



STAFF REPORT

Meeting Type: Finance & Administration Committee
Title: Monthly Financial Update
From: Bret Uppendahl, Finance Director
Through: Ben Horenstein, General Manager
Meeting Date: March 26, 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 \$118.3 million, which is 65% of budgeted revenue for the year. Total expenditures, including encumbrances, are \$127.2 million, or 59% of annual budget. Water sales, excluding fixed charges, are 11% below the budget for the first eight months of the year.

DISCUSSION: Attached is the budget to actual comparison for fiscal year 2025/26 as of February 28, 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 67% of the annual budget by the end of February. However, due to the seasonal impacts on water use, water sales revenues are expected to be at 74 percent of the annual revenue budget by the end of February.

For the Operating Fund, total revenues as of February 28, 2026, are \$102 million, or 67% of the annual budget. Total operating expenditures, not including depreciation and amortization or encumbrances, are \$82.2 million, or 64% of budget. For the Capital Fund, total revenues are \$16.3 million, which is 59% of budget. These revenues are comprised primarily of Capital Maintenance Fee (CMF) revenues, which are 67% of the budget. Total Capital Improvement Program (CIP) expenditures are \$19.1 million, or 22% of budget, as CIP projects typically do not follow linear trends in expenditures. As noted in Attachment 4, an additional \$25.9 million is encumbered, bringing total expenditures with encumbrances to \$45 million, or 52% of budget.

The fiscal year to date billed water sales through February 28, 2026, were \$75.6 million, which is 65% of the annual water sales revenue forecast. Billed water consumption through February 28, 2026, was 14,108 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 February 28, 2026, were \$108.8 million, which is 66% 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 \$3.9 million, or 4%.

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