



STAFF REPORT

Meeting Type: Finance & Administration Committee
Title: Monthly Financial Update
From: Bret Uppendahl, Finance Director
Through: Ben Horenstein, General Manager
Meeting Date: January 22, 2026

BU
JH

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 \$96.1 million, which is 53% of budgeted revenue for the year. Total expenditures including encumbrances are \$104.3 million, or 49% of annual budget. Water sales, excluding fixed charges, are 12% below the budget for the first six months of the year.

DISCUSSION: Attached is the budget to actual comparison for fiscal year 2025/26 as of December 31, 2025, which is prepared by fund and includes revenues and expenditures. For reference, if revenues and expenses tracked linearly, they would be expected to be at 50% of the fiscal year budget at the end of December. However, due to the seasonal impacts on water use, water sales revenues would be expected to be at 63 percent of the annual revenue budget at the end of December.

For the Operating Fund, total revenues as of December 31, 2025 are \$84.7 million, or 55% of the annual budget. Total operating expenditures, not including depreciation and amortization or encumbrances, are \$67.3 million, or 52% of budget. For the Capital Fund, total revenues are \$11.4 million, which is 41% of budget. These revenues are comprised primarily of Capital Maintenance Fee (CMF) revenues, which are at 50% of the budget. Total Capital Improvement Program (CIP) expenditures are \$12.6 million, or 15% of budget, as CIP projects typically do not follow linear trends in expenditures. As noted in Attachment 4, an additional \$24.4 million is encumbered, bringing total expenditures with encumbrances to \$37 million, or 43% of budget.

The fiscal year to date billed water sales through December 31, 2025 were \$64.2 million, which is 56% of the annual water sales revenue forecast. Billed water consumption through December 31, 2025 was 11,864 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 December 31, 2025 were \$89.5 million, which is 54% 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 \$2.7 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