

**MesaWater**  
DISTRICT®

# OPERATING BUDGET

**FISCAL YEAR 2026**

Mesa Water District | Costa Mesa, California

**MesaWater.org**

*Dedicated to Satisfying Our Community's Water Needs*



# ADOPTED BUDGET FISCAL YEAR 2026

*Dedicated to Satisfying our Community's Water Needs*

1965 Placentia Avenue, Costa Mesa, CA 92627  
MesaWater.org 💧 949.631.1200



## MESA WATER'S VISION:

*To be a top performing public water agency*



## MESA WATER'S MISSION:

*Mesa Water District, a local independent special district, manages its finances and water infrastructure, and advocates water policy, while reliably providing an abundance of clean, safe water to benefit the public's quality of life.*



## Mesa Water's Seven Strategic Goals:

|   |   |  |   |
|---|---|--|---|
| Provide an abundant, local, reliable and safe water supply. | Perpetually renew and improve our infrastructure. | Be financially responsible and transparent.                  | Increase favorable opinion of Mesa Water. |
| Attract, develop and retain skilled employees.              | Provide excellent customer service.               | Actively participate in regional and statewide water issues. |   |



## BOARD OF DIRECTORS

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Director, Division II

June 11, 2025

On behalf of the Mesa Water District (Mesa Water®) Board of Directors, I am pleased to present the approved budget for Fiscal Year (FY) 2026.

Mesa Water operates with a perpetual agency philosophy that requires a scheduled, systematic review of its long-range financial plan and goals. As such, Mesa Water's Strategic Plan includes the goal of being financially responsible and transparent, while providing its customers with an abundant, local, reliable and safe water supply. The District also continually invests in and maintains its infrastructure, which pumps, treats and delivers nearly five billion gallons of drinking water each year to residential and business customers.

In FY 2026, Mesa Water anticipates operating revenues of \$60.3MM, with \$40.8MM in operating expenses. Planned capital expenditures total \$13.8MM and financial obligations for the payment of principal and interest on debt are \$6.9MM.

Mesa Water is currently undertaking \$70MM in essential water system upgrades, including improvements to its wells, reservoirs and pipelines - as part of its Capital Improvement Program Renewal (CIPR), funded through Certificates of Participation. FY 2026 marks the sixth year of this program, which supports the District's key objective of providing an abundant, local, reliable and safe water supply to ratepayers at an affordable price.

Local groundwater is Mesa Water's most valuable source of water, due to its high quality and lower cost compared to water imported from the Colorado River and Northern California. The Mesa Water Reliability Facility (MWRF) fulfills the District's long-standing goal of serving 100 percent local, reliable supplies to its customers. In FY 2026, the MWRF is expected to supply 2,352 acre-feet of water, or 15 percent of the District's potable water service. Local groundwater supplies, when compared with imported water, have lower energy costs and a reduced carbon footprint.

In FY 2026, the District will incur some fixed costs for imported water, which serves as Mesa Water's emergency backup supply. Furthermore, Orange County Water District (OCWD), the agency that manages the Orange County groundwater basin, is increasing the basin replenishment cost by \$22 per acre foot, or 3.1 percent. It is anticipated that OCWD's rates will continue to increase annually over the next several years.

In FY 2026, Mesa Water will continue its focus on essential services and capital and technology improvements that will provide efficiency and productivity gains. The capital improvements will focus on reservoir and pump station upgrades.

**Providing an abundance of local, reliable, clean, safe water.**

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In December 2023, Mesa Water conducted a public hearing and notification process to adopt a five-year rate adjustment. The second and third years of that rate and fee structure are scheduled to take effect in FY 2026, ensuring that Mesa Water continues to provide high-quality water for its customers, carries out orderly capital infrastructure replacement, and continually improves its technological and operational efficiency.

Budget decisions are based on detailed analysis of the District's management, technology and operational practices. Mesa Water periodically benchmarks its performance compared to other agencies to ensure that customers receive full value for the rates charged, and Mesa Water remains one of the most efficient water agencies in Orange County. More information about Mesa Water and its finances, strategic objectives and goals can be found at [MesaWater.org](https://www.MesaWater.org).

I consider it a privilege to serve on the Mesa Water Board of Directors to advocate for water, our most precious asset, which is key to our quality of life and the economic development of our vibrant community. We look forward to continuing to provide 100% local, reliable, clean, safe water now and for generations to come.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Marice H. DePasquale', written in a cursive style.

Marice H. DePasquale  
Mesa Water District  
President, Board of Directors

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Mesa Water District  
**Fiscal Year 2026 Budget**

Date: June 11, 2025

To: Mesa Water District Board of Directors

**FISCAL YEAR 2026 BUDGET MESSAGE**

I am pleased to present the Fiscal Year (FY) 2026 budget for Mesa Water District (Mesa Water®), beginning July 1, 2025 and ending June 30, 2026.

I would like to express my appreciation to the members of the Board of Directors (Board) for your confidence in Mesa Water's management team as well as your review, advice, suggestions and policy direction during the budgeting process. This document reflects the time you spent considering and analyzing the District's financial well-being and role in this community. I would also like to thank staff for their contributions and participation in the development of the FY 2026 budget.

Our mission statement is "Mesa Water District, a local independent special district, manages its finances and water infrastructure, and advocates water policy, while reliably providing an abundance of clean, safe water to benefit the public's quality of life." Mesa Water's strategic plan fulfills the District's mission through seven equal and important strategic goals. Mesa Water provides safe, high-quality water that meets or surpasses all Federal and State drinking water standards. The enhanced Mesa Water Reliability Facility (MWRf) allows the District to provide a 100 percent local and reliable, high-quality and cost-effective water supply for our service area for decades to come.

**Organizational Priorities**

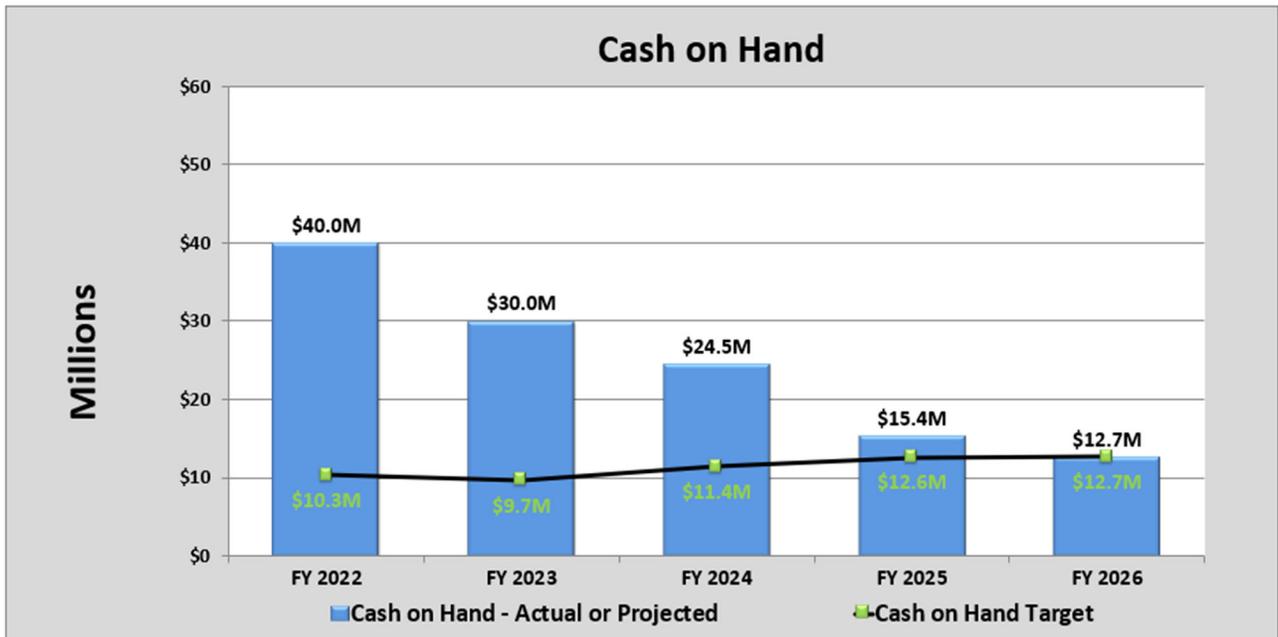
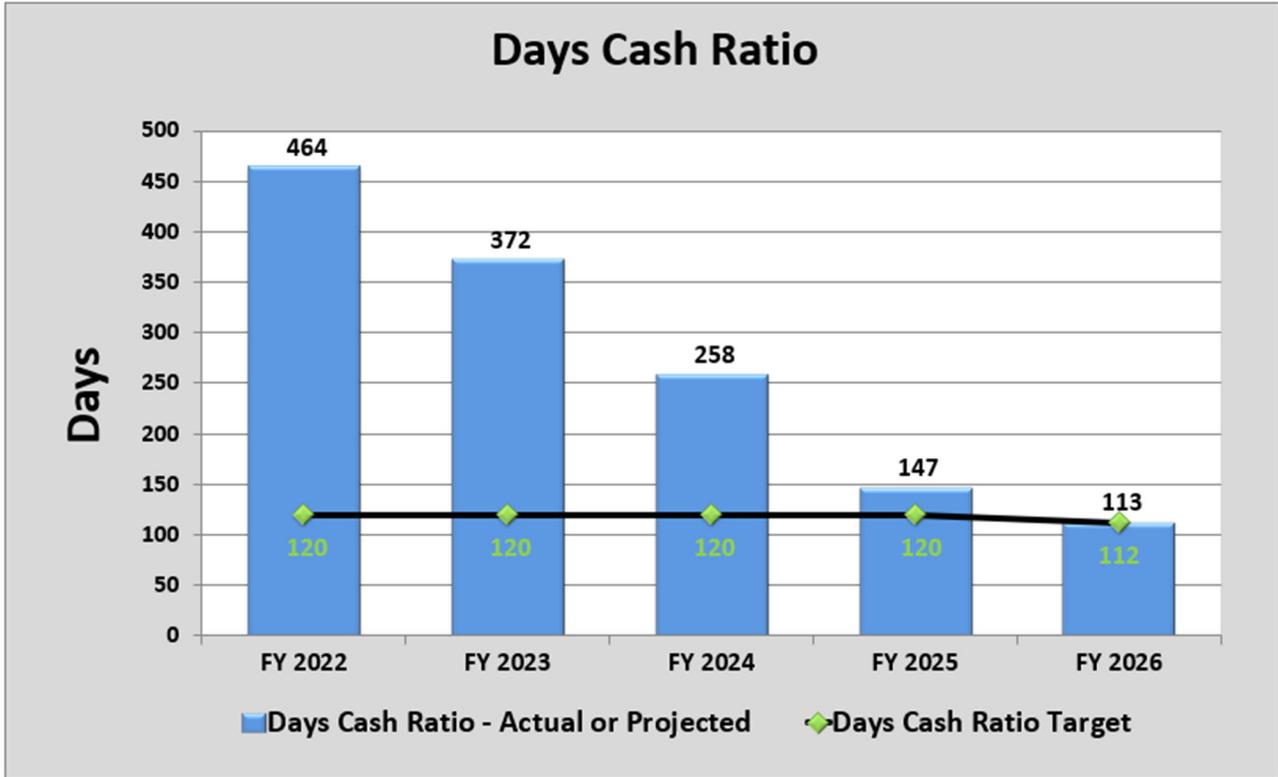
In 2023, Mesa Water's Board reaffirmed the long-range financial plan and adopted multi-year rate increases from Calendar Year 2024 through 2028. In addition, the Board continued its credit worthiness goal as defined by Fitch, Standard & Poor's and other credible rating agencies. The goal is to continue to maintain Mesa Water's strong AAA credit rating. The Board continues to further measure the District's credit-worthiness at the end of each fiscal year by using the Days Cash Ratio, Cash on Hand, and debt coverage metrics. The Days Cash Ratio is defined as total cash available divided by Operating Expenses per days and is a measurement of an agency's ability to meet known and unanticipated expenses. The Days Cash Ratio goal for FY 2026 is 112 days and the Cash on Hand goal is \$12.7 MM.

With Mesa Water's last debt issuance in June 2020, the Fitch agency issued a AAA credit rating. For this same debt issuance, Standard & Poor's also issued a AAA rating. Subsequently, in the spring of 2024, Fitch reaffirmed AAA the rating for the 2017 and 2020 debt issuance. Mesa Water is continuing to work on maintaining a strong AAA credit rating from all rating agencies.

The FY 2026 budget meets both the Days Cash Ratio goal of 112 days and Cash on Hand goal of \$12.7 MM, with a budgeted Days Cash Ratio of 113 days and a budgeted Cash on Hand amount of \$12.7 MM.

Fitch reviews many factors to qualify for their highest rating, one of which is debt service coverage. Fitch awards its highest score for a coverage of 2.0 or greater, while S&P awards its highest score at 1.6 or above. Mesa Water's calculated debt service coverage per the FY 2026 budget is 2.92.

Mesa Water District  
Fiscal Year 2026 Budget



Mesa Water District  
**Fiscal Year 2026 Budget**

**Mesa Water’s Strategic Plan**

The following seven goals are reflected in the FY 2026 budget:

1. Provide an abundant, local, reliable and safe water supply.
2. Perpetually renew and improve our infrastructure.
3. Be financially responsible and transparent.
4. Increase favorable opinion of Mesa Water.
5. Attract, develop and retain skilled employees.
6. Provide excellent customer service.
7. Actively participate in regional and statewide water issues.

**Revenues**

Mesa Water has budgeted 15,678 acre feet of potable water production and 870 acre feet of recycled water (total of 16,548 acre feet) for FY 2026, compared to 15,998 acre feet of potable water production and 1,087 acre feet of recycled water (total of 17,085 acre feet) budgeted for FY 2025.

Changes by major category of Operating Revenues are summarized below:

|                                 | <b>FY 2025 Budget</b> | <b>FY 2026 Budget</b> |
|---------------------------------|-----------------------|-----------------------|
| <b>Operating Revenues:</b>      |                       |                       |
| Water Consumption Sales         | \$37,173,231          | \$39,650,317          |
| Monthly Meter Service Charge    | 8,075,826             | 9,179,511             |
| Capital Charge                  | 7,965,684             | 9,484,778             |
| Recycled Water Sales            | 1,721,369             | 1,585,822             |
| Concessions from Gov. Agencies  | -                     | -                     |
| Other Charges and Services      | 400,000               | 400,000               |
| <b>TOTAL OPERATING REVENUES</b> | <b>\$55,336,110</b>   | <b>\$60,300,428</b>   |

Mesa Water District  
**Fiscal Year 2026 Budget**

Mesa Water’s FY 2026 Operating Revenues are budgeted at \$60.3 MM compared to \$55.3 MM in the FY 2025 budget. Additionally, the Fiscal Year 2026 budget includes revenues based upon the second and third of rate increases in potable water consumption rates, monthly meter service charges and annual capital meter charge from the multi-year rate schedule adopted in 2023 as detailed below:

**ADOPTED SCHEDULE OF RATE CHANGES**

|                                  | 1/1/2023 | 1/1/2024 | 1/1/2025                                  | 1/1/2026 | 1/1/2027 | 1/1/2028 |
|----------------------------------|----------|----------|---|----------|----------|----------|
| <b>Per Unit* (CCF):</b>          |          |          | <b>Usage Charge Rate</b>                  |          |          |          |
| Potable                          | \$4.87   | \$5.42   | \$5.96                                    | \$6.38   | \$6.83   | \$7.30   |
| <b>Meter Size:</b>               |          |          | <b>Bi-monthly Meter Basic Charge Rate</b> |          |          |          |
| 5/8"                             | \$29.55  | \$32.93  | \$36.22                                   | \$38.75  | \$41.47  | \$44.37  |
| <b>Potable Water Meter Size:</b> |          |          | <b>Annual Capital Meter Charge Rate</b>   |          |          |          |
| 5/8"                             | \$99.92  | \$163.45 | \$180.00                                  | \$231.00 | \$284.00 | \$340.00 |

\*One unit equals 100 cubic feet or 748 gallons.

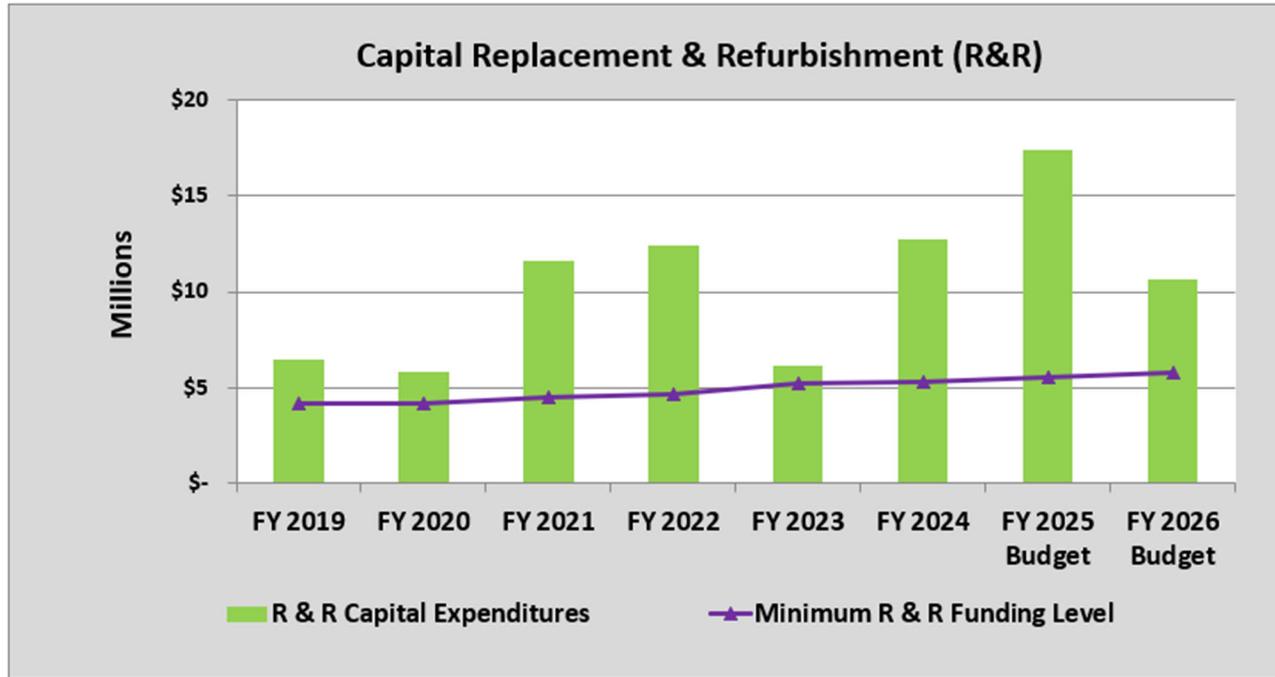
Due to development activity revenue remaining less stable and being influenced by general economic conditions, revenues related to development activity are budgeted based on an eight-year rolling historical average. Mesa Water expects this method to reduce volatility in budgeting development revenues.

**Capital Projects**

The FY 2026 capital budget includes expenditures of \$13.4 MM representing a 40 percent decrease from the FY 2025 budget of \$22.3 MM. This is part of a multi-year, \$70 MM, Capital Improvement Program Renewal (CIPR) that has been approved by the Board. The CIPR was funded by a Certificates of Participation issuance in June of 2020. Mesa Water’s Strategic Plan Goal #2 is “Perpetually renew and improve our infrastructure.” The District has a "perpetual agency" philosophy and has adopted a long-range plan to manage, maintain and develop its infrastructure.

To further ensure the District's ability to rely solely upon locally sourced groundwater, construction on the second of two new wells was completed in FY 2024. Funds from the Certificates of Participation will also be used for finalizing a pump station upgrade for the reservoir, new pipelines and replacement of end-of-life pipelines, CIS and ERP system upgrades, a SCADA asset management program, and scheduled annual replacements of hydrants, valves and meters.

Mesa Water District  
**Fiscal Year 2026 Budget**



## Expenses

Included in the expense budget are several items which reflect the goals of Mesa Water’s Strategic Plan:

1. In FY 2026, Mesa Water will continue maintaining and updating Mesa Water’s Computerized Maintenance Management System (CMMS) and streamlining core business processes facilitated through the business improvement process. These projects contribute to Strategic Plan Goal #3 “Be financially responsible and transparent.”
2. During FY 2026, Mesa Water will continue conducting outreach to its key audiences, consisting of customers (ratepayers); community members (residents, organizations, and businesses); Federal, State, County and City elected officials; industry colleagues at OC municipalities, water districts and special districts; media; and current and former Mesa Water staff and Board members. This outreach includes facilitating clear, concise and constant communications; producing publications about Mesa Water and water; and managing Mesa Water’s social media program. Mesa Water plans to conduct ongoing constituent relations activities, including community sponsorships, participating in community events, and giving tours of the MWRf to provide water education and information about programs and services, capital improvements projects and the related benefits. These items contribute to the District’s Strategic Plan Goals #4 “Increase favorable opinion of Mesa Water,” and #6 “Provide excellent customer service.”
3. Lastly, the District will continue its government relations work including legislative affairs and advocacy activities for issues that may impact Mesa Water and its constituents. These items contribute primarily to the District’s Strategic Plan Goals #4 “Increase favorable opinion of Mesa Water” and #7 “Actively participate in regional and statewide water issues,” and secondarily to Goals #3 “Be financially responsible and transparent,” #5 “Attract, develop and retain skilled employees,” and #6 “Provide excellent customer service.”

Mesa Water District  
**Fiscal Year 2026 Budget**

Mesa Water’s FY 2026 Operating Expenses are budgeted at \$41.2 MM compared to \$38.3 MM in the FY 2025 budget, an increase of 6.5 percent in Operating Expenses. Changes by major category of Operating Expenses are summarized below:

|                                 | FY 2025             | FY 2026             | % Change    |
|---------------------------------|---------------------|---------------------|-------------|
| <b>Operating Expense:</b>       |                     |                     |             |
| Imported Sources of Supply      | \$560,800           | \$569,500           | 1.6%        |
| Basin Managed Water             | -                   | -                   | 0.0%        |
| Clear Water                     | 11,597,573          | 11,795,981          | 1.7%        |
| Amber Water                     | 2,928,835           | 3,078,873           | 5.1%        |
| Recycled Water                  | 1,075,043           | 886,530             | -17.5%      |
| Transmission and Distribution   | 9,829,200           | 10,056,011          | 2.3%        |
| General and Administrative      | 12,310,162          | 14,757,255          | 19.9%       |
| <b>TOTAL OPERATING EXPENSES</b> | <b>\$38,301,613</b> | <b>\$41,144,150</b> | <b>7.4%</b> |

**Economic and Policy Issues**

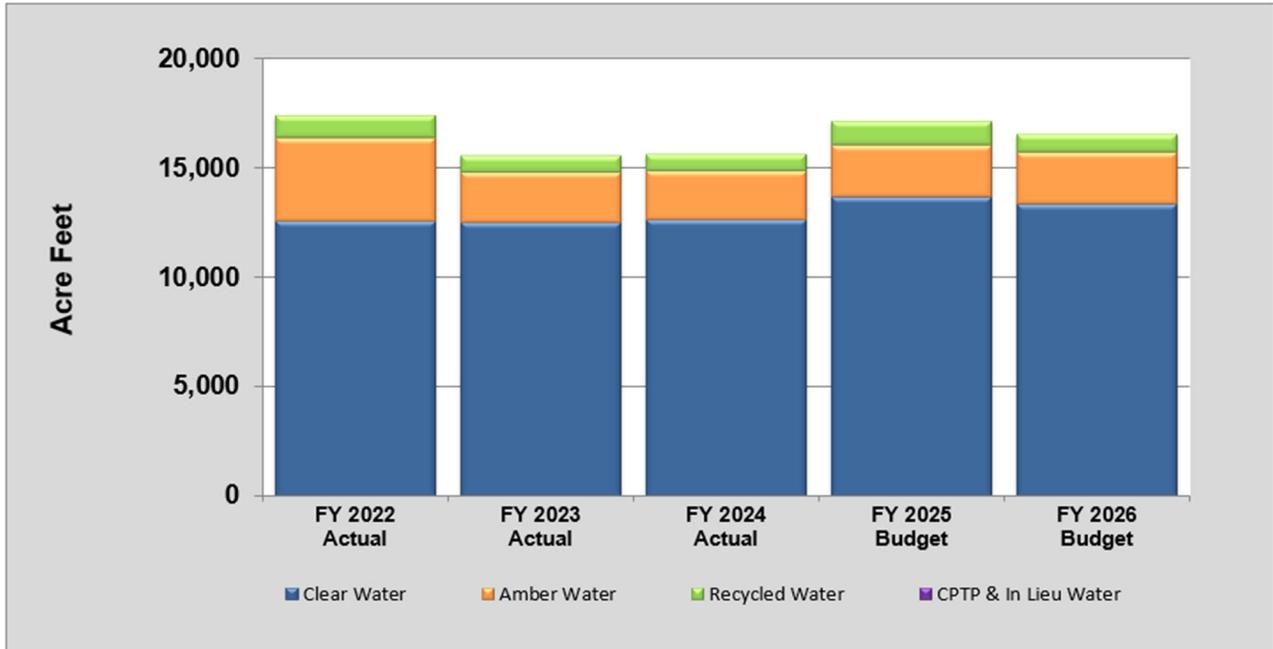
Imported water is higher in cost per acre foot in comparison to clear or amber water, with additional imported fixed costs charged to Mesa Water regardless of the amount of water purchased. Costs detailed below are comprised of (water production) operating expenses:

| Water Source              | FY 2026 Budgeted Average<br>Cost per Acre Foot |
|---------------------------|--|
| <b>Clear Water</b>        | \$885  |
| <b>Amber Water (MWRF)</b> | \$1,309  |
| <b>Imported Water</b>     | \$1,395/\$1,528                                |
| <b>Recycled Water</b>     | \$1,019  |

During FY 2026, Mesa Water expects Orange County Water District (OCWD) to maintain the Basin Pumping Percentage (BPP) at 85 percent of total potable supply. The Replenishment Assessment (RA) acre foot charge by OCWD is expected to increase from \$689 to \$711 due to increased O&M costs and increased import water purchases.

The MWRF Improvements Project was completed in FY 2013, and the MWRF was fully operational in FY 2014. In FY 2026, the MWRF is budgeted to run at an approximate capacity of 2,352 acre feet, complementing clear water production to achieve 100 percent locally-sourced water supplies. With the MWRF, Mesa Water has eliminated the need to purchase imported water in almost all circumstances. The following is a summary of budgeted sources of water for FY 2026:

Mesa Water District  
**Fiscal Year 2026 Budget**



### Staffing Levels

Staffing levels are projected to increase by 5 Full-Time Employee (FTE) from 56 FTE (plus one Limited-Term position in Engineering to support plan checks) to 61 FTE. An Administrative Services Manager will be added to provide direct supervision to the Administrative Services and Human Resources Departments. Additionally, a Board Secretary position will be added to focus exclusively on matters related to the Board of Directors, including meeting preparation and support. A Public Affairs Specialist position will be added to the Public Affairs Department to handle activities and general programs in the department. The Finance Department will add an Accountant to help with the Month End Close process and an Accounting Technician I/II to handle all Accounts Payable activities.

### Conclusion

Mesa Water continues to thrive as an organization. The budget demonstrates Mesa Water's commitment to meeting its financial and strategic goals. The District's Board and staff continue a tradition of innovation with ideas and methods for accomplishing the District's mission: Mesa Water District, a local independent special district, manages its finances and water infrastructure, and advocates water policy, while reliably providing an abundance of clean, safe water to benefit the public's quality of life.

Sincerely,

Paul E. Shoenberger, P.E.  
Mesa Water District, General Manager



## Fiscal Year 2026 Budget

### TABLE OF CONTENTS

|  |            |
|--|------------|
| Message from the President (open for final version).....                               | i          |
| Letter of Transmittal.....   | iii        |
| Table of Contents.....   | x          |
| <br>   |            |
| <b><i>I. BUDGET SUMMARY</i></b>  |            |
| Comparative Statement of Revenues, Expenses, and Changes in Net Position .....         | 1          |
| FY 2025 Departmental Statement of Revenues, Expenses, and Changes in Net Position..... | 2          |
| FY 2024 Departmental Statement of Revenues, Expenses, and Changes in Net Position..... | 3          |
| Capital Expenditures Summary .....   | 4          |
| Pro Forma Statement of Cash Flows.....   | 5          |
| <br>   |            |
| <b><i>II. BASIS OF THE BUDGET</i></b>  |            |
| Water Data .....   | 6          |
| Water Supply Components .....  | 7          |
| Production of Potable Water in Acre Feet, Monthly 4 Year Trend Analysis (Graph).....   | 8          |
| Water Supply Needs – Historical and Projected (Graph).....                             | 9          |
| Water Supply Needs – Historical and Projected with Best Fit Line (Graph).....          | 10         |
| Organizational Chart .....   | 11         |
| Personnel Summary.....   | 12         |
| Labor and Benefits Summary.....  | 13         |
| COP Coverage Ratios .....  | 14         |
| Designated Fund Levels .....   | 15         |
| District Overview .....  | 16         |
| Major Revenue Descriptions .....   | 17         |
| Fund Description .....   | 19         |
| Basis of Accounting .....  | 19         |
| Budget Controls and Revisions.....   | 19         |
| <br>   |            |
| <b><i>III. DEPARTMENTS</i></b>   |            |
| General (Departments 000).....   | 20         |
| Governance (Department 100) .....  | 22         |
| Office of the General Manager Department (Department 200) .....                        | 22         |
| Information Technology (Department 250).....   | 22         |
| Water Costs (Departments 310, 320, and 330) .....                                      | 23         |
| Water Operations Department (Department 300).....                                      | 24         |
| Engineering Department (Department 400) .....  | 24         |
| Customer Services Department (Department 500) .....                                    | 25         |
| Financial Services Department (Department 600).....                                    | 26         |
| Public Affairs Department (Department 700) .....                                       | 27         |
| Water Policy Department (Department 900) .....   | 27         |
| Administrative Services Department (Department 800).....                               | 28         |
| Human Resource Department (Department 850) .....                                       | 28         |
| <br>   |            |
| <b><i>IV. APPENDIX</i></b>   |            |
| Glossary of Terms.....   | Appendix 1 |



Fiscal Year 2026 Budget

Comparative Statement of Revenues, Expenses, and Changes in Net Position

|  | FY 2023<br>ACTUAL   | FY 2024<br>ACTUAL   | FY 2025<br>BUDGET    | FY 2026<br>BUDGET    |
|--|---------------------|---------------------|----------------------|----------------------|
| <b>OPERATING REVENUES:</b>                                   |                     |                     |                      |                      |
| Water consumption sales                                      | \$ 28,790,095       | \$ 31,008,095       | \$ 37,173,231        | \$ 39,650,317        |
| Monthly meter service charge                                 | 8,301,981           | 7,513,123           | 8,075,826            | 9,179,511            |
| Capital charge   | 2,263,880           | 5,890,411           | 7,965,684            | 9,484,778            |
| Recycled water sales   | 1,208,355           | 1,228,365           | 1,721,369            | 1,585,822            |
| Concessions from gov. agencies (incl. CPTP)                  | -                   | -                   | -                    | -                    |
| Other charges and services                                   | 538,036             | 554,479             | 400,000              | 400,000              |
| <b>TOTAL OPERATING REVENUES</b>                              | <b>41,102,347</b>   | <b>46,194,473</b>   | <b>55,336,110</b>    | <b>60,300,428</b>    |
| <b>OPERATING EXPENSES:</b>                                   |                     |                     |                      |                      |
| Imported Water Fixed Costs                                   | 337,578             | 370,528             | 560,800              | 569,500              |
| Basin Managed Water  | -                   | -                   | -                    | -                    |
| Clear water cost   | 8,840,948           | 10,134,301          | 11,597,573           | 11,795,981           |
| Amber water cost   | 2,540,434           | 2,637,395           | 2,928,835            | 3,078,873            |
| Recycled water   | 727,510             | 754,579             | 1,075,043            | 886,530              |
| Transmission and distribution                                | 7,552,934           | 9,532,836           | 9,829,200            | 10,056,011           |
| General and administrative                                   | 9,133,927           | 10,656,440          | 12,310,162           | 14,757,255           |
| <b>TOTAL OPERATING EXPENSES</b>                              | <b>29,133,331</b>   | <b>34,086,080</b>   | <b>38,301,613</b>    | <b>41,144,150</b>    |
| <b>OPERATING INCOME BEFORE DEPRECIATION AND AMORTIZATION</b> | <b>11,969,016</b>   | <b>12,108,393</b>   | <b>17,034,497</b>    | <b>19,156,278</b>    |
| Depreciation and amortization                                | (6,657,317)         | (6,545,617)         | (6,500,000)          | (7,000,000)          |
| <b>OPERATING INCOME</b>                                      | <b>5,311,699</b>    | <b>5,562,777</b>    | <b>10,534,497</b>    | <b>12,156,278</b>    |
| <b>NONOPERATING REVENUES / (EXPENSES):</b>                   |                     |                     |                      |                      |
| Bond issuance costs  | -                   | -                   | -                    | -                    |
| Intergovernmental  | -                   | -                   | -                    | -                    |
| Investment earnings (incl. unrealized)                       | 1,594,982           | 3,185,572           | 101,500              | 100,000              |
| Interest expense - long-term debt                            | (2,449,394)         | (2,279,086)         | (2,094,198)          | (1,958,375)          |
| Gain (Loss) on sale/disposition of capital assets, net       | -                   | -                   | (25,000)             | (25,000)             |
| Impairment of capital assets & termination of lease          | -                   | -                   | -                    | -                    |
| Other non-operating, net                                     | 1,226               | 1,733               | (5,000)              | (10,000)             |
| <b>NONOPERATING REVENUES / (EXPENSES):</b>                   | <b>(853,186)</b>    | <b>908,220</b>      | <b>(2,022,698)</b>   | <b>(1,893,375)</b>   |
| <b>INCOME BEFORE CAPITAL CONTRIBUTIONS</b>                   | <b>4,458,513</b>    | <b>6,470,996</b>    | <b>8,511,799</b>     | <b>10,262,903</b>    |
| <b>CAPITAL CONTRIBUTIONS:</b>                                |                     |                     |                      |                      |
| Capacity and installation charges                            | 1,002,954           | 448,150             | 1,065,000            | 965,000              |
| Capital Grants (includes LRP)                                | 365,267             | 356,568             | 412,490              | 15,000               |
| Developers and others  | 1,802,058           | 1,502,735           | 900,000              | 850,000              |
| <b>TOTAL CAPITAL CONTRIBUTIONS</b>                           | <b>3,170,279</b>    | <b>2,307,453</b>    | <b>2,377,490</b>     | <b>1,830,000</b>     |
| <b>CHANGE IN NET POSITION</b>                                | <b>\$ 7,628,792</b> | <b>\$ 8,778,449</b> | <b>\$ 10,889,289</b> | <b>\$ 12,092,903</b> |



Fiscal Year 2026 Budget

FY 2026 (Budget) Departmental Statement of Revenues, Expenses, and Changes in Net Position

|  | Consolidated<br>(All Depts) | General<br>(000), (020) | Board<br>(100)      | Office of the<br>GM<br>(200) | Information<br>Technology<br>(250) | Water Ops<br>(3XX)     | Engineering<br>(400)  | Customer<br>Services<br>(500) | Financial<br>Services<br>(600) | Public Affairs<br>(700) | Administrative<br>Services<br>(800) | Human<br>Resources<br>(850) | External Affairs<br>(900) |
|--|-----------------------------|-------------------------|---------------------|------------------------------|------------------------------------|------------------------|-----------------------|-------------------------------|--------------------------------|-------------------------|-------------------------------------|-----------------------------|---------------------------|
| <b>OPERATING REVENUES:</b>                                   |                             |                         |                     |                              |                                    |                        |                       |                               |                                |                         |                                     |                             |                           |
| Water consumption sales                                      | \$ 39,650,317               | \$ 39,650,317           | \$ -                | \$ -                         | \$ -                               | \$ -                   | \$ -                  | \$ -                          | \$ -                           | \$ -                    | \$ -                                | \$ -                        | \$ -                      |
| Monthly meter service charge                                 | 9,179,511                   | 9,179,511               | -                   | -                            | -                                  | -                      | -                     | -                             | -                              | -                       | -                                   | -                           | -                         |
| Monthly meter service charge                                 | 9,484,778                   | 9,484,778               | -                   | -                            | -                                  | -                      | -                     | -                             | -                              | -                       | -                                   | -                           | -                         |
| Recycled water sales   | 1,585,822                   | 1,585,822               | -                   | -                            | -                                  | -                      | -                     | -                             | -                              | -                       | -                                   | -                           | -                         |
| Concessions from gov. agencies (incl. CPTP)                  | -                           | -                       | -                   | -                            | -                                  | -                      | -                     | -                             | -                              | -                       | -                                   | -                           | -                         |
| Other charges and services                                   | 400,000                     | 400,000                 | -                   | -                            | -                                  | -                      | -                     | -                             | -                              | -                       | -                                   | -                           | -                         |
| <b>TOTAL OPERATING REVENUES</b>                              | <b>60,300,428</b>           | <b>60,300,428</b>       | -                   | -                            | -                                  | -                      | -                     | -                             | -                              | -                       | -                                   | -                           | -                         |
| <b>OPERATING EXPENSES:</b>                                   |                             |                         |                     |                              |                                    |                        |                       |                               |                                |                         |                                     |                             |                           |
| Imported and Basin Managed water costs                       | 569,500                     | -                       | -                   | -                            | -                                  | 569,500                | -                     | -                             | -                              | -                       | -                                   | -                           | -                         |
| Clear water cost   | 11,795,981                  | -                       | -                   | -                            | -                                  | 11,795,981             | -                     | -                             | -                              | -                       | -                                   | -                           | -                         |
| Amber water cost   | 3,078,873                   | -                       | -                   | -                            | -                                  | 3,078,873              | -                     | -                             | -                              | -                       | -                                   | -                           | -                         |
| Recycled water   | 886,530                     | 886,530                 | -                   | -                            | -                                  | -                      | -                     | -                             | -                              | -                       | -                                   | -                           | -                         |
| Transmission and distribution                                | 10,056,011                  | -                       | -                   | -                            | -                                  | 8,579,936              | 1,476,075             | -                             | -                              | -                       | -                                   | -                           | -                         |
| General and administrative                                   | 14,757,255                  | -                       | 609,288             | 2,139,730                    | 3,020,000                          | -                      | -                     | 815,636                       | 2,880,242                      | 2,138,262               | 1,234,178                           | 1,095,908                   | 824,011                   |
| <b>TOTAL OPERATING EXPENSES</b>                              | <b>41,144,150</b>           | <b>886,530</b>          | <b>609,288</b>      | <b>2,139,730</b>             | <b>3,020,000</b>                   | <b>24,024,290</b>      | <b>1,476,075</b>      | <b>815,636</b>                | <b>2,880,242</b>               | <b>2,138,262</b>        | <b>1,234,178</b>                    | <b>1,095,908</b>            | <b>824,011</b>            |
| <b>OPERATING INCOME BEFORE DEPRECIATION AND AMORTIZATION</b> | <b>19,156,278</b>           | <b>59,413,898</b>       | <b>(609,288)</b>    | <b>(2,139,730)</b>           | <b>(3,020,000)</b>                 | <b>(24,024,290)</b>    | <b>(1,476,075)</b>    | <b>(815,636)</b>              | <b>(2,880,242)</b>             | <b>(2,138,262)</b>      | <b>(1,234,178)</b>                  | <b>(1,095,908)</b>          | <b>(824,011)</b>          |
| Depreciation and amortization                                | (7,000,000)                 | (7,000,000)             | -                   | -                            | -                                  | -                      | -                     | -                             | -                              | -                       | -                                   | -                           | -                         |
| <b>OPERATING INCOME / (LOSS)</b>                             | <b>12,156,278</b>           | <b>52,413,898</b>       | <b>(609,288)</b>    | <b>(2,139,730)</b>           | <b>(3,020,000)</b>                 | <b>(24,024,290)</b>    | <b>(1,476,075)</b>    | <b>(815,636)</b>              | <b>(2,880,242)</b>             | <b>(2,138,262)</b>      | <b>(1,234,178)</b>                  | <b>(1,095,908)</b>          | <b>(824,011)</b>          |
| <b>NONOPERATING REVENUES / (EXPENSES):</b>                   |                             |                         |                     |                              |                                    |                        |                       |                               |                                |                         |                                     |                             |                           |
| Investment earnings  | 100,000                     | 100,000                 | -                   | -                            | -                                  | -                      | -                     | -                             | -                              | -                       | -                                   | -                           | -                         |
| Interest expense - long-term debt                            | (1,958,375)                 | (1,958,375)             | -                   | -                            | -                                  | -                      | -                     | -                             | -                              | -                       | -                                   | -                           | -                         |
| Loss on sale/disposition of capital assets, net              | (25,000)                    | (25,000)                | -                   | -                            | -                                  | -                      | -                     | -                             | -                              | -                       | -                                   | -                           | -                         |
| Loss on abandonment  | -                           | -                       | -                   | -                            | -                                  | -                      | -                     | -                             | -                              | -                       | -                                   | -                           | -                         |
| Other non-operating, net                                     | (10,000)                    | (10,000)                | -                   | -                            | -                                  | -                      | -                     | -                             | -                              | -                       | -                                   | -                           | -                         |
| <b>NONOPERATING REVENUES / (EXPENSES):</b>                   | <b>(1,893,375)</b>          | <b>(1,893,375)</b>      | -                   | -                            | -                                  | -                      | -                     | -                             | -                              | -                       | -                                   | -                           | -                         |
| <b>INCOME BEFORE CAPITAL CONTRIBUTIONS</b>                   | <b>10,262,903</b>           | <b>50,520,523</b>       | <b>(609,288)</b>    | <b>(2,139,730)</b>           | <b>(3,020,000)</b>                 | <b>(24,024,290)</b>    | <b>(1,476,075)</b>    | <b>(815,636)</b>              | <b>(2,880,242)</b>             | <b>(2,138,262)</b>      | <b>(1,234,178)</b>                  | <b>(1,095,908)</b>          | <b>(824,011)</b>          |
| <b>CAPITAL CONTRIBUTIONS:</b>                                |                             |                         |                     |                              |                                    |                        |                       |                               |                                |                         |                                     |                             |                           |
| Capacity and installation charges                            | 965,000                     | 965,000                 | -                   | -                            | -                                  | -                      | -                     | -                             | -                              | -                       | -                                   | -                           | -                         |
| Capital grants (includes LRP)                                | 15,000                      | 15,000                  | -                   | -                            | -                                  | -                      | -                     | -                             | -                              | -                       | -                                   | -                           | -                         |
| Developers and others  | 850,000                     | 850,000                 | -                   | -                            | -                                  | -                      | -                     | -                             | -                              | -                       | -                                   | -                           | -                         |
| <b>TOTAL CAPITAL CONTRIBUTIONS</b>                           | <b>1,830,000</b>            | <b>1,830,000</b>        | -                   | -                            | -                                  | -                      | -                     | -                             | -                              | -                       | -                                   | -                           | -                         |
| <b>CHANGE IN NET POSITION (2026 Budget)</b>                  | <b>\$ 12,092,903</b>        | <b>\$ 52,350,523</b>    | <b>\$ (609,288)</b> | <b>\$ (2,139,730)</b>        | <b>\$ (3,020,000)</b>              | <b>\$ (24,024,290)</b> | <b>\$ (1,476,075)</b> | <b>\$ (815,636)</b>           | <b>\$ (2,880,242)</b>          | <b>\$ (2,138,262)</b>   | <b>\$ (1,234,178)</b>               | <b>\$ (1,095,908)</b>       | <b>\$ (824,011)</b>       |
| <b>CHANGE IN NET POSITION (2025 Budget)</b>                  | <b>\$ 5,295,983</b>         | <b>\$ 41,064,368</b>    | <b>\$ (522,196)</b> | <b>\$ (1,911,288)</b>        | <b>\$ -</b>                        | <b>\$ (23,042,126)</b> | <b>\$ (939,085)</b>   | <b>\$ (997,933)</b>           | <b>\$ (2,023,786)</b>          | <b>\$ (1,483,663)</b>   | <b>\$ (3,269,892)</b>               | <b>\$ (752,796)</b>         | <b>\$ (825,620)</b>       |



Fiscal Year 2026 Budget

FY 2025 (Budget) Departmental Statement of Revenues, Expenses, and Changes in Net Position

|  | Consolidated<br>(All Depts) | General<br>(000), (020) | Board<br>(100)      | Office of the<br>GM<br>(200) | Information<br>Technology<br>(250) | Water Ops<br>(3XX)     | Engineering<br>(400)  | Customer<br>Services<br>(500) | Financial<br>Services<br>(600) | Public Affairs<br>(700) | Administrative<br>Services<br>(800) | Human<br>Resources<br>(850) | External Affairs<br>(900) |
|--|-----------------------------|-------------------------|---------------------|------------------------------|------------------------------------|------------------------|-----------------------|-------------------------------|--------------------------------|-------------------------|-------------------------------------|-----------------------------|---------------------------|
| <b>OPERATING REVENUES:</b>                                   |                             |                         |                     |                              |                                    |                        |                       |                               |                                |                         |                                     |                             |                           |
| Water consumption sales                                      | \$ 37,173,231               | \$ 37,173,231           | \$ -                | \$ -                         | \$ -                               | \$ -                   | \$ -                  | \$ -                          | \$ -                           | \$ -                    | \$ -                                | \$ -                        | \$ -                      |
| Monthly meter service charge                                 | 8,075,826                   | 8,075,826               | -                   | -                            | -                                  | -                      | -                     | -                             | -                              | -                       | -                                   | -                           | -                         |
| Monthly meter service charge                                 | 7,965,684                   | 7,965,684               | -                   | -                            | -                                  | -                      | -                     | -                             | -                              | -                       | -                                   | -                           | -                         |
| Recycled water sales   | 1,721,369                   | 1,721,369               | -                   | -                            | -                                  | -                      | -                     | -                             | -                              | -                       | -                                   | -                           | -                         |
| Concessions from gov. agencies (incl. CPTP)                  | -                           | -                       | -                   | -                            | -                                  | -                      | -                     | -                             | -                              | -                       | -                                   | -                           | -                         |
| Other charges and services                                   | 400,000                     | 400,000                 | -                   | -                            | -                                  | -                      | -                     | -                             | -                              | -                       | -                                   | -                           | -                         |
| <b>TOTAL OPERATING REVENUES</b>                              | <b>55,336,110</b>           | <b>55,336,110</b>       | -                   | -                            | -                                  | -                      | -                     | -                             | -                              | -                       | -                                   | -                           | -                         |
| <b>OPERATING EXPENSES:</b>                                   |                             |                         |                     |                              |                                    |                        |                       |                               |                                |                         |                                     |                             |                           |
| Imported and Basin Managed water costs                       | 560,800                     | -                       | -                   | -                            | -                                  | 560,800                | -                     | -                             | -                              | -                       | -                                   | -                           | -                         |
| Clear water cost   | 11,597,573                  | -                       | -                   | -                            | -                                  | 11,597,573             | -                     | -                             | -                              | -                       | -                                   | -                           | -                         |
| Amber water cost   | 2,928,835                   | -                       | -                   | -                            | -                                  | 2,928,835              | -                     | -                             | -                              | -                       | -                                   | -                           | -                         |
| Recycled water   | 1,075,043                   | 1,075,043               | -                   | -                            | -                                  | -                      | -                     | -                             | -                              | -                       | -                                   | -                           | -                         |
| Transmission and distribution                                | 9,829,200                   | -                       | -                   | -                            | -                                  | 8,511,645              | 1,317,555             | -                             | -                              | -                       | -                                   | -                           | -                         |
| General and administrative                                   | 12,310,162                  | -                       | 573,196             | 1,819,311                    | 2,084,000                          | -                      | -                     | 743,270                       | 2,355,636                      | 1,922,956               | 1,140,654                           | 860,639                     | 810,500                   |
| <b>TOTAL OPERATING EXPENSES</b>                              | <b>38,301,613</b>           | <b>1,075,043</b>        | <b>573,196</b>      | <b>1,819,311</b>             | <b>2,084,000</b>                   | <b>23,598,853</b>      | <b>1,317,555</b>      | <b>743,270</b>                | <b>2,355,636</b>               | <b>1,922,956</b>        | <b>1,140,654</b>                    | <b>860,639</b>              | <b>810,500</b>            |
| <b>OPERATING INCOME BEFORE DEPRECIATION AND AMORTIZATION</b> |                             |                         |                     |                              |                                    |                        |                       |                               |                                |                         |                                     |                             |                           |
|  | <b>17,034,497</b>           | <b>54,261,067</b>       | <b>(573,196)</b>    | <b>(1,819,311)</b>           | <b>(2,084,000)</b>                 | <b>(23,598,853)</b>    | <b>(1,317,555)</b>    | <b>(743,270)</b>              | <b>(2,355,636)</b>             | <b>(1,922,956)</b>      | <b>(1,140,654)</b>                  | <b>(860,639)</b>            | <b>(810,500)</b>          |
| Depreciation and amortization                                | (6,500,000)                 | (6,500,000)             | -                   | -                            | -                                  | -                      | -                     | -                             | -                              | -                       | -                                   | -                           | -                         |
| <b>OPERATING INCOME / (LOSS)</b>                             | <b>10,534,497</b>           | <b>47,761,067</b>       | <b>(573,196)</b>    | <b>(1,819,311)</b>           | <b>(2,084,000)</b>                 | <b>(23,598,853)</b>    | <b>(1,317,555)</b>    | <b>(743,270)</b>              | <b>(2,355,636)</b>             | <b>(1,922,956)</b>      | <b>(1,140,654)</b>                  | <b>(860,639)</b>            | <b>(810,500)</b>          |
| <b>NONOPERATING REVENUES / (EXPENSES):</b>                   |                             |                         |                     |                              |                                    |                        |                       |                               |                                |                         |                                     |                             |                           |
| Investment earnings  | 101,500                     | 101,500                 | -                   | -                            | -                                  | -                      | -                     | -                             | -                              | -                       | -                                   | -                           | -                         |
| Interest expense - long-term debt                            | (2,094,198)                 | (2,094,198)             | -                   | -                            | -                                  | -                      | -                     | -                             | -                              | -                       | -                                   | -                           | -                         |
| Loss on sale/disposition of capital assets, net              | (25,000)                    | (25,000)                | -                   | -                            | -                                  | -                      | -                     | -                             | -                              | -                       | -                                   | -                           | -                         |
| Loss on abandonment  | -                           | -                       | -                   | -                            | -                                  | -                      | -                     | -                             | -                              | -                       | -                                   | -                           | -                         |
| Other non-operating, net                                     | (5,000)                     | (5,000)                 | -                   | -                            | -                                  | -                      | -                     | -                             | -                              | -                       | -                                   | -                           | -                         |
| <b>NONOPERATING REVENUES / (EXPENSES):</b>                   | <b>(2,022,698)</b>          | <b>(2,022,698)</b>      | -                   | -                            | -                                  | -                      | -                     | -                             | -                              | -                       | -                                   | -                           | -                         |
| <b>INCOME BEFORE CAPITAL CONTRIBUTIONS</b>                   | <b>8,511,799</b>            | <b>45,738,369</b>       | <b>(573,196)</b>    | <b>(1,819,311)</b>           | <b>(2,084,000)</b>                 | <b>(23,598,853)</b>    | <b>(1,317,555)</b>    | <b>(743,270)</b>              | <b>(2,355,636)</b>             | <b>(1,922,956)</b>      | <b>(1,140,654)</b>                  | <b>(860,639)</b>            | <b>(810,500)</b>          |
| <b>CAPITAL CONTRIBUTIONS:</b>                                |                             |                         |                     |                              |                                    |                        |                       |                               |                                |                         |                                     |                             |                           |
| Capacity and installation charges                            | 1,065,000                   | 1,065,000               | -                   | -                            | -                                  | -                      | -                     | -                             | -                              | -                       | -                                   | -                           | -                         |
| Capital grants (includes LRP)                                | 412,490                     | 412,490                 | -                   | -                            | -                                  | -                      | -                     | -                             | -                              | -                       | -                                   | -                           | -                         |
| Developers and others  | 900,000                     | 900,000                 | -                   | -                            | -                                  | -                      | -                     | -                             | -                              | -                       | -                                   | -                           | -                         |
| <b>TOTAL CAPITAL CONTRIBUTIONS</b>                           | <b>2,377,490</b>            | <b>2,377,490</b>        | -                   | -                            | -                                  | -                      | -                     | -                             | -                              | -                       | -                                   | -                           | -                         |
| <b>CHANGE IN NET POSITION (2026 Budget)</b>                  | <b>\$ 10,889,289</b>        | <b>\$ 48,115,859</b>    | <b>\$ (573,196)</b> | <b>\$ (1,819,311)</b>        | <b>\$ (2,084,000)</b>              | <b>\$ (23,598,853)</b> | <b>\$ (1,317,555)</b> | <b>\$ (743,270)</b>           | <b>\$ (2,355,636)</b>          | <b>\$ (1,922,956)</b>   | <b>\$ (1,140,654)</b>               | <b>\$ (860,639)</b>         | <b>\$ (810,500)</b>       |
| <b>CHANGE IN NET POSITION (2025 Budget)</b>                  | <b>\$ 5,295,983</b>         | <b>\$ 41,064,368</b>    | <b>\$ (522,196)</b> | <b>\$ (1,911,288)</b>        | <b>\$ -</b>                        | <b>\$ (23,042,126)</b> | <b>\$ (939,085)</b>   | <b>\$ (997,933)</b>           | <b>\$ (2,023,786)</b>          | <b>\$ (1,483,663)</b>   | <b>\$ (3,269,892)</b>               | <b>\$ (752,796)</b>         | <b>\$ (825,620)</b>       |



**Fiscal Year 2026 Budget  
Capital Expenditures Summary**

| Description   | FY 2025<br>Budget    | FY 2026<br>Budget    |
|---|----------------------|----------------------|
| <b>WELLS:</b>   |                      |                      |
| Croddy/Chandler Pipeline Construction                   | \$ 1,500,000         | 634,345              |
| <b>RESERVOIRS:</b>                                      |                      |                      |
| Reservoirs 1 and 2 Pump Station Upgrades Project        | 16,125,000           | 9,175,000            |
| <b>DISTRIBUTION:</b>                                    |                      |                      |
| Pipeline Integrity Testing Program                      | 200,000              | 200,000              |
| Other Agency Projects                                   | 50,000               |                      |
| Water System Master Plan                                | 1,000,000            |                      |
| Local Ground Water Supply Improvement Plan              | 150,000              | 200,000              |
| Interagency Water Transfer Project                      | -                    | 75,000               |
| <b>ROUTINE OPERATIONS:</b>                              |                      |                      |
| Operations Routine Capital (Hyd., Valves, Meters, etc.) | 1,000,000            | 1,118,000            |
| <b>NON-ROUTINE OPERATIONS:</b>                          |                      |                      |
| Operations Non-Routine Capital (Vehicles, Other)        | 437,000              | 50,000               |
| Neptune Meter Project                                   | -                    | 250,000              |
| SCADA Asset Replacement Project                         | -                    | 100,000              |
| <b>DISTRICT FACILITIES:</b>                             |                      |                      |
| MWRF  | -                    | 230,000              |
| MWEC  | -                    | 125,000              |
| <b>INFORMATION TECHNOLOGY:</b>                          |                      |                      |
| IT Upgrades   | -                    | 15,000               |
| <b>MISC:</b>  |                      |                      |
| CIS   | 1,000,000            | 615,800              |
| ERP   | -                    | 328,200              |
| Software Upgrades                                       | 450,000              | -                    |
| <b>Total Capital</b>                                    | <b>\$ 21,912,000</b> | <b>\$ 13,116,345</b> |
| Internal Labor, Material, Overhead                      | \$ 396,200           | \$ 275,255           |
|   | <b>\$ 22,308,200</b> | <b>\$ 13,391,600</b> |



**Fiscal Year 2026 Budget  
Pro Forma Statement of Cash Flows**

|   | FY 2023<br>ACTUAL    | FY 2024<br>ACTUAL    | FY 2025<br>BUDGET    | FY 2026<br>BUDGET    |
|---|----------------------|----------------------|----------------------|----------------------|
| <b><i>CASH FLOWS FROM OPERATING ACTIVITIES:</i></b>               |                      |                      |                      |                      |
| Operating Income  | \$ 5,311,699         | \$ 5,562,777         | \$ 10,534,497        | \$ 12,156,278        |
| Adjustments   |                      |                      |                      |                      |
| Depreciation  | 6,657,317            | 6,545,617            | 6,500,000            | 7,000,000            |
| Other   | (1,189,853)          | -                    | -                    | -                    |
| Changes in assets & liabilities                                   | (1,395,591)          | 2,711,658            | 2,423,828            | 1,415,000            |
| OPEB Trust Contribution   | (110,000)            | (110,000)            | -                    | -                    |
| <b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>                  | <b>9,273,572</b>     | <b>14,710,051</b>    | <b>19,458,325</b>    | <b>20,571,278</b>    |
| <b><i>CASH FLOWS FROM CAPITAL &amp; FINANCING ACTIVITIES:</i></b> |                      |                      |                      |                      |
| Acquisition and construction of capital assets                    | (18,030,498)         | (13,982,885)         | (22,308,200)         | (13,391,600)         |
| Proceeds from 2020 COPS   | 15,321,303           | 11,327,187           | 11,307,768           | 4,248,752            |
| Impairment of capital assets & lease termination                  | -                    | -                    | -                    | -                    |
| Principal Paid on long-term debt                                  | (3,385,000)          | (3,605,000)          | (3,835,000)          | (4,050,000)          |
| Interest Paid on long-term debt                                   | (1,318,399)          | (3,243,450)          | (3,063,200)          | (2,871,450)          |
| Proceeds from capacity and installation charges                   | 1,002,954            | 448,150              | 1,065,000            | 965,000              |
| Proceeds from capital grant                                       | 365,267              | 356,568              | 412,490              | 15,000               |
| <b>NET CASH PROVIDED BY CAPITAL &amp; FINANCING ACTIVITIES</b>    | <b>(6,044,373)</b>   | <b>(8,699,430)</b>   | <b>(16,421,142)</b>  | <b>(15,084,298)</b>  |
| <b><i>CASH FLOWS FROM INVESTING ACTIVITIES:</i></b>               |                      |                      |                      |                      |
| Investment earnings   | 823,058              | 3,187,305            | 71,500               | 65,000               |
| Investments   | (14,052,298)         | (11,987,500)         | (12,220,000)         | (13,260,000)         |
| <b>NET CASH PROVIDED BY INVESTING ACTIVITIES</b>                  | <b>(13,229,240)</b>  | <b>(8,800,195)</b>   | <b>(12,148,500)</b>  | <b>(13,195,000)</b>  |
| <b>NET INCREASE IN CASH &amp; CASH EQUIVALENTS</b>                | <b>(10,000,041)</b>  | <b>(2,789,574)</b>   | <b>(9,111,317)</b>   | <b>(7,708,020)</b>   |
| <b>CASH &amp; INVESTMENTS - beginning of year</b>                 | <b>39,994,413</b>    | <b>30,270,754</b>    | <b>24,520,049</b>    | <b>20,408,732</b>    |
| <b>CASH &amp; INVESTMENTS - end of year</b>                       | <b>\$ 29,994,373</b> | <b>\$ 27,481,180</b> | <b>\$ 15,408,732</b> | <b>\$ 12,700,712</b> |



**Fiscal Year 2026 Budget**

**Water Data**

**Water Revenue Data**

**Revenue**

All Potable Water Revenue  
 Recycled Water Revenue  
 Total Water Revenue

| FY 2023<br>ACTUAL    | FY 2024<br>ACTUAL    | FY 2025<br>BUDGET    | FY 2026<br>BUDGET    |
|----------------------|----------------------|----------------------|----------------------|
| \$ 28,790,095        | \$ 31,008,095        | \$ 37,173,231        | \$ 39,650,317        |
| 1,208,355            | 1,228,365            | 1,721,369            | 1,585,822            |
| <u>\$ 29,998,450</u> | <u>\$ 32,236,460</u> | <u>\$ 38,894,600</u> | <u>\$ 41,236,139</u> |

**Acre Feet Sold**

Potable  
 Recycled  
 Total Acre Feet

|               |               |               |               |
|---------------|---------------|---------------|---------------|
| 14,022        | 15,345        | 15,029        | 15,678        |
| 781           | 1,109         | 1,087         | 870           |
| <u>14,803</u> | <u>16,454</u> | <u>16,116</u> | <u>16,548</u> |

**Revenue Per Acre Foot**

Potable  
 Recycled  
 Total Revenue Per Acre Foot

|                 |                 |                 |                 |
|-----------------|-----------------|-----------------|-----------------|
| \$ 2,053        | \$ 2,021        | \$ 2,473        | \$ 2,529        |
| \$ 1,547        | \$ 1,108        | \$ 1,584        | \$ 1,823        |
| <u>\$ 2,027</u> | <u>\$ 1,959</u> | <u>\$ 2,413</u> | <u>\$ 2,492</u> |

**Water Cost Data**

**Cost**

Imported and Basin Managed Water  
 Clear Water  
 Amber Water  
 Total Potable Water  
 Recycled Water  
 Total Water Cost

|                      |                      |                      |                      |
|----------------------|----------------------|----------------------|----------------------|
| \$ 337,578           | \$ 370,528           | \$ 560,800           | \$ 569,500           |
| 8,840,948            | 10,134,301           | 11,597,573           | 11,795,981           |
| 2,540,434            | 2,637,395            | 2,928,835            | 3,078,873            |
| <u>11,718,960</u>    | <u>13,142,225</u>    | <u>15,087,208</u>    | <u>15,444,354</u>    |
| 727,510              | 754,579              | 1,075,043            | 886,530              |
| <u>\$ 12,446,470</u> | <u>\$ 13,896,804</u> | <u>\$ 16,162,251</u> | <u>\$ 16,330,884</u> |

**Acre Feet Produced**

Imported and Basin Managed Water  
 Clear Water  
 Clear & Imported and Basin Managed Water  
 Amber Water  
 Total Potable Water  
 Recycled  
 Total Acre Feet

|               |               |               |               |
|---------------|---------------|---------------|---------------|
| -             | -             | -             | -             |
| 12,483        | 13,875        | 13,598        | 13,326        |
| 12,483        | 13,875        | 13,598        | 13,326        |
| 2,305         | 2,449         | 2,400         | 2,352         |
| <u>14,788</u> | <u>16,324</u> | <u>15,998</u> | <u>15,678</u> |
| 781           | 1,109         | 1,087         | 870           |
| <u>15,569</u> | <u>17,433</u> | <u>17,085</u> | <u>16,548</u> |

**Cost Per Acre Foot**

Imported Water (Variable Costs)  
 Clear Water  
 Amber Water  
 Recycled  
 Total Cost Per Acre Foot

|               |               |               |               |
|---------------|---------------|---------------|---------------|
| \$ 1,176      | \$ 1,233      | \$ 1,326      | \$ 1,462      |
| \$ 708        | \$ 730        | \$ 853        | \$ 885        |
| \$ 1,102      | \$ 1,077      | \$ 1,220      | \$ 1,309      |
| \$ 932        | \$ 680        | \$ 989        | \$ 1,019      |
| <u>\$ 799</u> | <u>\$ 797</u> | <u>\$ 946</u> | <u>\$ 987</u> |

Imported Water Variable Costs per Acre Foot

|               |               |               |               |
|---------------|---------------|---------------|---------------|
| \$1,143/1,209 | \$1,209/1,256 | \$1,256/1,395 | \$1,395/1,528 |
|---------------|---------------|---------------|---------------|

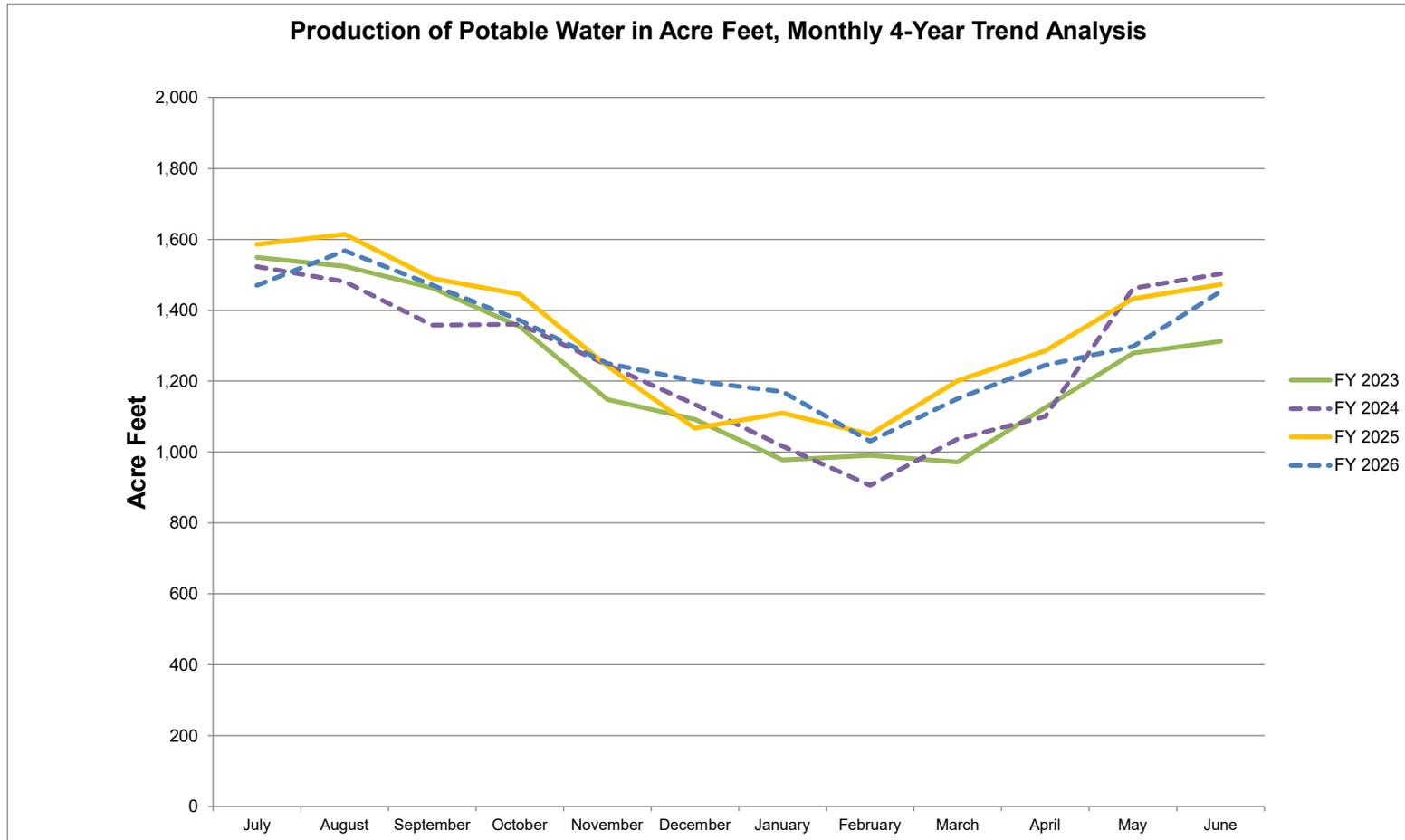


**Fiscal Year 2026 Budget**  
**Water Supply Components**

|                                      | <b>FY 2023<br/>ACTUAL</b> | <b>FY 2024<br/>ACTUAL</b> | <b>FY 2025<br/>BUDGET</b> | <b>FY 2026<br/>BUDGET</b> |
|--------------------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| <b>Clear Water Costs</b>             |                           |                           |                           |                           |
| Basin Replenishment Assessment       | \$ 6,960,157              | \$ 7,891,790              | \$ 9,368,678              | \$ 9,474,786              |
| Utilities Pumping                    | 1,198,716                 | 1,490,750                 | 1,497,709                 | 1,540,991                 |
| Treatment/ Labor and Materials       | 682,075                   | 751,761                   | 731,186                   | 780,204                   |
| <b>Total Clear Water Costs</b>       | <b>\$ 8,840,948</b>       | <b>\$ 10,134,301</b>      | <b>\$ 11,597,573</b>      | <b>\$ 11,795,981</b>      |
| <b>Amber Water Costs</b>             |                           |                           |                           |                           |
| Basin Replenishment Assessment       | \$ 1,285,911              | \$ 1,380,912              | \$ 1,653,614              | \$ 1,672,272              |
| Utilities Pumping                    | 696,879                   | 643,507                   | 546,869                   | 575,000                   |
| Treatment/ Labor and Materials       | 557,643                   | 612,976                   | 728,352                   | 831,601                   |
| <b>Total Amber Water Costs</b>       | <b>\$ 2,540,434</b>       | <b>\$ 2,637,395</b>       | <b>\$ 2,928,835</b>       | <b>\$ 3,078,873</b>       |
| <b>Imported Water Fixed Costs</b>    |                           |                           |                           |                           |
| Readiness to Serve - Total Charge    | \$ 1,185                  | \$ 1,500                  | \$ 2,000                  | \$ 2,500                  |
| Capacity Charge                      | -                         | -                         | -                         | -                         |
| Choice Charges                       | -                         | 55,000                    | 55,000                    | 55,000                    |
| Retail Meter Charge - Total Charge   | 298,586                   | 348,000                   | 360,500                   | 375,000                   |
| Shared Pipeline Maintenance Costs    | 36,000                    | 105,000                   | 121,500                   | 125,000                   |
|                                      | <b>\$ 335,771</b>         | <b>\$ 509,500</b>         | <b>\$ 539,000</b>         | <b>\$ 557,500</b>         |
| <br>                                 |                           |                           |                           |                           |
| Retail Meter Charge - Per Meter (\$) | 13.75                     | 14.25                     | 14.75                     | 15.25                     |
| <br>                                 |                           |                           |                           |                           |
| Basin Pumping Percentage             | 77%                       | 85%                       | 85%                       | 85%                       |



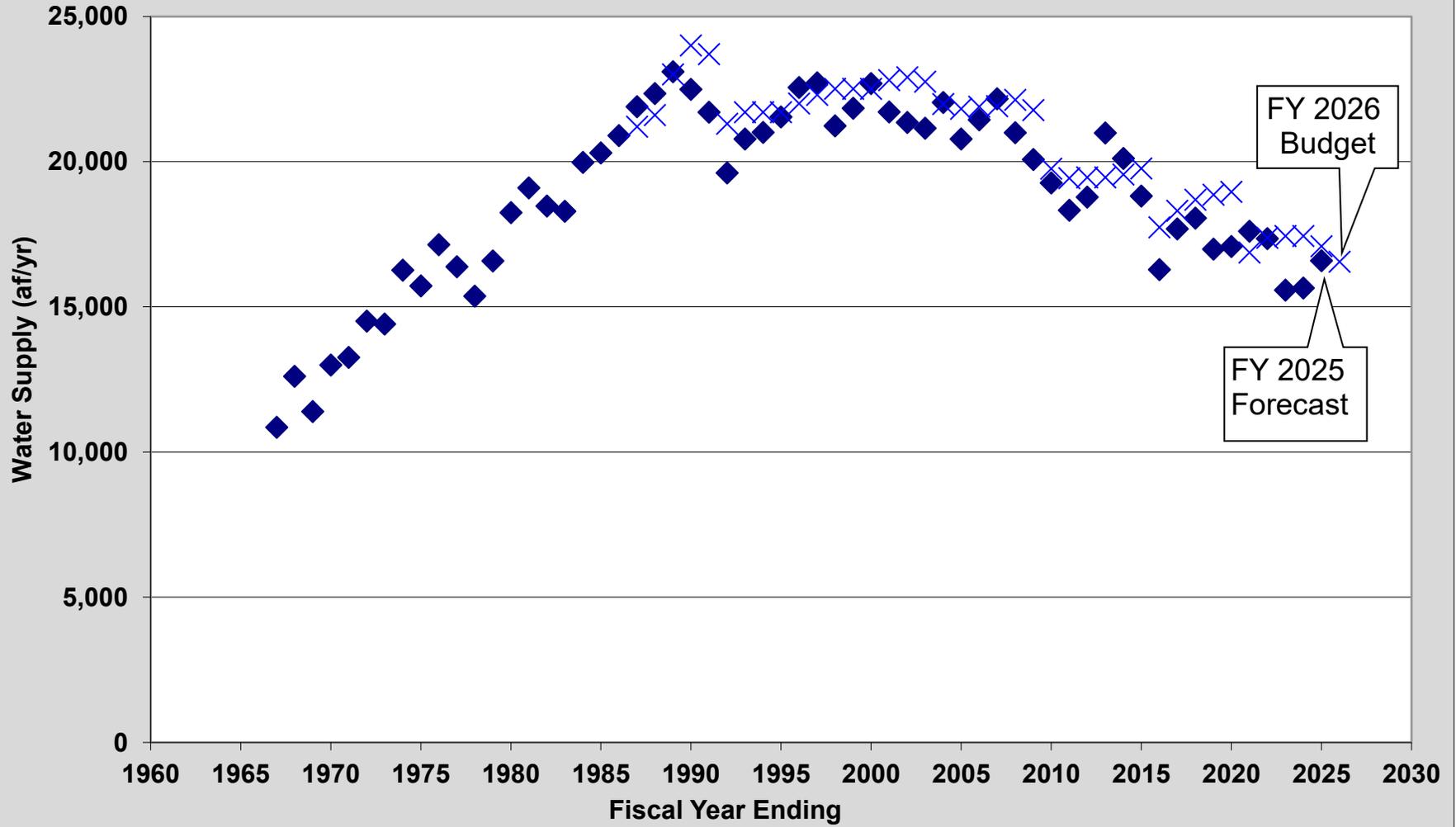
Fiscal Year 2026 Budget



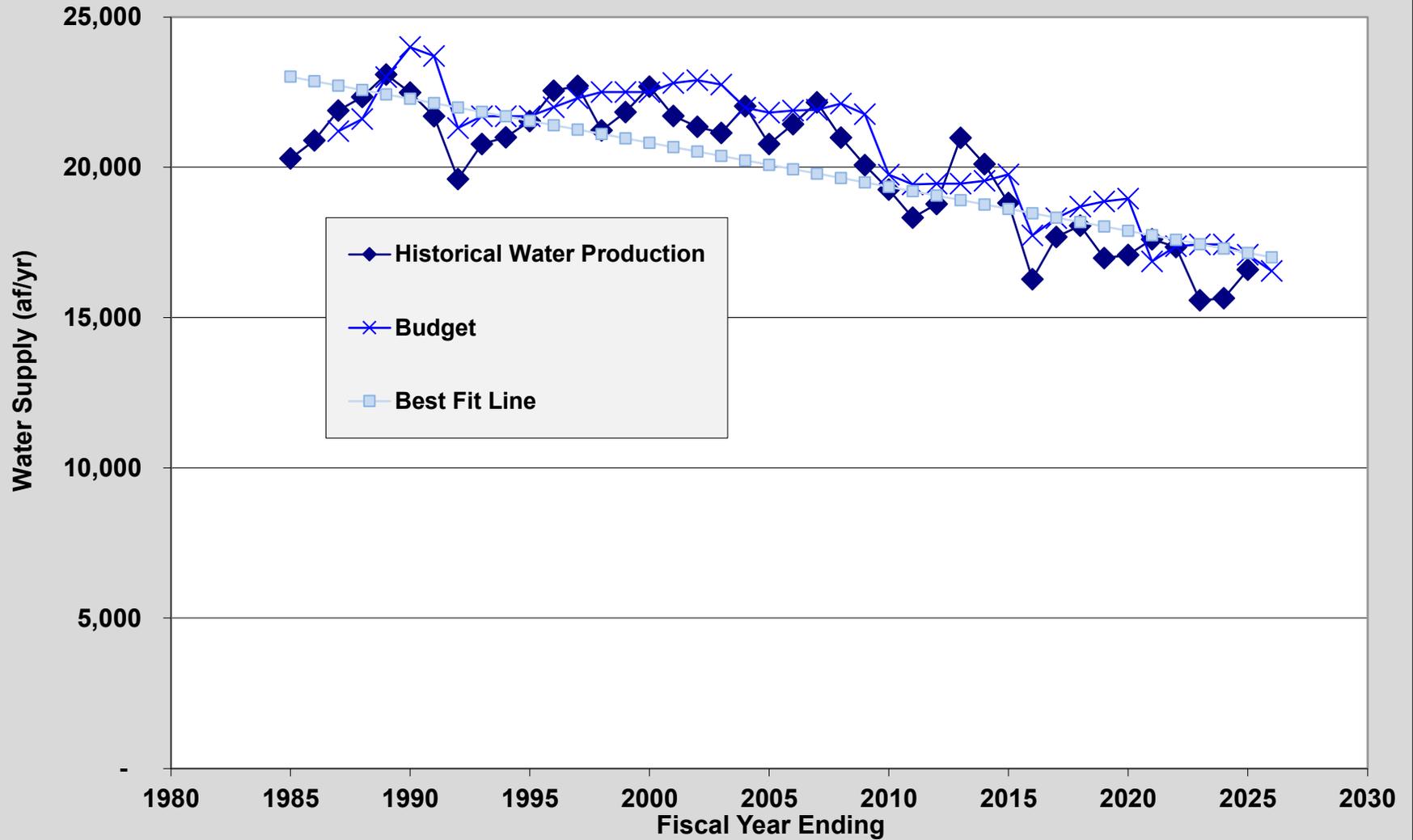
| <i>Water Production in Acre Feet</i> |         |         |           |         |          |          |         |          |         |         |         |         |          |
|--------------------------------------|---------|---------|-----------|---------|----------|----------|---------|----------|---------|---------|---------|---------|----------|
|                                      | July    | August  | September | October | November | December | January | February | March   | April   | May     | June    | Total    |
| FY 2023                              | 1,549.2 | 1,524.2 | 1,462.8   | 1,354.2 | 1,148.4  | 1,092.2  | 977.3   | 990.3    | 972.1   | 1,125.7 | 1,279.4 | 1,312.5 | 14,788.3 |
| FY 2024                              | 1,522.6 | 1,480.9 | 1,357.8   | 1,360.3 | 1,244.9  | 1,134.6  | 1,016.5 | 906.1    | 1,036.9 | 1,100.2 | 1,462.0 | 1,503.0 | 15,125.8 |
| FY 2025                              | 1,586.0 | 1,614.0 | 1,490.0   | 1,445.0 | 1,243.0  | 1,067.0  | 1,110.0 | 1,050.0  | 1,201.0 | 1,286.0 | 1,433.0 | 1,473.0 | 15,998.0 |
| FY 2026                              | 1,470.0 | 1,568.0 | 1,471.0   | 1,372.0 | 1,250.0  | 1,200.0  | 1,170.0 | 1,030.0  | 1,151.0 | 1,245.0 | 1,298.0 | 1,453.0 | 15,678.0 |

### Fiscal Year 2026 Budget Water Supply Needs (Historical and Projected)

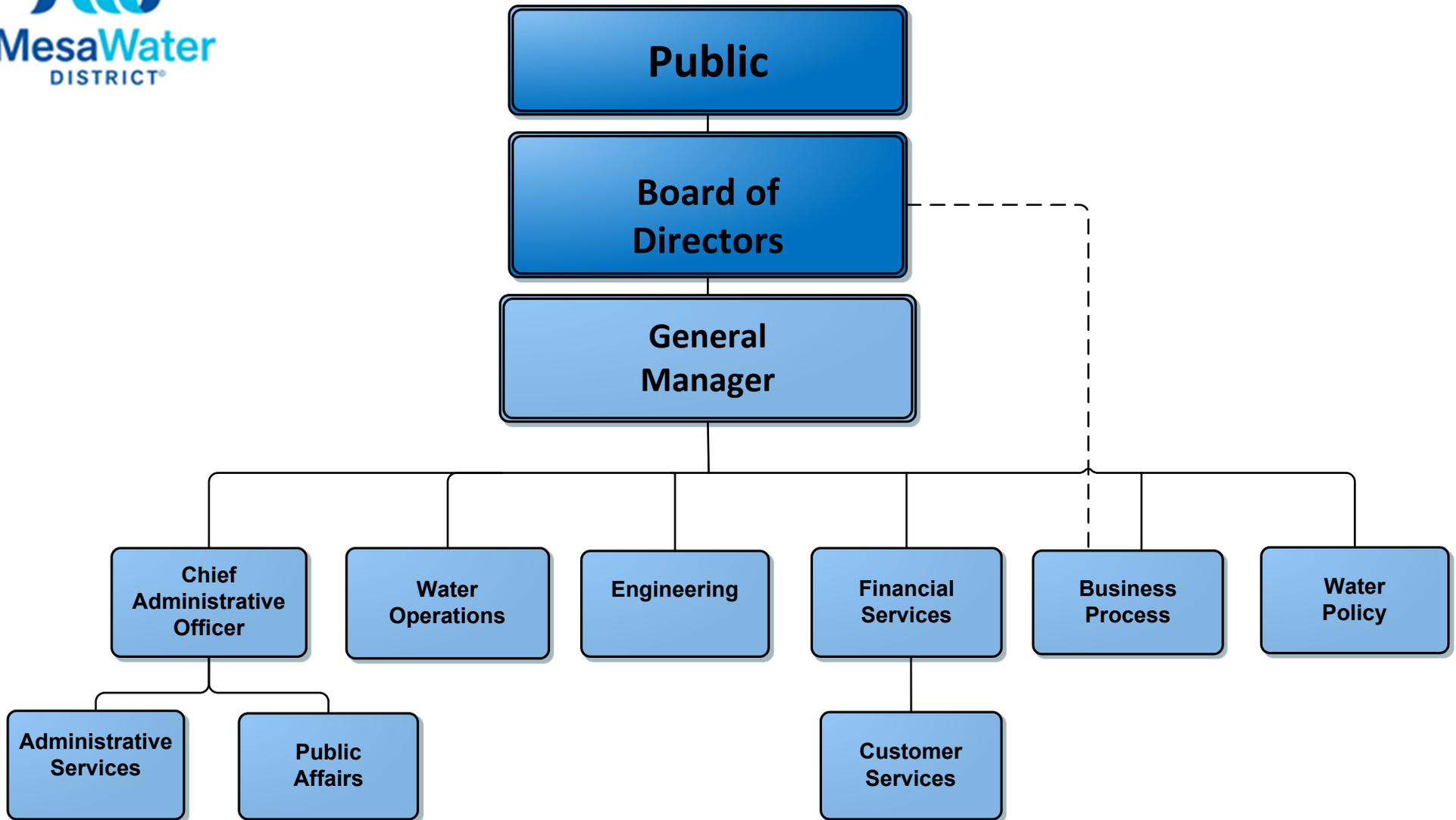
◆ Historical Water Production      × Budget



## Fiscal Year 2026 Budget Water Supply Needs (Historical and Projected)



Mesa Water District  
FY 2026 Budget





**MesaWater**  
DISTRICT®

**Fiscal Year 2026 Budget  
Personnel Summary**

|                                      | FY 2022<br>Budget | FY 2023<br>Budget | FY 2024<br>Budget | FY 2025<br>Budget | FY 2026<br>Budget |
|--------------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| <b>OFFICE OF THE GENERAL MANAGER</b> |                   |                   |                   |                   |                   |
| Executive Office                     | 2                 | 2                 | 2                 | 2                 | 3                 |
| Information Technology               | 0                 | 0                 | 0                 | 0                 | 0                 |
| TOTAL DISTRICT MANAGEMENT            | 2                 | 2                 | 2                 | 2                 | 3                 |
| <b>ADMINISTRATIVE SERVICES</b>       |                   |                   |                   |                   |                   |
| Administrative Services              | 5                 | 5                 | 5                 | 5                 | 6                 |
| TOTAL ADMINISTRATIVE SERVICES/IT     | 5                 | 5                 | 5                 | 5                 | 6                 |
| <b>HUMAN RESOURCES</b>               |                   |                   |                   |                   |                   |
| Human Resources                      | 3                 | 2                 | 2                 | 2                 | 2                 |
| TOTAL HUMAN RESOURCES                | 3                 | 2                 | 2                 | 2                 | 2                 |
| <b>CUSTOMER SERVICES</b>             |                   |                   |                   |                   |                   |
| Customer Service                     | 4                 | 4                 | 4                 | 3                 | 3                 |
| Conservation                         | 1                 | 1                 | 0                 | 0                 | 0                 |
| TOTAL CUSTOMER SERVICE               | 5                 | 5                 | 4                 | 3                 | 3                 |
| <b>ENGINEERING</b>                   |                   |                   |                   |                   |                   |
| Engineering                          | 5                 | 4                 | 4                 | 4                 | 4                 |
| TOTAL ENGINEERING                    | 5                 | 4                 | 4                 | 4                 | 4                 |
| <b>FINANCIAL SERVICES</b>            |                   |                   |                   |                   |                   |
| Financial Services                   | 5                 | 5                 | 6                 | 6                 | 8                 |
| TOTAL FINANCIAL SERVICES             | 5                 | 5                 | 6                 | 6                 | 8                 |
| <b>WATER POLICY</b>                  |                   |                   |                   |                   |                   |
| Water Policy                         | 1.5               | 1                 | 1                 | 1                 | 1                 |
| TOTAL WATER POLICY                   | 1.5               | 1                 | 1                 | 1                 | 1                 |
| <b>PUBLIC AFFAIRS</b>                |                   |                   |                   |                   |                   |
| Public Affairs                       | 1.5               | 2                 | 2                 | 3                 | 4                 |
| Conservation                         | 0                 | 0                 | 1                 | 1                 | 1                 |
| TOTAL PUBLIC AFFAIRS                 | 1.5               | 2                 | 3                 | 4                 | 5                 |
| <b>WATER OPERATIONS</b>              |                   |                   |                   |                   |                   |
| Supervision/Support                  | 7                 | 8                 | 8                 | 8                 | 8                 |
| Distribution                         | 10                | 10                | 10                | 10                | 10                |
| Production                           | 3                 | 4                 | 4                 | 4                 | 4                 |
| Water Quality                        | 2                 | 2                 | 2                 | 2                 | 2                 |
| Field Services                       | 5                 | 5                 | 5                 | 5                 | 5                 |
| TOTAL WATER OPERATIONS               | 27                | 29                | 29                | 29                | 29                |
| <b>TOTAL PERSONNEL</b>               | <b>55</b>         | <b>55</b>         | <b>56</b>         | <b>56</b>         | <b>61</b>         |

*Notes:*

- Five elected officials serve on Mesa Water's Board of Directors.
- Limited-Term positions in Engineering and Water Operations
- Interns not included in above figures:

|              |     |     |     |     |     |
|--------------|-----|-----|-----|-----|-----|
| Limited-Term | 2   | 2   | 2   | 1   | 2   |
| Interns      | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 |



**Fiscal Year 2026 Budget  
Labor and Benefits Summary**

| <b>Category</b>        | <b>FY 2023<br/>ACTUAL</b> | <b>FY 2024<br/>ACTUAL</b> | <b>FY 2025<br/>BUDGET</b> | <b>FY 2026<br/>BUDGET</b> |
|------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| Labor                  | \$5,830,501               | \$6,051,691               | \$7,689,653               | \$8,551,420               |
| FICA / Medicare        | 520,594                   | 553,714                   | 554,214                   | 621,317                   |
| Workers Comp           | 157,623                   | 197,717                   | 241,895                   | 254,075                   |
| Flex Credits           | 1,225,743                 | 1,442,714                 | 1,738,800                 | 1,958,400                 |
| LTD/Life Insurance/EAP | 49,580                    | 61,495                    | 59,426                    | 65,324                    |
| Benefits Other         | 286,458                   | 326,884                   | 430,608                   | 509,185                   |
| Retirement             | (385,546)                 | 2,498,279                 | 2,260,000                 | 2,270,000                 |
| <b>Total</b>           | <b>\$7,684,953</b>        | <b>\$11,132,495</b>       | <b>\$12,974,596</b>       | <b>\$14,229,721</b>       |



**Fiscal Year 2026 Budget  
COP Coverage Ratios**

|  | <b>FY 2023<br/>ACTUAL</b> | <b>FY 2024<br/>ACTUAL</b> | <b>FY 2025<br/>BUDGET</b> | <b>FY 2026<br/>BUDGET</b> |
|--|---------------------------|---------------------------|---------------------------|---------------------------|
| <b>Revenues</b>                                  |                           |                           |                           |                           |
| Operating Revenue                                | \$ 41,102,347             | \$ 46,194,473             | \$ 55,336,110             | \$ 60,300,428             |
| Capacity and Installation Charges                | 1,002,954                 | 448,150                   | 1,065,000                 | 965,000                   |
| Non-Operating Revenue                            | 1,960,249                 | 3,542,140                 | 513,990                   | 115,000                   |
| <b>Total Revenues</b>                            | <b>44,065,550</b>         | <b>50,184,763</b>         | <b>56,915,100</b>         | <b>61,380,428</b>         |
| <b>Expenses (Excluding Depreciation Expense)</b> |                           |                           |                           |                           |
| <b>Operating Expenses</b>                        | <b>29,133,331</b>         | <b>34,086,080</b>         | <b>38,301,613</b>         | <b>41,144,150</b>         |
| <b>Income available for debt service</b>         | <b>\$ 14,932,219</b>      | <b>\$ 16,098,683</b>      | <b>\$ 18,613,487</b>      | <b>\$ 20,236,278</b>      |
| Annual Debt Service, Senior Debt                 | \$ 4,231,500              | \$ 4,282,250              | \$ 4,332,000              | \$ 4,355,250              |
| <b>Coverage Ratio, Senior Debt</b>               | <b>353%</b>               | <b>376%</b>               | <b>430%</b>               | <b>465%</b>               |
| Annual Debt Service, Subordinated Debt           | \$ 2,566,200              | \$ 2,566,200              | \$ 2,566,200              | \$ 2,566,200              |
| <b>Coverage Ratio, Total Debt</b>                | <b>220%</b>               | <b>235%</b>               | <b>296%</b>               | <b>292%</b>               |



**Fiscal Year 2026 Budget  
Designated Fund Levels**

|   | FY 2023<br>ACTUAL | FY 2024<br>ACTUAL | FY 2025<br>BUDGET | FY 2026<br>BUDGET | TARGET<br>DAYS |
|---|-------------------|-------------------|-------------------|-------------------|----------------|
| <b>Customer &amp; Development Deposits</b>          | \$ 2,707,248      | \$ 2,850,000      | \$ 2,000,000      | \$ 1,570,000      | N/A            |
| <b>Capital Replacement Fund</b>                     | 2,459,011         | 1,132,776         | 816,421           | 421,961           | N/A            |
| <b>Other Funds</b>                                  |                   |                   |                   |                   |                |
| Administrative & General Fund (Target 10 days)      | 1,805,681         | 1,753,210         | 1,049,359         | 1,127,237         | 10 - 25        |
| Catastrophe Fund (Target 30 days)                   | 6,771,303         | 1,500,000         | 3,148,078         | 563,618           | 30 - 180       |
|   | 8,576,984         | 3,253,210         | 4,197,437         | 1,690,855         | 40 - 205       |
| <b>Liquidity Funds</b>                              |                   |                   |                   |                   |                |
| Operating Funds (Target 50 days)                    | 10,834,085        | 10,519,259        | 5,246,796         | 5,636,185         | 50 - 150       |
| Rate Stabilization Funds (Target 30 days)           | 5,417,043         | 5,259,630         | 3,148,078         | 3,381,711         | 30 - 75        |
| <b>Total Liquidity Funds (Target 80 days total)</b> | 16,251,128        | 15,778,889        | 8,394,874         | 9,017,896         | 80 - 225       |
| <b>Total Cash - Designated Funds</b>                | \$ 29,994,371     | \$ 23,014,875     | \$ 15,408,732     | \$ 12,700,712     | N/A            |

|                                 |               |               |               |               |
|---------------------------------|---------------|---------------|---------------|---------------|
| Operating Expense               | \$ 32,953,676 | \$ 31,996,080 | \$ 38,301,613 | \$ 41,144,150 |
| Cash per Day                    | \$ 90,284     | \$ 87,660     | \$ 104,936    | \$ 112,724    |
| Days Cash Ratio Actual/Estimate | 332           | 263           | 147           | 113           |
| Days Cash Ratio Target          | 120           | 120           | 120           | 120           |

**Fund Descriptions:**

**Customer & Development Deposits** - Monies held on behalf of Mesa Water's customers as required for their utility account or as cash bonds for development projects.

**Capital Replacement Fund** - Used for the replacement of capitalized assets when they reach the end of their useful lives. The target level of the fund shall be \$10 million. The maximum will be based on Mesa Water's Asset Management Plan.

**Administrative & General Fund** - One of the two capital funds used to fund certain major general, administrative and overhead projects. It is intended to fund (or partially fund) offices, fixtures, furnishings, vehicles and equipment on a pay-as-you-go basis. The target level will equal 10 days of Mesa Water's budgeted total operating expenses and the maximum will be 25 days.

**Catastrophe Fund** - Used to begin repair of the water system after a catastrophic event, such as a severe earthquake or fire, while long-term financing is being arranged or insurance claims are being processed. The target level will equal 30 days of Mesa Water's budgeted total operating expenses and the maximum will be 180 days. The FY 2026 Budget balance of \$563,618 is currently at 5 days.

**Operating Fund** - Used for unanticipated operating expenses. This fund is designated to maintain working capital for current operations and to meet routine cash flow needs. The target level will equal 50 days of Mesa Water's budgeted total operating expenses and the maximum will be 150 days.

**Rate Stabilization Fund** - Used to provide flexibility to the Board of Directors when establishing rates such as absorbing temporary rate fluctuations or for one time expenditures. The target level of this fund shall be 30 days of the annual operating budget and the maximum shall be 75 days.



## Fiscal Year 2026 Budget

### District Overview

Mesa Water District (Mesa Water®) was formed on January 1, 1960, pursuant to Sections 33200 et. seq., of the California Water Code, which was designated as the Costa Mesa District Merger Law. The general provisions of this law called for the consolidation of four predecessor agencies: the Newport Heights Irrigation District; the Fairview County Water District; the Newport Mesa County Water District; and the City of Costa Mesa Water Department.

Mesa Water is located in Orange County, California, and provides water to most of Costa Mesa, parts of Newport Beach, and some unincorporated areas of Orange County, including John Wayne Airport. The District serves 110,000 residents in an 18-square-mile area through approximately 25,000 metered accounts.

Potable water is produced from Mesa Water's groundwater wells. The District purchases non-potable, or recycled water, from the Orange County Water District (OCWD).

Due to the District's improved Mesa Water Reliability Facility (MWRF), Mesa Water meets 100 percent of its community's water needs with locally-sourced supplies. Mesa Water also has a 100 percent reliable back-up supply of imported water, if needed, from the Municipal Water District of Orange County (MWDOC).

The District's revenues result solely from its activities as a water utility and Mesa Water receives no tax revenues of any kind.

A five-person Board of Directors (Board), whose members serve overlapping four-year terms, governs Mesa Water. Each Director is elected by and represents one of five geographic divisions of approximately equal population within the District's service area. The Board elects one of its members to serve as President and another to serve as Vice President. The Board appoints the General Manager, District Secretary, Assistant District Secretary, District Treasurer, and Assistant District Treasurer. The General Manager is responsible for the day-to-day operations and administration of Mesa Water in accordance with the Board's policies.



## Fiscal Year 2026 Budget

### Major Revenue Descriptions

#### **Water Sales Revenue**

**Usage Charge (potable and recycled)** – This is the rate charged per unit (one hundred cubic feet or ccf) to customers based on actual consumption. Mesa Water has a uniform volumetric rate structure, which means all water use is charged at the same per-unit rate. For the first six months of the FY 2026 budget, the potable rate is \$5.96 per ccf, and the recycled rate is \$3.82 per ccf; and, for the second six months of the FY 2025 budget, the potable rate is \$6.38 per ccf, and the recycled rate is budgeted at \$4.09 per ccf. Mesa Water’s Board adopts water rates by resolution. In FY 2024, the Board adopted a multi-year rate resolution with rate increases each year through FY 2028. Usage charges are intended to cover the cost of treating and delivering water to Mesa Water’s customers. The budget for this revenue source is based on estimated water sales which have remained consistent due to Mesa Water’s service area being substantially built-out. The FY 2026 acre feet sales budgeted for both potable and recycled water are listed on page 6.

**Construction Water Revenues** – This revenue is for the use of temporary hydrant meters used during construction. The revenue includes both the daily rental rate for the meter, and the per-unit charge which is charged at the same rate as the potable water rate based on the Board’s resolution. This revenue source is dependent solely on construction activity and is less predictable than other water revenue sources.

**Fireline Revenues** – This revenue is primarily from the stand-by charge for fireline services. Also, use of water other than for firefighting is charged at the same rate as the potable water rate based on the Board’s resolution. As Mesa Water’s service area is substantially built-out, this revenue source remains relatively consistent year-to-year.

**Basic Charge** – This charge is assessed per billing period (bi-monthly) and is a set charge based on meter size. This revenue source is intended to cover fixed charges such as financial obligations, customer service, public outreach, and administrative support, per the Board’s resolution. This revenue source is increasing, primarily due to the multi-year rate increase adopted by the Board in FY 2024. As Mesa Water’s service area is substantially built-out, there is limited growth in service connections.



## Fiscal Year 2026 Budget

### Major Revenue Descriptions, Continued

#### **Non-Water Sales Revenue**

**Other Operating Revenues** – These revenues include costs related to Mesa Water’s operations as a water utility that are not directly related to water sales. The major revenue sources in this category are: delinquent fees, new service establishment fees, and concessions from government agencies.

Delinquent fees are a result of the delinquent payment activity from customers. This revenue source has historically increased slightly from year-to-year. The Board periodically reviews the delinquent fees to ensure full cost recovery.

The new service establishment fee is charged when a new customer establishes an account with Mesa Water. The fee is intended to recover the costs associated with setting up a new account. This fee amount is reviewed periodically to ensure full cost recovery.

**Non-Operating Revenues and Capital Contributions** – The revenues under this category include interest earned on Mesa Water’s funds as well as development-related revenues such as capacity charges, inspection fees, plan check fees, and installation fees. The budget for interest earnings are based upon forecasted cash balances during the year as well as anticipated interest earnings from the State of California Local Agency Investment Fund (LAIF), and Mesa Water’s investment portfolio. Mesa Water elected to budget a low rate of return on its investments in FY 2026 based on current and anticipated market conditions.

### Fund Description

Mesa Water reports its activities as a single enterprise fund, which is used to account for operations that are financed and operated in a manner similar to a private business enterprise, where the intent of Mesa Water is that the cost of providing water to its service area on a continuing basis be financed or recovered primarily through user charges (water sales and service charges), capital grants, and similar funding. Monies are set aside in designated funds for specific purposes based on Board policy or in reserve accounts as required by debt agreements. A listing and description of designated funds can be found on page 15.



## Fiscal Year 2026 Budget

### **Basis of Accounting**

Accounting basis determines when transactions and economic events are reflected in the financial statements and the budget. Mesa Water prepares its audited financial statements and budgets on the accrual basis of accounting in which revenues are recognized in the accounting period when earned and expenditures are recorded in the accounting period when incurred. Mesa Water's budget and financial statements are consistent with Generally Accepted Accounting Principles (GAAP).

### **Budget Control and Revisions**

Although Mesa Water is not legally required to adopt a budget, the Board annually adopts a fiscal year budget following a series of public meetings. This budget authorizes and provides the basis for reporting, control of financial operations, and accountability.

Mesa Water's budget is prepared on an annual basis using estimates and financial projections for the following fiscal year that meet the priorities and needs of the District.

A quarterly review of the Comparative Statement of Revenue, Expenses and Change in Net Position is conducted and reviewed by the Board's Finance Committee and Mesa Water management and staff. A monthly review of capital expenditures is conducted by the Board of Directors and Mesa Water staff.



**Fiscal Year 2026 Budget  
Departmental Budgets**

|       | Dept. 000 - General, Page 1 of 2             | FY 2023<br>ACTUAL | FY 2024<br>ACTUAL | FY 2025<br>BUDGET | FY 2026<br>BUDGET |
|-------|--|-------------------|-------------------|-------------------|-------------------|
|       | <b>REVENUE:</b>                              |                   |                   |                   |                   |
| 40100 | Usage Charge - Potable Water                 | \$ 28,737,512     | \$ 30,396,707     | \$ 36,998,231     | \$ 39,500,317     |
| 40105 | Water sold in lieu of lease payments         | -                 | -                 | -                 | -                 |
| 40149 | Accrued Water Sales                          | 27,512            | 579,372           | -                 | -                 |
| 40170 | Construction Water Revenues                  | 25,071            | 32,016            | 175,000           | 150,000           |
|       | <b>TOTAL POTABLE CONSUMPTION REVENUES</b>    | <b>28,790,095</b> | <b>31,008,095</b> | <b>37,173,231</b> | <b>39,650,317</b> |
| 40600 | Basic Charge - Domestic                      | 7,504,880         | 6,688,109         | 7,280,414         | 8,304,934         |
| 40650 | Basic Charge - Fire Line                     | 797,101           | 825,014           | 795,412           | 874,577           |
|       | <b>TOTAL BASIC CHARGE REVENUES</b>           | <b>8,301,981</b>  | <b>7,513,123</b>  | <b>8,075,826</b>  | <b>9,179,511</b>  |
| 40700 | Capital Charge - Domestic                    | 2,263,880         | 5,890,411         | 7,965,684         | 9,484,778         |
|       | <b>TOTAL CAPITAL CHARGE REVENUES</b>         | <b>2,263,880</b>  | <b>5,890,411</b>  | <b>7,965,684</b>  | <b>9,484,778</b>  |
| 40260 | Usage Charge - Recycled Water                | 1,208,355         | 1,228,365         | 1,721,369         | 1,585,822         |
|       | <b>TOTAL RECYCLED CONSUMPTION REVENUES</b>   | <b>1,208,355</b>  | <b>1,228,365</b>  | <b>1,721,369</b>  | <b>1,585,822</b>  |
| 45700 | Coastal Pumping Trns Pgm (CPTP)              | -                 | -                 | -                 | -                 |
| 45710 | Intergovernmental - State                    | -                 | -                 | -                 | -                 |
| 45720 | Intergovernmental - Federal                  | -                 | -                 | -                 | -                 |
|       | <b>TOTAL CONCESSIONS FROM GOV'T AGENCIES</b> | <b>-</b>          | <b>-</b>          | <b>-</b>          | <b>-</b>          |
| 45100 | New Service Establishment Fee                | 39,160            | 41,320            | 45,000            | 45,000            |
| 45105 | LAFCO Surcharge                              | -                 | -                 | -                 | -                 |
| 45110 | Delinquent Fees                              | 229,082           | 257,377           | 200,000           | 200,000           |
| 45115 | Loss Recovery                                | 15,450            | 51,846            | 10,000            | 10,000            |
| 45120 | Cross Connection Testing Fee                 | -                 | -                 | 5,000             | 5,000             |
| 45130 | Plan Check Fees                              | 248,229           | 208,806           | 115,000           | 115,000           |
| 45140 | Water Use Efficiency Program benchmark       | 200               | -                 | -                 | -                 |
| 45300 | Insurance reimbursement                      | -                 | -                 | -                 | -                 |
| 45305 | OC-44 HB contract revenue                    | -                 | 82,305            | 5,000             | 5,000             |
| 45505 | Sale of brass and scrap                      | 7,088             | 13,776            | 5,000             | 5,000             |
| 45515 | Other operating revenue                      | 37,347            | 49,865            | 15,000            | 15,000            |
| 62100 | Cash Over/Short                              | (598)             | -                 | -                 | -                 |
| 62190 | Write-Off Bad Debt Exp                       | (37,922)          | (150,816)         | -                 | -                 |
|       | <b>TOTAL OTHER CHARGES AND SERVICES</b>      | <b>538,036</b>    | <b>554,479</b>    | <b>400,000</b>    | <b>400,000</b>    |
|       | <b>TOTAL OPERATING REVENUES</b>              | <b>41,102,347</b> | <b>46,194,473</b> | <b>55,336,110</b> | <b>60,300,428</b> |



**Fiscal Year 2026 Budget  
Departmental Budgets**

|       | Dept. 000 - General, Page 2 of 2                | FY 2023<br>ACTUAL    | FY 2024<br>ACTUAL    | FY 2025<br>BUDGET    | FY 2026<br>BUDGET    |
|-------|---|----------------------|----------------------|----------------------|----------------------|
|       | <b>TOTAL OPERATING REVENUES (previous page)</b> | <b>41,102,347</b>    | <b>46,194,473</b>    | <b>55,336,110</b>    | <b>60,300,428</b>    |
|       | <i>Recycled Water Costs</i>                     |                      |                      |                      |                      |
| 50200 | Recycled Water Costs                            | 727,510              | 754,579              | 1,075,043            | 886,530              |
|       | <b>TOTAL RECYCLED WATER COSTS</b>               | <b>727,510</b>       | <b>754,579</b>       | <b>1,075,043</b>     | <b>886,530</b>       |
|       | <i>DEPRECIATION AND AMORTIZATION</i>            |                      |                      |                      |                      |
| 70100 | Amortization & Depreciation                     | 6,657,317            | 6,545,617            | 6,500,000            | 7,000,000            |
|       | <b>TOTAL AMORTIZATION AND DEPRECIATION</b>      | <b>6,657,317</b>     | <b>6,545,617</b>     | <b>6,500,000</b>     | <b>7,000,000</b>     |
|       | <i>INVESTMENT EARNINGS</i>                      |                      |                      |                      |                      |
| 46105 | Interest earned OC Investment Pool              | 19,857               | 687                  | 1,500                | -                    |
| 46110 | Change fair value                               | (226,444)            | 926,876              | (150,000)            | (150,000)            |
| 46120 | Interest Earned - Funds Under District Control  | 328,873              | 257,687              | 150,000              | 150,000              |
| 46125 | Realized Gain/Loss on Investments               | 1,472,696            | 2,000,322            | 100,000              | 100,000              |
|       | <b>TOTAL INVESTMENT EARNINGS</b>                | <b>1,594,982</b>     | <b>3,185,572</b>     | <b>101,500</b>       | <b>100,000</b>       |
|       | <i>INTEREST EXPENSE</i>                         |                      |                      |                      |                      |
| 76115 | 2009 / 2020 COPs Interest Expense               | 2,566,200            | 2,566,200            | 2,566,200            | 2,566,200            |
| 76120 | 2010 / 2017 COPs Interest Expense               | 797,135              | 624,677              | 441,073              | 305,250              |
| 76150 | Interest Expense                                | 7,633                | 9,783                | 8,500                | 8,500                |
| 76130 | 2009 / 2017 COPs Deferred Amount                | 129,393              | 129,393              | 129,395              | 129,395              |
| 76815 | 2009 / 2020 Premium Amort Expense               | (481,577)            | (481,577)            | (481,580)            | (481,580)            |
| 76820 | 2010 / 2017 COPs Premium Amortization           | (569,390)            | (569,390)            | (569,390)            | (569,390)            |
|       | <b>TOTAL INTEREST EXPENSE</b>                   | <b>2,449,394</b>     | <b>2,279,086</b>     | <b>2,094,198</b>     | <b>1,958,375</b>     |
|       | <i>OTHER NON-OPERATING</i>                      |                      |                      |                      |                      |
| 46805 | Loss on Disposal of Equipment                   | -                    | -                    | (25,000)             | (25,000)             |
| 46808 | Loss on Abandonment                             | -                    | -                    | -                    | -                    |
| 46810 | Non Operating Revenue                           | 2,070                | 6,133                | 25,000               | 25,000               |
| 76800 | Non Operating Expense                           | (844)                | (4,400)              | (25,000)             | (25,000)             |
| 76825 | Bond Issuance Costs                             | -                    | -                    | -                    | -                    |
| 76805 | COPS Trustee Expense                            | -                    | -                    | (5,000)              | (10,000)             |
|       | <b>TOTAL OTHER NON-OPERATING</b>                | <b>1,226</b>         | <b>1,733</b>         | <b>(30,000)</b>      | <b>(35,000)</b>      |
|       | <b>TOTAL NON-OPERATING REVENUES/EXPENSE</b>     | <b>(853,186)</b>     | <b>908,220</b>       | <b>(2,022,698)</b>   | <b>(1,893,375)</b>   |
|       | <i>CAPITAL CONTRIBUTIONS</i>                    |                      |                      |                      |                      |
| 48115 | Capacity Charge Completed Projects              | 893,259              | 307,516              | 875,000              | 750,000              |
| 48125 | Installation Fees Completed Projects            | (33,019)             | 36,721               | 125,000              | 115,000              |
| 48135 | Inspection Fees Completed Projects              | 142,714              | 103,913              | 65,000               | 100,000              |
| 48200 | MWD Local Resource Prog - MWRF                  | 365,267              | 356,568              | 397,490              | -                    |
| 48205 | Utility Rebate - Water Operations               | -                    | -                    | 15,000               | 15,000               |
| 48300 | Contributions from Developers                   | 1,802,058            | 1,502,735            | 900,000              | 850,000              |
|       | <b>TOTAL CAPITAL CONTRIBUTIONS</b>              | <b>3,170,278</b>     | <b>2,307,453</b>     | <b>2,377,490</b>     | <b>1,830,000</b>     |
|       | <b>Department Total</b>                         | <b>\$ 36,034,611</b> | <b>\$ 42,109,950</b> | <b>\$ 48,115,859</b> | <b>\$ 52,350,523</b> |



**Fiscal Year 2026 Budget  
Departmental Budgets**

|       | Dept. 100 - Governance          | FY 2023<br>ACTUAL | FY 2024<br>ACTUAL | FY 2025<br>BUDGET | FY 2026<br>BUDGET |
|-------|---------------------------------|-------------------|-------------------|-------------------|-------------------|
|       | <b>PAYROLL EXPENSES:</b>        |                   |                   |                   |                   |
| 60115 | Labor Taxes                     | \$ 13,783         | \$ 15,525         | \$ 16,157         | \$ 16,937         |
| 60120 | Labor Workers Comp              | 40,182            | 39,810            | 2,307             | 2,419             |
| 60130 | Labor Directors Fee             | 182,032           | 202,928           | 211,200           | 221,400           |
| 60205 | Benefits LTD/Life/EAP           | 345               | 385               | 532               | 532               |
| 60215 | Benefits Other                  | 71,099            | 90,622            | 120,000           | 164,000           |
| 60220 | Benefits Flex Credits           | 37,299            | 35,198            | 138,000           | 144,000           |
|       | <b>Total Payroll</b>            | <b>344,740</b>    | <b>384,467</b>    | <b>488,196</b>    | <b>549,288</b>    |
|       | <b>EXPENSES (NON-PAYROLL)</b>   |                   |                   |                   |                   |
| 61100 | Election Fees                   | -                 | -                 | 45,000            | -                 |
| 62115 | Staff Development & Conferences | 26,453            | 25,753            | 25,000            | 30,000            |
| 62125 | Department Admin                | 44,920            | 13,072            | 15,000            | 30,000            |
|       | <b>Total</b>                    | <b>71,373</b>     | <b>38,824</b>     | <b>85,000</b>     | <b>60,000</b>     |
|       | <b>Department Total</b>         | <b>\$ 416,113</b> | <b>\$ 423,292</b> | <b>\$ 573,196</b> | <b>\$ 609,288</b> |

|       | Dept. 200 - Office of the General Manager | FY 2023<br>ACTUAL   | FY 2024<br>ACTUAL   | FY 2025<br>BUDGET   | FY 2026<br>BUDGET   |
|-------|---|---------------------|---------------------|---------------------|---------------------|
|       | <b>PAYROLL EXPENSES:</b>                  |                     |                     |                     |                     |
| 60100 | Labor Regular                             | \$ 471,576          | \$ 487,611          | \$ 590,459          | \$ 877,369          |
| 60105 | Labor Non-Regular                         | 33,019              | 31,271              | -                   | -                   |
| 60110 | Labor Vacation                            | 45,207              | 56,003              | -                   | -                   |
|       | <b>Labor Subtotal</b>                     | <b>549,802</b>      | <b>574,885</b>      | <b>590,459</b>      | <b>877,369</b>      |
| 60115 | Labor Taxes                               | 26,949              | 28,931              | 29,766              | 46,537              |
| 60120 | Labor Workers Comp                        | 4,416               | 5,296               | 7,417               | 11,206              |
| 60205 | Benefits LTD/Life/EAP                     | 2,527               | 3,065               | 3,443               | 5,130               |
| 60210 | Benefits CalPERS                          | (36,881)            | 295,766             | 215,000             | 275,000             |
| 60215 | Benefits Other                            | 21,211              | 20,261              | 22,586              | 33,588              |
| 60220 | Benefits Flex Credits                     | 51,826              | 52,256              | 55,200              | 86,400              |
|       | <b>Total Payroll</b>                      | <b>619,850</b>      | <b>980,460</b>      | <b>923,871</b>      | <b>1,335,230</b>    |
|       | <b>EXPENSES (NON-PAYROLL)</b>             |                     |                     |                     |                     |
| 61110 | Regulatory Compliance/Permits             | 1,171               | 2,922               | 3,000               | 3,000               |
| 62115 | Staff Development & Conferences           | 15,621              | 6,250               | 15,000              | 20,000              |
| 62125 | Department Admin                          | 5,603               | 10,677              | 12,000              | 12,000              |
| 62130 | Dues and Subscriptions                    | 123,704             | 85,346              | 115,440             | 130,000             |
| 63100 | Support Services                          | 207,589             | 603,248             | 350,000             | 426,500             |
| 63105 | Legal Services                            | 388,328             | 382,477             | 400,000             | 213,000             |
|       | <b>Total</b>                              | <b>742,016</b>      | <b>1,090,920</b>    | <b>895,440</b>      | <b>804,500</b>      |
|       | <b>Department Total</b>                   | <b>\$ 1,361,866</b> | <b>\$ 2,071,380</b> | <b>\$ 1,819,311</b> | <b>\$ 2,139,730</b> |

|       | Dept. 250 - Information Technology | FY 2023<br>ACTUAL | FY 2024<br>ACTUAL   | FY 2025<br>BUDGET   | FY 2026<br>BUDGET   |
|-------|------------------------------------|-------------------|---------------------|---------------------|---------------------|
|       | <b>EXPENSES (NON-PAYROLL)</b>      |                   |                     |                     |                     |
| 62105 | Computer Maint/Licensing           | -                 | 269,716             | 744,000             | 800,000             |
| 62145 | General Supplies - IT              | -                 | 11,585              | 62,000              | 15,000              |
| 62175 | Telecom/Network                    | -                 | 257,853             | 227,000             | 425,000             |
| 62180 | Tools & Equipment                  | -                 | 1,887               | 1,000               | 15,000              |
| 63100 | Support Services                   | -                 | 923,760             | 1,050,000           | 1,765,000           |
|       | <b>Department Total</b>            | <b>-</b>          | <b>\$ 1,464,801</b> | <b>\$ 2,084,000</b> | <b>\$ 3,020,000</b> |



**Fiscal Year 2026 Budget  
Departmental Budgets**

|           | Dept. 3XX - Water Costs                             | FY 2023<br>ACTUAL | FY 2024<br>ACTUAL | FY 2025<br>BUDGET | FY 2026<br>BUDGET |
|-----------|---|-------------------|-------------------|-------------------|-------------------|
|           | <b><i>IMPORTED/BASIN MANAGED WATER EXPENSES</i></b> |                   |                   |                   |                   |
| 50100-320 | Imported Water Fixed Costs                          | \$ 335,771        | \$ 367,693        | \$ 539,000        | \$ 557,500        |
| 50105-320 | Imported Water Variable Costs                       | 716               | -                 | -                 | -                 |
| 50115-320 | Basin Managed Water                                 | -                 | -                 | -                 | -                 |
| 50130-320 | Chemicals and Treatment                             | -                 | -                 | -                 | -                 |
| 50180-320 | Utilities - Imported                                | 1,027             | 2,577             | 3,800             | 2,000             |
| 60100-320 | Labor Import  | -                 | -                 | -                 | -                 |
| 62165-320 | Parts and Materials - Import                        | 64                | 258               | 10,000            | 5,000             |
| 63100-320 | Support Services - Import                           | -                 | -                 | 8,000             | 5,000             |
|           | <b>Total Imported / Basin Managed Water Costs</b>   | <b>337,578</b>    | <b>370,528</b>    | <b>560,800</b>    | <b>569,500</b>    |
|           |   |                   |                   |                   |                   |
| 50110-320 | In-Lieu Water                                       | -                 | -                 | -                 | -                 |
|           | <b>Total In-Lieu Water Costs</b>                    | <b>-</b>          | <b>-</b>          | <b>-</b>          | <b>-</b>          |
|           |   |                   |                   |                   |                   |
|           | <b><i>CLEAR WATER EXPENSES</i></b>                  |                   |                   |                   |                   |
| 50130-310 | Chemicals - Clear                                   | 344,066           | 333,785           | 396,186           | 456,704           |
| 50150-310 | Basin Replenishment Assessment - Clear              | 6,960,157         | 7,891,790         | 9,368,678         | 9,474,786         |
| 50180-310 | Utilities - Clear                                   | 1,198,716         | 1,490,750         | 1,497,709         | 1,540,991         |
| 60100-310 | Labor Clear   | -                 | -                 | -                 | -                 |
| 62165-310 | Parts and Materials - Clear                         | 119,723           | 155,913           | 100,000           | 100,000           |
| 63100-310 | Support Services - Clear                            | 218,286           | 262,063           | 235,000           | 223,500           |
|           | <b>Total Clear Water Costs</b>                      | <b>8,840,948</b>  | <b>10,134,301</b> | <b>11,597,573</b> | <b>11,795,981</b> |
|           |   |                   |                   |                   |                   |
|           | <b><i>AMBER WATER EXPENSES</i></b>                  |                   |                   |                   |                   |
| 50130-330 | Chemicals - Amber                                   | 428,547           | 443,676           | 490,352           | 553,101           |
| 50150-330 | Basin Replenishment Assessment - Amber              | 1,285,911         | 1,380,912         | 1,653,614         | 1,672,272         |
| 50180-330 | Utilities - Amber                                   | 696,879           | 643,507           | 546,869           | 575,000           |
| 60100-330 | Labor Amber   | -                 | -                 | -                 | -                 |
| 62165-330 | Parts and Materials - Amber                         | 40,467            | 49,598            | 60,000            | 70,000            |
| 63100-330 | Support Services - Amber                            | 88,630            | 119,702           | 178,000           | 208,500           |
|           | <b>Total Amber Water Costs</b>                      | <b>2,540,434</b>  | <b>2,637,395</b>  | <b>2,928,835</b>  | <b>3,078,873</b>  |



**Fiscal Year 2026 Budget  
Departmental Budgets**

|       | Dept. 300 - Water Operations    | FY 2023<br>ACTUAL   | FY 2024<br>ACTUAL   | FY 2025<br>BUDGET   | FY 2026<br>BUDGET   |
|-------|---------------------------------|---------------------|---------------------|---------------------|---------------------|
|       | <b>PAYROLL EXPENSES:</b>        |                     |                     |                     |                     |
| 60100 | Labor Regular                   | \$ 2,678,804        | \$ 2,776,350        | \$ 3,453,823        | \$ 3,501,974        |
| 60105 | Labor Non-Reg                   | 243,387             | 273,149             | -                   | -                   |
| 60110 | Labor Vacation                  | 243,859             | 230,976             | -                   | -                   |
|       | <i>Labor Subtotal</i>           | <b>3,166,050</b>    | <b>3,280,475</b>    | <b>3,453,823</b>    | <b>3,501,974</b>    |
| 60115 | Labor Taxes                     | 252,491             | 274,612             | 262,453             | 266,708             |
| 60120 | Labor Workers Comp              | 90,343              | 123,319             | 190,880             | 193,688             |
| 60125 | Labor Temporary                 | 65,559              | -                   | 25,000              | 25,000              |
| 60205 | Benefits LTD/Life/EAP           | 24,759              | 31,278              | 28,969              | 28,672              |
| 60210 | Benefits CalPERS                | (175,999)           | 1,118,052           | 850,000             | 850,000             |
| 60215 | Benefits Other                  | 86,897              | 103,407             | 144,344             | 145,069             |
| 60220 | Benefits Flex Credits           | 631,316             | 771,283             | 855,600             | 864,000             |
| 60990 | Payroll jobs WIP                | (273,660)           | (411,054)           | (102,900)           | (175,675)           |
|       | <b>Total Payroll</b>            | <b>3,867,756</b>    | <b>5,291,373</b>    | <b>5,708,169</b>    | <b>5,699,436</b>    |
|       | <b>EXPENSES (NON-PAYROLL)</b>   |                     |                     |                     |                     |
| 50130 | Chemicals T&D                   | 16,094              | 35,834              | 35,000              | 35,000              |
| 61110 | Regulatory Compliance/Permits   | 121,765             | 254,900             | 225,000             | 295,000             |
| 62115 | Staff Development & Conferences | 26,059              | 23,078              | 30,000              | 35,000              |
| 62120 | Damages                         | -                   | -                   | -                   | -                   |
| 62125 | Department Administration       | 10,213              | 16,972              | 15,000              | 10,000              |
| 62135 | Facilities improvements         | 19,951              | 9,591               | 35,000              | 25,000              |
| 62140 | Fuel                            | 127,107             | 120,132             | 145,000             | 125,000             |
| 62145 | General Supplies                | 24,031              | 6,050               | 20,000              | 10,000              |
| 62155 | Leasing/ Equipment Rental       | -                   | -                   | 25,000              | 25,000              |
| 62160 | Other Agency Cost Reimbursement | 2,348               | 2,468               | -                   | -                   |
| 62165 | Parts & Materials               | 736,135             | 721,233             | 550,000             | 750,000             |
| 62180 | Tools & Equipment               | 3,684               | 5,586               | -                   | -                   |
| 62185 | Utilities                       | 261,007             | 287,675             | 222,976             | 220,000             |
| 63100 | Support Services                | 1,422,972           | 1,435,263           | 1,575,500           | 1,400,500           |
| 63990 | Capitalized G&A Contra - T&D    | (20,262)            | (22,127)            | (75,000)            | (50,000)            |
|       | <b>Total</b>                    | <b>2,751,103</b>    | <b>2,922,689</b>    | <b>2,803,476</b>    | <b>2,880,500</b>    |
|       | <b>Department Total</b>         | <b>\$ 6,618,859</b> | <b>\$ 8,214,062</b> | <b>\$ 8,511,645</b> | <b>\$ 8,579,936</b> |

|       | Dept. 400 - Engineering         | FY 2023<br>ACTUAL | FY 2024<br>ACTUAL   | FY 2025<br>BUDGET   | FY 2026<br>BUDGET   |
|-------|---------------------------------|-------------------|---------------------|---------------------|---------------------|
|       | <b>PAYROLL EXPENSES:</b>        |                   |                     |                     |                     |
| 60100 | Labor Regular                   | \$ 529,804        | \$ 579,749          | \$ 702,153          | \$ 788,120          |
| 60105 | Labor Non-Reg                   | 62,095            | 48,241              | -                   | -                   |
| 60110 | Labor Vacation                  | 84,276            | 57,427              | -                   | -                   |
|       | <i>Labor Subtotal</i>           | <b>676,176</b>    | <b>685,416</b>      | <b>702,153</b>      | <b>788,120</b>      |
| 60115 | Labor Taxes                     | 45,203            | 47,468              | 47,850              | 55,371              |
| 60120 | Labor Workers Comp              | 5,290             | 6,807               | 9,138               | 10,278              |
| 60125 | Labor Temporary                 | -                 | 1,081               | -                   | -                   |
| 60205 | Benefits LTD/Life/EAP           | 4,491             | 5,483               | 4,899               | 5,752               |
| 60210 | Benefits CalPERS                | (35,081)          | 200,033             | 225,000             | 225,000             |
| 60215 | Benefits Other                  | 16,715            | 18,560              | 28,415              | 32,384              |
| 60220 | Benefits Flex Credits           | 91,590            | 105,232             | 110,400             | 144,000             |
| 60990 | Capital Labor/Benefit Contra    | (231,218)         | (190,543)           | (168,300)           | (232,830)           |
|       | <b>Total Payroll</b>            | <b>573,166</b>    | <b>879,537</b>      | <b>959,555</b>      | <b>1,028,075</b>    |
|       | <b>EXPENSES (NON-PAYROLL)</b>   |                   |                     |                     |                     |
| 62115 | Staff Development & Conferences | 3,357             | 3,260               | 10,000              | 10,000              |
| 62125 | Department Admin                | 1,991             | 1,895               | 6,000               | 6,000               |
| 62145 | General Supplies                | 1,121             | 480                 | 2,000               | 2,000               |
| 63100 | Support Services                | 417,618           | 496,564             | 390,000             | 495,000             |
| 63990 | Capitalized G&A Contra          | (63,177)          | (62,962)            | (50,000)            | (65,000)            |
|       | <b>Total</b>                    | <b>360,909</b>    | <b>439,237</b>      | <b>358,000</b>      | <b>448,000</b>      |
|       | <b>Department Total</b>         | <b>\$ 934,075</b> | <b>\$ 1,318,774</b> | <b>\$ 1,317,555</b> | <b>\$ 1,476,075</b> |

|  | Transmission and Distribution                    | FY 2023<br>ACTUAL   | FY 2024<br>ACTUAL   | FY 2025<br>BUDGET   | FY 2026<br>BUDGET    |
|--|--|---------------------|---------------------|---------------------|----------------------|
|  | <b>Transmission and Distribution Grand Total</b> | <b>\$ 7,552,934</b> | <b>\$ 9,532,836</b> | <b>\$ 9,829,200</b> | <b>\$ 10,056,011</b> |



**Fiscal Year 2026 Budget  
Departmental Budgets**

|       | Dept. 500 - Customer Services        | FY 2023<br>ACTUAL | FY 2024<br>ACTUAL | FY 2025<br>BUDGET | FY 2026<br>BUDGET |
|-------|--------------------------------------|-------------------|-------------------|-------------------|-------------------|
|       | <b><i>PAYROLL EXPENSES:</i></b>      |                   |                   |                   |                   |
| 60100 | Labor Regular                        | \$ 339,476        | \$ 226,304        | \$ 275,039        | \$ 288,589        |
| 60105 | Labor Non-Reg                        | 35,787            | 22,767            | -                 | -                 |
| 60110 | Labor Vacation                       | 36,331            | 19,223            | -                 | -                 |
|       | <i>Labor Subtotal</i>                | <b>411,594</b>    | <b>268,293</b>    | <b>275,039</b>    | <b>288,589</b>    |
| 60115 | Labor Taxes                          | 32,755            | 25,214            | 21,041            | 22,078            |
| 60120 | Labor Workers Comp                   | 3,007             | 2,388             | 2,950             | 3,098             |
| 60125 | Labor Temporary                      | -                 | -                 | -                 | 15,000            |
| 60205 | Benefits LTD/Life/EAP                | 3,515             | 3,093             | 2,609             | 2,665             |
| 60210 | Benefits CalPERS                     | (28,972)          | 130,512           | 125,000           | 115,000           |
| 60215 | Benefits Other                       | 22,078            | 11,675            | 12,331            | 12,806            |
| 60220 | Benefits Flex Credits                | 89,789            | 81,790            | 82,800            | 86,400            |
|       | <b>Total Payroll</b>                 | <b>533,766</b>    | <b>522,965</b>    | <b>521,770</b>    | <b>545,636</b>    |
|       | <b><i>EXPENSES (NON-PAYROLL)</i></b> |                   |                   |                   |                   |
| 62100 | Cash Over/Short                      | 597               | -                 | -                 | -                 |
| 62115 | Staff Development & Conferences      | 2,153             | -                 | 2,500             | 2,500             |
| 62125 | Department Admin                     | 14,255            | 2,959             | 10,000            | 5,000             |
| 62145 | General Supplies                     | 167               | -                 | 1,000             | 1,000             |
| 63100 | Support Services                     | 144,136           | 148,806           | 208,000           | 261,500           |
|       | <b>Total</b>                         | <b>161,308</b>    | <b>151,765</b>    | <b>221,500</b>    | <b>270,000</b>    |
|       | <b>Department Total</b>              | <b>\$ 695,074</b> | <b>\$ 674,730</b> | <b>\$ 743,270</b> | <b>\$ 815,636</b> |



**Fiscal Year 2026 Budget  
Departmental Budgets**

|       | <b>Dept. 600 - Financial Services</b>  | <b>FY 2023<br/>ACTUAL</b> | <b>FY 2024<br/>ACTUAL</b> | <b>FY 2025<br/>BUDGET</b> | <b>FY 2026<br/>BUDGET</b> |
|-------|--|---------------------------|---------------------------|---------------------------|---------------------------|
|       | <b><i>PAYROLL EXPENSES:</i></b>        |                           |                           |                           |                           |
| 60100 | Labor Regular                          | \$ 571,433                | \$ 692,683                | \$ 867,534                | \$ 1,057,197              |
| 60105 | Labor Non-Reg                          | 48,783                    | 54,607                    | -                         | -                         |
| 60110 | Labor Vacation                         | 52,058                    | 53,728                    | -                         | -                         |
|       | <i>Labor Subtotal</i>                  | <b>672,273</b>            | <b>801,019</b>            | <b>867,534</b>            | <b>1,057,197</b>          |
| 60115 | Labor Taxes                            | 50,298                    | 59,844                    | 60,430                    | 77,330                    |
| 60120 | Labor Workers Comp                     | 4,883                     | 7,567                     | 9,958                     | 11,963                    |
| 60125 | Labor Temporary                        | 42,241                    | 33,967                    | 15,000                    | 50,000                    |
| 60205 | Benefits LTD/Life/EAP                  | 4,326                     | 6,621                     | 6,515                     | 8,295                     |
| 60210 | Benefits CalPERS                       | (30,941)                  | 234,688                   | 300,000                   | 300,000                   |
| 60215 | Benefits Other                         | 23,665                    | 31,094                    | 35,599                    | 44,157                    |
| 60220 | Benefits Flex Credits                  | 99,007                    | 147,536                   | 165,600                   | 230,400                   |
|       | <b>Total Payroll</b>                   | <b>865,752</b>            | <b>1,322,335</b>          | <b>1,460,636</b>          | <b>1,779,342</b>          |
|       | <b><i>EXPENSES (NON-PAYROLL)</i></b>   |                           |                           |                           |                           |
| 61105 | LAFCO charge                           | 23,900                    | 32,238                    | -                         | 25,000                    |
| 62115 | Staff development & conference expense | 29,510                    | 22,738                    | 15,000                    | 15,000                    |
| 62125 | Department administration expense      | 30,630                    | 11,842                    | 10,000                    | 10,000                    |
| 62145 | General Supplies - Finance             | 50,470                    | 42,921                    | 50,000                    | 50,000                    |
| 62150 | Liability insurance                    | 252,294                   | 319,386                   | 275,000                   | 325,000                   |
| 63100 | Support Services                       | 528,974                   | 507,618                   | 695,000                   | 825,900                   |
| 63990 | Capitalized G&A Contra - Finance       | (381,120)                 | (316,817)                 | (150,000)                 | (150,000)                 |
|       | <b>Total</b>                           | <b>534,658</b>            | <b>619,926</b>            | <b>895,000</b>            | <b>1,100,900</b>          |
|       | <b>Department Total</b>                | <b>\$ 1,400,410</b>       | <b>\$ 1,942,261</b>       | <b>\$ 2,355,636</b>       | <b>\$ 2,880,242</b>       |



**Fiscal Year 2026 Budget  
Departmental Budgets**

|       | <b>Dept. 700 - Public Affairs</b>       | <b>FY 2023<br/>ACTUAL</b> | <b>FY 2024<br/>ACTUAL</b> | <b>FY 2025<br/>BUDGET</b> | <b>FY 2026<br/>BUDGET</b> |
|-------|---|---------------------------|---------------------------|---------------------------|---------------------------|
|       | <b><i>PAYROLL EXPENSES:</i></b>         |                           |                           |                           |                           |
| 60100 | Labor Regular                           | \$ 204,129                | \$ 209,169                | \$ 477,317                | \$ 562,002                |
| 60105 | Labor Non-Reg                           | 15,484                    | 12,839                    | -                         | -                         |
| 60110 | Labor Vacation                          | 10,590                    | 10,285                    | -                         | -                         |
|       | <i>Labor Subtotal</i>                   | <b>230,203</b>            | <b>232,293</b>            | <b>477,317</b>            | <b>562,002</b>            |
| 60115 | Labor Taxes                             | 20,280                    | 20,790                    | 36,515                    | 42,993                    |
| 60120 | Labor Workers Comp                      | 1,777                     | 2,811                     | 6,071                     | 7,161                     |
| 60125 | Labor Temporary                         | -                         | 27,336                    | -                         | -                         |
| 60205 | Benefits LTD/Life/EAP                   | 1,746                     | 2,041                     | 3,874                     | 4,709                     |
| 60210 | Benefits CalPERS                        | (9,891)                   | 69,245                    | 175,000                   | 150,000                   |
| 60215 | Benefits Other                          | 4,808                     | 7,748                     | 20,729                    | 24,547                    |
| 60220 | Benefits Flex Credits                   | 45,047                    | 50,704                    | 110,400                   | 144,000                   |
|       | <b>Total Payroll</b>                    | <b>293,970</b>            | <b>412,969</b>            | <b>829,906</b>            | <b>935,412</b>            |
|       | <b><i>EXPENSES (NON-PAYROLL)</i></b>    |                           |                           |                           |                           |
| 62115 | Staff development & conference expense  | 3,655                     | 3,816                     | 9,000                     | 9,000                     |
| 62125 | Department administration expense       | 2,840                     | 6,599                     | 2,500                     | 5,000                     |
| 62130 | District memberships and subscriptions  | 9,001                     | 11,731                    | 9,000                     | 9,000                     |
| 62145 | General Office Supplies/Minor Equipment | 6,667                     | 60,435                    | 25,000                    | 40,000                    |
| 63100 | Support Services                        | 763,561                   | 714,005                   | 1,047,550                 | 1,139,850                 |
|       | <b>Total</b>                            | <b>785,724</b>            | <b>796,584</b>            | <b>1,093,050</b>          | <b>1,202,850</b>          |
|       | <b>Department Total</b>                 | <b>\$ 1,079,694</b>       | <b>\$ 1,209,553</b>       | <b>\$ 1,922,956</b>       | <b>\$ 2,138,262</b>       |

|       | <b>Dept. 900 - Water Policy</b>      | <b>FY 2023<br/>ACTUAL</b> | <b>FY 2024<br/>ACTUAL</b> | <b>FY 2025<br/>BUDGET</b> | <b>FY 2026<br/>BUDGET</b> |
|-------|--------------------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
|       | <b><i>PAYROLL EXPENSES:</i></b>      |                           |                           |                           |                           |
| 60100 | Labor Regular                        | \$ 165,181                | \$ 172,029                | \$ 208,382                | \$ 214,607                |
| 60105 | Labor Non-Reg                        | 15,321                    | 20,781                    | -                         | -                         |
| 60110 | Labor Vacation                       | 20,661                    | 14,518                    | -                         | -                         |
|       | <i>Labor Subtotal</i>                | <b>201,162</b>            | <b>207,328</b>            | <b>208,382</b>            | <b>214,607</b>            |
| 60115 | Labor Taxes                          | 12,599                    | 13,503                    | 13,624                    | 14,383                    |
| 60120 | Labor Workers Comp                   | 1,692                     | 2,006                     | 2,780                     | 2,863                     |
| 60125 | Labor Temporary                      | -                         | -                         | -                         | -                         |
| 60205 | Benefits LTD/Life/EAP                | 1,274                     | 1,540                     | 1,361                     | 1,387                     |
| 60210 | Benefits CalPERS                     | (14,472)                  | 97,501                    | 80,000                    | 80,000                    |
| 60215 | Benefits Other                       | 11,363                    | 12,655                    | 8,253                     | 8,471                     |
| 60220 | Benefits Flex Credits                | 22,528                    | 26,249                    | 27,600                    | 28,800                    |
|       | <b>Total Payroll</b>                 | <b>236,146</b>            | <b>360,783</b>            | <b>342,000</b>            | <b>350,511</b>            |
|       | <b><i>EXPENSES (NON-PAYROLL)</i></b> |                           |                           |                           |                           |
| 62115 | Staff Development & Conferences      | 18,422                    | 24,998                    | 15,000                    | 15,000                    |
| 62125 | Department Admin                     | 9,541                     | 7,363                     | 5,000                     | 5,000                     |
| 62130 | Dues and Subscriptions               | 3,736                     | 1,942                     | 2,000                     | 2,000                     |
| 62145 | General Supplies                     | 724                       | 2,669                     | 1,500                     | 1,500                     |
| 63100 | Support Services                     | 347,586                   | 508,957                   | 445,000                   | 450,000                   |
| 63105 | Legal Services                       | -                         | -                         | -                         | -                         |
|       | <b>Total</b>                         | <b>380,009</b>            | <b>545,930</b>            | <b>468,500</b>            | <b>473,500</b>            |
|       | <b>Department Total</b>              | <b>\$ 616,155</b>         | <b>\$ 906,713</b>         | <b>\$ 810,500</b>         | <b>\$ 824,011</b>         |



**Fiscal Year 2026 Budget  
Departmental Budgets**

|       | Dept. 800 - Administrative Services | FY 2023<br>ACTUAL   | FY 2024<br>ACTUAL   | FY 2025<br>BUDGET   | FY 2026<br>BUDGET   |
|-------|-------------------------------------|---------------------|---------------------|---------------------|---------------------|
|       | <b>PAYROLL EXPENSES:</b>            |                     |                     |                     |                     |
| 60100 | Labor Regular                       | \$ 480,122          | \$ 486,246          | \$ 635,210          | \$ 734,901          |
| 60105 | Labor Non-Reg                       | 45,766              | 56,716              | -                   | -                   |
| 60110 | Labor Vacation                      | 77,089              | 56,462              | -                   | -                   |
|       | <i>Labor Subtotal</i>               | <b>602,977</b>      | <b>599,424</b>      | <b>635,210</b>      | <b>734,901</b>      |
| 60115 | Labor Taxes                         | 46,541              | 46,124              | 45,835              | 55,628              |
| 60120 | Labor Workers Comp                  | 4,383               | 5,499               | 7,460               | 8,340               |
| 60125 | Labor Temporary                     | -                   | 24,397              | -                   | -                   |
| 60205 | Benefits LTD/Life/EAP               | 4,701               | 5,666               | 5,117               | 6,027               |
| 60210 | Benefits CalPERS                    | (38,532)            | 254,752             | 215,000             | 175,000             |
| 60215 | Benefits Other                      | 19,240              | 20,168              | 27,032              | 31,482              |
| 60220 | Benefits Flex Credits               | 112,289             | 119,777             | 138,000             | 172,800             |
|       | <b>Total Payroll</b>                | <b>751,600</b>      | <b>1,075,806</b>    | <b>1,073,654</b>    | <b>1,184,178</b>    |
|       | <b>EXPENSES (NON-PAYROLL)</b>       |                     |                     |                     |                     |
| 60235 | Benefit Unemployment Insurance      | -                   | -                   | -                   | -                   |
| 62105 | Computer Maint/Licensing            | 402,715             | (29,186)            | -                   | -                   |
| 62115 | Staff Development & Conferences     | 6,589               | 14,900              | 15,000              | 10,000              |
| 62125 | Department Admin                    | 1,477               | 2,765               | 10,000              | 8,000               |
| 62145 | General Supplies - IT               | 35,739              | 3,946               | -                   | -                   |
| 62170 | Postage/Shipping/Freight            | 15,170              | 15,848              | 10,000              | 10,000              |
| 62175 | Telecom/Network                     | 392,618             | (11,896)            | -                   | -                   |
| 62180 | Tools & Equipment                   | -                   | -                   | -                   | -                   |
| 63100 | Support Services                    | 1,448,058           | 239,453             | 32,000              | 22,000              |
| 63110 | Human Resources Services - Admin    | (154)               | (990)               | -                   | -                   |
|       | <b>Total</b>                        | <b>2,302,213</b>    | <b>234,839</b>      | <b>67,000</b>       | <b>50,000</b>       |
|       | <b>Department Total</b>             | <b>\$ 3,053,813</b> | <b>\$ 1,310,645</b> | <b>\$ 1,140,654</b> | <b>\$ 1,234,178</b> |

|       | Dept. 850 - Human Resources      | FY 2023<br>ACTUAL | FY 2024<br>ACTUAL | FY 2025<br>BUDGET | FY 2026<br>BUDGET   |
|-------|----------------------------------|-------------------|-------------------|-------------------|---------------------|
|       | <b>PAYROLL EXPENSES:</b>         |                   |                   |                   |                     |
| 60100 | Labor Regular                    | \$ 207,945        | \$ 218,622        | \$ 268,536        | \$ 305,261          |
| 60105 | Labor Non-Reg                    | 13,292            | 19,610            | -                 | -                   |
| 60110 | Labor Vacation                   | 21,075            | 20,663            | -                 | -                   |
|       | <i>Labor Subtotal</i>            | <b>242,312</b>    | <b>258,895</b>    | <b>268,536</b>    | <b>305,261</b>      |
| 60115 | Labor Taxes                      | 19,694            | 21,703            | 20,543            | 23,352              |
| 60120 | Labor Workers Comp               | 1,651             | 2,215             | 2,934             | 3,059               |
| 60125 | Labor Temporary                  | -                 | -                 | -                 | -                   |
| 60205 | Benefits LTD/Life/EAP            | 1,896             | 2,323             | 2,107             | 2,155               |
| 60210 | Benefits CalPERS                 | (14,776)          | 97,730            | 75,000            | 100,000             |
| 60215 | Benefits Other                   | 9,380             | 10,695            | 11,319            | 12,681              |
| 60220 | Benefits Flex Credits            | 45,053            | 52,690            | 55,200            | 57,600              |
|       | <b>Total Payroll</b>             | <b>305,209</b>    | <b>446,251</b>    | <b>435,639</b>    | <b>504,108</b>      |
|       | <b>EXPENSES (NON-PAYROLL)</b>    |                   |                   |                   |                     |
| 60225 | Benefits OPEB                    | (31,443)          | (29,693)          | 90,000            | 75,000              |
| 60230 | Benefit Retiree Expenses         | (34,484)          | (34,949)          | 25,000            | 20,000              |
| 60235 | Benefit Unemployment Insurance   | 15,750            | -                 | 20,000            | 25,000              |
| 62115 | Staff Development & Conferences  | 14,601            | 6,223             | 10,000            | 10,000              |
| 62125 | Department Admin                 | 1,487             | 789               | 10,000            | 10,000              |
| 63110 | Human Resources Services - Admin | 239,683           | 264,446           | 270,000           | 451,800             |
|       | <b>Total</b>                     | <b>205,594</b>    | <b>206,815</b>    | <b>425,000</b>    | <b>591,800</b>      |
|       | <b>Department Total</b>          | <b>\$ 510,803</b> | <b>\$ 653,066</b> | <b>\$ 860,639</b> | <b>\$ 1,095,908</b> |



## Fiscal Year 2026 Budget

### Glossary of Terms

|  |  |
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| <b>Accrual</b>   | The recognition of a revenue or expense as it is earned or incurred regardless of when actual cash is received or paid.  |
| <b>Acre Foot (AF)</b>                                    | Covers one acre of land in area by one foot in depth and is equal to 325,851 gallons. Supplies a family of four for approximately one year.  |
| <b>Amber Water</b>                                       | Water produced from deep groundwater wells that require treatment for color and odor before being entered to the distribution system.  |
| <b>Amortization</b>                                      | The periodic expense attributed to the decline in usefulness on an intangible asset or the allocation of bond premium or discount over the life of the bond.   |
| <b>Appropriation</b>                                     | An amount of money in the budget authorized by the Board of Directors, for expenditures or obligations within organizational units for specific purposes.  |
| <b>Assets</b>  | Resources owned or held by the enterprise as a result of past events and from which future economic benefits are expected to flow to the enterprise.   |
| <b>Association of California Water Agencies (ACWA)</b>   | Association representing nearly 450 public water agencies consisting of municipal, irrigation, county and California water districts, and a number of special purpose agencies. ACWA also represents non-profit and non-public mutual water companies. Members provide the link between local, state and federal water projects, and ultimate water consumers. |
| <b>Basin Pumping Percentage (BPP)</b>                    | The amount of clear ground water that can be pumped as a percentage of total potable water. This percentage is set each year by Orange County Water District.  |
| <b>Budget</b>  | The District's fiscal plan detailing proposed revenues and expenditures for a period of time.  |
| <b>California Department of Water Resources (CA DWR)</b> | California agency responsible for managing California's water resources.   |
| <b>Capacity Charge</b>                                   | Fee imposed when a customer requests a new service connection. Capacity charges are used by the District to pay for infrastructure built to accommodate future development or to plan, design and construct new facilities to support the additional demand placed on the water system by the new connections.   |
| <b>Capital</b>   | Purchases or projects that exceed Mesa Water's capitalization threshold, which is \$10,000 for non-water infrastructure and \$100 (the installation cost of a 5/8" meter) for water infrastructure.  |
| <b>Cash on Hand</b>                                      | Amount of unrestricted cash held by Mesa Water at a given time.  |
| <b>CCF</b>   | Abbreviation for unit of water sold in hundred cubic feet. Mesa Water sells water in this unit of measure.   |



## Fiscal Year 2026 Budget

### Glossary of Terms

|  |   |
|--|---|
| <b>Certificates Of Participation (COP)</b> | Form of lease-purchase financing used to construct or acquire capital facilities or equipment.  |
| <b>Change in Net Position</b>              | The final figure on the Statement of Revenues, Expenses and Change in Net Position report where revenues are netted against expenses.   |
| <b>Clear Well Water</b>                    | Water produced from groundwater wells that require minimal treatment to be released into the distribution system.   |
| <b>Coverage Ratio</b>                      | Ratio of Net Revenues to total annual financial obligations. This is a margin of safety for payment of debt service, reflecting the number of times by which earnings for a period of time exceed debt service payable in such a period.  |
| <b>Days Cash Ratio</b>                     | A ratio of the Cash on Hand divided by the average Operating Expenses less Pass-through water sales to government agencies.   |
| <b>Debt Service</b>                        | Cash required in a given period for payment on interest and principal on outstanding financial obligations.   |
| <b>Depreciation</b>                        | The method of allocating historical costs of capital assets (excluding land) to periods in which the assets are used.   |
| <b>Designated Funds</b>                    | Segregation of assets for special purposes such as asset replacement.   |
| <b>Enterprise Fund</b>                     | A fund established to account for the financing of self-supporting enterprises, such as a utility fund, which render services primarily to the public.  |
| <b>Expenses</b>                            | The amount of assets consumed or services used in the process of earning revenue.   |
| <b>Fiscal Year (FY)</b>                    | The annual accounting period. Mesa Water uses July 1 through June 30.   |
| <b>Full Time Equivalent (FTE)</b>          | An FTE equals one full-time employee working 2,080 hours per year.  |
| <b>GAAP</b>                                | Generally Accepted Accounting Principles (GAAP) are uniform standards and guidelines that both private and public sectors use to report and record financial information. GAAP establishes a standard manner to measure and categorize accounting transactions to report financial results. Following GAAP provides a reasonable basis to compare financial results of other water or similar agencies. |
| <b>Geographic Information System (GIS)</b> | A system combining computer hardware, software and geographic data for collecting, storing, analyzing and displaying geographically referenced information.   |
| <b>In-Lieu Water</b>                       | Water purchased at the same price as well water when the groundwater basin does not allow for full pumping.   |
| <b>Infrastructure</b>                      | The accumulated pipelines, treatment plants and storage facilities of Mesa Water, including all meters, valves, pumps, hydrants and other appurtenances, whether constructed by Mesa Water or dedicated by private entities.  |



**Fiscal Year 2026 Budget**

**Glossary of Terms**

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| <b>Imported Water</b>                                    | Water purchased from Municipal Water District of Orange County (MWDOC). It is transported by an aqueduct system from the Colorado River or the State Water Project.  |
| <b>LAFCO</b>   | Local Agency Formation Commission. This Commission facilitates constructive changes in governmental structure and boundaries and fosters orderly development and governance within its jurisdiction.               |
| <b>Liability</b>   | Obligations of the enterprise arising from past events.  |
| <b>Local Agency Investment Fund (LAIF)</b>               | A pooled investment vehicle for local agencies in California sponsored by the State of California and administered by the State Treasurer.   |
| <b>Meet and Confer</b>                                   | Labor relations and labor negotiations with different employee groups.   |
| <b>Memorandum of Understanding</b>                       | A document describing agreement or accord reached between two or more parties including each party's rights and responsibilities.  |
| <b>Mesa Water Reliability Facility (MWRF)</b>            | The facility that is used to treat the amber water pumped by wells from deeper in the groundwater aquifer.   |
| <b>Metropolitan Water District (MWD)</b>                 | A consortium of cities and water districts that provide water usage to water customers in parts of Los Angeles, Orange, San Diego, Riverside, San Bernardino and Ventura counties.                                 |
| <b>Municipal Water District of Orange County (MWDOC)</b> | Regional water wholesaler of imported water that serves retail agencies in Orange County.  |
| <b>Non-water Expenses</b>                                | Expenses associated with operations as a water utility but not directly attributable to the production and distribution of water.  |
| <b>Orange County Water District (OCWD)</b>               | The agency responsible for managing the Orange County Groundwater Basin in northern and central Orange County that serves cities and water districts.  |
| <b>Other Expense</b>                                     | An expense that cannot be associated definitely with operations.   |
| <b>Other Income</b>                                      | Revenue from sources other than Mesa Water's principal activities as a water utility.  |
| <b>Potable Water</b>                                     | Water that is suitable for drinking.   |
| <b>Public Employees Retirement System (PERS)</b>         | An agency, multiple-employer, public retirement system to which Mesa Water contributes that acts as a common investment and administrative agent for participating public entities within the State of California. |
| <b>Recycled Water</b>                                    | Non-potable water that is used for irrigation purposes.  |
| <b>Replenishment Assessment (RA)</b>                     | Amount charged on an acre-foot basis for water pumped from the Orange County Groundwater Basin charged by OCWD.  |



## Fiscal Year 2026 Budget

### Glossary of Terms

|  |   |
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| <b>Restricted Reserves</b>   | An account used to indicate that a portion of Net Position is legally restricted for a specific purpose or not available for appropriation and subsequent spending.                         |
| <b>Reservoir</b>   | A pond, lake, tank, or basin (natural or engineered) where water is collected and stored.   |
| <b>Revenue</b>   | The sale of goods or services produced by an entity which usually result in the creation of assets, most often cash or receivables.   |
| <b>Statement of Revenues, Expenses and Changes in Net Position</b> | Reports the results of revenues and expenses over a period of time.   |
| <b>Supervisory Control and Data Acquisition (SCADA)</b>            | The Supervisory Control and Data Acquisition system collects operational data from remote units to monitor and control water systems and facilities throughout the District's service area. |
| <b>Water Production Costs</b>                                      | The costs associated directly with the production and distribution of water into the system.  |
| <b>Working Capital</b>   | The difference between current assets and current liabilities. Represents the amount available for operations and other expenditures.   |