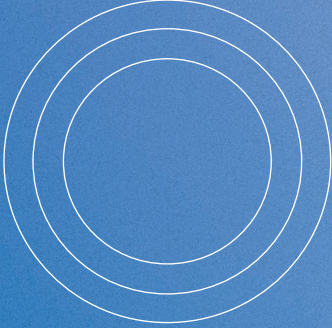


Popular Annual Financial Report

For The Year Ended
**JUNE 30,
2025**



Our Mission

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

Our Vision

Orange County Sanitation District Will Be A Leader In:

Providing reliable, responsive, and affordable services in line with customer needs and expectations.

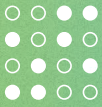
Protecting public health and the environment utilizing all practical and effective means for wastewater, energy, and solids resource recovery.

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.



We are proud to present Orange County Sanitation District's (OC San) Popular Annual Financial Report (PAFR) for the fiscal year ended June 30, 2025. The PAFR provides an easily accessible overview of the financial details contained in our 100-page Annual Comprehensive Financial Report (ACFR).

The PAFR draws directly from the ACFR, which provides a more detailed breakdown of our financial data and undergoes a rigorous audit process conducted by Eide Bailly LLP. The ACFR is prepared in conformity with generally accepted accounting principles. You can find the complete 2025 ACFR available for review on OC San's official website at www.ocsan.gov.

This report, along with the ACFR, could not have been accomplished without the dedicated services of the Financial Management Division staff who assisted in its preparation. I would also like to thank OC San's Board of Directors and the General Manager for their interest and support in conducting the financial operations of OC San in a responsible and progressive manner.

I hope this new report will continue to demonstrate OC San's commitment to transparency and fiduciary responsibility as we continue to provide wastewater collection, treatment, and disposal services for approximately 2.6 million people in central and northwest Orange County. Please do not hesitate to contact OC San if you have any questions, comments or feedback at 714.962.2411 or via e-mail ForInformation@ocsan.gov.

Ruth Zintzun
Finance Manager

Board of Directors

CITIES

ACTIVE DIRECTOR

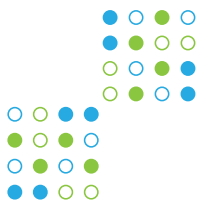
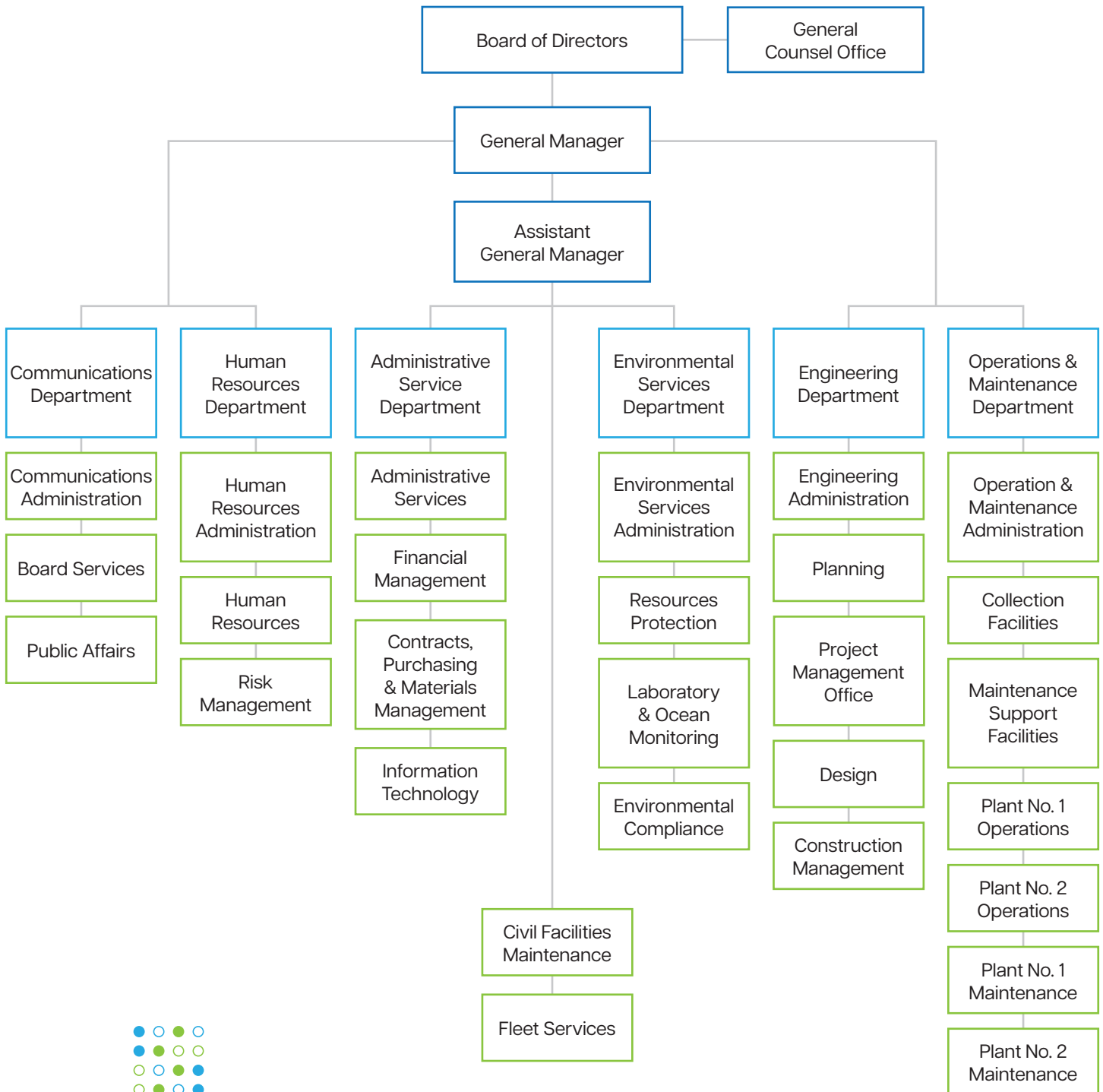
Anaheim	Carlos A. Leon
Brea	Christine Marick
Buena Park	Joyce Ahn
Cypress	Scott Minikus
Fountain Valley	Glenn Grandis
Fullerton	Jamie Valencia
Garden Grove	Stephanie Klopfenstein
Huntington Beach	Pat Burns
Irvine	Melinda Liu
La Habra	Jose Medrano
La Palma	Debbie Baker
Los Alamitos	Jordan Nefulda
Newport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

AGENCIES

Costa Mesa Sanitary District	Robert Ooten
Midway City Sanitary District	Andrew Nguyen
Irvine Ranch Water District	John Withers
Yorba Linda Water District	Tom Lindsey
Member of the Board of Supervisors	Doug Chaffee



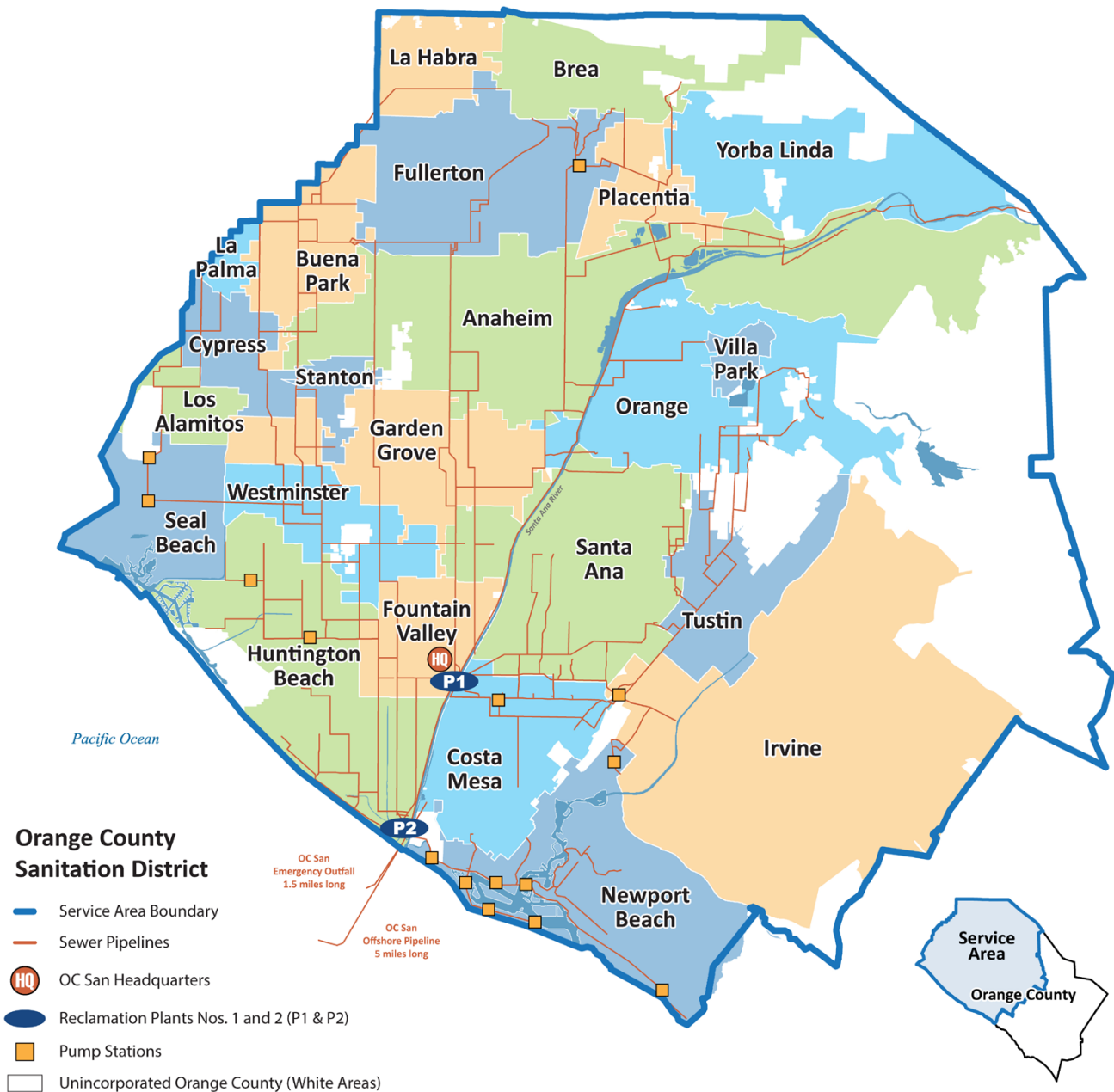
Organizational Chart



OC San by the Numbers



- 479 square-mile service area
- 2.6 Million People Served
- 100% of Reclaimable Flow Recycled
- Over 380 Miles of Regional Sewers
- 2 Reclamation Plants
- 15 Pump Stations
- 185 Million Gallons Per Day Processed



Strategic Plan

Preparing and planning for the future of OC San and the community we serve is the essence of who we are. As part of the planning process, OC San has created a guiding document—the OC San Strategic Plan.

Strategic planning is the first step in defining OC San's ability to have people and assets in the right place at the right time to meet its agreed upon mission and levels of service.

Key policies are focused on four broad categories:



Business Principles



Environmental Stewardship

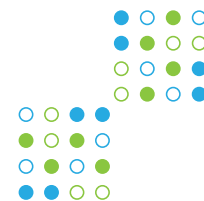


Wastewater Management



Workplace Environment

Core Values



Integrity, Inclusion, Honesty, and Respect

We aspire to the highest degree of integrity, inclusion, honesty, and respect in our interaction 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.

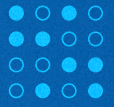
Resiliency, Innovation, and Learning

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.

Construction Program



OC San's Asset Management Plan drives our 20-year Capital Improvement Program (CIP) and determines the proper timing of our projects to maximize the life of our assets. The Asset Management Group works continuously with our Operations and Maintenance Department to properly define the timing of large CIP projects and the execution of many small projects essential to the day-to-day operations of the collections system and plants to maintain reliable and resilient facilities.

A few project highlights from the fiscal year ended June 30, 2025 include:

Project No. 3-67

Seal Beach Pump Station Replacement

Replacing the Seal Beach Pump Station will modernize aging infrastructure, improve efficiency, and support future system upgrades.

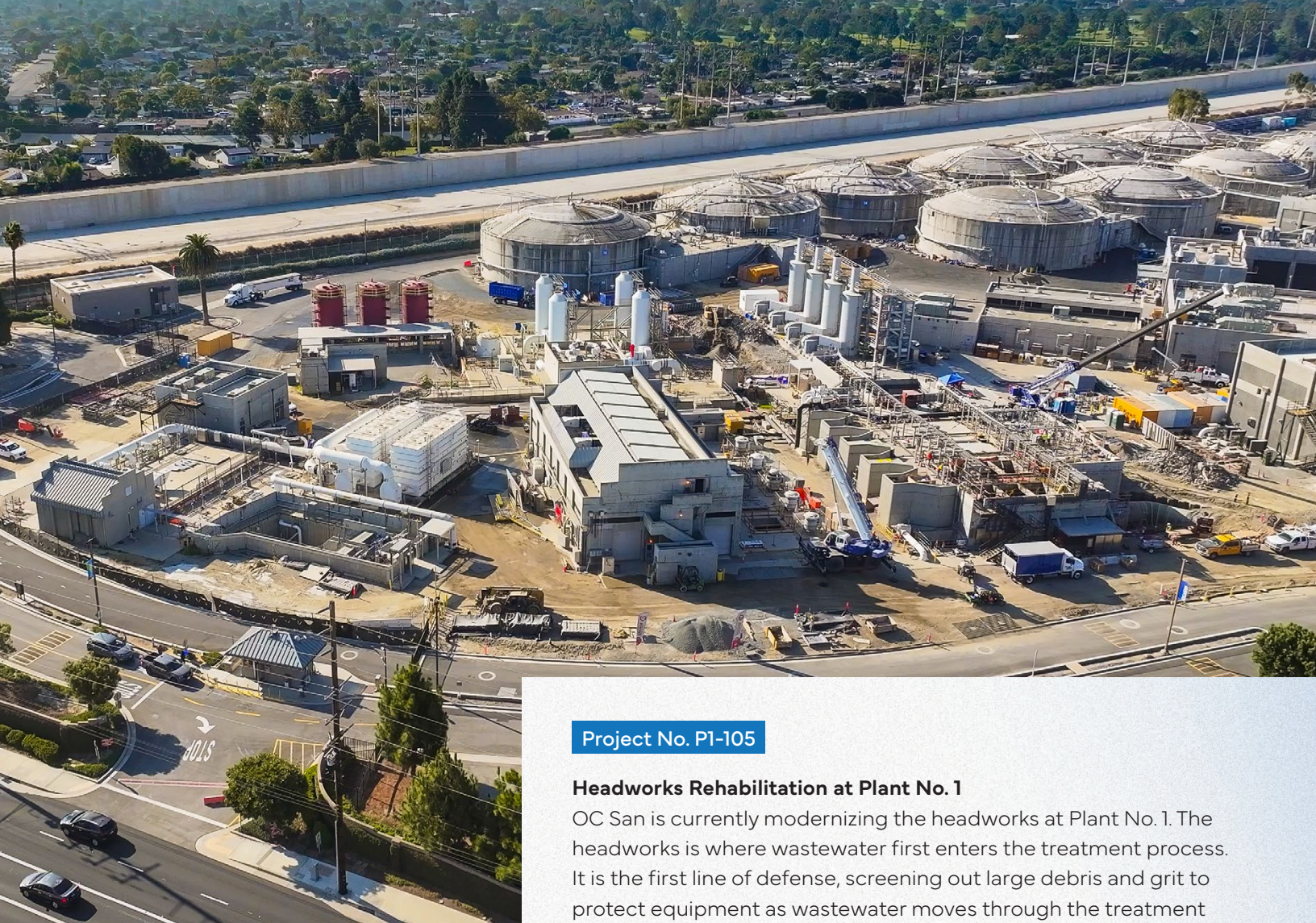
The new Seal Beach Pump Station will include a 50-foot-deep wet well, new odor control facilities, and a standby generator. The existing pump station will then be demolished.

A pump station is a facility that helps move wastewater to our reclamation plants. While most of our sewers rely on gravity, a pump station "lifts" water and pushes it forward when the land is flat or uphill, moving it through the collection system. The operations and maintenance of a pump station is more costly than gravity pipes—gravity moves wastewater for free—but are critical to ensuring uninterrupted sewer service.

🕒 Construction
2024-2028

📄 Construction Contract
\$97.1 million





Project No. P1-105

Headworks Rehabilitation at Plant No. 1

OC San is currently modernizing the headworks at Plant No. 1. The headworks is where wastewater first enters the treatment process. It is the first line of defense, screening out large debris and grit to protect equipment as wastewater moves through the treatment process. The existing headworks at Plant No. 1 have been in service for over 30 years without a major rehabilitation effort—until now.

The project will rehabilitate four existing structures and construct seven new ones, while keeping plant operations, utilities, and odor control fully functional throughout construction. Improvements will be made to the metering and diversion structure, bar screen building, bin loading building, main sewage pump station, grit basins, primary influent channels, odor control scrubbers, and electrical power distribution and control systems.

Once finished, the upgraded headworks will ensure reliable service and improved protection for OC San's treatment systems well into the future.

🕒 Construction
2021-2030

📋 Construction Contract
\$229.7 million



Project No. P2-98A

A-Side Primary Clarifiers at Plant No. 2

Construction of four new ones is currently underway at Plant No. 2. The four oldest primary clarifiers originally built in the 1960s have surpassed their useful life and are being replaced to maintain reclamation capacity.

This project includes new primary clarifiers, an upgraded odor control system, more resilient power distribution systems, updated utilities, and demolition of existing structures.

Once finished, the upgraded primary clarifiers will ensure reliable operations for many years.

🕒 Construction
2021-2027

📄 Construction Contract
\$115.1 million



Project No. J-117B

Outfall Low Flow Pump Station

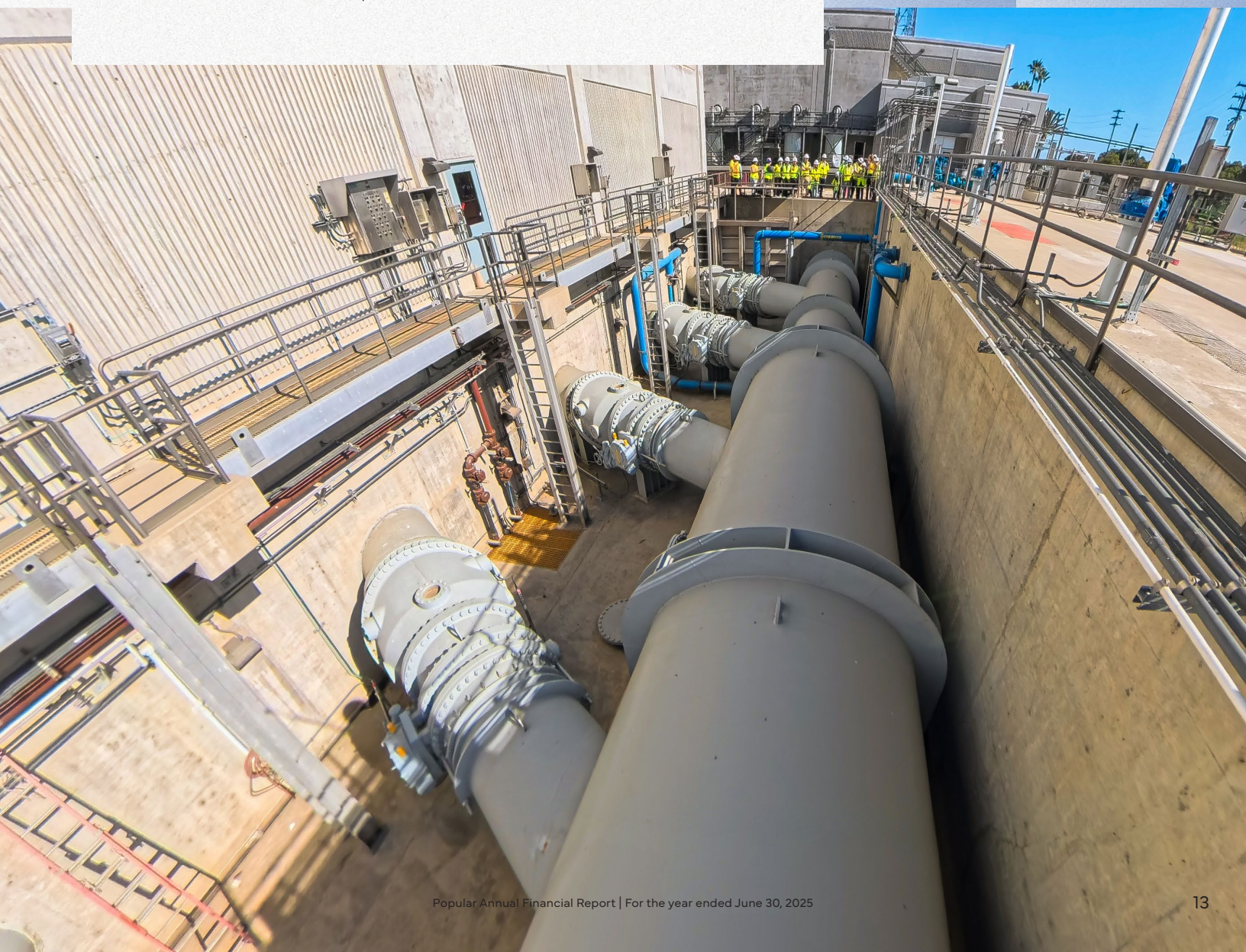
Improvements of the ocean outfall system are nearing completion. A new pump station with appropriately sized smaller pumps to handle reduced non-reclaimable flows will provide a properly sized outfall pumping system.

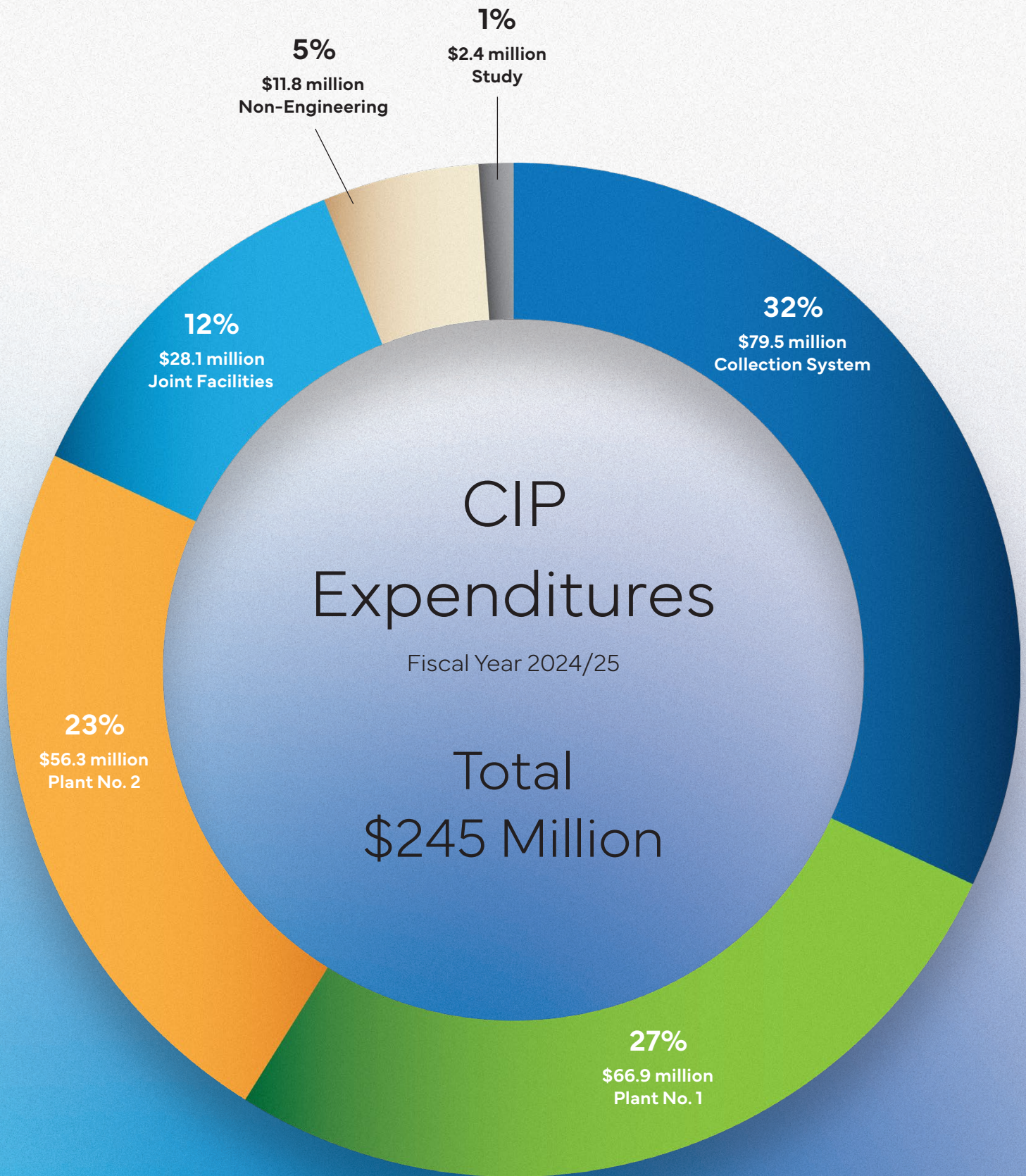
With the final expansion of the Groundwater Replenishment System and the ability to recycle all reclaimable flow from both plants to produce enough water for 1 million people, the amount of flow pumped through the ocean outfall is reduced.

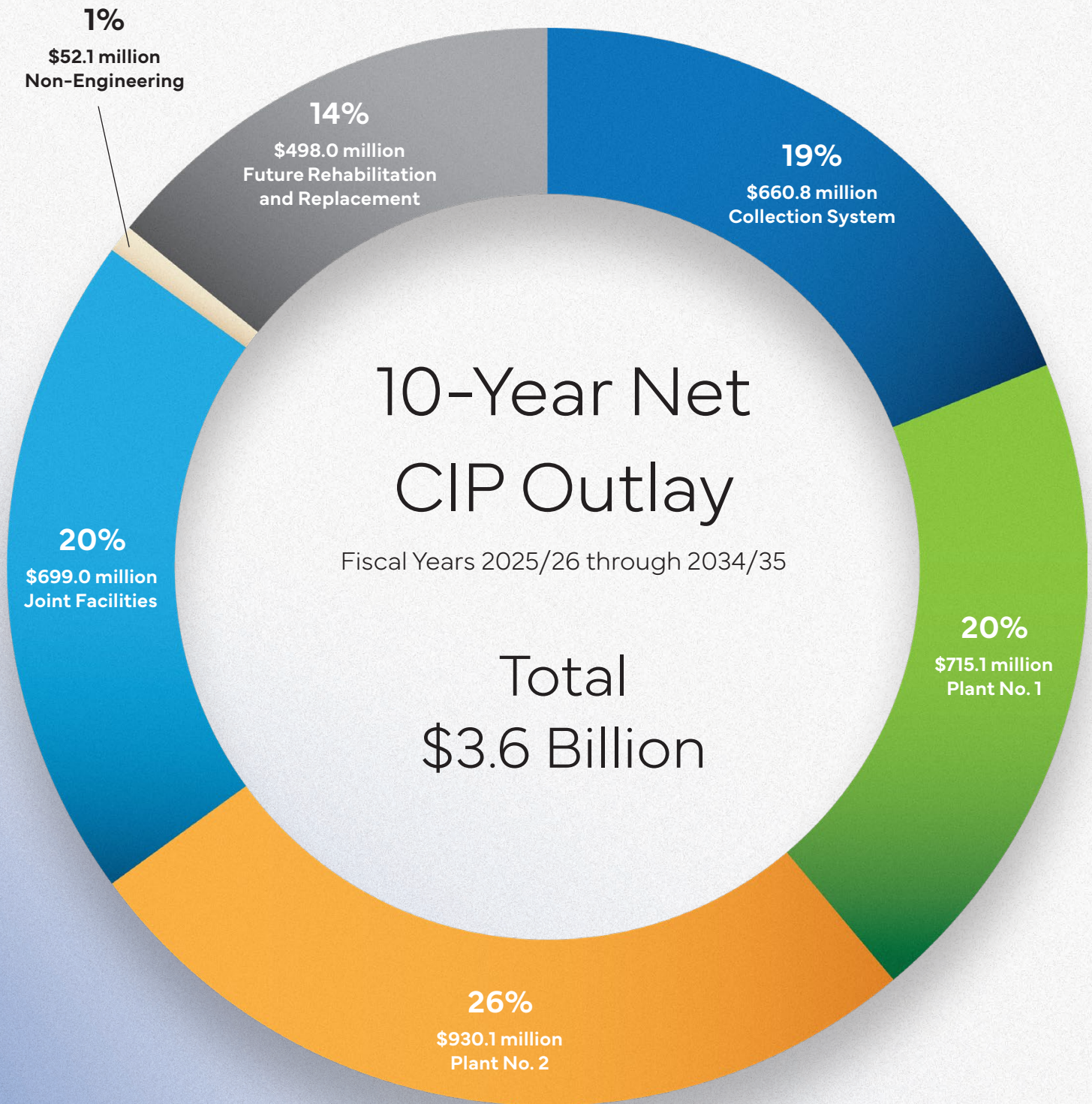
This project includes a new low flow pump station, new plant water pump station, improved fiber optic network for a more robust industrial control system, and new server rooms.

🕒 Construction
2019-2027

📄 Construction Contract
\$96.1 million



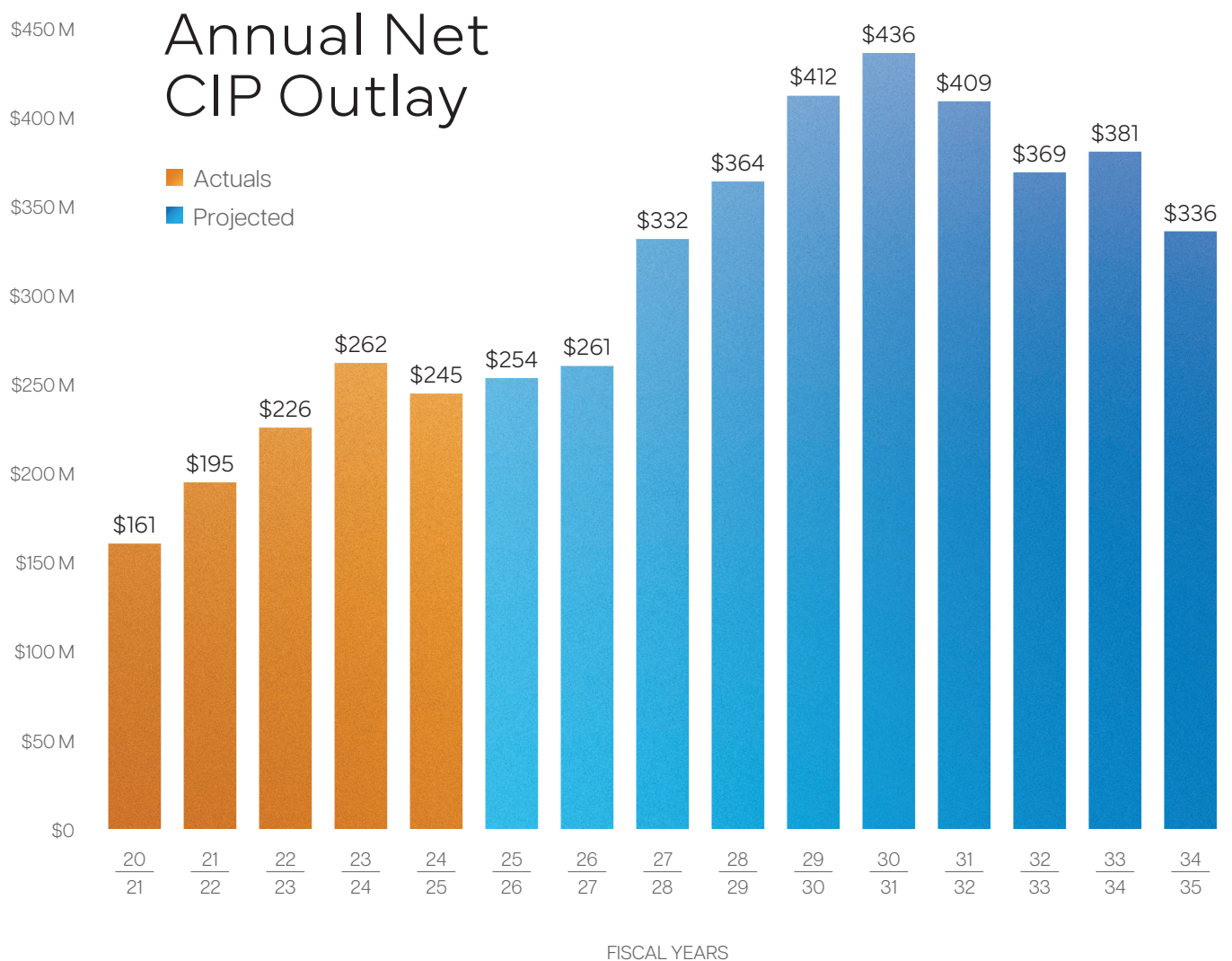




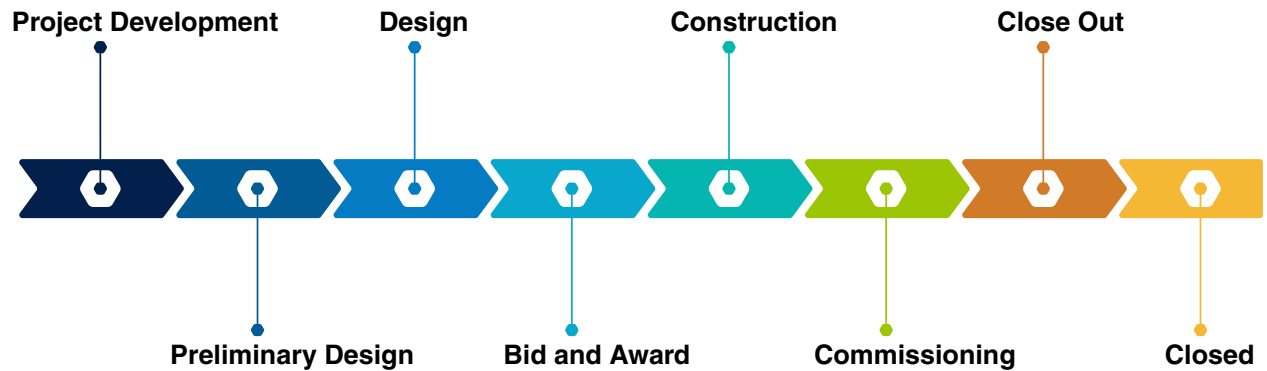


Program Cash Flow

The CIP is validated as part of the budget process each year. The CIP projected net outlay, or spending forecast, is refined as project budgets are reevaluated, looking at active and future CIP projects and ensuring the project scope, schedule, and cost estimates are up to date. The Annual Net CIP Outlay chart shows the historical expenditures over the past five years and the projected CIP spending for the next ten years. The rise in spending is contributed to the increase of projects that will be transitioning in construction.



The project life cycle consists of various phases that make up the path a project takes from start to finish.



The active studies and projects during the FY 2024-25 reporting period are from various phases of the project. The project budget includes costs for construction services, design costs, and administrative costs throughout the life cycle of the project.

102

Active CIP Projects

40

Projects in Construction

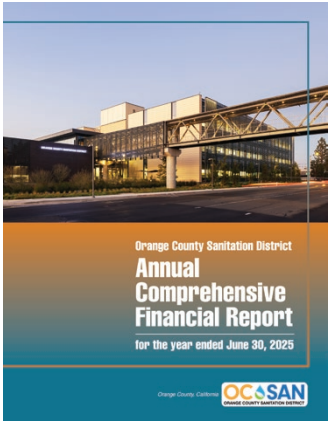
Largest Project Budget

\$555M

Financial Reporting



OC San operates as a utility enterprise and the financial information is presented accordingly. All financial information and data are based on OC San's Annual Comprehensive Financial Report for the year ended June 30, 2025.



Report can be found at www.ocsan.gov.





Sources of Revenue

User Fees
\$354,411,000

Taxes Levied
\$138,312,000

Interest Income
\$53,006,000

Other
\$21,291,000



Total
\$567,020,000

Expenses

Collection System **\$42,943,000**

Treatment and Disposal **\$194,983,000**

Depreciation and Amortization **\$130,246,000**

Interest Expense **\$15,663,000**

Other **\$935,000**

Total

\$384,770,000

Long Term Debt

Wastewater Revenue Obligations

2010A	\$80,000,000
2010C	\$22,830,000

Wastewater Refunding Revenue Obligations

2016A	\$115,850,000
2017A	\$65,815,000
2021A	\$76,705,000
2022A	\$81,620,000
2024A	\$129,210,000

Total Certificates of Participation/Revenue Obligations

\$572,030,000

OC San strives to maintain financial stability while keeping our sewer rates affordable. OC San consistently has its AAA rating affirmed on all obligations by Fitch Ratings, S&P Global Ratings, and Moody's Ratings.

These ratings are based on our management practices and financial strength. The AAA rating is the highest possible credit rating an agency can receive, which means that we have access to low interest rates on financing our infrastructure improvements, resulting in cost savings for our customers. OC San remains the only California utility with a AAA rating from all three major rating agencies.

FitchRatings

MOODY'S
RATINGS

S&P Global
Ratings

Net Position



Assets

a resource with economic value that OC San owns or controls with the expectation that it will provide a future benefit.

\$4,114,662,850

—



Liabilities

debts or obligations that arise during business operations.

\$791,849,743

+



Deferred Outflow/Inflow of Resources

consumption or acquisition of assets that are applicable to a future reporting period.

\$50,433,157

Net Position

= \$3,373,246,264

Orange County Sanitation District
Financial Management Division

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Fountain Valley, CA 92708-7011

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www.ocsan.gov

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@OCSanDistrict

