



OPERATIONS COMMITTEE

Headquarters
18480 Bandilier Circle
Fountain Valley, CA 92708
(714) 593-7433

Agenda Report

File #: 2026-4853

Agenda Date: 4/1/2026

Agenda Item No: 6.

FROM: Robert Thompson, General Manager
Originator: Wally Ritchie, Director of Finance

SUBJECT:

FY 2025-26 BUDGET AMENDMENT

GENERAL MANAGER'S RECOMMENDATION

RECOMMENDATION:

Information Item.

BACKGROUND

In June 2025, the Board of Directors approved the Operating, Capital, Debt Service, and Self-Insurance Budgets for FY 2025-26. An accelerated execution rate for the Capital Improvement Program (CIP) and planned repairs and maintenance activities have driven the need to request a FY 2025-26 budget increase.

The table below shows the approved budget and estimated actuals for FY 2025-26 (in millions).

	Approved Budget	Estimated Actuals	Variance	Performance Percentage
Capital	\$254	\$318	\$64	125%
Operating	\$246	\$260	\$14	106%
Debt Service	\$60	\$60	\$0	100%
Other	\$21	\$11	\$(-10)	52%
Total	\$581	\$649	\$68	

Due to receiving higher than budgeted revenues for FY 2025-26 a portion of the increase of the expenditure budget is offset, detailed in the table below (in millions).

	Adopted Budget	Estimated Actuals	Variance
Revenues	\$588	\$617	\$29
Expenditures	\$581	\$649	\$68
Net Revenues	\$7	\$(-32)	\$(-39)

The requested increase does not impact the long term cashflow due to the capital increase request in FY 2025-26 being predominantly driven by accelerated project spending, not project budget

increases. These spending increases are offset by a reduction in spending for the relevant projects in future years.

RELEVANT STANDARDS

- Ensure the public's money is wisely spent
- Produce appropriate financial reporting - annual financial report & audit letter and OPS & CIP budgets every two years, with annual update

ATTACHMENT

The following attachment(s) may be viewed on-line at the OC San website (www.ocsan.gov) with the complete agenda package:

- Presentation