

# FISCAL YEAR 2027 PROPOSED BUDGET

## Strategic Plan Goals:

- Provide an Abundant, Local, Reliable and Safe Water Supply
- Perpetually Renew and Improve our Infrastructure
- Be Financially Responsible and Transparent
- Increase Public Awareness of Mesa Water
- Attract, Develop and Retain Skilled Employees
- Provide Excellent Customer Service
- Actively Participate in Regional and Statewide Water Issues
- Practice Continual Business Improvement



# Mesa Water

- Financially Strong
- AAA ratings

**STANDARD  
& POOR'S**

**Fitch Ratings**



3 | June 10, 2026



# Committed to Transparency



4 | June 10, 2026



## District of Distinction



5 | June 10, 2026



## FY 2027 Budget Assumptions

- Increase in budgeted water production by 0.3%. FY 2027 budgeted potable water production of 15,726 Acre Feet (AF) vs. 15,678 AF in FY 2026.
- Third/Fourth year of approved 5-year rate adjustments adopted in 2023.
- Basin Production Percentage (BPP) for FY 2027 remained at 85% as in FY 2026.
- Orange County Water District (OCWD) Replenishment Assessment (RA) increased \$17 to \$728 per AF.

6 | June 10, 2026



# Budget Assumptions

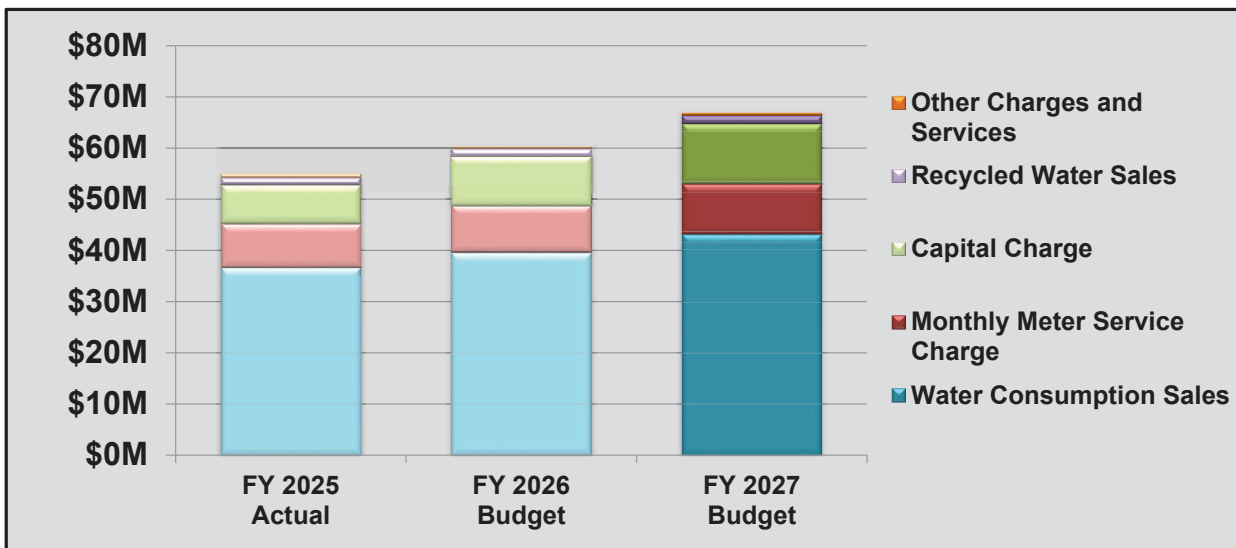
## Increased Water Costs:

Fiscal Year		Per Acre Foot			
		OCWD RA	OCWD Recycled Water	Metropolitan Imported Variable Cost	LRP Grant
2023	Actual	558	932	1,143/1,209	163
2024	Actual	624	960	1,209/1,256	166
2025	Actual	689	989	1,256/1,395	169
2026	Actual	711	1,019	1,395/1,528	--
2027	Budget	728	1,050	1,528/1,420	--

# FY 2027 Proposed Budget

- FY 2027 Budget funds the Board’s objectives and supports the goals of the Strategic Plan
- FY 2027 Budget Operating Revenues increased by 10.9% to \$66.9 MM from \$60.3 MM
- FY 2027 Operating Expenses increased by 3.8% to \$42.7 MM from \$41.1 MM

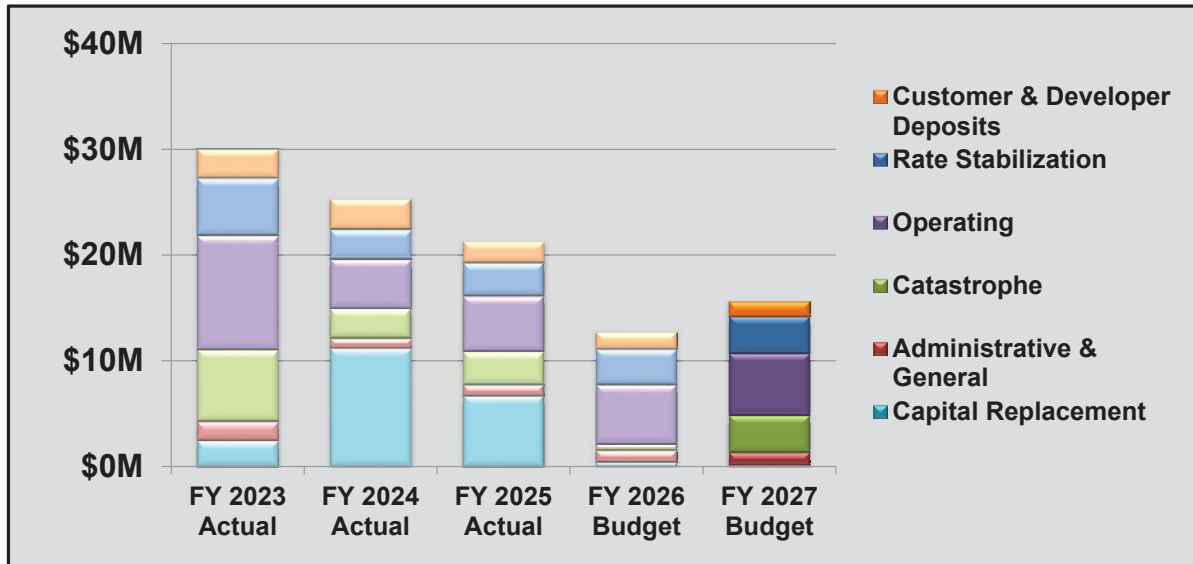
## Operating Revenue



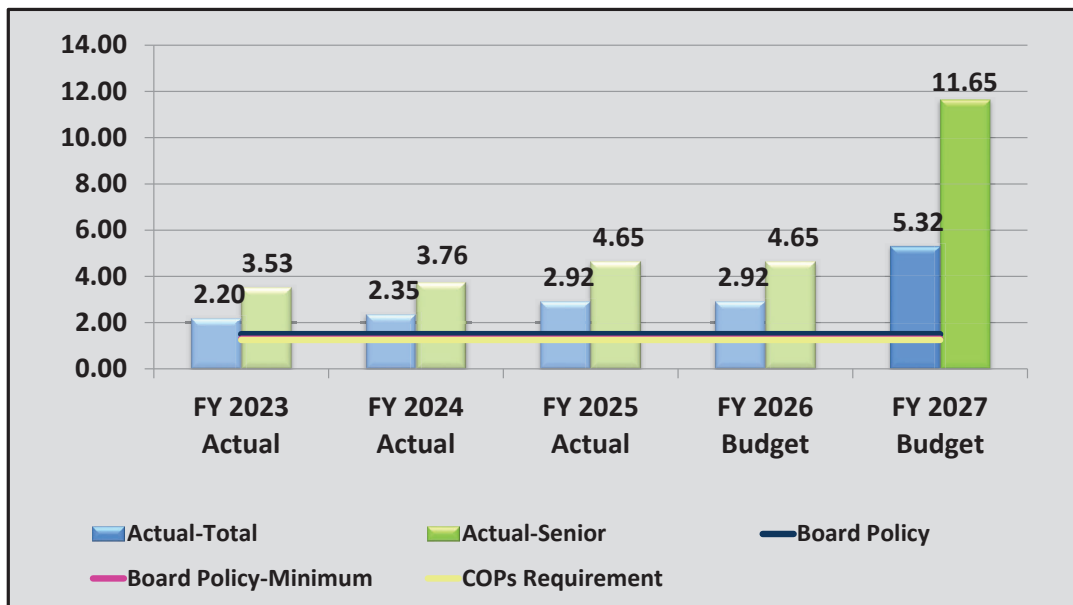
## FY 2027 Proposed Budget

- Debt Service of \$4.7 MM in FY 2027 vs. \$6.9 MM in FY 2026; 2017 COPS will be paid off in FY 2027
- Capital Expenditures is \$10.5 MM with focus on Water Infrastructure (Reservoirs 1 and 2 pump system upgrade, Inter-agency water projects, and operations routine capital), and ERP software upgrades
- Full Time Equivalent employees is proposed at 63 in FY2027 compared with 61 in FY2026.

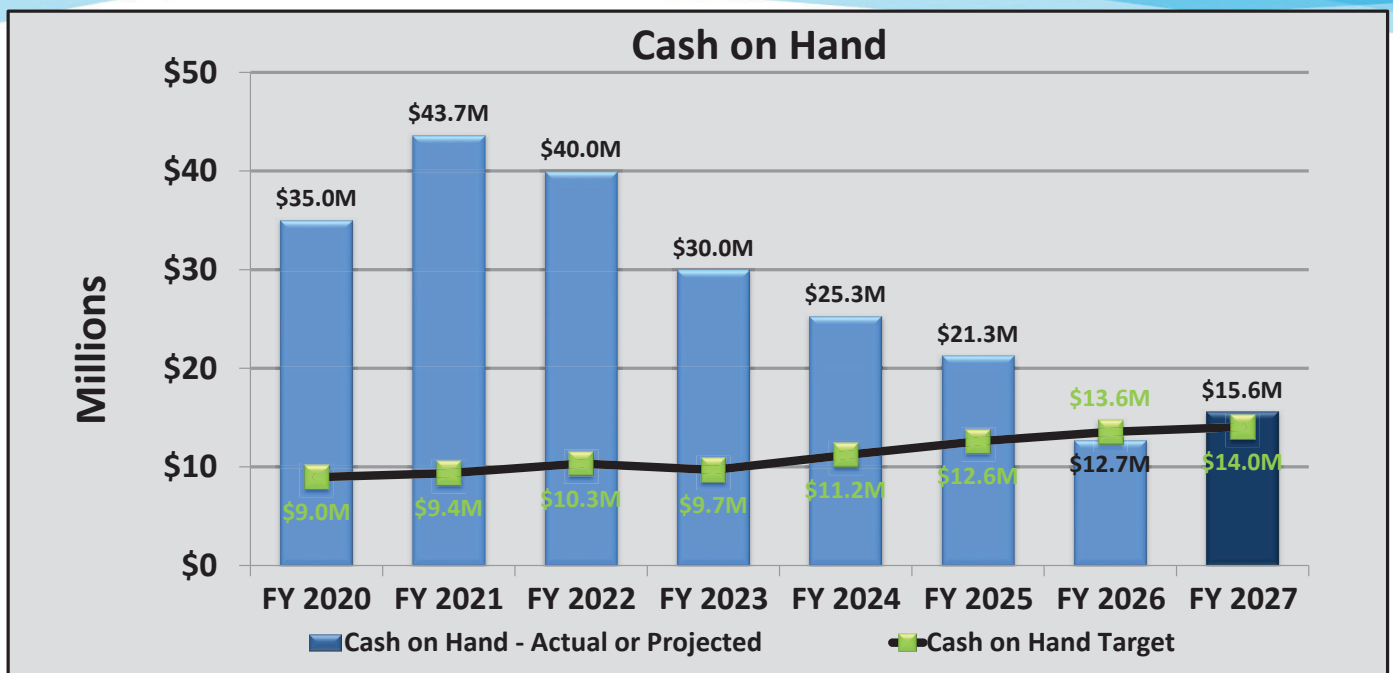
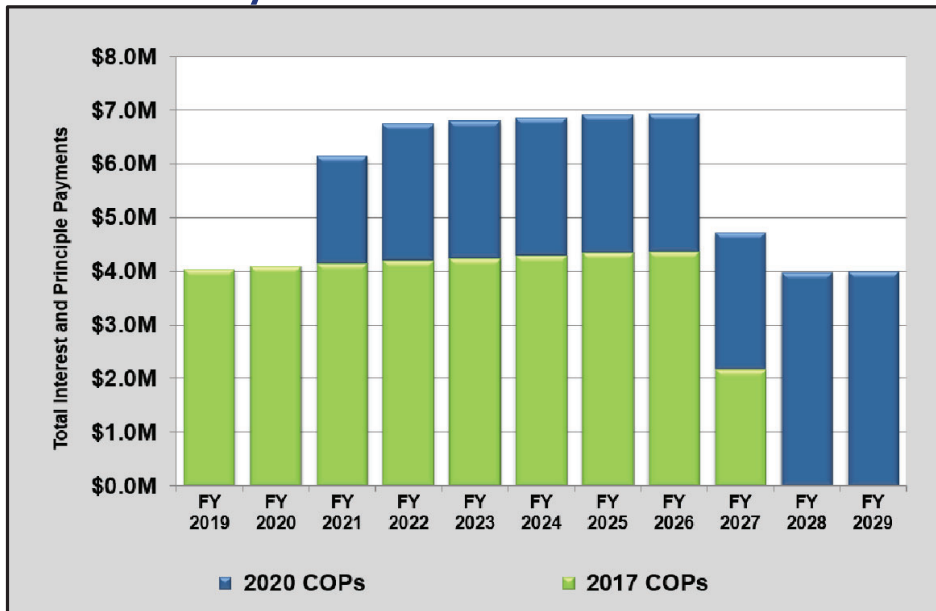
# Designated Funds

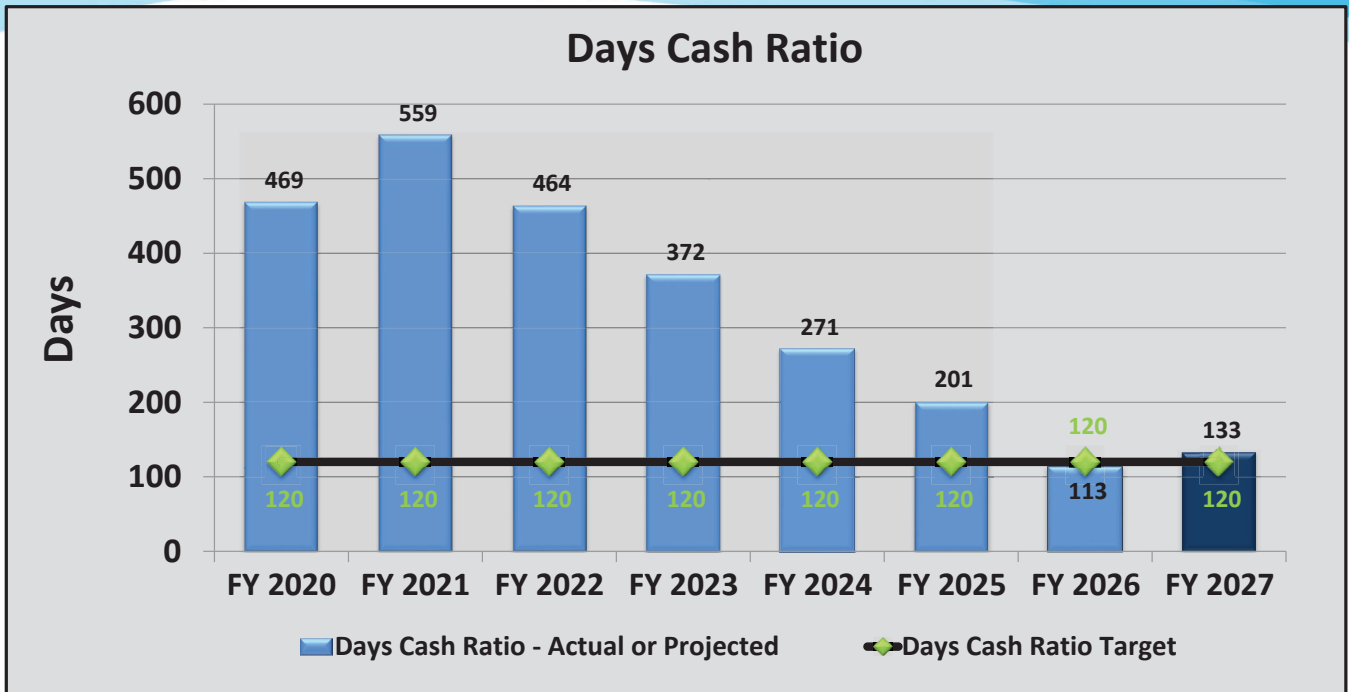


# Debt Service Coverage Ratio

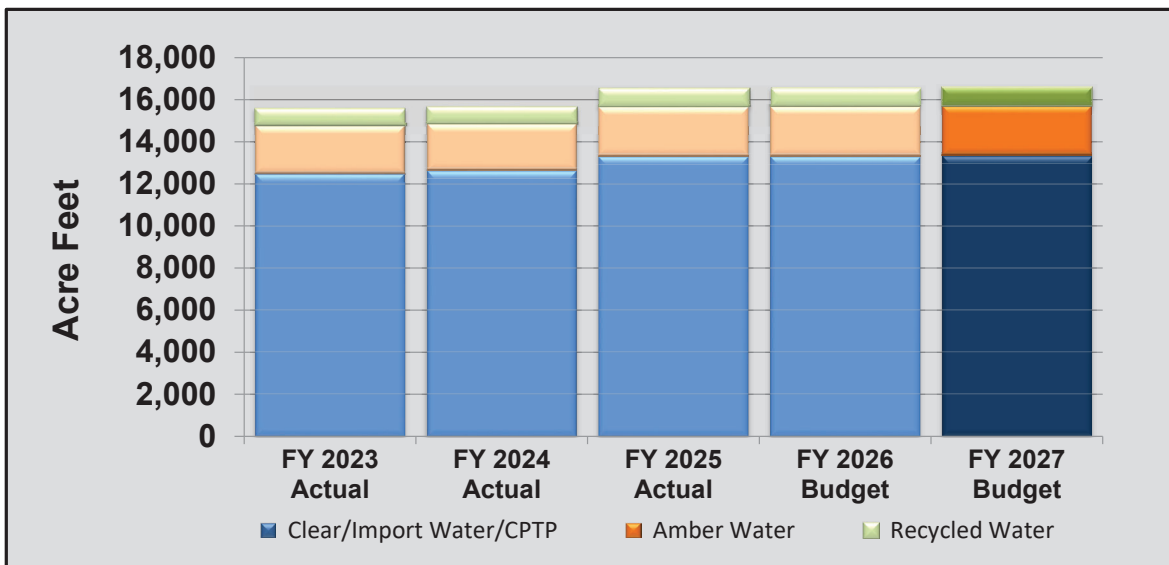


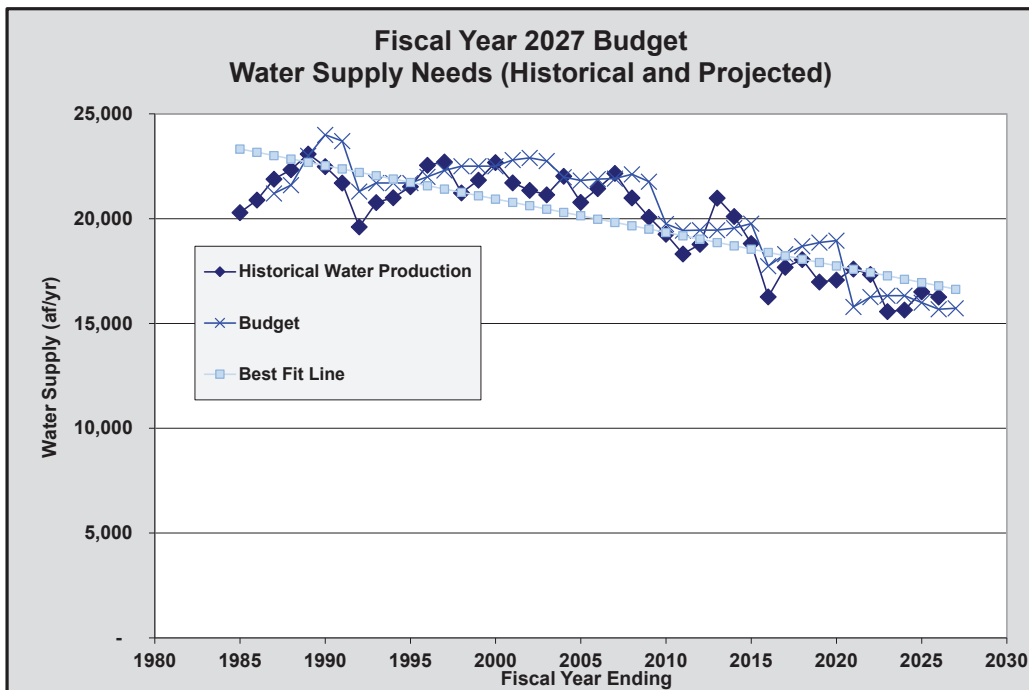
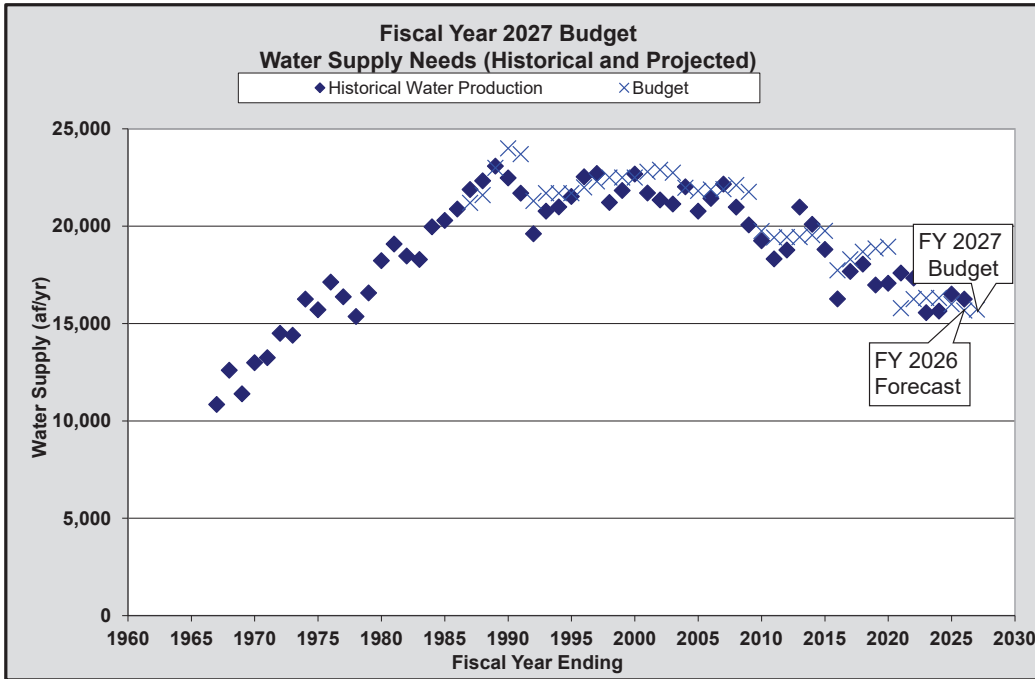
# Debt Service Payments





## Water Production (AF)

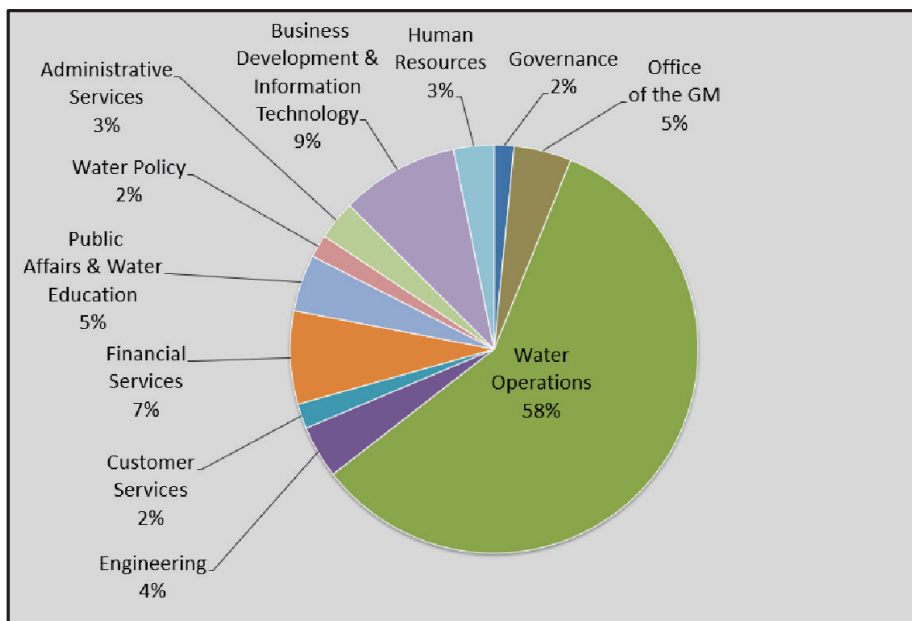




## Conservation Impact on Billing Rate

	FY 2027 Budget	Peak Year 1989
Acre Feet Produced	15,726	23,089
Less: Estimated Water Loss (6%)	944	1,385
Acre Feet Consumed	14,782	21,704
FY 2027 Budgeted Water Sales	\$43,236,341	
Blended Annual Billing Rate - CCF	\$6.61	\$4.18
Cost of Conservation in dollars		\$2.43
Cost of Conservation in percentage		58.1%

## Operating Expenses by Department As a Percentage

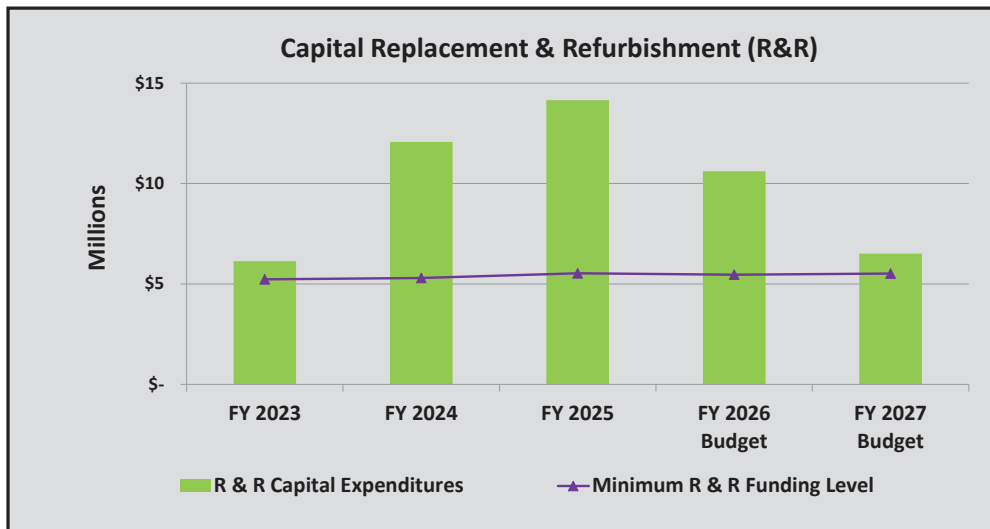


# Capital

Description	Amount	Percent of Total
Reservoirs 1 and 2 Pump Station Upgrades Project	\$ 3,332,267	31.8%
Operations Routine Capital (Hyd., Valves, Meters, etc.)	1,456,800	13.9%
Croddy/Chandler Pavement	1,073,155	10.2%
Interagency Water Transfer	1,029,212	9.8%
Well 12 and 14 Power Supply Reliability	709,000	6.8%
Local Ground Water Supply Improvement Plan	678,000	6.5%
Enterprise Resource Planning (ERP) Solution	675,000	6.4%
Neptune Meter Project	431,250	4.1%
Pipeline Integrity Testing Program	333,560	3.2%
Customer Information Systems (CIS) Solution	242,250	2.3%
MWRF	132,900	1.3%
IT Upgrades	102,000	1.0%
SCADA Asset Replacement	96,000	1.0%
Non-Routine Capital	76,700	0.7%
Other Projects	108,375	1.0%
<b>Total Capital</b>	<b>\$ 10,476,469</b>	<b>100.0%</b>



# Capital Replacement & Refurbishment (R&R)



## FY 2027 Budget Summary

- Proposed Budget funds Board Mission, Vision & Strategic Plan Goals
- Key Financial Summary:
  - Cash on Hand of \$15.6 MM
  - Days Cash Ratio of 133 days
- 100% reliable with locally-sourced water
- One of the most efficient water agencies in OC

## FY 2027 Budget Recommendation

- Approve the proposed FY 2027 Budget



**QUESTIONS?**

