

Orange County Sanitation District

MID-YEAR FINANCIAL REPORT

for the period ended December 31, 2025



Orange County, California



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Executive Summary

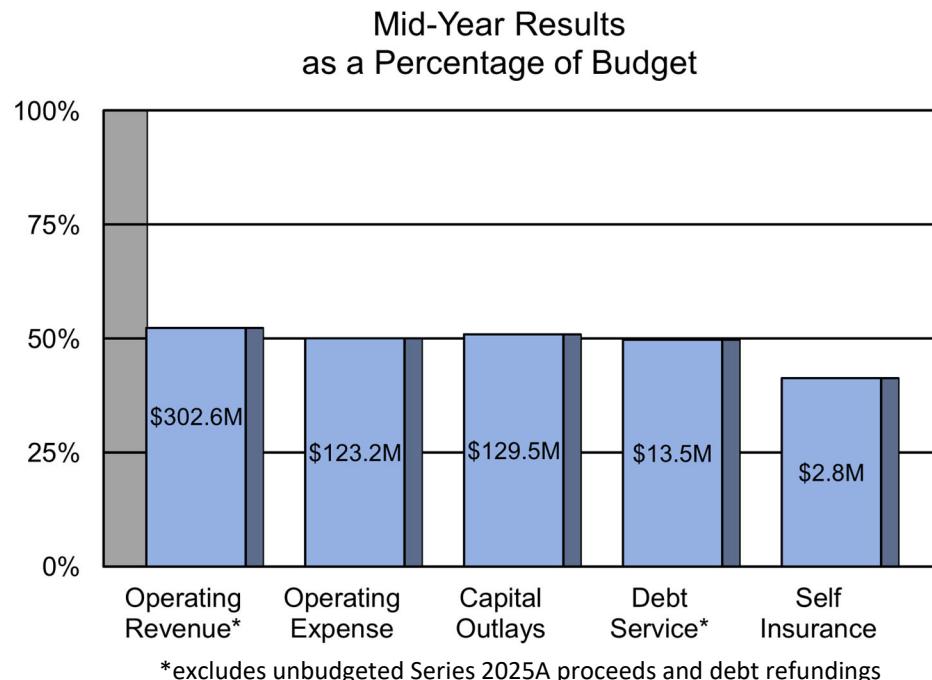
Consolidated Financial Reports For the Mid-Year Ended December 31, 2025

Included in this consolidated report are the following quarterly financial reports for the period ended December 31, 2025:

- **Budget Review:**

The Consolidated Financial Reports Section 1 provides the Directors, staff, and the general public with a comprehensive overview of the financial results of the Orange County Sanitation District (OC San) through the mid-year ended December 31, 2025.

Contained within the Budget Review Sections 2 through 5 is the budget-to-actual status of the Collection, Treatment and Disposal Operations, Capital Improvement Program, Debt Service, and Self-Insurance Program. Also included is a Capital Assets Schedule as of December 31, 2025. The chart below provides for a summary of these activities.



Various detail information can be found in this report. Below is a descriptive summary of these activities through December 31, 2025:

- a) Most major expense categories are anticipated to approximate budget.
- b) Total revenues are at 52.3 percent of the \$578.6 million budget. Except for Intra District Sewer Use - IRWD, Capital Assessments - IRWD, Capital Facilities Capacity Charges, and Other Revenues, most revenue sources

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are currently tracking close to or exceeding the proportionate budget through December 31. Overall, total revenues are projected to approximate budget at year-end. More detailed information on revenues is provided on pages 5 through 7.

c) Collection, Treatment and Disposal Costs:

As indicated within the Consolidated Financial Reports Section of this report, the net operating requirements through the mid-year of \$123.2 million is currently tracking at 50.0 percent of the \$246.4 million budget. In addition, net operating expenses have increased \$11.4 million or 10.2 percent in comparison with the same period last year. Overall, staff expects the total operating costs to approximate budget throughout the remainder of the year. More detailed information on operating expenses is provided on page 8.

The total cost per million gallons is \$3,574 based on flows of 187 million gallons per day. This is \$75 per million gallons, or 2.1 percent less than the budgeted cost per million gallons per day. A further description of these costs and benchmarking with other agencies is contained on pages 9 through 10.

d) The total projected capital outlay cash flow of the Capital Improvement Program (CIP) for FY 2025-26 has been revised to \$272.3 million, or 107.1 percent of the board approved cash outlay of \$254.3 million. The actual cash outlay spending through the mid-year is \$129.5 million, or 50.9 percent of the total budgeted outlay. More detailed information on the CIP budget review can be found on page 11 and Section 3.

- **Certificates of Participation (COP) Report**

The report includes a summary of each outstanding debt issuance.

Consolidated Financial Reports

Mid-Year Financial Report December 31, 2025

The Financial Management Division is pleased to present the FY 2025-26 mid-year financial report. This report provides a comprehensive overview of the financial activities of the Orange County Sanitation District (OC San) and reports on the status of all capital projects in progress. A summary of the sections contained within this report is provided below.

Operating Budget Review: This section reports on collection, treatment, and disposal net operating requirements.

At December 31, 2025, 50.0 percent, or \$123.2 million of the FY 2025-26 net operating budget of \$246.4 million has been expended. Net operating expenses increased from the same period last year by \$11.4 million, or 10.2 percent, mainly due to an increase of \$5.3 million in Salaries and Benefits, \$4.7 million in Repairs and Maintenance, \$1.0 million in Professional Services, \$948,000 in Operating Materials and Supplies, \$625,000 in Utilities, \$235,000 in Other Operating Supplies, and \$83,000 in Administrative Expenses, partially offset by an increase of \$1.3 million in indirect costs allocated out to capital projects and a decrease of \$203,000 in Training & Meetings. These and other variances that factor into this net increase in expenses are discussed in more detail below. **Overall, staff expects the total operating costs to approximate budget through the remainder of the year.**

At December 31, 2025, 52.3 percent, or \$302.6 million of the FY 2025-26 budgeted total revenues of \$578.6 million has been recognized. Revenues increased from the same period last year by \$49.2 million, or 19.4 percent, mainly due to an increase of \$30.8 million in Service Fees, \$9.9 million in Property Taxes, \$2.9 million in Capital Facilities Capacity Charges, \$2.7 million in Permit Fees, \$2.5 million in CIP Reimbursements, \$1.0 million in Capital Assessments-IRWD, \$332,000 in Inter District Sewer Use-SAWPA & SBSD, \$235,000 in Other Revenues, and \$171,000 in Intra District Sewer Use-IRWD, partially offset by a decrease of \$1.3 million in Interest Earnings. These and other variances that factor into this net increase in revenues are discussed in more detail below. **Overall, staff expects the total revenues to approximate budget at the end of the fiscal year.**

Significant operating results as of December 31, 2025, include the following:

- **Salaries, Wages and Benefits – Personnel costs of \$65.8 million are on target at 50.3 percent of the budget through the mid-year of FY 2025-26.** The budget is based on a five percent vacancy factor, and staffing is 28.75 full-time equivalents (FTEs), or 4.3 percent below the total 669.50 FTEs approved in the FY 2025-26 budget. Salary and benefit costs are \$5.3 million, or 8.9 percent higher than the \$60.4 million incurred in the same period last year, mainly due to an increase of \$4.2 million in Salaries and Wages, \$464,000 in Employee Supplemental Benefits, \$397,000 in Group Insurances, and \$224,000 in Retirement. **Net operating personnel costs are expected to approximate budget throughout the remainder of the year.**

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- **Administrative Expenses** – **Administrative Expenses totaled \$1.2 million, or 42.8 percent of the \$2.8 million budget through December 31.** These costs are \$83,000, or 7.5 percent higher at December 31 in comparison with the prior year, mainly due to an increase of \$66,000 in Small Computer Items, \$48,000 in Memberships, and \$21,000 in Office Supplies, partially offset by a decrease of \$57,000 in Minor Furniture & Fixtures. **It is anticipated that administrative costs will approximate budget at year-end.**
- **Printing and Publication Expenses** – **Printing and Publication Expenses totaled \$114,000 or 29.1 percent of the \$391,000 budget through December 31.** These costs are \$7,000, or 6.2 percent higher at December 31 in comparison with the prior year, due to an increase of \$5,000 in Printing-Outside and \$4,000 in Repro-In-House, partially offset by a decrease of \$2,000 in Notices & Ads. **Printing and publication costs are expected to be below budget at year-end.**
- **Training and Meetings** – **Training and meetings of \$579,000 is below target at 26.8 percent of the \$2.2 million budget through December 31.** This account is lower than the proportionate budget due to the timing and need for training throughout the year. Compared to the same period last year, costs have decreased by \$203,000, or 26.0 percent. **Total training and meeting costs are anticipated to approximate or be below budget at year-end.**
- **Operating Materials and Supplies** – **Operating materials and supplies of \$16.3 million is on target at 50.4 percent of the \$32.4 million budget through December 31.** Operating Materials and Supplies is higher than the prior year by \$948,000, or 6.2 percent, mostly due to an increase of \$557,000 in Odor & Corrosion Control, \$399,000 in Chemical Coagulants, \$42,000 in Chemicals-Miscellaneous, \$25,000 Safety Equipment/Tools, \$20,000 in Disinfection, and \$17,000 in Tools, partially offset by a decrease of \$107,000 in Lab Chemicals & Supplies and \$16,000 in Miscellaneous Operating Supplies. **Based on current processes, operating materials and supplies are anticipated to approximate budget at year-end.**
- **Contractual Services** – **Contractual services is on target at \$11.0 million, or 46.2 percent of the \$23.8 million budget through December 31.** Solids Removal costs, budgeted at \$14.2 million, comprise the majority of this expense category at \$7.0 million, or 48.9 percent of its budget at December 31. Contractual Services is lower by \$31,000, or 0.3 percent over the same period last year, mainly due to a decrease of \$177,000 in Other Services, \$152,000 in Janitorial, and \$146,000 in Outside Lab Services, partially offset by an increase of \$357,000 in Oxygen and \$53,000 in Groundskeeping. County Service Fees totaled only \$14,000, or 2.3 percent of the \$619,000 budget through the mid-year, as the preponderance of these fees are billed by the County in the fourth quarter. **Total contractual services costs are anticipated to approximate budget at year-end.**
- **Professional Services** – **Professional services costs totaled \$4.6 million, or 40.9 percent of the \$11.3 million budget through December 31.** Professional services costs, such as Environmental Scientific Consulting, Advocacy Efforts, Industrial Hygiene Services, and Other Professional Services are proportionately low through

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December 31 due to a variety of factors such as timing of services and re-evaluation of need for services. These costs are \$1.0 million, or 28.7 percent higher at December 31 in comparison with the prior year, mainly due to an increase of \$817,000 in Other Professional Services, \$382,000 in Engineering, \$115,000 in Software Program Consulting, and \$25,000 in Industrial Hygiene Services, partially offset by a decrease of \$265,000 in Legal, \$26,000 in Advocacy Efforts, and \$25,000 in Audit & Accounting. **It is anticipated that the costs for this category will approximate or be below budget at year-end.**

- **Research and Monitoring – Research and monitoring costs totaled \$942,000, or 43.3 percent of the \$2.2 million budget through December 31.** These costs are \$8,000, or 0.9 percent higher at December 31 in comparison with the prior year, due to an increase of \$54,000 in Air Quality Monitoring and \$17,000 in Research, partially offset by a decrease of \$62,000 in Environmental Monitoring. **Total research and monitoring costs are anticipated to approximate or be below budget at year-end.**
- **Repairs and Maintenance – Repairs and maintenance costs totaled \$24.5 million, or 65.2 percent of the \$37.6 million budget through December 31.** These costs are \$4.7 million, or 23.5 percent higher at December 31 in comparison with the prior year, due to an increase of \$3.4 million in Materials and Services and \$1.2 million in Service Maintenance Agreements. **It is anticipated that the costs for this category will be above budget at year-end.**
- **Utilities – Utilities costs totaled \$8.2 million, or 48.6 percent of the \$17.0 million budget through December 31.** These costs are \$625,000, or 8.2 percent higher at December 31 in comparison with the prior year, due to an increase of \$606,000 in Power, \$33,000 in Water, and \$21,000 in Telephone, partially offset by a decrease of \$17,000 in Diesel for Generators and \$17,000 in Natural Gas. **It is anticipated that the costs will approximate budget at year-end.**
- **Other Operating Supplies – Other operating supplies costs totaled \$4.0 million, or 59.0 percent of the \$6.7 million budget through December 31.** Property and General Liability Insurance, budgeted at \$3.9 million, comprise the majority of this expense category at \$2.3 million. Overall, Other Operating Supplies is \$235,000, or 6.3 percent higher at December 31 in comparison with the prior year, primarily due to an increase of \$134,000 in Property and General Liability Insurance, \$58,000 in Miscellaneous Operating Expense, \$22,000 in Freight, and \$18,000 in Regulatory Operating Fees. **It is anticipated that other operating supplies costs will approximate budget at year-end.**
- **Revenues – Service Fees and Property Taxes – Through December 31, revenues from Service Fees are at \$190.4 million, or 52.8 percent of the \$360.8 million budget and Property Taxes are at \$62.0 million, or 50.2 percent of the \$123.7 million budget.** These items comprise the majority of OC San's revenues and are mostly collected by the County through the property tax roll and distributed to OC San throughout the year based on a set distribution schedule that begins in November of each year. The increase of \$30.8 million, or 19.3 percent in service fee revenue over the prior year is primarily due to the timing of receipts. The property tax

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revenue increase of \$9.9 million, or 18.9 percent over the prior year is mainly a result of the timing of secured tax receipts. **These revenues are expected to approximate budget at year-end.**

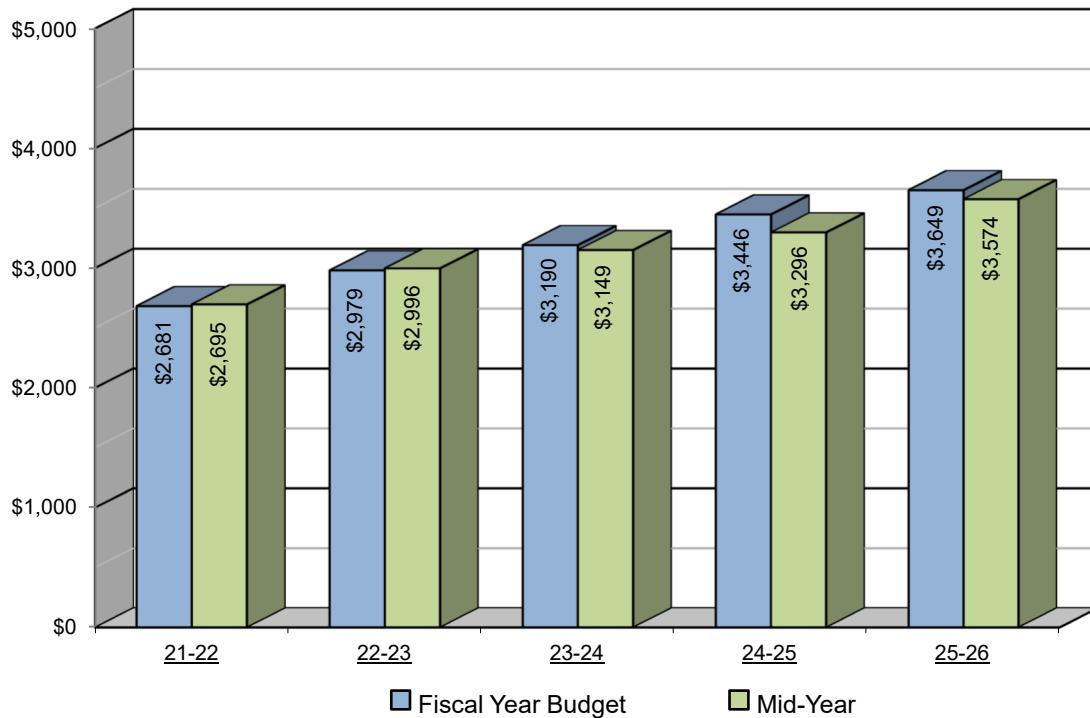
- **Revenues – Permit Fees – Permit Fees is at \$10.7 million, or 64.4 percent of the \$16.6 million budget.** The revenues through the mid-year are higher than the same period last year by \$2.7 million, or 33.5 percent, due to the fluctuation in the number of permittees from year to year as businesses establish or cease their operations and an increase in operation and maintenance charges based on flows received from these customers. **Permit Fees revenues are expected to be above budget at year-end.**
- **Revenues – Inter District Sewer Use – SAWPA and SBSD – Inter District Sewer Use-SAWPA and SBSD is at \$1.9 million, or 2052.0 percent of the \$93,000 budget.** The budgeted amount was inadvertently reduced from \$3.0 million in the prior year. This revenue is derived from charges to the Santa Ana Watershed Protection Agency (SAWPA) and Sunset Beach Sanitary District (SBSD) for treatment of flows. The revenues through the mid-year are higher than the same period last year by \$332,000, or 21.0 percent, due to an increase in operation and maintenance charges based on flows received from these agencies. **These revenues are expected to be above budget at year-end.**
- **Revenues – Intra District Sewer Use – IRWD – Intra District Sewer Use-IRWD is at \$970,000, or 8.7 percent of the \$11.2 million budget.** This revenue is derived from charges to the Irvine Ranch Water District (IRWD) for treatment of flows. The revenues through the mid-year are higher than the same period last year by \$171,000, or 21.4 percent, due to an increase of \$635,000 in operating and maintenance charges to IRWD, partially offset by an increase of \$242,000 and \$222,000 allocated to IRWD for property tax revenues and interest income, respectively. **These revenues are expected to be below budget at year-end.**
- **Revenues – Capital Assessments – IRWD – Capital Assessments-IRWD is at \$4.0 million, or 42.4 percent of the \$9.5 million budget.** The revenues through the mid-year are higher than the same period last year by \$1.0 million, or 33.1 percent, due to an increase in joint capital costs allocable to IRWD. **These revenues are expected to approximate or be below budget at year-end.**
- **Revenues – Capital Facilities Capacity Charges (CFCC) – CFCC is at \$7.9 million, or 36.3 percent of the \$21.7 million budget.** The revenues through the mid-year are higher than the same period last year by \$2.9 million, or 59.2 percent, due to an increase in supplemental capacity charges based on an increase in baseline overages and an increase in capacity charges collected from local agencies. **These revenues are expected to be below budget at year-end.**
- **Revenues – Interest Earnings – Interest Earnings is at \$20.7 million, or 78.3 percent of the \$26.5 million budget.** The revenues through the mid-year are lower than the same period last year by \$1.3 million, or 6.0 percent, due to the lower rate of return experienced in the current year. **It is estimated that interest earnings will be above budget at year-end.**

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- **Revenues – CIP Reimbursements – CIP Reimbursements is at \$2.7 million and does not have a budget.** This revenue is \$2.5 million or 1040.8 percent higher than the same period last year due to current year reimbursement of \$2.6 million from Orange County Transportation Authority for FE18-13 Redhill Relief Sewer Protection at State Route 55.
- **Revenues – Wastehauler – Wastehauler is at \$374,000 and does not have a budget.** This revenue is derived from fees charged to wastehaulers, allowing them to dump waste into OC San's system. The revenues through the mid-year are lower than the same period last year by \$23,000, or 5.8 percent.
- **Revenues – CNG Sales – CNG Sales is at \$89,000 and does not have a budget.** This revenue is derived from public sales at OC San's Compressed Natural Gas (CNG) fueling station. The revenues through the mid-year are lower than the same period last year by \$4,000, or 3.9 percent, due to a decrease in compressed natural gas sales.
- **Revenues – Rents & Leases – Rents & Leases is at \$231,000 and does not have a budget.** The revenues through the mid-year are higher than the same period last year by \$10,000, or 4.5 percent.
- **Revenues – Other – Other revenues are at \$298,000, or 3.5 percent of the \$8.6 million budget.** These revenues are \$235,000, or 378.4 percent higher than the same period last year, primarily due to current year receipt of \$109,000 from a battery storage energy management agreement. **These revenues are expected to be below budget at year-end.**
- **Revenues – Power Sales – Power Sales is at \$16,000 and does not have a budget.** The revenues through the mid-year are lower than the same period last year by \$23,000, or 58.6 percent, due to a decrease in the buyback of surplus generated energy exported to Southern California Edison.
- **Revenues – Other Sales – Other Sales is at \$63,000 and does not have a budget.** This revenue is generated from the sale of scrap items, such as obsolete vehicles, equipment, and supplies. The revenues through the mid-year are higher than the same period last year by \$26,000, or 70.1 percent, primarily due to the sale of a sewer and jet rodder system.

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Comparison of Mid-Year Cost per Million Gallon Results with Budget Last Five Years



As demonstrated in the preceding graph for the current and each of the last four fiscal years, the cost per million gallons at the end of the mid-year has been between 4.4 percent lower and 0.6 percent higher than the annual budget. The FY 2025-26 mid-year cost per million gallons of \$3,574 is 2.1 percent lower when compared with this year's budget. The increase in cost per million gallons of \$278 from the previous year is primarily due to an increase in operating expenses, which are 10.2 percent higher than the same period last year, offset by an increase in flows, which are 1.6 percent higher than the same period last year. Staff believe that overall operating costs will be at or slightly below budget at year-end.

The total cost per million gallons at December 31 is \$3,574 based on flows of 187 million gallons per day. This is \$75 per million gallons, or 2.1 percent less than the budgeted cost per million gallons of \$3,649. The lower cost per million gallons is due to flows of 187 million gallons per day being 1.3 percent higher than the budgeted flow of 185 million gallons per day, which has an inverse relationship to the cost per unit of collection, treatment, and disposal, partially offset by net expenses being 0.1 percent higher than the proportionate budget through December 31.

More detailed information on operating revenues, costs, and related information is provided within Section 2.

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Following are data tables showing the last five years of Single Family Residential User Fees (SFR) and the cost per million gallons (MG) to collect, treat, and dispose of wastewater for the Orange County Sanitation District and similar agencies. The agencies used in the tables were determined to be those that most closely resembled OC San in terms of services provided and treatment levels. The summaries demonstrate that OC San's SFR and cost per MG are each one of the lowest in their respective groups.

Benchmark Study Five-Year Single Family Residential Rate

Agency	Rates as of July					Notes
	2021 SFR	2022 SFR	2023 SFR	2024 SFR	2025 SFR	
San Francisco	\$ 1,270	1,270	1,337	1,409	1,484	
Vallejo Sanitation/Flood Control District	\$ 747	769	885	1,018	1,223	
City of Los Angeles	\$ 636	636	636	736	959	(1)
City of San Diego	\$ 573	687	714	742	765	(2)
Central Contra Costa Sanitary District	\$ 660	690	697	725	754	
Union Sanitary District	\$ 524	530	570	612	636	
East Bay MUD	\$ 457	475	515	559	606	
City of Hayward	\$ 446	463	495	530	574	
Dublin San Ramon Services District	\$ 486	496	495	516	530	
Sacramento County	\$ 444	444	444	486	528	
Irvine Ranch Water District	\$ 313	357	399	441	521	(3)
Oro Loma Sanitary District	\$ 318	342	368	423	487	
Orange County Sanitation District	\$ 343	347	358	371	384	
City of Fresno	\$ 309	309	309	309	309	(4)
Los Angeles County	\$ 226	226	217	234	234	(5)

Notes:

- (1) - Data represents the average SFR rate using approximately 9 hundred cubic feet per month.
- (2) - Data represents the base sewer fee plus the average usage of 9 hundred cubic feet per month.
- (3) - Data represents the usage of 10 hundred cubic feet per unit.
- (4) - Data represents the minimum SFR rate not including flow.
- (5) - Data represents the average service charge rates for the current fiscal year.

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Benchmark Study Five-Year Cost per MG

Agency	Svc. Trt.	FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25	Notes
		Cost/MG	Cost/MG	Cost/MG	Cost/MG	Cost/MG	
Vallejo Sanitation/Flood Control District	B 2	9,108	9,595	6,280	9,154	10,155	(1)
Union Sanitary District	B 2	5,569	5,623	6,822	7,871	7,743	
San Francisco	B 2	9,456	7,152	5,895	12,958	7,679	(2)
Central Contra Costa Sanitary District	B 3	6,513	6,353	7,043	5,854	7,126	
City of San Diego	B 3	4,219	4,263	4,450	5,213	6,082	
Sacramento County	T 3	3,470	2,819	2,953	5,504	N/A	(3)
East Bay MUD	T 2	4,052	3,674	3,959	5,043	5,504	
City of Los Angeles	B 3	2,763	3,120	3,625	3,718	N/A	
Los Angeles County	B 3	2,338	2,786	3,081	3,152	3,548	
Dublin San Ramon Services District	B 3	3,570	3,406	3,889	3,528	N/A	
Orange County Sanitation District	B 2	2,428	2,255	2,961	3,054	3,416	
City of Fresno	B 3	2,100	2,235	2,454	2,725	N/A	

Legend for Service Provided and Treatment Level:

B - Agency operates both collection and treatment facilities

T - Agency provides treatment services but not collection

2 - Secondary treatment

3 - Advanced secondary or secondary with some tertiary treatment

Notes:

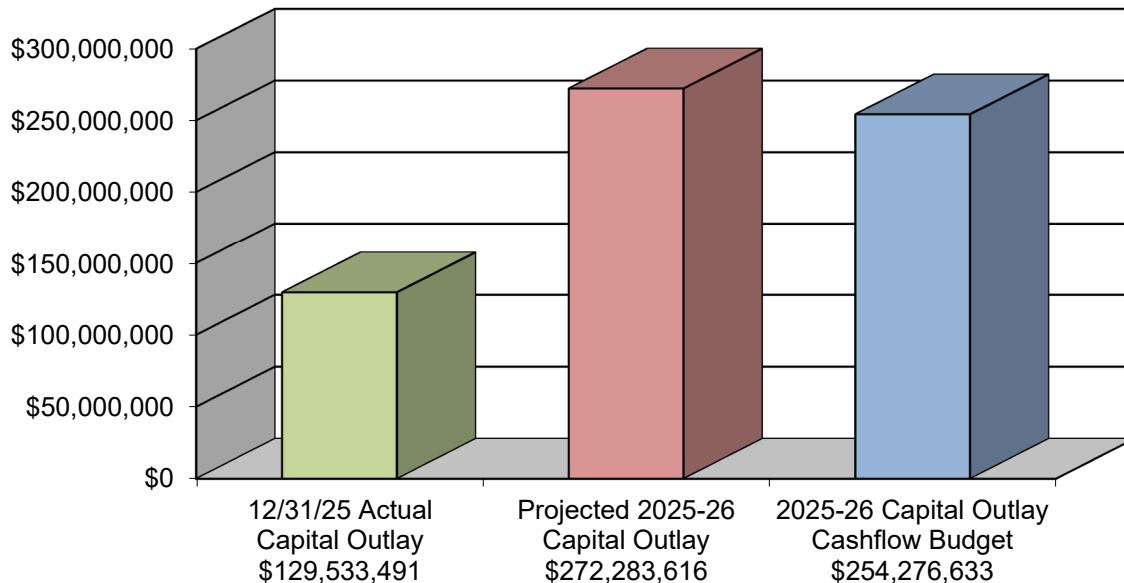
(1) - In FY22-23, a decrease in treatment cost is reported in Agency's Annual Comprehensive Financial Report (ACFR).

(2) - FY20-21 operating expense increased \$29.9 million and average daily flow decreased 8.3 MG per day.
FY23-24 operating expense increased \$200.7 million and average daily flow decreased 5 MG per day.

(3) - FY23-24 operating expense increased \$160 million due to the merger of Sacramento Regional County Sanitation District and Sacramento Area Sewer District.

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Capital Outlay Review:



As depicted by the preceding chart, Capital Outlays totaled \$129.5 million, or 50.9 percent of the capital outlay cash flow budget for FY 2025-26 as of December 31, 2025. While the overall expenditures for the Capital Improvement Program are tracking with the proportionate budget through the mid-year, individual projects may experience significant fluctuations due to the various stages they are in throughout the year. The most significant deviations from the 50.0 percent target at December 31 include P2-128 TPAD Digester Facility at Plant No. 2 and 5-67 Bay Bridge Pump Station Replacement, which are over the proportionate budget by \$5.9 million and \$5.4 million, respectively, and 1-23 Santa Ana Trunk Sewer Rehabilitation and J-135 Central Generation Engine Overhauls at Plants No. 1 and 2, which are under the proportionate budget by \$2.0 and \$1.7 million, respectively. **Overall, the capital outlay costs of the capital improvement program are expected to approximate \$272.3 million, or 107.1 percent of the capital outlay cash flow budget at year-end.**

More detailed information on the capital improvement program is provided within Section 3.

Capital Assets Schedule and Debt Service Budget Review: Section 4 is the Capital Assets Schedule and Debt Service Section. This section shows the cost value of OC San's capital facilities at December 31, 2025, as well as the debt service costs resulting from the need to provide funding for the construction of capital facilities.

Principal payments on debt issues are due in February, during the third quarter of each fiscal year. Excluding payments on refunding debt from the Revenue Refunding Certificates of Participation, Series 2025A, as of December 31, 2025, no principal

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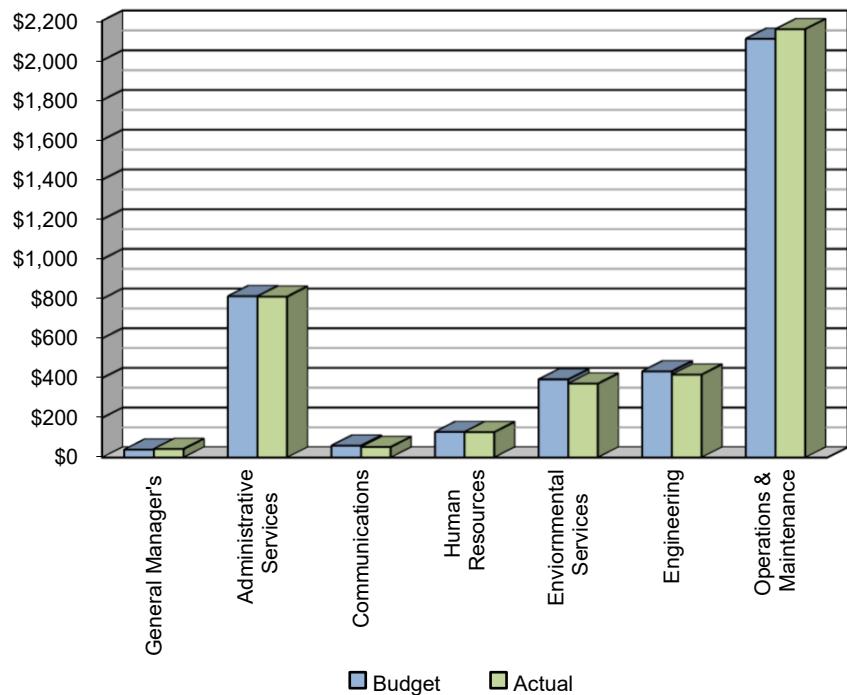
payments have been made. Interest costs are expensed ratably throughout the fiscal year and are expected to approximate budget at year-end.

Self-Insurance Budget Review: Section 5 is the Self-Insurance Section. Through December 31, the Self-Insurance Fund revenues totaled \$2.6 million, or 47.4 percent of the budget, while expenses are at \$2.8 million, or 41.3 percent of the budget.

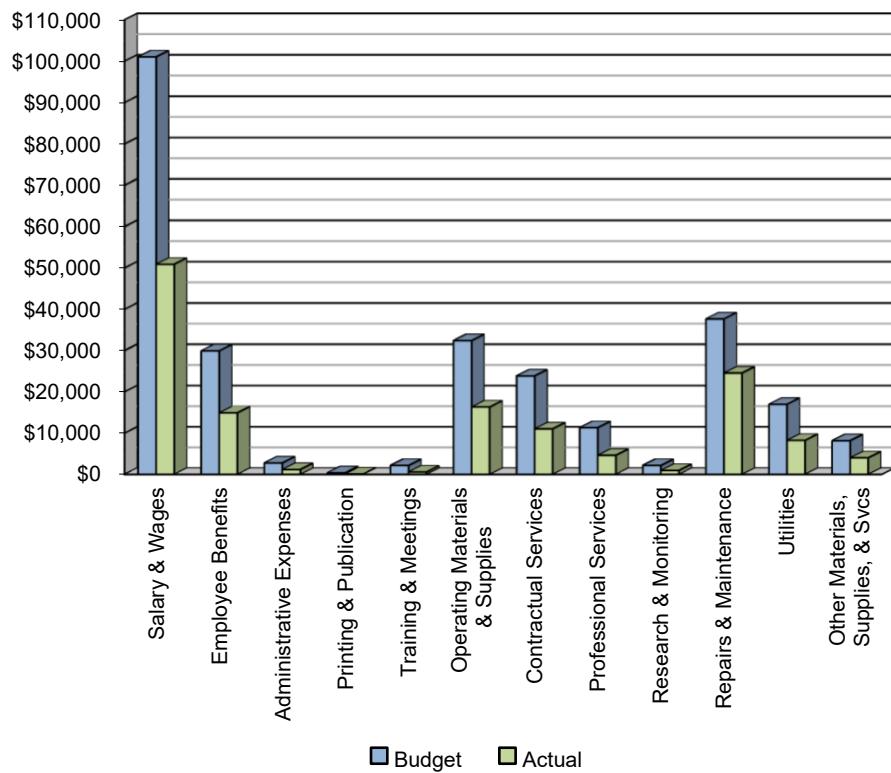
Separate fund accounting is used for recording the revenue and expenses incurred in managing these liability claims. The revenues to these funds represent charges to operating divisions. Expenses to these funds include actual claims paid, claims administration, and excess loss policies.

Operating Budget Review

Cost per Million Gallons by Department
Budget and Actual
December 31, 2025



Collection, Treatment, & Disposal Expenses by Major Category
Budget and Actual (in thousands)
December 31, 2025



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Divisional Contributions to Cost Per Million Gallons For the Six Months Ended December 31, 2025

	12/31/23 Actual	12/31/24 Actual	2025-26 Annual Budget	12/31/25 Actual
Flow in Million Gallons	<u>33,842.59</u>	<u>33,930.57</u>	<u>67,525.00</u>	<u>34,485.77</u>
Flow in Million Gallons per Day	<u>183.92</u>	<u>184.41</u>	<u>185.00</u>	<u>187.42</u>
General Manager's Department				
General Management Administration	\$ 44.98	\$ 44.81	\$ 39.83	\$ 42.73
Subtotal	<u>44.98</u>	<u>44.81</u>	<u>39.83</u>	<u>42.73</u>
Administrative Services Department				
Administrative Services	7.52	5.60	18.88	11.20
Consolidated Services	133.07	199.74	209.49	180.12
Financial Management	69.66	76.09	71.53	73.58
Contracts, Purchasing, & Materials Mgmt.	67.70	75.98	83.16	76.20
Information Technology	241.27	272.19	265.45	287.97
Civil Facilities Maintenance	-	57.30	124.86	150.29
Fleet Services	35.87	16.62	39.97	31.94
Subtotal	<u>555.09</u>	<u>703.52</u>	<u>813.34</u>	<u>811.30</u>
Communications Department				
Communications Administration	-	4.94	5.74	6.75
Board Services	16.01	17.66	20.43	17.71
Public Affairs	20.21	25.15	33.18	28.33
Subtotal	<u>36.22</u>	<u>47.75</u>	<u>59.35</u>	<u>52.79</u>
Human Resources Department				
Human Resources Administration	-	5.84	19.01	17.91
Human Resources	64.32	53.90	54.94	53.04
Risk Management	62.57	45.53	54.67	57.21
Subtotal	<u>126.89</u>	<u>105.27</u>	<u>128.62</u>	<u>128.16</u>
Environmental Services Department				
Environmental Services Administration	92.78	37.51	26.58	39.32
Resource Protection	90.09	98.01	113.65	94.20
Environmental Laboratory & Ocean Monitoring	147.78	159.63	181.97	167.74
Environmental Compliance	-	67.17	71.88	71.33
Subtotal	<u>330.65</u>	<u>362.32</u>	<u>394.08</u>	<u>372.59</u>
Engineering Department				
Engineering Administration	10.20	9.36	10.10	10.66
Planning	60.40	65.54	76.30	70.46
Project Management Office	68.24	71.67	73.87	74.95
Design	98.63	116.91	126.95	117.48
Construction Management	122.23	134.98	147.35	144.63
Subtotal	<u>359.70</u>	<u>398.46</u>	<u>434.57</u>	<u>418.18</u>
Operations & Maintenance Department				
Operations & Maintenance Administration	5.29	6.27	13.77	7.57
Collections Facilities O & M	253.69	227.83	292.15	272.69
Maintenance Support Services	-	-	109.64	110.71
Plant No. 1 Operations	636.36	595.94	658.62	638.06
Plant No. 2 Operations	312.46	349.45	351.75	348.31
Plant No. 1 Maintenance	441.29	537.46	359.77	428.67
Plant No. 2 Maintenance	340.57	295.10	324.08	352.35
Subtotal	<u>1,989.66</u>	<u>2,012.05</u>	<u>2,109.78</u>	<u>2,158.36</u>
Total Operating Expenses	<u>3,443.19</u>	<u>3,674.18</u>	<u>3,979.57</u>	<u>3,984.11</u>
Cost Allocation	<u>(294.66)</u>	<u>(378.11)</u>	<u>(330.57)</u>	<u>(410.33)</u>
Net Operating Requirements	<u>\$ 3,148.53</u>	<u>\$ 3,296.07</u>	<u>\$ 3,649.00</u>	<u>\$ 3,573.78</u>

Operating Budget Review

Comparison of Expenses by Department For the Six Months Ended December 31, 2025

Department and Division	12/31/23 Actual	12/31/24 Actual	2025-26		
			Budget	Year to Date 12/31/25	Budget % Realized
General Manager's Department					
General Management Administration	\$ 1,522,211	\$ 1,520,282	\$ 2,689,236	\$ 1,473,725	54.80%
Subtotal	1,522,211	1,520,282	2,689,236	1,473,725	54.80%
Administrative Services Department					
Administrative Services	254,545	189,847	1,275,202	386,359	30.30%
Consolidated Services	4,503,488	6,777,152	14,145,939	6,211,533	43.91%
Financial Management	2,357,484	2,581,916	4,830,289	2,537,378	52.53%
Contracts, Purchasing, & Materials Mgmt.	2,291,044	2,577,973	5,615,571	2,627,669	46.79%
Information Technology	8,165,067	9,235,467	17,924,562	9,931,016	55.40%
Civil Facilities Maintenance	-	1,944,300	8,431,328	5,182,810	61.47%
Fleet Services	1,213,850	564,003	2,699,104	1,101,337	40.80%
Subtotal	18,785,478	23,870,658	54,921,995	27,978,102	50.94%
Communications Department					
Communications Administration	-	167,562	387,671	232,703	60.03%
Board Services	541,693	599,365	1,379,231	610,896	44.29%
Public Affairs	684,068	853,472	2,240,654	976,976	43.60%
Subtotal	1,225,761	1,620,399	4,007,556	1,820,575	45.43%
Human Resources Department					
Human Resources Administration	-	198,052	1,283,536	617,699	48.12%
Human Resources	2,176,589	1,828,949	3,710,053	1,829,185	49.30%
Risk Management	2,117,445	1,544,721	3,691,274	1,972,968	53.45%
Subtotal	4,294,034	3,571,722	8,684,863	4,419,852	50.89%
Environmental Services Department					
Environmental Services Administration	3,139,865	1,272,657	1,794,897	1,356,094	75.55%
Resource Protection	3,048,906	3,325,653	7,674,199	3,248,681	42.33%
Environmental Laboratory & Ocean Monitoring	5,001,336	5,416,266	12,287,567	5,784,528	47.08%
Environmental Compliance	-	2,279,135	4,853,940	2,459,914	50.68%
Subtotal	11,190,107	12,293,711	26,610,603	12,849,217	48.29%
Engineering Department					
Engineering Administration	345,272	317,514	681,790	367,467	53.90%
Planning	2,044,229	2,223,650	5,152,196	2,429,743	47.16%
Project Management Office	2,309,505	2,431,951	4,988,108	2,584,839	51.82%
Design	3,337,839	3,966,774	8,572,337	4,051,330	47.26%
Construction Management	4,136,539	4,580,010	9,949,717	4,987,613	50.13%
Subtotal	12,173,384	13,519,899	29,344,148	14,420,992	49.14%
Operations & Maintenance Department					
Operations & Maintenance Administration	179,063	212,781	929,687	261,182	28.09%
Collections Facilities O & M	8,585,379	7,730,420	19,727,503	9,403,951	47.67%
Maintenance Support Services	-	-	7,403,500	3,817,925	51.57%
Plant No. 1 Operations	21,536,189	20,220,534	44,473,199	22,004,107	49.48%
Plant No. 2 Operations	10,574,397	11,857,185	23,752,048	12,011,813	50.57%
Plant No. 1 Maintenance	14,934,552	18,236,445	24,293,470	14,782,958	60.85%
Plant No. 2 Maintenance	11,525,900	10,012,921	21,883,593	12,151,052	55.53%
Subtotal	67,335,480	68,270,286	142,463,000	74,432,988	52.25%
Total Operating Expenses	116,526,455	124,666,957	268,721,401	137,395,451	51.13%
Cost Allocation	(9,971,977)	(12,829,254)	(22,355,980)	(14,150,941)	63.30%
Net Operating Requirements	\$ 106,554,478	\$ 111,837,703	\$ 246,365,421	\$ 123,244,510	50.03%

FY 2025-26 Mid-Year Financial Report

Summary of Collection, Treatment, & Disposal Expenses by Major Category For the Six Months Ended December 31, 2025

Description	Budget 2025-26	Expense Through 12/31/25	Expense Through 12/31/24	Increase (Decrease) \$	Increase (Decrease) %	Percent Budget Realized	Remaining Budget
Salary & Wages	\$ 100,995,374	50,881,847	46,632,138	\$ 4,249,709	9.11%	50.38%	\$ 50,113,527
Employee Benefits	29,903,247	14,909,970	13,810,043	1,099,927	7.96%	49.86%	14,993,277
Administrative Expenses	2,773,176	1,185,437	1,102,776	82,661	7.50%	42.75%	1,587,739
Printing & Publication	391,353	113,705	107,035	6,670	6.23%	29.05%	277,648
Training & Meetings	2,156,685	578,677	781,448	(202,771)	-25.95%	26.83%	1,578,008
Operating Materials & Supplies	32,398,557	16,321,019	15,373,003	948,016	6.17%	50.38%	16,077,538
Contractual Services	23,848,656	11,018,415	11,049,291	(30,876)	-0.28%	46.20%	12,830,241
Professional Services	11,302,938	4,627,944	3,595,077	1,032,867	28.73%	40.94%	6,674,994
Research & Monitoring	2,174,637	941,773	933,368	8,405	0.90%	43.31%	1,232,864
Repairs & Maintenance	37,649,113	24,547,214	19,884,996	4,662,218	23.45%	65.20%	13,101,899
Utilities	16,972,772	8,249,007	7,623,903	625,104	8.20%	48.60%	8,723,765
Other Materials, Supplies, and Services	8,154,893	4,020,443	3,773,879	246,564	6.53%	49.30%	4,134,450
Net Cost Allocation	(22,355,980)	(14,150,941)	(12,829,254)	(1,321,687)	10.30%	63.30%	(8,205,039)
Net Operating Requirements	246,365,421	123,244,510	111,837,703	11,406,807	10.20%	50.03%	123,120,911
Gallonage Flow (MG)	<u>67,525.00</u>	<u>34,485.77</u>	<u>33,930.57</u>	<u>555.20</u>	<u>1.64%</u>		
Gallonage Flow (MGD)	<u>185.00</u>	<u>187.42</u>	<u>184.41</u>	<u>3.01</u>	<u>1.63%</u>		
Gallonage Flow (\$'s /MG)	<u>\$3,649.00</u>	<u>\$3,573.78</u>	<u>\$3,296.07</u>	<u>\$277.71</u>	<u>8.43%</u>		

Operating Budget Review

Summary of Revenues For the Six Months Ended December 31, 2025

Description	Budget 2025-26	Revenue Through 12/31/25	Percent Budget Realized	Remaining Budget	Revenue Through 12/31/24	Increase (Decrease) \$	Increase (Decrease) %
Service Fees	\$ 360,777,442	\$ 190,449,273	52.79%	\$ 170,328,169	\$ 159,619,969	\$ 30,829,304	19.31%
Permit Fees	16,593,000	10,685,759	64.40%	5,907,241	8,005,770	2,679,989	33.48%
Inter District Sewer Use-SAWPA & SBSD	93,250	1,913,526	2052.04%	(1,820,276)	1,581,451	332,075	21.00%
Intra District Sewer Use-IRWD	11,185,390	969,772	8.67%	10,215,618	799,062	170,710	21.36%
Capital Assessments-IRWD	9,514,000	4,030,909	42.37%	5,483,091	3,029,595	1,001,314	33.05%
Capital Facilities Capacity Charges	21,671,000	7,865,227	36.29%	13,805,773	4,939,093	2,926,134	59.24%
Property Taxes	123,698,000	62,113,178	50.21%	61,584,822	52,255,943	9,857,235	18.86%
Interest Earnings	26,474,000	20,733,878	78.32%	5,740,122	22,053,336	(1,319,458)	-5.98%
CIP Reimbursements	-	2,723,975	N/A	(2,723,975)	238,773	2,485,202	1040.82%
Wastehauler	-	373,552	N/A	(373,552)	396,540	(22,988)	-5.80%
CNG Sales	-	88,960	N/A	(88,960)	92,612	(3,652)	-3.94%
Rents & Leases	-	231,149	N/A	(231,149)	221,245	9,904	4.48%
Other Revenues	8,624,500	297,618	3.45%	8,326,882	62,208	235,410	378.42%
Power Sales	-	16,063	N/A	(16,063)	38,797	(22,734)	-58.60%
Other Sales	-	62,658	N/A	(62,658)	36,835	25,823	70.10%
Total Revenues	\$ 578,630,582	\$ 302,555,497	52.29%	\$ 276,075,085	\$ 253,371,229	\$ 49,184,268	19.41%

FY 2025-26 Mid-Year Financial Report

Summary of Collection, Treatment, & Disposal Expenses by Line Item For the Six Months Ended December 31, 2025

Description	Budget 2025-26	Expense Through 12/31/25	Percent Budget Expensed	Remaining Budget	Expense Through 12/31/24	Increase (Decrease) \$	Increase (Decrease) %
Salaries, Wages & Benefits							
Salaries & Wages	\$ 100,995,374	\$ 50,881,847	50.38%	\$ 50,113,527	\$ 46,632,138	\$ 4,249,709	9.11%
Employee Benefits							
Retirement	13,562,118	6,350,808	46.83%	7,211,310	6,126,337	224,471	3.66%
Group Insurances	13,127,996	6,591,927	50.21%	6,536,069	6,195,188	396,739	6.40%
Tuition & Certification Reimb	86,076	50,880	59.11%	35,196	42,194	8,686	20.59%
Edu. degrees, Cert. & Lic.	654,927	362,317	55.32%	292,610	340,208	22,109	6.50%
Uniform Rental	455,365	143,103	31.43%	312,262	227,683	(84,580)	-37.15%
Workers' Compensation	955,263	395,730	41.43%	559,533	329,773	65,957	20.00%
Unemployment Insurance	14,320	9,818	68.56%	4,502	7,160	2,658	37.12%
Employee Supplemental Benefits	1,047,182	1,005,387	96.01%	41,795	541,500	463,887	85.67%
Total Benefits	29,903,247	14,909,970	49.86%	14,993,277	13,810,043	1,099,927	7.96%
Salaries, Wages & Benefits	130,898,621	65,791,817	50.26%	65,106,804	60,442,181	5,349,636	8.85%
Matl, Supplies, & Services							
Administrative Expenses							
Memberships	746,825	558,750	74.82%	188,075	511,107	47,643	9.32%
Office Exp - Supplies	73,688	48,444	65.74%	25,244	27,582	20,862	75.64%
Postage	63,750	23,221	36.43%	40,529	24,910	(1,689)	-6.78%
Books & Publications	33,471	17,144	51.22%	16,327	10,983	6,161	56.10%
Forms	1,000	825	82.50%	175	102	723	708.82%
Small Computer Items	1,336,891	495,881	37.09%	841,010	430,169	65,712	15.28%
Minor Furniture & Fixtures	517,551	41,172	7.96%	476,379	97,923	(56,751)	-57.95%
Subtotal	2,773,176	1,185,437	42.75%	1,587,739	1,102,776	82,661	7.50%
Printing & Publication							
Repro-In-House	205,191	76,474	37.27%	128,717	72,925	3,549	4.87%
Printing-Outside	40,562	10,181	25.10%	30,381	4,842	5,339	110.26%
Notices & Ads	145,600	27,050	18.58%	118,550	29,268	(2,218)	-7.58%
Subtotal	391,353	113,705	29.05%	277,648	107,035	6,670	6.23%
Training & Meetings							
Meetings	175,760	31,107	17.70%	144,653	65,337	(34,230)	-52.39%
Training	1,980,925	547,570	27.64%	1,433,355	716,111	(168,541)	-23.54%
Subtotal	2,156,685	578,677	26.83%	1,578,008	781,448	(202,771)	-25.95%
Operating Mat'l's & Supplies							
Chemical Coagulants	16,458,365	8,722,077	52.99%	7,736,288	8,323,432	398,645	4.79%
Odor & Corrosion Control	10,538,161	5,156,695	48.93%	5,381,466	4,599,689	557,006	12.11%
Disinfection	641,000	300,521	46.88%	340,479	280,776	19,745	7.03%
Chemicals - Misc & Cogen	506,000	249,349	49.28%	256,651	207,680	41,669	20.06%
Gasoline, Diesel & Oil	909,395	362,518	39.86%	546,877	352,520	9,998	2.84%
Tools	767,750	452,124	58.89%	315,626	435,451	16,673	3.83%
Safety equipment/tools	1,030,432	510,613	49.55%	519,819	485,932	24,681	5.08%
Solv, Paints & Jan. Supplies	136,768	74,553	54.51%	62,215	67,085	7,468	11.13%
Lab Chemicals & Supplies	928,435	384,236	41.39%	544,199	491,546	(107,310)	-21.83%
Misc. Operating Supplies	465,151	102,806	22.10%	362,345	118,398	(15,592)	-13.17%
Property Tax Fees	17,100	5,527	32.32%	11,573	10,494	(4,967)	-47.33%
Subtotal	32,398,557	16,321,019	50.38%	16,077,538	15,373,003	948,016	6.17%
Contractual Services							
Solids Removal	14,240,000	6,959,895	48.88%	7,280,105	6,925,984	33,911	0.49%
Other Waste Disposal	1,405,989	650,416	46.26%	755,573	625,142	25,274	4.04%
Groundskeeping	239,589	135,593	56.59%	103,996	82,620	52,973	64.12%
Janitorial	1,401,623	753,057	53.73%	648,566	904,849	(151,792)	-16.78%
Outside Lab Services	534,000	112,835	21.13%	421,165	258,726	(145,891)	-56.39%
Oxygen	1,370,000	897,849	65.54%	472,151	540,479	357,370	66.12%
County Service Fee	618,500	14,460	2.34%	604,040	16,457	(1,997)	-12.13%
Temporary Services	505,000	65,719	13.01%	439,281	117,792	(52,073)	-44.21%
Security Services	2,611,455	1,148,040	43.96%	1,463,415	1,119,386	28,654	2.56%
Other	922,500	280,551	30.41%	641,949	457,856	(177,305)	-38.73%
Subtotal	23,848,656	11,018,415	46.20%	12,830,241	11,049,291	(30,876)	-0.28%

Operating Budget Review

Summary of Collection, Treatment, & Disposal Expenses by Line Item For the Six Months Ended December 31, 2025

Description	Budget 2025-26	Expense Through 12/31/25	Percent Budget Expensed	Remaining Budget	Expense Through 12/31/24	Increase (Decrease) \$	Increase (Decrease) %
<u>Continued:</u>							
Professional Services							
Legal	2,532,500	1,069,332	42.22%	1,463,168	1,334,544	(265,212)	-19.87%
Audit & Accounting	232,000	114,260	49.25%	117,740	139,130	(24,870)	-17.88%
Engineering	1,968,838	1,476,615	75.00%	492,223	1,094,451	382,164	34.92%
Enviro Scientific Consulting	1,035,000	75,016	7.25%	959,984	81,852	(6,836)	-8.35%
Software Prgm Consulting	1,057,700	452,728	42.80%	604,972	337,891	114,837	33.99%
Energy Consulting	22,000	8,750	39.77%	13,250	8,750	-	0.00%
Advocacy Efforts	345,600	111,500	32.26%	234,100	137,500	(26,000)	-18.91%
Industrial Hygiene Services	100,000	29,128	29.13%	70,872	4,391	24,737	563.36%
Labor Negotiation Services	40,000	26,043	65.11%	13,957	8,472	17,571	207.40%
Other	3,969,300	1,264,572	31.86%	2,704,728	448,096	816,476	182.21%
Subtotal	<u>11,302,938</u>	<u>4,627,944</u>	<u>40.94%</u>	<u>6,674,994</u>	<u>3,595,077</u>	<u>1,032,867</u>	<u>28.73%</u>
Research & Monitoring							
Environmental Monitoring	1,270,000	217,469	17.12%	1,052,531	279,620	(62,151)	-22.23%
Air Quality Monitoring	300,000	144,667	48.22%	155,333	90,994	53,673	58.99%
Research	604,637	579,637	95.87%	25,000	562,754	16,883	3.00%
Subtotal	<u>2,174,637</u>	<u>941,773</u>	<u>43.31%</u>	<u>1,232,864</u>	<u>933,368</u>	<u>8,405</u>	<u>0.90%</u>
Repairs & Maintenance							
Materials & Services	26,687,410	18,230,195	68.31%	8,457,215	14,786,038	3,444,157	23.29%
Svc. Mtc. Agreements	10,961,703	6,317,019	57.63%	4,644,684	5,098,958	1,218,061	23.89%
Subtotal	<u>37,649,113</u>	<u>24,547,214</u>	<u>65.20%</u>	<u>13,101,899</u>	<u>19,884,996</u>	<u>4,662,218</u>	<u>23.45%</u>
Utilities							
Telephone	531,400	280,728	52.83%	250,672	260,205	20,523	7.89%
Diesel For Generators	65,000	16,895	25.99%	48,105	33,861	(16,966)	-50.10%
Natural Gas	3,267,000	1,517,244	46.44%	1,749,756	1,534,597	(17,353)	-1.13%
Power	11,822,446	5,690,431	48.13%	6,132,015	5,084,130	606,301	11.93%
Water	1,286,926	743,709	57.79%	543,217	711,110	32,599	4.58%
Subtotal	<u>16,972,772</u>	<u>8,249,007</u>	<u>48.60%</u>	<u>8,723,765</u>	<u>7,623,903</u>	<u>625,104</u>	<u>8.20%</u>
Other Operating Supplies							
Outside Equip Rental	95,000	20,574	21.66%	74,426	20,090	484	2.41%
Insurance Premiums	53,000	54,010	101.91%	(1,010)	51,415	2,595	5.05%
Prop & Gen Liab Insurance	3,924,030	2,324,940	59.25%	1,599,090	2,190,987	133,953	6.11%
Freight	214,200	110,265	51.48%	103,935	88,679	21,586	24.34%
Misc. Operating Expense	494,787	248,257	50.17%	246,530	190,143	58,114	30.56%
Regulatory Operating Fees	1,926,373	1,196,289	62.10%	730,084	1,178,021	18,268	1.55%
Subtotal	<u>6,707,390</u>	<u>3,954,335</u>	<u>58.95%</u>	<u>2,753,055</u>	<u>3,719,335</u>	<u>235,000</u>	<u>6.32%</u>
General Mgr Contingency & Reappropriations							
	<u>1,309,753</u>	<u>-</u>	<u>0.00%</u>	<u>1,309,753</u>	<u>-</u>	<u>-</u>	<u>N/A</u>
Other Non-Oper Expense							
	<u>137,750</u>	<u>66,108</u>	<u>47.99%</u>	<u>71,642</u>	<u>54,544</u>	<u>11,564</u>	<u>21.20%</u>
Total Materials, Supplies & Services	<u>137,822,780</u>	<u>71,603,634</u>	<u>51.95%</u>	<u>66,219,146</u>	<u>64,224,776</u>	<u>7,378,858</u>	<u>11.49%</u>
Total Expenditures	<u>268,721,401</u>	<u>137,395,451</u>	<u>51.13%</u>	<u>131,325,950</u>	<u>124,666,957</u>	<u>12,728,494</u>	<u>10.21%</u>
Cost Allocation	<u>(22,355,980)</u>	<u>(14,150,941)</u>	<u>63.30%</u>	<u>(8,205,039)</u>	<u>(12,829,254)</u>	<u>(1,321,687)</u>	<u>10.30%</u>
Net Operating Requirements	<u>\$ 246,365,421</u>	<u>\$ 123,244,510</u>	<u>50.03%</u>	<u>\$ 123,120,911</u>	<u>\$ 111,837,703</u>	<u>\$ 11,406,807</u>	<u>10.20%</u>

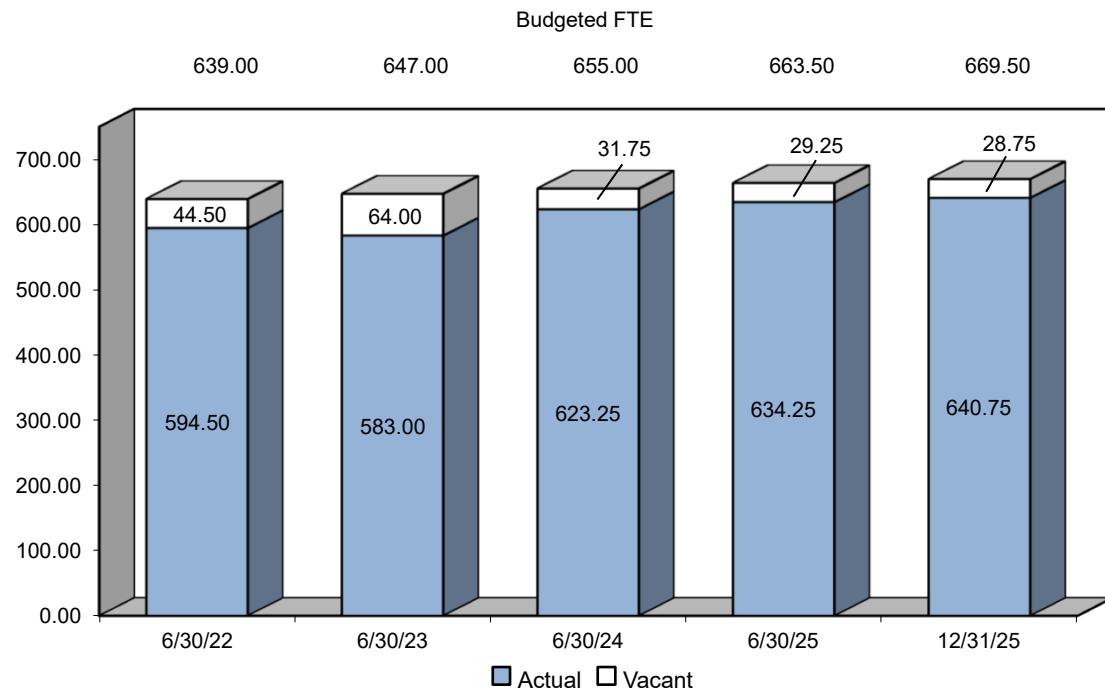
FY 2025-26 Mid-Year Financial Report

Summary of Collection, Treatment, & Disposal Expenses by Process For the Six Months Ended December 31, 2025

Process:	Actual 12/31/25	Actual 12/31/24	Increase (Decrease) \$	Increase (Decrease) %
Preliminary Treatment	\$ 8,797,550	\$ 7,482,141	\$ 1,315,409	17.58%
Primary Treatment	15,186,256	14,025,718	1,160,538	8.27%
Secondary Treatment	7,495,999	8,631,254	(1,135,255)	-13.15%
Oxygen Generation Facility (Plant 2)	1,692,202	1,060,173	632,029	59.62%
Effluent Disposal	631,884	715,542	(83,658)	-11.69%
Solids Handling	33,919,429	30,453,781	3,465,648	11.38%
Cogeneration	16,281,971	14,128,129	2,153,842	15.25%
Utilities	3,220,073	2,585,444	634,629	24.55%
Electrical Distribution	2,046,121	1,752,972	293,149	16.72%
Miscellaneous Buildings	8,751,895	6,947,796	1,804,099	25.97%
External Location	25,343	21,724	3,619	16.66%
Nerissa Vessel	196,393	187,737	8,656	4.61%
Laboratory	9,326,961	8,747,387	579,574	6.63%
Collections	<u>15,672,433</u>	<u>15,097,905</u>	<u>574,528</u>	<u>3.81%</u>
Net Operating Requirements	\$ 123,244,510	\$ 111,837,703	\$ 11,406,807	10.20%

Operating Budget Review

Staffing Trends Full Time Equivalents (FTE) December 31, 2025



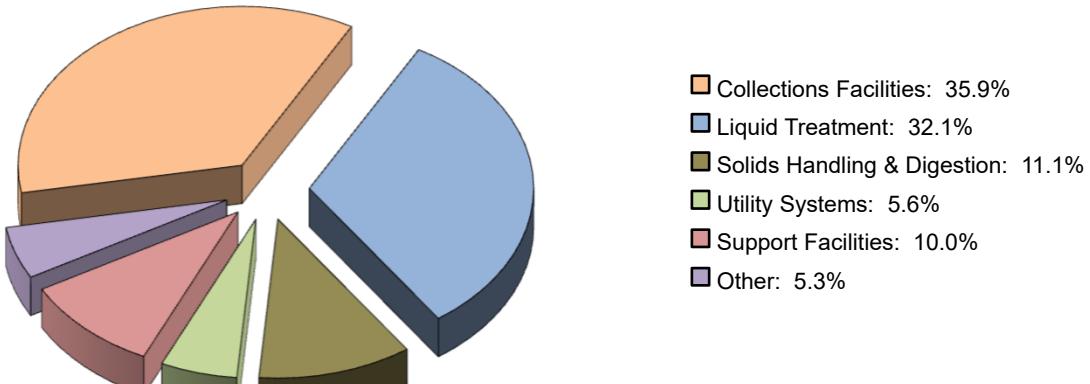
At December 31, 2025, the total head count was 660 employees, or a full time equivalency of 640.75.

FY 2025-26 Mid-Year Financial Report

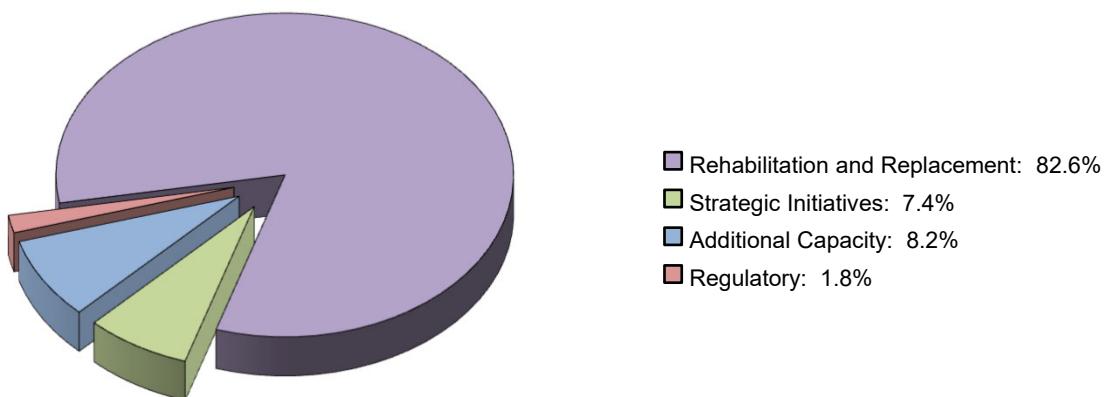
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Capital Improvement Program Budget Review

Capital Improvement Program
By Process Area and Project Driver
For the Six Months Ended December 31, 2025



Total Capital Improvement Outlays by Process Area - \$129,533,491



Total Capital Improvement Outlays by Project Driver - \$129,533,491

FY 2025-26 Mid-Year Financial Report

Summary of Capital Improvement Construction Requirements - Current Year For the Six Months Ended December 31, 2025

	2025-26 Cashflow Budget	2025-26 Actual at 12/31/2025	2025-26 Projected Outlay
Collection System Improvement Projects			
Collections Facilities			
Santa Ana Trunk Sewer Rehabilitation	\$ 4,555,304	\$ 272,175	\$ 5,463,300
Greenville-Sullivan Trunk Improvements	58	-	-
Taft Branch Capacity Improvements	7,584,218	7,052,308	12,560,100
Yorba Linda Dosing Station Installation	219,002	80,340	107,100
Knott - Miller Holder - Artesia Branch Rehabilitation	406,090	260,163	791,600
Rehabilitation of Western Regional Sewers	5,750,397	5,005,009	10,621,700
Interstate 405 Widening Project Impacts on OC San Sewers	59,313	-	9,000
Seal Beach Pump Station Replacement	17,302,710	11,926,723	23,643,900
Bay Bridge Pump Station Replacement	6,574,488	8,469,335	14,947,600
Newport Beach Pump Station Pressurization Improvements	262,957	15,016	353,700
East Coast Highway Sewer Rehabilitation	445,720	-	45,700
Fairview Trunk Sewer Rehabilitation	661,935	239,063	387,400
MacArthur Pump Station Rehabilitation	147,342	79,882	174,600
Gisler Red-Hill Interceptor & Baker Force Main Rehabilitation	16,115,339	11,103,051	16,978,500
MacArthur Force Main Improvement	533,299	424,280	531,500
North Trunk Improvements	347,079	104,070	218,400
Edinger Pumping Station Replacement	1,261,043	377,055	663,900
Small Construction Projects Program - Collections	4,214,513	307,584	3,930,100
Planning Studies Program - Collections	58,256	-	-
Additional Charges to CIP Closed at 6/30/25	-	453,994	454,000
Subtotal - Collections Facilities	66,499,063	46,170,048	91,882,100
Revenue Area 14			
Bay Bridge Pumping Station Rehabilitation (3.62%)	246,936	318,105	561,500
Newport Beach Pump Station Pressurization Improve (0.27%)	712	41	1,000
Subtotal - Revenue Area 14	247,648	318,146	562,500
Total Collection System Improvement Projects	66,746,711	46,488,194	92,444,600

Capital Improvement Program Budget Review

Summary of Capital Improvement Construction Requirements - Current Year For the Six Months Ended December 31, 2025

	2025-26 Cashflow Budget	2025-26 Actual at 12/31/2025	2025-26 Projected Outlay
<u>Treatment & Disposal Projects</u>			
Headworks			
Headworks Rehabilitation at Plant 1	24,184,260	18,227,407	31,675,300
Subtotal - Headworks	<u>24,184,260</u>	<u>18,227,407</u>	<u>31,675,300</u>
<u>Primary Treatment</u>			
Primary Sedimentation Basins 3-5 Replacement at Plant 1	4,199,476	2,808,641	4,803,300
Primary Sedimentation Basins 6-31 Reliability Improv at P1	356,049	(22,892)	326,400
Primary Treatment Rehabilitation at Plant 2	22,604,521	14,280,105	24,194,700
Subtotal - Primary Treatment	<u>27,160,046</u>	<u>17,065,854</u>	<u>29,324,400</u>
<u>Secondary Treatment</u>			
Activated Sludge-1 Aeration Basin & Blower Rehab at P1	5,580,737	2,053,036	4,217,300
Trickling Filter Rehab at P1	2,506,135	123,853	1,298,600
Activated Sludge Aeration Basin Rehabilitation at Plant 2	2,097,276	460,381	2,399,400
Subtotal - Secondary Treatment	<u>10,184,148</u>	<u>2,637,270</u>	<u>7,915,300</u>
<u>Solids Handling & Digestion</u>			
Deep VII Biosolids Management Facility	310,315	50,035	295,100
Interim Food Waste Receiving Facility	129,531	1,668	163,100
TPAD Digester Facility at Plant 2	14,094,930	12,942,651	20,154,700
Digesters Rehabilitation at Plant No. 2	2,739,421	1,296,196	1,947,000
Truck Loading Bay Odor Control Improvements at Plant 2	616,144	96,061	622,000
Subtotal - Solids Handling & Digestion	<u>17,890,341</u>	<u>14,386,611</u>	<u>23,181,900</u>
<u>Ocean Outfall Systems</u>			
Ocean Outfall System Rehabilitation	6,751,099	3,116,409	6,497,200
120-inch Ocean Outfall Rehabilitation	1,474,008	456,284	4,986,500
Sodium Bisulfite Station Rehabilitation at Plant 2	966,681	100,947	925,600
Emergency Overflow Pipes & Windwall Rehabilitation at P2	74,570	22,561	105,700
Subtotal - Ocean Outfall Systems	<u>9,266,358</u>	<u>3,696,201</u>	<u>12,515,000</u>

FY 2025-26 Mid-Year Financial Report

Summary of Capital Improvement Construction Requirements - Current Year For the Six Months Ended December 31, 2025

	2025-26 Cashflow Budget	2025-26 Actual at 12/31/2025	2025-26 Projected Outlay
Treatment & Disposal Projects (Continued)			
Utility Systems			
Electrical Power Distribution System Improvements	3,515,299	524,717	3,606,200
Digester Gas Facilities Rehabilitation	5,683,443	1,698,214	3,459,300
Central Generation Engine Overhauls at Plants 1 and 2	10,065,452	3,284,306	9,210,100
Central Generation Facilities & OOBS Seismic Upgrades	86,185	18,253	18,300
Public Address System Replacement	175,010	13,274	99,800
Power Dist. Sys. & Bldg C Repl. At Plants 1 and 2	793,770	-	243,500
Uninterruptable Power Supply Improvements at Plant 1	1,578,239	1,333,829	1,712,000
Industrial Control System & IT Data Center Relocation at P1	795,665	195,198	195,200
Headworks Electrical Distribution Improvements at P2	575,150	105,658	716,500
Subtotal - Utility Systems	23,268,213	7,173,449	19,260,900
Information Management Systems			
Process Control Systems Upgrades	5,832,634	1,073,940	4,942,000
Project Management Information System	50,729	68,200	80,000
Process Control System Alarm Optimization	354,537	13,032	144,900
Information Technology Capital Program	1,491,743	341,865	878,700
Subtotal - Information Management Systems	7,729,643	1,497,037	6,045,600
Strategic & Master Planning			
Planning Studies Program	4,379,568	1,087,605	5,034,900
Subtotal - Strategic & Master Planning	4,379,568	1,087,605	5,034,900
Water Management Projects			
GWRS Final Expansion Coordination	-	-	600
Subtotal - Water Management Projects	-	-	600
Research			
Research Program	2,108,754	101,580	3,092,800
Subtotal - Research	2,108,754	101,580	3,092,800

Capital Improvement Program Budget Review

Summary of Capital Improvement Construction Requirements - Current Year

For the Six Months Ended December 31, 2025

	2025-26 Cashflow Budget	2025-26 Actual at 12/31/2025	2025-26 Projected Outlay
<u>Treatment & Disposal Projects (Continued)</u>			
Support Facilities			
Small Construction Projects Program	30,821,031	9,247,095	27,632,900
Operations & Maintenance Capital Program	-	1,457,478	3,614,700
Laboratory Rehabilitation at Plant 1	1,325,327	358,248	798,700
CenGen Monitoring Sys. Improvements at Plants 1 & 2	186,276	-	82,000
Headquarters Complex	179,707	235,491	932,600
Support Buildings Seismic Improvements at Plant 1	1,187,363	55,482	472,600
Administrative Facilities & Power Building 3A Demolition	415,812	330,053	465,900
Collections Yard Relocation	794,279	1,021,722	1,025,600
Operations and Maintenance Complex at Plant 2	1,246,216	291,027	789,900
Oxygen Gas Generation Facility at Plant No. 2	44,970	-	45,000
Waste Sidestream Pump Station A Improvements at Plant 2	261,611	-	175,900
Subtotal - Support Facilities	36,462,592	12,996,596	36,035,800
Others			
Capital Improvement Program Management Services	421,569	180,716	446,000
Subtotal - Others	421,569	180,716	446,000
 Total Treatment and Disposal Projects	 163,055,492	 79,050,326	 174,528,500
Capital Equipment Purchases	59,148,516	3,994,971	42,440,100
 Total Collection, Treatment and Disposal Projects and Capital Equipment Purchases	 288,950,719	 129,533,491	 309,413,200
Less: Savings and Deferrals	(34,674,086)	-	(37,129,584)
 Net Collection, Treatment and Disposal Projects and Capital Equipment Purchases	 \$ 254,276,633	 \$ 129,533,491	 \$ 272,283,616

FY 2025-26 Mid-Year Financial Report

Summary of Capital Improvement Construction Requirements - Project Life For the Six Months Ended December 31, 2025

	Approved Project Budget	June 30, 2025 Accumulated Cost	Current Year Projected Cost	Total Projected Cost at June 30, 2026	Remaining Future Budget
Collection System Improvement Projects					
Collections Facilities					
Santa Ana Trunk Sewer Rehabilitation	\$ 65,400,000	\$ 4,862,799	\$ 5,463,300	\$ 10,326,099	\$ 55,073,901
Greenville-Sullivan Trunk Improvements	2,161,000	2,146,879	-	2,146,879	14,121
Taft Branch Capacity Improvements	30,200,000	7,643,574	12,560,100	20,203,674	9,996,326
Yorba Linda Dosing Station Installation	21,700,000	96,973	107,100	204,073	21,495,927
Santa Ana Canyon South River Trunk Rehabilitation	23,802,000	-	-	-	23,802,000
Knott - Miller Holder - Artesia Branch Rehabilitation	19,700,000	906,009	791,600	1,697,609	18,002,391
Westminster Blvd Force Main Replacement	43,900,000	43,495,590	-	43,495,590	404,410
Rehabilitation of Western Regional Sewers	96,300,000	44,797,862	10,621,700	55,419,562	40,880,438
Interstate 405 Widening Project Impacts on OC San Sewers	500,000	301,861	9,000	310,861	189,139
Seal Beach Pump Station Replacement	132,500,000	27,794,006	23,643,900	51,437,906	81,062,094
Los Alamitos Sub-Trunk Extension	115,198,000	-	-	-	115,198,000
Crystal Cove Pump Station Rehabilitation	17,774,000	-	-	-	17,774,000
Bay Bridge Pump Station Replacement	165,773,600	40,795,030	14,947,600	55,742,630	110,030,970
Newport Beach Pump Station Pressurization Improvements	2,692,710	2,339,791	353,700	2,693,491	(781)
East Coast Highway Sewer Rehabilitation	19,422,000	-	45,700	45,700	19,376,300
Fairview Trunk Sewer Rehabilitation	25,000,000	1,486,074	387,400	1,873,474	23,126,526
MacArthur Pump Station Rehabilitation	16,200,000	66,762	174,600	241,362	15,958,638
Main Street Pump Station Rehabilitation	45,234,000	-	-	-	45,234,000
Gisler Red-Hill Interceptor & Baker Force Main Rehabilitation	55,500,000	35,709,523	16,978,500	52,688,023	2,811,977
MacArthur Force Main Improvement	6,400,000	5,943,957	531,500	6,475,457	(75,457)
North Trunk Improvements	33,800,000	219,460	218,400	437,860	33,362,140
Edinger Pumping Station Replacement	36,500,000	3,211,805	663,900	3,875,705	32,624,295
Slater Pump Station Rehabilitation	45,600,000	16,480	-	16,480	45,583,520
Bolsa Chica/Edinger/Springdale Trunk Sewer Rehab	9,274,000	-	-	-	9,274,000
Small Construction Projects Program - Collections	7,454,706	6,072,877	3,930,100	10,002,977	(2,548,271)
Planning Studies Program - Collections	-	-	-	-	-
Additional Charges to CIP Closed at 6/30/25	-	4,830,564	454,000	5,284,564	(5,284,564)
Subtotal - Collections Facilities	1,037,986,016	232,737,876	91,882,100	324,619,976	713,366,040
Revenue Area 14:					
Bay Bridge Pumping Station Rehabilitation (3.62%)	6,226,400	1,532,247	561,500	2,093,747	4,132,653
Newport Beach Pump Station Pressurization Improve (0.27%)	7,290	6,335	1,000	7,335	(45)
Subtotal - Revenue Area 14	6,233,690	1,538,582	562,500	2,101,082	4,132,608
Total Collection System Improvement Projects	1,044,219,706	234,276,458	92,444,600	326,721,058	717,498,648

Capital Improvement Program Budget Review

Summary of Capital Improvement Construction Requirements - Project Life

For the Six Months Ended December 31, 2025

	Approved Project Budget	June 30, 2025 Accumulated Cost	Current Year Projected Cost	Total Projected Cost at June 30, 2026	Remaining Future Budget		
<u>Treatment & Disposal Projects</u>							
Headworks							
Headworks Rehabilitation at Plant 1	340,000,000	214,467,909	31,675,300	246,143,209	93,856,791		
Subtotal - Headworks	340,000,000	214,467,909	31,675,300	246,143,209	93,856,791		
Primary Treatment							
Primary Sedimentation Basins 3-5 Replacement at Plant 1	201,000,000	12,337,790	4,803,300	17,141,090	183,858,910		
Primary Sedimentation Basins 6-31 Reliability Improv at P1	12,100,000	11,211,284	326,400	11,537,684	562,316		
Primary Treatment Rehabilitation at Plant 2	188,000,000	123,522,561	24,194,700	147,717,261	40,282,739		
B/C-Side Primary Clarifiers Rehabilitation at Plant 2	305,928,000	-	-	-	305,928,000		
Subtotal - Primary Treatment	707,028,000	147,071,635	29,324,400	176,396,035	530,631,965		
Secondary Treatment							
Activated Sludge-1 Aeration Basin & Blower Rehab at P1	470,000,000	13,447,067	4,217,300	17,664,367	452,335,633		
Trickling Filter Rehab at P1	42,000,000	652,831	1,298,600	1,951,431	40,048,569		
Activated Sludge Aeration Basin Rehabilitation at Plant 2	65,600,000	2,207,788	2,399,400	4,607,188	60,992,812		
Subtotal - Secondary Treatment	577,600,000	16,307,686	7,915,300	24,222,986	553,377,014		
Solids Handling & Digestion							
Deep VII Biosolids Management Facility	78,563,000	-	295,100	295,100	78,267,900		
Interim Food Waste Receiving Facility	10,000,000	1,360,468	163,100	1,523,568	8,476,432		
TPAD Digester Facility at Plant 2	588,000,000	42,548,299	20,154,700	62,702,999	525,297,001		
Digesters Rehabilitation at Plant No. 2	51,200,000	6,667,319	1,947,000	8,614,319	42,585,681		
Truck Loading Bay Odor Control Improvements at Plant 2	9,700,000	200,369	622,000	822,369	8,877,631		
Subtotal - Solids Handling & Digestion	737,463,000	50,776,455	23,181,900	73,958,355	663,504,645		
Ocean Outfall Systems							
Ocean Outfall System Rehabilitation	176,600,000	140,385,940	6,497,200	146,883,140	29,716,860		
120-inch Ocean Outfall Rehabilitation	110,500,000	1,072,036	4,986,500	6,058,536	104,441,464		
Sodium Bisulfite Station Rehabilitation at Plant 2	9,860,000	1,869,324	925,600	2,794,924	7,065,076		
Emergency Overflow Pipes & Windwall Rehabilitation at P2	7,500,000	116,246	105,700	221,946	7,278,054		
Subtotal - Ocean Outfall Systems	304,460,000	143,443,546	12,515,000	155,958,546	148,501,454		

FY 2025-26 Mid-Year Financial Report

Summary of Capital Improvement Construction Requirements - Project Life For the Six Months Ended December 31, 2025

	Approved Project Budget	June 30, 2025 Accumulated Cost	Current Year Projected Cost	Total Projected Cost at June 30, 2026	Remaining Future Budget
Treatment & Disposal Projects (Continued)					
Utility Systems					
Electrical Power Distribution System Improvements	43,000,000	4,447,259	3,606,200	8,053,459	34,946,541
Digester Gas Facilities Rehabilitation	190,000,000	20,570,339	3,459,300	24,029,639	165,970,361
Central Generation Engine Overhauls at Plants 1 and 2	74,700,000	31,193,972	9,210,100	40,404,072	34,295,928
Central Generation Facilities & OOBS Seismic Upgrades	17,500,000	13,294	18,300	31,594	17,468,406
Public Address System Replacement	12,208,000	-	99,800	99,800	12,108,200
Power Dist. Sys. & Bldg C Repl. At Plants 1 and 2	54,934,000	-	243,500	243,500	54,690,500
Uninterruptable Power Supply Improvements at Plant 1	9,600,000	7,521,005	1,712,000	9,233,005	366,995
Industrial Control System & IT Data Center Relocation at P1	16,500,000	144,638	195,200	339,838	16,160,162
Headworks Electrical Distribution Improvements at P2	34,652,000	62,338	716,500	778,838	33,873,162
Subtotal - Utility Systems	453,094,000	63,952,845	19,260,900	83,213,745	369,880,255
Information Management Systems					
Process Control Systems Upgrades	32,500,000	15,293,826	4,942,000	20,235,826	12,264,174
Project Management Information System	2,280,000	1,750,149	80,000	1,830,149	449,851
Process Control System Alarm Optimization	6,439,000	14,741	144,900	159,641	6,279,359
Information Technology Capital Program	10,000,000	1,568,901	878,700	2,447,601	7,552,399
Subtotal - Information Management Systems	51,219,000	18,627,617	6,045,600	24,673,217	26,545,783
Strategic & Master Planning					
Planning Studies Program	25,000,000	2,932,147	5,034,900	7,967,047	17,032,953
Subtotal - Strategic & Master Planning	25,000,000	2,932,147	5,034,900	7,967,047	17,032,953
Water Management Projects					
GWRS Final Expansion Coordination	1,400,000	1,399,403	600	1,400,003	(3)
Subtotal - Water Management Projects	1,400,000	1,399,403	600	1,400,003	(3)
Research					
Research Program	10,000,000	4,406,131	3,092,800	7,498,931	2,501,069
Subtotal - Research	10,000,000	4,406,131	3,092,800	7,498,931	2,501,069

Capital Improvement Program Budget Review

Summary of Capital Improvement Construction Requirements - Project Life For the Six Months Ended December 31, 2025

	Approved Project Budget	June 30, 2025 Accumulated Cost	Current Year Projected Cost	Total Projected Cost at June 30, 2026	Remaining Future Budget
<u>Treatment & Disposal Projects (Continued)</u>					
Support Facilities					
Small Construction Projects Program	117,545,294	32,399,337	27,632,900	60,032,237	57,513,057
Operations & Maintenance Capital Program	-	1,848,876	3,614,700	5,463,576	(5,463,576)
Laboratory Rehabilitation at Plant 1	129,300,000	128,038	798,700	926,738	128,373,262
CenGen Monitoring Sys. Improvements at Plants 1 & 2	17,121,000	-	82,000	82,000	17,039,000
Headquarters Complex	171,000,000	169,559,456	932,600	170,492,056	507,944
South Perimeter Security & Utility Improvements at Plant 1	8,150,000	7,926,328	-	7,926,328	223,672
Support Buildings Seismic Improvements at Plant 1	30,500,000	2,478,436	472,600	2,951,036	27,548,964
Administrative Facilities & Power Building 3A Demolition	4,286,000	256,316	465,900	722,216	3,563,784
Collections Yard Relocation	9,400,000	8,214,743	1,025,600	9,240,343	159,657
Operations and Maintenance Complex at Plant 2	178,000,000	5,918,104	789,900	6,708,004	171,291,996
Oxygen Gas Generation Facility at Plant No. 2	20,319,000	-	45,000	45,000	20,274,000
Waste Sidestream Pump Station A Improvements at Plant 2	12,352,000	-	175,900	175,900	12,176,100
Subtotal - Support Facilities	697,973,294	228,729,634	36,035,800	264,765,434	433,207,860
Others					
Capital Improvement Program Management Services	2,000,000	1,198,915	446,000	1,644,915	355,085
Subtotal - Others	2,000,000	1,198,915	446,000	1,644,915	355,085
Total Treatment and Disposal Projects	3,907,237,294	893,313,923	174,528,500	1,067,842,423	2,839,394,871
Capital Equipment Purchases	59,148,516	-	42,440,100	42,440,100	16,708,416
Less: Savings and Deferrals	(34,674,086)	-	(37,129,584)	(37,129,584)	2,455,498
Total Collection, Treatment and Disposal Projects and Capital Equipment Purchases	\$ 4,975,931,430	\$ 1,127,590,381	\$ 272,283,616	\$ 1,399,873,997	\$ 3,576,057,433

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Capital Assets Schedule & Debt Service Budget Review

Capital Assets Schedule & Debt Service Budget Review For the Six Months Ended December 31, 2025

Capital Assets Schedule

	Balance 07/01/25	Year-to-Date Activity	Balance 12/31/25
CONSTRUCTION IN PROGRESS (CIP):			
Collection System	\$ 138,387,585	\$ 46,488,194	\$ 184,875,779
Treatment Plant	691,274,999	83,045,297	774,320,296
Subtotal	829,662,584	129,533,491	959,196,075
PROPERTY, PLANT & EQUIPMENT (at cost):			
Land and Property Rights	85,653,170	-	85,653,170
Collection Lines and Pump Stations	1,044,394,341	-	1,044,394,341
Treatment Facilities	2,870,522,393	-	2,870,522,393
Effluent disposal facilities	96,161,634	-	96,161,634
Solids disposal facilities	3,329,893	-	3,329,893
General and administrative facilities	406,519,911	-	406,519,911
Lease right-to-use asset	109,897	-	109,897
Subscription right-to-use assets	4,589,111	-	4,589,111
Excess purchase price over book value on acquired assets	19,979,000	-	19,979,000
Subtotal	4,531,259,350	-	4,531,259,350
Total Property, Plant & Equipment & CIP	\$ 5,360,921,934	\$ 129,533,491	\$ 5,490,455,425

Debt Service Budget Review

	2025-26 Budget	Year-to-Date Payments	% of Budget	Remaining Budget
Principal Payments by Debt Issue:				
2010A BABs	\$ -	\$ -	-	\$ -
2010C BABs	-	-	-	-
2016A COP	5,915,000	109,935,000	(1) 1858.58%	(104,020,000)
2017A COP	-	-	-	-
2021A COP	18,890,000	-	0.00%	18,890,000
2022A COP	-	-	-	-
2024A COP	8,525,000	-	0.00%	8,525,000
2025A COP	-	-	-	-
Subtotal Principal Payments	33,330,000	109,935,000	329.84%	(85,130,000)
Interest Expense by Debt Issue:				
2010A BABs	2,986,574	2,106,337	70.53%	880,237
2010C BABs	971,230	684,965	70.53%	286,265
2016A COP	5,475,800	579,500	10.58%	4,896,300
2017A COP	3,290,750	1,645,375	50.00%	1,645,375
2021A COP	3,835,250	1,917,625	50.00%	1,917,625
2022A COP	4,081,000	2,040,500	50.00%	2,040,500
2024A COP	6,460,500	3,230,250	50.00%	3,230,250
2025A COP	-	1,272,397	N/A	(1,272,397)
Subtotal Interest Expense	27,101,104	13,476,949	49.73%	13,624,155
Total Debt Service	\$ 60,431,104	\$ 123,411,949	204.22%	\$ (71,505,845)

(1) - In November 2025, OC San refunded \$109,935,000 of Series 2016A through the issuance of Series 2025A.
Refer to the COP Report on pages 37-38 for additional details.

FY 2025-26 Mid-Year Financial Report

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Self Insurance Budget Review

General Liability and Property Fund Budget Review For the Six Months Ended December 31, 2025

	2025-26 Budget	Actual Through 12/31/25	Percent of Budget Through 12/31/25	Remaining 2025-26 Budget	Actual Through 12/31/24	Increase (Decrease)
Revenues:						
In-Lieu Premiums	\$ 4,649,886	\$ 2,324,940	50.00%	\$ 2,324,946	\$ 2,190,987	\$ 133,953
Service Department Allocations	25,000	(109,932)	-439.73%	134,932	1,620	(111,552)
Total Revenues	4,674,886	2,215,008	47.38%	2,459,878	2,192,607	22,401
Expenses:						
Benefits/Claims	400,000	-	0.00%	400,000	1,116	(1,116)
Professional Services	20,000	2,700	13.50%	17,300	4,200	(1,500)
Subtotal	420,000	2,700	0.64%	417,300	5,316	(2,616)
Policy Premium Expense	4,899,565	2,271,624	46.36%	2,627,941	2,318,657	(47,033)
Total Expenses	5,319,565	2,274,324	42.75%	3,045,241	2,323,973	(49,649)
Excess Revenue (Expense)	(644,679)	(59,316)		\$ (585,363)	(131,366)	72,050
Beginning Reserves	98,644,679	98,644,679			97,635,517	1,009,162
Ending Reserves	\$ 98,000,000	\$ 98,585,363			\$ 97,504,151	\$ 1,081,212

FY 2025-26 Mid-Year Financial Report

Workers' Compensation Fund Budget Review For the Six Months Ended December 31, 2025

	<u>2025-26 Budget</u>	<u>Actual Through 12/31/25</u>	<u>Percent of Budget Through 12/31/25</u>	<u>Remaining 2025-26 Budget</u>	<u>Actual Through 12/31/24</u>	<u>Increase (Decrease)</u>
Revenues:						
In-Lieu Premiums	\$ 791,455	\$ 395,727	50.00%	\$ 395,728	\$ 329,773	\$ 65,954
Service Department Allocations	100,000	26,850	26.85%	73,150	31,752	(4,902)
Total Revenues	891,455	422,577	47.40%	468,878	361,525	61,052
Expenses:						
Benefits/Claims	600,000	88,414	14.74%	511,586	335,854	(247,440)
Legal Services	250,000	143,135	57.25%	106,865	168,833	(25,698)
Professional Services	100,000	71,971	71.97%	28,029	30,163	41,808
Subtotal	950,000	303,520	31.95%	646,480	534,850	(231,330)
Policy Premium Expense	476,000	205,552	43.18%	270,448	183,990	21,562
Total Expenses	1,426,000	509,072	35.70%	916,928	718,840	(209,768)
Excess Revenue (Expense)	(534,545)	(86,495)		\$ (448,050)	(357,315)	270,820
Beginning Reserves	2,534,545	2,534,545			2,364,483	170,062
Ending Reserves	\$ 2,000,000	\$ 2,448,050			\$ 2,007,168	\$ 440,882

January 31, 2026

STAFF REPORT

Certificates of Participation (COP) Report For the Period Ended December 31, 2025

Summary

The Orange County Sanitation District (OC San) began issuing Certificates of Participation (COPs) in 1990. These COPs were a part of our long-term financing plan that included both variable interest rate and traditional fixed rate borrowing. There remains no variable interest rate COPs at OC San. Following are the current outstanding debt issues of OC San:

In May 2010, OC San issued \$80 million of fixed rate Build America Bonds (BABs), Series 2010A at a true interest cost of 3.68 percent for the issue.

In December 2010, OC San issued \$157 million of fixed rate BABs, Series 2010C at a true interest cost of 4.11 percent for the issue.

In March 2016, OC San issued \$145.88 million of fixed rate COPs, Series 2016A, refunding \$162.78 million of the Series 2009A fixed rate debt. The true interest cost for the issue is 3.02 percent. In November 2025, OC San issued \$95.07 million of fixed rate COPs, Series 2025A, refunding \$109.935 million of the Series 2016A fixed rate debt. The true interest cost for the issue is 2.66 percent.

In February 2017, OC San issued \$66.37 million of fixed rate COPs, Series 2017A, refunding \$91.885 million of the Series 2007A debt. The true interest cost for the issue is 2.55 percent.

In July 2021, OC San issued \$133.51 million of fixed rate COPs, Series 2021A, refunding \$61.575 million of the Series 2011A fixed rate debt and \$102.2 million of the Series 2018A fixed rate debt. The true interest cost for the issue is 1.06 percent.

In February 2022, OC San issued \$81.62 million of fixed rate COPs, Series 2022A, refunding \$100.645 million of the Series 2012A fixed rate debt and \$6.67 million of the Series 2012B fixed rate debt. The true interest cost for the issue is 1.59 percent.

In May 2024, OC San issued \$139.72 million of fixed rate COPs, Series 2024A, refunding \$30.095 million of the Series 2014A fixed rate debt and \$127.51 million of the Series 2015A fixed rate debt. The true interest cost for the issue is 2.72 percent.

COP Report

For the Period Ended December 31, 2025

Page 2 of 2

In November 2025, OC San issued \$95.07 million of fixed rate COPs, Series 2025A, refunding \$109.935 million of the Series 2016A fixed rate debt. The true interest cost for the issue is 2.66 percent.

Issue Description	Outstanding COP Balance	Annual Interest Rate	Approx Annual Interest	Original Principal	Issue Date	Final Maturity
2010A Fixed	80,000,000.00	3.68%	2,944,000.00	80,000,000.00	5/18/2010	2/1/2040
2010C Fixed	22,830,000.00	4.11%	938,313.00	157,000,000.00	12/8/2010	2/1/2032
2016A Fixed	5,915,000.00	3.02%	178,633.00	145,880,000.00	3/30/2016	2/1/2039
2017A Fixed	65,815,000.00	2.55%	1,678,282.50	66,370,000.00	2/1/2017	2/1/2030
2021A Fixed	76,705,000.00	1.06%	813,073.00	133,510,000.00	7/29/2021	2/1/2036
2022A Fixed	81,620,000.00	1.59%	1,297,758.00	81,620,000.00	2/1/2022	2/1/2033
2024A Fixed	129,210,000.00	2.72%	3,514,512.00	139,720,000.00	5/7/2024	2/1/2037
2025A Fixed	95,070,000.00	2.66%	2,528,862.00	95,070,000.00	11/4/2025	2/1/2039
	<u>557,165,000.00</u>		<u>13,893,433.50</u>	<u>899,170,000.00</u>		
Weighted Avg Cost of Funds		2.49%				



Orange County Sanitation District
FINANCIAL MANAGEMENT DIVISION

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