

Orange County Sanitation District

THIRD QUARTER FINANCIAL REPORT

for the period ended March 31, 2026



Orange County, California



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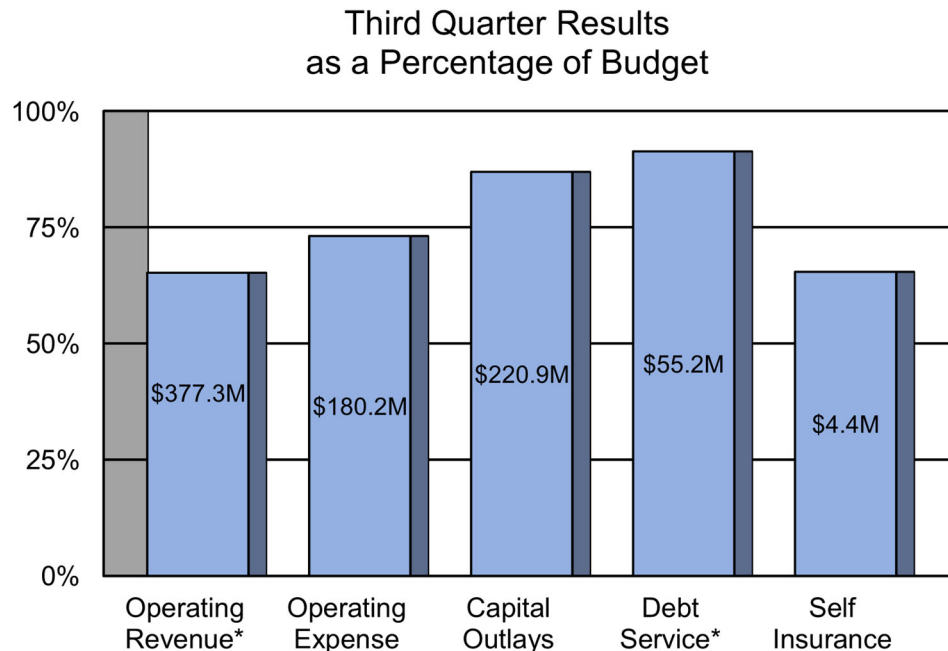
Consolidated Financial Reports For the Third Quarter Ended March 31, 2026

Included in this consolidated report are the following quarterly financial reports for the period ended March 31, 2026:

- **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 third quarter ended March 31, 2026.

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 March 31, 2026. The chart below provides for a summary of these activities.



*excludes unbudgeted Series 2025A proceeds and debt refundings

Various detail information can be found in this report. Below is a descriptive summary of these activities through March 31, 2026:

- a) Most major expense categories are anticipated to approximate budget.
- b) Total revenues are at 65.2 percent of the \$578.6 million budget. Except for Other Revenues, Intra District Sewer Use - IRWD, and Capital Facilities

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Capacity Charges, most revenue sources are currently tracking close to or exceeding the proportionate budget through March 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 third quarter of \$180.2 million is currently tracking at 73.1 percent of the \$246.4 million budget. In addition, net operating expenses have increased \$14.1 million or 8.5 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 \$3,377 based on flows of 195 million gallons per day. This is \$272 per million gallons, or 7.4 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 \$327.0 million, or 128.6 percent of the board approved cash outlay of \$254.3 million. The actual cash outlay spending through the third quarter is \$220.9 million, or 86.9 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.

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Third Quarter Financial Report March 31, 2026

The Financial Management Division is pleased to present the FY 2025-26 third quarter 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 March 31, 2026, 73.1 percent, or \$180.2 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 \$14.1 million, or 8.5 percent, mainly due to an increase of \$7.6 million in Salaries and Benefits, \$3.7 million in Repairs and Maintenance, \$2.0 million in Professional Services, \$1.5 million in Operating Materials and Supplies, \$974,000 in Utilities, \$506,000 in Other Operating Supplies, and \$241,000 in Contractual Services, partially offset by an increase of \$2.2 million in indirect costs allocated out to capital projects and a decrease of \$398,000 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 March 31, 2026, 65.2 percent, or \$377.3 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 \$10.1 million, or 2.8 percent, mainly due to an increase of \$5.0 million in Property Taxes, \$3.9 million in Intra District Sewer Use-IRWD, \$3.6 million in Service Fees, \$3.5 million in Permit Fees, \$2.8 million in Capital Assessments-IRWD, \$1.7 million in CIP Reimbursements, \$1.7 million in Other Revenues, \$1.4 million in Capital Facilities Capacity Charges, and \$456,000 in Inter District Sewer Use-SAWPA & SBSD, partially offset by a decrease of \$14.1 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 be slightly above budget at the end of the fiscal year.**

Significant operating results as of March 31, 2026, include the following:

- **Salaries, Wages and Benefits** – **Personnel costs of \$97.6 million are on target at 74.6 percent of the budget through the third quarter of FY 2025-26.** The budget is based on a five percent vacancy factor, and staffing is 24.75 full-time equivalents (FTEs), or 3.7 percent below the total 669.50 FTEs approved in the FY 2025-26 budget. Salary and benefit costs are \$7.6 million, or 8.4 percent higher than the \$90.0 million incurred in the same period last year, mainly due to an increase of \$5.6 million in Salaries and Wages, \$820,000 in Group Insurances, \$732,000 in Employee Supplemental Benefits, and \$381,000 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 \$1.6 million, or 56.8 percent of the \$2.8 million budget through March 31.** These costs are \$64,000, or 4.2 percent higher at March 31 in comparison with the prior year, mainly due to an increase of \$68,000 in Membership, \$25,000 in Small Computer Items, and \$11,000 in Office Supplies, partially offset by a decrease of \$44,000 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 \$158,000, or 40.4 percent of the \$391,000 budget through March 31.** These costs are \$14,000, or 8.0 percent lower at March 31 in comparison with the prior year, mostly due to a decrease of \$10,000 in Notices & Ads and \$10,000 in Reprint-In-House, partially offset by an increase of \$4,000 in Printing-Outside. **Printing and publication costs are expected to be below budget at year-end.**
- Training and Meetings – **Training and meetings of \$950,000 is below target at 44.0 percent of the \$2.2 million budget through March 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 \$398,000, or 29.5 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 \$24.4 million is on target at 75.2 percent of the \$32.4 million budget through March 31.** Operating Materials and Supplies is higher than the prior year by \$1.5 million, or 6.7 percent, mostly due to an increase of \$748,000 in Odor & Corrosion Control, \$620,000 in Chemical Coagulants, \$147,000 in Chemicals-Miscellaneous, \$51,000 in Gasoline, Diesel & Oil, and \$30,000 in Safety Equipment, partially offset by a decrease of \$71,000 in Lab Chemicals & 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 \$16.7 million, or 70.2 percent of the \$23.8 million budget through March 31.** Solids Removal costs, budgeted at \$14.2 million, comprise the majority of this expense category at \$10.6 million, or 74.3 percent of its budget at March 31. Contractual Services is higher by \$241,000, or 1.5 percent over the same period last year, mainly due to an increase of \$492,000 in Oxygen, \$182,000 in Solids Removal, \$71,000 in Groundskeeping, and \$49,000 in Security Services, partially offset by a decrease of \$185,000 in Janitorial, \$147,000 in Outside Lab Services, \$134,000 in Temporary Services, and \$91,000 in Other Contractual Services. County Service Fees totaled only \$23,000, or 3.7 percent of the \$619,000 budget through the third quarter, 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 \$7.5 million, or 66.2 percent of the \$11.3 million budget through March 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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March 31 due to a variety of factors such as timing of services and re-evaluation of need for services. These costs are \$2.0 million, or 35.8 percent higher at March 31 in comparison with the prior year, mainly due to an increase of \$1.4 million in Other Professional Services, primarily related to easement evaluations, \$505,000 in Engineering, \$196,000 in Software Program Consulting, and \$74,000 in Audit & Accounting, partially offset by a decrease of \$199,000 in Legal. **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 \$1.2 million, or 56.4 percent of the \$2.2 million budget through March 31.** These costs are \$66,000, or 5.7 percent higher at March 31 in comparison with the prior year, due to an increase of \$73,000 in Environmental Monitoring and \$17,000 in Research, partially offset by a decrease of \$23,000 in Air Quality 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 \$33.5 million, or 88.9 percent of the \$37.6 million budget through March 31.** These costs are \$3.7 million, or 12.6 percent higher at March 31 in comparison with the prior year, due to an increase of \$2.2 million in Service Maintenance Agreements and \$1.5 million in Materials and Services. **It is anticipated that the costs for this category will be above budget at year-end.**
- **Utilities – Utilities costs totaled \$12.2 million, or 71.7 percent of the \$17.0 million budget through March 31.** These costs are \$974,000, or 8.7 percent higher at March 31 in comparison with the prior year, mainly due to an increase of \$1.0 million in Power and \$33,000 in Water, partially offset by a decrease of \$48,000 in Natural Gas. **It is anticipated that the costs will approximate budget at year-end.**
- **Other Operating Supplies – Other operating supplies costs totaled \$5.5 million, or 81.6 percent of the \$6.7 million budget through March 31.** Property and General Liability Insurance, budgeted at \$3.9 million, comprise the majority of this expense category at \$3.5 million. Overall, Other Operating Supplies is \$506,000, or 10.2 percent higher at March 31 in comparison with the prior year, primarily due to an increase of \$201,000 in Property and General Liability Insurance, \$183,000 in Miscellaneous Operating Expense, \$53,000 in Regulatory Operating Fees, \$33,000 in Outside Equipment Rental, and \$32,000 in Freight. **It is anticipated that other operating supplies costs will approximate budget at year-end.**
- **Revenues – Service Fees and Property Taxes – Through March 31, revenues from Service Fees are at \$216.6 million, or 60.0 percent of the \$360.8 million budget and Property Taxes are at \$89.3 million, or 72.2 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 \$3.6 million, or 1.7 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 \$5.0 million, or 5.9 percent over the prior year is mainly a result of the timing of secured tax receipts and continued growth in assessed property values. **These revenues are expected to be above budget at year-end.**

- **Revenues – Permit Fees – Permit Fees is at \$14.8 million, or 89.0 percent of the \$16.6 million budget.** The revenues through the third quarter are higher than the same period last year by \$3.5 million, or 31.1 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 SBSB – Inter District Sewer Use-SAWPA and SBSB is at \$2.8 million, or 3044.4 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 (SBSB) for treatment of flows. The revenues through the third quarter are higher than the same period last year by \$456,000, or 19.1 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 \$5.4 million, or 48.5 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 third quarter are higher than the same period last year by \$3.9 million, or 254.3 percent, due to an increase of \$3.4 million in operating and maintenance charges to IRWD and a decrease of \$515,000 and \$22,000 allocated to IRWD for interest income and property tax revenues, respectively. **These revenues are expected to be below budget at year-end.**
- **Revenues – Capital Assessments – IRWD – Capital Assessments-IRWD is at \$7.2 million, or 76.0 percent of the \$9.5 million budget.** The revenues through the third quarter are higher than the same period last year by \$2.8 million, or 61.4 percent, due to an increase in joint capital costs allocable to IRWD. **These revenues are expected to be above budget at year-end.**
- **Revenues – Capital Facilities Capacity Charges (CFCC) – CFCC is at \$11.0 million, or 50.9 percent of the \$21.7 million budget.** The revenues through the third quarter are higher than the same period last year by \$1.4 million, or 15.0 percent, due to an increase in supplemental capacity charges based on an increase in baseline overages. **These revenues are expected to be below budget at year-end.**
- **Revenues – Interest Earnings – Interest Earnings is at \$24.0 million, or 90.6 percent of the \$26.5 million budget.** The revenues through the third quarter are lower than the same period last year by \$14.1 million, or 37.0 percent, due to the lower rate of return experienced in the current year. The outcome is largely attributable to market volatility experienced in March 2026, which placed downward

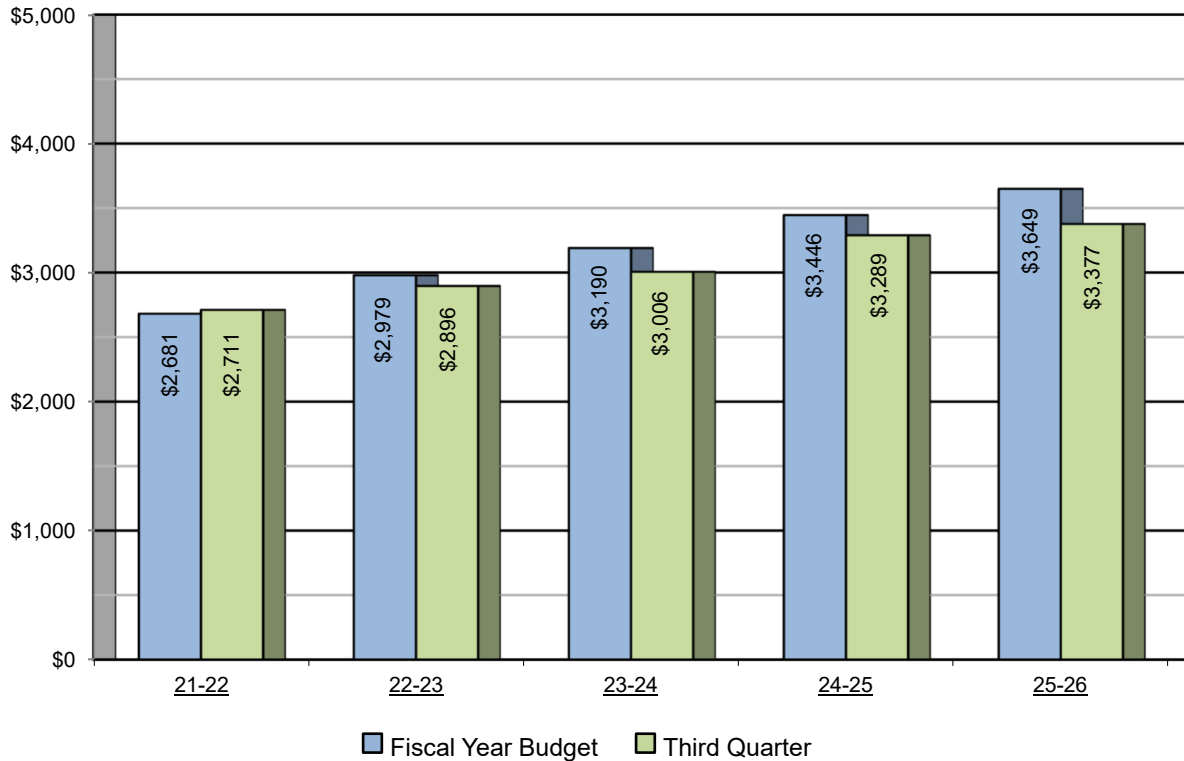
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pressure on investment performance. **It is estimated that interest earnings will be above budget at year-end.**

- Revenues – CIP Reimbursements – **CIP Reimbursements is at \$2.9 million and does not have a budget.** This revenue is \$1.7 million or 147.7 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 \$595,000 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 third quarter are lower than the same period last year by \$35,000, or 5.6 percent.
- Revenues – CNG Sales – **CNG Sales is at \$202,000 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 third quarter are higher than the same period last year by \$81,000, or 67.3 percent, due to an increase in compressed natural gas sales.
- Revenues – Rents & Leases – **Rents & Leases is at \$437,000 and does not have a budget.** The revenues through the third quarter are higher than the same period last year by \$114,000, or 35.4 percent.
- Revenues – Other – **Other revenues are at \$1.9 million, or 21.7 percent of the \$8.6 million budget.** These revenues are \$1.7 million, or 765.0 percent higher than the same period last year, primarily due to a change in accounting treatment. In the current year, Build America Bonds (BAB) subsidy payments related to OC San's Series 2010A and 2010C debt issuances are recognized as revenue in accordance with Governmental Accounting Standards Board (GASB) guidance, whereas in the prior year they were recorded as a reduction of interest expense. This reclassification increases reported revenues without impacting overall cash flows. **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 third quarter are lower than the same period last year by \$25,000, or 61.0 percent, due to a decrease in the buyback of surplus generated energy exported to Southern California Edison.
- Revenues – Other Sales – **Other Sales is at \$64,000 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 third quarter are higher than the same period last year by \$25,000, or 66.2 percent, primarily due to the sale of a sewer and jet rodder system.

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Comparison of Third Quarter 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 third quarter has been between 7.5 percent lower and 1.1 percent higher than the annual budget. The FY 2025-26 third quarter cost per million gallons of \$3,377 is 7.5 percent lower when compared with this year's budget. The increase in cost per million gallons of \$88 from the previous year is primarily due to an increase in operating expenses, which are 8.5 percent higher than the same period last year, offset by an increase in flows, which are 5.6 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 March 31 is \$3,377 based on flows of 195 million gallons per day. This is \$272 per million gallons, or 7.4 percent less than the budgeted cost per million gallons of \$3,649. The lower cost per million gallons is due to flows of 195 million gallons per day being 5.2 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, combined with net expenses being 2.5 percent lower than the proportionate budget through March 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 Cost/MG	FY 21-22 Cost/MG	FY 22-23 Cost/MG	FY 23-24 Cost/MG	FY 24-25 Cost/MG	Notes
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	
Dublin San Ramon Services District	B	3	3,570	3,406	3,889	3,528	7,098	(3)
Sacramento County	T	3	3,470	2,819	2,953	5,504	6,211	(4)
City of San Diego	B	3	4,219	4,263	4,450	5,213	6,082	
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	3,706	
Los Angeles County	B	3	2,338	2,786	3,081	3,152	3,548	
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	2,848	

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).

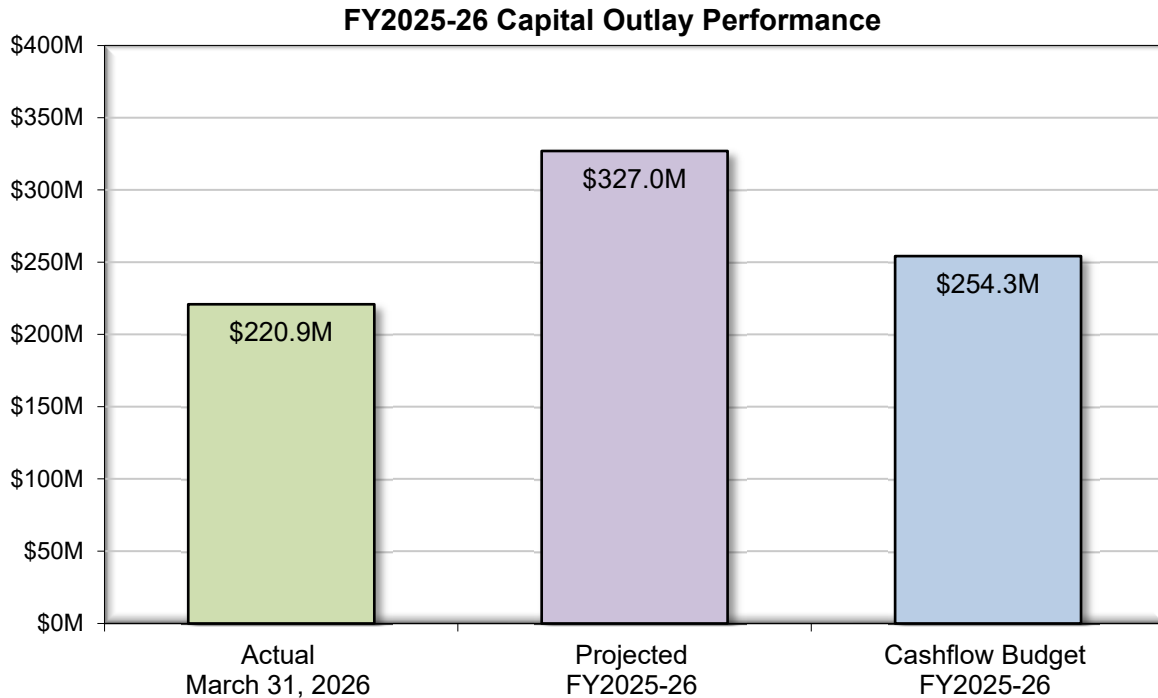
(2) - FY20-21 operating expense increased \$29.9 million and average daily flow decreased 8.3 MG per day. FY23-24 operating expense increased \$200.7 million and average daily flow decreased 5 MG per day.

(3) - FY24-25 included transfers out to other funds.

(4) - 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 \$220.9 million, or 86.9 percent of the capital outlay cash flow budget for FY 2025-26 as of March 31, 2026. Costs are higher than the proportionate budget through the third quarter due to accelerated spending on certain projects and earlier-than-expected milestone completion driven by contractor performance. Examples as of March 31 include 5-67 Bay Bridge Pump Station Replacement, P2-128 TPAD Digester Facility at Plant No. 2, and 2-49 Taft Branch Capacity Improvements, which are over the proportionate budget by \$10.7 million, \$8.0 million, and \$6.1 million, respectively. While overall project budgets remain unchanged, the timing of cash flows has shifted forward into the current fiscal year. **Overall, the capital outlay costs of the capital improvement program are expected to approximate \$327.0 million, or 128.6 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 March 31, 2026, 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

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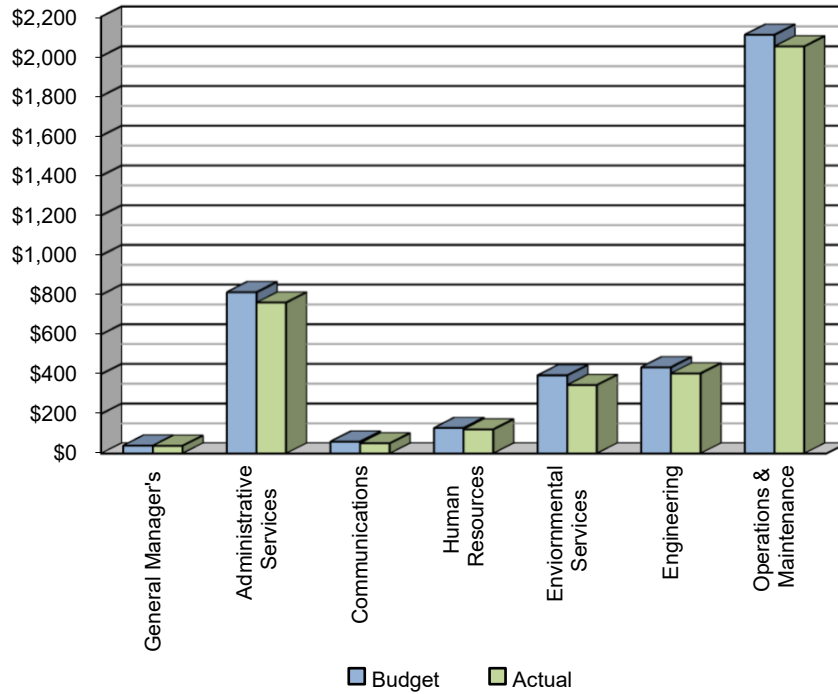
Certificates of Participation, Series 2025A, as of March 31, 2026, principal payments of \$33.3 million, or 100.0 percent of the budget have been made. Interest costs are expensed ratably throughout the fiscal year and are expected to approximate budget at year-end.

Self-Insurance Budget Review: Section 5 is the Self-Insurance Section. Through March 31, the Self-Insurance Fund revenues totaled \$4.0 million, or 71.1 percent of the budget, while expenses are at \$4.4 million, or 65.4 percent of the budget.

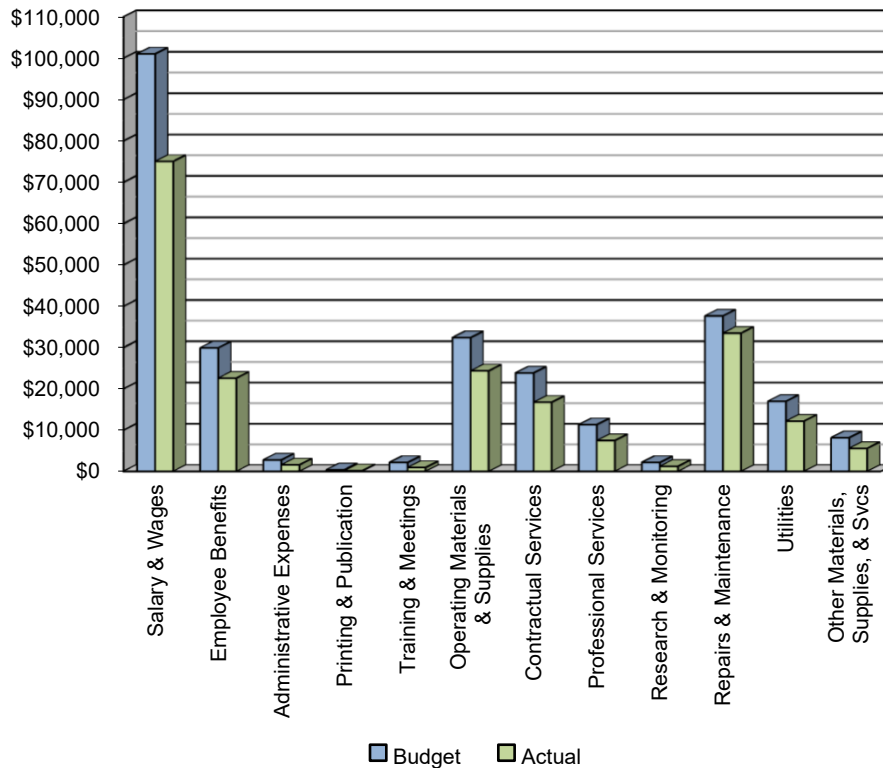
Separate fund accounting is used for recording the revenue and expenses incurred in managing these liability claims. The revenues to these funds represent charges to operating divisions. Expenses to these funds include actual claims paid, claims administration, and excess loss policies.

Operating Budget Review

**Cost per Million Gallons by Department
Budget and Actual
March 31, 2026**



**Collection, Treatment, & Disposal Expenses by Major Category
Budget and Actual (in thousands)
March 31, 2026**



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Divisional Contributions to Cost Per Million Gallons For the Nine Months Ended March 31, 2026

	03/31/24 Actual	03/31/25 Actual	2025-26 Annual Budget	03/31/26 Actual
Flow in Million Gallons	52,709.42	50,506.44	67,525.00	53,341.05
Flow in Million Gallons per Day	191.67	184.33	185.00	194.67
General Manager's Department				
General Management Administration	\$ 42.57	\$ 39.98	\$ 39.83	\$ 38.98
Subtotal	<u>42.57</u>	<u>39.98</u>	<u>39.83</u>	<u>38.98</u>
Administrative Services Department				
Administrative Services	7.19	5.94	18.88	13.69
Consolidated Services	125.89	203.02	209.49	174.61
Financial Management	69.41	71.55	71.53	71.14
Contracts, Purchasing, & Materials Mgmt.	65.19	80.33	83.16	76.18
Information Technology	219.78	234.37	265.45	252.97
Civil Facilities Maintenance	-	77.28	124.86	139.52
Fleet Services	36.30	12.16	39.97	33.07
Subtotal	<u>523.76</u>	<u>684.65</u>	<u>813.34</u>	<u>761.18</u>
Communications Department				
Communications Administration	-	5.75	5.74	7.23
Board Services	15.66	19.24	20.43	17.19
Public Affairs	19.71	24.97	33.18	26.95
Subtotal	<u>35.37</u>	<u>49.96</u>	<u>59.35</u>	<u>51.37</u>
Human Resources Department				
Human Resources Administration	-	5.74	19.01	16.91
Human Resources	61.46	55.32	54.94	51.13
Risk Management	60.53	44.66	54.67	53.70
Subtotal	<u>121.99</u>	<u>105.72</u>	<u>128.62</u>	<u>121.74</u>
Environmental Services Department				
Environmental Services Administration	72.74	29.75	26.58	31.60
Resource Protection	84.26	97.44	113.65	91.54
Environmental Laboratory & Ocean Monitoring	141.46	156.08	181.97	163.49
Environmental Compliance	-	58.84	71.88	58.78
Subtotal	<u>298.46</u>	<u>342.11</u>	<u>394.08</u>	<u>345.41</u>
Engineering Department				
Engineering Administration	9.25	9.28	10.10	10.47
Planning	58.53	66.93	76.30	70.38
Project Management Office	65.15	72.43	73.87	71.76
Design	98.89	116.95	126.95	114.12
Construction Management	116.49	134.05	147.35	136.97
Subtotal	<u>348.31</u>	<u>399.64</u>	<u>434.57</u>	<u>403.70</u>
Operations & Maintenance Department				
Operations & Maintenance Administration	5.03	6.10	13.77	7.14
Collections Facilities O & M	237.98	233.91	292.15	259.88
Maintenance Support Services	-	22.89	109.64	106.65
Plant No. 1 Operations	591.94	606.82	658.62	621.16
Plant No. 2 Operations	313.76	341.16	351.75	336.08
Plant No. 1 Maintenance	434.67	530.56	359.77	392.44
Plant No. 2 Maintenance	326.06	300.26	324.08	327.92
Subtotal	<u>1,909.44</u>	<u>2,041.70</u>	<u>2,109.78</u>	<u>2,051.27</u>
Total Operating Expenses	<u>3,279.90</u>	<u>3,663.76</u>	<u>3,979.57</u>	<u>3,773.65</u>
Cost Allocation	<u>(274.35)</u>	<u>(375.19)</u>	<u>(330.57)</u>	<u>(396.20)</u>
Net Operating Requirements	<u>\$ 3,005.55</u>	<u>\$ 3,288.57</u>	<u>\$ 3,649.00</u>	<u>\$ 3,377.45</u>

Operating Budget Review

Comparison of Expenses by Department For the Nine Months Ended March 31, 2026

Department and Division	03/31/24 Actual	03/31/25 Actual	2025-26		
			Budget	Year to Date 03/31/26	Budget % Realized
General Manager's Department					
General Management Administration	\$ 2,244,056	\$ 2,019,354	\$ 2,689,236	\$ 2,079,207	77.32%
Subtotal	<u>2,244,056</u>	<u>2,019,354</u>	<u>2,689,236</u>	<u>2,079,207</u>	<u>77.32%</u>
Administrative Services Department					
Administrative Services	378,924	300,121	1,275,202	730,052	57.25%
Consolidated Services	6,635,468	10,253,763	14,145,939	9,313,742	65.84%
Financial Management	3,658,477	3,613,516	4,830,289	3,794,833	78.56%
Contracts, Purchasing, & Materials Mgmt.	3,436,209	4,056,995	5,615,571	4,063,678	72.36%
Information Technology	11,584,670	11,837,409	17,924,562	13,493,935	75.28%
Civil Facilities Maintenance	-	3,903,048	8,431,328	7,442,272	88.27%
Fleet Services	1,913,349	614,285	2,699,104	1,764,175	65.36%
Subtotal	<u>27,607,097</u>	<u>34,579,137</u>	<u>54,921,995</u>	<u>40,602,687</u>	<u>73.93%</u>
Communications Department					
Communications Administration	-	290,368	387,671	385,434	99.42%
Board Services	825,504	971,607	1,379,231	917,183	66.50%
Public Affairs	1,038,699	1,260,967	2,240,654	1,437,469	64.15%
Subtotal	<u>1,864,203</u>	<u>2,522,942</u>	<u>4,007,556</u>	<u>2,740,086</u>	<u>68.37%</u>
Human Resources Department					
Human Resources Administration	-	290,021	1,283,536	901,890	70.27%
Human Resources	3,239,303	2,794,249	3,710,053	2,727,184	73.51%
Risk Management	3,190,496	2,255,779	3,691,274	2,864,635	77.61%
Subtotal	<u>6,429,799</u>	<u>5,340,049</u>	<u>8,684,863</u>	<u>6,493,709</u>	<u>74.77%</u>
Environmental Services Department					
Environmental Services Administration	3,834,244	1,502,454	1,794,897	1,685,807	93.92%
Resource Protection	4,441,552	4,921,240	7,674,199	4,882,893	63.63%
Environmental Laboratory & Ocean Monitoring	7,456,394	7,882,815	12,287,567	8,720,909	70.97%
Environmental Compliance	-	2,972,033	4,853,940	3,135,342	64.59%
Subtotal	<u>15,732,190</u>	<u>17,278,542</u>	<u>26,610,603</u>	<u>18,424,951</u>	<u>69.24%</u>
Engineering Department					
Engineering Administration	487,586	468,501	681,790	558,264	81.88%
Planning	3,085,232	3,380,582	5,152,196	3,754,261	72.87%
Project Management Office	3,433,818	3,658,358	4,988,108	3,827,789	76.74%
Design	5,212,329	5,906,823	8,572,337	6,087,500	71.01%
Construction Management	6,139,889	6,770,291	9,949,717	7,305,915	73.43%
Subtotal	<u>18,358,854</u>	<u>20,184,555</u>	<u>29,344,148</u>	<u>21,533,729</u>	<u>73.38%</u>
Operations & Maintenance Department					
Operations & Maintenance Administration	264,962	308,079	929,687	380,696	40.95%
Collections Facilities O & M	12,543,746	11,813,858	19,727,503	13,862,085	70.27%
Maintenance Support Services	-	1,156,252	7,403,500	5,688,789	76.84%
Plant No. 1 Operations	31,201,038	30,648,425	44,473,199	33,133,160	74.50%
Plant No. 2 Operations	16,538,131	17,230,772	23,752,048	17,927,009	75.48%
Plant No. 1 Maintenance	22,911,373	26,796,566	24,293,470	20,932,914	86.17%
Plant No. 2 Maintenance	17,186,528	15,165,253	21,883,593	17,491,390	79.93%
Subtotal	<u>100,645,778</u>	<u>103,119,205</u>	<u>142,463,000</u>	<u>109,416,043</u>	<u>76.80%</u>
Total Operating Expenses	<u>172,881,977</u>	<u>185,043,784</u>	<u>268,721,401</u>	<u>201,290,412</u>	<u>74.91%</u>
Cost Allocation	<u>(14,461,246)</u>	<u>(18,949,654)</u>	<u>(22,355,980)</u>	<u>(21,133,560)</u>	<u>94.53%</u>
Net Operating Requirements	<u>\$ 158,420,731</u>	<u>\$ 166,094,130</u>	<u>\$ 246,365,421</u>	<u>\$ 180,156,852</u>	<u>73.13%</u>

FY 2025-26 Third Quarter Financial Report

Summary of Collection, Treatment, & Disposal Expenses by Major Category For the Nine Months Ended March 31, 2026

Description	Budget 2025-26	Expense Through 03/31/26	Expense Through 03/31/25	Increase (Decrease) \$	Increase (Decrease) %	Percent Budget Realized	Remaining Budget
Salary & Wages	\$ 100,995,374	75,022,620	69,459,187	\$ 5,563,433	8.01%	74.28%	\$ 25,972,754
Employee Benefits	29,903,247	22,569,553	20,574,917	1,994,636	9.69%	75.48%	7,333,694
Administrative Expenses	2,773,176	1,574,701	1,510,829	63,872	4.23%	56.78%	1,198,475
Printing & Publication	391,353	158,126	171,871	(13,745)	-8.00%	40.40%	233,227
Training & Meetings	2,156,685	949,692	1,347,593	(397,901)	-29.53%	44.03%	1,206,993
Operating Materials & Supplies	32,398,557	24,352,218	22,814,133	1,538,085	6.74%	75.16%	8,046,339
Contractual Services	23,848,656	16,738,506	16,497,419	241,087	1.46%	70.19%	7,110,150
Professional Services	11,302,938	7,483,983	5,511,680	1,972,303	35.78%	66.21%	3,818,955
Research & Monitoring	2,174,637	1,225,745	1,159,271	66,474	5.73%	56.37%	948,892
Repairs & Maintenance	37,649,113	33,475,292	29,735,987	3,739,305	12.58%	88.91%	4,173,821
Utilities	16,972,772	12,176,004	11,202,393	973,611	8.69%	71.74%	4,796,768
Other Materials, Supplies, and Services	8,154,893	5,563,972	5,058,504	505,468	9.99%	68.23%	2,590,921
Net Cost Allocation	<u>(22,355,980)</u>	<u>(21,133,560)</u>	<u>(18,949,654)</u>	<u>(2,183,906)</u>	<u>11.52%</u>	<u>94.53%</u>	<u>(1,222,420)</u>
Net Operating Requirements	246,365,421	180,156,852	166,094,130	14,062,722	8.47%	73.13%	66,208,569
Gallage Flow (MG)	<u>67,525.00</u>	<u>53,341.05</u>	<u>50,506.44</u>	<u>2,834.61</u>	<u>5.61%</u>		
Gallage Flow (MGD)	<u>185.00</u>	<u>194.67</u>	<u>184.33</u>	<u>10.34</u>	<u>5.61%</u>		
Gallage Flow (\$'s /MG)	<u>\$3,649.00</u>	<u>\$3,377.45</u>	<u>\$3,288.57</u>	<u>\$88.88</u>	<u>2.70%</u>		

Operating Budget Review

Summary of Revenues For the Nine Months Ended March 31, 2026

Description	Budget 2025-26	Revenue Through 03/31/26	Percent Budget Realized	Remaining Budget	Revenue Through 03/31/25	Increase (Decrease) \$	Increase (Decrease) %
Service Fees	\$ 360,777,442	\$ 216,586,383	60.03%	\$ 144,191,059	\$ 212,987,892	\$ 3,598,491	1.69%
Permit Fees	16,593,000	14,761,754	88.96%	1,831,246	11,257,104	3,504,650	31.13%
Inter District Sewer Use-SAWPA & SBSB	93,250	2,838,855	3044.35%	(2,745,605)	2,383,192	455,663	19.12%
Intra District Sewer Use-IRWD	11,185,390	5,424,202	48.49%	5,761,188	1,530,919	3,893,283	254.31%
Capital Assessments-IRWD	9,514,000	7,231,701	76.01%	2,282,299	4,480,077	2,751,624	61.42%
Capital Facilities Capacity Charges	21,671,000	11,029,588	50.90%	10,641,412	9,592,039	1,437,549	14.99%
Property Taxes	123,698,000	89,343,281	72.23%	34,354,719	84,347,088	4,996,193	5.92%
Interest Earnings	26,474,000	23,970,955	90.55%	2,503,045	38,066,011	(14,095,056)	-37.03%
CIP Reimbursements	-	2,918,025	N/A	(2,918,025)	1,178,246	1,739,779	147.66%
Wastehauler	-	595,248	N/A	(595,248)	630,597	(35,349)	-5.61%
Grant Revenue	-	50,000	N/A	(50,000)	-	50,000	100.00%
CNG Sales	-	202,272	N/A	(202,272)	120,923	81,349	67.27%
Rents & Leases	-	437,345	N/A	(437,345)	322,980	114,365	35.41%
Other Revenues	8,624,500	1,868,476	21.66%	6,756,024	216,012	1,652,464	764.99%
Power Sales	-	16,063	N/A	(16,063)	41,132	(25,069)	-60.95%
Other Sales	-	63,682	N/A	(63,682)	38,308	25,374	66.24%
Total Revenues	\$ 578,630,582	\$ 377,337,830	65.21%	\$ 201,292,752	\$ 367,192,520	\$ 10,145,310	2.76%

FY 2025-26 Third Quarter Financial Report

Summary of Collection, Treatment, & Disposal Expenses by Line Item For the Nine Months Ended March 31, 2026

Description	Budget 2025-26	Expense Through 03/31/26	Percent Budget Expensed	Remaining Budget	Expense Through 03/31/25	Increase (Decrease) \$	Increase (Decrease) %
Salaries, Wages & Benefits							
Salaries & Wages	\$ 100,995,374	\$ 75,022,620	74.28%	\$ 25,972,754	\$ 69,459,187	\$ 5,563,433	8.01%
Employee Benefits							
Retirement	13,562,118	9,351,732	68.95%	4,210,386	8,971,058	380,674	4.24%
Group Insurances	13,127,996	10,206,258	77.74%	2,921,738	9,386,678	819,580	8.73%
Tuition & Certification Reimb	86,076	72,067	83.72%	14,009	63,619	8,448	13.28%
Edu. degrees, Cert. & Lic.	654,927	532,787	81.35%	122,140	498,363	34,424	6.91%
Uniform Rental	455,365	236,558	51.95%	218,807	320,089	(83,531)	-26.10%
Workers' Compensation	955,263	593,591	62.14%	361,672	494,663	98,928	20.00%
Unemployment Insurance	14,320	14,375	100.38%	(55)	9,801	4,574	46.67%
Employee Supplemental Benefits	1,047,182	1,562,185	149.18%	(515,003)	830,646	731,539	88.07%
Total Benefits	29,903,247	22,569,553	75.48%	7,333,694	20,574,917	1,994,636	9.69%
Salaries, Wages & Benefits	130,898,621	97,592,173	74.56%	33,306,448	90,034,104	7,558,069	8.39%
Matl. Supplies, & Services							
Administrative Expenses							
Memberships	746,825	665,255	89.08%	81,570	597,701	67,554	11.30%
Office Exp - Supplies	73,688	57,339	77.81%	16,349	46,637	10,702	22.95%
Postage	63,750	34,833	54.64%	28,917	38,309	(3,476)	-9.07%
Books & Publications	33,471	23,297	69.60%	10,174	16,330	6,967	42.66%
Forms	1,000	825	82.50%	175	102	723	708.82%
Small Computer Items	1,336,891	703,689	52.64%	633,202	678,626	25,063	3.69%
Minor Furniture & Fixtures	517,551	89,463	17.29%	428,088	133,124	(43,661)	-32.80%
Subtotal	2,773,176	1,574,701	56.78%	1,198,475	1,510,829	63,872	4.23%
Printing & Publication							
Repro-In-House	205,191	107,450	52.37%	97,741	117,113	(9,663)	-8.25%
Printing-Outside	40,562	11,011	27.15%	29,551	6,858	4,153	60.56%
Notices & Ads	145,600	37,825	25.98%	107,775	47,900	(10,075)	-21.03%
Photo Processing	-	1,840	N/A	(1,840)	-	1,840	N/A
Subtotal	391,353	158,126	40.40%	233,227	171,871	(13,745)	-8.00%
Training & Meetings							
Meetings	175,760	52,392	29.81%	123,368	96,111	(43,719)	-45.49%
Training	1,980,925	897,300	45.30%	1,083,625	1,251,482	(354,182)	-28.30%
Subtotal	2,156,685	949,692	44.03%	1,206,993	1,347,593	(397,901)	-29.53%
Operating Mat'ls & Supplies							
Chemical Coagulants	16,458,365	13,317,808	80.92%	3,140,557	12,697,906	619,902	4.88%
Odor & Corrosion Control	10,538,161	7,262,743	68.92%	3,275,418	6,514,443	748,300	11.49%
Disinfection	641,000	479,205	74.76%	161,795	460,924	18,281	3.97%
Chemicals - Misc & Cogen	506,000	398,643	78.78%	107,357	251,891	146,752	58.26%
Gasoline, Diesel & Oil	909,395	552,700	60.78%	356,695	502,004	50,696	10.10%
Tools	767,750	710,811	92.58%	56,939	701,550	9,261	1.32%
Safety equipment/tools	1,030,432	738,805	71.70%	291,627	708,375	30,430	4.30%
Solv, Paints & Jan. Supplies	136,768	115,409	84.38%	21,359	108,735	6,674	6.14%
Lab Chemicals & Supplies	928,435	595,524	64.14%	332,911	666,494	(70,970)	-10.65%
Misc. Operating Supplies	465,151	175,043	37.63%	290,108	191,688	(16,645)	-8.68%
Property Tax Fees	17,100	5,527	32.32%	11,573	10,123	(4,596)	-45.40%
Subtotal	32,398,557	24,352,218	75.16%	8,046,339	22,814,133	1,538,085	6.74%
Contractual Services							
Solids Removal	14,240,000	10,579,252	74.29%	3,660,748	10,397,538	181,714	1.75%
Other Waste Disposal	1,405,989	919,631	65.41%	486,358	907,584	12,047	1.33%
Groundskeeping	239,589	202,210	84.40%	37,379	131,314	70,896	53.99%
Janitorial	1,401,623	1,120,663	79.95%	280,960	1,306,001	(185,338)	-14.19%
Outside Lab Services	534,000	195,649	36.64%	338,351	342,358	(146,709)	-42.85%
Oxygen	1,370,000	1,362,986	99.49%	7,014	870,713	492,273	56.54%
County Service Fee	618,500	22,965	3.71%	595,535	30,827	(7,862)	-25.50%
Temporary Services	505,000	77,571	15.36%	427,429	211,429	(133,858)	-63.31%
Security Services	2,611,455	1,706,005	65.33%	905,450	1,657,466	48,539	2.93%
Other	922,500	551,574	59.79%	370,926	642,189	(90,615)	-14.11%
Subtotal	23,848,656	16,738,506	70.19%	7,110,150	16,497,419	241,087	1.46%

(Continued)

Operating Budget Review

Summary of Collection, Treatment, & Disposal Expenses by Line Item For the Nine Months Ended March 31, 2026

Description	Budget 2025-26	Expense Through 03/31/26	Percent Budget Expensed	Remaining Budget	Expense Through 03/31/25	Increase (Decrease) \$	Increase (Decrease) %
<i>Continued:</i>							
Professional Services							
Legal	2,532,500	1,837,773	72.57%	694,727	2,037,254	(199,481)	-9.79%
Audit & Accounting	232,000	229,197	98.79%	2,803	155,550	73,647	47.35%
Engineering	1,968,838	2,360,188	119.88%	(391,350)	1,854,759	505,429	27.25%
Enviro Scientific Consulting	1,035,000	123,614	11.94%	911,386	103,333	20,281	19.63%
Software Prgm Consulting	1,057,700	633,532	59.90%	424,168	437,225	196,307	44.90%
Energy Consulting	22,000	15,750	71.59%	6,250	15,750	-	0.00%
Advocacy Efforts	345,600	182,500	52.81%	163,100	199,000	(16,500)	-8.29%
Industrial Hygiene Services	100,000	50,301	50.30%	49,699	43,006	7,295	16.96%
Labor Negotiation Services	40,000	26,043	65.11%	13,957	10,672	15,371	144.03%
Other	3,969,300	2,025,085	51.02%	1,944,215	655,131	1,369,954	209.11%
Subtotal	<u>11,302,938</u>	<u>7,483,983</u>	<u>66.21%</u>	<u>3,818,955</u>	<u>5,511,680</u>	<u>1,972,303</u>	<u>35.78%</u>
Research & Monitoring							
Environmental Monitoring	1,270,000	487,006	38.35%	782,994	414,041	72,965	17.62%
Air Quality Monitoring	300,000	159,102	53.03%	140,898	182,476	(23,374)	-12.81%
Research	604,637	579,637	95.87%	25,000	562,754	16,883	3.00%
Subtotal	<u>2,174,637</u>	<u>1,225,745</u>	<u>56.37%</u>	<u>948,892</u>	<u>1,159,271</u>	<u>66,474</u>	<u>5.73%</u>
Repairs & Maintenance							
Materials & Services	26,687,410	25,482,204	95.48%	1,205,206	23,948,187	1,534,017	6.41%
Svc. Mtc. Agreements	10,961,703	7,993,088	72.92%	2,968,615	5,787,800	2,205,288	38.10%
Subtotal	<u>37,649,113</u>	<u>33,475,292</u>	<u>88.91%</u>	<u>4,173,821</u>	<u>29,735,987</u>	<u>3,739,305</u>	<u>12.58%</u>
Utilities							
Telephone	531,400	422,110	79.43%	109,290	415,591	6,519	1.57%
Diesel For Generators	65,000	24,472	37.65%	40,528	42,465	(17,993)	-42.37%
Natural Gas	3,267,000	2,047,202	62.66%	1,219,798	2,095,332	(48,130)	-2.30%
Power	11,822,446	8,679,593	73.42%	3,142,853	7,679,283	1,000,310	13.03%
Water	1,286,926	1,002,627	77.91%	284,299	969,722	32,905	3.39%
Subtotal	<u>16,972,772</u>	<u>12,176,004</u>	<u>71.74%</u>	<u>4,796,768</u>	<u>11,202,393</u>	<u>973,611</u>	<u>8.69%</u>
Other Operating Supplies							
Outside Equip Rental	95,000	68,971	72.60%	26,029	35,570	33,401	93.90%
Insurance Premiums	53,000	54,010	101.91%	(1,010)	51,415	2,595	5.05%
Prop & Gen Liab Insurance	3,924,030	3,487,413	88.87%	436,617	3,286,485	200,928	6.11%
Freight	214,200	180,015	84.04%	34,185	147,541	32,474	22.01%
Misc. Operating Expense	494,787	443,084	89.55%	51,703	259,610	183,474	70.67%
Regulatory Operating Fees	1,926,373	1,242,432	64.50%	683,941	1,189,273	53,159	4.47%
Subtotal	<u>6,707,390</u>	<u>5,475,925</u>	<u>81.64%</u>	<u>1,231,465</u>	<u>4,969,894</u>	<u>506,031</u>	<u>10.18%</u>
General Mgr Contingency & Reappropriations							
	1,309,753	-	0.00%	1,309,753	-	-	N/A
Other Non-Oper Expense							
	137,750	88,047	63.92%	49,703	88,610	(563)	-0.64%
Total Materials, Supplies & Services							
	<u>137,822,780</u>	<u>103,698,239</u>	<u>75.24%</u>	<u>34,124,541</u>	<u>95,009,680</u>	<u>8,688,559</u>	<u>9.14%</u>
Total Expenditures							
	<u>268,721,401</u>	<u>201,290,412</u>	<u>74.91%</u>	<u>67,430,989</u>	<u>185,043,784</u>	<u>16,246,628</u>	<u>8.78%</u>
Cost Allocation							
	<u>(22,355,980)</u>	<u>(21,133,560)</u>	<u>94.53%</u>	<u>(1,222,420)</u>	<u>(18,949,654)</u>	<u>(2,183,906)</u>	<u>11.52%</u>
Net Operating Requirements							
	<u>\$ 246,365,421</u>	<u>\$ 180,156,852</u>	<u>73.13%</u>	<u>\$ 66,208,569</u>	<u>\$ 166,094,130</u>	<u>\$ 14,062,722</u>	<u>8.47%</u>

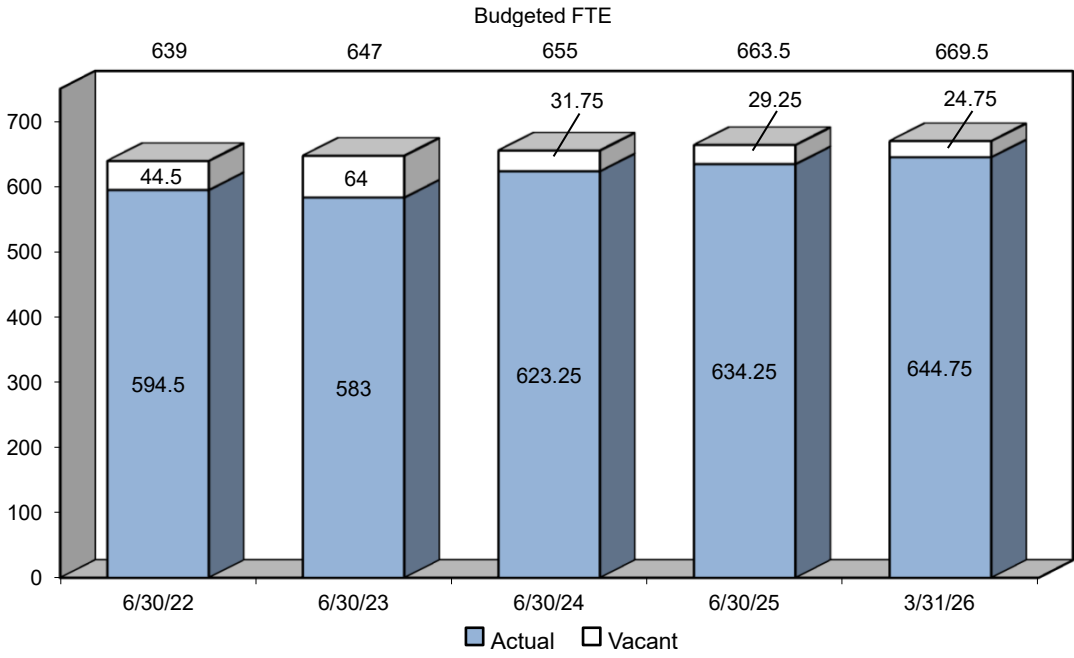
FY 2025-26 Third Quarter Financial Report

Summary of Collection, Treatment, & Disposal Expenses by Process For the Nine Months Ended March 31, 2026

<u>Process:</u>	<u>Actual 03/31/26</u>	<u>Actual 03/31/25</u>	<u>Increase (Decrease) \$</u>	<u>Increase (Decrease) %</u>
Preliminary Treatment	\$ 12,032,373	\$ 10,843,785	\$ 1,188,588	10.96%
Primary Treatment	24,030,552	21,761,230	2,269,322	10.43%
Secondary Treatment	10,632,804	11,507,975	(875,171)	-7.60%
Oxygen Generation Facility (Plant 2)	2,535,354	1,655,782	879,572	53.12%
Effluent Disposal	1,494,713	941,976	552,737	58.68%
Solids Handling	48,511,101	45,472,055	3,039,046	6.68%
Cogeneration	24,158,051	20,962,059	3,195,992	15.25%
Utilities	4,517,511	3,920,812	596,699	15.22%
Electrical Distribution	2,613,352	2,502,830	110,522	4.42%
Miscellaneous Buildings	12,812,478	10,730,372	2,082,106	19.40%
External Location	38,743	28,190	10,553	37.44%
Nerissa Vessel	290,294	284,498	5,796	2.04%
Laboratory	13,849,138	12,542,623	1,306,515	10.42%
Collections	<u>22,640,388</u>	<u>22,939,943</u>	<u>(299,555)</u>	<u>-1.31%</u>
Net Operating Requirements	<u><u>\$ 180,156,852</u></u>	<u><u>\$ 166,094,130</u></u>	<u><u>\$ 14,062,722</u></u>	<u><u>8.47%</u></u>

Operating Budget Review

Staffing Trends Full Time Equivalents (FTE) March 31, 2026

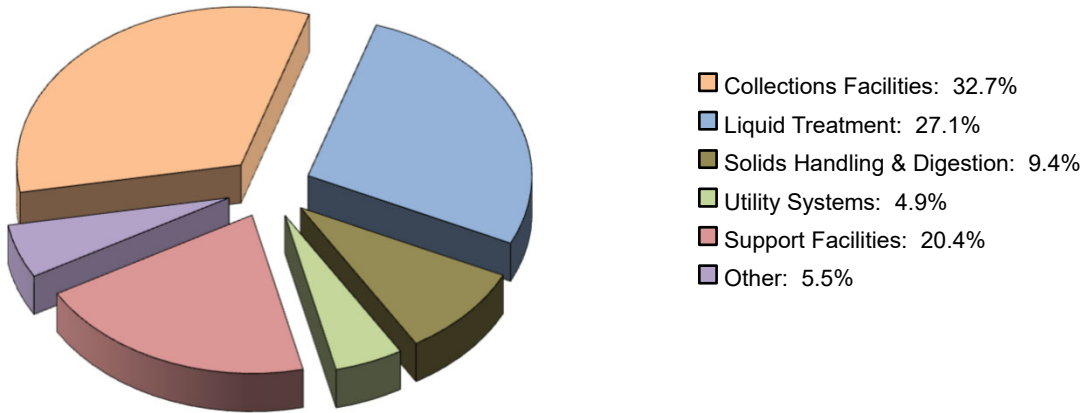


At March 31, 2026, the total head count was 667 employees, or a full time equivalency of 644.75.

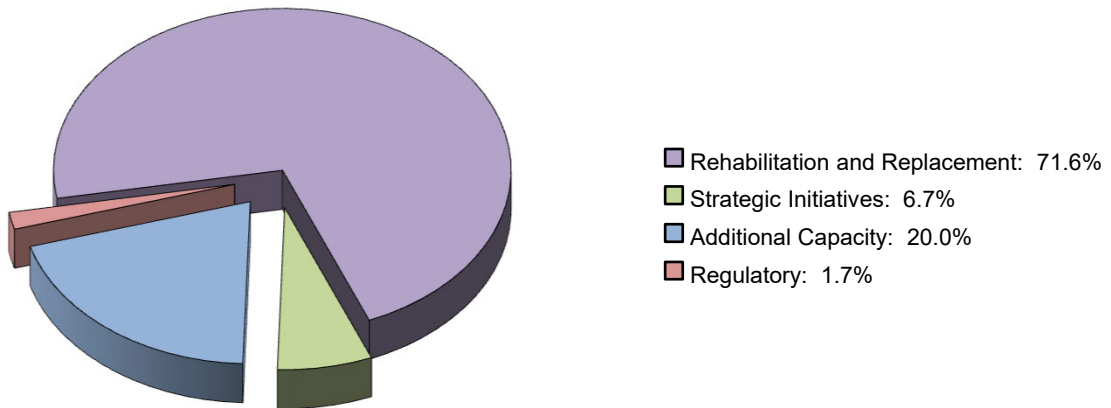
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Capital Improvement Program Budget Review

Capital Improvement Program By Process Area and Project Driver For the Nine Months Ended March 31, 2026



Total Capital Improvement Outlays by Process Area - \$220,896,472



Total Capital Improvement Outlays by Project Driver - \$220,896,472

FY 2025-26 Third Quarter Financial Report

Summary of Capital Improvement Construction Requirements - Current Year For the Nine Months Ended March 31, 2026

	<u>2025-26 Cashflow Budget</u>	<u>2025-26 Actual at 3/31/2026</u>	<u>2025-26 Projected Outlay</u>
<u>Collection System Improvement Projects</u>			
Collections Facilities			
Santa Ana Trunk Sewer Rehabilitation	\$ 4,555,304	\$ 2,166,118	\$ 2,705,600
Greenville-Sullivan Trunk Improvements	58	-	-
Taft Branch Capacity Improvements	7,584,218	11,746,320	12,683,900
Yorba Linda Dosing Station Installation	219,002	108,207	126,800
Knott - Miller Holder - Artesia Branch Rehabilitation	406,090	475,433	587,500
Rehabilitation of Western Regional Sewers	5,750,397	7,658,492	10,876,100
Interstate 405 Widening Project Impacts on OC San Sewers	59,313	-	-
Seal Beach Pump Station Replacement	17,302,710	16,307,538	24,400,300
Bay Bridge Pump Station Replacement	6,574,488	15,590,405	32,322,500
Newport Beach Pump Station Pressurization Improvements	262,957	15,016	15,100
East Coast Highway Sewer Rehabilitation	445,720	39,941	48,100
Fairview Trunk Sewer Rehabilitation	661,935	354,789	354,800
MacArthur Pump Station Rehabilitation	147,342	116,036	168,300
Gisler Red-Hill Interceptor & Baker Force Main Rehabilitation	16,115,339	13,946,577	17,135,800
MacArthur Force Main Improvement	533,299	436,919	455,700
North Trunk Improvements	347,079	135,511	221,100
Edinger Pumping Station Replacement	1,261,043	985,840	985,900
Small Construction Projects Program - Collections	4,214,513	452,947	3,648,500
Planning Studies Program - Collections	58,256	-	-
Additional Charges to CIP Closed at 6/30/25	-	1,129,472	1,129,500
Subtotal - Collections Facilities	<u>66,499,063</u>	<u>71,665,561</u>	<u>107,865,500</u>
Revenue Area 14			
Bay Bridge Pumping Station Rehabilitation (3.62%)	246,936	585,570	1,214,100
Newport Beach Pump Station Pressurization Improve (0.27%)	712	41	100
Subtotal - Revenue Area 14	<u>247,648</u>	<u>585,611</u>	<u>1,214,200</u>
Total Collection System Improvement Projects	<u>66,746,711</u>	<u>72,251,172</u>	<u>109,079,700</u>

Capital Improvement Program Budget Review

Summary of Capital Improvement Construction Requirements - Current Year For the Nine Months Ended March 31, 2026

	<u>2025-26 Cashflow Budget</u>	<u>2025-26 Actual at 3/31/2026</u>	<u>2025-26 Projected Outlay</u>
<u>Treatment & Disposal Projects</u>			
Headworks			
Headworks Rehabilitation at Plant 1	24,184,260	23,121,201	31,113,800
Subtotal - Headworks	<u>24,184,260</u>	<u>23,121,201</u>	<u>31,113,800</u>
Primary Treatment			
Primary Sedimentation Basins 3-5 Replacement at Plant 1	4,199,476	3,572,782	4,224,800
Primary Sedimentation Basins 6-31 Reliability Improv at P1	356,049	132,988	167,700
Primary Treatment Rehabilitation at Plant 2	22,604,521	21,570,920	33,225,600
Subtotal - Primary Treatment	<u>27,160,046</u>	<u>25,276,690</u>	<u>37,618,100</u>
Secondary Treatment			
Activated Sludge-1 Aeration Basin & Blower Rehab at P1	5,580,737	3,218,694	3,673,900
Trickling Filter Rehab at P1	2,506,135	237,613	1,410,700
Activated Sludge Aeration Basin Rehabilitation at Plant 2	2,097,276	595,244	996,000
Subtotal - Secondary Treatment	<u>10,184,148</u>	<u>4,051,551</u>	<u>6,080,600</u>
Solids Handling & Digestion			
Deep WII Biosolids Management Facility	310,315	115,895	199,000
Interim Food Waste Receiving Facility	129,531	1,668	59,900
TPAD Digester Facility at Plant 2	14,094,930	18,559,728	28,269,900
Digesters Rehabilitation at Plant No. 2	2,739,421	1,826,319	2,376,200
Truck Loading Bay Odor Control Improvements at Plant 2	616,144	183,283	494,700
Subtotal - Solids Handling & Digestion	<u>17,890,341</u>	<u>20,686,893</u>	<u>31,399,700</u>
Ocean Outfall Systems			
Ocean Outfall System Rehabilitation	6,751,099	4,422,743	6,047,300
120-inch Ocean Outfall Rehabilitation	1,474,008	2,789,682	4,250,500
Sodium Bisulfite Station Rehabilitation at Plant 2	966,681	159,189	808,700
Emergency Overflow Pipes & Windwall Rehabilitation at P2	74,570	23,117	23,200
Subtotal - Ocean Outfall Systems	<u>9,266,358</u>	<u>7,394,731</u>	<u>11,129,700</u>

FY 2025-26 Third Quarter Financial Report

Summary of Capital Improvement Construction Requirements - Current Year For the Nine Months Ended March 31, 2026

	<u>2025-26 Cashflow Budget</u>	<u>2025-26 Actual at 3/31/2026</u>	<u>2025-26 Projected Outlay</u>
<u>Treatment & Disposal Projects (Continued)</u>			
Utility Systems			
Electrical Power Distribution System Improvements	3,515,299	1,808,240	2,732,500
Digester Gas Facilities Rehabilitation	5,683,443	3,426,055	3,776,400
Central Generation Engine Overhauls at Plants 1 and 2	10,065,452	3,420,513	9,431,300
Central Generation Facilities & OOBS Seismic Upgrades	86,185	18,531	18,600
Public Address System Replacement	175,010	34,905	89,600
Power Dist. Sys. & Bldg C Repl. At Plants 1 and 2	793,770	-	-
Uninterruptable Power Supply Improvements at Plant 1	1,578,239	1,635,565	1,718,300
Industrial Control System & IT Data Center Relocation at P1	795,665	361,204	361,300
Headworks Electrical Distribution Improvements at P2	575,150	224,169	748,900
Subtotal - Utility Systems	<u>23,268,213</u>	<u>10,929,182</u>	<u>18,876,900</u>
Information Management Systems			
Process Control Systems Upgrades	5,832,634	1,962,237	4,385,800
Project Management Information System	50,729	90,350	90,400
Process Control System Alarm Optimization	354,537	14,276	14,300
Information Technology Capital Program	1,491,743	474,441	496,900
Subtotal - Information Management Systems	<u>7,729,643</u>	<u>2,541,304</u>	<u>4,987,400</u>
Strategic & Master Planning			
Planning Studies Program	4,379,568	1,955,797	4,599,200
Subtotal - Strategic & Master Planning	<u>4,379,568</u>	<u>1,955,797</u>	<u>4,599,200</u>
Research			
Research Program	2,108,754	130,561	1,957,000
Subtotal - Research	<u>2,108,754</u>	<u>130,561</u>	<u>1,957,000</u>

Capital Improvement Program Budget Review

Summary of Capital Improvement Construction Requirements - Current Year For the Nine Months Ended March 31, 2026

	<u>2025-26 Cashflow Budget</u>	<u>2025-26 Actual at 3/31/2026</u>	<u>2025-26 Projected Outlay</u>
<u>Treatment & Disposal Projects (Continued)</u>			
Support Facilities			
Small Construction Projects Program	30,821,031	13,301,645	23,020,900
Operations & Maintenance Capital Program	-	2,049,749	3,706,000
Laboratory Rehabilitation at Plant 1	1,325,327	574,104	1,143,600
CenGen Monitoring Sys. Improvements at Plants 1 & 2	186,276	35,624	124,500
Additional Warehouse Property	30,000,000	26,734,068	26,734,100
Headquarters Complex	179,707	246,752	378,800
Support Buildings Seismic Improvements at Plant 1	1,187,363	197,123	392,000
Administrative Facilities & Power Building 3A Demolition	415,812	496,113	595,200
Collections Yard Relocation	794,279	1,026,094	431,300
Operations and Maintenance Complex at Plant 2	1,246,216	412,955	413,000
Oxygen Gas Generation Facility at Plant No. 2	44,970	-	-
Waste Sidestream Pump Station A Improvements at Plant 2	261,611	-	-
Subtotal - Support Facilities	<u>66,462,592</u>	<u>45,074,227</u>	<u>56,939,400</u>
Others			
Capital Improvement Program Management Services	421,569	254,476	451,100
Subtotal - Others	<u>421,569</u>	<u>254,476</u>	<u>451,100</u>
Total Treatment and Disposal Projects	<u>193,055,492</u>	<u>141,416,613</u>	<u>205,152,900</u>
Capital Equipment Purchases	<u>29,148,516</u>	<u>7,228,687</u>	<u>12,728,500</u>
Total Collection, Treatment and Disposal Projects and Capital Equipment Purchases	288,950,719	220,896,472	326,961,100
Less: Savings and Deferrals	<u>(34,674,086)</u>	<u>-</u>	<u>-</u>
Net Collection, Treatment and Disposal Projects and Capital Equipment Purchases	<u>\$ 254,276,633</u>	<u>\$ 220,896,472</u>	<u>\$ 326,961,100</u>

FY 2025-26 Third Quarter Financial Report

Summary of Capital Improvement Construction Requirements - Project Life For the Nine Months Ended March 31, 2026

	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	\$ 2,705,600	\$ 7,568,399	\$ 57,831,601
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	12,683,900	20,327,474	9,872,526
Yorba Linda Dosing Station Installation	21,700,000	96,973	126,800	223,773	21,476,227
Santa Ana Canyon South River Trunk Rehabilitation	23,802,000	-	-	-	23,802,000
Knott - Miller Holder - Artesia Branch Rehabilitation	19,700,000	906,009	587,500	1,493,509	18,206,491
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	10,876,100	55,673,962	40,626,038
Interstate 405 Widening Project Impacts on OC San Sewers	500,000	301,861	-	301,861	198,139
Seal Beach Pump Station Replacement	132,500,000	27,794,006	24,400,300	52,194,306	80,305,694
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	32,322,500	73,117,530	92,656,070
Newport Beach Pump Station Pressurization Improvements	2,692,710	2,339,791	15,100	2,354,891	337,819
East Coast Highway Sewer Rehabilitation	19,422,000	-	48,100	48,100	19,373,900
Fairview Trunk Sewer Rehabilitation	25,000,000	1,486,074	354,800	1,840,874	23,159,126
MacArthur Pump Station Rehabilitation	16,200,000	66,762	168,300	235,062	15,964,938
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	17,135,800	52,845,323	2,654,677
MacArthur Force Main Improvement	6,400,000	5,943,957	455,700	6,399,657	343
North Trunk Improvements	33,800,000	219,460	221,100	440,560	33,359,440
Edinger Pumping Station Replacement	36,500,000	3,211,805	985,900	4,197,705	32,302,295
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	3,648,500	9,721,377	(2,266,671)
Additional Charges to CIP Closed at 6/30/25	-	4,830,564	1,129,500	5,960,064	(5,960,064)
Subtotal - Collections Facilities	1,037,986,016	232,737,876	107,865,500	340,603,376	697,382,640
Revenue Area 14:					
Bay Bridge Pumping Station Rehabilitation (3.62%)	6,226,400	1,532,247	1,214,100	2,746,347	3,480,053
Newport Beach Pump Station Pressurization Improve (0.27%)	7,290	6,335	100	6,435	855
Subtotal - Revenue Area 14	6,233,690	1,538,582	1,214,200	2,752,782	3,480,908
Total Collection System Improvement Projects	1,044,219,706	234,276,458	109,079,700	343,356,158	700,863,548

Capital Improvement Program Budget Review

Summary of Capital Improvement Construction Requirements - Project Life For the Nine Months Ended March 31, 2026

	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					
Headworks					
Headworks Rehabilitation at Plant 1	340,000,000	214,467,909	31,113,800	245,581,709	94,418,291
Subtotal - Headworks	340,000,000	214,467,909	31,113,800	245,581,709	94,418,291
Primary Treatment					
Primary Sedimentation Basins 3-5 Replacement at Plant 1	201,000,000	12,337,790	4,224,800	16,562,590	184,437,410
Primary Sedimentation Basins 6-31 Reliability Improv at P1	12,100,000	11,211,284	167,700	11,378,984	721,016
Primary Treatment Rehabilitation at Plant 2	188,000,000	123,522,561	33,225,600	156,748,161	31,251,839
B/C-Side Primary Clarifiers Rehabilitation at Plant 2	305,928,000	-	-	-	305,928,000
Subtotal - Primary Treatment	707,028,000	147,071,635	37,618,100	184,689,735	522,338,265
Secondary Treatment					
Activated Sludge-1 Aeration Basin & Blower Rehab at P1	470,000,000	13,447,067	3,673,900	17,120,967	452,879,033
Trickling Filter Rehab at P1	42,000,000	652,831	1,410,700	2,063,531	39,936,469
Activated Sludge Aeration Basin Rehabilitation at Plant 2	65,600,000	2,207,788	996,000	3,203,788	62,396,212
Subtotal - Secondary Treatment	577,600,000	16,307,686	6,080,600	22,388,286	555,211,714
Solids Handling & Digestion					
Deep WII Biosolids Management Facility	78,563,000	-	199,000	199,000	78,364,000
Interim Food Waste Receiving Facility	10,000,000	1,360,468	59,900	1,420,368	8,579,632
TPAD Digester Facility at Plant 2	588,000,000	42,548,299	28,269,900	70,818,199	517,181,801
Digesters Rehabilitation at Plant No. 2	51,200,000	6,667,319	2,376,200	9,043,519	42,156,481
Truck Loading Bay Odor Control Improvements at Plant 2	9,700,000	200,369	494,700	695,069	9,004,931
Subtotal - Solids Handling & Digestion	737,463,000	50,776,455	31,399,700	82,176,155	655,286,845
Ocean Outfall Systems					
Ocean Outfall System Rehabilitation	176,600,000	140,385,940	6,047,300	146,433,240	30,166,760
120-inch Ocean Outfall Rehabilitation	110,500,000	1,072,036	4,250,500	5,322,536	105,177,464
Sodium Bisulfite Station Rehabilitation at Plant 2	9,860,000	1,869,324	808,700	2,678,024	7,181,976
Emergency Overflow Pipes & Windwall Rehabilitation at P2	7,500,000	116,246	23,200	139,446	7,360,554
Subtotal - Ocean Outfall Systems	304,460,000	143,443,546	11,129,700	154,573,246	149,886,754

FY 2025-26 Third Quarter Financial Report

Summary of Capital Improvement Construction Requirements - Project Life For the Nine Months Ended March 31, 2026

	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	2,732,500	7,179,759	35,820,241
Digester Gas Facilities Rehabilitation	190,000,000	20,570,339	3,776,400	24,346,739	165,653,261
Central Generation Engine Overhauls at Plants 1 and 2	74,700,000	31,193,972	9,431,300	40,625,272	34,074,728
Central Generation Facilities & OOBs Seismic Upgrades	17,500,000	13,294	18,600	31,894	17,468,106
Public Address System Replacement	12,208,000	-	89,600	89,600	12,118,400
Power Dist. Sys. & Bldg C Repl. At Plants 1 and 2	54,934,000	-	-	-	54,934,000
Uninterruptable Power Supply Improvements at Plant 1	9,600,000	7,521,005	1,718,300	9,239,305	360,695
Industrial Control System & IT Data Center Relocation at P1	16,500,000	144,638	361,300	505,938	15,994,062
Headworks Electrical Distribution Improvements at P2	34,652,000	62,338	748,900	811,238	33,840,762
Subtotal - Utility Systems	453,094,000	63,952,845	18,876,900	82,829,745	370,264,255
Information Management Systems					
Process Control Systems Upgrades	32,500,000	15,293,826	4,385,800	19,679,626	12,820,374
Project Management Information System	2,280,000	1,750,149	90,400	1,840,549	439,451
Process Control System Alarm Optimization	6,439,000	14,741	14,300	29,041	6,409,959
Information Technology Capital Program	10,000,000	1,568,901	496,900	2,065,801	7,934,199
Subtotal - Information Management Systems	51,219,000	18,627,617	4,987,400	23,615,017	27,603,983
Strategic & Master Planning					
Planning Studies Program	25,000,000	2,932,147	4,599,200	7,531,347	17,468,653
Subtotal - Strategic & Master Planning	25,000,000	2,932,147	4,599,200	7,531,347	17,468,653
Water Management Projects					
GWRS Final Expansion Coordination	1,400,000	1,399,403	-	1,399,403	597
Subtotal - Water Management Projects	1,400,000	1,399,403	-	1,399,403	597
Research					
Research Program	10,000,000	4,406,131	1,957,000	6,363,131	3,636,869
Subtotal - Research	10,000,000	4,406,131	1,957,000	6,363,131	3,636,869

Capital Improvement Program Budget Review

Summary of Capital Improvement Construction Requirements - Project Life For the Nine Months Ended March 31, 2026

	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)					
Support Facilities					
Small Construction Projects Program	117,545,294	32,399,337	23,020,900	55,420,237	62,125,057
Operations & Maintenance Capital Program	-	1,848,876	3,706,000	5,554,876	(5,554,876)
Laboratory Rehabilitation at Plant 1	129,300,000	128,038	1,143,600	1,271,638	128,028,362
CenGen Monitoring Sys. Improvements at Plants 1 & 2	17,121,000	-	124,500	124,500	16,996,500
Additional Warehouse Property	30,000,000	-	26,734,100	26,734,100	3,265,900
Headquarters Complex	171,000,000	169,559,456	378,800	169,938,256	1,061,744
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	392,000	2,870,436	27,629,564
Administrative Facilities & Power Building 3A Demolition	4,286,000	256,316	595,200	851,516	3,434,484
Collections Yard Relocation	9,400,000	8,214,743	431,300	8,646,043	753,957
Operations and Maintenance Complex at Plant 2	178,000,000	5,918,104	413,000	6,331,104	171,668,896
Oxygen Gas Generation Facility at Plant No. 2	20,319,000	-	-	-	20,319,000
Waste Sidestream Pump Station A Improvements at Plant 2	12,352,000	-	-	-	12,352,000
Subtotal - Support Facilities	727,973,294	228,729,634	56,939,400	285,669,034	442,304,260
Others					
Capital Improvement Program Management Services	2,000,000	1,198,915	451,100	1,650,015	349,985
Subtotal - Others	2,000,000	1,198,915	451,100	1,650,015	349,985
Total Treatment and Disposal Projects	3,937,237,294	893,313,923	205,152,900	1,098,466,823	2,838,770,471
Capital Equipment Purchases	29,148,516	-	12,728,500	12,728,500	16,420,016
Less: Savings and Deferrals	(34,674,086)	-	-	-	(34,674,086)
Total Collection, Treatment and Disposal Projects and Capital Equipment Purchases	\$ 4,975,931,430	\$ 1,127,590,381	\$ 326,961,100	\$ 1,454,551,481	\$ 3,521,379,949

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Capital Assets Schedule & Debt Service Budget Review

Capital Assets Schedule & Debt Service Budget Review For the Nine Months Ended March 31, 2026

Capital Assets Schedule

	<u>Balance 07/01/25</u>	<u>Year-to-Date Activity</u>	<u>Balance 03/31/26</u>
CONSTRUCTION IN PROGRESS (CIP):			
Collection System	\$ 138,387,585	\$ 72,251,172	\$ 210,638,757
Treatment Plant	691,274,999	148,645,300	839,920,299
Subtotal	<u>829,662,584</u>	<u>220,896,472</u>	<u>1,050,559,056</u>
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	<u>4,531,259,350</u>	<u>-</u>	<u>4,531,259,350</u>
Total Property, Plant & Equipment & CIP	<u>\$ 5,360,921,934</u>	<u>\$ 220,896,472</u>	<u>\$ 5,581,818,406</u>

Debt Service Budget Review

	<u>2025-26 Budget</u>	<u>Year-to-Date Payments</u>	<u>% of Budget</u>	<u>Remaining Budget</u>
Principal Payments by Debt Issue:				
2010A BABs	\$ -	\$ -	-	\$ -
2010C BABs	-	-	-	-
2016A COP	5,915,000	115,850,000 ⁽¹⁾	1958.58%	(109,935,000)
2017A COP	-	-	-	-
2021A COP	18,890,000	18,890,000	100.00%	-
2022A COP	-	-	-	-
2024A COP	8,525,000	8,525,000	100.00%	-
2025A COP	-	-	-	-
Subtotal Principal Payments	<u>33,330,000</u>	<u>143,265,000</u>	<u>429.84%</u>	<u>(109,935,000)</u>
Interest Expense by Debt Issue:				
2010A BABs	2,986,574	3,343,405	111.95%	(356,831)
2010C BABs	971,230	1,087,305	111.95%	(116,075)
2016A COP	5,475,800	1,942,355	35.47%	3,533,445
2017A COP	3,290,750	2,468,150	75.00%	822,600
2021A COP	3,835,250	2,719,050	70.90%	1,116,200
2022A COP	4,081,000	3,060,800	75.00%	1,020,200
2024A COP	6,460,500	4,774,300	73.90%	1,686,200
2025A COP	-	2,447,659	N/A	(2,447,659)
Subtotal Interest Expense	<u>27,101,104</u>	<u>21,843,024</u>	<u>80.60%</u>	<u>5,258,080</u>
Total Debt Service	<u>\$ 60,431,104</u>	<u>\$ 165,108,024</u>	<u>273.22%</u>	<u>\$ (104,676,920)</u>

(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.

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Self Insurance Budget Review

General Liability and Property Fund Budget Review For the Nine Months Ended March 31, 2026

	2025-26 Budget	Actual Through 03/31/26	Percent of Budget Through 03/31/26	Remaining 2025-26 Budget	Actual Through 03/31/25	Increase (Decrease)
Revenues:						
In-Lieu Premiums	\$ 4,649,886	\$ 3,487,413	75.00%	\$ 1,162,473	\$ 3,286,485	\$ 200,928
Service Department Allocations	25,000	(164,898)	-659.59%	189,898	2,430	(167,328)
Total Revenues	<u>4,674,886</u>	<u>3,322,515</u>	<u>71.07%</u>	<u>1,352,371</u>	<u>3,288,915</u>	<u>33,600</u>
Expenses:						
Benefits/Claims	400,000	-	0.00%	400,000	41,116	(41,116)
Professional Services	20,000	7,650	38.25%	12,350	6,493	1,157
Subtotal	420,000	7,650	1.82%	412,350	47,609	(39,959)
Policy Premium Expense	4,899,565	3,407,437	69.55%	1,492,128	3,477,986	(70,549)
Total Expenses	<u>5,319,565</u>	<u>3,415,087</u>	<u>64.20%</u>	<u>1,904,478</u>	<u>3,525,595</u>	<u>(110,508)</u>
Excess Revenue (Expense)	(644,679)	(92,572)		<u>\$ (552,107)</u>	(236,680)	144,108
Beginning Reserves	<u>98,644,679</u>	<u>98,644,679</u>			<u>97,635,517</u>	<u>1,009,162</u>
Ending Reserves	<u>\$ 98,000,000</u>	<u>\$ 98,552,107</u>			<u>\$ 97,398,837</u>	<u>\$ 1,153,270</u>

FY 2025-26 Third Quarter Financial Report

Workers' Compensation Fund Budget Review For the Nine Months Ended March 31, 2026

	<u>2025-26 Budget</u>	<u>Actual Through 03/31/26</u>	<u>Percent of Budget Through 03/31/26</u>	<u>Remaining 2025-26 Budget</u>	<u>Actual Through 03/31/25</u>	<u>Increase (Decrease)</u>
Revenues:						
In-Lieu Premiums	\$ 791,455	\$ 593,591	75.00%	\$ 197,864	\$ 494,659	\$ 98,932
Service Department Allocations	100,000	40,275	40.28%	59,725	47,628	(7,353)
Total Revenues	<u>891,455</u>	<u>633,866</u>	<u>71.10%</u>	<u>257,589</u>	<u>542,287</u>	<u>91,579</u>
Expenses:						
Benefits/Claims	600,000	121,906	20.32%	478,094	392,254	(270,348)
Legal Services	250,000	470,733	188.29%	(220,733)	194,733	276,000
Professional Services	<u>100,000</u>	<u>86,861</u>	<u>86.86%</u>	<u>13,139</u>	<u>49,440</u>	<u>37,421</u>
Subtotal	950,000	679,500	71.53%	270,500	636,427	43,073
Policy Premium Expense	<u>476,000</u>	<u>316,097</u>	<u>66.41%</u>	<u>159,903</u>	<u>275,985</u>	<u>40,112</u>
Total Expenses	<u>1,426,000</u>	<u>995,597</u>	<u>69.82%</u>	<u>430,403</u>	<u>912,412</u>	<u>83,185</u>
Excess Revenue (Expense)	(534,545)	(361,731)		<u>\$ (172,814)</u>	(370,125)	8,394
Beginning Reserves	<u>2,534,545</u>	<u>2,534,545</u>			<u>2,364,483</u>	<u>170,062</u>
Ending Reserves	<u>\$ 2,000,000</u>	<u>\$ 2,172,814</u>			<u>\$ 1,994,358</u>	<u>\$ 178,456</u>

April 30, 2026

STAFF REPORT

Certificates of Participation (COP) Report For the Period Ended March 31, 2026

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 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.

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.

COP Report
 For the Period Ended March 31, 2026
 Page 2 of 2

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
2017A Fixed	65,815,000.00	2.55%	1,678,282.50	66,370,000.00	2/1/2017	2/1/2030
2021A Fixed	57,815,000.00	1.06%	612,839.00	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	120,685,000.00	2.72%	3,282,632.00	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>523,835,000.00</u>		<u>13,282,686.50</u>	<u>753,290,000.00</u>		
Weighted Avg Cost of Funds		2.54%				



Orange County Sanitation District
FINANCIAL MANAGEMENT DIVISION

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03/31/26