facilities Improvements - 3-68**

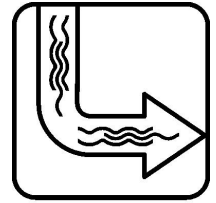
Project Category | **Collections Facilities**

Project Status:

Future

Description

This project will extend the Los Alamitos Sub-Trunk from the Westside Pump Station to the Seal Beach Pump Station and demolish the Westside Pump Station after the new pipe is constructed. This project includes installing approximately 5,800 feet of 48-inch to 54-inch sewer via micro tunneling and modifying the existing facilities accordingly. The alignment will traverse an easement crossing the 405 / 22 freeways, Gate Road, and Seal Beach Boulevard in the City of Seal Beach and Rossmoor.



**Collections
Facilities**

Justification

The new sewer will connect to the soon to be replaced Seal Beach Pump Station (Project No. 3-67) allowing the Westside Pump Station to be abandoned in advance of it's need for major rehabilitation work. Eliminating a pump station reduces operational risks and maintenance costs.

Financial Consideration

The project budget is \$179,650,000.

The project's estimated construction contract cost is \$114,222,512.

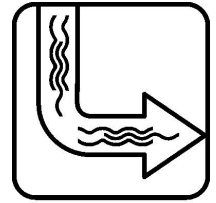
Budget Projections

Budget Phase	Cost to Date	2026-27	2027-28	2028-29	2029-30	2030-31	Thereafter	Total Project Budget
Planning	-	-	-	-	-	-	-	-
Prelim Design	-	-	-	-	-	-	-	-
Design	-	-	-	-	-	1,197,565	12,056,613	13,254,178
Construction	-	-	-	-	-	-	132,709,822	132,709,822
Commissioning	-	-	-	-	-	-	-	-
Close-out	-	-	-	-	-	-	-	-
Contingency	-	-	-	-	-	-	33,686,000	33,686,000
Total	-	-	-	-	-	\$ 1,197,565	\$ 178,452,435	\$ 179,650,000

Project Name & Number	McFadden Branch -Bolsa Relief Trunk Rehabilitation - 3-70		
Project Category	Collections Facilities	Project Status:	New

Description

This project will rehabilitate the McFadden Branch and portions of the Bolsa Relief Trunk and Knott Interceptor in unincorporated Orange County and in the cities of Huntington Beach and Westminster. The project includes the jack and bore replacement of 400 feet of 18-inch sewer under I-405, construction of 100 feet of new air jumper and associated manholes, and the rehabilitation of 1,400 feet of 18-inch to 33-inch sewers and manholes.



**Collections
Facilities**

Justification

The condition of these collection system facilities has deteriorated over time. Rehabilitation of these assets will address identified defects and provide additional life to facilitate reliable operation. The addition of the air jumper at an existing inverted siphons will minimize future system corrosion risks and reduce the likelihood of fugitive odors at this location.

Financial Consideration

The project budget is \$15,380,000.

The project's estimated construction contract cost is \$8,983,472.

This project will not have an impact on operational budgets.

Budget Projections

Budget Phase	Cost to Date	2026-27	2027-28	2028-29	2029-30	2030-31	Thereafter	Total Project Budget
Planning	-	-	-	-	-	-	-	-
Prelim Design	-	-	-	-	-	-	-	-
Design	-	-	285,942	648,286	648,287	476,450	-	2,058,965
Construction	-	-	-	-	-	279,645	10,406,889	10,686,534
Commissioning	-	-	-	-	-	-	-	-
Close-out	-	-	-	-	-	-	-	-
Contingency	-	-	-	-	-	-	2,634,501	2,634,501
Total	-	-	\$ 285,942	\$ 648,286	\$ 648,287	\$ 756,095	\$ 13,041,390	\$ 15,380,000

Project Name & Number Crystal Cove Pump Station Rehabilitation - 5-66

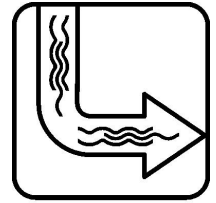
Project Category Collections Facilities

Project Status:

Future

Description

This project will rehabilitate the existing Crystal Cove Pump Station, located along Pacific Coast Highway in southern Newport Beach, to restore the condition of the aging facility and maintain compliance with electrical and safety codes. The project will also rehabilitation two 8-inch ductile iron force mains and construct new access manholes to facilitate future condition assessments. The existing gravity system in the vicinity of the pump station will also be rehabilitated as needed.



**Collections
Facilities**

Justification

The Crystal Cove Pump Station was constructed in 1995 and is due for condition related rehabilitation and signs of site settlement have been observed. The existing force mains, which are just over half a mile in length, are difficult to assess, maintain, and service. The electrical equipment will be reaching the end of its useful life and the station design does not meet current electrical codes. The adjacent gravity system is also aging and requires rehabilitation to extend its life.

Financial Consideration

The project budget is \$16,900,000.

The project's estimated construction contract cost is \$9,660,395.

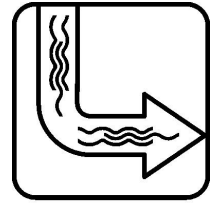
Budget Projections

Budget Phase	Cost to Date	2026-27	2027-28	2028-29	2029-30	2030-31	Thereafter	Total Project Budget
Planning	-	-	-	-	-	-	-	-
Prelim Design	-	-	-	-	-	-	-	-
Design	-	-	-	-	254,965	593,785	1,043,296	1,892,046
Construction	-	-	-	-	-	-	12,123,956	12,123,956
Commissioning	-	-	-	-	-	-	-	-
Close-out	-	-	-	-	-	-	-	-
Contingency	-	-	-	-	-	-	2,883,998	2,883,998
Total	-	-	-	-	\$ 254,965	\$ 593,785	\$ 16,051,250	\$ 16,900,000

Project Name & Number	Bay Bridge Pump Station Replacement - 5-67		
Project Category	Collections Facilities	Project Status:	Continuing

Description

This project will replace the existing Bay Bridge Pump Station to meet current building, electrical, and safety codes and OC San's design standards. The associated force mains will also be replaced.



**Collections
Facilities**

Justification

The Bay Bridge Pump Station was originally constructed in 1966. The pumping systems are aging and have control systems that are rapidly becoming obsolete. In addition, the existing pumping station does not comply with the current electrical and safety codes. The force mains have reached the end of their expected life and are at risk of failure if not addressed.

Financial Consideration

The project budget is \$172,000,000.

The project's estimated construction contract cost is \$87,321,000.

This project will have an impact on the operational budget in the following areas: Contract Services.

Budget Projections

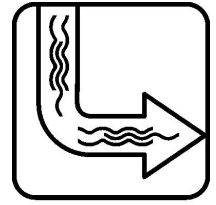
Budget Phase	Cost to Date	2026-27	2027-28	2028-29	2029-30	2030-31	Thereafter	Total Project Budget
Planning	\$ 271,917	-	-	-	-	-	-	\$ 271,917
Prelim Design	6,018,913	-	-	-	-	-	-	6,018,913
Design	35,633,762	-	-	-	-	-	-	35,633,762
Construction	22,339,609	37,779,578	26,739,369	17,199,932	6,699,980	-	-	110,758,468
Commissioning	-	3,129	5,227	8,478	3,166	-	-	20,000
Close-out	-	-	-	-	409,076	628,378	-	1,037,454
Contingency	-	-	-	-	9,908,295	8,351,191	-	18,259,486
Total	\$ 64,264,201	\$ 37,782,707	\$ 26,744,596	\$ 17,208,410	\$ 17,020,517	\$ 8,979,569	-	\$ 172,000,000

Project Name & Number	East Coast Highway Sewer Rehabilitation - 5-69

Project Category	Collections Facilities	Project Status:	Revised

Description

This project will rehabilitate portions of the East Coast Highway and Bayside Drive Trunks in the City of Newport Beach. The project includes the replacement of 600 feet of 12-inch to 15-inch sewer and manhole, construction of 550 feet of new air jumper and associated manholes, and the rehabilitation of 6,800 feet of 10-inch to 24-inch sewer and manholes.



**Collections
Facilities**

Justification

The condition of these collection system facilities has deteriorated over time. Rehabilitation and replacement of these assets will address identified defects and provide additional life to facilitate reliable operation. The addition of the air jumper at an existing inverted siphons will minimize future system corrosion risks and reduce the likelihood of fugitive odors at this location.

Financial Consideration

The project budget has been decreased from \$19,422,000 to \$12,200,000.

The project's estimated construction contract cost is \$6,300,000.

This project will not have an impact on operational budgets.

The reduced budget is the result of scope, start date and duration changes.

Budget Projections

Budget Phase	Cost to Date	2026-27	2027-28	2028-29	2029-30	2030-31	Thereafter	Total Project Budget
Planning	\$ 49,907	\$ 41,019	-	-	-	-	-	\$ 90,926
Prelim Design	-	59,562	673,539	9,703	-	-	-	742,804
Design	-	-	-	350,735	531,708	119,921	-	1,002,364
Construction	-	-	-	-	-	3,723,606	4,615,690	8,339,296
Commissioning	-	-	-	-	-	-	-	-
Close-out	-	-	-	-	-	-	126,561	126,561
Contingency	-	-	-	-	-	117,700	1,780,349	1,898,049
Total	\$ 49,907	\$ 100,581	\$ 673,539	\$ 360,438	\$ 531,708	\$ 3,961,227	\$ 6,522,600	\$ 12,200,000

Project Name & Number Lido Pump Station Rehabilitation - 5-70

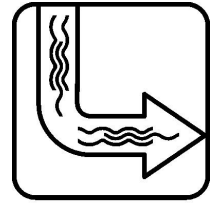
Project Category Collections Facilities

Project Status:

New

Description

The Lido Pump Station is located in an alley west of Newport Boulevard and south of Short Street in the City of Newport Beach. This project will rehabilitate the structural components of the pump station including the wet well and pump room. The existing pumps, associated pump equipment, ventilation system, electrical equipment, PLC, and switchgear will be replaced. Site work will be performed to maintain or enhance screenings, landscaping, and general curb appeal.



**Collections
Facilities**

Justification

The Lido pump station was completed in 2001 and the interior of the structure is showing signs of concrete corrosion. The pump station floor is not draining properly leading to maintenance concerns. The mechanical equipment is showing signs of corrosion. Electrical equipment is reaching the end of its useful life and will require replacement. Work is required to improve operation, serviceability, and extend the pump station's useful life.

Financial Consideration

The project budget is \$28,050,000.

The project's estimated construction contract cost is \$16,040,281.

This project will not have an impact on operational budgets.

Budget Projections

Budget Phase	Cost to Date	2026-27	2027-28	2028-29	2029-30	2030-31	Thereafter	Total Project Budget
Planning	-	-	-	-	-	-	-	-
Prelim Design	-	-	-	-	-	-	-	-
Design	-	-	432,511	989,090	989,090	730,892	-	3,141,583
Construction	-	-	-	-	-	608,238	19,522,577	20,130,815
Commissioning	-	-	-	-	-	-	-	-
Close-out	-	-	-	-	-	-	-	-
Contingency	-	-	-	-	-	-	4,777,602	4,777,602
Total	-	-	\$ 432,511	\$ 989,090	\$ 989,090	\$ 1,339,130	\$ 24,300,179	\$ 28,050,000

Project Name & Number Fairview Sewer Rehabilitation - 6-20

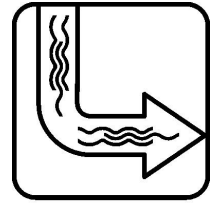
Project Category Collections Facilities

Project Status:

Revised

Description

This project will rehabilitate the Fairview Trunk and relief sewer facilities, located along Fairview Road in the City of Costa Mesa. The project consists of rehabilitating approximately 7,500 feet of 18-inch to 27-inch sewer pipe and associated manholes. The project will also abandon approximately 4,500 feet of trunk sewer and associated manholes.



**Collections
Facilities**

Justification

The condition of these collection system facilities has deteriorated over time. Rehabilitation of these assets will address identified defects and provide additional life to facilitate reliable operation. The existing system includes facilities that are not required and can be abandoned to avoid operation and maintenance challenges.

Financial Consideration

The project budget has been increased from \$25,000,000 to \$27,500,000.

The project's estimated construction contract cost is \$15,453,000.

This project will have an impact on the operational budget in the following areas: Maintenance.

The increased budget is the result of scope, start date and duration changes.

Budget Projections

Budget Phase	Cost to Date	2026-27	2027-28	2028-29	2029-30	2030-31	Thereafter	Total Project Budget
Planning	\$ 106,744	-	-	-	-	-	-	\$ 106,744
Prelim Design	978,875	-	-	-	-	-	-	978,875
Design	608,594	-	-	615,558	140,840	145,372	24,676	1,535,040
Construction	32,190	-	-	17,018	20,562	36,521	20,653,333	20,759,624
Commissioning	-	-	-	-	-	-	-	-
Close-out	17,794	-	-	-	-	-	65,061	82,855
Contingency	-	-	-	-	-	83,210	3,953,652	4,036,862
Total	\$ 1,744,197	-	-	\$ 632,576	\$ 161,402	\$ 265,103	\$ 24,696,722	\$ 27,500,000

Project Name & Number MacArthur Pump Station Rehabilitation - 7-63

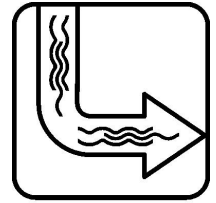
Project Category Collections Facilities

Project Status:

Continuing

Description

The MacArthur Pump Station is located west of MacArthur Boulevard and north of Jamboree Road in the City of Newport Beach. This project includes the rehabilitation of the existing civil structures, such as the wet well, and underground electrical room, and pump room. Replacement of mechanical equipment (e.g., pumps, valves, piping) and electrical and instrumentation equipment is also included under this project.



**Collections
Facilities**

Justification

The pump station was built in 1960 and the internal equipment and supporting components were replaced in 1989. The wet well is an original structure and is not coated or lined to prevent corrosion of the concrete. Corrosion is also present on the existing mechanical equipment. The electrical equipment is outdated and obtaining replacement parts is becoming increasingly difficult. The current facility does not meet current electrical and safety code requirements.

Financial Consideration

The project budget is \$16,200,000.

The project's estimated construction contract cost is \$9,547,000.

This project will not have an impact on operational budgets.

Budget Projections

Budget Phase	Cost to Date	2026-27	2027-28	2028-29	2029-30	2030-31	Thereafter	Total Project Budget
Planning	\$ 204,783	-	-	-	-	-	-	\$ 204,783
Prelim Design	35,100	581,817	449	-	-	-	-	617,366
Design	-	41,266	557,315	629,901	-	-	-	1,228,482
Construction	-	-	-	216,346	4,959,266	7,339,367	64,259	12,579,238
Commissioning	-	-	-	-	11,307	22,891	6,792	40,990
Close-out	-	-	-	-	-	33,144	28,328	61,472
Contingency	-	-	-	114,000	-	451,869	901,800	1,467,669
Total	\$ 239,883	\$ 623,083	\$ 557,764	\$ 960,247	\$ 4,970,573	\$ 7,847,271	\$ 1,001,179	\$ 16,200,000

Project Name & Number | **Main Street Pump Station Rehabilitation - 7-64**

Project Category

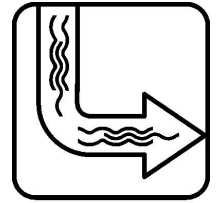
Collections Facilities

Project Status:

Future

Description

The Main Street Pump Station is located on Main Street north of the John Wayne Airport, in the City of Irvine. This project includes the rehabilitation of the existing civil structures such as the flow diversion box, east and west wet well and the above ground electrical room and below grade pump room. Replacement of the mechanical equipment (pumps, valves, piping, etc.) and electrical and instrumentation equipment is also included.



**Collections
Facilities**

Justification

The original pump station (west side) was constructed in 1985 and the east side of the pump station was added in 2001. Although the pump station is performing well, the piping throughout and the pumps on the west side are nearing the end of their useful life. The supporting on-site civil structures such as the flow diversion structure is suffering from corrosion due to high levels of corrosive gases. Corrosion also persists in the wet wells. The pump station structure needs seismic retrofitting to remain reliable.

Financial Consideration

The project budget is \$48,960,000.

The project's estimated construction contract cost is \$27,995,021.

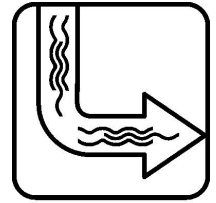
Budget Projections

Budget Phase	Cost to Date	2026-27	2027-28	2028-29	2029-30	2030-31	Thereafter	Total Project Budget
Planning	-	-	-	-	-	-	-	-
Prelim Design	-	-	-	-	-	-	-	-
Design	-	-	-	-	444,516	1,715,475	3,322,995	5,482,986
Construction	-	-	-	-	-	-	35,134,211	35,134,211
Commissioning	-	-	-	-	-	-	-	-
Close-out	-	-	-	-	-	-	-	-
Contingency	-	-	-	-	-	-	8,342,803	8,342,803
Total	-	-	-	-	\$ 444,516	\$ 1,715,475	\$ 46,800,009	\$ 48,960,000

Project Name & Number	Gisler-Red Hill Interceptor and Baker Force Main Rehabilitation - 7-65		
Project Category	Collections Facilities	Project Status:	Continuing

Description

This project will rehabilitate the Gisler Redhill Interceptor from a manhole near the Main Street Pump Station to the College Avenue Pump Station and the two 42-inch Baker forcemains from the Main Street Pump Station. The project is expected to line and/or repair 30 manholes, approximately 15,000 feet of gravity sewer, and approximately 6,000 feet of forcemain along with replacing supporting valving and piping adjacent and inside the Main Street Pump Station.



**Collections
Facilities**

Justification

Condition assessments completed in 2015 and in 2017 on the Gisler Redhill Interceptor indicate corrosion in most of the manholes from the cover to the base as well as multiple cracks in the VCP piping. The Baker forcemains have corrosion and liner failures due to the corrosive gas migration from the wet wells. There is also valve vault settlement on the forcemains.

Financial Consideration

The project budget is \$55,500,000.

The project's estimated construction contract cost is \$43,849,683.

This project will not have an impact on operational budgets.

Budget Projections

Budget Phase	Cost to Date	2026-27	2027-28	2028-29	2029-30	2030-31	Thereafter	Total Project Budget
Planning	\$ 105,471	-	-	-	-	-	-	\$ 105,471
Prelim Design	522,693	-	-	-	-	-	-	522,693
Design	1,941,490	-	-	-	-	-	-	1,941,490
Construction	49,299,640	-	-	-	-	-	-	49,299,640
Commissioning	-	-	-	-	-	-	-	-
Close-out	22,869	18,867	-	-	-	-	-	41,736
Contingency	964,567	2,368,919	255,484	-	-	-	-	3,588,970
Total	\$ 52,856,730	\$ 2,387,786	\$ 255,484	-	-	-	-	\$ 55,500,000

Project Name & Number | **North Tustin-Orange Sewer Rehabilitation - 7-69**

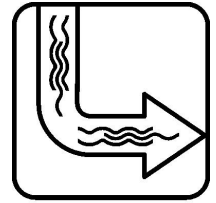
Project Category | **Collections Facilities**

Project Status:

Revised

Description

This project will replace and rehabilitate portions of the North Trunk, Tustin-Orange Trunk, Yorba Street Sub-Trunk, Panorama Heights Sub-Trunk, Hewes Avenue Sub-Trunk, and Chapman Avenue Sewer within the City of Tustin, Orange, and Unincorporated Orange County. The project includes improvements to replace 840 feet of 8-inch to 12-inch sewer, construction of 650 feet of local sewer and manholes for existing service laterals, rehabilitation 5,100 feet of 8-inch to 27-inch sewer and manholes, spot repairs, and abandonment of 150 feet of 12-inch sewer. In addition, the project includes constructing 20 foot wide access roads within OC San easements.



**Collections
Facilities**

Justification

The condition of these collection system facilities has deteriorated over time. Rehabilitation of these assets will address identified defects and provide additional life to facilitate reliable operation. The addition of the air jumper at an existing inverted siphons will minimize future system corrosion risks and reduce the likelihood of fugitive odors at this location. Access improvements will facilitate maintenance activities and reduce risks.

Financial Consideration

The project budget has been increased from \$33,800,000 to \$45,100,000.

The project's estimated construction contract cost is \$24,556,000.

This project will have an impact on the operational budget in the following areas: Maintenance.

The increased budget is a result of an updated estimate to complete the work.

Budget Projections

Budget Phase	Cost to Date	2026-27	2027-28	2028-29	2029-30	2030-31	Thereafter	Total Project Budget
Planning	\$ 354,747	-	-	-	-	-	-	\$ 354,747
Prelim Design	87,262	2,483,141	115,394	-	-	-	-	2,685,797
Design	-	-	1,121,069	2,462,503	-	-	-	3,583,572
Construction	-	-	-	186,080	5,651,446	13,186,737	12,040,765	31,065,028
Commissioning	-	-	-	-	-	-	-	-
Close-out	-	-	-	-	-	-	73,169	73,169
Contingency	-	-	-	508,637	-	-	6,829,050	7,337,687
Total	\$ 442,009	\$ 2,483,141	\$ 1,236,463	\$ 3,157,220	\$ 5,651,446	\$ 13,186,737	\$ 18,942,984	\$ 45,100,000

Project Name & Number Slater Pump Station Rehabilitation - 11-34

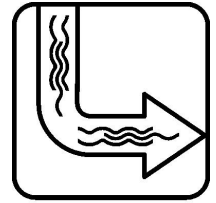
Project Category Collections Facilities

Project Status:

Future

Description

This project will rehabilitate the existing Slater Avenue Pump Station to meet current building, electrical and safety standards. The mechanical piping and pumps will be replaced and the sewage wet-well will be prepared in order to extend the useful life of the pump station. In addition to the improvements to the pump station, both sewer-pipe force-mains currently serving this pump station will be rehabilitated.



**Collections
Facilities**

Justification

Slater Avenue Pump Station was constructed in the late 1990s and needs rehabilitation to maintain the pump station's reliability in the coming decades. The electrical system does not meet current building code requirements. The ductile iron force mains, one of which was constructed with the original Slater Avenue Pump Station, are aging and need to be rehabilitated.

Financial Consideration

The project budget is \$52,780,000.

The project's estimated construction contract cost is \$30,178,673.

Budget Projections

Budget Phase	Cost to Date	2026-27	2027-28	2028-29	2029-30	2030-31	Thereafter	Total Project Budget
Planning	\$ 16,480	-	-	-	-	-	-	\$ 16,480
Prelim Design	-	-	-	-	-	-	-	-
Design	-	-	-	503,760	1,855,714	1,855,711	1,695,481	5,910,666
Construction	-	-	-	-	-	-	37,874,733	37,874,733
Commissioning	-	-	-	-	-	-	-	-
Close-out	-	-	-	-	-	-	-	-
Contingency	-	-	-	-	-	-	8,978,121	8,978,121
Total	\$ 16,480	-	-	\$ 503,760	\$ 1,855,714	\$ 1,855,711	\$ 48,548,335	\$ 52,780,000

Project Name & Number North Huntington Beach Sewer Rehabilitation - 11-35

Project Category

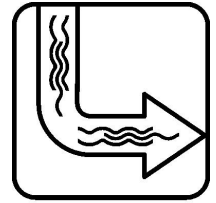
Collections Facilities

Project Status:

Future

Description

This project will rehabilitate portions of the Edinger - Bolsa Chica, Slater-Springdale, Goldenwest, and Warner Ave Trunks in the City of Huntington Beach. The project includes the replacement of 460 feet of 24-inch sewer, the rehabilitation of 5,300 feet of 12-inch to 27-inch sewer, manhole work throughout these areas, and construction of spot repairs.



**Collections
Facilities**

Justification

The condition of these collection system facilities has deteriorated over time. Rehabilitation of these assets will address identified defects and provide additional life to facilitate reliable operation.

Financial Consideration

The project budget is \$15,030,000.

The project's estimated construction contract cost is \$8,779,071.

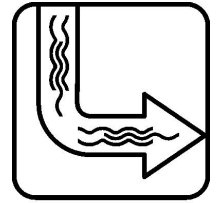
Budget Projections

Budget Phase	Cost to Date	2026-27	2027-28	2028-29	2029-30	2030-31	Thereafter	Total Project Budget
Planning	-	-	-	-	-	-	-	-
Prelim Design	-	-	-	-	-	-	-	-
Design	-	269,516	638,427	633,408	470,769	-	-	2,012,120
Construction	-	-	-	-	204,374	3,418,249	6,820,758	10,443,381
Commissioning	-	-	-	-	-	-	-	-
Close-out	-	-	-	-	-	-	-	-
Contingency	-	-	-	-	-	-	2,574,499	2,574,499
Total	-	\$ 269,516	\$ 638,427	\$ 633,408	\$ 675,143	\$ 3,418,249	\$ 9,395,257	\$ 15,030,000

Project Name & Number	Lake - Atlanta Sewer Rehabilitation - 11-36		
Project Category	Collections Facilities	Project Status:	New

Description

This project will rehabilitate and repair the entire Lake Avenue Interceptor and perform repairs on the Atlanta Interceptor in the City of Huntington Beach. Work includes the rehabilitation of 6,100 feet of 15-inch to 24-inch sewer, abandonment of 700 feet of 18-inch sewer, and construction of various spot repairs.



**Collections
Facilities**

Justification

The condition of these collection system facilities has deteriorated over time. Rehabilitation of these assets will address identified defects and provide additional life to facilitate reliable operation.

Financial Consideration

The project budget is \$11,810,000.

The project's estimated construction contract cost is \$6,898,571.

This project will not have an impact on operational budgets.

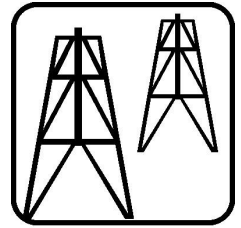
Budget Projections

Budget Phase	Cost to Date	2026-27	2027-28	2028-29	2029-30	2030-31	Thereafter	Total Project Budget
Planning	-	-	-	-	-	-	-	-
Prelim Design	-	-	-	-	-	-	-	-
Design	-	-	219,339	497,189	497,189	367,401	-	1,581,118
Construction	-	-	-	-	-	210,019	7,996,363	8,206,382
Commissioning	-	-	-	-	-	-	-	-
Close-out	-	-	-	-	-	-	-	-
Contingency	-	-	-	-	-	-	2,022,500	2,022,500
Total	-	-	\$ 219,339	\$ 497,189	\$ 497,189	\$ 577,420	\$ 10,018,863	\$ 11,810,000

Project Name & Number	Digester Gas Compressor Dryer Replacements at Plant Nos. 1 and 2 - FE23-01		
Project Category	Utility Systems	Project Status:	Continuing

Description

The project is to replace three refrigerated dryer systems for digester gas. Plant No. 1 has one, and Plant No. 2 has two systems to be replaced.

**Utility Systems****Justification**

The refrigerated dryer at Plant No. 1 has failed and is currently not in operation. The refrigerated dryers at Plant No. 2 are facing age and obsolescence issues making them difficult to support and maintain. By not replacing the dryers, this would represent a serious risk to air regulatory compliance since it would inhibit the digester gas being used for beneficial reuse and flare to the atmosphere.

Financial Consideration

The project budget is \$7,500,000.

The project's estimated construction contract cost is \$5,942,500.

This project will have an impact on the operational budget in the following areas: Operational Labor, Maintenance.

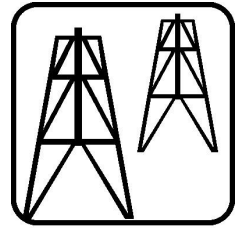
Budget Projections

Budget Phase	Cost to Date	2026-27	2027-28	2028-29	2029-30	2030-31	Thereafter	Total Project Budget
Planning	-	-	-	-	-	-	-	-
Prelim Design	-	-	-	-	-	-	-	-
Design	55,677	-	-	-	-	-	-	55,677
Construction	2,253,683	4,325,406	75,156	-	-	-	-	6,654,245
Commissioning	-	-	-	-	-	-	-	-
Close-out	-	-	-	-	-	-	-	-
Contingency	-	332,997	457,081	-	-	-	-	790,078
Total	\$ 2,309,360	\$ 4,658,403	\$ 532,237	-	-	-	-	\$ 7,500,000

Project Name & Number	12 kV Switchgear Replacement for Power Building 5 at Plant No. 1 - FE23-10		
Project Category	Utility Systems	Project Status:	Continuing

Description

This project will replace the existing medium voltage switchgear located in Power Building 5 at Plant No. 1 with a new arc rated medium voltage switchgear. The project will also provide standby power feeds from Headworks Standby Facility. Other associated installations include new battery system, new virtual main trip functionality, new signals to SCADA for breaker statuses and emergency eyewash and shower.

**Utility Systems****Justification**

The existing switchgear is nearing the end of its useful life, and its failure would shut down the digester gas compressors that supply the Central Generation Facility.

Financial Consideration

The project budget is \$12,440,000.

The project's estimated construction contract cost is \$8,573,000.

This project will not have an impact on operational budgets.

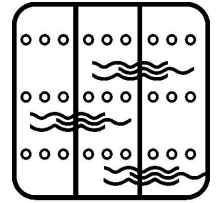
Budget Projections

Budget Phase	Cost to Date	2026-27	2027-28	2028-29	2029-30	2030-31	Thereafter	Total Project Budget
Planning	\$ 33,764	-	-	-	-	-	-	\$ 33,764
Prelim Design	-	-	-	-	-	-	-	-
Design	205,787	478,552	-	-	-	-	-	684,339
Construction	19,540	78,665	3,450,436	6,077,073	188,559	-	-	9,814,273
Commissioning	-	-	-	-	-	-	-	-
Close-out	-	-	-	-	-	-	-	-
Contingency	-	-	-	52,381	1,842,298	12,945	-	1,907,624
Total	\$ 259,091	\$ 557,217	\$ 3,450,436	\$ 6,129,454	\$ 2,030,857	\$ 12,945	-	\$ 12,440,000

Project Name & Number	Activated Sludge Clarifier D, G, and J Equipment Repl. at P2 - FE24-10		
Project Category	Secondary Treatment	Project Status:	Continuing

Description

This project will replace sludge collection mechanisms for three activated sludge clarifiers. It will also add new equipment monitoring systems in two clarifiers and replace drive overtorque assemblies on three other clarifiers.



**Secondary
Treatment**

Justification

Clarifiers D, G, and J failed due to misalignment and need to be replaced and put back into service. Planning has determined all sludge collection systems need to be replaced including the gearboxes. Three other clarifiers need overtorque systems to be replaced in the opinion of maintenance staff. Take the opportunity to investigate and implement methods to prevent crashes in the future through installation of equipment monitoring systems.

Financial Consideration

The project budget is \$7,565,000.

The project's estimated construction contract cost is \$5,100,000.

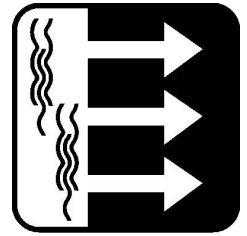
Budget Projections

Budget Phase	Cost to Date	2026-27	2027-28	2028-29	2029-30	2030-31	Thereafter	Total Project Budget
Planning	\$ 14,298	-	-	-	-	-	-	\$ 14,298
Prelim Design	-	-	-	-	-	-	-	-
Design	258,860	423,913	-	-	-	-	-	682,773
Construction	-	151,671	3,013,799	2,981,922	-	-	-	6,147,392
Commissioning	-	-	-	-	-	-	-	-
Close-out	-	-	-	-	-	-	-	-
Contingency	-	-	-	510,000	122,682	87,855	-	720,537
Total	\$ 273,158	\$ 575,584	\$ 3,013,799	\$ 3,491,922	\$ 122,682	\$ 87,855	-	\$ 7,565,000

Project Name & Number	Sunflower Pump No. 2 Replacement at Plant No. 1 - FE25-01		
Project Category	Headworks	Project Status:	Continuing

Description

This project will replace Pump No. 2 and its associated systems at the Sunflower Pump Station. The scope includes replacing the Archimedes screw pump, gearbox, motor, bearings, lubrication and cooling systems, as well as the electrical, instrumentation, and control systems. Additional work includes concrete and coating rehabilitation, along with the replacement of the gas detection and level monitoring systems.

**Headworks****Justification**

Pump No. 2 at Sunflower Pump Station, Plant 1, along with its associated equipment such as the gearbox and motor, has been in service for over 30 years and has reached the end of its useful life. Additionally, there are issues with coating failure, concrete deterioration, and exposed aggregates inside the trough. While major concrete pits have been repaired, these patches are only temporary and expected to last a few years at most. If this project does not proceed, the exposed concrete will continue to degrade, reducing pump efficiency. Mechanical equipment failures will also increase, leading to more downtime and negatively impacting the overall availability and reliability of the Sunflower Pump Station.

Financial Consideration

The project budget is \$8,300,000.

The project's estimated construction contract cost is \$5,100,000.

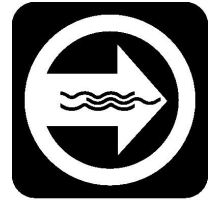
Budget Projections

Budget Phase	Cost to Date	2026-27	2027-28	2028-29	2029-30	2030-31	Thereafter	Total Project Budget
Planning	\$ 54,024	-	-	-	-	-	-	\$ 54,024
Prelim Design	-	-	-	-	-	-	-	-
Design	265,274	584,430	-	-	-	-	-	849,704
Construction	-	107,393	1,546,822	3,172,991	1,517,548	-	-	6,344,754
Commissioning	-	-	-	-	-	-	-	-
Close-out	-	-	-	-	-	-	-	-
Contingency	-	-	-	-	510,000	541,518	-	1,051,518
Total	\$ 319,298	\$ 691,823	\$ 1,546,822	\$ 3,172,991	\$ 2,027,548	\$ 541,518	-	\$ 8,300,000

Project Name & Number	Ocean Outfall System Rehabilitation - J-117		
Project Category	Ocean Outfall Systems	Project Status:	Revised

Description

This project will rehabilitate the Ocean Outfall Booster Station at Plant No. 2, construct a new Low Flow Pump Station and a Plant Water Pump Station, and replace existing electrical switchgear at CenGen. The Low Flow Pump Station will consist of four 40-mgd pumps and deliver non-reclaimable dry weather flows to the effluent outfall. The Plant Water Pump Station will replace the existing plant water pump station. The project completed rehabilitation of the 84-inch and 120-inch interplant effluent lines between Plant No. 1 and Plant No. 2 in 2018.



**Ocean Outfall
Systems**

Justification

The existing Ocean Outfall Booster Station facility is over 20 years old and requires extensive rehabilitation. The two interplant effluent lines have been found to need repairs and lining, which was completed in 2018. Diversions of some Plant No. 2 effluent to the Orange County Water District's Groundwater Replenishment System (GWRS) will result in outfall flow rates dropping below the minimum flow rates of the existing Ocean Outfall Booster pumps. The Plant Water Pump Station must be relocated because the existing pump station in its current location would transfer non-reclaimable effluent to GWRS. Replacement of the CenGen switchgear will replace electrical equipment that is nearing obsolescence and does not provide sufficient redundancy.

Financial Consideration

The project budget has been increased from \$176,600,000 to \$180,710,000.

The project's estimated construction contract cost is \$110,549,798.

This project will have an impact on the operational budget in the following areas: Operational Labor, Maintenance.

The increased budget is a result of an updated estimate to complete the work.

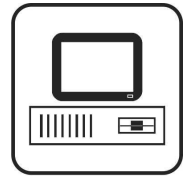
Budget Projections

Budget Phase	Cost to Date	2026-27	2027-28	2028-29	2029-30	2030-31	Thereafter	Total Project Budget
Planning	\$ 287,944	-	-	-	-	-	-	\$ 287,944
Prelim Design	4,159,490	-	-	-	-	-	-	4,159,490
Design	9,229,157	-	-	-	-	-	-	9,229,157
Construction	142,712,943	3,735,673	2,908,563	-	-	-	-	149,357,179
Commissioning	3,663,108	585,747	153,883	-	-	-	-	4,402,738
Close-out	3,738,530	356,645	324,357	278,730	15,995	-	-	4,714,257
Contingency	-	-	1,256,934	4,141,535	3,160,766	-	-	8,559,235
Total	\$ 163,791,172	\$ 4,678,065	\$ 4,643,737	\$ 4,420,265	\$ 3,176,761	-	-	\$ 180,710,000

Project Name & Number	Process Control Systems Upgrades - J-120		
Project Category	Information Management Systems	Project Status:	Continuing

Description

This project will upgrade the existing Supervisory Control and Data Acquisition (SCADA) Systems for the treatment plants and pump stations based on the vendor system selected as part of the Process Control Systems Upgrades Study, Project No. SP-196. This project will replace existing obsolete human-machine-interface systems, databases and software programs including trending, diagnostic data, monitoring, control, alarming and reporting. This project will also develop programming standards, templates, methodologies, tools, and databases and will develop standards for networking and control panels.



**Information
Management
Systems**

Justification

The existing human-machine-interface system and associated SCADA subsystems are obsolete. The existing software has a limited customer-installed base and technical expertise for support and source code modifications has become scarce. The reliability and maintainability of the systems are critical to maintaining regulatory compliance for both the collections system and the treatment plants.

Financial Consideration

The project budget is \$32,500,000.

The project's estimated construction contract cost is \$12,863,445.

This project will have an impact on the operational budget in the following areas: Operational Labor.

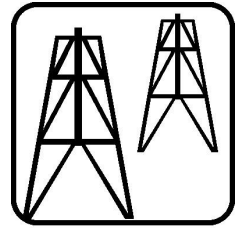
Budget Projections

Budget Phase	Cost to Date	2026-27	2027-28	2028-29	2029-30	2030-31	Thereafter	Total Project Budget
Planning	\$ 49,297	-	-	-	-	-	-	\$ 49,297
Prelim Design	60,573	-	-	-	-	-	-	60,573
Design	375,123	-	-	-	-	-	-	375,123
Construction	15,121,129	4,470,727	983,667	-	-	-	-	20,575,523
Commissioning	-	-	-	-	-	-	-	-
Close-out	4,081,775	1,634,240	2,042,174	644,781	-	-	-	8,402,970
Contingency	-	989,689	1,651,080	395,745	-	-	-	3,036,514
Total	\$ 19,687,897	\$ 7,094,656	\$ 4,676,921	\$ 1,040,526	-	-	-	\$ 32,500,000

Project Name & Number	Digester Gas Facilities Rehabilitation - J-124		
Project Category	Utility Systems	Project Status:	Revised

Description

This project will rehabilitate the existing gas compressor facilities at both plants. This includes seismic upgrades to the gas compressor buildings, rehabilitation of electrical and I&C systems, and rehabilitation of other necessary auxiliary equipment. It will also replace the existing flares with low pressure ultra-low emission flares.

**Utility Systems****Justification**

The digester gas systems need to be rehabilitated for reliability purposes. Replacing the existing high pressure flares with low pressure flares allows greater flexibility for future compressor maintenance and reliability during a power outage.

Financial Consideration

The project budget has been increased from \$190,000,000 to \$230,000,000.

The project's estimated construction contract cost is \$138,712,000.

This project will not have an impact on operational budgets.

The increased budget is a result of an updated estimate to complete the work.

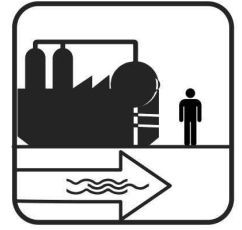
Budget Projections

Budget Phase	Cost to Date	2026-27	2027-28	2028-29	2029-30	2030-31	Thereafter	Total Project Budget
Planning	\$ 281,020	-	-	-	-	-	-	\$ 281,020
Prelim Design	7,437,948	-	-	-	-	-	-	7,437,948
Design	16,651,551	2,789,859	980,206	-	-	-	-	20,421,616
Construction	-	-	9,016,543	21,793,297	34,974,328	46,013,023	54,193,999	165,991,190
Commissioning	-	-	-	490,039	810,796	862,926	1,411,418	3,575,179
Close-out	-	-	-	-	-	-	914,528	914,528
Contingency	-	200,221	162,220	-	-	-	31,016,078	31,378,519
Total	\$ 24,370,519	\$ 2,990,080	\$ 10,158,969	\$ 22,283,336	\$ 35,785,124	\$ 46,875,949	\$ 87,536,023	\$ 230,000,000

Project Name & Number	New Laboratory Facility - J-133		
Project Category	Support Facilities	Project Status:	Continuing

Description

This project will replace the Central Laboratory building at Plant No. 1. The new building will be located at an offsite property that is adjacent to the new headquarters complex. This existing property contains a commercial-office building and is owned by OC San, at 18350 Mt. Langley St in Fountain Valley.

**Support Facilities****Justification**

The Laboratory was built in 1989. The building does not meet various codes that include seismic deficiencies. The existing utilities, equipment and amenities are at the end of their useful lives and are in need of frequent replacements or temporary fixes. Testing needs for various permit compliance items have increased since 1989 and the laboratory is in need of replacement to efficiently meet these requirements.

Financial Consideration

The project budget is \$129,300,000.

The project's estimated construction contract cost is \$88,000,000.

This project will not have an impact on operational budgets.

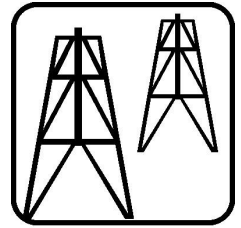
Budget Projections

Budget Phase	Cost to Date	2026-27	2027-28	2028-29	2029-30	2030-31	Thereafter	Total Project Budget
Planning	\$ 989,188	\$ 666,962	-	-	-	-	-	\$ 1,656,150
Prelim Design	-	-	-	-	-	-	-	-
Design	285,092	2,257,577	4,917,938	4,591,233	570,524	903,532	1,033,478	14,559,374
Construction	-	-	-	1,139,566	15,043,009	34,084,486	49,206,886	99,473,947
Commissioning	-	-	-	-	-	-	-	-
Close-out	-	-	-	-	-	-	108,882	108,882
Contingency	-	-	-	-	-	-	13,501,647	13,501,647
Total	\$ 1,274,280	\$ 2,924,539	\$ 4,917,938	\$ 5,730,799	\$ 15,613,533	\$ 34,988,018	\$ 63,850,893	\$ 129,300,000

Project Name & Number	Central Generation Engine Overhauls at Plant No. 1 and 2 - J-135		
Project Category	Utility Systems	Project Status:	Continuing

Description

This project overhauls all eight generator located at Plant No. 1 and No. 2 CenGen facilities. The overhaul includes both the engines and generators.

**Utility Systems****Justification**

OC San's CenGen facilities produce electricity and heat utilized for treatment processes at both Plant No. 1 and Plant No. 2. The reliable operation of the CenGen facilities is critical to assuring continuous operation of OC San Facilities. CenGen engines have reached a run-time of 120,000 hours and are due for overhauls to ensure continued reliable operation.

Financial Consideration

The project budget is \$74,700,000.

The project's estimated construction contract cost is \$66,133,211.

This project will not have an impact on operational budgets.

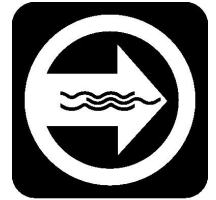
Budget Projections

Budget Phase	Cost to Date	2026-27	2027-28	2028-29	2029-30	2030-31	Thereafter	Total Project Budget
Planning	\$ 10,171	-	-	-	-	-	-	\$ 10,171
Prelim Design	-	-	-	-	-	-	-	-
Design	181,235	-	-	-	-	-	-	181,235
Construction	37,143,205	13,894,930	15,869,665	2,572,859	-	-	-	69,480,659
Commissioning	-	-	-	-	-	-	-	-
Close-out	-	36,507	984	39,624	-	-	-	77,115
Contingency	-	1,180,345	166,483	3,603,992	-	-	-	4,950,820
Total	\$ 37,334,611	\$ 15,111,782	\$ 16,037,132	\$ 6,216,475	-	-	-	\$ 74,700,000

Project Name & Number	Ocean Outfalls Rehabilitation - J-137		
Project Category	Ocean Outfall Systems	Project Status:	Revised

Description

This project will rehabilitate the 120-inch Ocean Outfall. It includes the removal of debris blocking diffusers access ports, replacing all hardware that reinforces pipe joints, the addition of ballast rock in shallow sections, replacement of existing manhole covers, removal of internal outfall sediment deposits, and the replacement of the flap gates. Also, this project will perform a detailed inspection, condition assessment, and essential rehabilitation of the 78-inch Emergency Outfall.



**Ocean Outfall
Systems**

Justification

The Ocean Outfalls are a critical part of OC San's infrastructure and must continue to operate reliably as there are currently no plans for replacement. This Project is necessary so deficiencies can be addressed, and both ocean outfalls can continue to provide reliable operations. This Project will also ensure that OC San is in compliance with various permit conditions that have been issued through the California Regional Water Quality Control Board.

Financial Consideration

The project budget has been increased from \$110,500,000 to \$127,000,000.

The project's estimated construction contract cost is \$63,000,000.

This project will not have an impact on operational budgets.

The increased budget is the result of scope, start date and duration changes.

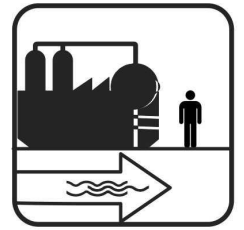
Budget Projections

Budget Phase	Cost to Date	2026-27	2027-28	2028-29	2029-30	2030-31	Thereafter	Total Project Budget
Planning	\$ 1,081,568	-	-	-	-	-	-	\$ 1,081,568
Prelim Design	-	-	-	-	-	-	-	-
Design	4,250,407	12,278,088	5,240,103	2,263,861	973,688	-	-	25,006,147
Construction	2,055	-	10,435,769	41,459,252	19,509,392	-	-	71,406,468
Commissioning	568,319	1,541,702	4,390,150	6,018,934	3,281,127	-	-	15,800,232
Close-out	-	-	-	-	96,093	-	-	96,093
Contingency	-	-	-	-	9,857,172	3,752,320	-	13,609,492
Total	\$ 5,902,349	\$ 13,819,790	\$ 20,066,022	\$ 49,742,047	\$ 33,717,472	\$ 3,752,320	-	\$ 127,000,000

Project Name & Number	CenGen Monitoring System Improvements at Plant No.1 and No.2 - J-140		
Project Category	Support Facilities	Project Status:	Revised

Description

This project will replace the obsolete CenGen engine and generator vibration monitoring systems at Plant No. 1 and No. 2 with new condition monitoring systems; incorporate new vibration sensors for all engines, generators, and turbochargers; install new pressure sensors on the engine cylinders; and provide additional instrumentation to monitor auxiliary systems.

**Support Facilities****Justification**

The existing vibration monitoring systems are obsolete and need to be replaced. The engine peak firing pressures are currently measured manually using a portable analyzer. The new monitoring systems with additional instrumentation on the engines, generators, and auxiliary systems will help provide early warning of adverse conditions and will enable live data monitoring to support operational and maintenance decision-making to ensure safe, reliable operation.

Financial Consideration

The project budget has been increased from \$17,121,000 to \$30,900,000.

The project's estimated construction contract cost is \$17,595,000.

This project will have an impact on the operational budget in the following areas: Maintenance.

The increased budget is the result of combining other projects into this one.

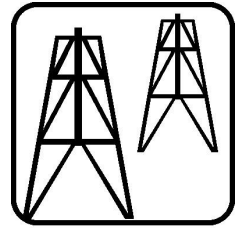
Budget Projections

Budget Phase	Cost to Date	2026-27	2027-28	2028-29	2029-30	2030-31	Thereafter	Total Project Budget
Planning	\$ 124,413	\$ 314,873	-	-	-	-	-	\$ 439,286
Prelim Design	-	75,673	979,450	-	-	-	-	1,055,123
Design	-	-	559,237	1,298,407	745,370	-	-	2,603,014
Construction	-	-	-	-	1,786,175	9,785,047	9,322,786	20,894,008
Commissioning	-	-	-	-	-	312,523	198,022	510,545
Close-out	-	-	-	-	-	-	138,351	138,351
Contingency	-	-	-	-	264,000	-	4,995,673	5,259,673
Total	\$ 124,413	\$ 390,546	\$ 1,538,687	\$ 1,298,407	\$ 2,795,545	\$ 10,097,570	\$ 14,654,832	\$ 30,900,000

Project Name & Number	Public Address System Replacement - J-141		
Project Category	Utility Systems	Project Status:	Continuing

Description

This project will install a new public address system at both reclamation plants and the seven coastal pump stations in Newport Beach. The new system will be an ethernet/IP based system and will integrate into OC San's other alert systems such as fire and mass messaging.

**Utility Systems****Justification**

The current public address system is both nearing the end of its useful life and doesn't provide the full desired coverage of OC San's facilities. Repairing the existing system is becoming increasingly difficult with some parts becoming obsolete. A functional public address system is critical to maintaining safety at the reclamation plants and critical pump stations during emergencies.

Financial Consideration

The project budget is \$12,208,000.

The project's estimated construction contract cost is \$7,447,000.

This project will have an impact on the operational budget in the following areas: Maintenance.

Budget Projections

Budget Phase	Cost to Date	2026-27	2027-28	2028-29	2029-30	2030-31	Thereafter	Total Project Budget
Planning	\$ 89,579	\$ 18,490	-	-	-	-	-	\$ 108,069
Prelim Design	-	-	-	-	-	-	-	-
Design	-	557,813	798,354	116,493	-	-	-	1,472,660
Construction	-	-	-	4,534,002	4,057,988	-	-	8,591,990
Commissioning	-	-	-	-	-	-	-	-
Close-out	-	-	-	-	-	-	-	-
Contingency	-	-	-	-	-	2,035,281	-	2,035,281
Total	\$ 89,579	\$ 576,303	\$ 798,354	\$ 4,650,495	\$ 4,057,988	\$ 2,035,281	-	\$ 12,208,000

Project Name & Number	Deep Well Injection Facility - J-143		
Project Category	Solids Handling & Digestion	Project Status:	Revised

Description

This project will construct a Deep Well Injection Facility at Plant No. 1 for the disposal of solids, biosolids, and/or other potential process residuals into porous underground geological formations. The facility will be able to receive and inject materials from Reclamation Plant No. 1 and No. 2. The facility's major elements include injection wells, injection pumps, solids screening system, a flush water system, a receiving station for hauled solids, and an electrical building.



**Solids Handling
& Digestion**

Justification

OC San currently produces approximately 550 wet tons of Class B dewatered biosolids per year through digestions and dewatering processes. These biosolids are hauled to various composting facilities within California or to Arizona for reuse. Hauling costs for biosolids in 2025 was approximately \$14,000,000. Potential future regulations could limit OC San's ability to beneficially reuse produce biosolids and existing methods of disposal cannot be guaranteed. Deep well injection will provide a reliable, long-term option for disposal of solids and other potential process residuals; provides potential environmental benefits; and yields significant operational savings compared to the current dewatering and hauling of biosolids.

Financial Consideration

The project budget has been increased from \$78,563,000 to \$101,900,000.

The project's estimated construction contract cost is \$64,000,000.

This project will have an impact on the operational budget in the following areas: Utilities, Contract Services.

The increased budget is a result of an updated estimate to complete the work.

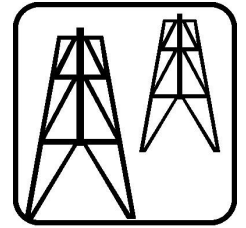
Budget Projections

Budget Phase	Cost to Date	2026-27	2027-28	2028-29	2029-30	2030-31	Thereafter	Total Project Budget
Planning	\$ 206,314	\$ 187,467	-	-	-	-	-	\$ 393,781
Prelim Design	-	-	-	-	-	-	-	-
Design	4,220	882,691	1,946,756	3,151,073	1,607,801	347,947	1,452,229	9,392,717
Construction	-	-	-	-	2,145,188	11,682,200	57,267,100	71,094,488
Commissioning	-	-	-	-	-	663,995	727,735	1,391,730
Close-out	-	-	-	-	-	-	423,210	423,210
Contingency	-	-	-	-	-	-	19,204,074	19,204,074
Total	\$ 210,534	\$ 1,070,158	\$ 1,946,756	\$ 3,151,073	\$ 3,752,989	\$ 12,694,142	\$ 79,074,348	\$ 101,900,000

Project Name & Number	Electrical Power Distribution System Improvements - J-98		
Project Category	Utility Systems	Project Status:	Continuing

Description

This project provides various electrical distribution system improvements at Plants No. 1 and No. 2. These improvements include replacing major electrical equipment, modifying the electrical system configurations to improve reliability, replacing electrical cables and equipment that are not properly sized, and adding surge protection to protect equipment. This project will also implement a load shedding scheme at Plant No. 1 and additional modifications for arc flash mitigation.

**Utility Systems****Justification**

These improvements are required to improve electrical safety, reliability, protective device coordination, and for compliance with code requirements. As the electrical systems at Plant No. 1 and No. 2 have aged and reliability and safety philosophy has improved, the existing electrical systems require improvements to maintain electrical system reliability and improve safety.

Financial Consideration

The project budget is \$43,000,000.

The project's estimated construction contract cost is \$24,352,127.

This project will not have an impact on operational budgets.

Budget Projections

Budget Phase	Cost to Date	2026-27	2027-28	2028-29	2029-30	2030-31	Thereafter	Total Project Budget
Planning	\$ 227,291	-	-	-	-	-	-	\$ 227,291
Prelim Design	1,767,020	-	-	-	-	-	-	1,767,020
Design	3,054,274	-	-	-	-	-	-	3,054,274
Construction	3,188,370	8,191,840	12,402,171	8,285,621	-	-	-	32,068,002
Commissioning	37,447	296,960	368,168	244,111	-	-	-	946,686
Close-out	-	-	-	239,124	646,706	-	-	885,830
Contingency	-	-	-	2,117,224	1,707,131	226,542	-	4,050,897
Total	\$ 8,274,402	\$ 8,488,800	\$ 12,770,339	\$ 10,886,080	\$ 2,353,837	\$ 226,542	-	\$ 43,000,000

Project Name & Number | **Small Construction Projects Program - M-FE_FY26**

Project Category

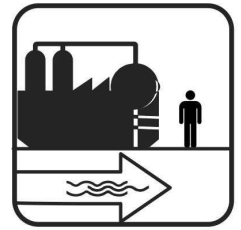
Support Facilities

Project Status:

New

Description

This budget provides funds for small construction projects. A construction project is defined as small when the professional engineering services for design and construction can be provided by a task order issued under a master professional design services agreement per Purchasing Ordinance No. OCSD-52, or by using OC San staff. This budget request is intended to cover active small construction projects and those that will be identified and created through Fiscal Year 2026/2027. These small projects are individually managed within the Small Construction Projects Program budget.



Support Facilities

Justification

This fund allows OC San staff to complete small construction projects more quickly and cost effectively than larger projects that require specific Board authorization.

Financial Consideration

The project budget is \$40,000,000.

Budget Projections

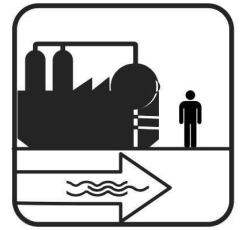
Budget Phase	Cost to Date	2026-27	2027-28	2028-29	2029-30	2030-31	Thereafter	Total Project Budget
Planning	-	-	-	-	-	-	-	-
Prelim Design	-	-	-	-	-	-	-	-
Design	-	-	-	-	-	-	-	-
Construction	-	1,958,661	8,693,223	8,674,058	8,674,058	-	-	28,000,000
Commissioning	-	-	-	-	-	-	-	-
Close-out	-	-	-	-	-	-	-	-
Contingency	-	839,425	3,725,667	3,717,454	3,717,454	-	-	12,000,000
Total	-	\$ 2,798,086	\$ 12,418,890	\$ 12,391,512	\$ 12,391,512	-	-	\$ 40,000,000

Project Name & Number	Small Construction Projects Program - M-FE_FY27

Project Category	Support Facilities	Project Status:	New

Description

This budget provides funds for small construction projects. A construction project is defined as small when the professional engineering services for design and construction can be provided by a task order issued under a master professional design services agreement per Purchasing Ordinance No. OCSD-52, or by using OC San staff. This budget request is intended to cover active small construction projects and those that will be identified and created through Fiscal Year 2027/2028. These small projects are individually managed within the Small Construction Projects Program budget.

**Support Facilities****Justification**

This fund allows OC San staff to complete small construction projects more quickly and cost effectively than larger projects that require specific Board authorization.

Financial Consideration

The project budget is \$40,000,000.

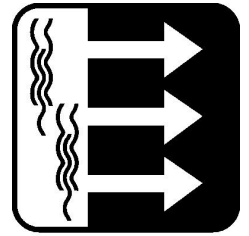
Budget Projections

Budget Phase	Cost to Date	2026-27	2027-28	2028-29	2029-30	2030-31	Thereafter	Total Project Budget
Planning	-	-	-	-	-	-	-	-
Prelim Design	-	-	-	-	-	-	-	-
Design	-	-	-	-	-	-	-	-
Construction	-	-	1,977,826	8,674,058	8,674,058	8,674,058	-	28,000,000
Commissioning	-	-	-	-	-	-	-	-
Close-out	-	-	-	-	-	-	-	-
Contingency	-	-	847,638	3,717,454	3,717,454	3,717,454	-	12,000,000
Total	-	-	\$ 2,825,464	\$ 12,391,512	\$ 12,391,512	\$ 12,391,512	-	\$ 40,000,000

Project Name & Number	Headworks Rehabilitation at Plant 1 - P1-105		
Project Category	Headworks	Project Status:	Revised

Description

This project will rehabilitate and upgrade Plant No. 1 Headworks. Major facilities to be rehabilitated include the Metering and Diversion Structure, the Bar Screen Building, the Bin Loading Building, the Main Sewage Pump Station, the Grit Basins, the Primary Influent channels, the Headworks Odor Control Scrubbers, and electrical power distribution and control systems. New structures to be constructed as part of this project include Grit Pump Station, Grit Handling Building, Headworks Odor Control Facility, Electrical Buildings, and other support systems.

**Headworks****Justification**

The purpose of the work is to rehabilitate the Plant No. 1 headworks that were built in the 1950s and 1960s and began operation in 1989. This is a mid-life renewal project that will extend the life of the Headworks for at least 20 years while providing reliable treatment and pumping for up to 320 million gallons per day of wastewater.

Financial Consideration

The project budget has been increased from \$340,000,000 to \$350,000,000.

The project's estimated construction contract cost is \$232,007,260.

This project will have an impact on the operational budget in the following areas: Utilities, Maintenance.

The increased budget is the result of scope, start date and duration changes.

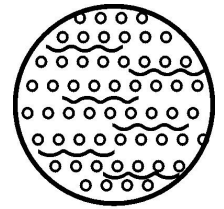
Budget Projections

Budget Phase	Cost to Date	2026-27	2027-28	2028-29	2029-30	2030-31	Thereafter	Total Project Budget
Planning	\$ 159,206	-	-	-	-	-	-	\$ 159,206
Prelim Design	6,334,947	-	-	-	-	-	-	6,334,947
Design	24,113,349	-	-	-	-	-	-	24,113,349
Construction	212,986,191	26,203,815	18,103,831	18,006,068	8,012,921	-	-	283,312,826
Commissioning	1,163,661	1,691,923	2,131,538	2,168,629	1,000,063	81,499	-	8,237,313
Close-out	887,322	-	-	-	889,159	5,516	-	1,781,997
Contingency	-	-	-	-	9,903,390	16,156,972	-	26,060,362
Total	\$ 245,644,676	\$ 27,895,738	\$ 20,235,369	\$ 20,174,697	\$ 19,805,533	\$ 16,243,987	-	\$ 350,000,000

Project Name & Number	Primary Sedimentation Basins No. 3-5 Replacement at Plant No. 1 - P1-126		
Project Category	Primary Treatment	Project Status:	Revised

Description

This project will replace Primary Sedimentation Basins (PSB) 3-5 and all associated facilities including distribution boxes, junction boxes, primary influent and effluent lines, structural, mechanical, and electrical systems. PSB's 3-5 will be raised to allow gravity flow to secondary treatment. The project will also replace the primary odor control facility. The project will also make improvements to downstream distribution structures and demolish other facilities in the area that are no longer in service.



**Primary
Treatment**

Justification

This primary sedimentation complex has been assessed and studied, and it was concluded that it is reaching the end of its useful life. Replacement of the basins and rehabilitation of nearby utilities was determined to be the best course of action.

Financial Consideration

The project budget has been increased from \$201,000,000 to \$338,700,000.

The project's estimated construction contract cost is \$237,500,000.

This project will have an impact on the operational budget in the following areas: Utilities, Chemicals, Operational Labor, Maintenance, Contract Services.

The increased budget is the result of scope, start date and duration changes.

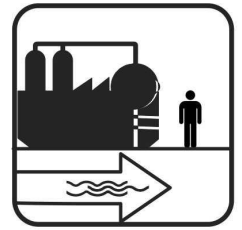
Budget Projections

Budget Phase	Cost to Date	2026-27	2027-28	2028-29	2029-30	2030-31	Thereafter	Total Project Budget
Planning	\$ 766,544	-	-	-	-	-	-	\$ 766,544
Prelim Design	5,847,235	-	-	-	-	-	-	5,847,235
Design	10,135,905	1,543,063	991,377	-	-	-	-	12,670,345
Construction	-	-	874,766	14,621,915	26,218,374	41,075,486	187,087,742	269,878,283
Commissioning	-	-	-	32,950	60,768	60,769	298,504	452,991
Close-out	-	-	-	-	-	-	146,069	146,069
Contingency	-	-	298,934	-	-	-	48,639,599	48,938,533
Total	\$ 16,749,684	\$ 1,543,063	\$ 2,165,077	\$ 14,654,865	\$ 26,279,142	\$ 41,136,255	\$ 236,171,914	\$ 338,700,000

Project Name & Number	Headquarters Complex - P1-128		
Project Category	Support Facilities	Project Status:	Continuing

Description

This project will construct the new Headquarters Building on the north side of Ellis Avenue to house administrative, engineering, resource protection and environmental compliance staff. Surface parking and a pedestrian bridge over Ellis Avenue to Plant No. 1 will also be constructed. The project includes the demolition of the Risk Trailer, two buildings on the Ellis property and three buildings on the Bandilier property.

**Support Facilities****Justification**

The administrative and engineering functions are located primarily at Reclamation Plant No. 1 in Fountain Valley. The Administration, Human Resource and Risk Management buildings are aging, were not permitted when constructed, and need replacement. Also, approximately 130 staff are in aging office trailers throughout Plant No. 1. The most cost-effective solution is replacement of the aging buildings and trailers with a new building that serves all administrative and engineering functions.

Financial Consideration

The project budget is \$171,000,000.

The project's estimated construction contract cost is \$110,574,039.

This project will have an impact on the operational budget in the following areas: Utilities, Maintenance, Contract Services.

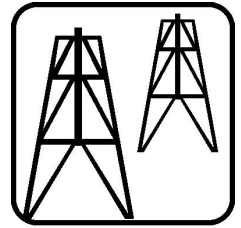
Budget Projections

Budget Phase	Cost to Date	2026-27	2027-28	2028-29	2029-30	2030-31	Thereafter	Total Project Budget
Planning	\$ 115,096	-	-	-	-	-	-	\$ 115,096
Prelim Design	6,119,394	-	-	-	-	-	-	6,119,394
Design	30,434,065	-	-	-	-	-	-	30,434,065
Construction	117,776,191	-	-	-	-	-	-	117,776,191
Commissioning	7,617,164	-	-	-	-	-	-	7,617,164
Close-out	7,861,386	-	-	-	-	-	-	7,861,386
Contingency	441,406	635,298	-	-	-	-	-	1,076,704
Total	\$ 170,364,702	\$ 635,298	-	-	-	-	-	\$ 171,000,000

Project Name & Number	Uninterruptable Power Supply Improvements at Plant 1 - P1-132		
Project Category	Utility Systems	Project Status:	Continuing

Description

This project will provide a new regional Uninterruptible Power Supply (UPS) at Power Building 8 to provide critical power to facilities in the northwest region of Plant No. 1. New electrical distribution and branch circuit panelboards will replace existing old and obsolete equipment. The project will provide temporary power to maintain services to critical loads during construction. Miscellaneous 480-volt cables and circuit breakers will also be replaced.

**Utility Systems****Justification**

The process areas in the northwest area of Plant No. 1 currently have numerous individual UPS units. These smaller units are spread throughout the plant, which reduces reliability and increases maintenance requirements. The need and justification for this regional UPS was identified in Uninterruptible Power System Study, Project No. SP-150.

Financial Consideration

The project budget is \$9,600,000.

The project's estimated construction contract cost is \$5,940,487.

This project will not have an impact on operational budgets.

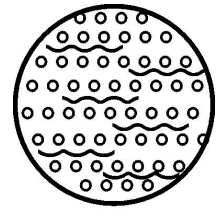
Budget Projections

Budget Phase	Cost to Date	2026-27	2027-28	2028-29	2029-30	2030-31	Thereafter	Total Project Budget
Planning	\$ 110,140	-	-	-	-	-	-	\$ 110,140
Prelim Design	573,354	-	-	-	-	-	-	573,354
Design	821,818	-	-	-	-	-	-	821,818
Construction	7,678,854	6,519	-	-	-	-	-	7,685,373
Commissioning	17,170	2,381	-	-	-	-	-	19,551
Close-out	18,050	62,640	3,445	-	-	-	-	84,135
Contingency	-	292,293	13,336	-	-	-	-	305,629
Total	\$ 9,219,386	\$ 363,833	\$ 16,781	-	-	-	-	\$ 9,600,000

Project Name & Number	Primary Sedimentation Basins No. 6-31 Reliability Impr. at Plant No. 1 - P1-133		
Project Category	Primary Treatment	Project Status:	Revised

Description

This project will increase the reliability of the rectangular primary clarifiers at Plant No. 1 by replacing the primary influent splitter box launders, replace primary sludge pumps and VFDs, and install a foul air sump pump. It will also add a go/no-go alarm system based on loss of ventilation consistent with current code requirements, and provide new lighting fixtures in the main gallery at each of the primary sludge pumps.



**Primary
Treatment**

Justification

Primary Sedimentation Basins No. 3-5 Replacement at Plant No. 1, Project No. P1-126, will replace the large circular primary clarifiers at Plant No. 1. During construction, the rectangular clarifiers will be required to operate at full capacity with a high level of reliability. Elements of these clarifiers are due for replacement or rehabilitation. In addition, this process area does not meet current code requirements or OC San standards and should be updated accordingly.

Financial Consideration

The project budget is \$12,100,000.

The project's estimated construction contract cost is \$6,486,474.

Budget Projections

Budget Phase	Cost to Date	2026-27	2027-28	2028-29	2029-30	2030-31	Thereafter	Total Project Budget
Planning	\$ 346,043	-	-	-	-	-	-	\$ 346,043
Prelim Design	600,235	-	-	-	-	-	-	600,235
Design	1,188,452	-	-	-	-	-	-	1,188,452
Construction	8,621,668	-	-	-	-	-	-	8,621,668
Commissioning	398,774	-	-	-	-	-	-	398,774
Close-out	337,661	26,311	-	-	-	-	-	363,972
Contingency	-	580,856	-	-	-	-	-	580,856
Total	\$ 11,492,833	\$ 607,167	-	-	-	-	-	\$ 12,100,000

Project Name & Number | **Support Buildings Seismic Improvements at Plant No. 1 - P1-137**

Project Category

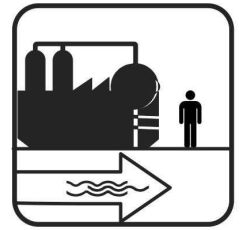
Support Facilities

Project Status:

Revised

Description

This project will construct structural improvements to staff occupied buildings and 12-kV Service Center at Plant No. 1 to reduce the risk of failure during a significant seismic event. These buildings include the Control Center, Maintenance Buildings, Warehouse, Fleet Services and 12-kV Service Center.



Support Facilities

Justification

The Seismic Evaluation of Structures at Plant No. 1 and No. 2 study that was completed in 2020 identified seismic risks associated with OC San facilities. It was determined that multiple structures at Plant No. 1 should be addressed to address safety in occupied structures, system reliability, and to enhance post-seismic operational resiliency.

Financial Consideration

The project budget has been increased from \$30,500,000 to \$33,500,000.

The project's estimated construction contract cost is \$21,808,000.

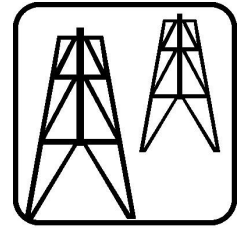
Budget Projections

Budget Phase	Cost to Date	2026-27	2027-28	2028-29	2029-30	2030-31	Thereafter	Total Project Budget
Planning	\$ 82,924	-	-	-	-	-	-	\$ 82,924
Prelim Design	1,136,606	-	-	-	-	-	-	1,136,606
Design	1,478,639	37,827	-	-	-	-	-	1,516,466
Construction	53,527	4,507,550	13,665,215	9,020,881	-	-	-	27,247,173
Commissioning	-	-	-	-	-	-	-	-
Close-out	-	-	-	38,552	12,073	-	-	50,625
Contingency	-	-	-	2,257,850	1,208,356	-	-	3,466,206
Total	\$ 2,751,696	\$ 4,545,377	\$ 13,665,215	\$ 11,317,283	\$ 1,220,429	-	-	\$ 33,500,000

Project Name & Number	Industrial Control System and IT Data Center Relocation at Plant No. 1 - P1-138		
Project Category	Utility Systems	Project Status:	Revised

Description

This project will relocate and reconfigure networking, fiber optics, and IT equipment from Control Center and Power Building 3A to the new server room constructed by Headworks Rehabilitation at Plant 1, project number P1-105. Also, this project will install an adequate HVAC system that will meet the needs of the new server room. Finally, this project will demolish the existing Power Building 3A.

**Utility Systems****Justification**

The existing server room does not have enough space to increase/upgrade the network system to meet the current needs of Plant No 1. New Power Building 3, Project P1-105 will become the new IT Networking and Data Hub for Plant No. 1 but does not provide for the relocation of these systems thus requiring a separate project.

Financial Consideration

The project budget has been increased from \$16,500,000 to \$40,560,000.

The project's estimated construction contract cost is \$25,434,519.

This project will not have an impact on operational budgets.

The increased budget is the result of scope, start date and duration changes.

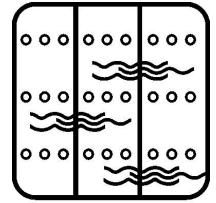
Budget Projections

Budget Phase	Cost to Date	2026-27	2027-28	2028-29	2029-30	2030-31	Thereafter	Total Project Budget
Planning	\$ 161,504	-	-	-	-	-	-	\$ 161,504
Prelim Design	344,336	-	-	-	-	-	-	344,336
Design	-	-	-	-	-	-	2,807,220	2,807,220
Construction	-	-	-	-	-	-	30,147,784	30,147,784
Commissioning	-	-	-	-	-	-	-	-
Close-out	-	-	-	-	-	-	-	-
Contingency	-	-	-	-	-	-	7,099,156	7,099,156
Total	\$ 505,840	-	-	-	-	-	\$ 40,054,160	\$ 40,560,000

Project Name & Number	Blower Building 1 Standby Power Improvements at Plant No. 1 - P1-140		
Project Category	Secondary Treatment	Project Status:	Revised

Description

This project consists of the demolition of the two existing Turbine Generators that are currently supplying the standby power system for Blower Building-1 (BB-1), and the installation of a new standby power distribution feed from the Headworks standby power facility to BB-1 as a replacement. In addition to this element, the scope also includes installation of a new Uninterruptable Power Supply (UPS) system within BB-1 and demolition of Power Building 2 (PB2) after all existing electrical loads have been rerouted to appropriate locations.



**Secondary
Treatment**

Justification

The two existing turbine generators utilized for standby power at this facility are no longer capable of operating at the same time due to control panel deficiencies. Single generator operation does not have sufficient capacity to provide the required load during a power outage. These generators are at the end of their useful life and new generators are being constructed as part of another project to feed this facility; however, connection work is still required. Additionally, Power Building 2 does not meet current electrical code requirements and loads from this building have been removed.

Financial Consideration

The project budget has been decreased from \$470,000,000 to \$96,010,000.

The project's estimated construction contract cost is \$46,000,000.

This project will have an impact on the operational budget in the following areas: Utilities, Maintenance.

The reduced budget is the result of scope, start date and duration changes.

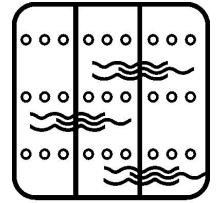
Budget Projections

Budget Phase	Cost to Date	2026-27	2027-28	2028-29	2029-30	2030-31	Thereafter	Total Project Budget
Planning	\$ 371,041	-	-	-	-	-	-	\$ 371,041
Prelim Design	5,249,572	-	-	-	-	-	-	5,249,572
Design	12,018,792	2,883,777	2,785,475	-	-	-	-	17,688,044
Construction	-	-	512,775	9,145,582	19,026,205	23,830,312	8,565,158	61,080,032
Commissioning	-	-	-	-	-	-	-	-
Close-out	-	-	-	-	-	-	123,105	123,105
Contingency	-	-	559,179	-	-	-	10,939,027	11,498,206
Total	\$ 17,639,405	\$ 2,883,777	\$ 3,857,429	\$ 9,145,582	\$ 19,026,205	\$ 23,830,312	\$ 19,627,290	\$ 96,010,000

Project Name & Number	Trickling Filter Media Replacement at Plant No. 1 - P1-142		
Project Category	Secondary Treatment	Project Status:	Revised

Description

This project will replace aging media in the two existing trickling filters at Plant No. 1, will perform coating repairs on the structures holding the media, and will install a new media wetting system for each of the trickling filters.



**Secondary
Treatment**

Justification

The trickling filter media is approaching end of useful life. The trickling filters were constructed in 2006, and media life expectancy is between 20-25 years. Recent performance has been reduced, the top of the media has shown signs of degradation, and there have been increased odor concerns. Upcoming activated sludge rehabilitation projects will necessitate trickling filter reliability.

Financial Consideration

The project budget has been decreased from \$42,000,000 to \$27,700,000.

The project's estimated construction contract cost is \$21,565,292.

This project will not have an impact on operational budgets.

The reduced budget is a result of an updated estimate to complete the work.

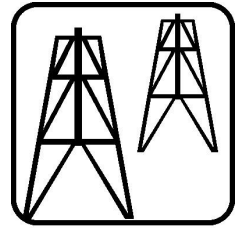
Budget Projections

Budget Phase	Cost to Date	2026-27	2027-28	2028-29	2029-30	2030-31	Thereafter	Total Project Budget
Planning	\$ 90,836	-	-	-	-	-	-	\$ 90,836
Prelim Design	-	-	-	-	-	-	-	-
Design	678,172	-	-	-	-	-	-	678,172
Construction	1,236,848	10,500,946	11,635,257	-	-	-	-	23,373,051
Commissioning	-	-	-	-	-	-	-	-
Close-out	-	-	38,358	26,652	-	-	-	65,010
Contingency	-	-	2,147,620	1,345,311	-	-	-	3,492,931
Total	\$ 2,005,856	\$ 10,500,946	\$ 13,821,235	\$ 1,371,963	-	-	-	\$ 27,700,000

Project Name & Number	Service Center and Cengen Electrical Dist. Equipment Repl. at P1 - P1-144		
Project Category	Utility Systems	Project Status:	New

Description

The 12kV Switchgear, Transformers, ATS's, and 480V Motor Control Centers at the Electrical Service Center and CenGen were installed in 1991 through 1993 and will be replaced with new equipment that compliance with updated electrical codes and meets current OC San standards. Improvements include separating the 12kV switchgear into separate rooms for each feed and constructing a new electrical building to accommodate the new CenGen electrical equipment.

**Utility Systems****Justification**

The equipment in the scope of this project is extremely critical, as it is the backbone to the entire Plant 1 electrical distribution system, including distribution of utility power as well as power from central generation. The equipment was constructed between 1991 and 1993 and is reaching the end of its useful life. Replacement is required to ensure safety of personnel who operate and maintain the equipment and to maintain reliability of the distribution system that supplies power to the entire facility. Original equipment layout does not meet current electrical or OC San standards.

Financial Consideration

The project budget is \$69,240,000.

The project's estimated construction contract cost is \$38,060,706.

This project will not have an impact on operational budgets.

Budget Projections

Budget Phase	Cost to Date	2026-27	2027-28	2028-29	2029-30	2030-31	Thereafter	Total Project Budget
Planning	-	-	-	-	-	-	-	-
Prelim Design	-	-	-	-	-	-	-	-
Design	-	-	-	257,519	1,936,165	2,702,656	4,531,562	9,427,902
Construction	-	-	-	-	-	-	48,430,596	48,430,596
Commissioning	-	-	-	-	-	-	-	-
Close-out	-	-	-	-	-	-	-	-
Contingency	-	-	-	-	-	-	11,381,502	11,381,502
Total	-	-	-	\$ 257,519	\$ 1,936,165	\$ 2,702,656	\$ 64,343,660	\$ 69,240,000

Project Name & Number	Interim Food Waste Receiving Facility - P2-124		
Project Category	Solids Handling & Digestion	Project Status:	Continuing

Description

This project will construct a station to receive, store, and feed pre-processed food waste slurry to three digesters at Plant No. 2 to generate additional digester gas.



**Solids Handling
& Digestion**

Justification

This project was identified in the Biosolids Master Plan, Project No. PS15-01, to address the need for solid waste generators and haulers to divert organic waste from landfills. Waste haulers will separate organics at the source, then screen and process the high strength organic waste into a liquid slurry. The OC San's costs to construct, operate the facilities, and handle the additional biosolids production will be offset by tipping fees charged to pre-processors and additional power associated with increased digester gas production. This facility will be replaced with a permanent receiving station following completion of a proposed program to replace existing digesters at Plant No. 2.

Financial Consideration

The project budget is \$10,000,000.

The project's estimated construction contract cost is \$5,300,000.

This project will not have an impact on operational budgets.

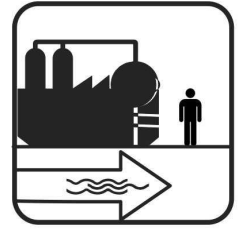
Budget Projections

Budget Phase	Cost to Date	2026-27	2027-28	2028-29	2029-30	2030-31	Thereafter	Total Project Budget
Planning	\$ 111,148	-	-	-	-	-	-	\$ 111,148
Prelim Design	385,676	-	-	-	-	-	-	385,676
Design	924,584	171,992	90,050	7,542	-	-	-	1,194,168
Construction	-	-	-	2,651,138	4,131,559	-	-	6,782,697
Commissioning	-	-	-	33,265	186,777	-	-	220,042
Close-out	-	-	-	-	168,486	18,576	-	187,062
Contingency	-	-	14,532	23,800	618,775	462,100	-	1,119,207
Total	\$ 1,421,408	\$ 171,992	\$ 104,582	\$ 2,715,745	\$ 5,105,597	\$ 480,676	-	\$ 10,000,000

Project Name & Number	Collections Yard Relocation and Warehouse Demolition at Plant No. 2 - P2-127		
Project Category	Support Facilities	Project Status:	Continuing

Description

This project will replace the existing Collections Facilities yard and fencing in the location of an existing parking lot, just south of Construction Management Trailers at Plant No. 2. This project also constructs 2 warehouse stations and demolishes the existing warehouse at Plant No. 2. As part of the warehouse demolition work, the security booth will be relocated, and the oil dock facility will be refed from the centrifuge building.

**Support Facilities****Justification**

The area where the existing collections yard and warehouse are currently located is needed for future Digestion facilities. Two new warehouse stations are being constructed to replace the existing warehouse.

Financial Consideration

The project budget is \$9,400,000.

The project's estimated construction contract cost is \$7,696,890.

This project will have an impact on the operational budget in the following areas: Utilities, Maintenance, Contract Services.

Budget Projections

Budget Phase	Cost to Date	2026-27	2027-28	2028-29	2029-30	2030-31	Thereafter	Total Project Budget
Planning	\$ 31,241	-	-	-	-	-	-	\$ 31,241
Prelim Design	-	-	-	-	-	-	-	-
Design	253,239	-	-	-	-	-	-	253,239
Construction	8,842,723	-	-	-	-	-	-	8,842,723
Commissioning	-	-	-	-	-	-	-	-
Close-out	112,536	-	-	-	-	-	-	112,536
Contingency	160,261	-	-	-	-	-	-	160,261
Total	\$ 9,400,000	-	-	-	-	-	-	\$ 9,400,000

Project Name & Number	Digester Replacement at Plant No. 2 - P2-128

Project Category	Solids Handling & Digestion

Project Status:	Revised

Description

This project will build six new anaerobic digesters at Plant No. 2, to be initially operated in mesophilic mode to produce Class B biosolids product and designed for future thermophilic operation to produce Class A product. Supporting facilities and equipment will include sludge pumping, heating, and mixing; odor control; power distribution; and instrumentation and controls. Future conversion to the thermophilic process as well as replacement and/or demolition of existing digesters will be part of a separate future project. The project P2-128A will construct a perimeter wall along the southern plant boundary to provide site security and flood protection.



**Solids Handling
& Digestion**

Justification

OC San's Biosolids Master Plan (BMP) recommended upgrading the existing digester complex by adding Temperature Phased Anaerobic Digestion (TPAD) facilities capable of creating Class A biosolids which could provide greater reuse opportunities. During the course of design, the biosolids market has remained steady and the need to produce a higher grade biosolid is not needed at this time. OC San is also pursuing alternative options including Deep Well Injection and is reviewing the performance of a supercritical water oxidation research project that may impact long-term biosolids management strategies. It was decided to postpone the construction of the new digesters and to construct them in a phased approach - mesophilic digester construction that can later be upgraded to TPAD if necessary. This direction allows staff to continue to monitor the biosolids market and legislation on chemicals of emerging concern, and research and track future technology concerning biosolids reuse. Existing digester conditions allow for this shift in schedule.

Financial Consideration

The project budget has been increased from \$588,000,000 to \$689,590,000.

The project's estimated construction contract cost is \$528,312,732.

This project will have an impact on the operational budget in the following areas: Utilities, Chemicals, Operational Labor, Maintenance, Contract Services.

The increased budget is a result of start date and duration changes

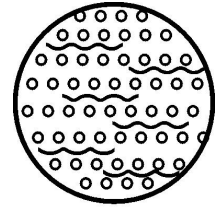
Budget Projections

Budget Phase	Cost to Date	2026-27	2027-28	2028-29	2029-30	2030-31	Thereafter	Total Project Budget
Planning	\$ 520,457	-	-	-	-	-	-	\$ 520,457
Prelim Design	12,648,043	-	-	-	-	-	-	12,648,043
Design	31,777,085	8,808,488	2,761,838	627,668	627,669	627,667	671,098	45,901,513
Construction	19,294,433	7,922,404	2,602,421	31,144	31,144	31,145	552,910,015	582,822,706
Commissioning	-	-	-	-	-	-	8,597,082	8,597,082
Close-out	22,608	64,299	123,142	6,816	-	-	570,112	786,977
Contingency	-	-	2,688,639	341,698	-	-	35,282,885	38,313,222
Total	\$ 64,262,626	\$ 16,795,191	\$ 8,176,040	\$ 1,007,326	\$ 658,813	\$ 658,812	\$ 598,031,192	\$ 689,590,000

Project Name & Number	B/C-Side Primary Sedimentation Basins Rehabilitation at Plant No. 2 - P2-133		
Project Category	Primary Treatment	Project Status:	Future

Description

This project will extensively rehabilitate the B side primary basins at Plant No. 2 to extend their useful life. The work will rehabilitate these primary basins with new flat covers; rehabilitate sludge/ scum pump stations; rehabilitate distribution structure B; replace all mechanical and electrical systems; replace polymer system; rehabilitate structural and yard piping; replace North Scrubber Complex; relocate electrical and controls to Distribution Center F; and miscellaneous upgrades.



**Primary
Treatment**

Justification

These primary sedimentation basins were constructed in the 70's and 80's and require structural rehabilitation; electrical and mechanical replacements to maintain reliable operation; and new covers to improve odor control. In addition to the basins, the associated distribution structure, piping, and associated facilities need to be addressed.

Financial Consideration

The project budget is \$263,660,000.

The project's estimated construction contract cost is \$162,016,113.

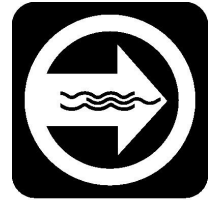
Budget Projections

Budget Phase	Cost to Date	2026-27	2027-28	2028-29	2029-30	2030-31	Thereafter	Total Project Budget
Planning	-	-	-	-	-	-	-	-
Prelim Design	-	-	-	-	-	-	-	-
Design	-	638,966	3,745,992	4,332,327	4,332,327	3,297,092	-	16,346,704
Construction	-	-	-	-	-	2,023,001	198,207,493	200,230,494
Commissioning	-	-	-	-	-	-	-	-
Close-out	-	-	-	-	-	-	-	-
Contingency	-	-	-	-	-	-	47,082,802	47,082,802
Total	-	\$ 638,966	\$ 3,745,992	\$ 4,332,327	\$ 4,332,327	\$ 5,320,093	\$ 245,290,295	\$ 263,660,000

Project Name & Number	Chemical Systems Rehabilitation at Plant No. 2 - P2-135		
Project Category	Ocean Outfall Systems	Project Status:	Continuing

Description

This project will make improvements to both the Sodium Bisulfite Station and the Anionic Polymer Station at Plant No. 2. At the Sodium Bisulfite Station, the project will replace chemical tanks, chemical feed pumps, piping, electrical equipment and install a plant water and plant air supply. The project will also demolish and replace the Anionic Polymer Station's obsolete electrical and instrumentation assets, including controllers, motor running time meter tubs, valves, and actuators.



**Ocean Outfall
Systems**

Justification

The Sodium Bisulfite Station was built in 2004 and requires rehabilitation. Other chemical systems including the Anionic Polymer Station are also due for rehabilitation based on its condition and the obsolescence of various components. Operationally, OC San stopped discharging primary effluent to the ocean in 2012 and in 2015 OC San received approval from regulators to stop disinfection of its effluent discharged through the long outfall. Short outfall operation does require disinfection, and the station must be available. The current system is overdesigned to account for both the long and short outfalls, is difficult to maintain, and is not designed to handle extended chemical storage which leads to crystallization.

Financial Consideration

The project budget is \$9,860,000.

The project's estimated construction contract cost is \$4,439,500.

This project will have an impact on the operational budget in the following areas: Chemicals, Operational Labor, Maintenance.

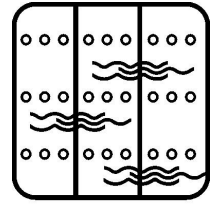
Budget Projections

Budget Phase	Cost to Date	2026-27	2027-28	2028-29	2029-30	2030-31	Thereafter	Total Project Budget
Planning	\$ 119,616	-	-	-	-	-	-	\$ 119,616
Prelim Design	464,549	-	-	-	-	-	-	464,549
Design	1,324,820	-	-	-	-	-	-	1,324,820
Construction	807,885	4,321,835	1,755,444	-	-	-	-	6,885,164
Commissioning	-	167,842	60,232	-	-	-	-	228,074
Close-out	-	-	72,936	-	-	-	-	72,936
Contingency	13	-	525,156	239,672	-	-	-	764,841
Total	\$ 2,716,883	\$ 4,489,677	\$ 2,413,768	\$ 239,672	-	-	-	\$ 9,860,000

Project Name & Number	Activated Sludge Aeration Basin Rehabilitation at Plant No. 2 - P2-136		
Project Category	Secondary Treatment	Project Status:	Revised

Description

This project includes structural rehabilitation of the aeration basin's reactor deck and tanks, coating the interior of reactor tanks, replacement of mechanical components, replacement of all gates, valves; refurbishing control panels; and concrete rehabilitation and cable tray improvements in Scott tunnel.



**Secondary
Treatment**

Justification

The aeration basins were installed in 1983 and a major mechanical and structural rehabilitation was conducted in 2006. This system is in need of major rehabilitation of structural and mechanical components in order to maintain reliable serviceability and extend useful life.

Financial Consideration

The project budget has been increased from \$65,600,000 to \$79,600,000.

The project's estimated construction contract cost is \$50,000,000.

This project will not have an impact on operational budgets.

The increased budget is a result of an updated estimate to complete the work.

Budget Projections

Budget Phase	Cost to Date	2026-27	2027-28	2028-29	2029-30	2030-31	Thereafter	Total Project Budget
Planning	\$ 230,655	-	-	-	-	-	-	\$ 230,655
Prelim Design	2,934,100	-	-	-	-	-	-	2,934,100
Design	65,344	2,987,063	1,268,286	-	-	-	-	4,320,693
Construction	9,529	-	212,061	8,568,383	19,542,549	23,459,906	7,158,790	58,951,218
Commissioning	-	-	-	55,593	121,714	136,355	52,046	365,708
Close-out	-	-	-	-	-	-	101,465	101,465
Contingency	-	-	408,530	-	-	-	12,287,631	12,696,161
Total	\$ 3,239,628	\$ 2,987,063	\$ 1,888,877	\$ 8,623,976	\$ 19,664,263	\$ 23,596,261	\$ 19,599,932	\$ 79,600,000

Project Name & Number	Digesters Rehabilitation at Plant No. 2 - P2-137		
Project Category	Solids Handling & Digestion	Project Status:	Revised

Description

The project will rehabilitate existing Plant No. 2 digesters including repairing the digester domes, walls, and bridges, replacing hot water valves, improving miscellaneous safety related items, and replacing electrical motor control centers that are obsolete.



**Solids Handling
& Digestion**

Justification

Several digesters at Plant No. 2 have structural, mechanical, and electrical issues that will impact their reliability if not addressed. Digester reliability is important to ensure there is capacity to meet required solids detention times, allow for routine cleaning, and to provide a resilient facility. Many digesters are scheduled for rehabilitation or demolition and replacement in the future, but their reliability must be maintained until those projects occur.

Financial Consideration

The project budget has been increased from \$51,200,000 to \$79,000,000.

The project's estimated construction contract cost is \$53,256,792.

This project will not have an impact on operational budgets.

The increased budget is the result of scope, start date and duration changes.

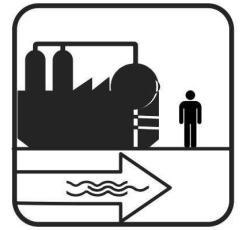
Budget Projections

Budget Phase	Cost to Date	2026-27	2027-28	2028-29	2029-30	2030-31	Thereafter	Total Project Budget
Planning	\$ 219,802	-	-	-	-	-	-	\$ 219,802
Prelim Design	1,140,258	-	-	-	-	-	-	1,140,258
Design	4,106,354	178,686	-	-	-	-	-	4,285,040
Construction	3,285,481	310,965	9,483,479	22,617,142	23,444,395	3,070,068	-	62,211,530
Commissioning	-	-	35,481	78,805	85,916	43,125	-	243,327
Close-out	6,582	1,478	-	-	-	87,197	-	95,257
Contingency	221,758	454,113	-	-	-	7,177,518	2,951,397	10,804,786
Total	\$ 8,980,235	\$ 945,242	\$ 9,518,960	\$ 22,695,947	\$ 23,530,311	\$ 10,377,908	\$ 2,951,397	\$ 79,000,000

Project Name & Number	Operations and Maintenance Complex at Plant No. 2. - P2-138		
Project Category	Support Facilities	Project Status:	Revised

Description

This project will replace the Operations Center building and Maintenance building at Plant No. 2 in the location of the current Maintenance building.

**Support Facilities****Justification**

The seismic evaluation of Structures at Plant No. 2 was completed in 2020 and seismic risks were identified at the Operations Center and Maintenance buildings. These risks are being addressed in this project by building a new O&M Complex that replaces the existing Maintenance building and Operations Center.

Financial Consideration

The project budget has been increased from \$178,000,000 to \$200,800,000.

The project's estimated construction contract cost is \$148,100,000.

This project will not have an impact on operational budgets.

The increased budget is a result of start date and duration changes

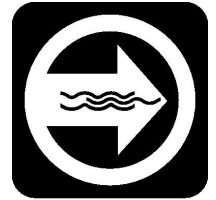
Budget Projections

Budget Phase	Cost to Date	2026-27	2027-28	2028-29	2029-30	2030-31	Thereafter	Total Project Budget
Planning	\$ 385,352	\$ 101,203	\$ 295,228	\$ 406,349	-	-	-	\$ 1,188,132
Prelim Design	5,917,488	315,786	829,219	647,778	-	-	-	7,710,271
Design	3,919	-	-	2,365,378	10,265,427	138,134	664,653	13,437,511
Construction	1,721	-	-	-	933,342	16,526,389	141,303,259	158,764,711
Commissioning	-	-	-	-	-	-	740,000	740,000
Close-out	-	-	-	-	-	-	181,623	181,623
Contingency	-	-	-	-	-	-	18,777,752	18,777,752
Total	\$ 6,308,480	\$ 416,989	\$ 1,124,447	\$ 3,419,505	\$ 11,198,769	\$ 16,664,523	\$ 161,667,287	\$ 200,800,000

Project Name & Number	Emergency Overflow Pipes and Wingwalls Rehabilitation at Plant No. 2 - P2-139		
Project Category	Ocean Outfall Systems	Project Status:	Revised

Description

Plant No. 2 has emergency overflow weirs consisting of four reinforced concrete pipes that can discharge into the Santa Ana River through two concrete wingwall structures. This project will include rehabilitation of concrete and rebar of the wingwalls and foundation slabs. Because both of wingwalls are located by the Santa Ana River, this work will require permits from various agencies.



**Ocean Outfall
Systems**

Justification

A planning study conducted a structural investigation of these wingwalls and associated structures and concluded that these facilities are deteriorating. This facility is required to function in emergency situations to protect plant facilities from overflow.

Financial Consideration

The project budget has been increased from \$7,500,000 to \$16,280,000.

The project's estimated construction contract cost is \$8,622,690.

This project will not have an impact on operational budgets.

The increased budget is the result of scope, start date and duration changes.

Budget Projections

Budget Phase	Cost to Date	2026-27	2027-28	2028-29	2029-30	2030-31	Thereafter	Total Project Budget
Planning	\$ 139,363	-	-	-	-	-	-	\$ 139,363
Prelim Design	-	-	-	-	-	-	-	-
Design	-	-	162,508	561,880	692,516	692,515	182,167	2,291,586
Construction	-	-	-	-	-	-	11,420,416	11,420,416
Commissioning	-	-	-	-	-	-	-	-
Close-out	-	-	-	-	-	-	-	-
Contingency	-	-	-	-	-	-	2,428,635	2,428,635
Total	\$ 139,363	-	\$ 162,508	\$ 561,880	\$ 692,516	\$ 692,515	\$ 14,031,218	\$ 16,280,000

Project Name & Number	Truck Loading Bay Odor Control Improvements at Plant No. 2 - P2-140		
Project Category	Solids Handling & Digestion	Project Status:	Revised

Description

This project will improve the odor control containment in the truck loading bays at Plant No. 2, by extending the bays and installing a second set of roll up doors. Project will also include new personal doors to the truck loading bays, new supply fans to improve the air flow to the existing odor control units, and improved lighting.



**Solids Handling
& Digestion**

Justification

This project is necessary is to contain and capture the odor in the truck loading bays to reduce odors during operations.

Financial Consideration

The project budget is \$9,700,000.

The project's estimated construction contract cost is \$4,646,000.

This project will have an impact on the operational budget in the following areas: Utilities, Maintenance.

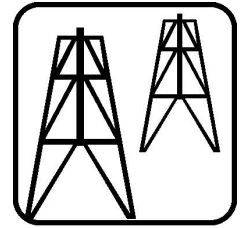
Budget Projections

Budget Phase	Cost to Date	2026-27	2027-28	2028-29	2029-30	2030-31	Thereafter	Total Project Budget
Planning	\$ 214,841	-	-	-	-	-	-	\$ 214,841
Prelim Design	488,329	151,477	-	-	-	-	-	639,806
Design	-	297,878	403,397	286,997	-	-	-	988,272
Construction	-	-	-	198,584	2,609,702	3,658,499	-	6,466,785
Commissioning	-	-	-	-	62,603	96,408	-	159,011
Close-out	-	-	-	-	-	53,890	34,275	88,165
Contingency	-	-	-	89,980	-	308,672	744,468	1,143,120
Total	\$ 703,170	\$ 449,355	\$ 403,397	\$ 575,561	\$ 2,672,305	\$ 4,117,469	\$ 778,743	\$ 9,700,000

Project Name & Number	Headworks Electrical Distribution Improvements at Plant No. 2 - P2-141		
Project Category	Utility Systems	Project Status:	Revised

Description

Distribution Center H (DC-H) houses the electrical distribution equipment for the Headworks area. Switchgear and Motor Control Centers (MCCs) supply power and controls to all areas of Headworks including: Influent Metering, Influent Pump Station, Waste Sidestream Pumps, Bar Screens, Screenings Washing, Scrubbers, Bio-tower, Grit Basins, and Grit Handling. This project would replace and reroute all power and control cables 480V and below that serve the above areas via new raceways. The existing Variable Frequency Drives for the Main Sewage Pump's and Odor Control Fans will be replaced.

**Utility Systems****Justification**

There have been numerous failed cables in the Headworks area that has impacted the safety and reliability of the Headworks area. Through field investigations, it was found that spare conduits in the existing duct banks have also been compromised and cannot be reliably utilized. The entire Grit Handling System shut down due to multiple cable failures due to this issue. There are currently 4 Grit Classifiers and 2 Grit Pumps being fed by temporary cables running above grade based on existing failures.

Financial Consideration

The project budget is \$46,500,000.

The project's estimated construction contract cost is \$30,100,000.

This project will not have an impact on operational budgets.

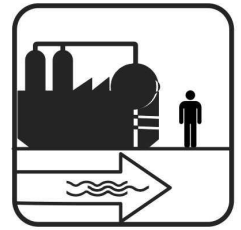
Budget Projections

Budget Phase	Cost to Date	2026-27	2027-28	2028-29	2029-30	2030-31	Thereafter	Total Project Budget
Planning	\$ 352,076	\$ 6,485	-	-	-	-	-	\$ 358,561
Prelim Design	-	-	-	-	-	-	-	-
Design	462,008	4,519,698	-	-	-	-	-	4,981,706
Construction	-	594,039	12,670,675	20,800,834	1,046,830	-	-	35,112,378
Commissioning	1,682	-	174,456	245,345	-	-	-	421,483
Close-out	-	-	-	24,768	24,474	-	-	49,242
Contingency	-	-	-	234,273	5,342,357	-	-	5,576,630
Total	\$ 815,766	\$ 5,120,222	\$ 12,845,131	\$ 21,305,220	\$ 6,413,661	-	-	\$ 46,500,000

Project Name & Number	Waste Sidestream Pump Station A Improvements at Plant No. 2 - P2-143		
Project Category	Support Facilities	Project Status:	Revised

Description

This project will replace the Waste Sidestream Pump Station A (WSSPS-A) pumps; repair the wet well concrete; repair the pump pit surrounding tunnels; replace associated electrical equipment; replace portions of the piping, valves and, ventilation equipment; and install a new 10-inch discharge from WSSPS-A to the new A-side Primary Clarifier Complex being constructed by Project P2-98A.

**Support Facilities****Justification**

The WSSPS-A is located in a recessed area within Tremblay Tunnel that is subject to flooding. New pumps are required to mitigate associated risks to assuring long-term operation and reliability. Structural rehabilitation and equipment replacement is required due to age and associated conditions. Routing the WSSPS-A discharge to the A-side Primary Clarifier complex will prevent recirculation of scum which is currently causing process challenges resulting in additional maintenance efforts.

Financial Consideration

The project budget has been increased from \$12,352,000 to \$14,690,000.

The project's estimated construction contract cost is \$7,777,524.

The increased budget is the result of scope, start date and duration changes.

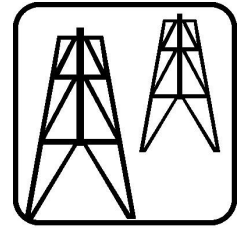
Budget Projections

Budget Phase	Cost to Date	2026-27	2027-28	2028-29	2029-30	2030-31	Thereafter	Total Project Budget
Planning	-	-	-	-	-	-	-	-
Prelim Design	-	-	-	-	-	-	-	-
Design	-	-	74,105	428,200	624,863	624,864	314,942	2,066,974
Construction	-	-	-	-	-	-	10,301,026	10,301,026
Commissioning	-	-	-	-	-	-	-	-
Close-out	-	-	-	-	-	-	-	-
Contingency	-	-	-	-	-	-	2,322,000	2,322,000
Total	-	-	\$ 74,105	\$ 428,200	\$ 624,863	\$ 624,864	\$ 12,937,968	\$ 14,690,000

Project Name & Number	Power Building C Replacement at Plant No. 2 - P2-144		
Project Category	Utility Systems	Project Status:	New

Description

This project will construct a new Power Building C at Plant 2. The new power building will include all new electrical equipment including transformers, switchgear, motor control centers, generators, distribution panelboards and battery system.

**Utility Systems****Justification**

The electrical equipment in Power Building C is nearing the end of its useful life and is not in good condition. New AQMD standards will require a larger space to house the new generators. Power Building C serves Digesters P, Q, R, S, and T, as well as Primary Clarifiers N and O (C-Side), and provides standby power to Operations Center, the Centrifuge Building, and Power Building B. As part of the PS21-04 Energy and Digester Gas Master Plan, this building will continue to serve as a Standby Power Facility at Plant No. 2, in the long term after the digesters are demolished and replaced.

Financial Consideration

The project budget is \$52,690,000.

The project's estimated construction contract cost is \$30,163,000.

This project will not have an impact on operational budgets.

The increased budget is a result of an updated estimate to complete the work.

Budget Projections

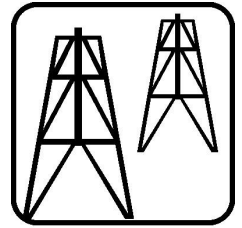
Budget Phase	Cost to Date	2026-27	2027-28	2028-29	2029-30	2030-31	Thereafter	Total Project Budget
Planning	\$ 41,292	\$ 161,306	\$ 12,259	-	-	-	-	\$ 214,857
Prelim Design	-	-	553,425	-	-	-	-	553,425
Design	-	-	312,936	1,555,064	2,100,325	141,728	-	4,110,053
Construction	-	-	-	-	142,774	6,242,496	32,292,937	38,678,207
Commissioning	-	-	-	-	-	-	-	-
Close-out	-	-	-	-	-	-	85,637	85,637
Contingency	-	-	-	-	9,831	10,169	9,027,821	9,047,821
Total	\$ 41,292	\$ 161,306	\$ 878,620	\$ 1,555,064	\$ 2,252,930	\$ 6,394,393	\$ 41,406,395	\$ 52,690,000

Project Name & Number	Southern California Edison Substation Replacement at Plant No. 2 - P2-145

Project Category	Utility Systems	Project Status:	New

Description

This project will replace the existing Southern California Edison Substation at Plant No. 2 and add a second feed to the Electrical Service Center.

**Utility Systems****Justification**

The Plant No. 2 Southern California Edison Substation was constructed in 1987 and is approaching the end of its useful life. This substation feeds the Electrical Service Center via a single 66kV/12kV transformer and a single 12kV Feeder. Having an aging substation with a single feed presents operational reliability concerns.

Financial Consideration

The project budget is \$121,650,000.

The project's estimated construction contract cost is \$76,283,487.

This project will not have an impact on operational budgets.

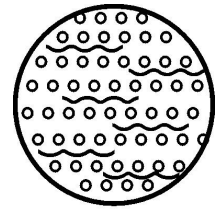
Budget Projections

Budget Phase	Cost to Date	2026-27	2027-28	2028-29	2029-30	2030-31	Thereafter	Total Project Budget
Planning	-	-	-	-	-	-	-	-
Prelim Design	-	-	-	-	-	-	-	-
Design	-	347,549	2,237,771	2,680,253	2,680,253	473,620	-	8,419,446
Construction	-	-	-	-	-	9,764,209	80,655,347	90,419,556
Commissioning	-	-	-	-	-	-	-	-
Close-out	-	-	-	-	-	-	-	-
Contingency	-	-	-	-	-	-	22,810,998	22,810,998
Total	-	\$ 347,549	\$ 2,237,771	\$ 2,680,253	\$ 2,680,253	\$ 10,237,829	\$ 103,466,345	\$ 121,650,000

Project Name & Number	Primary Treatment Rehabilitation at Plant No. 2 - P2-98		
Project Category	Primary Treatment	Project Status:	Revised

Description

This project will replace the four A-Side Primary Clarifiers with associated influent piping, influent distribution structures, effluent piping, sludge pumping units, and flat covers for odor containment. The project will also construct a new air scrubbing complex. The project includes a second project that provided interim repairs to the other 12 clarifiers in the B/C-Side and A-Side and associated pipelines to improve reliability until they can be more extensively rehabilitated in the future B/C-Side Primary Sedimentation Basins Rehabilitation at Plant No. 2, Project No. P2-133.



**Primary
Treatment**

Justification

The A-Side Clarifiers are at the end of their useful life and cannot effectively be rehabilitated.

Financial Consideration

The project budget has been increased from \$188,000,000 to \$189,000,000.

The project's estimated construction contract cost is \$125,204,155.

This project will have an impact on the operational budget in the following areas: Operational Labor, Maintenance.

The increased budget is a result of an updated estimate to complete the work.

Budget Projections

Budget Phase	Cost to Date	2026-27	2027-28	2028-29	2029-30	2030-31	Thereafter	Total Project Budget
Planning	\$ 908,058	-	-	-	-	-	-	\$ 908,058
Prelim Design	8,892,639	-	-	-	-	-	-	8,892,639
Design	14,948,343	-	-	-	-	-	-	14,948,343
Construction	122,502,177	18,989,774	10,201,099	-	-	-	-	151,693,050
Commissioning	408,351	1,067,573	745,950	-	-	-	-	2,221,874
Close-out	66,986	-	807,205	137,616	-	-	-	1,011,807
Contingency	-	-	8,368,400	955,829	-	-	-	9,324,229
Total	\$ 147,726,554	\$ 20,057,347	\$ 20,122,654	\$ 1,093,445	-	-	-	\$ 189,000,000

Summary by Project Status

Collection System Improvement Projects - Budget by Project Status

Title	Project Number	Total Budget	New Project	Continuing Project	Revised Project	Future Project
Collections Facilities						
Santa Ana Trunk Sewer Rehabilitation	1-23	65,900,000	-	-	65,900,000	-
Taft Branch Improvements	2-49	30,200,000	-	30,200,000	-	-
Fullerton - Placentia Sewer Facilities Demolition and ...	2-73	31,100,000	-	-	31,100,000	-
Atwood - Santa Ana Canyon Sewer Rehabilitation	2-78	20,160,000	-	-	-	20,160,000
Knott - Miller Holder Artesia Branch Rehabilitation	3-60	20,900,000	-	-	20,900,000	-
Rehabilitation of Western Regional Sewers	3-64	96,300,000	-	96,300,000	-	-
Seal Beach Pump Station Replacement	3-67	132,500,000	-	132,500,000	-	-
Seal Beach Sewer Facilities Improvements	3-68	179,650,000	-	-	-	179,650,000
Bushard Diversion Structure Improvements	3-69	5,580,000	5,580,000	-	-	-
McFadden Branch -Bolsa Relief Trunk Rehabilitation	3-70	15,380,000	15,380,000	-	-	-
Crystal Cove Pump Station Rehabilitation	5-66	16,900,000	-	-	-	16,900,000
Bay Bridge Pump Station Replacement	5-67	172,000,000	-	172,000,000	-	-
East Coast Highway Sewer Rehabilitation	5-69	12,200,000	-	-	12,200,000	-
Lido Pump Station Rehabilitation	5-70	28,050,000	28,050,000	-	-	-
Fairview Sewer Rehabilitation	6-20	27,500,000	-	-	27,500,000	-
MacArthur Pump Station Rehabilitation	7-63	16,200,000	-	16,200,000	-	-
Main Street Pump Station Rehabilitation	7-64	48,960,000	-	-	-	48,960,000
Gisler-Red Hill Interceptor and Baker Force Main Rehabilitation	7-65	55,500,000	-	55,500,000	-	-
MacArthur Force Main Improvements	7-68	6,400,000	-	6,400,000	-	-
North Tustin-Orange Sewer Rehabilitation	7-69	45,100,000	-	-	45,100,000	-
Pump Station Portable Generator Connectors	FE19-01	2,730,000	-	2,730,000	-	-
Olive Sub-Trunk Siphon Rehabilitation at Santa Ana River	FE20-08	3,500,000	-	3,500,000	-	-
Newhope-Placentia Sewer Manhole Replacements	FE21-08	2,700,000	-	2,700,000	-	-
Wetwell Level Monitoring Upgrade at Collections Pump Stations	FE23-03	2,660,000	-	2,660,000	-	-
Edinger Pump Station Replacement	11-33	36,500,000	-	-	36,500,000	-
Slater Pump Station Rehabilitation	11-34	52,780,000	-	-	-	52,780,000
North Huntington Beach Sewer Rehabilitation	11-35	15,030,000	-	-	-	15,030,000
Lake - Atlanta Sewer Rehabilitation	11-36	11,810,000	11,810,000	-	-	-
Collections Facilities Total		1,154,190,000	60,820,000	520,690,000	239,200,000	333,480,000

Treatment & Disposal Projects - Budget by Project Status

Title	Project Number	Total Budget	New Project	Continuing Project	Revised Project	Future Project
Headworks						
Sunflower Pump Replacement at Plant No. 1	FE19-04	5,175,000	-	5,175,000	-	-
Steve Anderson Lift Station (SALS) Variable Frequency Drive ...	FE24-11	680,000	-	680,000	-	-
Sunflower Pump No. 2 Replacement at Plant No. 1	FE25-01	8,300,000	-	8,300,000	-	-
Headworks Rehabilitation at Plant 1	P1-105	350,000,000	-	-	350,000,000	-
Headworks Total		364,155,000	-	14,155,000	350,000,000	-

Primary Treatment

Primary Clarifier Nos. 6-31 Scum Pump Replacement at Plant ...	FE23-05	3,789,000	-	3,789,000	-	-
Primary Clarifiers F and G Rotating Mechanism Rehabilitation a...	FE23-09	5,250,000	-	5,250,000	-	-
Primary Sedimentation Basins No. 3-5 Replacement at Plant N...	P1-126	338,700,000	-	-	338,700,000	-
Primary Sedimentation Basins No. 6-31 Reliability Impr. at Plan...	P1-133	12,100,000	-	-	12,100,000	-
B/C-Side Primary Sedimentation Basins Rehabilitation at Plant ...	P2-133	263,660,000	-	-	-	263,660,000
Primary Treatment Rehabilitation at Plant No. 2	P2-98	189,000,000	-	-	189,000,000	-
Primary Treatment Total		812,499,000	-	9,039,000	539,800,000	263,660,000

Secondary Treatment

Trickling Filter Sludge and Scum Pumps Replacement at Plant ...	FE19-03	2,400,000	-	2,400,000	-	-
Secondary Treatment VFD Replacements at Plant No. 2	FE19-08	4,300,000	-	4,300,000	-	-
Plant Water Piping Replacement at Secondary Clarifiers 1-26 a...	FE20-05	2,485,000	-	2,485,000	-	-
Liquid Oxygen Tank A Replacement at Plant No. 2	FE21-07	3,800,000	-	3,800,000	-	-
Liquid Oxygen Tank B Replacement at Plant No. 2	FE22-02	4,375,000	-	4,375,000	-	-
Activated Sludge Clarifier D, G, and J Equipment Repl. at P2	FE24-10	7,565,000	-	7,565,000	-	-
Blower Building 1 Standby Power Improvements at Plant No. 1	P1-140	96,010,000	-	-	96,010,000	-
Trickling Filter Media Replacement at Plant No. 1	P1-142	27,700,000	-	-	27,700,000	-
Activated Sludge Aeration Basin Rehabilitation at Plant No. 2	P2-136	79,600,000	-	-	79,600,000	-
Secondary Treatment Total		228,235,000	-	24,925,000	203,310,000	-

Solids Handlings & Digestion

Digesters C, D, F, G and I Gas Balance Lines Replacement at ...	FE19-10	176,000	-	176,000	-	-
Digester C, D, F, and G Mechanical Rehabilitation at Plant No. 2	FE20-02	6,622,000	-	6,622,000	-	-
Truck Loading Scale Replacement at Plant No. 2	FE23-04	916,000	-	916,000	-	-
Chopper Pump Trial for Digester Mixing at Plant No. 1	FE24-01	160,000	-	160,000	-	-
Gas Compressor Building Heat Exchanger Replacement at Pla...	FE24-02	640,000	-	640,000	-	-
Deep Well Injection Facility	J-143	101,900,000	-	-	101,900,000	-
Interim Food Waste Receiving Facility	P2-124	10,000,000	-	10,000,000	-	-
Digester Replacement at Plant No. 2	P2-128	689,590,000	-	-	689,590,000	-
Digesters Rehabilitation at Plant No. 2	P2-137	79,000,000	-	-	79,000,000	-
Truck Loading Bay Odor Control Improvements at Plant No. 2	P2-140	9,700,000	-	-	9,700,000	-
Solids Handling & Digestion Total		898,704,000	-	18,514,000	880,190,000	-

Treatment & Disposal Projects - Budget by Project Status

Title	Project Number	Total Budget	New Project	Continuing Project	Revised Project	Future Project
Ocean Outfall Systems						
Long Outfall Air Valve Relocation at Plant No. 2	FE24-05	400,000	-	400,000	-	-
Ocean Outfall System Rehabilitation	J-117	180,710,000	-	-	180,710,000	-
Ocean Outfalls Rehabilitation	J-137	127,000,000	-	-	127,000,000	-
Chemical Systems Rehabilitation at Plant No. 2	P2-135	9,860,000	-	9,860,000	-	-
Emergency Overflow Pipes and Wingwalls Rehabilitation at ...	P2-139	16,280,000	-	-	16,280,000	-
EPSA Standby Power Generator Control Upgrades at Plant No....	SC19-06	5,400,000	-	-	5,400,000	-
EPSA Electrical Building and Distribution Center H HVAC ...	SC22-01	5,100,000	-	-	5,100,000	-
Ocean Outfall Systems Total		344,750,000	-	10,260,000	334,490,000	-

Utility Systems

CenGen Instrument Air Compressors Replacement at Plant No...	FE18-06	2,270,000	-	2,270,000	-	-
Cengen Plant Water Pipe Replacement at Plant No. 1	FE19-02	5,950,000	-	5,950,000	-	-
Cengen Cooling Water Pipe Replacement at Plant No. 2	FE20-04	6,080,000	-	6,080,000	-	-
Digester Gas Compressor Dryer Replacements at Plant Nos. 1 ...	FE23-01	7,500,000	-	7,500,000	-	-
Power Buildings 7 and 8 HVAC Replacement at Plant No. 1	FE23-08	850,000	-	850,000	-	-
12 kV Switchgear Replacement for Power Building 5 at Plant ...	FE23-10	12,440,000	-	12,440,000	-	-
Digester Gas Facilities Rehabilitation	J-124	230,000,000	-	-	230,000,000	-
Central Generation Engine Overhauls at Plant No. 1 and 2	J-135	74,700,000	-	74,700,000	-	-
Public Address System Replacement	J-141	12,208,000	-	12,208,000	-	-
Electrical Power Distribution System Improvements	J-98	43,000,000	-	43,000,000	-	-
Uninterruptable Power Supply Improvements at Plant 1	P1-132	9,600,000	-	9,600,000	-	-
Industrial Control System and IT Data Center Relocation at Pla...	P1-138	40,560,000	-	-	40,560,000	-
Service Center and Cengen Electrical Dist. Equipment Repl. at...	P1-144	69,240,000	69,240,000	-	-	-
Headworks Electrical Distribution Improvements at Plant No. 2	P2-141	46,500,000	-	-	46,500,000	-
Power Building C Replacement at Plant No. 2	P2-144	52,690,000	52,690,000	-	-	-
Southern California Edison Substation Replacement at Plant N...	P2-145	121,650,000	121,650,000	-	-	-
HVAC Replacement for Plant 2 Centrifuge Building, Operation...	SC22-02	3,712,000	-	-	3,712,000	-
Utility Systems Total		738,950,000	243,580,000	174,598,000	320,772,000	-

Information Management Systems

Process Control Systems Upgrades	J-120	32,500,000	-	32,500,000	-	-
Process Control System Alarm Optimization	J-139	2,500,000	-	-	2,500,000	-
Information Management Systems Total		35,000,000	-	32,500,000	2,500,000	-

Summary by Project Status

Treatment & Disposal Projects - Budget by Project Status

Title	Project Number	Total Budget	New Project	Continuing Project	Revised Project	Future Project
Support Facilities						
Plasma Cutting Fume Extractor installation at Plant No. 1 ...	FE21-01	750,000	-	750,000	-	-
Platform Modifications for Process Areas at Plant No. 1 and No...	FE22-01	1,300,000	-	1,300,000	-	-
HVAC Replacements at Plant Nos. 1 and 2	FE23-06	2,840,000	-	2,840,000	-	-
Building 6, Control Center, & Laboratory Elevator Rehabilitatio...	FE24-06	780,000	-	780,000	-	-
Headquarters Pantry Electrical Improvements at Plant No. 1	FE25-02	320,000	-	320,000	-	-
Headquarters' Interview and Conference Room Improvements	FE25-03	500,000	-	500,000	-	-
New Laboratory Facility	J-133	129,300,000	-	129,300,000	-	-
CenGen Monitoring System Improvements at Plant No.1 and ...	J-140	30,900,000	-	-	30,900,000	-
Warehouse Facility Improvements	J-145	7,000,000	7,000,000	-	-	-
Small Construction Projects Program	M-FE_FY26	40,000,000	40,000,000	-	-	-
Small Construction Projects Program	M-FE_FY27	40,000,000	40,000,000	-	-	-
Headquarters Complex	P1-128	171,000,000	-	171,000,000	-	-
Support Buildings Seismic Improvements at Plant No. 1	P1-137	33,500,000	-	-	33,500,000	-
Collections Yard Relocation and Warehouse Demolition at Plan...	P2-127	9,400,000	-	9,400,000	-	-
Operations and Maintenance Complex at Plant No. 2.	P2-138	200,800,000	-	-	200,800,000	-
Waste Sidestream Pump Station A Improvements at Plant No. 2	P2-143	14,690,000	-	-	14,690,000	-
Ocean Outfall Booster Station Elevator Rehabilitation	SC20-02	460,000	-	-	460,000	-
Support Facilities Total		683,540,000	87,000,000	316,190,000	280,350,000	-

Others						
Security Fence Replacements at Plant No. 1 and No. 2	FE24-09	2,556,700	-	2,556,700	-	-
Effluent Junction Box Security Fence Replacement at Plant No....	SC23-02	280,000	-	-	280,000	-
Others Total		2,836,700	-	2,556,700	280,000	-

	Total Budget	New Project	Continuing Project	Revised Project	Future Project
Total Treatment and Disposal Projects	4,108,669,700	330,580,000	602,737,700	2,911,692,000	263,660,000
Total Collections Facilities	1,154,190,000	60,820,000	520,690,000	239,200,000	333,480,000
Total Capital Improvement Program Budget	\$ 5,262,859,700	\$ 391,400,000	\$ 1,123,427,700	\$ 3,150,892,000	\$ 597,140,000

Summary by Project Driver

Collection System Improvement Projects

Project Name	Total Project Budget	Percentage allocation				Total Project Cost Budget			
		Rehab/ Repl.	Strategic Initiative	Additional Capacity	Regulatory	Rehab/ Repl.	Strategic Initiative	Additional Capacity	Regulatory
Santa Ana Trunk Sewer Rehabilitation	65,900,000	100%				65,900,000	-	-	-
Taft Branch Improvements	30,200,000			100%		-	-	30,200,000	-
Fullerton - Placentia Sewer Facilities Demolition an...	31,100,000	25%	75%			7,775,000	23,325,000	-	-
Atwood - Santa Ana Canyon Sewer Rehabilitation	20,160,000	100%				20,160,000	-	-	-
Knott - Miller Holder Artesia Branch Rehabilitation	20,900,000	100%				20,900,000	-	-	-
Rehabilitation of Western Regional Sewers	96,300,000	75%		25%		72,225,000	-	24,075,000	-
Seal Beach Pump Station Replacement	132,500,000	100%				132,500,000	-	-	-
Seal Beach Sewer Facilities Improvements	179,650,000	75%		25%		134,737,500	-	44,912,500	-
Bushard Diversion Structure Improvements	5,580,000	100%				5,580,000	-	-	-
McFadden Branch -Bolsa Relief Trunk Rehabilitation	15,380,000	100%				15,380,000	-	-	-
Crystal Cove Pump Station Rehabilitation	16,900,000	100%				16,900,000	-	-	-
Bay Bridge Pump Station Replacement	172,000,000	100%				172,000,000	-	-	-
East Coast Highway Sewer Rehabilitation	12,200,000	100%				12,200,000	-	-	-
Lido Pump Station Rehabilitation	28,050,000	100%				28,050,000	-	-	-
Fairview Sewer Rehabilitation	27,500,000	100%				27,500,000	-	-	-
MacArthur Pump Station Rehabilitation	16,200,000	100%				16,200,000	-	-	-
Main Street Pump Station Rehabilitation	48,960,000	100%				48,960,000	-	-	-
Gisler-Red Hill Interceptor and Baker Force Main ...	55,500,000	100%				55,500,000	-	-	-
MacArthur Force Main Improvements	6,400,000	100%				6,400,000	-	-	-
North Tustin-Orange Sewer Rehabilitation	45,100,000	75%	25%			33,825,000	11,275,000	-	-
Pump Station Portable Generator Connectors	2,730,000		100%			-	2,730,000	-	-
Olive Sub-Trunk Siphon Rehabilitation at Santa An...	3,500,000	90%	10%			3,150,000	350,000	-	-
Newhope-Placentia Sewer Manhole Replacements	2,700,000	100%				2,700,000	-	-	-
Wetwell Level Monitoring Upgrade at Collections ...	2,660,000	100%				2,660,000	-	-	-
Edinger Pump Station Replacement	36,500,000	100%				36,500,000	-	-	-
Slater Pump Station Rehabilitation	52,780,000	100%				52,780,000	-	-	-
North Huntington Beach Sewer Rehabilitation	15,030,000	100%				15,030,000	-	-	-
Lake - Atlanta Sewer Rehabilitation	11,810,000	100%				11,810,000	-	-	-
Collections Facilities Total	1,154,190,000					1,017,322,500	37,680,000	99,187,500	-

Treatment & Disposal System Improvement Projects

Project Name	Total Project Budget	Percentage allocation				Total Project Cost Budget			
		Rehab/ Repl.	Strategic Initiative	Additional Capacity	Regulatory	Rehab/ Repl.	Strategic Initiative	Additional Capacity	Regulatory
Ocean Outfall System Rehabilitation	180,710,000	50%	50%			90,355,000	90,355,000	-	-
Ocean Outfalls Rehabilitation	127,000,000	100%				127,000,000	-	-	-
Chemical Systems Rehabilitation at Plant No. 2	9,860,000	100%				9,860,000	-	-	-
Emergency Overflow Pipes and Wingwalls ...	16,280,000	100%				16,280,000	-	-	-
Long Outfall Air Valve Relocation at Plant No. 2	400,000	100%				400,000	-	-	-
EPSA Standby Power Generator Control Upgrades...	5,400,000	100%				5,400,000	-	-	-
EPSA Electrical Building and Distribution Center H ...	5,100,000	100%				5,100,000	-	-	-
Ocean Outfall Systems Total	344,750,000					254,395,000	90,355,000	-	-
Process Control Systems Upgrades	32,500,000	100%				32,500,000	-	-	-
Process Control System Alarm Optimization	2,500,000	50%	50%			1,250,000	1,250,000	-	-
Information Management Systems Total	35,000,000					33,750,000	1,250,000	-	-
Primary Sedimentation Basins No. 3-5 Replaceme...	338,700,000	100%				338,700,000	-	-	-
Primary Sedimentation Basins No. 6-31 Reliability ...	12,100,000	100%				12,100,000	-	-	-
B/C-Side Primary Sedimentation Basins ...	263,660,000	100%				263,660,000	-	-	-
Primary Treatment Rehabilitation at Plant No. 2	189,000,000	100%				189,000,000	-	-	-
Primary Clarifier Nos. 6-31 Scum Pump ...	3,789,000	100%				3,789,000	-	-	-
Primary Clarifiers F and G Rotating Mechanism ...	5,250,000	100%				5,250,000	-	-	-
Primary Treatment Total	812,499,000					812,499,000	-	-	-
Interim Food Waste Receiving Facility	10,000,000		100%			-	10,000,000	-	-
Digester Replacement at Plant No. 2	689,590,000	75%	25%			517,192,500	172,397,500	-	-
Digesters Rehabilitation at Plant No. 2	79,000,000	100%				79,000,000	-	-	-
Truck Loading Bay Odor Control Improvements at ...	9,700,000	10%	90%			970,000	8,730,000	-	-
Deep Well Injection Facility	101,900,000		50%	50%		-	50,950,000	50,950,000	-
Digesters C, D, F, G and I Gas Balance Lines ...	176,000	100%				176,000	-	-	-
Digester C, D, F, and G Mechanical Rehabilitation a...	6,622,000	100%				6,622,000	-	-	-
Truck Loading Scale Replacement at Plant No. 2	916,000	100%				916,000	-	-	-
Chopper Pump Trial for Digester Mixing at Plant N...	160,000	100%				160,000	-	-	-
Gas Compressor Building Heat Exchanger ...	640,000	100%				640,000	-	-	-
Solids Handling & Digestion Total	898,704,000					605,676,500	242,077,500	50,950,000	-
Blower Building 1 Standby Power Improvements at...	96,010,000	100%				96,010,000	-	-	-
Trickling Filter Media Replacement at Plant No. 1	27,700,000	75%	25%			20,775,000	6,925,000	-	-
Activated Sludge Aeration Basin Rehabilitation at ...	79,600,000	100%				79,600,000	-	-	-
Trickling Filter Sludge and Scum Pumps ...	2,400,000	100%				2,400,000	-	-	-
Secondary Treatment VFD Replacements at Plant ...	4,300,000	100%				4,300,000	-	-	-
Plant Water Piping Replacement at Secondary ...	2,485,000	100%				2,485,000	-	-	-
Liquid Oxygen Tank A Replacement at Plant No. 2	3,800,000	100%				3,800,000	-	-	-
Liquid Oxygen Tank B Replacement at Plant No. 2	4,375,000	100%				4,375,000	-	-	-
Activated Sludge Clarifier D, G, and J Equipment ...	7,565,000	100%				7,565,000	-	-	-
Secondary Treatment Total	228,235,000					221,310,000	6,925,000	-	-

Summary by Project Driver

Treatment & Disposal System Improvement Projects

Project Name	Total Project Budget	Percentage allocation				Total Project Cost Budget			
		Rehab/ Repl.	Strategic Initiative	Additional Capacity	Regulatory	Rehab/ Repl.	Strategic Initiative	Additional Capacity	Regulatory
Electrical Power Distribution System Improvements	43,000,000	75%	25%			32,250,000	10,750,000	-	-
Digester Gas Facilities Rehabilitation	230,000,000	100%				230,000,000	-	-	-
Central Generation Engine Overhauls at Plant No. ...	74,700,000	100%				74,700,000	-	-	-
Public Address System Replacement	12,208,000	50%	50%			6,104,000	6,104,000	-	-
Uninterruptable Power Supply Improvements at ...	9,600,000	100%				9,600,000	-	-	-
Industrial Control System and IT Data Center ...	40,560,000	50%	50%			20,280,000	20,280,000	-	-
Service Center and Cengen Electrical Dist. ...	69,240,000	100%				69,240,000	-	-	-
Headworks Electrical Distribution Improvements at...	46,500,000	100%				46,500,000	-	-	-
Power Building C Replacement at Plant No. 2	52,690,000	100%				52,690,000	-	-	-
CenGen Instrument Air Compressors Replacement...	2,270,000	50%		50%		1,135,000	-	1,135,000	-
Cengen Plant Water Pipe Replacement at Plant No...	5,950,000	100%				5,950,000	-	-	-
Cengen Cooling Water Pipe Replacement at Plant ...	6,080,000	100%				6,080,000	-	-	-
Digester Gas Compressor Dryer Replacements at ...	7,500,000	100%				7,500,000	-	-	-
Power Buildings 7 and 8 HVAC Replacement at ...	850,000	100%				850,000	-	-	-
12 kV Switchgear Replacement for Power Building...	12,440,000	100%				12,440,000	-	-	-
HVAC Replacement for Plant 2 Centrifuge Building...	3,712,000	100%				3,712,000	-	-	-
Southern California Edison Substation Replaceme...	121,650,000	100%				121,650,000	-	-	-
Utility Systems Total	738,950,000					700,681,000	37,134,000	1,135,000	-
Headworks Rehabilitation at Plant 1	350,000,000	100%				350,000,000	-	-	-
Sunflower Pump Replacement at Plant No. 1	5,175,000	100%				5,175,000	-	-	-
Steve Anderson Lift Station (SALS) Variable ...	680,000	100%				680,000	-	-	-
Sunflower Pump No. 2 Replacement at Plant No. 1	8,300,000	100%				8,300,000	-	-	-
Headworks Total	364,155,000					364,155,000	-	-	-
Security Fence Replacements at Plant No. 1 and N...	2,556,700	50%	50%			1,278,350	1,278,350	-	-
Effluent Junction Box Security Fence Replacement...	280,000	100%				280,000	-	-	-
Others Total	2,836,700					1,558,350	1,278,350	-	-

Summary by Project Driver

Treatment & Disposal System Improvement Projects

Project Name	Total Project Budget	Percentage allocation				Total Project Cost Budget			
		Rehab/ Repl.	Strategic Initiative	Additional Capacity	Regulatory	Rehab/ Repl.	Strategic Initiative	Additional Capacity	Regulatory
Wetwell Level Monitoring Upgrade at Collections ...	2,660,000	100%				2,660,000	-	-	-
Truck Loading Scale Replacement at Plant No. 2	916,000	100%				916,000	-	-	-
Primary Clarifier Nos. 6-31 Scum Pump ...	3,789,000	100%				3,789,000	-	-	-
HVAC Replacements at Plant Nos. 1 and 2	2,840,000	100%				2,840,000	-	-	-
Power Buildings 7 and 8 HVAC Replacement at ...	850,000	100%				850,000	-	-	-
Primary Clarifiers F and G Rotating Mechanism ...	5,250,000	100%				5,250,000	-	-	-
12 kV Switchgear Replacement for Power Building...	12,440,000	100%				12,440,000	-	-	-
Chopper Pump Trial for Digester Mixing at Plant N...	160,000	100%				160,000	-	-	-
Gas Compressor Building Heat Exchanger ...	640,000	100%				640,000	-	-	-
Long Outfall Air Valve Relocation at Plant No. 2	400,000	100%				400,000	-	-	-
Building 6, Control Center, & Laboratory Elevator ...	780,000	50%			50%	390,000	-	-	390,000
Security Fence Replacements at Plant No. 1 and N...	2,556,700	50%	50%			1,278,350	1,278,350	-	-
Activated Sludge Clarifier D, G, and J Equipment ...	7,565,000	100%				7,565,000	-	-	-
Steve Anderson Lift Station (SALS) Variable ...	680,000	100%				680,000	-	-	-
Sunflower Pump No. 2 Replacement at Plant No. 1	8,300,000	100%				8,300,000	-	-	-
Headquarters Pantry Electrical Improvements at ...	320,000	100%				320,000	-	-	-
Headquarters' Interview and Conference Room ...	500,000	100%				500,000	-	-	-
Warehouse Facility Improvements	7,000,000			100%		-	-	7,000,000	-
EPSA Standby Power Generator Control Upgrades...	5,400,000	100%				5,400,000	-	-	-
Ocean Outfall Booster Station Elevator ...	460,000	100%				460,000	-	-	-
EPSA Electrical Building and Distribution Center H ...	5,100,000	100%				5,100,000	-	-	-
HVAC Replacement for Plant 2 Centrifuge Building...	3,712,000	100%				3,712,000	-	-	-
Effluent Junction Box Security Fence Replacement...	280,000	100%				280,000	-	-	-
Small Construction Projects Program	40,000,000	70%	10%	10%	10%	28,000,000	4,000,000	4,000,000	4,000,000
Small Construction Projects Program	40,000,000	70%	10%	10%	10%	28,000,000	4,000,000	4,000,000	4,000,000
Support Facilities Total	683,540,000					430,700,000	141,900,000	15,000,000	95,940,000

	Total Project Budget	Total Rehab/Repl.	Total Strategic Initiative	Total Additional Capacity	Total Regulatory
Total Treatment and Disposal	4,108,669,700	3,424,724,850	520,919,850	67,085,000	95,940,000
Total Collection Facilities	1,154,190,000	1,017,322,500	37,680,000	99,187,500	-
Total Capital Improvement	\$ 5,262,859,700	\$ 4,442,047,350	\$ 558,599,850	\$ 166,272,500	\$ 95,940,000

Proposed Capital Equipment Budget Summary

Proposed Capital Equipment Budget FY 2026-27

Department	Trucks & Vehicles 09410000	Other Mobile Eq 09410001	Machine Eq & Tools 09410002	Comm Equipment 09410003
Financial Management	-	-	-	-
Information Technology	-	-	-	-
Resource Protection	-	-	-	-
Environmental Laboratory	-	-	-	-
Environmental Compliance	-	-	-	-
Collection Facilities O&M	-	-	600,000	-
Maintenance Support Services	-	-	38,500	-
Fleet Services	2,012,000	336,000	675,000	-
Plant No. 1 Maintenance	-	-	2,321,262	-
Plant No. 2 Maintenance	-	-	3,841,340	-
Total Proposed Capital Equipment	\$ 2,012,000	\$ 336,000	\$ 7,476,102	-

Continued to next page

Proposed Capital Equipment Budget Summary

Proposed Capital Equipment Budget FY 2026-27

Division	Instr & Test Equipment 09410004	Safety & Traffic Eq 09410005	Office Fix & Eq 09410006	Computer Equipment 09410007	2026-27 Proposed Budget
Financial Management	-	-	-	200,000	200,000
Information Technology	-	-	-	13,594,000	13,594,000
Resource Protection	347,286	-	-	-	347,286
Environmental Laboratory	1,286,186	-	-	-	1,286,186
Environmental Compliance	76,620	-	-	-	76,620
Collection Facilities O&M	-	-	-	-	600,000
Maintenance Support Services	1,843,800	-	-	-	1,882,300
Fleet Services	-	-	-	-	3,023,000
Plant No. 1 Maintenance	607,619	-	-	-	2,928,881
Plant No. 2 Maintenance	-	-	-	-	3,841,340
Total Proposed Capital Equipment	\$ 4,161,511	-	-	\$ 13,794,000	\$ 27,779,613

Continued from previous page

Proposed Capital Equipment Budget Detail

Proposed Capital Equipment Budget Detail

Division	Equipment Type		Proposed Capital Equip FY 2026-27 Budget
220 - Financial Management	Sewer Fee Rebate Application		150,000
220 - Financial Management	Rebate Lock In Application		50,000
		Total	200,000
250 - Information Technology	Azure File		36,000
250 - Information Technology	Server Infrastructure hardware refresh (ICS and ICS DMZ)		6,600,000
250 - Information Technology	ManageEngine suite for ICS network		33,000
250 - Information Technology	Micro-segmentation		400,000
250 - Information Technology	Cisco ISE Network Access Control (NAC) for ICS network		116,000
250 - Information Technology	Bloodhound Enterprise		30,000
250 - Information Technology	Prompt Security		50,000
250 - Information Technology	Network Infrastructure Expansion to Processing Areas		600,000
250 - Information Technology	Network Access Control Appliance		116,000
250 - Information Technology	Microsoft Teams Direct Routing for Voice		350,000
250 - Information Technology	Centralized Logging for Network Equipment		260,000
250 - Information Technology	CCTV AI Analytics		400,000
250 - Information Technology	Replacement of old CCTV cameras at P1 & P2		350,000
250 - Information Technology	Key Management Phase 2		200,000
250 - Information Technology	JDE Tools Upgrade		200,000
250 - Information Technology	Labware Automated Testing (LAT)		70,000
250 - Information Technology	Crystal Cove Pump Station CCTVs		33,000
250 - Information Technology	Lido Pump Station CCTVs		45,000
250 - Information Technology	Slater Pump Station CCTVs		50,000
250 - Information Technology	Milestone Smart Maps Integration		50,000
250 - Information Technology	Two Husky Server's for Milestone		100,000
250 - Information Technology	Laserfiche Phase 5 for Operations (License and Pro ...		100,000
250 - Information Technology	OCSan.gov Accessibility Updates and Compliance Support		30,000
250 - Information Technology	JDE Tools Upgrade - JDE license migration		125,000
250 - Information Technology	SBITA Renewals		1,500,000
250 - Information Technology	PIMS Replacement BY1		250,000

Continued to next page

Proposed Capital Equipment Budget Detail

Proposed Capital Equipment Budget Detail

Division	Equipment Type		Proposed Capital Equip FY 2026-27 Budget
250 - Information Technology	IT Projects		1,500,000
		Total	13,594,000
620 - Resource Protection	HACH Autosamplers and Supplies		347,286
		Total	347,286
630 - Environmental Laboratory	HACH Autosampler		27,623
630 - Environmental Laboratory	BOD Analyzer		88,784
630 - Environmental Laboratory	Laboratory Dishwasher		21,842
630 - Environmental Laboratory	Nutrient/Cyanide Flow Analyzer		69,820
630 - Environmental Laboratory	MediaPrep and Media Fill		92,173
630 - Environmental Laboratory	Microbiology Incubator		92,173
630 - Environmental Laboratory	Titration		63,866
630 - Environmental Laboratory	Toxic Organics Gas Chromatograph/Mass Spectrometer ...		484,230
630 - Environmental Laboratory	Metals sample digestion system		25,074
630 - Environmental Laboratory	Volatile Organics Gas Chromatograph/Mass Spectrometer...		300,265
630 - Environmental Laboratory	Analytical Balance		20,336
		Total	1,286,186
650 - Environmental Compliance	Acoustic Releases		18,000
650 - Environmental Compliance	Acoustic Doppler Current Profilers (ADCPs)		58,620
		Total	76,620
820 - Collection Facilities O&M	Emergency Capital Critical Spares		600,000
		Total	600,000

Continued from previous page

Proposed Capital Equipment Budget Detail

Proposed Capital Equipment Budget Detail

Division	Equipment Type	Proposed Capital Equip FY 2026-27 Budget	
821 - Maintenance Support Services	Metal Roller/Bender		38,500
821 - Maintenance Support Services	FLIR GX620-24 Camera		161,500
821 - Maintenance Support Services	SKF Microlog Analyzer dBX		399,500
821 - Maintenance Support Services	Wireless Vibration Sensors and Software		1,282,800
		Total	1,882,300
822 - Fleet Services	Electric Utility Catrts		336,000
822 - Fleet Services	Forklift-8000lb_Replacement		99,000
822 - Fleet Services	Mobile Crane - 9 ton_Replacement		136,000
822 - Fleet Services	Front-End Loader, Articulating_Replacement		225,000
822 - Fleet Services	Mobile Fuel Dispensing Truck_Replacement		215,000
822 - Fleet Services	Light And Medium Duty Trucks and SUVs-Replacements		1,508,000
822 - Fleet Services	Truck_Pull Rig_Replacement		277,000
822 - Fleet Services	Heavy-Duty Truck with affixed Portable ...		227,000
		Total	3,023,000
870 - Plant No. 1 Maintenance	Load Tec 2000Kw Resistive/Inductive Load Bank		607,619
870 - Plant No. 1 Maintenance	Seepex Progressive Cavity Pump SEE N 70-61/ A1-C1-L8-...		78,262
870 - Plant No. 1 Maintenance	Bar screen drive motor		29,000
870 - Plant No. 1 Maintenance	Critical spare gear driven ferric pumps		30,000
870 - Plant No. 1 Maintenance	Critical Spare Sludge Spiral Heat Exchanger		90,000
870 - Plant No. 1 Maintenance	Critical spare MSP rotating assembly		725,000
870 - Plant No. 1 Maintenance	Spare progressive cavity pump (digested sludge)		121,000
870 - Plant No. 1 Maintenance	Progressive cavity pump BN 130-12 / A1-C1-L8-F0-4E		130,000
870 - Plant No. 1 Maintenance	critical spare secondary clarifiers Inline Helical Gearmotor		72,000
870 - Plant No. 1 Maintenance	Critical spare RAS check valve 24"		46,000
870 - Plant No. 1 Maintenance	Emergency Capital Critical Spares		1,000,000
		Total	2,928,881

Proposed Capital Equipment Budget Detail

Proposed Capital Equipment Budget Detail

Division	Equipment Type	Proposed Capital Equip FY 2026-27 Budget	
880 - Plant No. 2 Maintenance	Spare Plant 2 Truck loading Augers		403,900
880 - Plant No. 2 Maintenance	Spare Pumps for Digester, C,D,F,G after rehab		230,440
880 - Plant No. 2 Maintenance	Trickling filter OEM critical spare parts		37,000
880 - Plant No. 2 Maintenance	Bar screen service platform		120,000
880 - Plant No. 2 Maintenance	Primary clarifier critical spare drive C60		120,000
880 - Plant No. 2 Maintenance	Spare Barscreen Carriage Assembly, Wiper Assembly, Pin...		305,000
880 - Plant No. 2 Maintenance	Critical spare flame arrestor		18,000
880 - Plant No. 2 Maintenance	Two auger screws with higher torque motors gear box.		366,000
880 - Plant No. 2 Maintenance	Cooper OEM critical engine replacement parts and spares		500,000
880 - Plant No. 2 Maintenance	Critical spare bottom sludge pump for digester C		19,500
880 - Plant No. 2 Maintenance	Critical spare heat sludge recirc pump for digester C D F G		81,000
880 - Plant No. 2 Maintenance	Critical spares chopper for digester C D F G		457,500
880 - Plant No. 2 Maintenance	Upgraded high torque motor& gearboxes only (Putzmeister)		183,000
880 - Plant No. 2 Maintenance	Emergency Capital Critical Spares		1,000,000
		Total	3,841,340
Total Proposed Budget			\$ 27,779,613

Proposed Capital Equipment Budget Summary

Proposed Capital Equipment Budget FY 2027-28

Department	Trucks & Vehicles 09410000	Other Mobile Eq 09410001	Machine Eq & Tools 09410002	Comm Equipment 09410003
Financial Management	-	-	-	-
Information Technology	-	-	-	-
Resource Protection	-	-	-	-
Environmental Laboratory	-	-	-	-
Environmental Compliance	-	-	-	-
Collection Facilities O&M	-	-	600,000	-
Maintenance Support Services	-	-	212,500	-
Fleet Services	1,908,000	336,000	497,800	-
Plant No. 1 Maintenance	-	-	2,000,000	-
Plant No. 2 Maintenance	-	-	2,000,000	-
Total Proposed Capital Equipment	\$ 1,908,000	\$ 336,000	\$ 5,310,300	-

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Proposed Capital Equipment Budget Summary

Proposed Capital Equipment Budget FY 2027-28

Division	Instr & Test Equipment 09410004	Safety & Traffic Eq 09410005	Office Fix & Eq 09410006	Computer Equipment 09410007	2027-28 Proposed Budget
Financial Management	-	-	-	350,000	350,000
Information Technology	-	-	-	8,655,000	8,655,000
Resource Protection	214,976	-	-	-	214,976
Environmental Laboratory	755,291	-	-	-	755,291
Environmental Compliance	-	2,327,537	-	-	2,327,537
Collection Facilities O&M	-	-	-	-	600,000
Maintenance Support Services	295,000	-	-	308,000	815,500
Fleet Services	-	-	-	-	2,741,800
Plant No. 1 Maintenance	-	-	-	-	2,000,000
Plant No. 2 Maintenance	-	-	-	-	2,000,000
Total Proposed Capital Equipment	\$ 1,265,267	\$ 2,327,537	-	\$ 9,313,000	\$ 20,460,104

Continued from previous page

Proposed Capital Equipment Budget Detail

Proposed Capital Equipment Budget Detail

Division	Equipment Type		Proposed Capital Equip FY 2027-28 Budget
220 - Financial Management	Accounts Payable Automation Solution		350,000
		Total	350,000
250 - Information Technology	Server Infrastructure hardware refresh (Office)		4,500,000
250 - Information Technology	PIMS Replacement BY2		1,000,000
250 - Information Technology	OCSan.gov Accessibility Updates and Compliance Support		30,000
250 - Information Technology	SBITA Renewals		1,600,000
250 - Information Technology	Drone replacement		25,000
250 - Information Technology	IT Projects		1,500,000
		Total	8,655,000
620 - Resource Protection	HACH Autosamplers and Supplies		214,976
		Total	214,976
630 - Environmental Laboratory	HACH Autosampler		27,623
630 - Environmental Laboratory	Laboratory Dishwasher		21,842
630 - Environmental Laboratory	Inductively-Coupled Plasma/Optical Emission Spectrometer ...		253,547
630 - Environmental Laboratory	Sample Concentrators		71,808
630 - Environmental Laboratory	Solid phase extraction system		80,206
630 - Environmental Laboratory	Volatile Organics Gas Chromatograph/Mass Spectrometer ...		300,265
		Total	755,291
650 - Environmental Compliance	Ocean Monitoring Program Research Vessel		2,327,537
		Total	2,327,537
820 - Collection Facilities O&M	Emergency Capital Critical Spares		600,000
		Total	600,000
821 - Maintenance Support Services	GWOS-AI Planning and Scheduling Software		308,000
821 - Maintenance Support Services	Water Jet Table		212,500
821 - Maintenance Support Services	FLIR GX320-24		140,000
821 - Maintenance Support Services	Hirox 3D Digital Microscope		155,000
		Total	815,500

Proposed Capital Equipment Budget Detail

Proposed Capital Equipment Budget Detail

Division	Equipment Type	Proposed Capital Equip FY 2027-28 Budget	
822 - Fleet Services	Flat Bed Low Boy Transport Trailer_New		76,500
822 - Fleet Services	Electric Utility Carts_Replacement		336,000
822 - Fleet Services	Forklift-5000 lb_Replacement		77,000
822 - Fleet Services	Mobile Crane - 4 ton_Replacement		98,000
822 - Fleet Services	Portable Diesel-Driven Pump_Replacement		155,800
822 - Fleet Services	Light and Medium Duty Trucks and SUVs_Replacement		1,624,000
822 - Fleet Services	Articulating Boom Lift		90,500
822 - Fleet Services	Truck_Pull Rig_Replacement		284,000
		Total	2,741,800
870 - Plant No. 1 Maintenance	Emergency capital critical spare parts		2,000,000
		Total	2,000,000
880 - Plant No. 2 Maintenance	Emergency capital critical spares		2,000,000
		Total	2,000,000
Total Proposed Budget			\$ 20,460,104

Certificates of Participation Debt Financing Program

A Ten-Year Financial Plan is maintained to establish financing parameters regarding the issuance of debt, the levying of user charges and the funding level for required reserves in accordance with OC San's reserve policy. The Financial Plan is revised annually to reflect the most current cost and revenue figures resulting from capital program revisions and operating changes.

In December 2017, the 2017 Facilities Master Plan was adopted by the Board of Directors. The Master Plan identified a phased 20-year program of capital improvement projects that will allow OC San to maintain reliability and accommodate future growth, as well as meet future regulatory requirements, level of service goals and strategic initiatives.

Each project in the master plan was initiated to address the impact of one or more of the main drivers (existing facilities condition, changes in regulations, facilities capacity, redundancy criteria, OC San initiatives and health and safety). Most of the CIP needs for the next 20 years are due to the condition of existing aging facilities requiring rehabilitation and replacement.

In conjunction with preparation for the FY 2026-27 and 2027-28 Budget, OC San staff has developed and reviewed with the Board of Directors a capital program to deliver the levels of service included in OC San's Strategic Plan.

OC San staff has also validated the active CIP projects currently being executed to ensure that the active project scopes of work and cost estimates were accurate. The validated CIP includes 102 active and future capital projects, with a 10-year expenditure of \$3.6 billion.

Figure 1

Summary of Certificates of Participation / Revenue Obligations

Series Name	Issue Name	Issue Date	Original Par	Outstanding Par	Payment Date	Use of Proceeds	Lien or Tier	Interest Rate Mode	Final Maturity Date
2010A Series	Taxable BABs	5/18/10	\$ 80,000,000	\$ 80,000,000	February 1	Current/Future CIP	Open Senior	Fixed	2/1/40
2010C Series	Taxable BABs	12/8/10	\$ 157,000,000	\$ 22,830,000	February 1	Current/Future CIP	Open Senior	Fixed	2/1/32
2017A Series	Refund Rev Oblig	2/1/17	\$ 66,370,000	\$ 65,815,000	February 1	Advance Refunding	Open Senior	Fixed	2/1/30
2021A Series	Refund Rev Oblig	7/29/21	\$ 133,510,000	\$ 57,815,000	February 1	Current Refunding	Open Senior	Fixed	2/1/36
2022A Series	Refund Rev Oblig	2/1/22	\$ 81,620,000	\$ 81,620,000	February 1	Current Refunding	Open Senior	Fixed	2/1/33
2024A Series	Refund Rev Oblig	5/7/24	\$ 139,720,000	\$ 120,685,000	February 1	Current Refunding	Open Senior	Fixed	2/1/37
2025A Series	Refund Rev Oblig	11/4/25	\$ 95,070,000	\$ 95,070,000	February 1	Current Refunding	Open Senior	Fixed	2/1/39

OC San embarked upon its Debt Financing and Management Program, and specifically its Variable and Fixed Rate Debt Program (the "Program"), in 1990 with the issuance of \$100 million in Certificates of Participation ("COP"), Capital Improvement Program, 1990 Series "A." The Program was established to:

Finance assets with long useful lives with long-term debt;

Achieve the lowest possible interest costs and highest investment returns, commensurate with the appropriate risk;

Recoup reserve moneys that had previously been spent

COPs are repayment obligations based on a lease or installment sale agreement. The COP structure was selected over other structures because COPs are not viewed as debt by the State of California, as the purchaser does not actually receive a "bond," but rather a share in an installment sale arrangement where OC San serves as the purchaser. Accordingly, OC San is not subject to the usual State restrictions surrounding the issuance of debt. COPs can be issued with fixed or variable interest rates.

Proceeds from the Series 2010A and 2010C debt issuances were used for current or future CIP projects. The proceeds of the remaining outstanding debt issuances were used to refund prior debt issuances. As of July 1, 2026, the total outstanding COP indebtedness is \$523.8 million.

Dedicated Funding Source

In 1992 and 2004 the Board of Directors formalized the dedication of certain funding sources. To assure the continuation of favorable credit ratings, revenues were dedicated to debt service in the following order:

1. Ad valorem property taxes
2. Sanitary sewer service charges
3. Other Revenues

This apportionment of the ad valorem tax was consistent with and pursuant to the Revenue Program adopted in April 1979 to comply with regulations of the Environmental Protection Agency and the State Water Resources Control Board and in accordance with COP documents and Board policy.

Establishment of Debt Policy

In 2001, OC San developed a written debt policy for the following underlying reasons:

Committing to long-term financial planning;

Promoting credit quality to rating agencies;

Rationalizing the decision making process;

Enhancing the quality of decisions; and

Promoting consistency and continuity

This board adopted policy serves as the agency's guide in the management of existing debt and in the issuance of future debt.

Debt Coverage Ratios

OC San has no legal debt limits as imposed by state legislation. The only legal debt limits pertaining OC San are those that are provided within the existing COP indenture agreements requiring minimum coverage ratios of 1.25. The minimum coverage ratio is the ratio of net annual revenues available for debt service requirements to total annual debt service requirements for all senior lien COP debt. The coverage ratio for senior lien COP debt is proposed at 5.56 and 5.99 for FY 2026-27 and FY 2027-28, respectively.

Build America Bonds Financing

OC San issued the \$80.0 million Wastewater Revenue Obligation, Series 2010A in May 2010 and the \$157.0 million Wastewater Revenue Obligations, Series 2010C in December 2010 as "Build America Bonds" (BABs) fixed rate debt.

The American Recovery and Reinvestment Act of 2009 created a new financing product, BABs, for the municipal issuer. BABs are issued as higher interest taxable bonds; however, the U.S. Treasury provides a 35 percent subsidy on interest payments. The net cost, after accounting for the 35 percent subsidy payment, frequently results in lower net costs to the issuer, specifically in the maturity years beyond ten years.

On March 1, 2013, the federal government implemented certain automatic spending cuts known as the sequester. As a result of the sequester, federal subsidy payments on BABs have been reduced annually from a high of 8.7 percent for the federal fiscal year ended September 30, 2013 to a low of 5.7 percent for the federal fiscal year ended September 30, 2030.

Future Financings

As a result of having a prudent reserve policy, experienced management and prudent planning, OC San has been able to secure "AAA" credit ratings from Fitch Ratings, Moody's Investors Service and S&P Global Ratings. OC San's long-range financing plan is designed to maintain these high ratings. Over the next 10 years, OC San is projecting an additional \$3.6 billion in future treatment plant and collection system capital replacement, refurbishment and rehabilitation improvements. In accordance with OC San's long-term debt fiscal policy, OC San will confine long-term borrowing to capital improvements that cannot be financed from current revenue. Before any new debt is issued, the impact of debt service payments on total annual fixed costs will be analyzed.

OC San's cash flow forecast does not require any new money debt issuances over the next ten years as capital improvements planned over this time period primarily consist of replacement, refurbishment and rehabilitation of existing projects which are to be funded through existing reserves and current sewer charges.

Aggregate Debt Service Structures

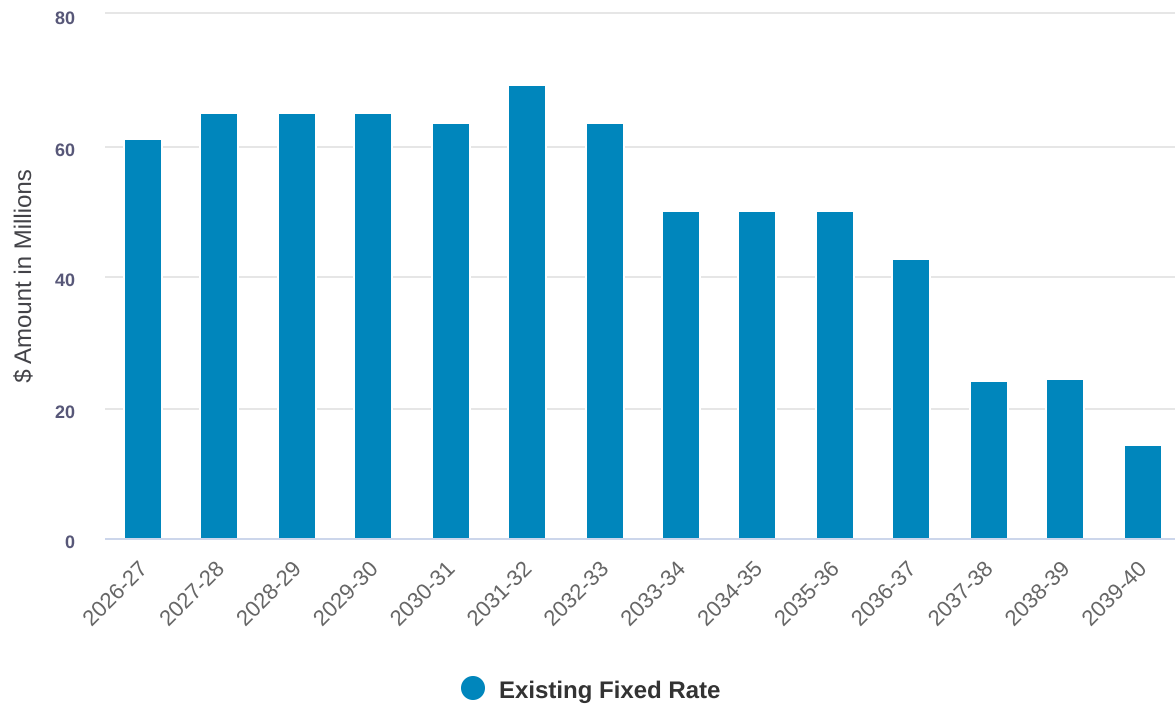


Figure 2

Schedule of Future Certificates of Participation Issues and CIP Cash Flows
(in millions)

	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36
New COP Issues	-	-	-	-	-	-	-	-	-	-
CIP Outlays	\$ 291.5	\$ 313.5	\$ 296.6	\$ 292.9	\$ 355.0	\$ 415.1	\$ 437.4	\$ 430.5	\$ 381.3	\$ 346.8

Total Certificates of Participation / Revenue Obligations Debt Service Requirements
Principal and Interest Combined

Fiscal Year of Payments	2010A Build America Bonds Acq./Const.	2010C Build America Bonds Acq./Const.	2017A Refunding (Partial 2007A)	2021A Refunding (Partial 2011A and 2018A)
2026-27	4,457,906	1,449,705	18,405,750	7,485,750
2027-28	4,457,906	1,449,705	18,365,000	7,486,000
2028-29	4,457,906	1,449,705	18,323,500	7,489,750
2029-30	4,457,906	1,449,705	19,204,500	7,486,250
2030-31	4,457,906	7,184,705	-	7,490,250
2031-32	4,457,906	18,180,533	-	7,485,750
2032-33	4,457,906	-	-	7,487,500
2033-34	14,047,906	-	-	7,489,500
2034-35	14,069,702	-	-	7,486,000
2035-36	14,095,640	-	-	7,486,500
2036-37	14,118,774	-	-	-
2037-38	14,145,165	-	-	-
2038-39	14,169,728	-	-	-
2039-40	14,200,510	-	-	-
Totals	\$ 130,052,767	\$ 31,164,058	\$ 74,298,750	\$ 74,873,250

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Total Certificates of Participation / Revenue Obligations Debt Service Requirements
Principal and Interest Combined

Fiscal Year of Payments	2022A Refunding (Partial 2012A and 2012B)	2024A Refunding (Partial 2014A and 2015A)	2025A Refunding (Partial 2016A)	Total Payments
2026-27	4,081,000	14,984,250	10,108,500	60,972,861
2027-28	4,081,000	19,176,750	10,110,750	65,127,111
2028-29	4,081,000	19,217,250	10,104,500	65,123,611
2029-30	4,081,000	18,336,750	10,109,500	65,125,611
2030-31	26,566,000	7,789,500	10,129,500	63,617,861
2031-32	25,761,750	3,269,250	10,128,000	69,283,189
2032-33	38,146,500	3,269,250	10,130,250	63,491,406
2033-34	-	18,439,250	10,125,250	50,101,906
2034-35	-	18,440,750	10,132,500	50,128,952
2035-36	-	18,439,250	10,125,500	50,146,890
2036-37	-	18,438,000	10,129,000	42,685,774
2037-38	-	-	10,126,500	24,271,665
2038-39	-	-	10,127,250	24,296,978
2039-40	-	-	-	14,200,510
Totals	\$ 106,798,250	\$ 159,800,250	\$ 131,587,000	\$ 708,574,325

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Total Certificates of Participation / Revenue Obligations Debt Service Requirements
Annual Interest Payments

Fiscal Year of Payments	2010A Build America Bonds Acq./Const.	2010C Build America Bonds Acq./Const.	2017A Refunding (Partial 2007A)	2021A Refunding (Partial 2011A and 2018A)
2026-27	4,457,906	1,449,705	3,290,750	2,890,750
2027-28	4,457,906	1,449,705	2,535,000	2,661,000
2028-29	4,457,906	1,449,705	1,743,500	2,419,750
2029-30	4,457,906	1,449,705	914,500	2,166,250
2030-31	4,457,906	1,449,705	-	1,900,250
2031-32	4,457,906	1,085,533	-	1,620,750
2032-33	4,457,906	-	-	1,327,500
2033-34	4,457,906	-	-	1,019,500
2034-35	3,924,702	-	-	696,000
2035-36	3,360,640	-	-	356,500
2036-37	2,763,774	-	-	-
2037-38	2,130,165	-	-	-
2038-39	1,459,728	-	-	-
2039-40	750,510	-	-	-
Totals	\$ 50,052,767	\$ 8,334,058	\$ 8,483,750	\$ 17,058,250

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Total Certificates of Participation / Revenue Obligations Debt Service Requirements
Annual Interest Payments

Fiscal Year of Payments	2022A Refunding (Partial 2012A and 2012B)	2024A Refunding (Partial 2014A and 2015A)	2025A Refunding (Partial 2016A)	Total Payments
2026-27	4,081,000	6,034,250	4,753,500	26,957,861
2027-28	4,081,000	5,586,750	4,485,750	25,257,111
2028-29	4,081,000	4,907,250	4,204,500	23,263,611
2029-30	4,081,000	4,191,750	3,909,500	21,170,611
2030-31	4,081,000	3,484,500	3,599,500	18,972,861
2031-32	2,956,750	3,269,250	3,273,000	16,663,189
2032-33	1,816,500	3,269,250	2,930,250	13,801,406
2033-34	-	3,269,250	2,570,250	11,316,906
2034-35	-	2,510,750	2,192,500	9,323,952
2035-36	-	1,714,250	1,795,500	7,226,890
2036-37	-	878,000	1,379,000	5,020,774
2037-38	-	-	941,500	3,071,665
2038-39	-	-	482,250	1,941,978
2039-40	-	-	-	750,510
Totals	\$ 25,178,250	\$ 39,115,250	\$ 36,517,000	\$ 184,739,325

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Total Certificates of Participation / Revenue Obligations Debt Service Requirements
Annual Principal Payments

Fiscal Year of Payments	2010A Build America Bonds Acq./Const.	2010C Build America Bonds Acq./Const.	2017A Refunding (Partial 2007A)	2021A Refunding (Partial 2011A and 2018A)
2026-27	-	-	15,115,000	4,595,000
2027-28	-	-	15,830,000	4,825,000
2028-29	-	-	16,580,000	5,070,000
2029-30	-	-	18,290,000	5,320,000
2030-31	-	5,735,000	-	5,590,000
2031-32	-	17,095,000	-	5,865,000
2032-33	-	-	-	6,160,000
2033-34	9,590,000	-	-	6,470,000
2034-35	10,145,000	-	-	6,790,000
2035-36	10,735,000	-	-	7,130,000
2036-37	11,355,000	-	-	-
2037-38	12,015,000	-	-	-
2038-39	12,710,000	-	-	-
2039-40	13,450,000	-	-	-
Totals	\$ 80,000,000	\$ 22,830,000	\$ 65,815,000	\$ 57,815,000

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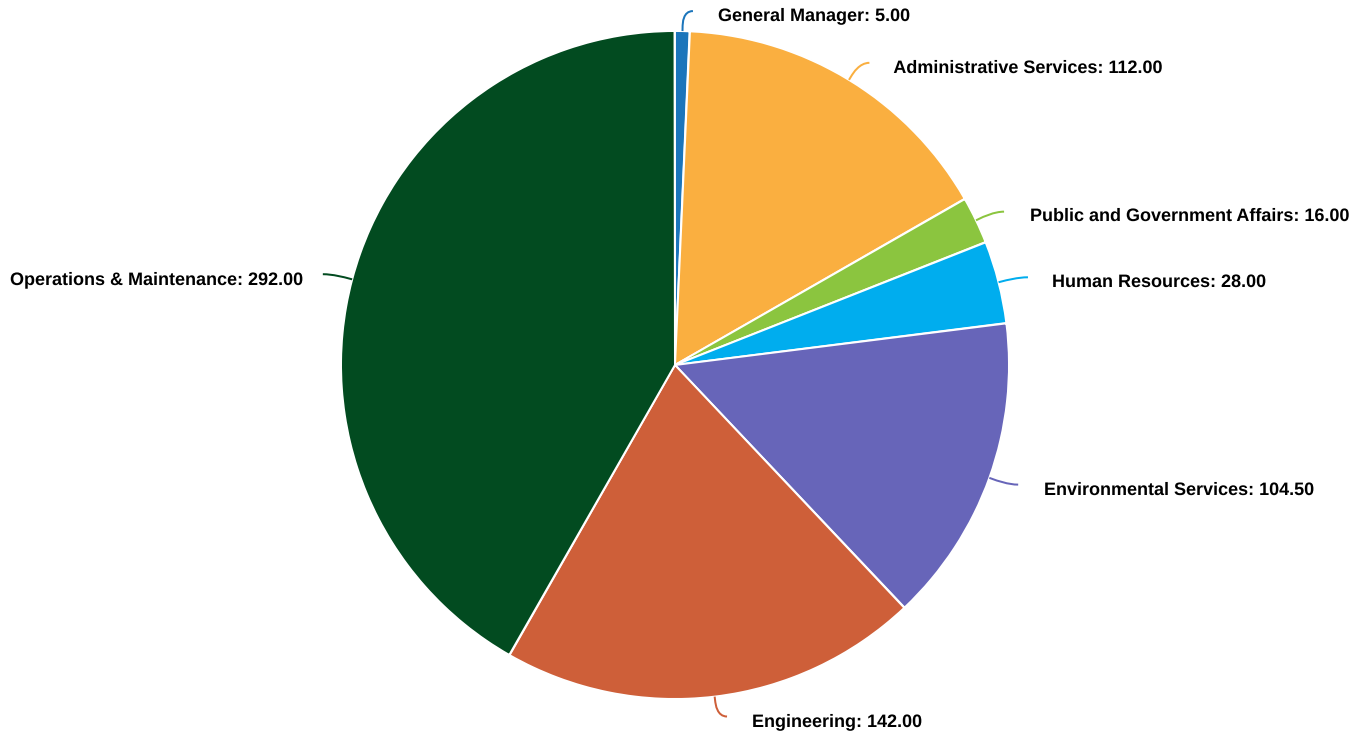
Total Certificates of Participation / Revenue Obligations Debt Service Requirements
Annual Principal Payments

Fiscal Year of Payments	2022A Refunding (Partial 2012A and 2012B)	2024A Refunding (Partial 2014A and 2015A)	2025A Refunding (Partial 2016A)	Total Payments
2026-27	-	8,950,000	5,355,000	34,015,000
2027-28	-	13,590,000	5,625,000	39,870,000
2028-29	-	14,310,000	5,900,000	41,860,000
2029-30	-	14,145,000	6,200,000	43,955,000
2030-31	22,485,000	4,305,000	6,530,000	44,645,000
2031-32	22,805,000	-	6,855,000	52,620,000
2032-33	36,330,000	-	7,200,000	49,690,000
2033-34	-	15,170,000	7,555,000	38,785,000
2034-35	-	15,930,000	7,940,000	40,805,000
2035-36	-	16,725,000	8,330,000	42,920,000
2036-37	-	17,560,000	8,750,000	37,665,000
2037-38	-	-	9,185,000	21,200,000
2038-39	-	-	9,645,000	22,355,000
2039-40	-	-	-	13,450,000
Totals	\$ 81,620,000	\$ 120,685,000	\$ 95,070,000	\$ 523,835,000

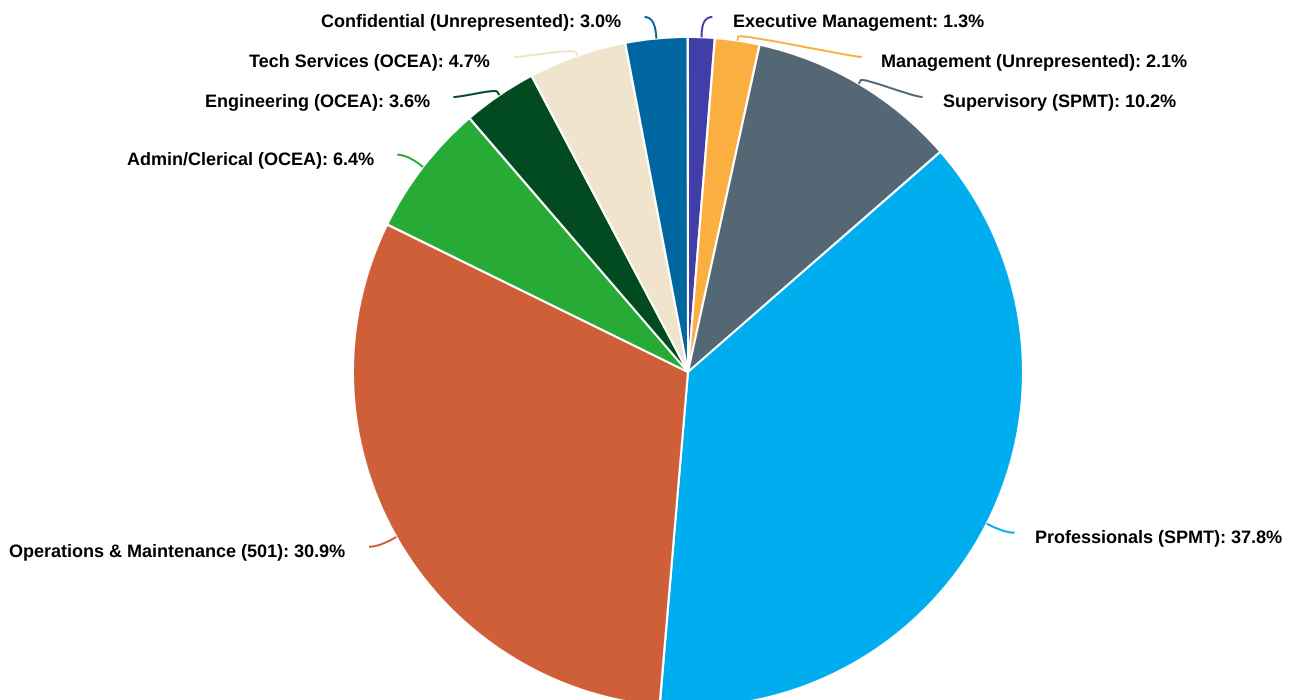
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Staffing by Department FY26-27

Total 699.50 FTE

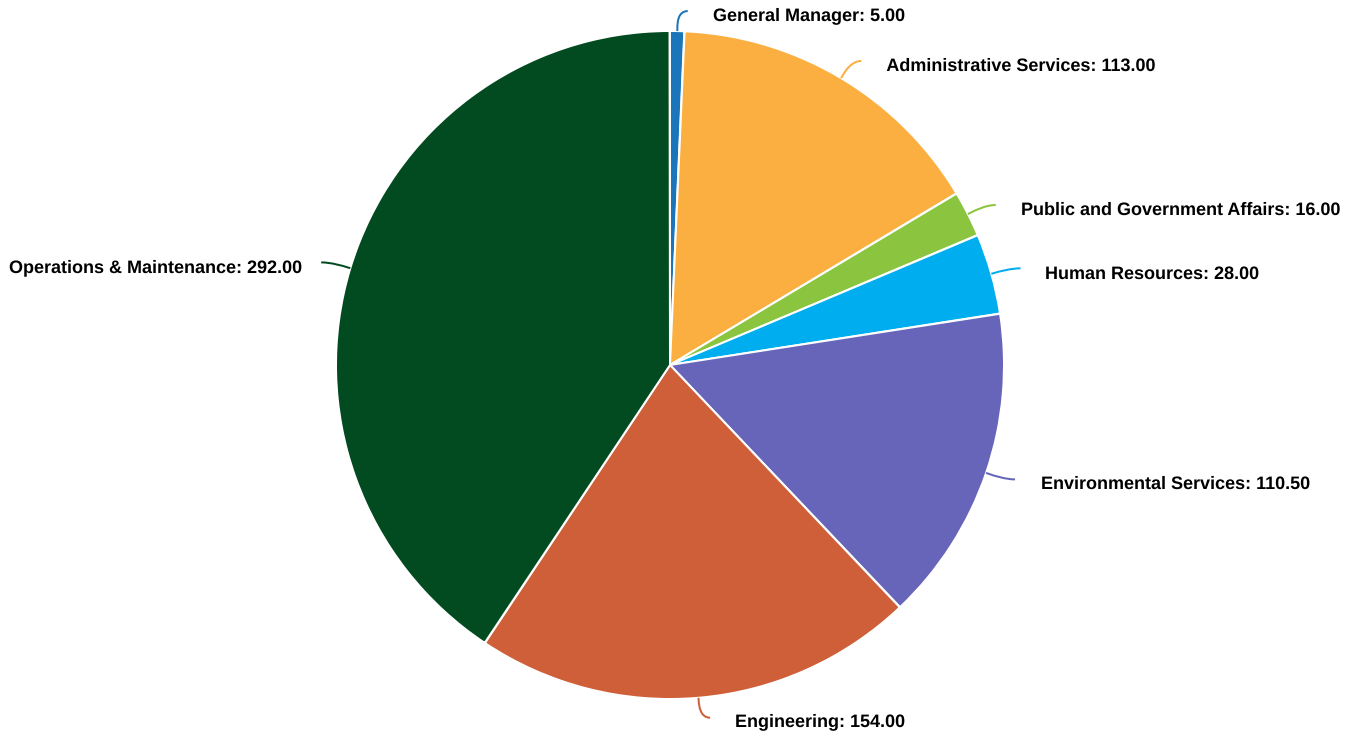


Staffing by Category FY26-27

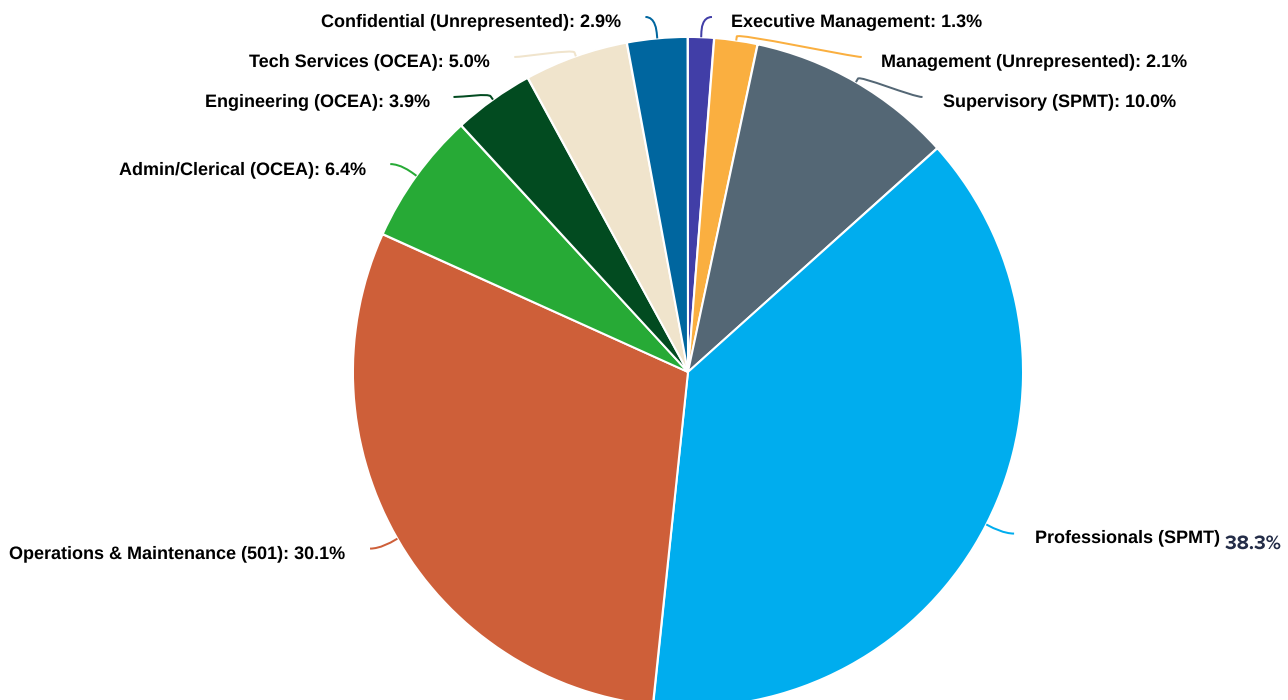


Staffing by Department FY27-28

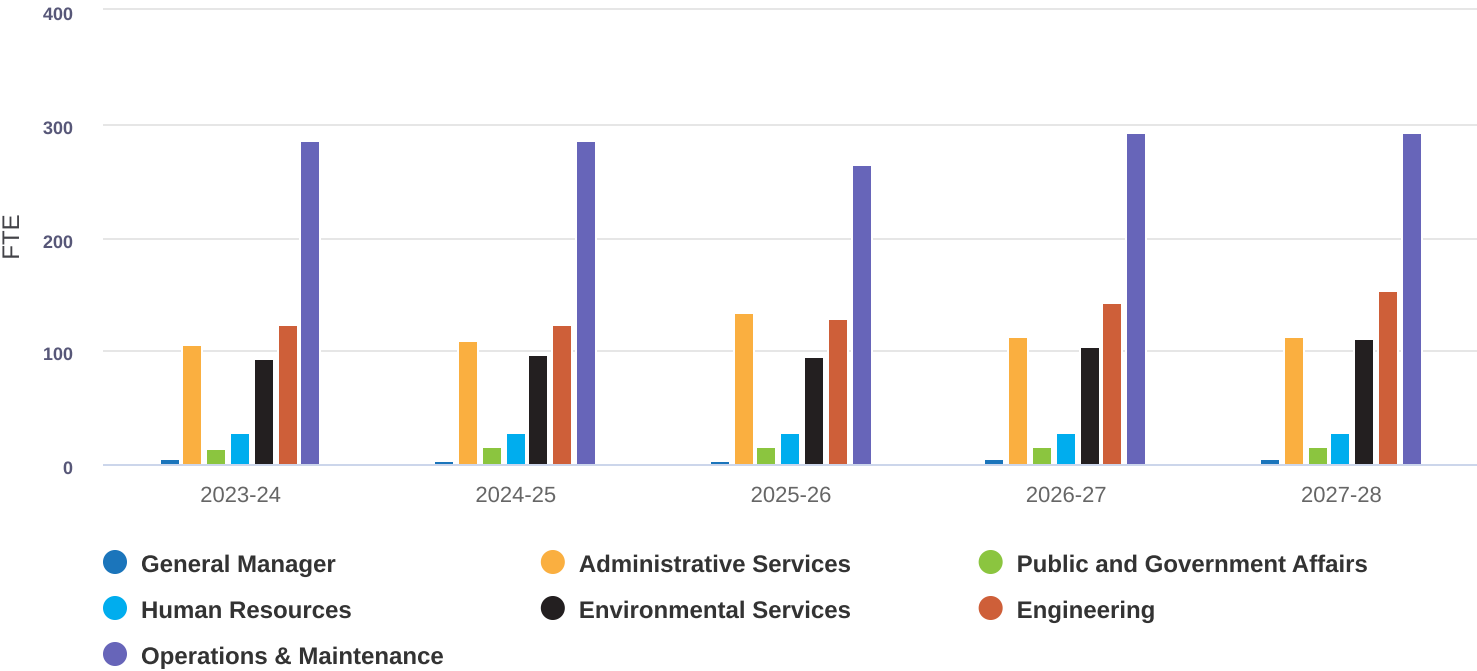
Total 718.50 FTE



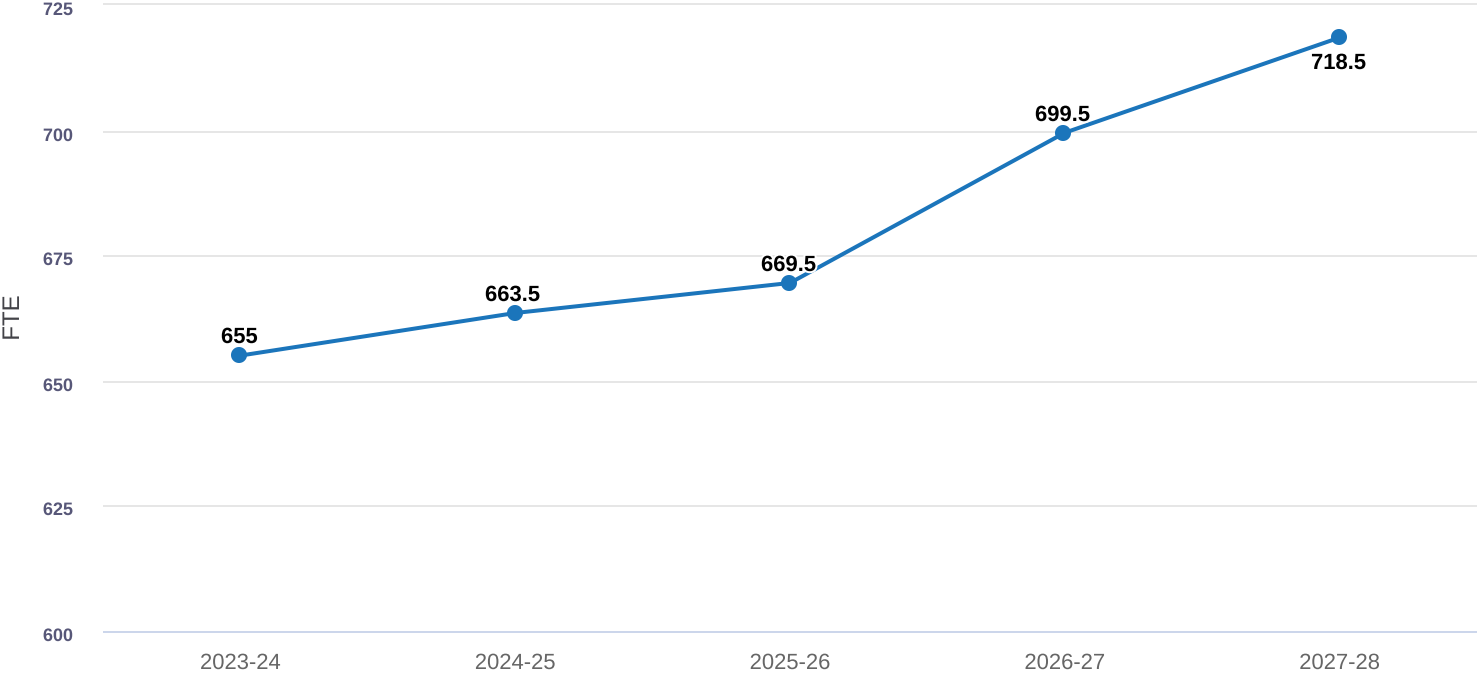
Staffing by Category FY27-28



Historical Staffing By Department



Total Historical Staffing



Staffing Allocation

Department and Division Name	Authorized FTEs 2023-24	Authorized FTEs 2024-25	Authorized FTEs 2025-26	Proposed FTEs 2026-27	Proposed FTEs 2027-28
<u>General Manager's Office Header</u>					
General Manager Administration	5.00	4.00	4.00	5.00	5.00
General Manger's Office	5.00	4.00	4.00	5.00	5.00
<u>Administrative Services Department</u>					
Administrative Services Administration	2.00	4.00	1.00	1.00	1.00
Financial Management	26.00	25.00	27.00	26.00	26.00
Contracts, Purchasing and Materials Management	29.00	30.00	31.00	33.00	34.00
Information Technology	49.00	50.00	51.00	52.00	52.00
Facilities Maintenance	0.00	0.00	16.00	0.00	0.00
Fleet Services (old)	0.00	0.00	8.00	0.00	0.00
Administrative Services	106.00	109.00	134.00	112.00	113.00
<u>Communications Department</u>					
Communications Administration	0.00	1.00	1.00	1.00	1.00
Board Services	7.00	7.00	7.00	7.00	7.00
Public Affairs	7.00	8.00	8.00	8.00	8.00
Communications	14.00	16.00	16.00	16.00	16.00
<u>Human Resources Department</u>					
Human Resources Administration	0.00	1.00	1.00	1.00	1.00
Human Resource	17.00	16.00	16.00	16.00	16.00
Risk Management/Safety/Security	11.00	11.00	11.00	11.00	11.00
Human Resources	28.00	28.00	28.00	28.00	28.00
<u>Environmental Services Department</u>					
Environmental Services Administration	13.00	2.00	3.00	3.00	3.00
Resource Protection	37.00	37.00	34.00	39.00	44.00
Environmental Laboratory and Ocean Monitoring	44.00	47.00	48.00	44.00	45.00
Environmental Compliance	0.00	11.50	10.50	18.50	18.50
Environmental Services	94.00	97.50	95.50	104.50	110.50
<u>Engineering Department</u>					
Engineering Administration	2.00	2.00	2.00	2.00	2.00
Planning	15.00	16.00	16.00	18.00	19.00
Project Management Office	21.00	21.00	22.00	23.00	24.00
Design	37.00	37.00	39.00	43.00	47.00
Construction Management	48.00	48.00	49.00	56.00	62.00
Engineering	123.00	124.00	128.00	142.00	154.00

Staffing Allocation

Department and Division Name	Authorized FTEs 2023-24	Authorized FTEs 2024-25	Authorized FTEs 2025-26	Proposed FTEs 2026-27	Proposed FTEs 2027-28
<u>Operations and Maintenance Department</u>					
Operations and Maintenance Administration	1.00	1.00	1.00	1.00	1.00
Collection Facilities Operations and Maintenance	26.00	26.00	26.00	23.00	23.00
Maintenance Support Services	0.00	0.00	33.00	37.00	37.00
Fleet Services	9.00	9.00	0.00	8.00	8.00
Civil Facilities Maintenance	0.00	0.00	0.00	16.00	16.00
Plant No. 1 Operations	52.00	52.00	51.00	52.00	52.00
Plant No. 2 Operations	44.00	44.00	45.00	46.00	46.00
Plant No. 1 Maintenance	98.00	97.00	56.00	56.00	56.00
Plant No. 2 Maintenance	55.00	56.00	52.00	53.00	53.00
Operations and Maintenance	285.00	285.00	264.00	292.00	292.00
Grand Total - All Departments	655.00	663.50	669.50	699.50	718.50

Historical Staffing Detail

Division & Position	Authorized FTEs 2023-24	Authorized FTEs 2024-25	Authorized FTEs 2025-26	Proposed FTEs 2026-27	Proposed FTEs 2027-28
General Manager	1.00	1.00	1.00	1.00	1.00
Assistant General Manager	1.00	1.00	1.00	2.00	2.00
Administration Manager	1.00	-	-	-	-
Principal Staff Analyst	1.00	1.00	1.00	1.00	1.00
Secretary to General Manager	1.00	1.00	1.00	1.00	1.00
110 - General Management Admin	5.00	4.00	4.00	5.00	5.00
100 - General Manager	5.00	4.00	4.00	5.00	5.00
Director of Finance	1.00	1.00	1.00	1.00	1.00
Maintenance Manager	-	1.00	-	-	-
Principal Staff Analyst	-	1.00	-	-	-
Senior Accountant	-	1.00	-	-	-
Administrative Assistant	1.00	-	-	-	-
210 - Administrative Services Admin	2.00	4.00	1.00	1.00	1.00
Finance & Procurement Manager	1.00	1.00	-	-	-
Finance Manager	-	-	1.00	1.00	1.00
Accounting Supervisor	3.00	3.00	3.00	3.00	3.00
Principal Accountant	3.00	3.00	3.00	3.00	3.00
Principal Staff Analyst	4.00	3.00	3.00	1.00	1.00
Senior Planner/Scheduler	-	-	1.00	1.00	1.00
Senior Accountant	2.00	1.00	2.00	2.00	2.00
Senior Staff Analyst	3.00	3.00	3.00	3.00	3.00
Accountant	3.00	3.00	3.00	3.00	3.00
Payroll Technician	2.00	2.00	2.00	2.00	2.00
Accounting Technician	5.00	5.00	5.00	5.00	5.00
Administrative Assistant	-	1.00	1.00	1.00	1.00
Program Assistant	-	-	-	1.00	1.00
220 - Financial Management	26.00	25.00	27.00	26.00	26.00

Historical Staffing Detail

Division & Position	Authorized FTEs 2023-24	Authorized FTEs 2024-25	Authorized FTEs 2025-26	Proposed FTEs 2026-27	Proposed FTEs 2027-28
Purchasing & Contracts Manager	-	1.00	1.00	1.00	1.00
Contracts Supervisor	1.00	1.00	1.00	1.00	1.00
Purchasing Supervisor	1.00	1.00	1.00	1.00	1.00
Materials Mgmt Supervisor	1.00	1.00	1.00	1.00	1.00
Principal Contracts Admin	2.00	2.00	3.00	3.00	3.00
Senior Contracts Administrator	3.00	3.00	3.00	3.00	4.00
Principal Buyer	-	-	-	-	1.00
Contracts Administrator	3.00	3.00	3.00	3.00	3.00
Principal Staff Analyst	-	-	-	2.00	2.00
Senior Buyer	3.00	3.00	2.00	2.00	1.00
Buyer	2.00	2.00	4.00	4.00	4.00
Contract/Purchasing Technician	4.00	4.00	3.00	3.00	3.00
Lead Materials Mgmt Clerk	1.00	1.00	1.00	1.00	1.00
Materials Management Clerk	6.00	6.00	6.00	6.00	6.00
Materials Mgmt Technician	1.00	1.00	1.00	1.00	1.00
Office Assistant	1.00	1.00	1.00	1.00	1.00
230 - Contracts, Purch, & Materials Mgmt	29.00	30.00	31.00	33.00	34.00
Information Technology Manager	1.00	1.00	1.00	1.00	1.00
Information Tech Supervisor	3.00	3.00	4.00	4.00	4.00
Principal Info Tech Analyst	8.00	8.00	8.00	8.00	8.00
Senior Info Tech Analyst	10.00	11.00	11.00	12.00	12.00
Information Tech Analyst III	9.00	9.00	9.00	9.00	9.00
Information Tech Analyst II	5.00	5.00	6.00	6.00	6.00
Data Mgmt Tech II	6.00	6.00	5.00	5.00	5.00
Data Mgmt Tech I	3.00	3.00	3.00	3.00	3.00
Staff Analyst	1.00	1.00	1.00	1.00	1.00
Administrative Assistant	1.00	1.00	1.00	1.00	1.00
Information Technology Tech	2.00	2.00	2.00	2.00	2.00
250 - Information Technology	49.00	50.00	51.00	52.00	52.00
Maintenance Manager	-	-	1.00	-	-
Maintenance Supervisor	-	-	1.00	-	-
Principal Staff Analyst	-	-	1.00	-	-
Maintenance Specialist	-	-	2.00	-	-
Lead Elec Tech	-	-	1.00	-	-
Electrical Tech II	-	-	2.00	-	-
Administrative Assistant	-	-	1.00	-	-
Lead Facilities Worker	-	-	1.00	-	-
Building Maintenance Tech	-	-	1.00	-	-
Facilities Worker	-	-	5.00	-	-
260 - Facilities Maintenance	-	-	16.00	-	-

Historical Staffing Detail

Division & Position	Authorized FTEs 2023-24	Authorized FTEs 2024-25	Authorized FTEs 2025-26	Proposed FTEs 2026-27	Proposed FTEs 2027-28
Maintenance Supervisor	-	-	1.00	-	-
Lead Mechanic	-	-	1.00	-	-
Automotive/Heavy Equip Tech	-	-	4.00	-	-
Mobile Crane Operator	-	-	2.00	-	-
261 - Fleet Services	-	-	8.00	-	-
200 - Administrative Services	106.00	109.00	134.00	112.00	113.00
Director of Communications	-	-	1.00	1.00	1.00
Director of Communications	-	1.00	-	-	-
310 - Public and Governmental Affairs Administrati...	-	1.00	1.00	1.00	1.00
Clerk of the Board	1.00	1.00	1.00	1.00	1.00
Assistant Clerk of the Board	2.00	2.00	2.00	2.00	2.00
Records Management Technician	1.00	1.00	1.00	1.00	1.00
Program Assistant	1.00	1.00	2.00	2.00	2.00
Office Assistant	2.00	2.00	1.00	1.00	1.00
320 - Board Services	7.00	7.00	7.00	7.00	7.00
Public Affairs Supervisor	1.00	1.00	1.00	1.00	1.00
Pr. Public Affairs Specialist	1.00	1.00	1.00	1.00	1.00
Sr. Public Affairs Specialist	1.00	1.00	1.00	1.00	1.00
Public Affairs Specialist	2.00	2.00	2.00	2.00	2.00
Graphics Designer	1.00	2.00	2.00	2.00	2.00
Administrative Assistant	1.00	1.00	1.00	1.00	1.00
340 - Public Affairs	7.00	8.00	8.00	8.00	8.00
300 - Public and Government Affairs	14.00	16.00	16.00	16.00	16.00

Historical Staffing Detail

Division & Position	Authorized FTEs 2023-24	Authorized FTEs 2024-25	Authorized FTEs 2025-26	Proposed FTEs 2026-27	Proposed FTEs 2027-28
Director of Human Resources	-	1.00	1.00	1.00	1.00
510 - Human Resources Administration	-	1.00	1.00	1.00	1.00
Director of Human Resources	1.00	-	-	-	-
Human Resources Manager	1.00	1.00	1.00	1.00	1.00
Human Resources Supervisor	2.00	2.00	2.00	2.00	2.00
Principal HR Analyst	3.00	3.00	3.00	3.00	3.00
Sr Human Resources Analyst	4.00	4.00	4.00	4.00	4.00
Human Resources Analyst	4.00	4.00	3.00	3.00	3.00
Human Resources Technician II	1.00	1.00	2.00	3.00	3.00
Human Resources Technician I	1.00	1.00	1.00	-	-
520 - Human Resources	17.00	16.00	16.00	16.00	16.00
Safety and Health Manager	1.00	1.00	1.00	1.00	1.00
Pr. Safety and Health Spclst	2.00	2.00	2.00	2.00	2.00
Security/Emerg Plng Specialist	1.00	1.00	1.00	1.00	1.00
Safety Inspector	2.00	2.00	2.00	2.00	2.00
Senior Safety & Health Representative	2.00	2.00	-	-	-
Sr. Safety and Health Spclst	-	-	2.00	2.00	2.00
Safety & Health Specialist	2.00	2.00	-	-	-
Safety and Health Specialist	-	-	2.00	2.00	2.00
Human Resources Technician II	1.00	1.00	1.00	1.00	1.00
530 - Risk Management	11.00	11.00	11.00	11.00	11.00
500 - Human Resources	28.00	28.00	28.00	28.00	28.00

Historical Staffing Detail

Division & Position	Authorized FTEs 2023-24	Authorized FTEs 2024-25	Authorized FTEs 2025-26	Proposed FTEs 2026-27	Proposed FTEs 2027-28
Director of Environmental Svcs	1.00	1.00	1.00	1.00	1.00
Environmental Protection Manager	1.00	-	-	-	-
Senior Engineer	-	-	1.00	1.00	1.00
Senior Regulatory Specialist	2.00	-	-	-	-
Regulatory Specialist	3.00	-	-	-	-
Principal Environmental Specialist	2.00	-	-	-	-
Senior Environmental Specialist	3.00	-	-	-	-
Administrative Assistant	1.00	1.00	1.00	1.00	1.00
610 - Environmental Services Administration	13.00	2.00	3.00	3.00	3.00
Environ Protection Manager	1.00	1.00	1.00	1.00	1.00
Engineering Supervisor	2.00	2.00	1.00	1.00	2.00
Environmental Supervisor	1.00	1.00	1.00	1.00	1.00
Senior Engineer	1.00	1.00	1.00	3.00	3.00
Engineer	4.00	4.00	4.00	3.00	3.00
Associate Engineer	3.00	3.00	3.00	5.00	5.00
Senior Regulatory Specialist	1.00	1.00	1.00	1.00	1.00
Pr Environmental Specialist	3.00	3.00	3.00	3.00	3.00
Lead Source Control Inspector	1.00	1.00	1.00	1.00	1.00
Sr Environmental Specialist	1.00	2.00	1.00	1.00	1.00
Source Control Inspector II	5.00	5.00	5.00	5.00	5.00
Source Control Inspector I	4.00	4.00	4.00	6.00	8.00
Administrative Assistant	1.00	-	-	-	-
Environmental Technician	4.00	4.00	4.00	4.00	5.00
Program Assistant	4.00	4.00	4.00	4.00	5.00
Office Assistant	1.00	1.00	-	-	-
620 - Resource Protection	37.00	37.00	34.00	39.00	44.00

Historical Staffing Detail

Division & Position	Authorized FTEs 2023-24	Authorized FTEs 2024-25	Authorized FTEs 2025-26	Proposed FTEs 2026-27	Proposed FTEs 2027-28
Environ Protection Manager	1.00	1.00	1.00	1.00	1.00
Environmental Supervisor	3.00	3.00	3.00	3.00	3.00
Senior Scientist	1.00	1.00	3.00	1.00	1.00
Scientist	4.00	4.00	2.00	1.00	1.00
Pr Environmental Specialist	8.00	8.00	8.00	8.00	8.00
Sr Environmental Specialist	14.00	15.00	16.00	16.00	16.00
Environmental Specialist	6.00	6.00	6.00	8.00	9.00
Boat Captain	1.00	1.00	1.00	-	-
Assistant Boat Captain	1.00	1.00	1.00	-	-
Administrative Assistant	1.00	1.00	1.00	1.00	1.00
Environmental Technician	4.00	6.00	6.00	5.00	5.00
630 - Environmental Laboratory	44.00	47.00	48.00	44.00	45.00
Environ Protection Manager	-	1.00	1.00	1.00	1.00
Environmental Supervisor	-	-	-	1.00	1.00
Pr Environmental Specialist	-	2.50	1.50	1.50	1.50
Senior Regulatory Specialist	-	2.00	2.00	2.00	2.00
Regulatory Specialist	-	3.00	3.00	3.00	3.00
Sr Environmental Specialist	-	3.00	3.00	5.00	5.00
Senior Scientist	-	-	-	1.00	1.00
Boat Captain	-	-	-	1.00	1.00
Scientist	-	-	-	1.00	1.00
Assistant Boat Captain	-	-	-	1.00	1.00
Environmental Technician	-	-	-	1.00	1.00
650 - Environmental Compliance	-	11.50	10.50	18.50	18.50
600 - Environmental Services	94.00	97.50	95.50	104.50	110.50
Director of Engineering	1.00	1.00	1.00	1.00	1.00
Principal Staff Analyst	1.00	1.00	1.00	1.00	1.00
710 - Engineering Admin	2.00	2.00	2.00	2.00	2.00
Engineering Manager	1.00	1.00	1.00	1.00	1.00
Engineering Supervisor	2.00	2.00	2.00	2.00	2.00
Senior Engineer	2.00	2.00	2.00	3.00	3.00
Engineer	7.00	7.00	7.00	7.00	8.00
Principal Staff Analyst	1.00	1.00	1.00	2.00	2.00
Associate Engineer	-	2.00	2.00	2.00	2.00
Engineering Associate	1.00	-	-	-	-
Assistant Engineer	1.00	1.00	1.00	1.00	1.00
740 - Planning	15.00	16.00	16.00	18.00	19.00

Historical Staffing Detail

Division & Position	Authorized FTEs 2023-24	Authorized FTEs 2024-25	Authorized FTEs 2025-26	Proposed FTEs 2026-27	Proposed FTEs 2027-28
Engineering Manager	1.00	1.00	1.00	1.00	1.00
Engineering Supervisor	2.00	2.00	3.00	3.00	3.00
CIP Project Manager	1.00	1.00	1.00	1.00	1.00
Senior Engineer	11.00	11.00	11.00	11.00	11.00
Engineer	3.00	2.00	3.00	4.00	5.00
Associate Engineer	1.00	2.00	2.00	2.00	2.00
Engineering Associate	1.00	1.00	-	-	-
Administrative Assistant	1.00	1.00	1.00	1.00	1.00
750 - Project Management	21.00	21.00	22.00	23.00	24.00
Engineering Manager	1.00	1.00	1.00	1.00	1.00
Engineering Supervisor	3.00	3.00	4.00	4.00	4.00
Information Tech Supervisor	1.00	1.00	1.00	1.00	1.00
Senior Engineer	9.00	9.00	10.00	10.00	10.00
Principal Info Tech Analyst	4.00	3.00	3.00	4.00	4.00
Engineer	9.00	9.00	9.00	10.00	11.00
Senior Info Tech Analyst	4.00	4.00	4.00	4.00	5.00
Associate Engineer	1.00	1.00	2.00	4.00	5.00
Information Tech Analyst III	1.00	2.00	2.00	2.00	3.00
Information Tech Analyst II	1.00	1.00	1.00	1.00	1.00
Staff Analyst	1.00	1.00	-	-	-
Administrative Assistant	1.00	1.00	1.00	1.00	1.00
Assistant Engineer	1.00	1.00	1.00	1.00	1.00
760 - Design	37.00	37.00	39.00	43.00	47.00
Engineering Manager	1.00	1.00	1.00	1.00	1.00
Engineering Supervisor	3.00	3.00	3.00	4.00	4.00
Construction Insp Supervisor	3.00	3.00	3.00	4.00	4.00
Senior Engineer	4.00	4.00	4.00	5.00	6.00
Engineer	8.00	7.00	6.00	6.00	7.00
Senior Cost Estimator	1.00	1.00	1.00	1.00	1.00
Senior Planner/Scheduler	1.00	1.00	1.00	1.00	1.00
Associate Engineer	2.00	3.00	4.00	6.00	7.00
Planner/Scheduler	1.00	1.00	1.00	2.00	2.00
Cost Estimator	1.00	1.00	1.00	1.00	1.00
Senior Construction Inspector	8.00	8.00	8.00	8.00	9.00
Construction Inspector	11.00	11.00	11.00	12.00	14.00
Staff Analyst	-	-	1.00	1.00	1.00
Engineering Technician	3.00	3.00	3.00	3.00	3.00
Administrative Assistant	1.00	1.00	1.00	1.00	1.00
770 - Construction Management	48.00	48.00	49.00	56.00	62.00
700 - Engineering	123.00	124.00	128.00	142.00	154.00

Historical Staffing Detail

Division & Position	Authorized FTEs 2023-24	Authorized FTEs 2024-25	Authorized FTEs 2025-26	Proposed FTEs 2026-27	Proposed FTEs 2027-28
Director of Ops and Maint	1.00	1.00	1.00	1.00	1.00
810 - O & M Administration	1.00	1.00	1.00	1.00	1.00
Maintenance Manager	1.00	1.00	1.00	1.00	1.00
Maintenance Supervisor	2.00	2.00	2.00	2.00	2.00
Pr Environmental Specialist	1.00	2.00	1.00	-	-
Sr Environmental Specialist	1.00	1.00	1.00	-	-
Lead Mechanic	5.00	5.00	5.00	5.00	5.00
Senior Mechanic	7.00	7.00	7.00	10.00	10.00
Administrative Assistant	1.00	1.00	1.00	1.00	1.00
Mechanic	6.00	6.00	7.00	4.00	4.00
Maintenance Worker	1.00	1.00	-	-	-
Environmental Technician	1.00	-	1.00	-	-
820 - Collection Facilities O&M	26.00	26.00	26.00	23.00	23.00
Maintenance Superintendent	-	-	1.00	1.00	1.00
Maintenance Supervisor	-	-	4.00	4.00	4.00
Pr Environmental Specialist	-	-	-	1.00	1.00
Sr Environmental Specialist	-	-	-	1.00	1.00
Environmental Technician	-	-	-	1.00	1.00
Associate Engineer	-	-	1.00	1.00	1.00
Maintenance Specialist	-	-	15.00	15.00	15.00
Reliability Maint Technician	-	-	5.00	6.00	6.00
Lead Mechanic	-	-	1.00	1.00	1.00
Senior Mechanic	-	-	2.00	2.00	2.00
Welder/Fabricator	-	-	3.00	3.00	3.00
Machinist	-	-	1.00	1.00	1.00
821 - Maintenance Support Services	-	-	33.00	37.00	37.00
Maintenance Supervisor	1.00	1.00	-	1.00	1.00
Lead Mechanic	1.00	2.00	-	1.00	2.00
Automotive/Heavy Equip Tech	4.00	3.00	-	4.00	3.00
Mobile Crane Operator	2.00	2.00	-	2.00	2.00
Program Assistant	1.00	1.00	-	-	-
822 - Fleet Services	9.00	9.00	-	8.00	8.00
Maintenance Manager	-	-	-	1.00	1.00
Maintenance Supervisor	-	-	-	1.00	1.00
Maintenance Specialist	-	-	-	2.00	2.00
Facilities Worker	-	-	-	5.00	5.00
Building Maintenance Tech	-	-	-	1.00	1.00
Administrative Assistant	-	-	-	1.00	1.00
Lead Facilities Worker	-	-	-	1.00	1.00
Lead Elec Tech	-	-	-	1.00	1.00
Electrical Tech II	-	-	-	3.00	3.00
823 - Civil Facilities Maintenance	-	-	-	16.00	16.00

Historical Staffing Detail

Division & Position	Authorized FTEs 2023-24	Authorized FTEs 2024-25	Authorized FTEs 2025-26	Proposed FTEs 2026-27	Proposed FTEs 2027-28
Operations Manager	1.00	1.00	1.00	1.00	1.00
Chief Plant Operator	1.00	1.00	1.00	1.00	1.00
Operations Supervisor	7.00	7.00	7.00	7.00	7.00
Senior Engineer	2.00	2.00	1.00	2.00	2.00
Engineer	1.00	1.00	2.00	1.00	1.00
Associate Engineer	2.00	1.00	1.00	1.00	1.00
Lead Plant Operator	4.00	4.00	4.00	4.00	4.00
Senior Plant Operator	14.00	14.00	14.00	14.00	14.00
Staff Analyst	1.00	1.00	1.00	1.00	1.00
Administrative Assistant	1.00	1.00	1.00	1.00	1.00
Plant Operator	18.00	18.00	17.00	18.00	18.00
Program Assistant	-	1.00	1.00	1.00	1.00
830 - Plant No. 1 Operations	52.00	52.00	51.00	52.00	52.00
Chief Plant Operator	1.00	1.00	1.00	1.00	1.00
Operations Supervisor	7.00	7.00	7.00	7.00	7.00
Lead Plant Operator	4.00	4.00	4.00	4.00	4.00
Senior Plant Operator	13.00	13.00	13.00	13.00	13.00
Administrative Assistant	1.00	1.00	1.00	1.00	1.00
Plant Operator	18.00	18.00	19.00	20.00	20.00
840 - Plant No. 2 Operations	44.00	44.00	45.00	46.00	46.00

Historical Staffing Detail

Division & Position	Authorized FTEs 2023-24	Authorized FTEs 2024-25	Authorized FTEs 2025-26	Proposed FTEs 2026-27	Proposed FTEs 2027-28
Maintenance Manager	1.00	1.00	1.00	1.00	1.00
Maintenance Superintendent	2.00	2.00	1.00	1.00	1.00
Maintenance Supervisor	9.00	9.00	5.00	5.00	5.00
Associate Engineer	1.00	1.00	-	-	-
Maintenance Specialist	17.00	17.00	-	-	-
Lead Instrumentation Tech	2.00	2.00	2.00	2.00	2.00
Lead Elec Tech	5.00	5.00	3.00	3.00	3.00
Lead Power Plant Operator	2.00	2.00	2.00	2.00	2.00
Reliability Maint Technician	4.00	5.00	-	-	-
Instrumentation Tech II	9.00	9.00	8.00	8.00	8.00
Electrical Tech II	8.00	10.00	6.00	6.00	6.00
Lead Mechanic	4.00	3.00	2.00	2.00	2.00
Power Plant Operator II	8.00	8.00	9.00	9.00	9.00
Machinist	1.00	1.00	-	-	-
Senior Staff Analyst	1.00	1.00	1.00	1.00	1.00
Administrative Assistant	1.00	1.00	1.00	1.00	1.00
Senior Mechanic	13.00	12.00	10.00	11.00	11.00
Welder/Fabricator	3.00	3.00	-	-	-
Lead Facilities Worker	1.00	1.00	-	-	-
Instrumentation Tech I	-	-	1.00	1.00	1.00
Electrical Tech I	2.00	-	2.00	2.00	2.00
Facilities Worker	2.00	2.00	-	-	-
Mechanic	2.00	2.00	2.00	1.00	1.00
870 - Plant No. 1 Maintenance	98.00	97.00	56.00	56.00	56.00

Historical Staffing Detail

Division & Position	Authorized FTEs 2023-24	Authorized FTEs 2024-25	Authorized FTEs 2025-26	Proposed FTEs 2026-27	Proposed FTEs 2027-28
Maintenance Superintendent	1.00	1.00	1.00	1.00	1.00
Maintenance Supervisor	6.00	6.00	5.00	5.00	5.00
Lead Instrumentation Tech	2.00	2.00	2.00	2.00	2.00
Lead Elec Tech	2.00	2.00	3.00	3.00	3.00
Instrumentation Tech II	7.00	9.00	7.00	8.00	8.00
Electrical Tech II	7.00	9.00	7.00	7.00	7.00
Lead Mechanic	2.00	3.00	3.00	3.00	3.00
Senior Mechanic	15.00	15.00	18.00	18.00	18.00
Administrative Assistant	1.00	1.00	1.00	1.00	1.00
Lead Facilities Worker	1.00	1.00	-	-	-
Instrumentation Tech I	2.00	-	2.00	2.00	2.00
Electrical Tech I	2.00	-	2.00	2.00	2.00
Facilities Worker	3.00	3.00	-	-	-
Mechanic	3.00	3.00	1.00	1.00	1.00
Maintenance Worker	1.00	1.00	-	-	-
880 - Plant No. 2 Maintenance	55.00	56.00	52.00	53.00	53.00
800 - Operations & Maintenance	285.00	285.00	264.00	292.00	292.00
Orange County Sanitation District	655.00	663.50	669.50	699.50	718.50

Appropriations Limit

Article XIII B of the California State Constitution, more commonly referred to as the Gann Initiative or Gann Limit, was approved by California voters in 1979. The Gann Limit placed limits on the amount of proceeds of taxes that state and local governmental agencies can receive and appropriate (authorize to spend) each year.

The limit is different for each agency and the limit changes each year. The annual limit is based on the amount of tax proceeds that were authorized to be spent in FY 1978-79 in each agency, modified for changes in inflation and population in each subsequent year.

Proposition 111 was passed by the State's voters in June 1990. This legislation made changes to the manner in which the Appropriations Limit is to be calculated:

The annual adjustment factors for inflation and population have been changed. Instead of using the lesser of California per capita income, or U.S. CPI, each agency may choose either the growth in the California per capita income, or the growth in assessed valuation due to new nonresidential construction within the agency. For population, instead of using only the population growth of an agency, each agency may choose to use the population growth within its county. These are both annual elections.

The revised annual adjustment factors will be applied to the FY 1986-87 limit for most agencies and each year in between in order to calculate the FY 1990-91 limit. The actual limits for the intervening years, however, are not affected.

Expenditures for "qualified capital outlay", which are capital assets with a value of more than \$100,000 and an expected life of 10 years or more, are excluded from the limit.

An agency which exceeds the limit in any one year may choose to not give a tax refund if they fall below the limit in the next fiscal year. They then have two more years to refund any remaining excess or to obtain a successful override vote.

In certain situations, proceeds of taxes may be spent on emergencies without having to reduce the limit in future years.

Each agency also conducts a review of its Appropriations Limit during its annual financial audit.

The law requires a governing body to annually adopt, by resolution, an appropriations limit for the following year, along with a recorded vote regarding which of the annual adjustment factors have been selected. The Orange County Sanitation District's appropriations limit and annual adjustment factors are adopted at the same meeting as the budget. The adjustment factors used for FY 2026-27 are the weighted average change in city population and the change in state per capita personal income.

The following table shows the annual appropriations limit for each of the last two fiscal years and for FY 2026-27. The increase in the limit is based upon population changes ranging from negative 0.89 percent to 0.00 percent for representative cities within the Orange County Sanitation District's service area and a per capita personal income change of 4.95 percent, as provided by the State Department of Finance.

Annual Appropriation Limits:

2024-25	\$142,444,371
2025-26	\$151,435,847
2026-27	\$158,327,980

As a result of the July 1998 consolidation of the Orange County Sanitation District, a single limit is presented in contrast to individual limits shown in years prior to 1998. Population changes for representative cities have continued to be used in order to ensure consistency and to eliminate significant population growth in parts of the county outside of Orange County Sanitation District's service area. This method results in a lower limit than using the county-wide change.

Budget Glossary

Accounting System:

The set of records and procedures which are used to record, classify, and report information on the financial status and operations of an entity.

Accrual Basis Accounting:

Under this accounting method, transactions are recognized when they occur, regardless of the timing of related cash receipts and disbursements.

Administrative and Clerical:

An employee group that provides administrative and clerical support.

Ad Valorem Taxes:

OC San's allocated share of the property taxes assessed by the County representing a 2% annual increase in assessed values of property taxes.

Annual Comprehensive Financial Report (ACFR): The official financial report of a government. It includes an audit opinion as well as basic financial statements and supporting schedules necessary to demonstrate compliance with legal and contractual requirements of OC San.

Annual Budget:

A budget applicable to a single fiscal year.

Appropriation Ordinance:

The official legal document approved by OC San's Board of Directors authorizing officials to obligate and expend resources.

Appropriation:

An authorization made by OC San's Board of Directors which permits officials to incur obligations against and to make expenditures of governmental resources. Operating appropriations are typically granted for a one-year period.

AQMD:

Air Quality Management District. See also SCAQMD.

Assessed Valuation:

The estimated value of real and personal property used by the Orange County Assessor as the basis for levying property taxes.

Balanced Budget:

A budget in which the sum of estimated net revenues and appropriated fund balances is equal to appropriations.

Biennial Budget:

A budget applicable to two individual fiscal years.

Biosolids:

Treated sewage sludge that meets the USEPA pollutant and pathogen requirements for land application as an agricultural soil conditioner or surface disposal.

Budget Document:

The official financial spending and resource plan submitted by the General Manager, adopted by the Board of Directors, and made available to the public and other interested parties.

Budget Message:

A written explanation by the General Manager of the proposed budget. The budget message explains principal budget and policy issues and presents an overview of the General Manager's budget recommendations.

Budget Calendar:

The schedule of key dates which OC San follows in preparing and adopting the budget.

Capital Facilities Capacity Charge (CFCC):

A one-time, nondiscriminatory charge imposed at the time a building or structure is newly connected to OC San's system, directly or indirectly, or an existing structure or category of use is expanded or increased. This charge is to pay for OC San facilities in existence at the time the charge is imposed, or to pay for new facilities to be constructed in the future, that are of benefit to the property being charged. This charge does not apply to temporary facilities.

Capital Improvement Program (CIP):

A plan over a period of five years setting forth each capital project, the amount to be expended in each year, and the method of financing capital expenditures.

Capital Outlay:

Cash outlays which result in the acquisition of or additions to capital assets. Examples include land, buildings, machinery, equipment, and other improvements.

Capital Assets:

Assets of significant value which have a useful life of several years. Examples are land, buildings, other improvements, machinery, and equipment.

Cash Basis Accounting:

A basis of accounting under which transactions are recognized only when cash is received or disbursed.

CCTV:

Closed-circuit television (CCTV), also known as video surveillance, is technology often used by the OC SAN to inspect and document the condition of underground sewer lines.

CEQA:

California Environmental Quality Act is a statute that requires state and local agencies to identify the significant environmental impacts of their actions and to avoid or mitigate those impacts, if feasible.

Certificates of Participation (COPs):

A type of debt financing in which certificates are issued which represent an investor's participation in the stream of lease payments paid by the issuer. COPs are secured by the lease payments. Voter approval is not required prior to issuance.

Contingency:

A budgetary reserve set aside for emergencies or unforeseen expenditures not otherwise budgeted.

Contingent Liabilities:

Items which may become liabilities of OC San but are undetermined at a given date, such as pending law suits, unsettled disputed claims, unfilled purchase orders, and uncompleted contracts.

Contractual Services:

Personal services provided to OC San from the private sector or other public agencies.

CRWQCB:

California Regional Water Quality Control Board.

Debt Service:

Payment of interest and repayment of principal to holders of OC San's debt instruments.

Decision Package:

A standardized format whereby departments may request budgetary consideration for new programs, positions, capital equipment, and position reclassification.

Deficit:

The excess of an entity's liabilities over its assets.

Engineers:

A professional engineers/employee group.

Enterprise Fund:

In governmental accounting, a fund that provides goods or services to the public for a fee that makes the entity self-supporting.

Executive Manager:

The group of employees which head each department.

Expenditures / Expenses:

Where accounts are kept on the accrual basis of accounting, expenses are recognized when goods are received or services rendered. Where accounts are kept on a cash basis, expenditures are recognized only when the cash payments are made.

FEMA:

Federal Emergency Management Agency. This agency provides federal grant monies for disaster relief.

Fiscal Year (FY):

A 12-month period to which the annual operating budget applies and at the end of which a government determines its financial position and results of its operations. OC San's fiscal year runs from July 1 - June 30.

Five-Year Financial Forecast:

Estimates of future revenues and expenditures to help predict the future financial condition of the community.

FLSA:

The Fair Labor Standards Act sets minimum wage, overtime pay, equal pay, and Child Labor Standards to private and public sector employees. Enforcement of the FLSA is assigned to the Department of Labor (DOL), Wage and Hour Division.

Fats, Oils, & Grease (FOG) Control Program:

Educational and regulatory efforts designed to achieve reductions in the quantity of fats, oils and grease that is found in the wastewater that is discharged into OC San's sewerage system.

Full-Time Equivalents (FTE):

The amount of time a regular, full-time employee normally works in a year. For example, a full-time employee (1 FTE) is budgeted to work 2,080 hours per year, while a .5 FTE is budgeted to work 1,040 hours per year.

Fund:

An independent fiscal and accounting entity with a self-balancing set of accounts recording cash and/or other resources together with all related liabilities, obligations, reserves, and equities.

Fund Accounting:

System used by nonprofit organizations, particularly governments. Since there is no profit motive, accountability is measured instead of profitability. The main purpose is stewardship of financial resources received and expended in compliance with legal requirements.

Fund Equity:

The excess of an entity's assets over liabilities.

General Obligation Bonds:

Bonds for which the full faith and credit of the insuring government are pledged for payment. Ad valorem property taxes are pledged to pay the bonds. A two-thirds voter approval is required prior to bond issuance.

Generally Accepted Accounting Principles (GAAP):

Uniform standards for financial accounting and reporting. They govern the form and content of the basic financial statements of an entity.

Government Finance Officers Association (GFOA):

A nonprofit, professional association, serving over 18,000 government finance professionals through the United States and Canada.

GFOA's Best Practices and Advisories:

A listing of the Accounting, Auditing, and Financial Reporting, Treasury and Investment Management, Budgeting and Fiscal Policy, Debt Management, Retirement and Benefits Administration, and Economic Development and Capital Planning practices identified as contributing to improved government management by the Government Finance Officers Association of the United States and Canada.

GFOA's Distinguished Budget Presentation Award Program:

The only national awards program in governmental budgeting. It represents a significant accomplishment in meeting the highest principles of governmental budgeting and satisfying nationally recognized guidelines for effective budget presentation.

Groundwater Replenishment System (GWRS):

A joint project by the Orange County Water District (OCWD) and OC San, the GWRS reclaims up to 100 million gallons a day of OC San's secondary effluent. GWRS is the world's largest water purification system for indirect potable reuse. The system takes highly treated wastewater that would have previously been discharged into the Pacific Ocean and purifies it using a three-step advanced treatment process consisting of microfiltration, reverse osmosis and ultraviolet light with hydrogen peroxide. The process produces high-quality water that meets or exceeds all state and federal drinking water standards.

Improvements:

Buildings, structures, or attachments to land such as sidewalks, trees, drives, tunnels, drains and sewers.

Interest:

Revenue derived from the investment of idle cash and/or reserves.

Intergovernmental Services:

Purchases from other governments of those specialized services typically performed by local governments.

Intergovernmental Revenue:

Revenue received from other governmental agencies and municipalities.

IRWD:

Irvine Ranch Water District is a California Special District formed in 1961 and incorporated under the California water code. IRWD provides potable water, sewer service and reclaimed (or recycled) water to its customers in Irvine and portions of Costa Mesa, Lake Forest, Newport Beach, Orange, Tustin and unincorporated areas of Orange County.

Levy:

(Verb) To impose taxes, special assessments, or service charges for the support of governmental activities. (Noun) The total amount of taxes, special assessments, or service charges imposed by a government levying property taxes.

Long-Term Debt or Long-Term Liabilities:

Debt borrowed from a source outside OC San with a maturity of more than one year after the date of issuance.

Maintenance Employees:

An employee group of OC San.

Manager Employees:

The group of employees who assume management responsibilities for operating divisions.

MGD:

Million Gallons per Day is a measurement of water or wastewater flow.

NPDES (National Pollution Discharge Elimination System):

Permit system established by the U.S. Environmental Protection Agency to regulate discharge of treated sewage, storm water, and urban runoff.

Object:

An expenditure classification which refers to the type of item purchased or the service obtained. Examples include personnel, supplies, or contract services.

OC San University (OC San U):

The OC San University (OC San U) is a voluntary employee development program designed to help OC San meet evolving organizational needs. Employees can participate in various learning opportunities including mentoring, a leadership academy, online learning, and monthly presentations on topics pertinent to employees and OC San.

OCWD:

The Orange County Water District (OCWD) is a California special district that manages the groundwater basin beneath central and northern Orange County, California.

OES:

State Office of Emergency Services. This agency provides state grant monies for disaster relief.

Operating Engineers:

An employee group of OC San.

Operating Budget:

The operating budget is the primary means by which most of the financing of acquisition, spending, and service delivery activities of a government are controlled.

Other Revenues:

Revenues from sources, other than those specifically identified, that are immaterial in amount and do not justify reporting as separate line items.

Other Charges:

Expenditures that do not fit in other categories, are immaterial in amount, and do not justify reporting as separate line items.

Performance Measure:

Represents the objectives of each department along with a target date for achieving the objective.

Performance Results:

A summary of major accomplishments and objectives that were met during the fiscal year.

Permits:

Revenues earned by the issuance of permits levied in accordance with the benefits conferred by the permit.

Personnel:

Salaries and benefits paid to OC San's employees. Included are items such as special duty pay, insurance, and retirement.

Personnel Benefits:

Those benefits paid by OC San as conditions of employment. Examples include insurance and retirement benefits.

Professional Employees:

An employee group consisting of technical experts, analysts, and planners.

Program:

Organizational units directed to attain specific purposes or objectives.

Reserve:

A term used to indicate that a portion of fund equity is restricted for a specific purpose.

Resources:

Total dollars available for appropriations including estimated revenues and beginning fund equity.

Revenue Bonds:

Bonds issued pledging future revenues such as sewer charges to cover debt payments. A majority voter approval is required prior to bond issuance.

Revenue Estimate:

A formal estimate of how much revenue will be earned from a specific revenue source for some future period, typically a fiscal year.

Revenue:

Income received by OC San to support wastewater treatment services. This income may be in the form of property taxes, fees, user charges, grants, and interest.

Risk Register:

The Risk Register is a compilation of the various risks facing OC San, as seen by OC San's management team.

Service Charges:

Charges for specific services rendered.

Service Description:

A description of the services or functions provided by each department or division.

Supervisory Control And Data Acquisition (SCADA):

A system for remote monitoring and control that operates with coded signals over communication channels.

SCAQMD:

The South Coast Air Quality Management District, also using the acronym SCAQMD, formed in 1976, is the air pollution agency responsible for regulating stationary sources of air pollution in the South Coast Air Basin, in Southern California.

Secondary Treatment: A treatment process for wastewater (or sewage) to achieve a certain degree of effluent quality by using a sewage treatment plant with physical phase separation to remove settleable solids and a biological process to remove dissolved and suspended organic compounds.

Significant Changes: This section provides an overview of the changes adopted in the budget. Additionally, the significant impacts of budgetary changes are outlined (Budget Impact) along with dollar amounts (Increase/ Decrease).

Strategic Goals: Organization-wide goals that demonstrate OC San's long-term commitment to excellence and that establish the framework necessary to maintain OC San's high level of service standards.

Strategic Plan: A planning effort to define OC San's goals, responsibilities, and requirements over a specified future period. Key factors used in the planning effort include estimates for population growth, new construction, the volume of wastewater delivered to the plants, and viable water conservation and reclamation programs.

Supervisory Employees:

An employee group whose members have responsibility for directing the work of line employees.

Supplemental Appropriation:

An appropriation approved by the Directors after the initial budget is adopted.

Supplies:

An expenditure classification for articles and commodities purchased for consumption or resale. Examples include office and operating supplies, fuel, power, water, gas inventory, or small tools and equipment.

SWRCB:

The California State Water Resources Control Board (SWRCB) is one of six branches of the California Environmental Protection Agency.

Taxes:

Compulsory charges levied by a government for the purpose of financing services performed for the common benefit.

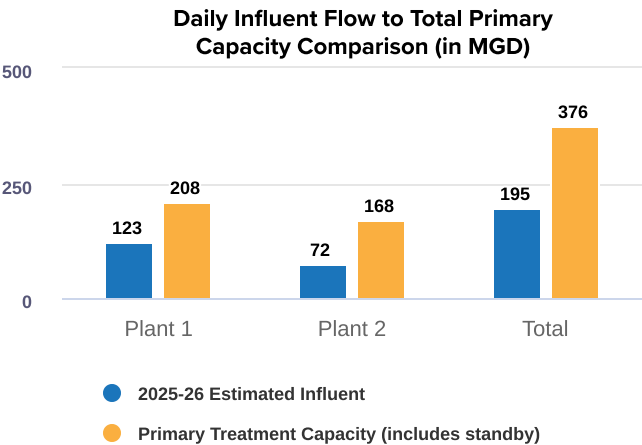
Technical Services:

Support services to OC San's wastewater management program through environmental sampling, analysis and research, source control of industrial users, administration of compliance programs to meet federal, state and local environmental standards; provides leadership and influence in the development and implementation of environmental policies, laws, and regulations.

General Information

Year of Formation	1948	Miles of Sewers	more than 380 miles
Form of Government	County Sanitation District	On-Plant Pump Station	2
Authority	Section 4700 et. seq	Off-Plant Pump Stations	15
.....	California Health & Safety Code	Operating Authority	RWQCB/NPDES Permit No.
Service Area	479 sq. miles		CA0110604
Service Population	Approximately 2.6 million		WDR Order No. 2006-0003
2025-26 Assessed Value	\$644 billion	Authorized Staff (Full-Time Equivalent)	699.50

Treatment Information



Primary Treatment Capacity (includes standby):

Plant No. 1	208 MGD
Plant No. 2	168 MGD
TOTAL	376 MGD

Secondary Treatment Capacity:

Plant No. 1	182 MGD
Plant No. 2	150 MGD
TOTAL	332 MGD

Legend:
MGD – million gallons per day
kWh – kilowatts per hour

FY24-25 Influent BOD:

Plant No. 1	308 milligrams per liter
Plant No. 2	202 milligrams per liter

FY24-25 Influent Suspended Solids:

Plant No. 1	318 milligrams per liter
Plant No. 2	335 milligrams per liter

FY24-25 Effluent BOD

14 milligrams per liter

FY24-25 Effluent Suspended Solids

5 milligrams per liter

FY24-25 Biosolids Produced & Reused

183,731 wet tons

2025-26 Estimated Average Daily Influent:

Plant No. 1	123 MGD
Plant No. 2	72 MGD
TOTAL	195 MGD

2025-26 Estimated Electricity Generated:

Plant No. 1	38,790,000 kWh
Plant No. 2	49,382,000 kWh
TOTAL	88,172,000 kWh

Financial Information

Fees and Charges:

	2024-25 Actual	2025-26 Projected	2026-27 Proposed	2027-28 Proposed
One-Time 3-Bedroom Residence Connection	\$ 6,354.00	\$ 6,576.00	\$ 6,758.00	\$ 6,995.00
Average Annual Single-Family Residence Fee	\$ 371.00	\$ 384.00	\$ 397.00	\$ 411.00
Local SRF Fee	\$ 108.00	\$ 108.00	\$ 108.00	\$ 108.00
OC San's Avg. Share of Ad Valorem Property Tax	1.59%	1.59%	1.59%	1.59%
Cost to Collect, Treat, & Dispose of One Million Gallons	\$ 3,415.84	\$ 3,509.83	\$ 4,142.36	\$ 4,313.49

Summary of COP Issues:

Series	Outstanding Par
2010A Series	80,000,000
2010C Series	22,830,000
2017A Series	65,815,000
2021A Series	57,815,000
2022A Series	81,620,000
2024A Series	120,685,000
2025A Series	95,070,000
Total Outstanding COP Balance	\$ 523,835,000

ORANGE COUNTY SANITATION DISTRICT

Estimated Population Served by the
Orange County Sanitation District

	Population as of <u>January 1, 2026</u>
Anaheim	340,433
Brea	47,656
Buena Park	82,850
Costa Mesa	109,436
Cypress	49,495
Fountain Valley	56,596
Fullerton	140,224
Garden Grove	171,077
Huntington Beach	191,498
Irvine	317,744
La Habra	61,269
La Palma	15,045
Los Alamitos	11,951
Newport Beach	82,306
Orange	141,063
Placentia	53,613
Santa Ana	312,808
Seal Beach	24,496
Stanton	41,415
Tustin	79,175
Villa Park	5,741
Westminster	90,490
Yorba Linda	66,190
Subtotal Cities ⁽¹⁾	<u>2,492,571</u>
Estimated Population Served in Unincorporated Areas ⁽²⁾	<u>68,952</u>
	2,561,523

Data Source:

(1) Demographic Research Unit, State of California Department of Finance.

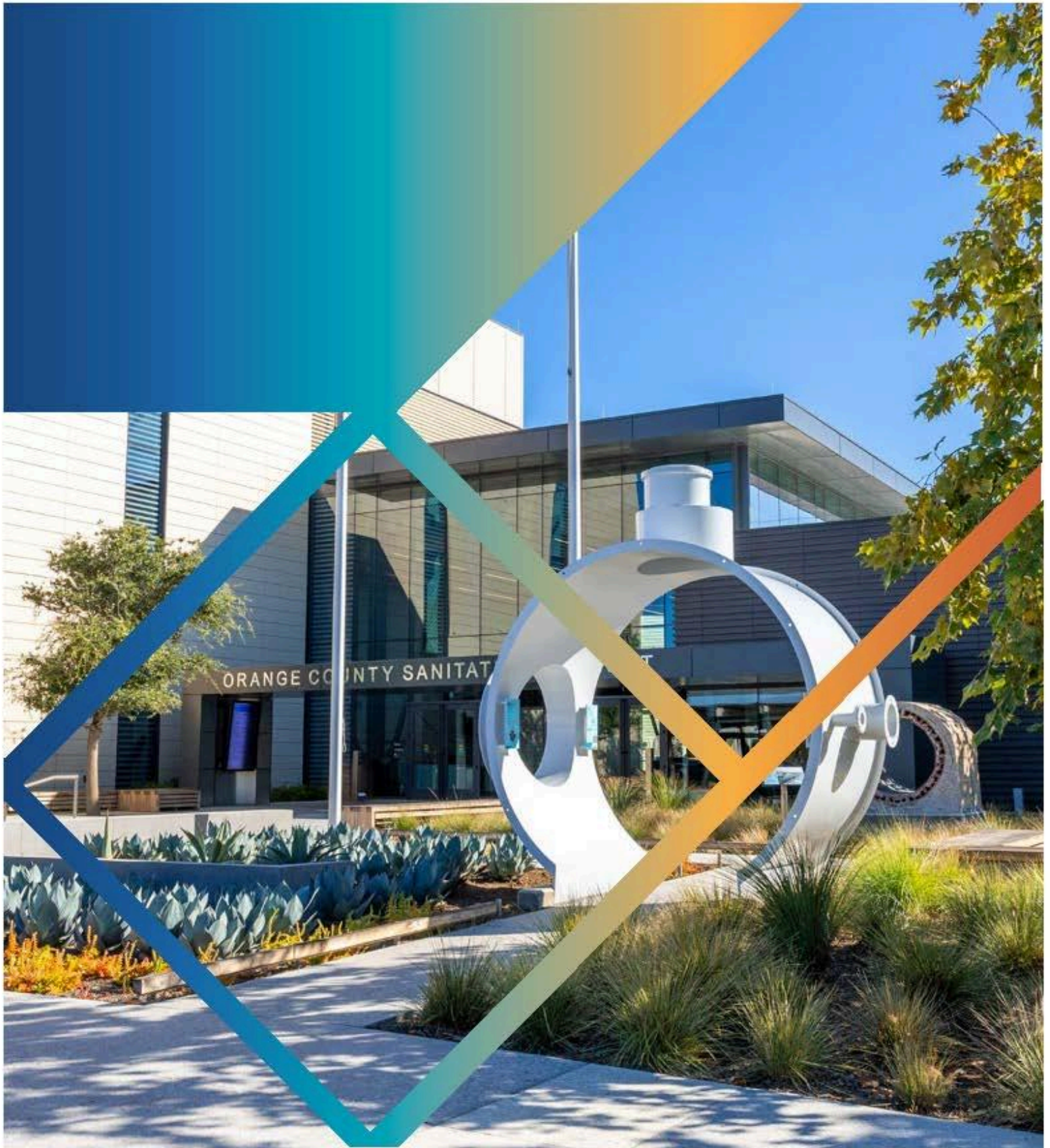
(2) Center for Demographic Research, California State University, Fullerton.

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