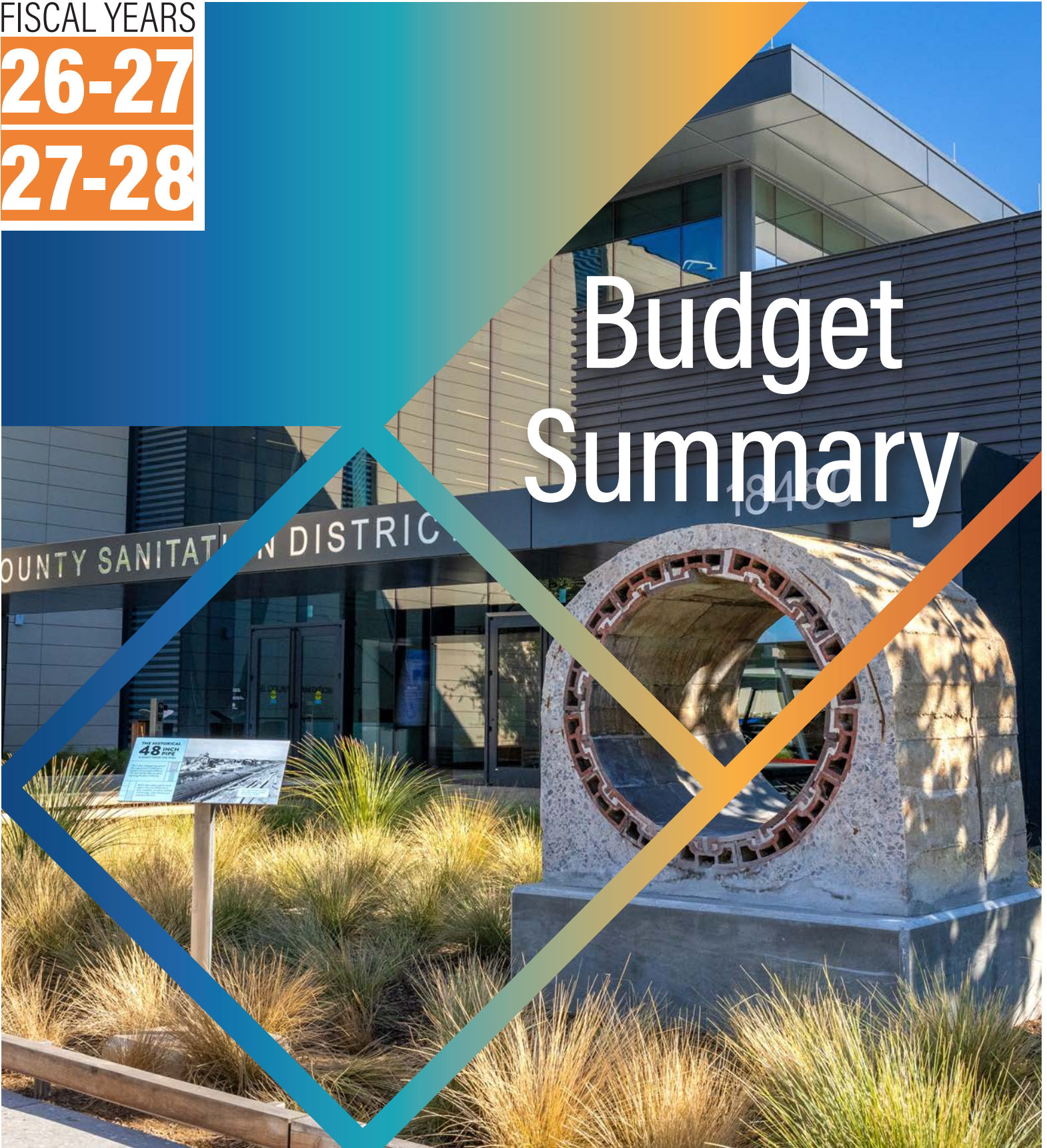


FISCAL YEARS

26-27

27-28

Budget Summary



Orange County Sanitation District, California





Introduction Letter

This proposed budget supports OC San's mission to protect public health and the environment through reliable wastewater collection, treatment, recycling, and disposal services. The FY 2026-27 proposed Operating and Capital Improvement Budget totals approximately \$571.3 million, and the FY 2027-28 proposed budget totals approximately \$604.9 million, primarily reflecting planned increases in capital improvement expenditures.

The proposed budget reflects OC San's continued commitment to infrastructure reliability, operational excellence, environmental stewardship, and long-term financial sustainability. Key investments include the rehabilitation and replacement of aging infrastructure, asset management, water recycling and resource recovery, emergency preparedness, cybersecurity, climate resiliency, and workforce development. The Capital Improvement Program includes approximately \$291.5 million in FY 2026-27 and \$313.5 million in FY 2027-28, with a strong emphasis on rehabilitation and replacement projects that reduce long-term risk and support reliable service.

This budget also maintains OC San's strong financial position through prudent planning, no proposed new debt issuances, and continued stewardship of public resources. Through strategic investments in infrastructure, technology, staffing, and innovation, OC San remains well positioned to meet future regulatory, operational, and environmental challenges while maintaining competitive rates. For questions, comments, or feedback regarding the proposed budget, please contact OC San at 714.962.2411 or via email at ForInformation@ocsan.gov.



Rob Thompson

OC San General Manager

Board of Directors

CITIES

ACTIVE DIRECTOR

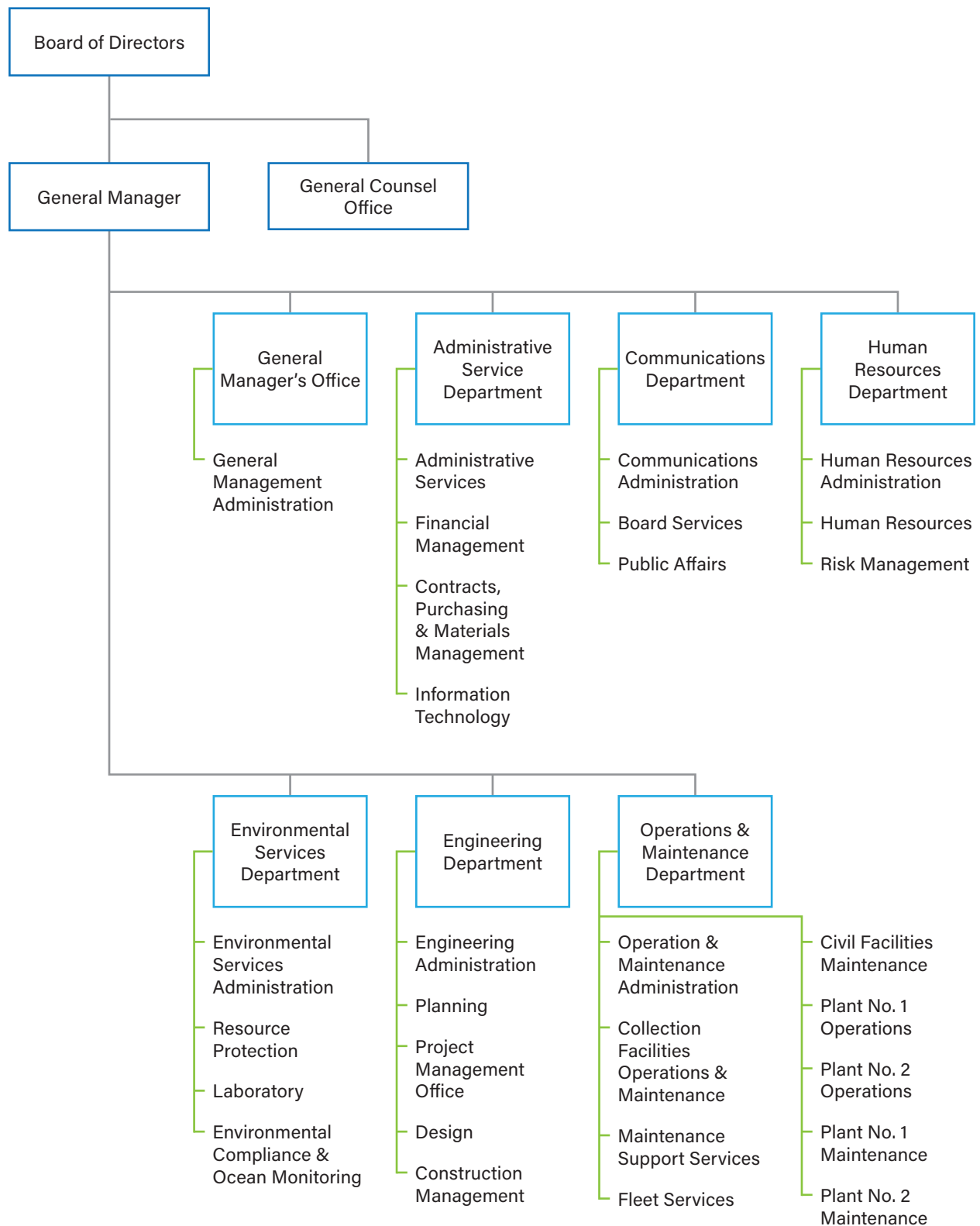
Anaheim	Carlos A. Leon
Brea	Christine Marick
Buena Park	Joyce Ahn
Cypress	Bonnie Peat
Fountain Valley	Ted Bui
Fullerton	Jamie Valencia
Garden Grove	Stephanie Klopfenstein
Huntington Beach	Pat Burns
Irvine	Melinda Liu
La Habra	Jose Medrano
La Palma	Debbie Baker
Los Alamitos	Jordan Nefulda
Newport Beach	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

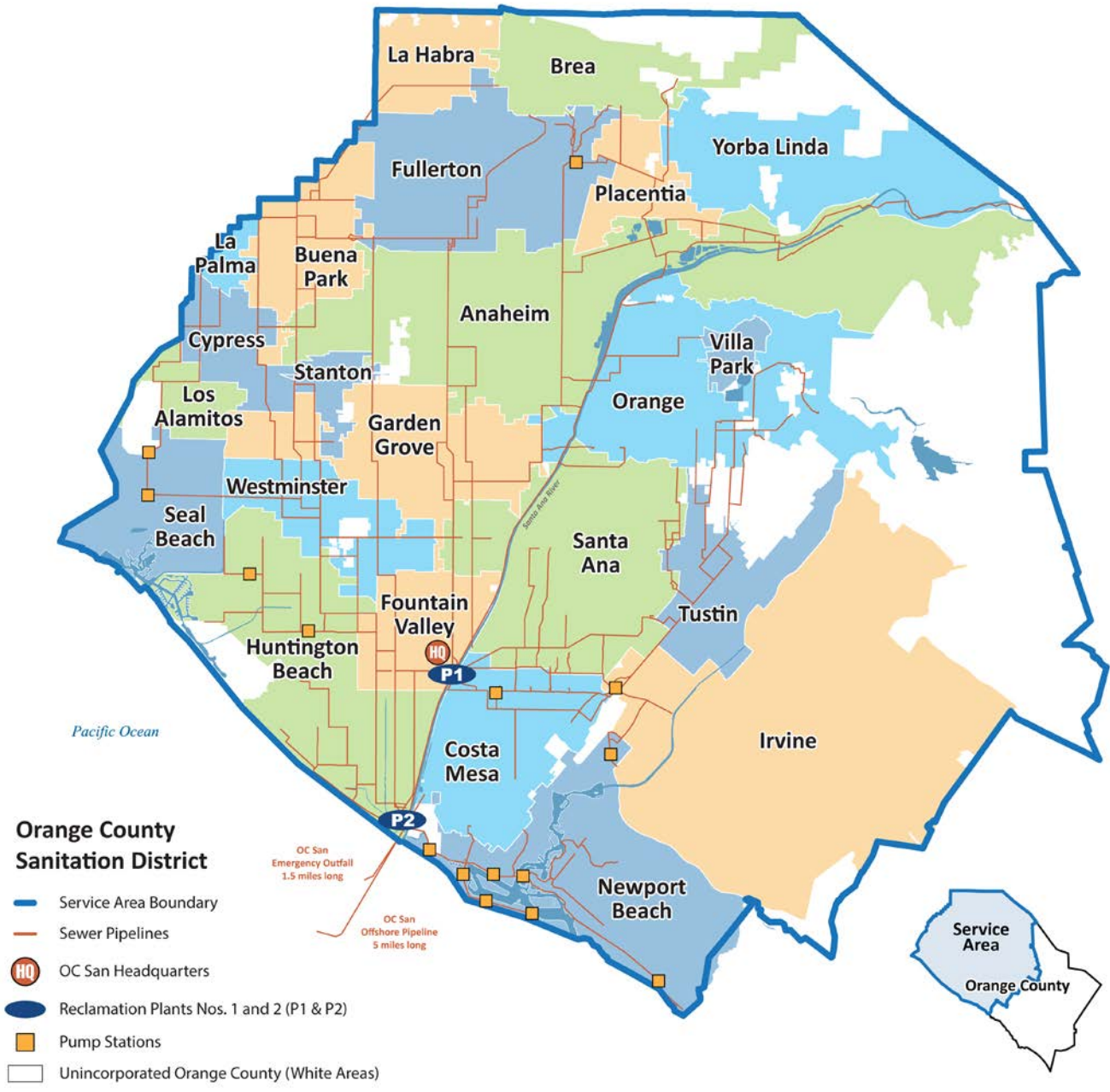


Organizational Chart



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



Core Values

The Core Values support our Mission and Vision statements by expressing the values, beliefs, and philosophy that guides our daily actions. They help form the framework of our organization and reinforce our professional work ethic.

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.

Where the Money Comes From

	Fiscal Year 2026-27	Fiscal Year 2027-28
User Fees	\$434,224,947	\$478,008,464
Taxes Levied	\$147,217,373	\$150,161,721
Interest Income	\$42,006,000	\$32,885,000
Other	\$11,235,807	\$37,078,807
Total	\$634,684,127	\$698,133,992

Where the Money Goes

	Fiscal Year 2026-27	Fiscal Year 2027-28
Capital Improvement Program	\$291,475,441	\$313,540,607
Operating Expense	\$286,281,066	\$298,425,196
Debt Service	\$60,972,861	\$65,127,111
Other	\$34,445,729	\$29,322,073
Total	\$673,175,097	\$706,414,987

Strategic Plan

Preparing and planning for the future of OC San and the community we serve is the essence of who we are. As a 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, and Workplace Environment.

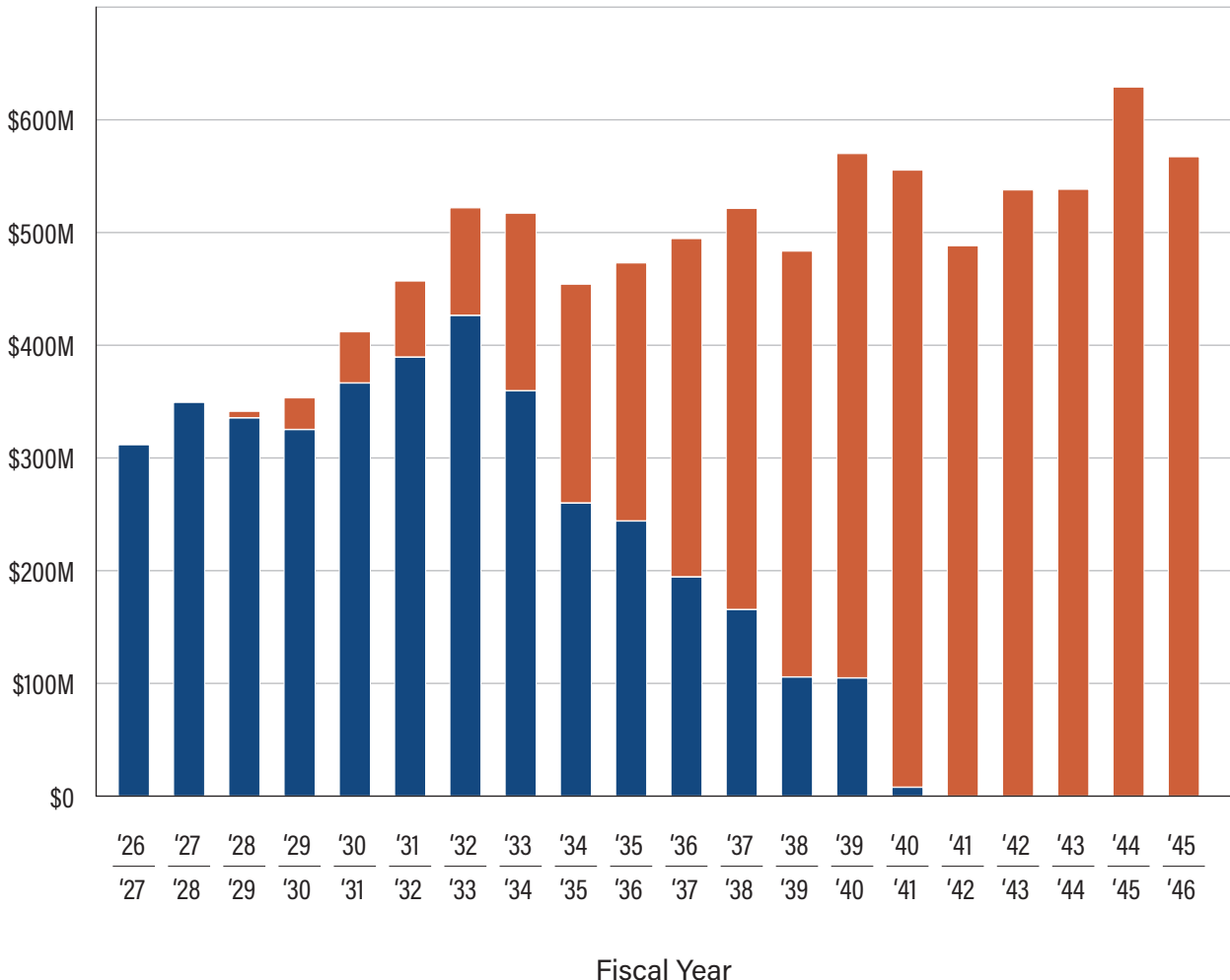


Construction Program

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 and plants to maintain reliable and resilient facilities.

20 Year CIP Outlay

- Proposed CIP Outlay for Board Authorized Projects
- Future CIP, Rehabilitation and Refurbishment



Seven new projects were created during this year's budget process, totaling \$250 million. These projects are:

Project No. 3-69

Bushard Diversion
Structure Improvements

Construction: 2030-2032

Construction Budget:
\$3.3 million

Project No. 3-70

McFadden Branch-Bolsa
Relief Trunk Rehabilitation

Construction: 2031-2033

Construction Budget:
\$9.0 million

Project No. 5-70

Lido Pump
Station Rehabilitation

Construction: 2031-2033

Construction Budget:
\$16.0 million

Project No. 11-36

Lake-Atlanta
Sewer Rehabilitation

Construction: 2031-2033

Construction Budget:
\$6.9 million

Project No. P1-144

Service Center and CenGen
Electrical Distribution
Equipment Replacement at P1

Construction: 2033-2036

Construction Budget:
\$38.0 million

Project No. P2-144

Power Building C
Replacement at Plant No. 2

Construction: 2030-2033

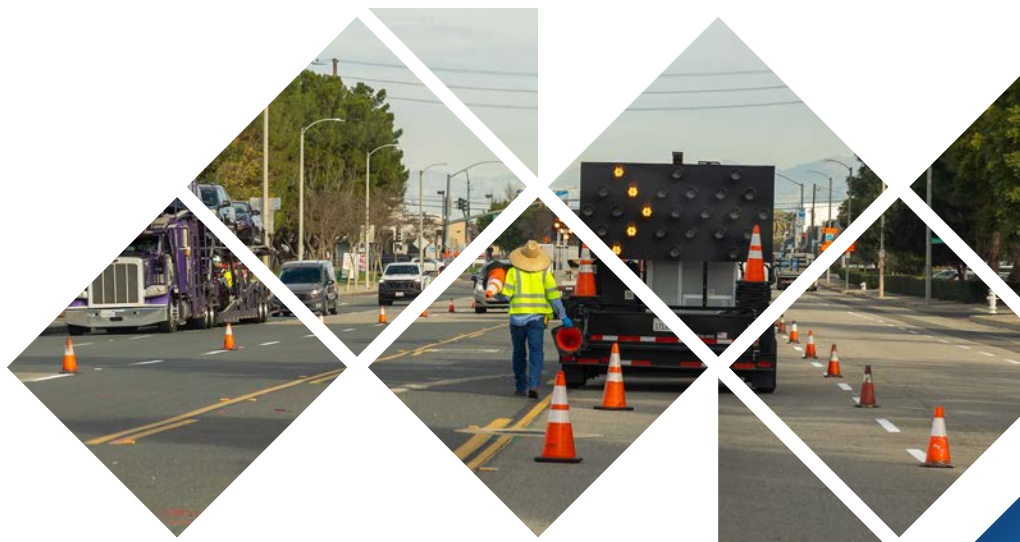
Construction Budget:
\$30.2 million

Project No. P2-145

Southern California Edison
Substation Replacement at
Plant No. 2

Construction: 2030-2033

Construction Budget:
\$76.3 million



Department Summary

Expenses by Department

Department	FY 26/27	FY 27/28
General Manager	\$3,142,033	\$3,244,316
Administrative Services	\$56,168,731	\$58,848,819
Communications	\$4,364,990	\$4,111,684
Human Services	\$9,471,778	\$9,738,330
Environmental Services	\$29,533,549	\$31,860,147
Engineering	\$40,593,508	\$41,316,444
Operations & Maintenance	\$163,138,781	\$170,184,127
Less: Cost Allocation	(\$26,701,274)	(\$28,036,338)
Net Operating Requirements	\$279,712,096	\$291,267,529

Staffing by Department | Full Time Employees

Department	FY 26/27	FY 27/28
General Manager	5.00	4.00
Administrative Services	112.00	113.00
Communications	16.00	16.00
Human Resources	28.00	28.00
Environmental Services	104.50	110.50
Engineering	142.00	154.00
Operations & Maintenance	292.00	292.00
Grand Total - All Departments	699.50	718.50



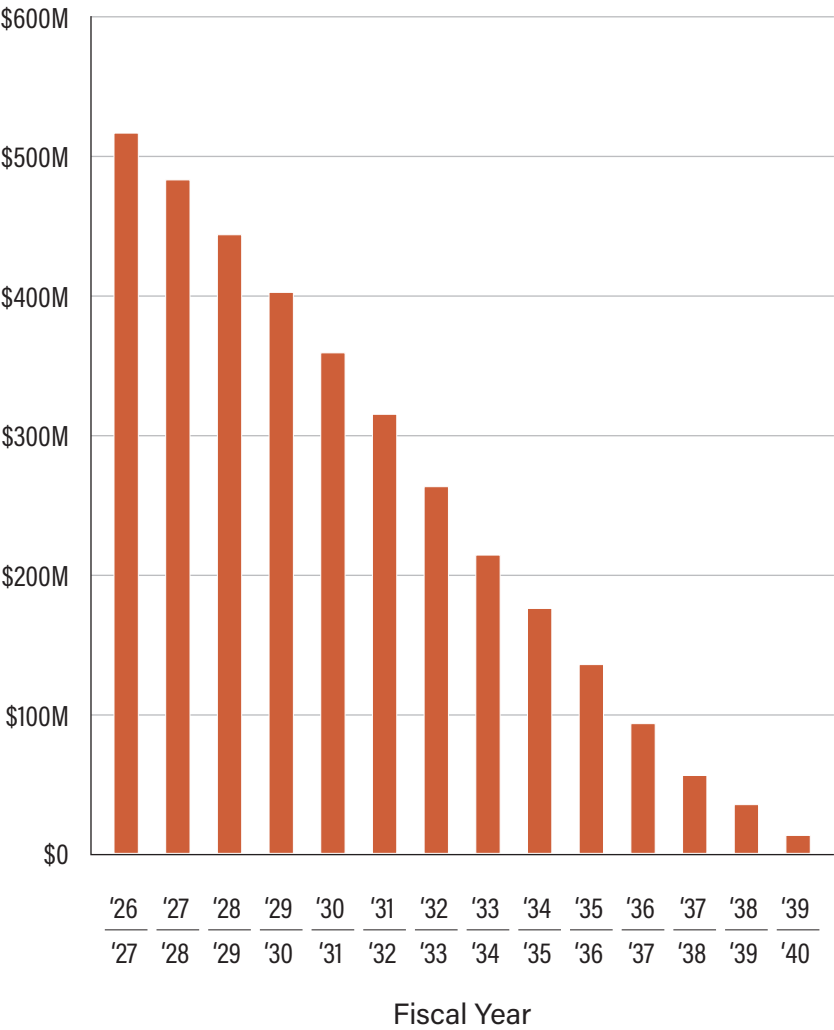
Sewer Service Rates

	Fiscal Year	Sewer Service Rate	% Increase
ACTUAL	2016-17	\$327	—
	2017-18	\$331	1.22%
	2018-19	\$335	1.21%
	2019-20	\$339	1.19%
	2020-21	\$339	0.00%
	2021-22	\$343	1.18%
	2022-23	\$347	1.17%
	2023-24	\$358	3.17%
	2024-25	\$371	3.63%
	2025-26	\$384	3.50%
PROPOSED	2026-27	\$397	3.39%
	2027-28	\$411	3.53%

Long Term Debt

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, Moody's Investors Service Incorporated, and Standard & Poor's.

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 is the only California utility with a AAA rating from all three major rating agencies.



MOODY'S
RATINGS

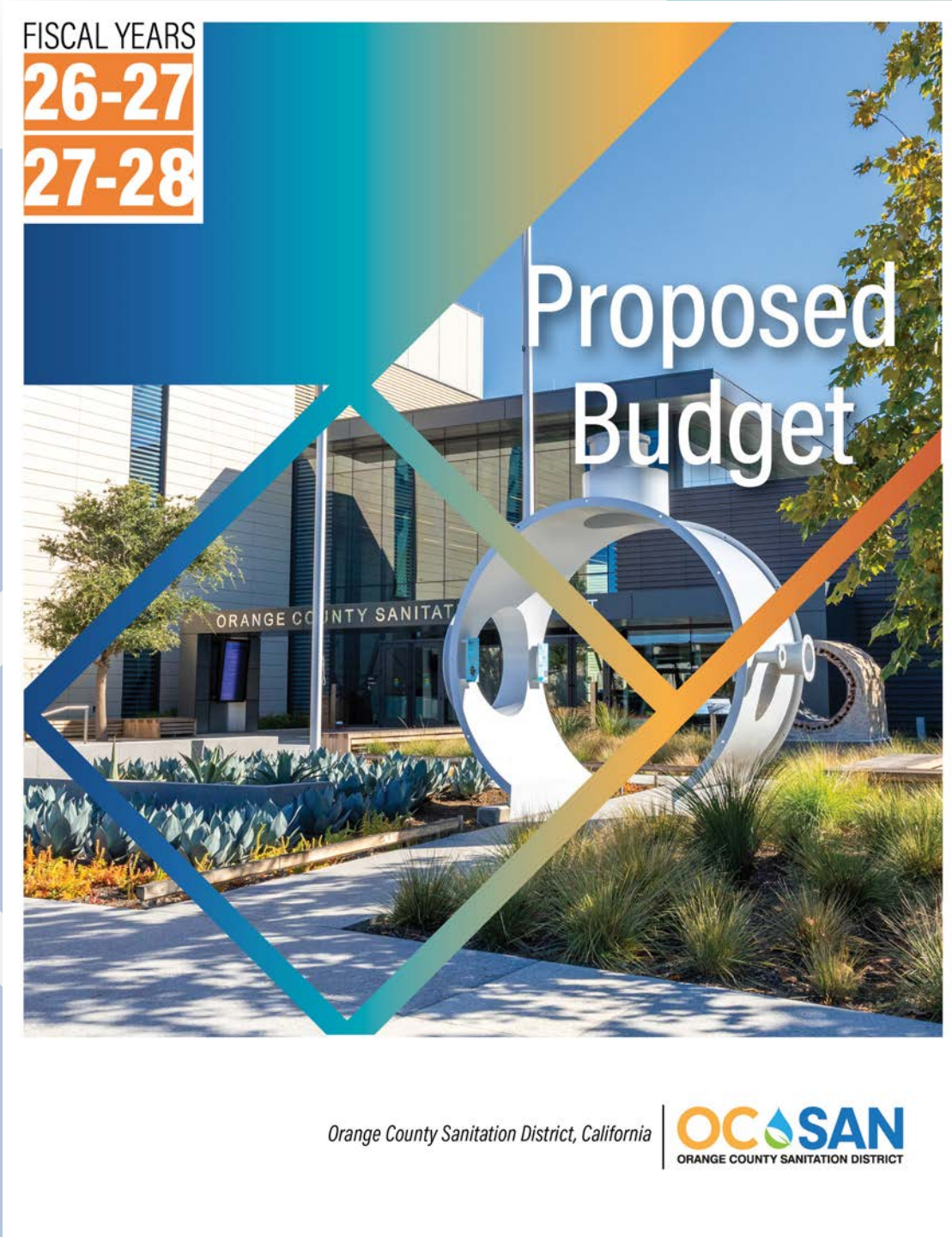
FitchRatings

S&P Global
Ratings



Full Budget Report

The detailed budget report for Fiscal Years 2026-27 and 2027-28 including details on operating, capital and debt expenses and revenues is available at www.ocsan.gov.



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Financial Management Division

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