



STAFF REPORT

Meeting Type: Finance & Administration Committee
Title: Monthly Financial Update
From: Bret Uppendahl, Finance Director
Through: Ben Horenstein, General Manager
Meeting Date: February 26, 2026

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TYPE OF ITEM: Approve X Review and Comment

RECOMMENDATION: Review and comment on the Monthly Financial Update

SUMMARY: The Monthly Financial Update provides an overview for fiscal year 2025/26 water sales revenue and fiscal year-to-date financials.

Fiscal year 2025/26 District operating and capital revenue is \$104.3 million, which is 58% of budgeted revenue for the year. Total expenditures, including encumbrances, are \$118 million, or 55% of annual budget. Water sales, excluding fixed charges, are 12% below the budget for the first seven months of the year.

DISCUSSION: Attached is the budget to actual comparison for fiscal year 2025/26 as of January 31, 2026, which is prepared by fund and includes revenues and expenditures. For reference, if revenues and expenses occurred at a consistent rate, they would be expected to be at 58% of the annual budget by the end of January. However, due to the seasonal impacts on water use, water sales revenues are generally expected to be at 67 percent of the annual revenue budget by the end of January.

For the Operating Fund, total revenues as of January 31, 2026, are \$91.5 million, or 60% of the annual budget. Total operating expenditures, not including depreciation and amortization or encumbrances, are \$74.2 million, or 58% of budget. For the Capital Fund, total revenues are \$12.8 million, which is 47% of budget. These revenues are comprised primarily of Capital Maintenance Fee (CMF) revenues, which are at 57% of the budget. Total Capital Improvement Program (CIP) expenditures are \$15.3 million, or 18% of budget, as CIP projects typically do not follow linear trends in expenditures. As noted in Attachment 4, an additional \$28.4 million is encumbered, bringing total expenditures with encumbrances to \$43.8 million, or 51% of budget.

The fiscal year to date billed water sales through January 31, 2026, were \$68.4 million, which is 59% of the annual water sales revenue forecast. Billed water consumption through January 31, 2026, was 12,697 AF, which is 7% lower than this time last year.

Year-to-date total water sales and fees (service charges, watershed fees and capital maintenance fees) through January 31, 2026, were \$96.9 million, which is 58% of the total annual rate revenue forecast of \$165.8 million (\$147.9 million operating and \$17.9 million capital). Compared to the same period for the previous fiscal year, revenue from water sales and fees increased by \$3 million, or 3%.

ENVIRONMENTAL REVIEW: Not applicable.

FISCAL IMPACT: None.

ATTACHMENT(S):

1. Total Water Sales and Fixed Charges & Fees FY 2024/25 – 2025/26
2. Billed Water Consumption in AF FY 2015/16 to FY 2025/26
3. Budget to Actual Comparison for FY 2025/26
4. CIP Budget to Actual Comparison for FY 2025/26