

Proposed FY 2026-27 and FY 2027-28 Budget

Presented by:

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Operations Committee
June 3, 2026

OC SAN
ORANGE COUNTY SANITATION DISTRICT

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Overview

- Stable revenues
- Expenses include:
 - Operating
 - Capital Improvement Program
 - Debt service
- Staffing:
 - FY 2026-27: 699.5 FTE
 - FY 2027-28: 718.5 FTE
- No new debt

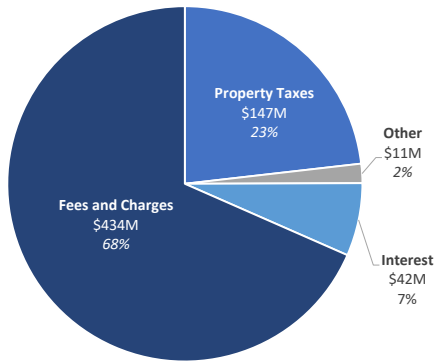
**All figures in millions unless otherwise noted*

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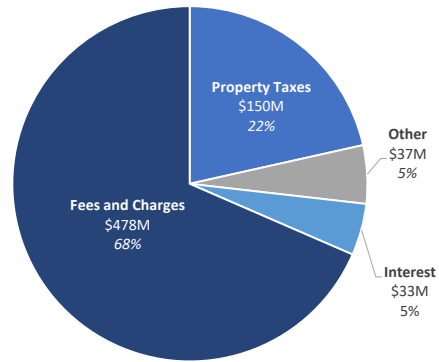
Revenues

FY 2026-27



Total Revenues - \$634M

FY 2027-28



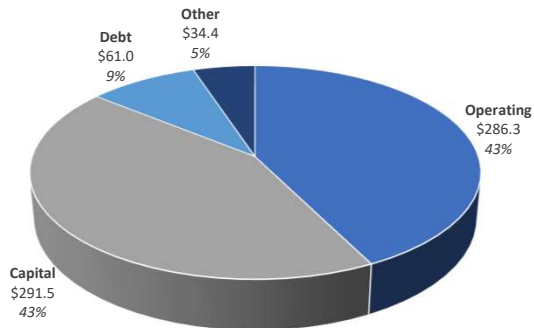
Total Revenues - \$698M

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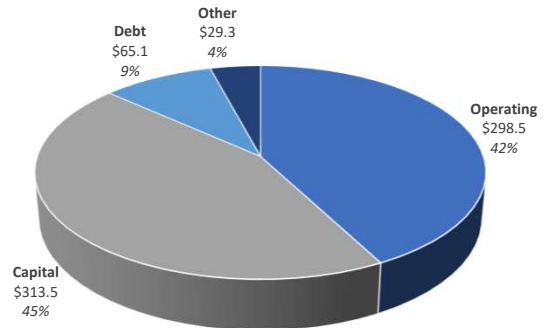
Expenses

FY 2026-27



Total Expenses - \$673.2

FY 2027-28

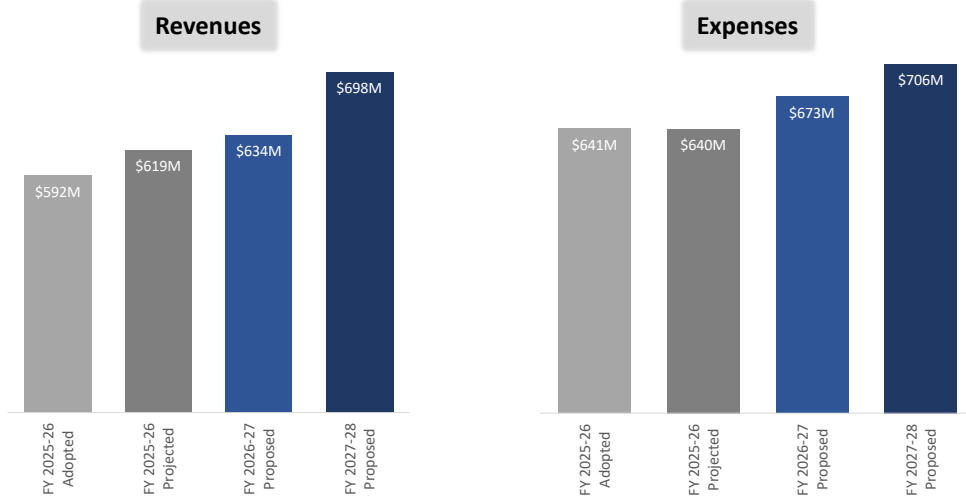


Total Expenses - \$706.4

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Revenues and Expenses

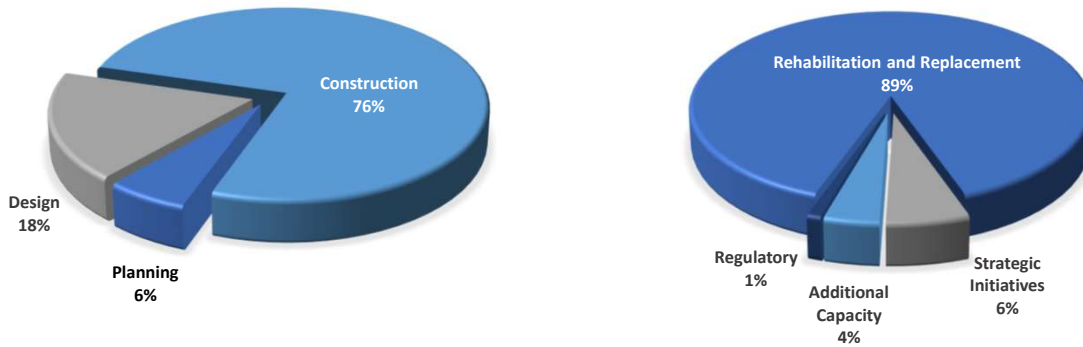


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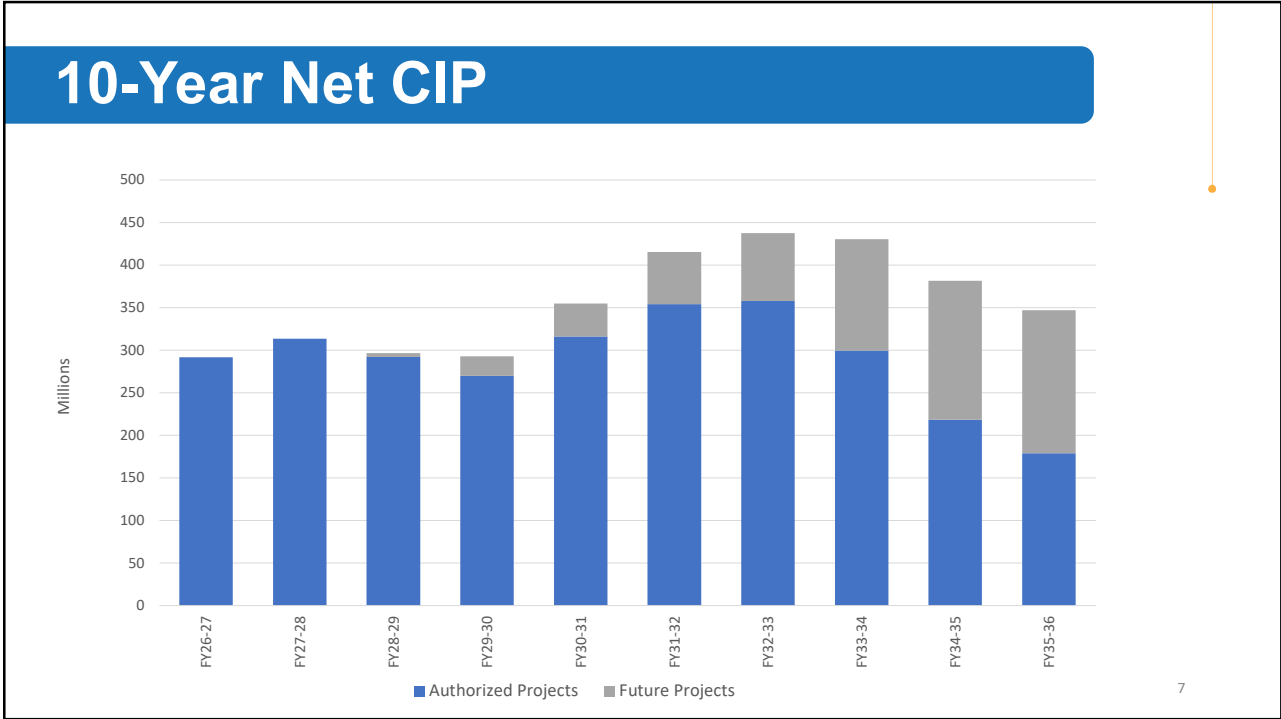
Proposed FY 2026-27 CIP

\$291 Million

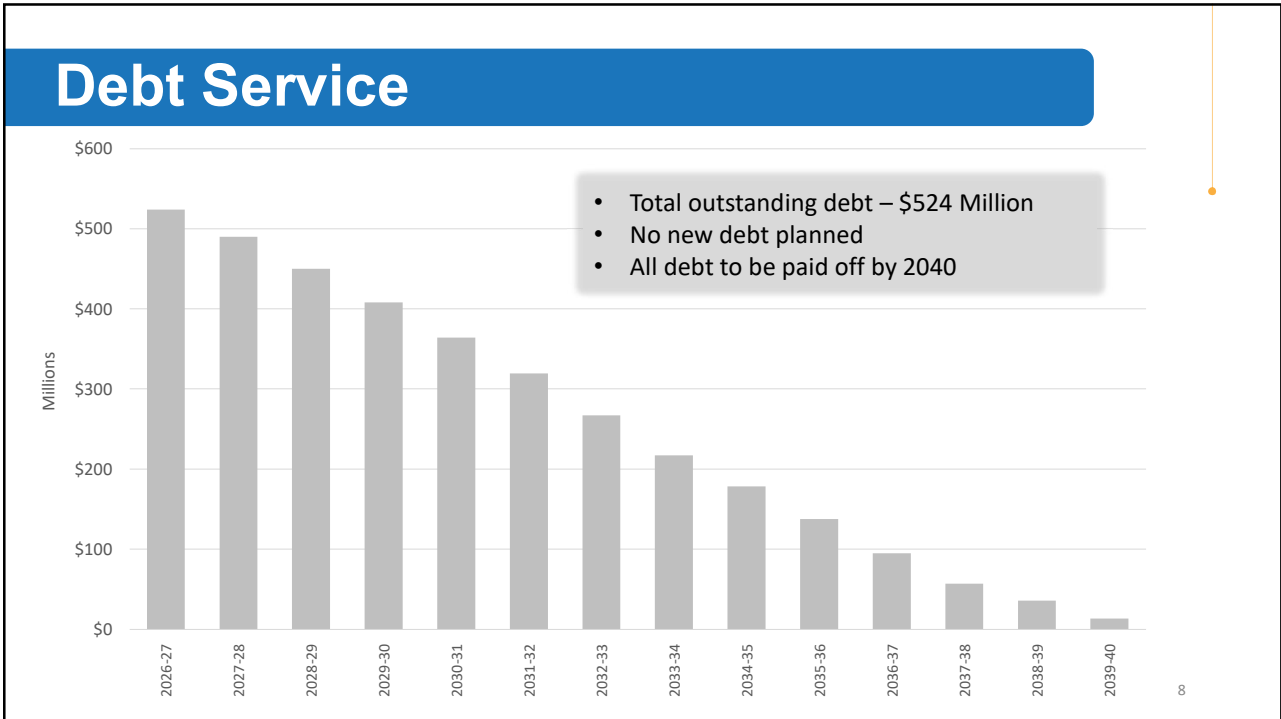


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Cash Flow

Cash Flow Projection						
Def. Description	Proj'n. 20-27	Proj'n. 27-28	Proj'n. 28-29	Proj'n. 29-30	Proj'n. 30-31	Proj'n. 20-32
Revenues						
1 General User Fees	375,791,839	405,025,024	424,451,129	445,445,276	465,585,424	483,243,036
2 Permitted User Fees	24,891,022	29,975,853	31,214,609	32,526,021	34,102,146	35,764,021
3 RRFH Assessments	16,583,146	34,146,146	37,704,917	39,371,439	39,770,644	39,288,844
4 SRRH Assessments	6,763,000	6,914,000	6,875,124	6,168,713	6,884,973	10,254,048
5 Property Taxes	142,217,073	155,191,571	153,915,734	157,763,658	161,707,746	165,760,440
6 Non-CPD Fees	-	-	-	-	-	-
7 Interest Revenues	43,096,000	32,885,000	24,907,012	21,393,871	25,343,028	23,874,803
8 Capital Facilities County Charges	16,352,492	16,852,074	23,854,074	24,384,450	24,962,790	25,863,107
9 Other Revenues	11,236,487	37,229,807	12,068,874	12,148,726	12,248,761	12,347,880
10 Revenues	636,861,037	688,126,822	714,266,861	732,988,861	747,451,784	768,762,712
Requirements						
11 User Fee Rate Fee	276,712,296	291,247,026	306,974,412	323,726,298	344,450,262	364,261,700
12 Capital Investment Program (CIP)	171,426,467	349,981,339	335,788,562	324,844,170	306,161,467	289,149,170
13 Low-CPD Storage & Detention	(7,698,100)	(30,000,700)	(24,941,476)	(29,477,066)	(26,061,376)	(24,091,070)
14 Allocation of State Reimbursement	-	5,245,875	27,524,213	44,803,026	68,872,398	93,872,398
15 Capital Equipment	14,445,729	14,552,070	15,741,388	15,954,386	11,176,514	11,289,024
16 CPD User Service	80,973,861	85,127,111	85,126,811	85,126,811	85,126,811	85,126,811
17 Reimbursement of Long-Term Debt	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000
18 Other Requirements	6,558,970	7,157,867	6,558,970	6,558,970	6,558,970	6,558,970
19 Requirements	476,186,877	724,412,067	677,289,602	711,239,663	736,766,834	810,944,814
20 Revenues Excess/Requirements	160,674,160	163,714,755	37,000,259	26,749,198	17,684,950	17,817,900
Accumulated Funds						
21 Beginning of Year	889,829,328	897,237,228	892,240,143	889,324,121	893,078,911	892,720,745
22 End of Year	847,921,268	836,260,242	836,260,121	836,260,121	840,762,745	792,746,883
23 Cumulative Reserve Policy	836,863,224	846,463,713	854,246,743	859,895,437	874,202,818	878,246,847
24 Over (Under) Reserve Policy	234,916,124	243,996,623	242,287,189	239,476,264	233,462,927	146,794,269
Special Debt (Debt)						
25 Avg CPD Annual User Fee	807	417	401	402	474	407
26 Percentage Change	9.39%	5.03%	4.47%	4.47%	4.67%	4.60%
27 Issuance/Redemption	180,847	39,814	866,704	867,713	867,676	866,546
28 SFR Condition Fee	4,704	4,889	5,240	7,440	7,700	6,026
29 Outstanding CPD	533,895,000	495,400,000	498,900,000	498,900,000	504,100,000	519,490,000
Balance Sheet						
30 10% Net Non-Operating Expense	145,693,760	154,857,708	163,853,148	172,227,760	181,136,878	190,833,403
31 10% Net Non-Operating Expense	28,126,750	30,867,341	32,273,400	34,445,246	36,402,178	38,550,891
32 10% Net Non-Operating CPD Fee	12,616,268	11,434,848	10,966,366	9,486,481	8,263,244	8,965,708
33 10% Average Net Non-Operating CPD Balance	178,000,000	178,000,000	178,000,000	178,000,000	178,000,000	178,000,000
34 Total Net 10% Operating CPD	34,383,320	49,962,000	49,890,000	49,890,000	34,410,000	31,396,000
35 Self-Amortization @ 8.00%	100,000,000	100,000,000	100,000,000	100,000,000	100,000,000	100,000,000
36 Total 10% Debt	75,000,000	75,000,000	75,000,000	75,000,000	75,000,000	75,000,000
37 Reserve Retention	-	-	-	-	-	-
38 Total	836,863,224	846,463,713	854,246,743	859,895,437	874,202,818	878,246,847
CPD Status						
39 30-Year Coverage Min 1.25	0.00	0.00	0.70	0.90	0.26	0.00

Cash Flow Projection					
Def. Description	Proj'n. 32-33	Proj'n. 33-34	Proj'n. 34-35	Proj'n. 35-36	10-Year Total
Revenues					
1 General User Fees	516,924,709	546,739,098	576,032,700	605,880,603	4,867,923,514
2 Permitted User Fees	37,819,277	39,924,242	41,302,168	43,000,000	346,046,717
3 RRFH Assessments	20,045,000	39,017,137	39,202,804	39,400,761	385,146,602
4 SRRH Assessments	10,844,184	11,637,700	12,127,118	12,642,428	107,252,071
5 Property Taxes	168,834,024	174,143,008	178,493,008	182,872,474	1,543,028,544
6 Non-CPD Fees	-	-	-	-	-
7 Interest Revenues	213,498,910	194,147,177	161,149,802	127,948,000	2,043,902,889
8 Capital Facilities County Charges	26,317,276	27,146,831	27,944,294	28,746,803	241,822,204
9 Other Revenues	12,917,000	12,022,108	10,848,811	12,717,716	103,000,000
10 Revenues	826,351,806	846,764,163	867,864,186	889,258,609	7,048,084,761
Requirements					
11 User Fee Rate Fee	562,016,626	577,516,147	592,716,716	608,460,891	5,002,726,914
12 Capital Investment Program (CIP)	424,782,073	399,024,458	358,022,240	324,434,094	3,364,146,710
13 Low-CPD Storage & Detention	(8,843,283)	(30,000,700)	(24,941,476)	(29,477,066)	(24,091,070)
14 Allocation of State Reimbursement	6,663,600	12,114,875	18,022,200	28,842,000	65,642,775
15 Capital Equipment	11,672,004	11,653,004	12,042,700	12,042,700	109,402,000
16 CPD User Service	63,817,446	63,126,811	63,126,811	63,126,811	631,460,811
17 Reimbursement of Long-Term Debt	10,000,000	10,000,000	10,000,000	10,000,000	100,000,000
18 Other Requirements	6,558,970	6,558,970	6,558,970	6,558,970	66,572,870
19 Requirements	814,203,800	818,203,737	806,874,769	879,264,801	6,996,223,886
20 Revenues Excess/Requirements	112,148,006	348,260,426	158,989,420	109,993,808	1,051,860,875
Accumulated Funds					
21 Beginning of Year	782,746,202	684,672,807	638,614,170	654,272,002	3,884,662,274
22 End of Year	680,817,887	689,816,170	689,816,170	719,816,170	3,974,764,468
23 Cumulative Reserve Policy	626,769,432	627,674,146	627,674,146	627,674,146	6,274,674,146
24 Over (Under) Reserve Policy	54,047,455	54,142,024	61,142,024	92,142,024	1,801,277,455
Special Debt (Debt)					
25 Avg CPD Annual User Fee	521	547	574	600	5,600
26 Percentage Change	4.97%	4.95%	4.95%	4.88%	-
27 Issuance/Redemption	100,000	100,000	100,000	100,000	1,000,000
28 SFR Condition Fee	5,007	5,000	5,000	5,010	50,010
29 Outstanding CPD	5,268,700.00	5,213,600.00	5,178,600.00	5,173,600.00	51,733,600.00
Balance Sheet					
30 10% Net Non-Operating Expense	203,763,000	213,263,000	222,763,000	232,263,000	1,878,263,000
31 10% Net Non-Operating Expense	40,750,000	43,719,118	45,544,888	47,420,888	474,044,888
32 10% Net Non-Operating CPD Fee	12,616,268	11,434,848	10,966,366	9,486,481	82,540,481
33 10% Average Net Non-Operating CPD Balance	178,000,000	178,000,000	178,000,000	178,000,000	1,780,000,000
34 Total Net 10% Operating CPD	24,810,000	27,146,800	27,944,294	28,746,800	241,822,200
35 Self-Amortization @ 8.00%	100,000,000	100,000,000	100,000,000	100,000,000	1,000,000,000
36 Total 10% Debt	75,000,000	75,000,000	75,000,000	75,000,000	750,000,000
37 Reserve Retention	-	-	-	-	-
38 Total	626,769,432	627,674,146	627,674,146	627,674,146	6,274,674,146
CPD Status					
39 30-Year Coverage Min 1.25	0.00	0.00	0.00	0.10	-

Cash Flow

	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36
Beginning	886	847	839	846	869	846	770	688	639	565
Revenues	634	398	704	734	767	801	833	767	902	940
Requirements	673	706	697	711	790	877	915	916	886	876
Ending	847	839	846	869	846	770	688	639	565	719
<i>SFR Rate</i>	<i>\$397</i>	<i>\$411</i>	<i>\$431</i>	<i>\$452</i>	<i>\$474</i>	<i>\$497</i>	<i>\$521</i>	<i>\$547</i>	<i>\$574</i>	<i>\$602</i>
<i>Rate Increases</i>	<i>3.39%</i>	<i>3.53%</i>	<i>4.87%</i>	<i>4.87%</i>	<i>4.87%</i>	<i>4.85%</i>	<i>4.83%</i>	<i>4.99%</i>	<i>4.94%</i>	<i>4.88%</i>

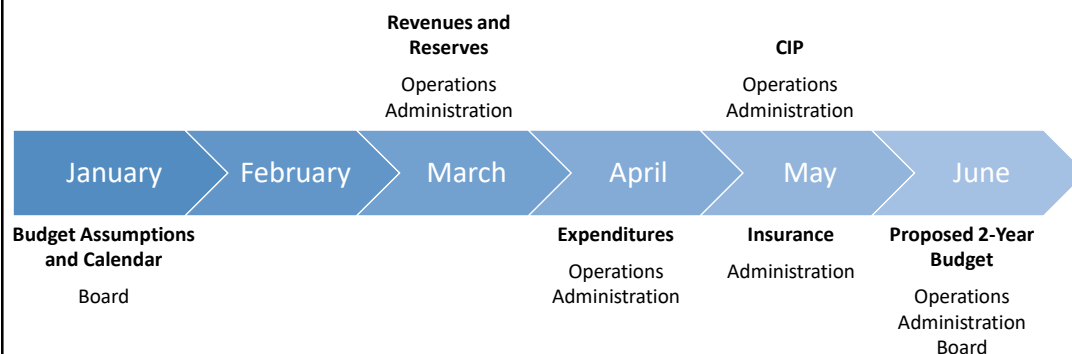
Summary

- No new debt
- Planned cash flow for healthy CIP
- Rate increases below 5 percent
- Conservative revenue assumptions
- Constant monitoring throughout budget cycle

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Key Meeting Dates



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Recommendation

Information item.