



STAFF REPORT

Meeting Type: Finance & Administration Committee
Title: Monthly Financial Update
From: Bret Uppendahl, Finance Director
Through: Ben Horenstein, General Manager
Meeting Date: June 25, 2026

BU *BH*

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 \$153 million, which is 85% of budgeted revenue for the year. Total expenditures including encumbrances are \$156.7 million, or 73% of annual budget. Water sales, excluding fixed charges, are 6.7% below the budget for the first eleven months of the year.

DISCUSSION: Attached is the budget to actual comparison for fiscal year 2025/26 as of May 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 92% of the annual budget by the end of May. However, due to the seasonal impacts on water use, water sales revenues are expected to be at 87% of the annual revenue budget by the end of May.

For the Operating Fund, total revenues as of May 31, 2026, are \$131.1 million, or 85% of the annual budget. Total operating expenditures, not including depreciation and amortization or encumbrances, are \$106.5 million, or 82% of budget. For the Capital Fund, total revenues are \$21.9 million, which is 80% of budget. These revenues are comprised primarily of Capital Maintenance Fee (CMF) revenues, which are at 91% of the budget. Total Capital Improvement Program (CIP) expenditures are \$28.3 million, or 33% of budget, as CIP projects typically do not follow linear trends in expenditures. As noted in Attachment 4, an additional \$21.9 million is encumbered, bringing total expenditures with encumbrances to \$50.2 million, or 58% of budget.

The fiscal year to date billed water sales through May 31, 2026, were \$95.6 million, which is 83% of the annual water sales revenue forecast. Billed water consumption through May 31, 2026, was 17,959 AF, which is 3.2% lower than this time last year.

Year-to-date total water sales and fees (service charges, watershed fees and capital maintenance fees) through May 31, 2026, were \$140.4 million, which is 85% 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 \$9.8 million, or 8%.

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