



FALLBROOK PUBLIC UTILITY DISTRICT
MEETING OF THE FISCAL POLICY AND INSURANCE COMMITTEE

AGENDA

WEDNESDAY, APRIL 22, 2026
11:30 A.M.

FALLBROOK PUBLIC UTILITY DISTRICT
990 E. MISSION RD., FALLBROOK, CA 92028
PHONE: (760) 728-1125

THIS MEETING WILL BE HELD AT THE ABOVE DATE, TIME, AND LOCATION AND MEMBERS OF THE PUBLIC MAY ATTEND IN PERSON AT THE DISTRICT OFFICE LOCATED AT 990 E. MISSION RD., FALLBROOK, CA 92028. FOR THE CONVENIENCE OF MEMBERS OF THE PUBLIC WHO DO NOT WISH TO ATTEND IN PERSON, FALLBROOK PUBLIC UTILITY DISTRICT PROVIDES A MEANS TO OBSERVE AND PROVIDE PUBLIC COMMENTS AT THE MEETING VIA WEB CONFERENCE USING THE BELOW CALL-IN AND WEBLINK INFORMATION. PLEASE NOTE THAT IN THE EVENT OF TECHNICAL ISSUES THAT DISRUPT THE ABILITY OF MEMBERS OF THE PUBLIC TO VIEW THE MEETING OR PROVIDE PUBLIC COMMENTS THROUGH THE WEB CONFERENCE OPTION, THE MEETING WILL CONTINUE.

Join Zoom Meeting

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PUBLIC COMMENTS: Members of the public may submit public comments and comments on agenda items in one of the following ways:

SUBMIT COMMENTS BEFORE THE MEETING:

- By emailing to our Board Secretary at leckert@fpud.com
- By mailing to the District Offices at 990 E. Mission Rd., Fallbrook, CA 92028
- By depositing them in the District’s Payment Drop Box located at 990 E. Mission Rd., Fallbrook, CA 92028

All comments submitted before the meeting by whatever means must be received at least 1 hour in advance of the meeting. All comments will be read to the Board during the appropriate portion of the meeting. Please keep any written comments to 3 minutes.

REMOTELY MAKE COMMENTS DURING THE MEETING: The Board President will inquire prior to Board discussion if there are any comments from the public on each item.

- Via Zoom Webinar go to the “Participants List,” hover over your name and click on “raise hand.” This will notify the moderator that you wish to speak during oral communication or during a specific item on the agenda.
- Via phone, you can raise your hand by pressing *9 to notify the moderator that you wish to speak during the current item.

MAKE IN-PERSON COMMENTS DURING THE MEETING: The Board President will inquire prior to Board discussion if there are any comments from the public on each item, at which time members of the public attending in person may make comments.

THESE PUBLIC COMMENT PROCEDURES SUPERSEDE THE DISTRICT’S STANDARD PUBLIC COMMENT POLICIES AND PROCEDURES TO THE CONTRARY.

If you have a disability and need an accommodation to participate in the meeting, please call the Board Secretary at (760) 999-2704 for assistance.

I. PRELIMINARY FUNCTIONS

CALL TO ORDER / ROLL CALL

PUBLIC COMMENT

II. ACTION / DISCUSSION -----(ITEMS A-C)

- A. FISCAL YEAR 2026 AUDIT KICK OFF
- B. REVIEW PRELIMINARY DRAFT FISCAL YEAR 2026-27
OPERATING AND CAPITAL BUDGET EXPENDITURES
- C. RATES STUDY PLANNING DISCUSSION

III. ADJOURNMENT OF MEETING

* * * * *

DECLARATION OF POSTING

I, Lauren Eckert, Executive Assistant/Board Secretary of the Fallbrook Public Utility District, do hereby declare that I posted a copy of the foregoing agenda in the glass case at the entrance of the District Office located at 990 East Mission Road, Fallbrook, California, at least 72 hours prior to the meeting in accordance with Government Code § 54954.2.

I, Lauren Eckert, further declare under penalty of perjury and under the laws of the State of California that the foregoing is true and correct.

April 16, 2026
Dated / Fallbrook, CA

/s/ Lauren Eckert
Executive Assistant/Board Secretary

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M E M O

TO: Fiscal Policy & Insurance Committee
FROM: Jack Bebee, General Manager
David Shank, Assistant General Manager/CFO
DATE: April 22, 2026
SUBJECT: Review Preliminary Draft Fiscal Year 2026-27 Operating and Capital Budget Expenditures

Purpose

As laid out in the District's budget development process, the initial steps in developing an annual budget include staff and management developing and reviewing the preliminary operating and capital budgets. This is followed by the Committee's review and consideration. The review is intended to provide detailed cost data and solicit the Committee's feedback and comments.

Summary

Staff have developed the preliminary Fiscal Year 2026-27 Annual Budget (the Budget). The preliminary draft is broken down into eight sections. The sections are as follows:

Draft Total Operating Budget

1. **Cost of Water** – The cost of water includes the cost of treated water purchased from Eastern Municipal Water District (EMWD), what the District pays to Camp Pendleton to wheel the District's untreated Santa Margarita River Water (Local Supply) to the Santa Margarita Groundwater Treatment Plant (SMGTP), water inventory costs and some system pumping.
2. **Labor** – The labor budget includes staff non-capital salary expenditures for the fiscal year.
3. **Non-labor** – This includes any expenditures for the year that are not labor related and includes services, equipment, materials and training.
4. **Benefits** – The District's expected expenditures for health care, pension and other District provided benefits.
5. **Debt Service** – The District's debt payment schedule.
6. **Community Benefit Program** – The District funds and oversees the Community Benefit Program (CBP). The CBP Committee selects and recommends community projects to the Board for funding.
7. **Wastewater Contract Services** – The District has entered into a Governmental Services Agreement (IGSA) with Camp Pendleton to operate and maintain its wastewater treatment facilities. The contract was executed in January 2026 and the Fiscal Year 2025-26 Amended Budget included 6-months of operations. The budgeted amount is based upon the full cost of service, which was carefully calculated ensuring the costs are fully recovered from Camp Pendleton.

Draft Capital Budget

8. **Capital Improvement Program Budget** – This is the updated capital expenditure projection for the next 10-years.

DRAFT OPERATING BUDGET:

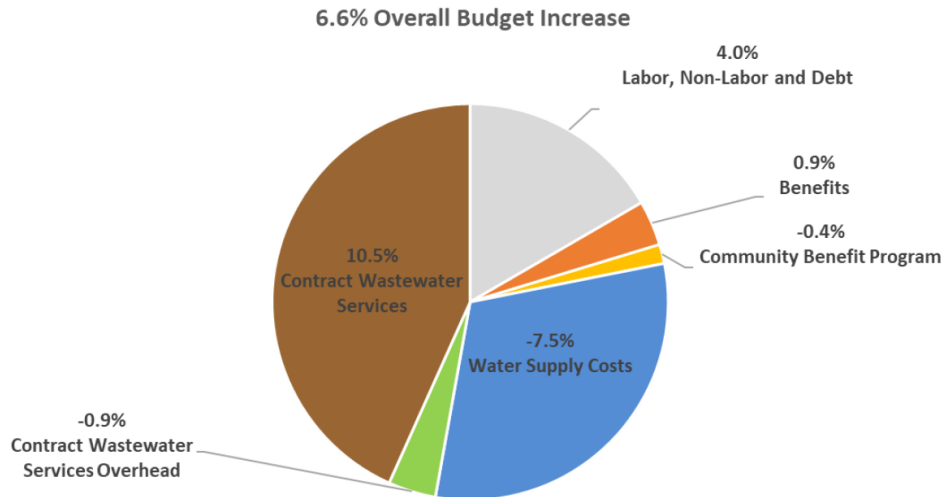
The table below provides a summary of the Preliminary Draft Fiscal Year 2026-27 Operating Budget compared to both Fiscal Years 2024-2025 and 2025-2026. The breakdown shows Water Supply Costs, Debt Service, Labor and Non-Labor expenses and Benefit expenditures for the District’s operations. In addition, the Community Benefit Program and Contract Wastewater Services are shown as a sperate line items to provide transparency on its activities.

Summary of Preliminary Draft Fiscal Year 2026-27 Operating Budget

	FY 2024-25	FY 2025-26			FY 2026-27	Amnd. Bgt to
	Actual	Orig Budget	Amended Budget	Projected	Recommended	Bgt % Change
Water Supply Costs	\$ 5,795,983	\$ 8,893,418	\$ 8,893,418	\$ 4,785,294	\$ 5,835,052	-34.4%
Debt Service	6,151,156	6,144,906	6,144,906	6,144,906	6,146,209	0.0%
Total Labor	7,177,443	7,615,079	7,615,079	7,617,608	7,880,042	3.5%
Total Non-Labor	7,524,200	8,156,913	8,156,913	8,690,976	9,535,804	16.9%
Community Benefit Program	651,685	1,100,000	1,100,000	865,854	945,915	-14.0%
Benefits Expenditures (Ops)	4,729,844	5,129,311	5,129,311	5,266,227	5,492,656	7.1%
Contract Wastewater Services Overhead	-	-	(387,217)	(387,217)	(776,256)	100.5%
Total FPUD Operating	\$ 32,030,311	\$ 37,039,627	\$ 36,652,410	\$ 32,983,648	\$ 35,059,422	-4.3%
Total Contract Wastewater Services ⁽¹⁾	\$ -	\$ -	\$ 4,259,388	\$ 4,259,387	\$ 8,538,819	100.5%
Total	\$ 32,030,311	\$ 37,039,627	\$ 40,911,797	\$ 37,243,036	\$ 43,598,241	6.6%

(1) FY 2025-26 Amended budget for Contract Wastewater Services was for 6-months

The 6.6% overall budget increase is being driven by the addition of a full year of Contract Wastewater Services. Water Supply Costs have decreased significantly, due to an increased local supply availability. Water Supply Costs are driven by the imported water purchases that the District budgets to meet customer water demands. Imported water purchases fill the gap between budgeted customer water demands and the amount Local Supply available to the District during the budget period. The amount of Santa Margarita River water available to the District is dependent on regional rainfall during the prior water year. During dry periods, less water is available than during wet periods. Rainfall was above average for Fiscal Year 2025-26 and Fiscal Year 2026-27 providing a relatively constant level of Local Supply availability. However, due to operational constraints, the Fiscal Year 2025-26 Budget did not anticipate the full delivery of available local supply water. With these operational constraints now resolved, the District is budgeting for a significant decrease in the amount of imported treated water purchased and full delivery of available local supply.



The Community Benefit Program is slightly decreasing funding but is still utilizing funds already set aside but were underspent in the initial years of operations. This slight decrease in funding activity is mitigating some of the overall budget increase. The non-labor increase is due largely to increased water treatment plant production. This budgeted increase in local supplies is approximately 2,000 AF or a 65% increase in local supply treatment.

Attachment A includes a detailed line item budget for all of the District’s administration, operations and maintenance activities, which includes Administrative (two pages), Water (two pages), Recycled Water and Wastewater Services, the Community Benefit Program and Wastewater Contract Operations. The tables show the actual expenditures for Fiscal Year 2024-25, the Original Budget, Amended Budget and Projected expenditures for Fiscal Year 2025-26. The table also shows the Fiscal Year 2026-27 preliminary draft budget. Attachment B is a summary of significant (greater than 5%) change budget to budget in any line item. The code in red to the right in Attachment A corresponds to the description of the change provided in Attachment B. **Use the Reference Codes in Attachment A (on right in red) to find the explanation in Attachment B.**

Water Supply Costs

Water Supply Costs are decreasing by 34.4%. Attachment C shows a detailed breakdown of the Water Supply Costs for the Budget. As discussed above, the decrease in Water Supply Costs is being driven by an decrease in imported treated water purchases due to a significant increase in the amount of Local Supply available to the District. Table 1 – Cost of Water shows the budgeted costs that comprise the Budgeted Water Supply Costs. While Local Supply is the District’s lowest cost water supply, it has to be treated at the District’s water treatment facility.

Table 2 – District’s Cost of Water Production includes Water Supply Costs and the cost to treat Local Supplies. Because the District’s Local Supply is untreated, the SMGTP was constructed to treat Local Supply. The O&M Cost section shows the Water Treatment

Division's labor and non-labor (i.e. utility and chemical) costs and the debt service cost for the SMGTP loan. This provides a comprehensive cost metric for the cost of water production. While this performance metric is subject to volatility due to weather conditions, the District tracks and uses it to gauge operational efficiency.

Labor

Labor is showing an increase in line with the COLA increase and other changes in the most recent Memorandums of Understanding (MOUs). As shown in Attachment A, the increase varies by division depending on labor allocation and the impact of the MOUs. In some cases, as noted, cost allocations were shifted due to the cost of service analysis included in the 2022 Water, Wastewater and Recycled Water Rate Study. Use the Reference Codes in Attachment A (on right in red) to find the explanation in Attachment B. Overall, the increase in labor costs are in line with inflation.

Non-labor

The non-labor expenses are broken into eight main categories to make the budget more reader friendly. The expense categories include Director Expenses, Contractor Services, Equipment (Non Capital), Materials/Services/Supplies, Professional Services, Membership/Training/Permit, Santa Margarita Water master and Utilities. Attachment B provides detail on the drivers behind the changes. Use the Reference Codes in Attachment A (on right in red) to find the explanation in Attachment B. Overall, the Non-labor increase is being driven by costs associated with an increase in water production at the SMGTP. Increased water production requires more power and chemicals driving these costs up. It should be noted that these cost increases are offset by reduced imported water purchases, which result in a net savings for the District.

Benefits

The District's total benefit budget, which includes operating, or the services (78%), capital (9%) and Contract Wastewater Services (13%), is shown in Attachment D and is increasing by 10.7%. The increase is being driven by the addition of Contract Wastewater Services staffing benefits and the scheduled increase in the Unfunded Actuarial Liability (UAL) portion of the District's annual pension payments. Other Drivers include an 6% increase employee healthcare premiums this year. The Board could elect to offset some of the increases by decreasing its voluntary contribution to the District's Pension/OPEB Liability Trust, which is currently budgeted at \$500,000.

Debt Service

The District's debt service schedule and payments for Fiscal Year 2026-27 are provided in Attachment E. The debt service payment by Service for Fiscal Year 2026-27 is shown below the debt service schedules. The slight decrease in budgeted debt service is due to changes in the scheduled loan payments.

Contract Wastewater Services

On April 1, 2026, the District assumed full responsibility of the operations and maintenance of Camp Pendleton's North and South wastewater treatment plants. The transition to District operations began in January 2026. The services provided to Camp Pendleton are managed as a separate enterprise from the Services the District provides to the existing service area. The cost is set as part of the negotiated contract between the District and Camp Pendleton. The initial term is only 5-years due to federal requirements, but it is expected to be a long-term service the District will provide.

DRAFT CAPITAL BUDGET:

Utility districts require long-term investments in extensive capital facilities. The District maintains over 370 miles of buried water and sewer pipe that must be maintained and replaced. The District also has pump stations, lift stations, and treatment facilities that require significant expenses to replace and maintain. It is critical to develop plans to reduce the overall cost of operating these facilities by completing pro-active capital projects to replace and rehabilitate these assets versus waiting for system failures. A well-planned Capital Program is critical to the long-term stability of the District.

The annual Capital Improvement Budget is used to implement the District's long-range capital goals. These goals are developed using the District's Strategic Plan, Urban Water Management Plan, Asset Management Plan and Master Plans. These plans are utilized to develop the lowest lifecycle cost to meet water and wastewater needs and maintain system reliability for the District's customers. Projects are selected based on prioritized needs versus available capital funds. Individual project costs are estimated based on current construction cost information. While some projects are well into the design phase and costs can be fairly accurately estimated, others are based on early-stage planning estimates. Additionally, unforeseen changes to priorities can result from changing materials and construction costs, pipeline failures, extreme weather, etc. Changing conditions resulting from these complexities can alter the individual project priorities. Continuous capital project updates are provided throughout the year to provide key performance metrics and to inform the board and the public of any changes to priorities.

A summary of the CIP is provided below.

Water Capital Projects:

The most crucial component of the water capital plan is the pipeline and valve replacement program. The portion of the annual budget for these efforts is based on asset analysis performed in 2017, and routinely updated, with the intent to increase the annual budget in 20-year increments in order to achieve a 100-year replacement cycle. The Board also adopted a capital improvement charge and an escalation value to the charge to help make incremental progress towards reaching the 100-year replacement target. There are 7,153 total valves and 272 miles (1,433,203 feet) of water main in the existing distribution system. Currently the goal is to replace 100 valves and 5,000 linear feet of

water main per year. Completed pipeline replacement in linear feet since FY 18/19 is shown in the following table:

Year	Goal	Replaced
FY 18/19	5,000	5,386
FY 19/20	5,000	4,950
FY 20/21	8,150	6,620
FY 21/22	7,680	5,670
FY 22/23	7,500	3,085
FY 23/24	9,000	8,900
FY 24/25	5,000	8,870
FY 25/26	5,000	9,900

In FY20/21, the replacement goal was higher because an additional 3,150 linear feet was planned to be replaced as part of the SMRCUP. Because the goal was not met that year, higher goals were set with the intention of catching up in subsequent years. Since that time, the original goal of 5,000 linear feet per year has been caught up to and exceeded. Multiple replacement projects are being completed in FY25/26 including pipelines in Hawthorne, Ivy, Iowa, Orange, Kalmia, Dougherty, S Mission, Stage Coach, and Bluebird Park.

The goal for FY26/27 will remain at 5,000 linear feet of pipe replaced. This goal will be achieved and exceeded with continued increased focus on pipeline replacement. Multiple projects will be contracted, with the majority constructed during the year:

- High School Pipeline Replacement – 500 linear feet of 16-inch water main
- Santa Margarita Dr Pipeline Replacement – 2,000 linear feet of 12-inch water main
- Gumtree Pipeline Replacement – 4,600 linear feet of 20-inch water main
- Knoll Park Pipeline Replacement – 5,900 linear feet of 8-inch and 6-inch water main

Note that \$1,250,000 of Federal Community Grant funding will be utilized for the Gumtree and Knoll Park Pipeline Projects.

The valve replacement program is tracking ahead of goal. Internal field crews have already met the goal of 100 replaced valves, in addition to approximately 50 valves replaced by contractors as part of the pipeline replacement projects as of March.

The table below shows Budget vs Projected Actuals for FY 2025-26 and the proposed budget for FY 2026-27.

Significant projects planned for FY 2026-27 not mentioned above include:

- 1) New Pressure Reducing Valve Station at Hillside Drive
- 2) Continued Feasibility and Preliminary Design for Red Mountain Reservoir Liner and Water Quality Improvements
- 3) Miscellaneous Steel Tank Improvements
- 4) Completion of the Backup Generator at the SMGTP
- 5) Exchange of GAC Media at SMGTP

Water Capital Projects	Budget FY 2026	Projecte d FY 2026	Budget FY 2027
Pipelines and Valve Replacement Projects by District	\$760,00	\$862,96	\$1,020,00
Pipeline Replacement Projects by Contractors	\$3,735,00	\$4,360,19	\$5,000,00
Deluz ID Projects	\$0	\$29,177	\$0
Pump Stations	\$815,00	\$133,12	\$270,00
Meter Replacement	\$60,000	\$57,280	\$60,000
Pressure Reducing Stations	\$20,000	\$2,837	\$120,00
Red Mountain Reservoir Improvements	\$130,00	\$361,30	\$380,00
Steel Reservoir Improvements	\$320,00	\$526,56	\$410,00
Treatment Plant R&R	\$1,510,00	\$448,99	\$1,480,00
SCADA Upgrades/ Security/Telemetry	\$150,00	\$100,57	\$150,00
Vehicles and Heavy Equipment	\$520,00	\$1,000,00	\$690,00
Total Water Capital Projects	\$8,020,00	\$7,882,939	\$9,580,00

Wastewater/Recycled Water Capital Projects:

Capital expenditures for FY 2025-26 are projected to finish under budget due to delays on the WRP inlet creek crossing replacement and headworks refurbishment. The creek crossing project had to be value engineered and rebid due to higher-than-expected bid results. And the headworks refurbishment work is dependent on the creek crossing replacement to enable a more efficient bypass setup. Funding for both projects has been rolled over to the proposed FY27 budget. Planned collections system projects for the

coming year will continue with the relining of manholes, laterals, and mainlines, replacement of outfall valves, and new pumps at the Green Canyon Lift Station.

At the Water Reclamation Plant (WRP) planned work, in addition to the deferred work mentioned above, includes the replacement of aging mechanical equipment and pumps, a condition assessment of the electrical communications and controls system, and rehabilitation of one of the secondary clarifiers.

For the recycled water system, work on critical pump replacements will continue.

The table below shows Budget vs Projected Actuals for FY 2025-26 and the proposed budget for FY 2026-27.

Recycled Water Capital Projects	Budget FY 2026	Projected FY 2026	Planned FY 2027
Recycled Water Improvements	\$264,000	\$86,164	\$185,000
Total Recycled Water Capital Projects	\$264,000	\$86,164	\$185,000
Waste Water Capital Projects	Budget FY 2026	Projected FY 2026	Planned FY 2027
WRP Improvements	\$1,325,000	\$138,042	\$1,330,000
Collection System Improvements	\$440,000	\$836,293	\$690,000
Outfall Improvements	\$50,000	\$53,871	\$50,000
Vehicles and Heavy Equipment	\$0	\$0	\$190,000
Total Waste Water Capital Projects	\$1,815,000	\$1,028,206	\$2,260,000

Administrative Capital Projects:

Administrative capital projects are projected to be under budget for FY26 due to a large portion of the Enterprise Resource Planning (ERP) software implementation costs rolling out over time rather than as a one-time cost. Those planned expenses will be rolled over to the coming year to complete the ERP implementation. Other projects include phase 2 of an HVAC system replacement for the main office, a new fire alarm system, warehouse improvements, replaced board room flooring, and new survey equipment for engineering.

The table below shows Budget vs Projected Actuals for FY 2025-26 and the proposed budget for FY 2026-27.

Administrative Capital Projects	Budget FY 2026	Projected FY 2026	Planned FY 2027
Administrative Upgrades	\$700,000	\$406,914	\$450,000
Engineering and Operations Information Systems	\$0	\$0	\$45,000
Facility Improvements/Upgrades/Security	\$300,000	\$154,271	\$535,000
District Yard Improvements	\$25,000	\$20,802	\$100,000
Vehicles and Heavy Equipment	\$0	\$0	\$300,000
Total Administrative Capital Projects	\$1,025,000	\$581,987	\$1,430,000

Total Capital Budget Summary:

	Budget FY 2026	Projecte d FY 2026	Budget FY 2027
Total all Capital Budget Projects	\$11,124, 000	\$9,579,2 95	\$13,455, 000

Note that the previous long-term budget plan for FY 2027 total CIP was \$9,798,390. The additional budget proposed is primarily due to carry over costs for incomplete projects and grant funding. The total project carry over of \$1.5M and \$2M of grant funding accounts for nearly all the additional proposed CIP budget as compared to the previous plan.

Next steps:

Any comments or changes requested by the Committee will be incorporated and a more complete draft document provided for a mid-May Committee meeting. It should be noted that the revenues and financial projections can only be completed once the MWD rates are finalized. Staff anticipate having a Final Draft Fiscal Year 2026-27 Budget for the Committee to review in late May.

The following Attachments have been included to provide time to review in advance of the meeting:

- Attachment A – Draft Fiscal Year 2026-27 Operating Budget for labor and non-labor expenses and benefit allocations for the District’s Services
- Attachment B – Summary of Significant Percent Changes by Budget Category
- Attachment C – Draft Fiscal Year 2026-27 Cost of Water
- Attachment D – Draft Fiscal Year 2026-27 total benefit expenditures
- Attachment E – Fiscal Year 2026-27 debt service schedule

Recommended Action

This item is for discussion only. No action is required.

Attachment A

FPUD Expense Summary
Fiscal Year 2026-27 Operating Budget

Description	Div	FY 2024-25	FY 2025-26		FY 2026-27	% Change	Reference
		Actual	Amended Budget	Projected	Budget	Bgt to Bgt	Code
Administrative Services							
Office of the General Manager	50						
Labor Expenses:							
Salaries		\$ 530,750	\$ 568,746	\$ 566,544	\$ 569,330	0.1%	
Non-Labor Expenses:							
Director Expenses		30,879	35,000	28,939	\$ 35,000	0.0%	
Contractor Services	C	19,326	88,600	90,697	\$ 91,000	2.7%	
Materials/Services/Supplies	M	64,702	74,800	84,633	\$ 76,000	1.6%	
Equipment (Non Capital)	E	-	-	-	\$ -	NA	
Professional Services	P	333,524	431,000 (1)	239,328	\$ 360,000	-16.5%	1-1
Memberships/Training/Permits	T	113,447	103,200	103,200	\$ 103,400	0.2%	
Santa Margarita Watermaster		131,384	138,020	138,020	\$ 145,000	5.1%	1-2
		-	-	-	-		
Total Non-Labor		<u>\$ 693,262</u>	<u>\$ 870,620</u>	<u>\$ 684,817</u>	<u>\$ 810,400</u>	-6.9%	
Division Operating Total		<u>\$ 1,224,013</u>	<u>\$ 1,439,366</u>	<u>\$ 1,251,360</u>	<u>\$ 1,379,730</u>	-4.1%	
	(1)	\$240K of "mutual services agreement", 75% (\$180K) will be reimbursable.					
Finance & Customer Service	53						
Labor Expenses:	54						
Salaries		\$ 913,222	\$ 970,844	\$ 936,005	\$ 1,002,633	3.3%	
Non-Labor Expenses:							
Contractor Services	C	38,206	38,500	39,921	39,300	2.1%	
Equipment (Non Capital)	E	289	1,500	1,500	2,500	66.7%	1-3
Materials/Services/Supplies	M	171,919	185,200	181,799	185,200	0.0%	
Professional Services	P	102,828	125,500	120,500	200,500	59.8%	1-4
Memberships/Training/Permits	T	4,240	2,700	5,159	7,000	159.3%	1-5
Utilities	U	-	-	-	-	NA	
Total Non-Labor		<u>\$ 317,481</u>	<u>\$ 353,400</u>	<u>\$ 348,879</u>	<u>\$ 434,500</u>	22.9%	
Division Operating Total		<u>\$ 1,230,703</u>	<u>\$ 1,324,244</u>	<u>\$ 1,284,884</u>	<u>\$ 1,437,133</u>	8.5%	
Warehouse & Purchasing	60						
Labor Expenses:							
Salaries		\$ 227,309	\$ 231,313	\$ 242,796	\$ 210,808	-8.9%	1-6
Non-Labor Expenses:							
Contractor Services	C	144,658	145,000	175,000	160,000	10.3%	1-7
Equipment (Non Capital)	E	631	1,000	912	1,000	0.0%	
Materials/Services/Supplies	M	187,488	152,500 (1)	219,234	141,500	-7.2%	1-8
Professional Services	P	-	-	-	-	NA	
Memberships/Training/Permits	T	2,682	1,000	1,531	1,500	50.0%	1-9
Utilities	U	76,177	75,000	85,000	75,000	0.0%	
Total Non-Labor		<u>\$ 411,636</u>	<u>\$ 374,500</u>	<u>\$ 481,677</u>	<u>\$ 379,000</u>	1.2%	
Division Operating Total		<u>\$ 638,945</u>	<u>\$ 605,813</u>	<u>\$ 724,473</u>	<u>\$ 589,808</u>	-2.6%	
	(1)	Increased budget for \$20,000 reimbursable expenses from Camp Pendleton shared services.					
Human Resources	70						
Labor Expenses:							
Salaries		\$ 251,491	\$ 259,808	\$ 279,856	\$ 271,178	4.4%	
Non-Labor Expenses:							
Contractor Services	C	15,103	13,000	23,206	15,000	15.4%	1-10
Equipment (Non Capital)	E	-	350	223	350	0.0%	
Materials/Services/Supplies	M	17,653	12,000	5,972	14,000	16.7%	1-11
Professional Services	P	70,058	30,000	25,000	25,000	-16.7%	1-12
Memberships/Training/Permits	T	86,857	92,400	105,893	100,818	9.1%	1-13
Education Funding	NA	21,330	17,000	25,000	20,000	17.6%	1-14
Utilities	U	-	-	-	-	NA	
Total Non-Labor		<u>\$ 211,001</u>	<u>\$ 164,750</u>	<u>\$ 185,294</u>	<u>\$ 175,168</u>	6.3%	
Division Operating Total		<u>\$ 462,492</u>	<u>\$ 424,558</u>	<u>\$ 465,150</u>	<u>\$ 446,346</u>	5.1%	

FPUD Expense Summary
Fiscal Year 2026-27 Operating Budget

Description	Div	FY 2024-25	FY 2025-26		FY 2026-27	% Change Bgt to Bgt	Reference Code
		Actual	Amended Budget	Projected	Budget		
Administrative Services							
Information Management 51							
Labor Expenses:							
Salaries		\$ 372,082	\$ 329,766	\$ 325,906	\$ 334,625	1.5%	
Non-Labor Expenses:							
Contractor Services	C	109,949	64,352	74,654	98,549	53.1%	1-15
Equipment (Non Capital)	E	42,174	30,000	30,000	30,000	0.0%	
Materials/Services/Supplies	M	250,198	380,925	375,286	405,811	6.5%	1-16
Professional Services	P	35,774	50,000	83,780	50,000	0.0%	
Memberships/Training/Permits	T	260	300	300	300	0.0%	
Utilities	U	-	-	-	-		NA
Total Non-Labor		\$ 438,356	\$ 525,577	\$ 564,020	\$ 584,660	11.2%	
Division Operating Total		\$ 810,438	\$ 855,343	\$ 889,927	\$ 919,285	7.5%	
Engineering Services 52							
Labor Expenses:							
Salaries		\$ 526,715	\$ 513,216	\$ 573,049	\$ 536,419	4.5%	
Non-Labor Expenses:							
Contractor Services	C	1,700	25,000	8,647	25,000	0.0%	
Equipment (Non Capital)	E	-	-	-	-		NA
Materials/Services/Supplies	M	50,796	48,500	46,153	48,500	0.0%	
Professional Services	P	-	-	-	-		NA
Memberships/Training/Permits	T	2,194	500	2,556	500	0.0%	
Utilities	U	-	-	-	-		NA
Total Non-Labor		\$ 54,689	\$ 74,000	\$ 57,357	\$ 74,000	0.0%	
Division Operating Total		\$ 581,405	\$ 587,216	\$ 630,406	\$ 610,419	4.0%	
Safety & Risk 57							
Labor Expenses:							
Salaries		\$ 210,473	\$ 253,997	\$ 254,555	\$ 245,016	-3.5%	
Non-Labor Expenses:							
Contractor Services	C	53,864	57,700	57,700	62,000	7.5%	1-17
Equipment (Non Capital)	E	73,357	72,000	72,000	72,000	0.0%	
Materials/Services/Supplies	M	28,264	34,300	34,300	34,300	0.0%	
Professional Services	P	764,769	814,445	784,445	1,041,957	27.9%	1-18
Memberships/Training/Permits	T	998	2,700	2,700	2,700	0.0%	
Utilities	U	-	-	-	-		NA
Total Non-Labor		\$ 921,251	\$ 981,145	\$ 951,145	\$ 1,212,957	23.6%	
Division Operating Total		\$ 1,131,724	\$ 1,235,142	\$ 1,205,700	\$ 1,457,973	18.0%	
Vehicle Services & Shop 65							
Labor Expenses:							
Salaries		\$ 101,489	\$ 106,853	\$ 106,991	\$ 109,451	2.4%	
Non-Labor Expenses:							
Contractor Services	C	34,105	40,000	30,000	30,000	-25.0%	1-19
Equipment (Non Capital)	E	-	-	-	-		NA
Materials/Services/Supplies	M	376,012	356,000	325,000	365,000	2.5%	
Professional Services	P	-	-	-	-		NA
Memberships/Training/Permits	T	-	-	-	-		NA
Utilities	U	-	-	6,018	7,500		NA
Total Non-Labor		\$ 410,116	\$ 396,000	\$ 361,018	\$ 402,500	1.6%	
Division Operating Total		\$ 511,605	\$ 502,853	\$ 468,008	\$ 511,951	1.8%	
Total Labor		\$ 3,133,532	\$ 3,234,541	\$ 3,285,702	\$ 3,279,460	1.4%	
Total Non-Labor Expenses		3,457,792	3,739,992	3,634,206	4,073,185	8.9%	
Operating Total		\$ 6,591,324	\$ 6,974,533	\$ 6,919,908	\$ 7,352,645	5.4%	
Allocated Benefits Expenditures		2,063,954	2,177,554	\$ 2,270,286	\$ 2,284,684	4.9%	
Contract Wastewater Services Overhead		-	(387,217)	(387,217)	(776,256)	100.5%	
Total Budget*		\$ 8,655,278	\$ 8,764,870	\$ 8,802,977	\$ 8,861,073	1.1%	

*Amount allocated to the services

FPUD Expense Summary
Fiscal Year 2026-27 Operating Budget

Description	Div	FY 2024-25		FY 2025-26		FY 2026-27	% Change	Reference Code
		Actual	Amended Budget	Projected	Budget	Bgt to Bgt		
Water Services	30							
Treatment	30							
Labor Expenses:								
Salaries		\$ 521,018	\$ 581,504	\$ 531,090	\$ 577,425		-0.7%	
Non-Labor Expenses:								
Contractor Services	C	93,235	142,000	67,000	253,000		78.2%	2-1
Equipment (Non Capital)	E	4,443	8,000	8,000	8,000		0.0%	
Materials/Services/Supplies	M	720,449	609,925	947,051	1,033,000		69.4%	2-2
Professional Services	P	-	-	-	-		NA	
Memberships/Training/Permits	T	-	30,000	26,735	31,000		3.3%	
Utilities	U	666,085	448,295	1,082,626	1,080,694		141.1%	2-3
Total Non-Labor		<u>\$ 1,484,213</u>	<u>\$ 1,238,220</u>	<u>\$ 2,131,412</u>	<u>\$ 2,405,694</u>		94.3%	
Division Operating Total		<u>\$ 2,005,231</u>	<u>\$ 1,819,724</u>	<u>\$ 2,662,502</u>	<u>\$ 2,983,119</u>		63.9%	
Production & Distribution	31							
Labor Expenses:								
Salaries		\$ 577,575	\$ 590,996	\$ 734,906	\$ 634,306		7.3%	2-4
Non-Labor Expenses:								
Contractor Services	C	215,949	339,500	334,500	315,000		-7.2%	2-5
Equipment (Non Capital)	E	6,005	20,000	20,000	20,000		0.0%	
Materials/Services/Supplies	M	198,864	353,300	322,300	349,300		-1.1%	
Professional Services	P	-	-	-	-		NA	
Memberships/Training/Permits	T	118,725	92,000	92,000	92,000		0.0%	
Utilities	U	137,976	170,000	226,851	230,000		35.3%	2-6
Total Non-Labor		<u>\$ 677,520</u>	<u>\$ 974,800</u>	<u>\$ 995,651</u>	<u>\$ 1,006,300</u>		3.2%	
Division Operating Total		<u>\$ 1,255,095</u>	<u>\$ 1,565,796</u>	<u>\$ 1,730,558</u>	<u>\$ 1,640,606</u>		4.8%	
Pipeline Maintenance & Construction	32							
Labor Expenses:								
Salaries		\$ 606,593	\$ 680,272	\$ 686,158	\$ 857,093		26.0%	2-7
Non-Labor Expenses:								
Contractor Services	C	12,837	46,000	46,000	46,000		0.0%	
Equipment (Non Capital)	E	9,470	10,000	10,000	10,000		0.0%	
Materials/Services/Supplies	M	68,258	54,500	39,500	39,500		-27.5%	2-8
Professional Services	P	-	-	-	-		NA	
Memberships/Training/Permits	T	-	-	-	-		NA	
Utilities	U	-	-	-	-		NA	
Total Non-Labor		<u>\$ 90,565</u>	<u>\$ 110,500</u>	<u>\$ 95,500</u>	<u>\$ 95,500</u>		-13.6%	
Division Operating Total		<u>\$ 697,158</u>	<u>\$ 790,772</u>	<u>\$ 781,658</u>	<u>\$ 952,593</u>		20.5%	
System Services	42							
Labor Expenses:								
Salaries		\$ 754,528	\$ 712,332	\$ 821,877	\$ 756,814		6.2%	2-9
Non-Labor Expenses:								
Contractor Services	C	291,747	300,000	300,000	300,000		0.0%	
Equipment (Non Capital)	E	7,480	7,500	7,500	7,500		0.0%	
Materials/Services/Supplies	M	251,515	142,000	202,000	202,000		42.3%	2-10
Professional Services	P	-	-	-	-		NA	
Memberships/Training/Permits	T	-	-	-	-		NA	
Utilities	U	-	-	-	-		NA	
Total Non-Labor		<u>\$ 550,742</u>	<u>\$ 449,500</u>	<u>\$ 509,500</u>	<u>\$ 509,500</u>		13.3%	
Division Operating Total		<u>\$ 1,305,270</u>	<u>\$ 1,161,832</u>	<u>\$ 1,331,377</u>	<u>\$ 1,266,314</u>		9.0%	
Total Labor		\$ 2,459,714	\$ 2,565,104	\$ 2,774,031	\$ 2,825,638		10.2%	
Total Non-Labor		2,803,040	2,773,020	3,732,063	4,016,994		44.9%	
Operating Total		<u>\$ 5,262,753</u>	<u>\$ 5,338,124</u>	<u>\$ 6,506,095</u>	<u>\$ 6,842,632</u>		28.2%	
Allocated Benefits Expenditures		1,590,375	1,729,574	1,919,512	1,971,430		14.0%	
Total Direct Water Costs		<u>\$ 6,853,128</u>	<u>\$ 7,067,698</u>	<u>\$ 8,425,607</u>	<u>\$ 8,814,062</u>		24.7%	
Allocation of Administrative Services		5,388,501	5,609,517	5,633,905	5,671,087		1.1%	
Total Budget		<u>\$ 12,241,629</u>	<u>\$ 12,677,215</u>	<u>\$ 14,059,512</u>	<u>\$ 14,485,148</u>		14.3%	

FPUD Expense Summary
Fiscal Year 2026-27 Operating Budget

Description	Div	FY 2024-25		FY 2025-26		FY 2026-27	% Change	Reference
		Actual	Amended Budget	Projected	Budget	Bgt to Bgt	Code	
Wastewater Services	32							
Collections	31							
Labor Expenses:								
Salaries		\$ 575,355	\$ 626,593	\$ 544,356	\$ 648,813		3.5%	
Non-Labor Expenses:								
Contractor Services	C	89,398	66,800	56,800	74,800		12.0%	3-1
Equipment (Non Capital)	E	4,889	5,000	5,000	5,000		0.0%	
Materials/Services/Supplies	M	197,057	232,600	214,387	237,600		2.1%	
Professional Services	P	-	-	-	-		NA	
Memberships/Training/Permits	T	-	2,000	2,000	2,000		0.0%	
Utilities	U	82,927	226,476	75,000	75,000		-66.9%	3-2
Total Non-Labor		<u>\$ 374,271</u>	<u>\$ 532,876</u>	<u>\$ 353,187</u>	<u>\$ 394,400</u>		-26.0%	
Division Operating Total		<u>\$ 949,626</u>	<u>\$ 1,159,469</u>	<u>\$ 897,543</u>	<u>\$ 1,043,213</u>		-10.0%	
Treatment	30							
Labor Expenses:								
Salaries		\$ 825,437	\$ 937,229	\$ 802,517	\$ 892,403		-4.8%	
Non-Labor Expenses:								
Contractor Services	C	354,324	367,700	360,000	367,700		0.0%	
Equipment (Non Capital)	E	6,086	17,000	2,700	17,000		0.0%	
Materials/Services/Supplies	M	208,139	313,500	292,127	313,500		0.0%	
Professional Services	P	-	-	-	-		NA	
Memberships/Training/Permits	T	67,038	63,025	63,025	63,025		0.0%	
Utilities	U	104,925	136,800	90,000	97,000		-29.1%	3-3
Total Non-Labor		<u>\$ 740,512</u>	<u>\$ 898,025</u>	<u>\$ 807,852</u>	<u>\$ 858,225</u>		-4.4%	
Division Operating Total		<u>\$ 1,565,949</u>	<u>\$ 1,835,254</u>	<u>\$ 1,610,369</u>	<u>\$ 1,750,628</u>		-4.6%	
Total Labor		\$ 1,400,793	\$ 1,563,822	\$ 1,346,873	\$ 1,541,217		-1.4%	
Total Non-Labor		1,114,783	1,430,901	1,161,040	1,252,625		-12.5%	
Operating Total		<u>\$ 2,515,575</u>	<u>\$ 2,994,723</u>	<u>\$ 2,507,913</u>	<u>\$ 2,793,842</u>		-6.7%	
Allocated Benefits Expenditures		935,702	1,052,794	930,635	\$ 1,073,712		2.0%	
Total Direct Wastewater Costs		<u>\$ 3,451,277</u>	<u>\$ 4,047,517</u>	<u>\$ 3,438,548</u>	<u>\$ 3,867,554</u>		-4.4%	
Allocation of Administrative Services		2,958,997	3,067,705	3,081,042	3,101,376		1.1%	
Total Budget		<u>\$ 6,410,274</u>	<u>\$ 7,115,221</u>	<u>\$ 6,519,590</u>	<u>\$ 6,968,929</u>		-2.1%	

FPUD Expense Summary
Fiscal Year 2026-27 Operating Budget

Description	Div	FY 2024-25	FY 2025-26	FY 2026-27	% Change	Reference
		Actual	Amended Budget	Projected	Bgt to Bgt	Code
Recycled Water Services	31					
Production	30					
Labor Expenses:						
Salaries		\$ 173,706	\$ 231,005	\$ 204,119	\$ 213,622	-7.5% 4-1
Non-Labor Expenses:						
Contractor Services	C	20,851	36,000	33,000	36,000	0.0%
Equipment (Non Capital)	E	2,705	4,000	3,700	4,000	0.0%
Materials/Services/Supplies	M	80,104	92,000	73,443	92,000	0.0%
Professional Services	P	-	-	-	-	NA
Memberships/Training/Permits	T	-	-	-	-	NA
Utilities	U	44,968	62,000	40,000	42,000	-32.3% 4-2
Total Non-Labor		<u>\$ 148,628</u>	<u>\$ 194,000</u>	<u>\$ 150,143</u>	<u>\$ 174,000</u>	-10.3%
Division Operating Total		<u>\$ 322,334</u>	<u>\$ 425,005</u>	<u>\$ 354,262</u>	<u>\$ 387,622</u>	-8.8%
Distribution	31					
Labor Expenses:						
Salaries		\$ 9,699	\$ 20,606	\$ 6,883	\$ 20,105	-2.4%
Non-Labor Expenses:						
Contractor Services	C	-	-	-	-	NA
Equipment (Non Capital)	E	-	-	-	-	NA
Materials/Services/Supplies	M	-	19,000	13,500	19,000	0.0%
Professional Services	P	-	-	-	-	NA
Memberships/Training/Permits	T	-	-	-	-	NA
Utilities	U	(43)	-	24	-	NA
Total Non-Labor		<u>\$ (43)</u>	<u>\$ 19,000</u>	<u>\$ 13,524</u>	<u>\$ 19,000</u>	0.0%
Division Operating Total		<u>\$ 9,656</u>	<u>\$ 39,606</u>	<u>\$ 20,407</u>	<u>\$ 39,105</u>	-1.3%
Total Labor		\$ 183,405	\$ 251,611	\$ 211,002	\$ 233,728	-7.1%
Total Non-Labor		148,585	213,000	163,667	193,000	-9.4%
Operating Total		<u>\$ 331,990</u>	<u>\$ 464,611</u>	<u>\$ 374,669</u>	<u>\$ 426,728</u>	-8.2%
Allocated Benefits Expenditures		139,813	169,389	145,794	162,830	-3.9%
Total Direct Recycled Water Costs		<u>\$ 471,803</u>	<u>\$ 634,000</u>	<u>\$ 520,463</u>	<u>\$ 589,558</u>	-7.0%
Allocation of Administrative Services		84,543	87,649	88,030	88,611	1.1%
Total Budget		<u>\$ 556,346</u>	<u>\$ 721,649</u>	<u>\$ 608,493</u>	<u>\$ 678,168</u>	-6.0%

FPUD Expense Summary
Fiscal Year 2026-27 Operating Budget

Description	Div	FY 2024-25		FY 2025-26		FY 2026-27	% Change	Reference
		Actual	Amended Budget	Projected	Budget	Bgt to Bgt	Code	
Community Benefit Program	15							
Community Benefit Program	0							
Labor Expenses:								
Salaries		\$ 3,584	\$ 4,008	\$ 4,008	\$ 4,173		4.1%	NA
Non-Labor Expenses:								
Contractor Services	C	648,101	1,095,992	861,846	941,742		-14.1%	5-1
Equipment (Non Capital)	E	-	-	-	-			NA
Materials/Services/Supplies	M	-	-	-	-			NA
Professional Services	P	-	-	-	-			NA
Memberships/Training/Permits	T	-	-	-	-			NA
Utilities	U	-	-	-	-			NA
Total Non-Labor		<u>\$ 648,101</u>	<u>\$ 1,095,992</u>	<u>\$ 861,846</u>	<u>\$ 941,742</u>		-14.1%	NA
Division Operating Total		<u>\$ 651,685</u>	<u>\$ 1,100,000</u>	<u>\$ 865,854</u>	<u>\$ 945,915</u>		-14.0%	
Total Labor		\$ 3,584	\$ 4,008	\$ 4,008	\$ 4,173		4.1%	
Total Non-Labor		648,101	1,095,992	861,846	941,742		-14.1%	
Operating Total		\$ 651,685	\$ 1,100,000	\$ 865,854	\$ 945,915		-14.0%	
Allocated Benefits Expenditures		-	-	-	-			NA
Total Direct Water Costs		\$ 651,685	\$ 1,100,000	\$ 865,854	\$ 945,915		-14.0%	
Allocation of Administrative Services		-	-	-	-			NA
Total Budget		<u>\$ 651,685</u>	<u>\$ 1,100,000</u>	<u>\$ 865,854</u>	<u>\$ 945,915</u>		-14.0%	

FPUD Expense Summary
Fiscal Year 2026-27 Operating Budget

Description	Div	FY 2024-25		FY 2025-26 ¹		FY 2026-27	% Change	Reference
		Actual	Amended Budget	Projected	Budget	Bgt to Bgt	Code	
Contract Wastewater Operations	90							
North Plant Operations	22							
Labor Expenses:	21							
Salaries	840	\$ -	\$ 111,660	\$ 111,660	\$ 311,521		179.0%	
Non-Labor Expenses:								
Contractor Services	C	-	72,450	72,450	144,900		100.0%	
Equipment (Non Capital)	E	-	6,825	6,825	72,900		968.1%	
Materials/Services/Supplies	M	-	266,129	266,129	331,433		24.5%	
Professional Services	P	-	21,000	21,000	42,000		100.0%	
Memberships/Training/Permits	T	-	67,980	67,980	57,450		-15.5%	
Utilities	U	-	6,140	6,140	12,279		100.0%	
Fleet	NA	-	5,041	5,041	52,319		937.8%	
Total Non-Labor		\$ -	\$ 445,565	\$ 445,565	\$ 713,281		60.1%	
Division Operating Total		\$ -	\$ 557,225	\$ 557,225	\$ 1,024,802		83.9%	
South Plant Operations	22							
Labor Expenses:	841							
Salaries		\$ -	\$ 344,082	\$ 344,082	\$ 558,583		62.3%	
Non-Labor Expenses:								
Contractor Services	C	-	99,603	99,603	562,401		464.6%	
Equipment (Non Capital)	E	-	6,825	6,825	97,150		1323.4%	
Materials/Services/Supplies	M	-	402,839	402,839	519,008		28.8%	
Professional Services	P	-	88,000	88,000	126,000		43.2%	
Memberships/Training/Permits	T	-	12,600	12,600	57,450		356.0%	
Utilities	U	-	23,101	23,101	46,202		100.0%	
Fleet	NA	-	5,041	5,041	52,319		937.8%	
Total Non-Labor		\$ -	\$ 638,009	\$ 638,009	\$ 1,460,530		128.9%	
Division Operating Total		\$ -	\$ 982,092	\$ 982,091	\$ 2,019,112		105.6%	
North Plant Maintenance	20							
Labor Expenses:	650							
Salaries		\$ -	\$ 117,242	\$ 117,242	\$ 496,558		323.5%	
Non-Labor Expenses:								
Contractor Services	C	-	125,000	125,000	55,000		-56.0%	
Equipment (Non Capital)	E	-	10,000	10,000	53,250		432.5%	
Materials/Services/Supplies	M	-	37,500	37,500	42,096		12.3%	
Professional Services	P	-	-	-	-		NA	
Memberships/Training/Permits	T	-	36,920	36,920	21,500		-41.8%	
Utilities	U	-	-	-	-		NA	
Fleet	NA	-	5,041	5,041	-		-100.0%	
Total Non-Labor		\$ -	\$ 214,461	\$ 214,461	\$ 171,846		-19.9%	
Division Operating Total		\$ -	\$ 331,703	\$ 331,703	\$ 668,404		101.5%	
South Plant Maintenance	20							
Labor Expenses:	651							
Salaries		\$ -	\$ 415,209	\$ 415,209	\$ 666,194		60.4%	
Non-Labor Expenses:								
Contractor Services	C	-	110,000	110,000	92,114		-16.3%	
Equipment (Non Capital)	E	-	10,000	10,000	43,000		330.0%	
Materials/Services/Supplies	M	-	45,196	45,196	307,500		580.4%	
Professional Services	P	-	-	-	-		NA	
Memberships/Training/Permits	T	-	-	-	21,500		NA	
Utilities	U	-	-	-	-		NA	
Fleet	NA	-	5,041	5,041	-		-100.0%	
Total Non-Labor		\$ -	\$ 170,237	\$ 170,237	\$ 464,114		172.6%	
Division Operating Total		\$ -	\$ 585,447	\$ 585,446	\$ 1,130,308		93.1%	
Total Labor		\$ -	\$ 988,193	\$ 988,193	\$ 2,032,856		105.7%	
Total Non-Labor		\$ -	\$ 1,468,273	\$ 1,468,273	\$ 2,809,770		91.4%	
Operating Total		\$ -	\$ 2,456,466	\$ 2,456,466	\$ 4,842,626		97.1%	
Allocated Benefits Expenditures		-	415,705	415,705	869,936		109.3%	
Total Critical Projects		\$ -	\$ 1,000,000	\$ 1,000,000	\$ 2,050,000		105.0%	
Total Direct CPEN Costs		\$ -	\$ 3,872,171	\$ 3,872,170	\$ 7,762,562		100.5%	
Contract Wastewater Services Overhead		-	387,217	387,217	776,256		100.5%	
Total Budget		\$ -	\$ 4,259,388	\$ 4,259,387	\$ 8,538,819		100.5%	

(1) FY 2025-26 Amended budget for Contract Wastewater Services was for 6-months

Attachment B

FY 2026-27 Operating Budget Justifications (+/- 5%)

Administration

- 1-1** Decreased budget for reduction in professional services
- 1-2** Increase based on adopted watermaster budget
- 1-3** Increase in additional equipment for customer service
- 1-4** Increase costs for CY 2027 Rate Study
- 1-5** Increase in ERP meetings
- 1-6** Decreased labor for Purchasing Supervisor to Contract Wastewater Services
- 1-7** Increase costs for planned fire alarm monthly service and price increases for building costs
- 1-8** Decreased general supplies budget, no longer using shared services out of this account
- 1-9** Increase due to membership cost increase
- 1-10** Increase for additional training for crew leaders
- 1-11** Increased budget for employee association
- 1-12** Decreased budget for legal fees
- 1-13** Increased budget for new ERP training
- 1-14** Increased budget for additional usage of educational funding reimbursements
- 1-15** Increased budget for network security and disaster recovery for Microsoft 365
- 1-16** Increased budget for web-based IT services and the addition of Starlink internet service for remote system access
- 1-17** Increased budget to provide additional training classes as part of the cross-training initiative
- 1-18** Increased budget for insurance premiums for Safety
- 1-19** Decreased budget in GPS/Fleet software costs

Water Services

- 2-1** Increased budget for RO monitoring and site maintenance required for SMGTP
- 2-2** Increased budget for chemical costs due to increased local supply availability
- 2-3** Increased budget for utilities due to increased local supply availability
- 2-4** Increased labor to align with projections
- 2-5** Decreased budget for reduction in contract services
- 2-6** Increased budget to align with projections
- 2-7** Increased labor to reflect an increase in operating labor
- 2-8** Decreased budget to align with projections
- 2-9** Increased labor to reflect an increase in operating labor
- 2-10** Increased budget to align with projections and the purchase of additional antennas and meters

Wastewater Services

- 3-1** Increased budget for paving in collections not previously budgeted
- 3-2** Decreased budget for utilities to align with actuals

3-3 Decreased budget for utilities due to process efficiency improvements

Recycled Water Services

4-1 Decreased labor to align with projections

4-2 Decreased budget for utilities to align with actuals

Community Benefit Program

5-1 Decreased budget to align with available balance for Community Benefit Program

Attachment C

Table #1-Cost of Water

	FY 2024-25 Actual	FY 2025-26		FY 2026-27 Budget	Amended Budget to Budget Change (%)
		Amended Budget	Projected		
Variable Costs:					
EMWD Treated Water Variable Cost	\$ 4,686,389	\$ 7,754,358	\$ 3,159,535	\$ 3,730,483	-51.9%
SMR Untreated Water Delivery Cost *	1,149,490	704,837	1,727,092	1,709,849	142.6%
Inventory Withdrawal	50,595	-	-	-	NA
System Pumping	125,201	200,000	150,000	109,779	-45.1%
Subtotal Variable Costs	\$ 6,011,675	\$ 8,659,196	\$ 5,036,627	\$ 5,550,111	-35.9%
Fixed Costs:					
MWD Peaking Treatment Capacity Charge	\$ -	\$ -	\$ -	\$ 86,839	NA
MWD Used Standby Treatment Capacity Charge	-	-	-	29,004	NA
MWD Remaining Treatment Capacity Charge	-	-	-	135,957	NA
MWD Capacity	(95,200)	84,223	84,223	186,235	121.1%
MWD Readiness to Serve	(120,492)	150,000	(335,555)	(153,092)	-202.1%
Subtotal Fixed Costs	\$ (215,692)	\$ 234,223	\$ (251,333)	\$ 284,942	21.7%
Total Water Supply Costs	\$ 5,795,983	\$ 8,893,418	\$ 4,785,294	\$ 5,835,052	-34.4%

* This estimate does not include the MWD Local Resource Program credit of \$305/AF @ 3,100 estimated AF; \$945,500.

Table #2-District's Cost of Water Production

Description	FY 2024-25		FY 2025-26		FY 2026-27		Projected to Recommended Budget Change(%)
	Acre Feet	Actual	Acre Feet	Projected	Acre Feet	Recommended Budget	
Water Supply Costs							
EMWD Wholesale Treated Water Costs	3,539	\$ 4,764,221	2,189	\$ 3,159,535	2,448	\$ 3,730,483	18.1%
MWD Pass Through Charges	N/A	(215,692)	N/A	(251,333)	N/A	33,143	113.2%
MWD Fixed Charges	N/A	-	N/A	-	N/A	251,799	N/A
Camp Pendleton SMR Untreated Water Delivery Costs	3,771	1,149,490	5,379	1,727,092	5,120	1,709,849	-1.0%
Red Mountain Inventory Withdrawal	166	50,595	-	-	0	-	N/A
System Pumping	N/A	125,201	N/A	150,000	N/A	109,779	-26.8%
Subtotal Water Supply Costs		\$ 5,795,983		\$ 4,785,294		\$ 5,835,052	21.9%
O&M Costs							
Water Treatment Division Labor & Benefits Budget*	3,505	927,610	5,379	898,582	5,120	980,291	9.1%
Water Treatment Division Non-Labor Budget	3,505	1,484,212	5,379	2,131,412	5,120	2,405,694	12.9%
SMRCUP Debt	N/A	2,814,795	N/A	2,814,795	N/A	2,814,795	0.0%
Subtotal O&M Costs		\$ 5,226,617		\$ 5,844,789		\$ 6,200,780	6.1%
Total Cost of Water Production		\$11,022,600		\$ 10,630,084		\$ 12,035,832	13.2%
Subtotal Acre Feet Purchased	7,476		7,568		7,568		0.0%
Total Cost of Water Production (\$/AF)		\$ 1,474		\$ 1,405		\$ 1,590	13.2%

* Treatment Division Labor & Benefits increase is due to a \$35,374 increase in benefits and a \$46,335 increase in labor for preventative maintenance.

Attachment D

Breakdown of District's Employee Benefit Costs

Description	FY 2024-25	FY 2025-26 ⁽¹⁾		FY 2026-27 ⁽¹⁾	Amended Budget to Budget Change (%)
	Actual	Amended Budget	Projected	Budget	
Auto Allowance	\$ 28,762	\$ 32,650	\$ 33,935	\$ 30,750	-5.8%
Insurance - Dental	76,995	96,585	91,423	107,447	11.2%
Insurance - Vision	13,682	16,553	15,955	17,993	8.7%
Insurance - Health	1,365,375	1,717,702	1,616,197	1,975,521	15.0%
Insurance - Life and Disability	62,229	71,210	79,505	78,802	10.7%
Insurance - Worker's Comp	107,895	150,069	135,904	166,927	11.2%
FICA - Employer's share	601,159	683,941	697,040	779,188	13.9%
CalPERS Annual Contribution	802,787	942,328	902,480	1,017,960	8.0%
CalPERS Unfunded Liability Payment	1,429,008	1,649,238	1,645,227	1,815,306	10.1%
Pension/OPEB Liability Trust Payment ⁽²⁾	500,000	500,000	500,000	500,000	0.0%
Employer's share (401 & 457)	159,162	212,956	217,566	248,245	16.6%
District Share of Retiree Medical Insurance	50,025	54,724	55,720	53,129	-2.9%
Merit Increase/Performance Bonus	73,500	96,300	96,942	100,000	3.8%
Uniforms & Boots	53,704	57,559	56,435	64,474	12.0%
Total	\$ 5,324,282	\$ 6,281,813	\$ 6,144,328	\$ 6,955,742	10.7%

⁽¹⁾ \$415,705 and \$869,936 were budgeted for Contract Wastewater Services in FY 2025-26 and FY 2026-27 respectively.

⁽²⁾ \$500,000 transferred to the District's Section 115 Pension Trust.

Attachment E

Fiscal Year 2026-27 Debt Service Schedule

Year Ending June 30	Red Mountain State Revolving Fund Loan		Wastewater Revenue Refunding Bonds		QECCB* Loan		SMRCUP State Revolving Funds		Water Revenue Bonds		District Annual Debt Service
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	
	2026	\$ 341,786	\$ 54,065	\$ 1,145,000	\$ 584,934	\$ 458,515	\$ 62,150	\$ 1,661,765	\$ 1,153,030	\$ 180,000	
2027	350,628	45,222	1,185,000	546,700	484,114	35,465	1,693,339	1,121,456	190,000	494,284	\$ 6,146,209
2028	359,700	36,151	1,230,000	498,400	254,219	7,296	1,725,512	1,089,283	200,000	485,713	\$ 5,886,273
2029	369,006	26,844	1,280,000	448,200	-	-	1,758,297	1,056,498	210,000	474,008	\$ 5,622,853
2030	378,553	17,297	1,335,000	395,900	-	-	1,791,704	1,023,091	220,000	463,109	\$ 5,624,655
2031	388,347	7,503	1,390,000	341,400	-	-	1,825,747	989,048	230,000	451,703	\$ 5,623,749
2032	-	-	1,445,000	284,700	-	-	1,860,436	954,359	245,000	440,852	\$ 5,230,347
2033	-	-	1,505,000	225,700	-	-	1,895,784	919,011	255,000	426,992	\$ 5,227,487
2034	-	-	1,565,000	164,300	-	-	1,931,804	882,991	270,000	413,685	\$ 5,227,781
2035	-	-	1,630,000	100,400	-	-	1,968,509	846,287	280,000	399,745	\$ 5,224,940
2036	-	-	1,695,000	33,900	-	-	2,005,910	808,885	295,000	386,206	\$ 5,224,901
2037	-	-	-	-	-	-	2,044,022	770,773	310,000	369,838	\$ 3,494,633
2038	-	-	-	-	-	-	2,082,859	731,936	330,000	353,617	\$ 3,498,412
2039	-	-	-	-	-	-	2,122,433	692,362	345,000	336,508	\$ 3,496,303
2040	-	-	-	-	-	-	2,162,759	652,036	360,000	319,488	\$ 3,494,283
2041	-	-	-	-	-	-	2,203,852	610,943	380,000	299,884	\$ 3,494,679
2042	-	-	-	-	-	-	2,245,725	569,070	400,000	280,115	\$ 3,494,910
2043	-	-	-	-	-	-	2,288,394	526,401	420,000	259,331	\$ 3,494,126
2044	-	-	-	-	-	-	2,331,873	482,922	445,000	238,027	\$ 3,497,822
2045	-	-	-	-	-	-	2,376,179	438,616	465,000	216,694	\$ 3,496,489
2046	-	-	-	-	-	-	2,421,326	393,469	480,000	197,532	\$ 3,492,327
2047	-	-	-	-	-	-	2,467,332	347,464	500,000	177,661	\$ 3,492,456
2048	-	-	-	-	-	-	2,514,211	300,584	520,000	157,380	\$ 3,492,175
2049	-	-	-	-	-	-	2,561,981	252,814	545,000	135,384	\$ 3,495,180
2050	-	-	-	-	-	-	2,610,658	204,137	565,000	112,877	\$ 3,492,672
2051	-	-	-	-	-	-	2,660,261	154,534	590,000	89,458	\$ 3,494,253
2052	-	-	-	-	-	-	2,710,806	103,989	610,000	65,270	\$ 3,490,065
2053	-	-	-	-	-	-	2,762,311	52,484	635,000	39,881	\$ 3,489,676
2054	-	-	-	-	-	-	-	-	665,000	13,522	\$ 678,522

*Qualified Energy Conservation Revenue Bonds. Debt service is not adjusted for interest rate subsidy payments.

Debt Service Budget Summary

Debt Issuance	Service			Total Debt Service
	Water	Wastewater	Recycled Water	
2018 SRF Loan	\$ 2,814,795	\$ -	\$ -	\$ 2,814,795
2011 SRF Loan	395,851	-	-	395,851
2021 WWRRB*	-	1,212,190	519,510	1,731,700
2024 WRB	684,284	-	-	684,284
2010 QECCB	-	519,579	-	519,579
Total	\$ 3,894,930	\$ 1,731,769	\$ 519,510	\$ 6,146,209