



MesaWater
DISTRICT®

OPERATING BUDGET

FISCAL YEAR 2026

Mesa Water District | Costa Mesa, California

MesaWater.org

Dedicated to Satisfying Our Community's Water Needs



ADOPTED BUDGET FISCAL YEAR 2026

Dedicated to Satisfying our Community's Water Needs

1965 Placentia Avenue, Costa Mesa, CA 92627
MesaWater.org 💧 949.631.1200



MESA WATER'S VISION:

To be a top performing public water agency



MESA WATER'S MISSION:

Mesa Water District, a local independent special district, manages its finances and water infrastructure, and advocates water policy, while reliably providing an abundance of clean, safe water to benefit the public's quality of life.



Mesa Water's Seven Strategic Goals:

Provide an abundant, local, reliable and safe water supply.	Perpetually renew and improve our infrastructure.	Be financially responsible and transparent.	Increase favorable opinion of Mesa Water.
Attract, develop and retain skilled employees.	Provide excellent customer service.	Actively participate in regional and statewide water issues.	



BOARD OF DIRECTORS

Marice H. DePasquale

President, Division III

Shawn Dewane

Vice President, Division V

Jim Atkinson

Director, Division IV

Fred R. Bockmiller, P.E.

Director, Division I

James R. Fisler

Director, Division II

June 11, 2025

On behalf of the Mesa Water District (Mesa Water®) Board of Directors, I am pleased to present the approved budget for Fiscal Year (FY) 2026.

Mesa Water operates with a perpetual agency philosophy that requires a scheduled, systematic review of its long-range financial plan and goals. As such, Mesa Water's Strategic Plan includes the goal of being financially responsible and transparent, while providing its customers with an abundant, local, reliable and safe water supply. The District also continually invests in and maintains its infrastructure, which pumps, treats and delivers nearly five billion gallons of drinking water each year to residential and business customers.

In FY 2026, Mesa Water anticipates operating revenues of \$60.3MM, with \$40.8MM in operating expenses. Planned capital expenditures total \$13.8MM and financial obligations for the payment of principal and interest on debt are \$6.9MM.

Mesa Water is currently undertaking \$70MM in essential water system upgrades, including improvements to its wells, reservoirs and pipelines - as part of its Capital Improvement Program Renewal (CIPR), funded through Certificates of Participation. FY 2026 marks the sixth year of this program, which supports the District's key objective of providing an abundant, local, reliable and safe water supply to ratepayers at an affordable price.

Local groundwater is Mesa Water's most valuable source of water, due to its high quality and lower cost compared to water imported from the Colorado River and Northern California. The Mesa Water Reliability Facility (MWRF) fulfills the District's long-standing goal of serving 100 percent local, reliable supplies to its customers. In FY 2026, the MWRF is expected to supply 2,352 acre-feet of water, or 15 percent of the District's potable water service. Local groundwater supplies, when compared with imported water, have lower energy costs and a reduced carbon footprint.

In FY 2026, the District will incur some fixed costs for imported water, which serves as Mesa Water's emergency backup supply. Furthermore, Orange County Water District (OCWD), the agency that manages the Orange County groundwater basin, is increasing the basin replenishment cost by \$22 per acre foot, or 3.1 percent. It is anticipated that OCWD's rates will continue to increase annually over the next several years.

In FY 2026, Mesa Water will continue its focus on essential services and capital and technology improvements that will provide efficiency and productivity gains. The capital improvements will focus on reservoir and pump station upgrades.

Providing an abundance of local, reliable, clean, safe water.

1965 Placentia Avenue Costa Mesa, CA 92627

MesaWater.org



In December 2023, Mesa Water conducted a public hearing and notification process to adopt a five-year rate adjustment. The second and third years of that rate and fee structure are scheduled to take effect in FY 2026, ensuring that Mesa Water continues to provide high-quality water for its customers, carries out orderly capital infrastructure replacement, and continually improves its technological and operational efficiency.

Budget decisions are based on detailed analysis of the District's management, technology and operational practices. Mesa Water periodically benchmarks its performance compared to other agencies to ensure that customers receive full value for the rates charged, and Mesa Water remains one of the most efficient water agencies in Orange County. More information about Mesa Water and its finances, strategic objectives and goals can be found at [MesaWater.org](https://www.MesaWater.org).

I consider it a privilege to serve on the Mesa Water Board of Directors to advocate for water, our most precious asset, which is key to our quality of life and the economic development of our vibrant community. We look forward to continuing to provide 100% local, reliable, clean, safe water now and for generations to come.

Sincerely,

A handwritten signature in blue ink, reading 'Marice H. DePasquale'.

Marice H. DePasquale
Mesa Water District
President, Board of Directors

Providing an abundance of local, reliable, clean, safe water.

1965 Placentia Avenue Costa Mesa, CA 92627

MesaWater.org

Mesa Water District
Fiscal Year 2026 Budget

Date: June 11, 2025

To: Mesa Water District Board of Directors

FISCAL YEAR 2026 BUDGET MESSAGE

I am pleased to present the Fiscal Year (FY) 2026 budget for Mesa Water District (Mesa Water®), beginning July 1, 2025 and ending June 30, 2026.

I would like to express my appreciation to the members of the Board of Directors (Board) for your confidence in Mesa Water's management team as well as your review, advice, suggestions and policy direction during the budgeting process. This document reflects the time you spent considering and analyzing the District's financial well-being and role in this community. I would also like to thank staff for their contributions and participation in the development of the FY 2026 budget.

Our mission statement is "Mesa Water District, a local independent special district, manages its finances and water infrastructure, and advocates water policy, while reliably providing an abundance of clean, safe water to benefit the public's quality of life." Mesa Water's strategic plan fulfills the District's mission through seven equal and important strategic goals. Mesa Water provides safe, high-quality water that meets or surpasses all Federal and State drinking water standards. The enhanced Mesa Water Reliability Facility (MWRF) allows the District to provide a 100 percent local and reliable, high-quality and cost-effective water supply for our service area for decades to come.

Organizational Priorities

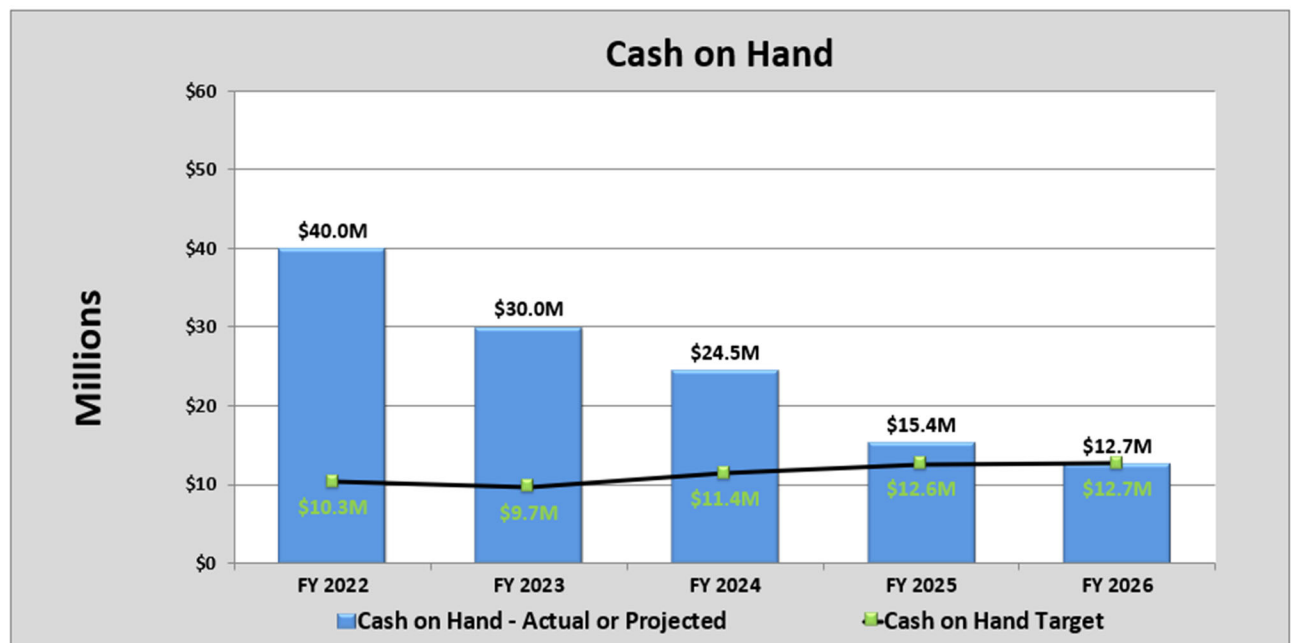
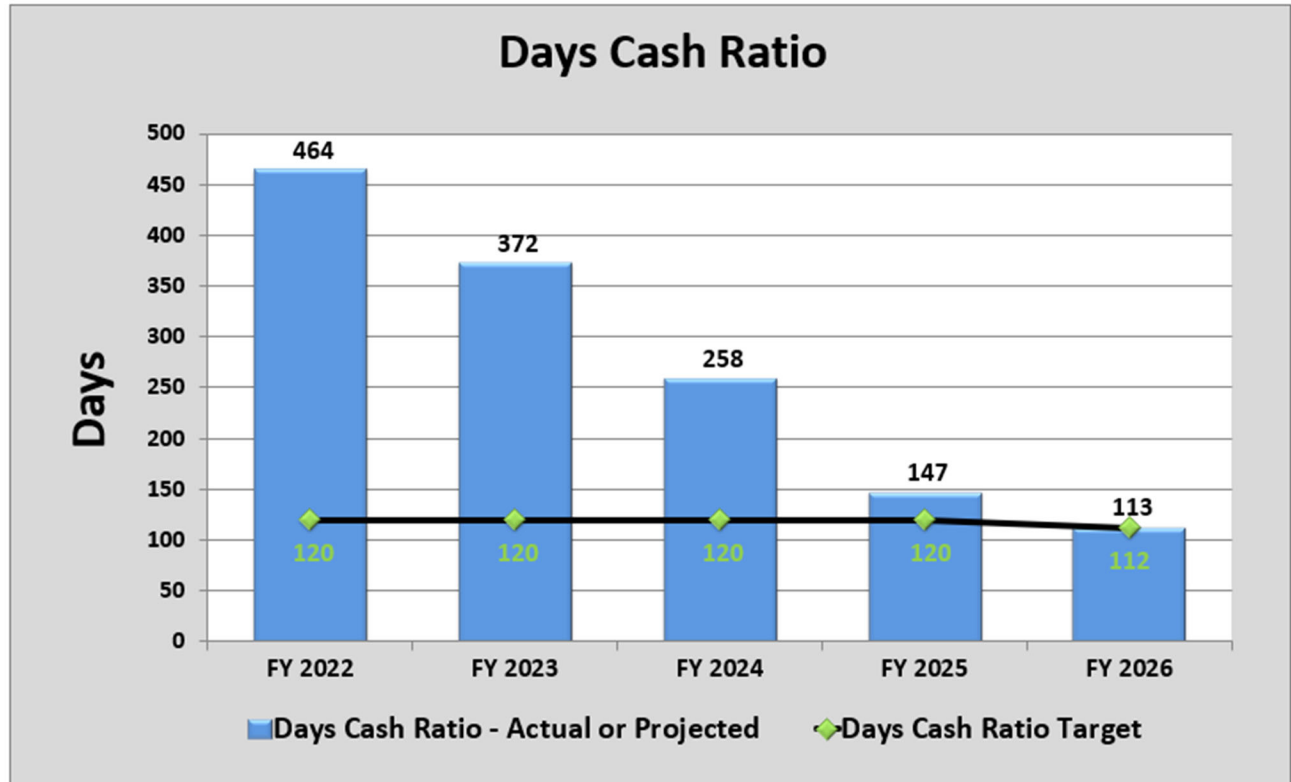
In 2023, Mesa Water's Board reaffirmed the long-range financial plan and adopted multi-year rate increases from Calendar Year 2024 through 2028. In addition, the Board continued its credit worthiness goal as defined by Fitch, Standard & Poor's and other credible rating agencies. The goal is to continue to maintain Mesa Water's strong AAA credit rating. The Board continues to further measure the District's credit-worthiness at the end of each fiscal year by using the Days Cash Ratio, Cash on Hand, and debt coverage metrics. The Days Cash Ratio is defined as total cash available divided by Operating Expenses per days and is a measurement of an agency's ability to meet known and unanticipated expenses. The Days Cash Ratio goal for FY 2026 is 112 days and the Cash on Hand goal is \$12.7 MM.

With Mesa Water's last debt issuance in June 2020, the Fitch agency issued a AAA credit rating. For this same debt issuance, Standard & Poor's also issued a AAA rating. Subsequently, in the spring of 2024, Fitch reaffirmed AAA the rating for the 2017 and 2020 debt issuance. Mesa Water is continuing to work on maintaining a strong AAA credit rating from all rating agencies.

The FY 2026 budget meets both the Days Cash Ratio goal of 112 days and Cash on Hand goal of \$12.7 MM, with a budgeted Days Cash Ratio of 113 days and a budgeted Cash on Hand amount of \$12.7 MM.

Fitch reviews many factors to qualify for their highest rating, one of which is debt service coverage. Fitch awards its highest score for a coverage of 2.0 or greater, while S&P awards its highest score at 1.6 or above. Mesa Water's calculated debt service coverage per the FY 2026 budget is 2.92.

Mesa Water District
Fiscal Year 2026 Budget



Mesa Water District
Fiscal Year 2026 Budget

Mesa Water's Strategic Plan

The following seven goals are reflected in the FY 2026 budget:

1. Provide an abundant, local, reliable and safe water supply.
2. Perpetually renew and improve our infrastructure.
3. Be financially responsible and transparent.
4. Increase favorable opinion of Mesa Water.
5. Attract, develop and retain skilled employees.
6. Provide excellent customer service.
7. Actively participate in regional and statewide water issues.

Revenues

Mesa Water has budgeted 15,678 acre feet of potable water production and 870 acre feet of recycled water (total of 16,548 acre feet) for FY 2026, compared to 15,998 acre feet of potable water production and 1,087 acre feet of recycled water (total of 17,085 acre feet) budgeted for FY 2025.

Changes by major category of Operating Revenues are summarized below:

	FY 2025 Budget	FY 2026 Budget
Operating Revenues:		
Water Consumption Sales	\$37,173,231	\$39,650,317
Monthly Meter Service Charge	8,075,826	9,179,511
Capital Charge	7,965,684	9,484,778
Recycled Water Sales	1,721,369	1,585,822
Concessions from Gov. Agencies	-	-
Other Charges and Services	400,000	400,000
TOTAL OPERATING REVENUES	\$55,336,110	\$60,300,428

Mesa Water's FY 2026 Operating Revenues are budgeted at \$60.3 MM compared to \$55.3 MM in the FY 2025 budget. Additionally, the Fiscal Year 2026 budget includes revenues based upon the second and third of rate increases in potable water consumption rates, monthly meter service charges and annual capital meter charge from the multi-year rate schedule adopted in 2023 as detailed below:

Mesa Water District
Fiscal Year 2026 Budget

ADOPTED SCHEDULE OF RATE CHANGES

	1/1/2023	1/1/2024	1/1/2025	1/1/2026	1/1/2027	1/1/2028
Per Unit* (CCF):			Usage Charge Rate			
Potable	\$4.87	\$5.42	\$5.96	\$6.38	\$6.83	\$7.30
Meter Size:			Bi-monthly Meter Basic Charge Rate			
5/8"	\$29.55	\$32.93	\$36.22	\$38.75	\$41.47	\$44.37
Potable Water Meter Size:			Annual Capital Meter Charge Rate			
5/8"	\$99.92	\$163.45	\$180.00	\$231.00	\$284.00	\$340.00

*One unit equals 100 cubic feet or 748 gallons.

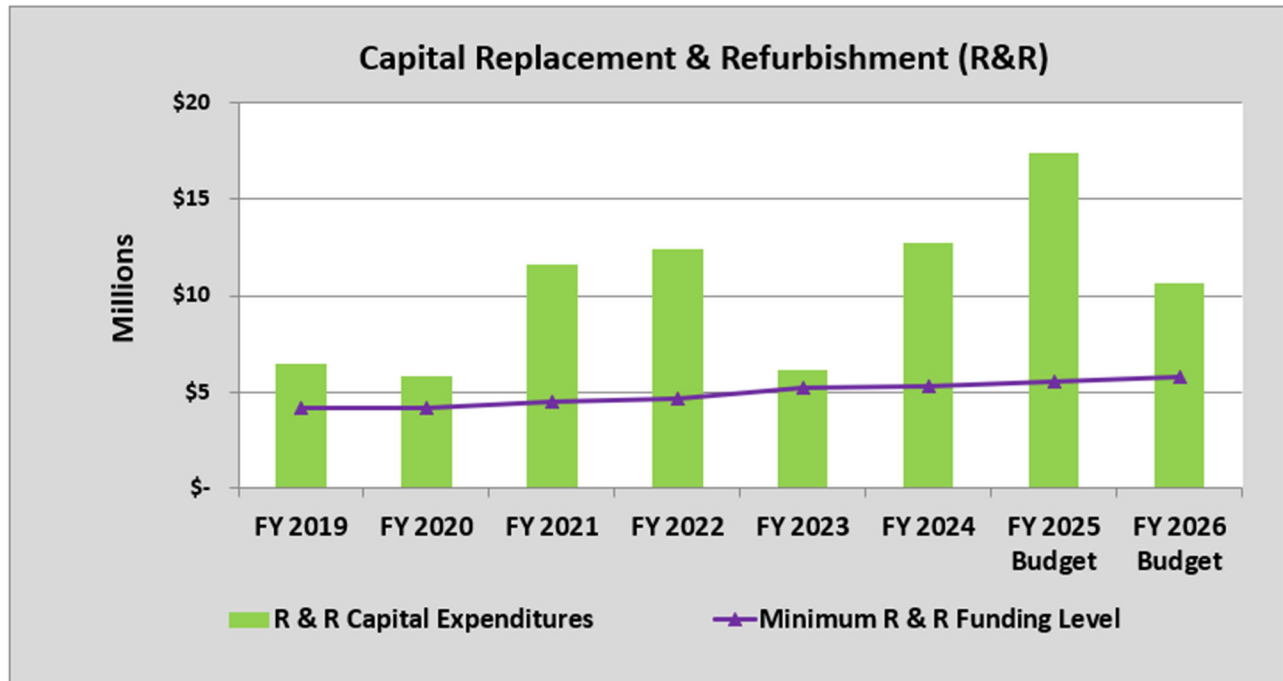
Due to development activity revenue remaining less stable and being influenced by general economic conditions, revenues related to development activity are budgeted based on an eight-year rolling historical average. Mesa Water expects this method to reduce volatility in budgeting development revenues.

Capital Projects

The FY 2026 capital budget includes expenditures of \$13.4 MM representing a 40 percent decrease from the FY 2025 budget of \$22.3 MM. This is part of a multi-year, \$70 MM, Capital Improvement Program Renewal (CIPR) that has been approved by the Board. The CIPR was funded by a Certificates of Participation issuance in June of 2020. Mesa Water's Strategic Plan Goal #2 is "Perpetually renew and improve our infrastructure." The District has a "perpetual agency" philosophy and has adopted a long-range plan to manage, maintain and develop its infrastructure.

To further ensure the District's ability to rely solely upon locally sourced groundwater, construction on the second of two new wells was completed in FY 2024. Funds from the Certificates of Participation will also be used for finalizing a pump station upgrade for the reservoir, new pipelines and replacement of end-of-life pipelines, CIS and ERP system upgrades, a SCADA asset management program, and scheduled annual replacements of hydrants, valves and meters.

Mesa Water District
Fiscal Year 2026 Budget



Expenses

Included in the expense budget are several items which reflect the goals of Mesa Water's Strategic Plan:

1. In FY 2026, Mesa Water will continue maintaining and updating Mesa Water's Computerized Maintenance Management System (CMMS) and streamlining core business processes facilitated through the business improvement process. These projects contribute to Strategic Plan Goal #3 "Be financially responsible and transparent."
2. During FY 2026, Mesa Water will continue conducting outreach to its key audiences, consisting of customers (ratepayers); community members (residents, organizations, and businesses); Federal, State, County and City elected officials; industry colleagues at OC municipalities, water districts and special districts; media; and current and former Mesa Water staff and Board members. This outreach includes facilitating clear, concise and constant communications; producing publications about Mesa Water and water; and managing Mesa Water's social media program. Mesa Water plans to conduct ongoing constituent relations activities, including community sponsorships, participating in community events, and giving tours of the MWRF to provide water education and information about programs and services, capital improvements projects and the related benefits. These items contribute to the District's Strategic Plan Goals #4 "Increase favorable opinion of Mesa Water," and #6 "Provide excellent customer service."
3. Lastly, the District will continue its government relations work including legislative affairs and advocacy activities for issues that may impact Mesa Water and its constituents. These items contribute primarily to the District's Strategic Plan Goals #4 "Increase favorable opinion of Mesa Water" and #7 "Actively participate in regional and statewide water issues," and secondarily to Goals #3 "Be financially responsible and transparent," #5 "Attract, develop and retain skilled employees," and #6 "Provide excellent customer service."

Mesa Water District
Fiscal Year 2026 Budget

Mesa Water's FY 2026 Operating Expenses are budgeted at \$41.2 MM compared to \$38.3 MM in the FY 2025 budget, an increase of 6.5 percent in Operating Expenses. Changes by major category of Operating Expenses are summarized below:

	FY 2025	FY 2026	% Change
Operating Expense:			
Imported Sources of Supply	\$560,800	\$569,500	1.6%
Basin Managed Water	-	-	0.0%
Clear Water	11,597,573	11,795,981	1.7%
Amber Water	2,928,835	3,078,873	5.1%
Recycled Water	1,075,043	886,530	-17.5%
Transmission and Distribution	9,829,200	10,056,011	2.3%
General and Administrative	12,310,162	14,757,255	19.9%
TOTAL OPERATING EXPENSES	\$38,301,613	\$41,144,150	7.4%

Economic and Policy Issues

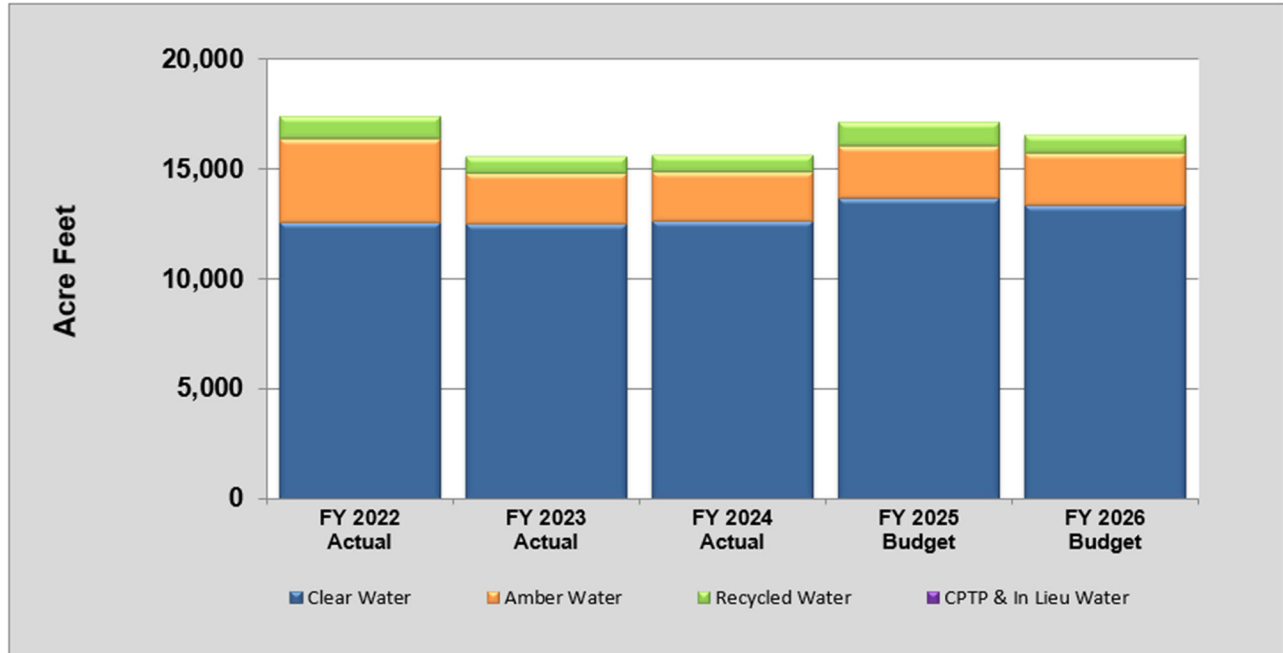
Imported water is higher in cost per acre foot in comparison to clear or amber water, with additional imported fixed costs charged to Mesa Water regardless of the amount of water purchased. Costs detailed below are comprised of (water production) operating expenses:

Water Source	FY 2026 Budgeted Average Cost per Acre Foot
Clear Water	\$885
Amber Water (MWRF)	\$1,309
Imported Water	\$1,395/\$1,528
Recycled Water	\$1,019

During FY 2026, Mesa Water expects Orange County Water District (OCWD) to maintain the Basin Pumping Percentage (BPP) at 85 percent of total potable supply. The Replenishment Assessment (RA) acre foot charge by OCWD is expected to increase from \$689 to \$711 due to increased O&M costs and increased import water purchases.

The MWRF Improvements Project was completed in FY 2013, and the MWRF was fully operational in FY 2014. In FY 2026, the MWRF is budgeted to run at an approximate capacity of 2,352 acre feet, complementing clear water production to achieve 100 percent locally-sourced water supplies. With the MWRF, Mesa Water has eliminated the need to purchase imported water in almost all circumstances. The following is a summary of budgeted sources of water for FY 2026:

Mesa Water District
Fiscal Year 2026 Budget



Staffing Levels

Staffing levels are projected to increase by 5 Full-Time Employee (FTE) from 56 FTE (plus one Limited-Term position in Engineering to support plan checks) to 61 FTE. An Administrative Services Manager will be added to provide direct supervision to the Administrative Services and Human Resources Departments. Additionally, a Board Secretary position will be added to focus exclusively on matters related to the Board of Directors, including meeting preparation and support. A Public Affairs Specialist position will be added to the Public Affairs Department to handle activities and general programs in the department. The Finance Department will add an Accountant to help with the Month End Close process and an Accounting Technician I/II to handle all Accounts Payable activities.

Conclusion

Mesa Water continues to thrive as an organization. The budget demonstrates Mesa Water's commitment to meeting its financial and strategic goals. The District's Board and staff continue a tradition of innovation with ideas and methods for accomplishing the District's mission: Mesa Water District, a local independent special district, manages its finances and water infrastructure, and advocates water policy, while reliably providing an abundance of clean, safe water to benefit the public's quality of life.

Sincerely,

Paul E. Shoenberger, P.E.
Mesa Water District, General Manager



Fiscal Year 2026 Budget

TABLE OF CONTENTS

Message from the President (open for final version).....	i
Letter of Transmittal.....	iii
Table of Contents.....	x
 <i>I. BUDGET SUMMARY</i>	
Comparative Statement of Revenues, Expenses, and Changes in Net Position	1
FY 2026 Departmental Statement of Revenues, Expenses, and Changes in Net Position.....	2
FY 2025 Departmental Statement of Revenues, Expenses, and Changes in Net Position.....	3
Capital Expenditures Summary	4
Pro Forma Statement of Cash Flows.....	5
 <i>II. BASIS OF THE BUDGET</i>	
Water Data	6
Water Supply Components	7
Production of Potable Water in Acre Feet, Monthly 4 Year Trend Analysis (Graph).....	8
Water Supply Needs – Historical and Projected (Graph).....	9
Water Supply Needs – Historical and Projected with Best Fit Line (Graph).....	10
Organizational Chart	11
Personnel Summary	12
Labor and Benefits Summary.....	13
COP Coverage Ratios	14
Designated Fund Levels	15
District Overview	16
Major Revenue Descriptions	17
Fund Description	19
Basis of Accounting	19
Budget Controls and Revisions.....	19
 <i>III. DEPARTMENTS</i>	
General (Departments 000).....	20
Governance (Department 100)	22
Office of the General Manager Department (Department 200)	22
Information Technology (Department 250).....	22
Water Costs (Departments 310, 320, and 330)	23
Water Operations Department (Department 300).....	24
Engineering Department (Department 400)	24
Customer Services Department (Department 500)	25
Financial Services Department (Department 600).....	26
Public Affairs Department (Department 700)	27
Water Policy Department (Department 900)	27
Administrative Services Department (Department 800).....	28
Human Resource Department (Department 850)	28
 <i>IV. APPENDIX</i>	
Glossary of Terms.....	Appendix 1



Fiscal Year 2026 Budget

Comparative Statement of Revenues, Expenses, and Changes in Net Position

	FY 2023 ACTUAL	FY 2024 ACTUAL	FY 2025 BUDGET	FY 2026 BUDGET
OPERATING REVENUES:				
Water consumption sales	\$ 28,790,095	\$ 31,008,095	\$ 37,173,231	\$ 39,650,317
Monthly meter service charge	8,301,981	7,513,123	8,075,826	9,179,511
Capital charge	2,263,880	5,890,411	7,965,684	9,484,778
Recycled water sales	1,208,355	1,228,365	1,721,369	1,585,822
Concessions from gov. agencies (incl. CPTP)	-	-	-	-
Other charges and services	538,036	554,479	400,000	400,000
TOTAL OPERATING REVENUES	41,102,347	46,194,473	55,336,110	60,300,428
OPERATING EXPENSES:				
Imported Water Fixed Costs	337,578	370,528	560,800	569,500
Basin Managed Water	-	-	-	-
Clear water cost	8,840,948	10,134,301	11,597,573	11,795,981
Amber water cost	2,540,434	2,637,395	2,928,835	3,078,873
Recycled water	727,510	754,579	1,075,043	886,530
Transmission and distribution	7,552,934	9,532,836	9,829,200	10,056,011
General and administrative	9,133,927	10,656,440	12,310,162	14,757,255
TOTAL OPERATING EXPENSES	29,133,331	34,086,080	38,301,613	41,144,150
OPERATING INCOME BEFORE DEPRECIATION AND AMORTIZATION	11,969,016	12,108,393	17,034,497	19,156,278
Depreciation and amortization	(6,657,317)	(6,545,617)	(6,500,000)	(7,000,000)
OPERATING INCOME	5,311,699	5,562,777	10,534,497	12,156,278
NONOPERATING REVENUES / (EXPENSES):				
Bond issuance costs	-	-	-	-
Intergovernmental	-	-	-	-
Investment earnings (incl. unrealized)	1,594,982	3,185,572	101,500	100,000
Interest expense - long-term debt	(2,449,394)	(2,279,086)	(2,094,198)	(1,958,375)
Gain (Loss) on sale/disposition of capital assets, net	-	-	(25,000)	(25,000)
Impairment of capital assets & termination of lease	-	-	-	-
Other non-operating, net	1,226	1,733	(5,000)	(10,000)
NONOPERATING REVENUES / (EXPENSES):	(853,186)	908,220	(2,022,698)	(1,893,375)
INCOME BEFORE CAPITAL CONTRIBUTIONS	4,458,513	6,470,996	8,511,799	10,262,903
CAPITAL CONTRIBUTIONS:				
Capacity and installation charges	1,002,954	448,150	1,065,000	965,000
Capital Grants (includes LRP)	365,267	356,568	412,490	15,000
Developers and others	1,802,058	1,502,735	900,000	850,000
TOTAL CAPITAL CONTRIBUTIONS	3,170,279	2,307,453	2,377,490	1,830,000
CHANGE IN NET POSITION	\$ 7,628,792	\$ 8,778,449	\$ 10,889,289	\$ 12,092,903



Fiscal Year 2026 Budget

FY 2026 (Budget) Departmental Statement of Revenues, Expenses, and Changes in Net Position

	Consolidated (All Depts)	General (000), (020)	Board (100)	Office of the GM (200)	Information Technology (250)	Water Ops (3XX)	Engineering (400)	Customer Services (500)	Financial Services (600)	Public Affairs (700)	Administrative Services (800)	Human Resources (850)	External Affairs (900)
OPERATING REVENUES:													
Water consumption sales	\$ 39,650,317	\$ 39,650,317	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Monthly meter service charge	9,179,511	9,179,511	-	-	-	-	-	-	-	-	-	-	-
Monthly meter service charge	9,484,778	9,484,778	-	-	-	-	-	-	-	-	-	-	-
Recycled water sales	1,585,822	1,585,822	-	-	-	-	-	-	-	-	-	-	-
Concessions from gov. agencies (incl. CPTP)	-	-	-	-	-	-	-	-	-	-	-	-	-
Other charges and services	400,000	400,000	-	-	-	-	-	-	-	-	-	-	-
TOTAL OPERATING REVENUES	60,300,428	60,300,428	-	-	-	-	-	-	-	-	-	-	-
OPERATING EXPENSES:													
Imported and Basin Managed water costs	569,500	-	-	-	-	569,500	-	-	-	-	-	-	-
Clear water cost	11,795,981	-	-	-	-	11,795,981	-	-	-	-	-	-	-
Amber water cost	3,078,873	-	-	-	-	3,078,873	-	-	-	-	-	-	-
Recycled water	886,530	886,530	-	-	-	-	-	-	-	-	-	-	-
Transmission and distribution	10,056,011	-	-	-	-	8,579,936	1,476,075	-	-	-	-	-	-
General and administrative	14,757,255	-	609,288	2,139,730	3,020,000	-	-	815,636	2,880,242	2,138,262	1,234,178	1,095,908	824,011
TOTAL OPERATING EXPENSES	41,144,150	886,530	609,288	2,139,730	3,020,000	24,024,290	1,476,075	815,636	2,880,242	2,138,262	1,234,178	1,095,908	824,011
OPERATING INCOME BEFORE DEPRECIATION AND AMORTIZATION	19,156,278	59,413,898	(609,288)	(2,139,730)	(3,020,000)	(24,024,290)	(1,476,075)	(815,636)	(2,880,242)	(2,138,262)	(1,234,178)	(1,095,908)	(824,011)
Depreciation and amortization	(7,000,000)	(7,000,000)	-	-	-	-	-	-	-	-	-	-	-
OPERATING INCOME / (LOSS)	12,156,278	52,413,898	(609,288)	(2,139,730)	(3,020,000)	(24,024,290)	(1,476,075)	(815,636)	(2,880,242)	(2,138,262)	(1,234,178)	(1,095,908)	(824,011)
NONOPERATING REVENUES / (EXPENSES):													
Investment earnings	100,000	100,000	-	-	-	-	-	-	-	-	-	-	-
Interest expense - long-term debt	(1,958,375)	(1,958,375)	-	-	-	-	-	-	-	-	-	-	-
Loss on sale/disposition of capital assets, net	(25,000)	(25,000)	-	-	-	-	-	-	-	-	-	-	-
Loss on abandonment	-	-	-	-	-	-	-	-	-	-	-	-	-
Other non-operating, net	(10,000)	(10,000)	-	-	-	-	-	-	-	-	-	-	-
NONOPERATING REVENUES / (EXPENSES):	(1,893,375)	(1,893,375)	-	-	-	-	-	-	-	-	-	-	-
INCOME BEFORE CAPITAL CONTRIBUTIONS	10,262,903	50,520,523	(609,288)	(2,139,730)	(3,020,000)	(24,024,290)	(1,476,075)	(815,636)	(2,880,242)	(2,138,262)	(1,234,178)	(1,095,908)	(824,011)
CAPITAL CONTRIBUTIONS:													
Capacity and installation charges	965,000	965,000	-	-	-	-	-	-	-	-	-	-	-
Capital grants (includes LRP)	15,000	15,000	-	-	-	-	-	-	-	-	-	-	-
Developers and others	850,000	850,000	-	-	-	-	-	-	-	-	-	-	-
TOTAL CAPITAL CONTRIBUTIONS	1,830,000	1,830,000	-	-	-	-	-	-	-	-	-	-	-
CHANGE IN NET POSITION (2026 Budget)	\$ 12,092,903	\$ 52,350,523	\$ (609,288)	\$ (2,139,730)	\$ (3,020,000)	\$ (24,024,290)	\$ (1,476,075)	\$ (815,636)	\$ (2,880,242)	\$ (2,138,262)	\$ (1,234,178)	\$ (1,095,908)	\$ (824,011)
CHANGE IN NET POSITION (2025 Budget)	\$ 10,889,289	\$ 48,115,859	\$ (573,196)	\$ (1,819,311)	\$ (2,084,000)	\$ (23,598,853)	\$ (1,317,555)	\$ (743,270)	\$ (2,355,636)	\$ (1,922,956)	\$ (1,140,654)	\$ (860,639)	\$ (810,500)



Fiscal Year 2026 Budget

FY 2025 (Budget) Departmental Statement of Revenues, Expenses, and Changes in Net Position

	Consolidated (All Depts)	General (000), (020)	Board (100)	Office of the GM (200)	Information Technology (250)	Water Ops (3XX)	Engineering (400)	Customer Services (500)	Financial Services (600)	Public Affairs (700)	Administrative Services (800)	Human Resources (850)	External Affairs (900)
OPERATING REVENUES:													
Water consumption sales	\$ 37,173,231	\$ 37,173,231	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Monthly meter service charge	8,075,826	8,075,826	-	-	-	-	-	-	-	-	-	-	-
Monthly meter service charge	7,965,684	7,965,684	-	-	-	-	-	-	-	-	-	-	-
Recycled water sales	1,721,369	1,721,369	-	-	-	-	-	-	-	-	-	-	-
Concessions from gov. agencies (incl. CPTP)	-	-	-	-	-	-	-	-	-	-	-	-	-
Other charges and services	400,000	400,000	-	-	-	-	-	-	-	-	-	-	-
TOTAL OPERATING REVENUES	55,336,110	55,336,110	-	-	-	-	-	-	-	-	-	-	-
OPERATING EXPENSES:													
Imported and Basin Managed water costs	560,800	-	-	-	-	560,800	-	-	-	-	-	-	-
Clear water cost	11,597,573	-	-	-	-	11,597,573	-	-	-	-	-	-	-
Amber water cost	2,928,835	-	-	-	-	2,928,835	-	-	-	-	-	-	-
Recycled water	1,075,043	1,075,043	-	-	-	-	-	-	-	-	-	-	-
Transmission and distribution	9,829,200	-	-	-	-	8,511,645	1,317,555	-	-	-	-	-	-
General and administrative	12,310,162	-	573,196	1,819,311	2,084,000	-	-	743,270	2,355,636	1,922,956	1,140,654	860,639	810,500
TOTAL OPERATING EXPENSES	38,301,613	1,075,043	573,196	1,819,311	2,084,000	23,598,853	1,317,555	743,270	2,355,636	1,922,956	1,140,654	860,639	810,500
OPERATING INCOME BEFORE DEPRECIATION AND AMORTIZATION	17,034,497	54,261,067	(573,196)	(1,819,311)	(2,084,000)	(23,598,853)	(1,317,555)	(743,270)	(2,355,636)	(1,922,956)	(1,140,654)	(860,639)	(810,500)
Depreciation and amortization	(6,500,000)	(6,500,000)	-	-	-	-	-	-	-	-	-	-	-
OPERATING INCOME / (LOSS)	10,534,497	47,761,067	(573,196)	(1,819,311)	(2,084,000)	(23,598,853)	(1,317,555)	(743,270)	(2,355,636)	(1,922,956)	(1,140,654)	(860,639)	(810,500)
NONOPERATING REVENUES / (EXPENSES):													
Investment earnings	101,500	101,500	-	-	-	-	-	-	-	-	-	-	-
Interest expense - long-term debt	(2,094,198)	(2,094,198)	-	-	-	-	-	-	-	-	-	-	-
Loss on sale/disposition of capital assets, net	(25,000)	(25,000)	-	-	-	-	-	-	-	-	-	-	-
Loss on abandonment	-	-	-	-	-	-	-	-	-	-	-	-	-
Other non-operating, net	(5,000)	(5,000)	-	-	-	-	-	-	-	-	-	-	-
NONOPERATING REVENUES / (EXPENSES):	(2,022,698)	(2,022,698)	-	-	-	-	-	-	-	-	-	-	-
INCOME BEFORE CAPITAL CONTRIBUTIONS	8,511,799	45,738,369	(573,196)	(1,819,311)	(2,084,000)	(23,598,853)	(1,317,555)	(743,270)	(2,355,636)	(1,922,956)	(1,140,654)	(860,639)	(810,500)
CAPITAL CONTRIBUTIONS:													
Capacity and installation charges	1,065,000	1,065,000	-	-	-	-	-	-	-	-	-	-	-
Capital grants (includes LRP)	412,490	412,490	-	-	-	-	-	-	-	-	-	-	-
Developers and others	900,000	900,000	-	-	-	-	-	-	-	-	-	-	-
TOTAL CAPITAL CONTRIBUTIONS	2,377,490	2,377,490	-	-	-	-	-	-	-	-	-	-	-
CHANGE IN NET POSITION (2025 Budget)	\$ 10,889,289	\$ 48,115,859	\$ (573,196)	\$ (1,819,311)	\$ (2,084,000)	\$ (23,598,853)	\$ (1,317,555)	\$ (743,270)	\$ (2,355,636)	\$ (1,922,956)	\$ (1,140,654)	\$ (860,639)	\$ (810,500)
CHANGE IN NET POSITION (2024 Budget)	\$ 5,295,983	\$ 41,064,368	\$ (522,196)	\$ (1,911,288)	\$ -	\$ (23,042,126)	\$ (939,085)	\$ (997,933)	\$ (2,023,786)	\$ (1,483,663)	\$ (3,269,892)	\$ (752,796)	\$ (825,620)



**Fiscal Year 2026 Budget
Capital Expenditures Summary**

Description	FY 2025 Budget	FY 2026 Budget
WELLS:		
Croddy/Chandler Pipeline Construction	\$ 1,500,000	634,345
RESERVOIRS:		
Reservoirs 1 and 2 Pump Station Upgrades Project	16,125,000	9,175,000
DISTRIBUTION:		
Pipeline Integrity Testing Program	200,000	200,000
Other Agency Projects	50,000	
Water System Master Plan	1,000,000	
Local Ground Water Supply Improvement Plan	150,000	200,000
Interagency Water Transfer Project	-	75,000
ROUTINE OPERATIONS:		
Operations Routine Capital (Hyd., Valves, Meters, etc.)	1,000,000	1,118,000
NON-ROUTINE OPERATIONS:		
Operations Non-Routine Capital (Vehicles, Other)	437,000	50,000
Neptune Meter Project	-	250,000
SCADA Asset Replacement Project	-	100,000
DISTRICT FACILITIES:		
MWRF	-	230,000
MWEC	-	125,000
INFORMATION TECHNOLOGY:		
IT Upgrades	-	15,000
MISC:		
CIS	1,000,000	615,800
ERP	-	328,200
Software Upgrades	450,000	-
Total Capital	\$ 21,912,000	\$ 13,116,345
Internal Labor, Material, Overhead	\$ 396,200	\$ 275,255
	\$ 22,308,200	\$ 13,391,600



**Fiscal Year 2026 Budget
Pro Forma Statement of Cash Flows**

	FY 2023 ACTUAL	FY 2024 ACTUAL	FY 2025 BUDGET	FY 2026 BUDGET
<i>CASH FLOWS FROM OPERATING ACTIVITIES:</i>				
Operating Income	\$ 5,311,699	\$ 5,562,777	\$ 10,534,497	\$ 12,156,278
Adjustments				
Depreciation	6,657,317	6,545,617	6,500,000	7,000,000
Other	(1,189,853)	-	-	-
Changes in assets & liabilities	(1,395,591)	2,711,658	2,423,828	1,415,000
OPEB Trust Contribution	(110,000)	(110,000)	-	-
NET CASH PROVIDED BY OPERATING ACTIVITIES	9,273,572	14,710,051	19,458,325	20,571,278
<i>CASH FLOWS FROM CAPITAL & FINANCING ACTIVITIES:</i>				
Acquisition and construction of capital assets	(18,030,498)	(13,982,885)	(22,308,200)	(13,391,600)
Proceeds from 2020 COPS	15,321,303	11,327,187	11,307,768	4,248,752
Impairment of capital assets & lease termination	-	-	-	-
Principal Paid on long-term debt	(3,385,000)	(3,605,000)	(3,835,000)	(4,050,000)
Interest Paid on long-term debt	(1,318,399)	(3,243,450)	(3,063,200)	(2,871,450)
Proceeds from capacity and installation charges	1,002,954	448,150	1,065,000	965,000
Proceeds from capital grant	365,267	356,568	412,490	15,000
NET CASH PROVIDED BY CAPITAL & FINANCING ACTIVITIES	(6,044,373)	(8,699,430)	(16,421,142)	(15,084,298)
<i>CASH FLOWS FROM INVESTING ACTIVITIES:</i>				
Investment earnings	823,058	3,187,305	71,500	65,000
Investments	(14,052,298)	(11,987,500)	(12,220,000)	(13,260,000)
NET CASH PROVIDED BY INVESTING ACTIVITIES	(13,229,240)	(8,800,195)	(12,148,500)	(13,195,000)
NET INCREASE IN CASH & CASH EQUIVALENTS	(10,000,041)	(2,789,574)	(9,111,317)	(7,708,020)
CASH & INVESTMENTS - beginning of year	39,994,413	30,270,754	24,520,049	20,408,732
CASH & INVESTMENTS - end of year	\$ 29,994,373	\$ 27,481,180	\$ 15,408,732	\$ 12,700,712



Fiscal Year 2026 Budget

Water Data

Water Revenue Data

Revenue

All Potable Water Revenue
Recycled Water Revenue
Total Water Revenue

FY 2023 ACTUAL	FY 2024 ACTUAL	FY 2025 BUDGET	FY 2026 BUDGET
\$ 28,790,095	\$ 31,008,095	\$ 37,173,231	\$ 39,650,317
1,208,355	1,228,365	1,721,369	1,585,822
\$ 29,998,450	\$ 32,236,460	\$ 38,894,600	\$ 41,236,139

Acre Feet Sold

Potable
Recycled
Total Acre Feet

14,022	15,345	15,029	15,678
781	1,109	1,087	870
14,803	16,454	16,116	16,548

Revenue Per Acre Foot

Potable
Recycled
Total Revenue Per Acre Foot

\$ 2,053	\$ 2,021	\$ 2,473	\$ 2,529
\$ 1,547	\$ 1,108	\$ 1,584	\$ 1,823
\$ 2,027	\$ 1,959	\$ 2,413	\$ 2,492

Water Cost Data

Cost

Imported and Basin Managed Water
Clear Water
Amber Water
Total Potable Water
Recycled Water
Total Water Cost

\$ 337,578	\$ 370,528	\$ 560,800	\$ 569,500
8,840,948	10,134,301	11,597,573	11,795,981
2,540,434	2,637,395	2,928,835	3,078,873
11,718,960	13,142,225	15,087,208	15,444,354
727,510	754,579	1,075,043	886,530
\$ 12,446,470	\$ 13,896,804	\$ 16,162,251	\$ 16,330,884

Acre Feet Produced

Imported and Basin Managed Water
Clear Water
Clear & Imported and Basin Managed Water
Amber Water
Total Potable Water
Recycled
Total Acre Feet

-	-	-	-
12,483	13,875	13,598	13,326
12,483	13,875	13,598	13,326
2,305	2,449	2,400	2,352
14,788	16,324	15,998	15,678
781	1,109	1,087	870
15,569	17,433	17,085	16,548

Cost Per Acre Foot

Imported Water (Variable Costs)
Clear Water
Amber Water
Recycled
Total Cost Per Acre Foot

\$ 1,176	\$ 1,233	\$ 1,326	\$ 1,462
\$ 708	\$ 730	\$ 853	\$ 885
\$ 1,102	\$ 1,077	\$ 1,220	\$ 1,309
\$ 932	\$ 680	\$ 989	\$ 1,019
\$ 799	\$ 797	\$ 946	\$ 987

Imported Water Variable Costs per Acre Foot

\$1,143/1,209	\$1,209/1,256	\$1,256/1,395	\$1,395/1,528
---------------	---------------	---------------	---------------

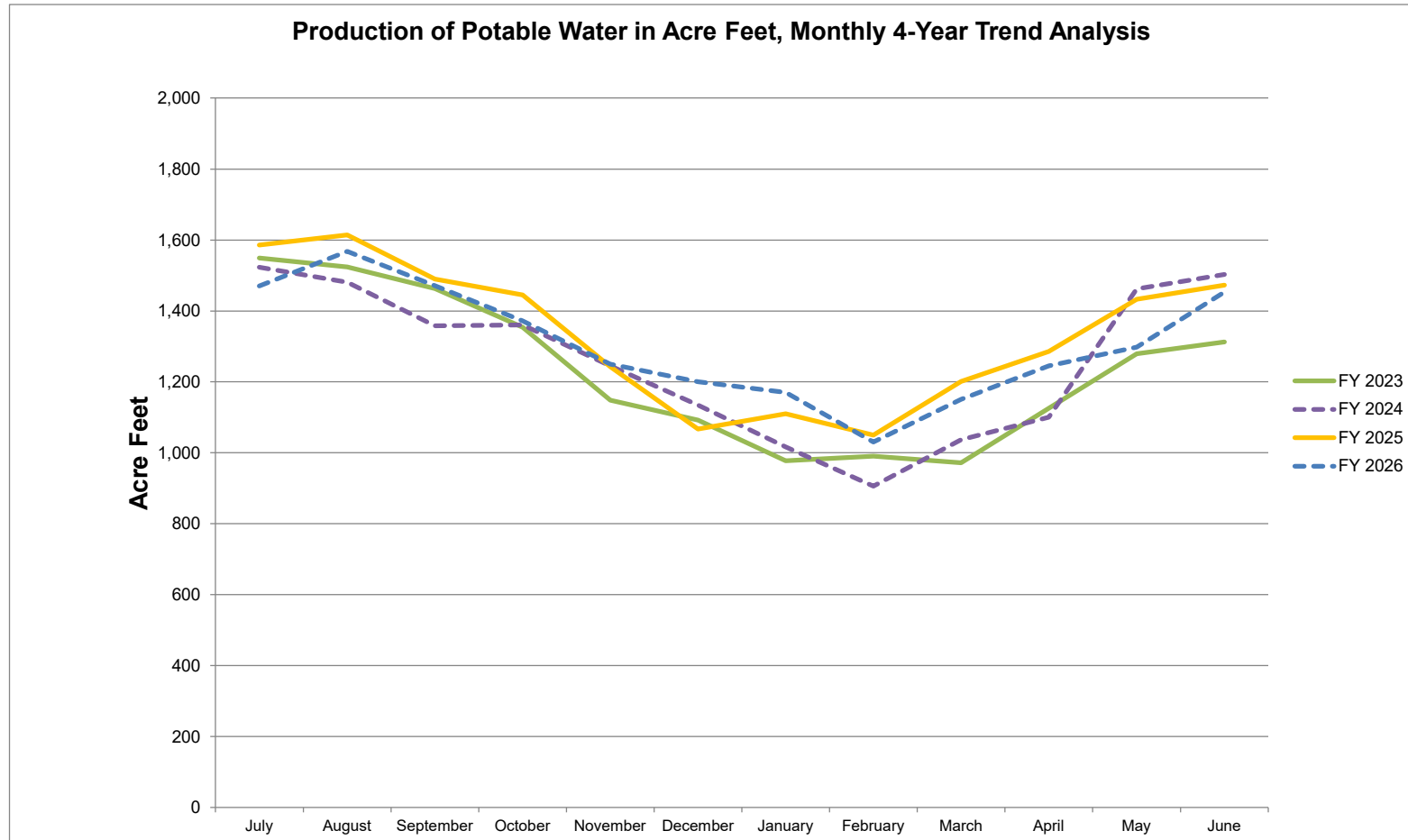


Fiscal Year 2026 Budget
Water Supply Components

	FY 2023 ACTUAL	FY 2024 ACTUAL	FY 2025 BUDGET	FY 2026 BUDGET
Clear Water Costs				
Basin Replenishment Assessment	\$ 6,960,157	\$ 7,891,790	\$ 9,368,678	\$ 9,474,786
Utilities Pumping	1,198,716	1,490,750	1,497,709	1,540,991
Treatment/ Labor and Materials	682,075	751,761	731,186	780,204
Total Clear Water Costs	\$ 8,840,948	\$ 10,134,301	\$ 11,597,573	\$ 11,795,981
Amber Water Costs				
Basin Replenishment Assessment	\$ 1,285,911	\$ 1,380,912	\$ 1,653,614	\$ 1,672,272
Utilities Pumping	696,879	643,507	546,869	575,000
Treatment/ Labor and Materials	557,643	612,976	728,352	831,601
Total Amber Water Costs	\$ 2,540,434	\$ 2,637,395	\$ 2,928,835	\$ 3,078,873
Imported Water Fixed Costs				
Readiness to Serve - Total Charge	\$ 1,185	\$ 1,500	\$ 2,000	\$ 2,500
Capacity Charge	-	-	-	-
Choice Charges	-	55,000	55,000	55,000
Retail Meter Charge - Total Charge	298,586	348,000	360,500	375,000
Shared Pipeline Maintenance Costs	36,000	105,000	121,500	125,000
	\$ 335,771	\$ 509,500	\$ 539,000	\$ 557,500
 Retail Meter Charge - Per Meter (\$)	 13.75	 14.25	 14.75	 15.25
 Basin Pumping Percentage	 77%	 85%	 85%	 85%

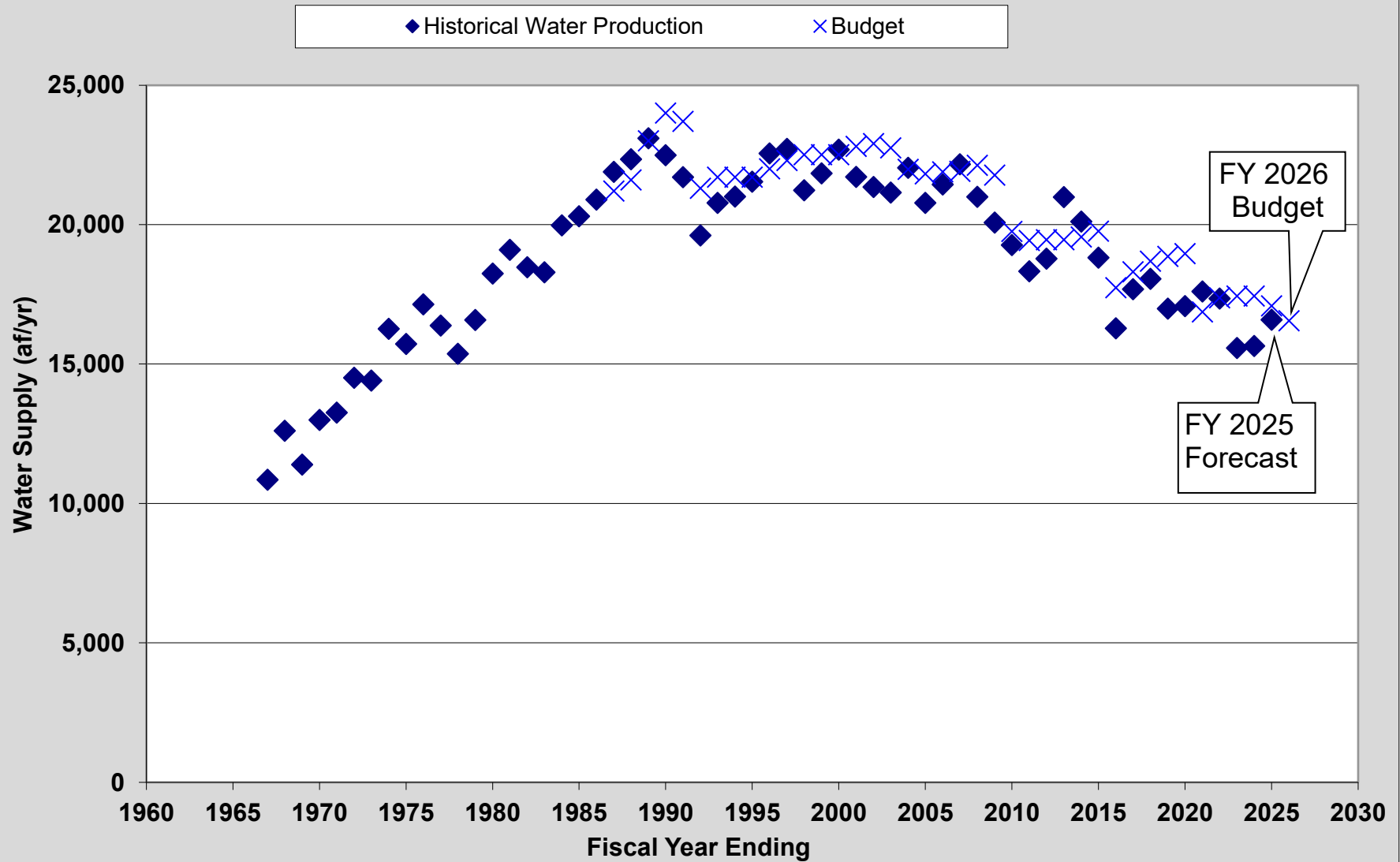


Fiscal Year 2026 Budget

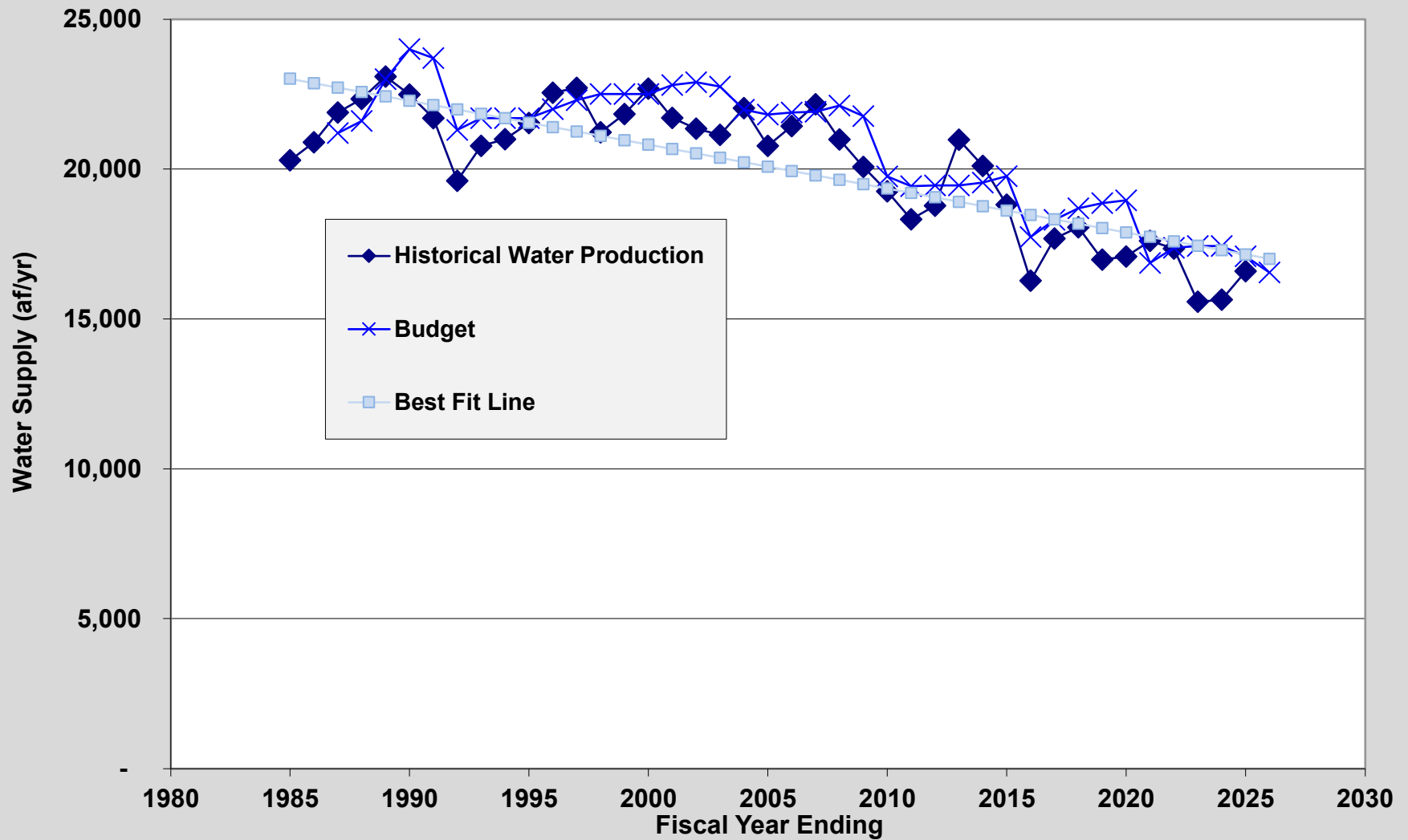


	Water Production in Acre Feet												
	July	August	September	October	November	December	January	February	March	April	May	June	Total
FY 2023	1,549.2	1,524.2	1,462.8	1,354.2	1,148.4	1,092.2	977.3	990.3	972.1	1,125.7	1,279.4	1,312.5	14,788.3
FY 2024	1,522.6	1,480.9	1,357.8	1,360.3	1,244.9	1,134.6	1,016.5	906.1	1,036.9	1,100.2	1,462.0	1,503.0	15,125.8
FY 2025	1,586.0	1,614.0	1,490.0	1,445.0	1,243.0	1,067.0	1,110.0	1,050.0	1,201.0	1,286.0	1,433.0	1,473.0	15,998.0
FY 2026	1,470.0	1,568.0	1,471.0	1,372.0	1,250.0	1,200.0	1,170.0	1,030.0	1,151.0	1,245.0	1,298.0	1,453.0	15,678.0

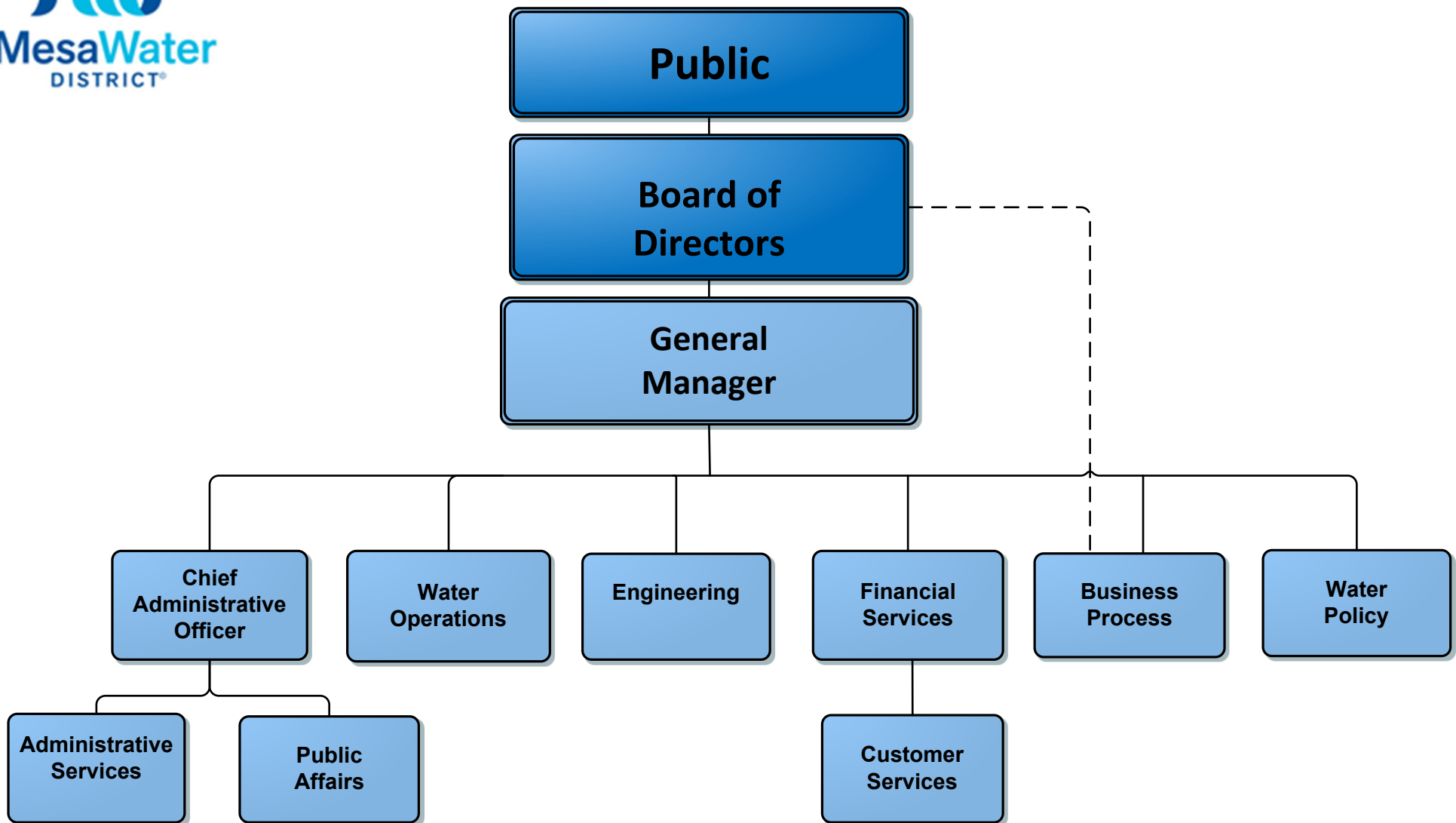
Fiscal Year 2026 Budget Water Supply Needs (Historical and Projected)



Fiscal Year 2026 Budget Water Supply Needs (Historical and Projected)



Mesa Water District
FY 2026 Budget





**Fiscal Year 2026 Budget
Personnel Summary**

	FY 2023 Budget	FY 2024 Budget	FY 2025 Budget	FY 2026 Budget
OFFICE OF THE GENERAL MANAGER				
Executive Office	2	2	2	3
Information Technology	0	0	0	0
TOTAL DISTRICT MANAGEMENT	2	2	2	3
ADMINISTRATIVE SERVICES				
Administrative Services	5	5	5	6
TOTAL ADMINISTRATIVE SERVICES/IT	5	5	5	6
HUMAN RESOURCES				
Human Resources	2	2	2	2
TOTAL HUMAN RESOURCES	2	2	2	2
CUSTOMER SERVICES				
Customer Service	4	4	3	3
Conservation	1	0	0	0
TOTAL CUSTOMER SERVICE	5	4	3	3
ENGINEERING				
Engineering	4	4	4	4
TOTAL ENGINEERING	4	4	4	4
FINANCIAL SERVICES				
Financial Services	5	6	6	8
TOTAL FINANCIAL SERVICES	5	6	6	8
WATER POLICY				
Water Policy	1	1	1	1
TOTAL WATER POLICY	1	1	1	1
PUBLIC AFFAIRS				
Public Affairs	2	2	3	4
Conservation	0	1	1	1
TOTAL PUBLIC AFFAIRS	2	3	4	5
WATER OPERATIONS				
Supervision/Support	8	8	8	8
Distribution	10	10	10	10
Production	4	4	4	4
Water Quality	2	2	2	2
Field Services	5	5	5	5
TOTAL WATER OPERATIONS	29	29	29	29
TOTAL PERSONNEL	55	56	56	61

Notes:

- Five elected officials serve on Mesa Water's Board of Directors.
- Limited-Term positions in Engineering and Water Operations
- Interns not included in above figures:

Limited-Term	2	2	1	2
Interns	0.5	0.5	0.5	0.5



**Fiscal Year 2026 Budget
Labor and Benefits Summary**

Category	FY 2023 ACTUAL	FY 2024 ACTUAL	FY 2025 BUDGET	FY 2026 BUDGET
Labor	\$5,830,501	\$6,051,691	\$7,689,653	\$8,551,420
FICA / Medicare	520,594	553,714	554,214	621,317
Workers Comp	157,623	197,717	241,895	254,075
Flex Credits	1,225,743	1,442,714	1,738,800	1,958,400
LTD/Life Insurance/EAP	49,580	61,495	59,426	65,324
Benefits Other	286,458	326,884	430,608	509,185
Retirement	(385,546)	2,498,279	2,260,000	2,270,000
Total	\$7,684,953	\$11,132,495	\$12,974,596	\$14,229,721



**Fiscal Year 2026 Budget
COP Coverage Ratios**

	FY 2023 ACTUAL	FY 2024 ACTUAL	FY 2025 BUDGET	FY 2026 BUDGET
Revenues				
Operating Revenue	\$ 41,102,347	\$ 46,194,473	\$ 55,336,110	\$ 60,300,428
Capacity and Installation Charges	1,002,954	448,150	1,065,000	965,000
Non-Operating Revenue	1,960,249	3,542,140	513,990	115,000
Total Revenues	44,065,550	50,184,763	56,915,100	61,380,428
Expenses (Excluding Depreciation Expense)				
Operating Expenses	29,133,331	34,086,080	38,301,613	41,144,150
Income available for debt service	\$ 14,932,219	\$ 16,098,683	\$ 18,613,487	\$ 20,236,278
Annual Debt Service, Senior Debt	\$ 4,231,500	\$ 4,282,250	\$ 4,332,000	\$ 4,355,250
Coverage Ratio, Senior Debt	353%	376%	430%	465%
Annual Debt Service, Subordinated Debt	\$ 2,566,200	\$ 2,566,200	\$ 2,566,200	\$ 2,566,200
Coverage Ratio, Total Debt	220%	235%	270%	292%



**Fiscal Year 2026 Budget
Designated Fund Levels**

	FY 2023 ACTUAL	FY 2024 ACTUAL	FY 2025 BUDGET	FY 2026 BUDGET	TARGET DAYS
Customer & Development Deposits	\$ 2,707,248	\$ 2,850,000	\$ 2,000,000	\$ 1,570,000	N/A
Capital Replacement Fund	2,459,011	1,132,776	816,421	421,961	N/A
Other Funds					
Administrative & General Fund (Target 10 days)	1,805,681	1,753,210	1,049,359	1,127,237	10 - 25
Catastrophe Fund (Target 30 days)	6,771,303	1,500,000	3,148,078	563,618	30 - 180
	8,576,984	3,253,210	4,197,437	1,690,855	40 - 205
Liquidity Funds					
Operating Funds (Target 50 days)	10,834,085	10,519,259	5,246,796	5,636,185	50 - 150
Rate Stabilization Funds (Target 30 days)	5,417,043	5,259,630	3,148,078	3,381,711	30 - 75
Total Liquidity Funds (Target 80 days total)	16,251,128	15,778,889	8,394,874	9,017,896	80 - 225
Total Cash - Designated Funds	\$ 29,994,371	\$ 23,014,875	\$ 15,408,732	\$ 12,700,712	N/A
Operating Expense	\$ 32,953,676	\$ 31,996,080	\$ 38,301,613	\$ 41,144,150	
Cash per Day	\$ 90,284	\$ 87,660	\$ 104,936	\$ 112,724	
Days Cash Ratio Actual/Estimate	332	263	147	113	
Days Cash Ratio Target	120	120	120	120	

Fund Descriptions:

Customer & Development Deposits - Monies held on behalf of Mesa Water's customers as required for their utility account or as cash bonds for development projects.

Capital Replacement Fund - Used for the replacement of capitalized assets when they reach the end of their useful lives. The target level of the fund shall be \$10 million. The maximum will be based on Mesa Water's Asset Management Plan.

Administrative & General Fund - One of the two capital funds used to fund certain major general, administrative and overhead projects. It is intended to fund (or partially fund) offices, fixtures, furnishings, vehicles and equipment on a pay-as-you-go basis. The target level will equal 10 days of Mesa Water's budgeted total operating expenses and the maximum will be 25 days.

Catastrophe Fund - Used to begin repair of the water system after a catastrophic event, such as a severe earthquake or fire, while long-term financing is being arranged or insurance claims are being processed. The target level will equal 30 days of Mesa Water's budgeted total operating expenses and the maximum will be 180 days. The FY 2026 Budget balance of \$563,618 is currently at 5 days.

Operating Fund - Used for unanticipated operating expenses. This fund is designated to maintain working capital for current operations and to meet routine cash flow needs. The target level will equal 50 days of Mesa Water's budgeted total operating expenses and the maximum will be 150 days.

Rate Stabilization Fund - Used to provide flexibility to the Board of Directors when establishing rates such as absorbing temporary rate fluctuations or for one time expenditures. The target level of this fund shall be 30 days of the annual operating budget and the maximum shall be 75 days.



Fiscal Year 2026 Budget

District Overview

Mesa Water District (Mesa Water®) was formed on January 1, 1960, pursuant to Sections 33200 et. seq., of the California Water Code, which was designated as the Costa Mesa District Merger Law. The general provisions of this law called for the consolidation of four predecessor agencies: the Newport Heights Irrigation District; the Fairview County Water District; the Newport Mesa County Water District; and the City of Costa Mesa Water Department.

Mesa Water is located in Orange County, California, and provides water to most of Costa Mesa, parts of Newport Beach, and some unincorporated areas of Orange County, including John Wayne Airport. The District serves 110,000 residents in an 18-square-mile area through approximately 25,000 metered accounts.

Potable water is produced from Mesa Water's groundwater wells. The District purchases non-potable, or recycled water, from the Orange County Water District (OCWD).

Due to the District's improved Mesa Water Reliability Facility (MWRF), Mesa Water meets 100 percent of its community's water needs with locally-sourced supplies. Mesa Water also has a 100 percent reliable back-up supply of imported water, if needed, from the Municipal Water District of Orange County (MWDOC).

The District's revenues result solely from its activities as a water utility and Mesa Water receives no tax revenues of any kind.

A five-person Board of Directors (Board), whose members serve overlapping four-year terms, governs Mesa Water. Each Director is elected by and represents one of five geographic divisions of approximately equal population within the District's service area. The Board elects one of its members to serve as President and another to serve as Vice President. The Board appoints the General Manager, District Secretary, Assistant District Secretary, District Treasurer, and Assistant District Treasurer. The General Manager is responsible for the day-to-day operations and administration of Mesa Water in accordance with the Board's policies.



Fiscal Year 2026 Budget

Major Revenue Descriptions

Water Sales Revenue

Usage Charge (potable and recycled) – This is the rate charged per unit (one hundred cubic feet or ccf) to customers based on actual consumption. Mesa Water has a uniform volumetric rate structure, which means all water use is charged at the same per-unit rate. For the first six months of the FY 2026 budget, the potable rate is \$5.96 per ccf, and the recycled rate is \$3.82 per ccf; and, for the second six months of the FY 2025 budget, the potable rate is \$6.38 per ccf, and the recycled rate is budgeted at \$4.09 per ccf. Mesa Water’s Board adopts water rates by resolution. In FY 2024, the Board adopted a multi-year rate resolution with rate increases each year through FY 2028. Usage charges are intended to cover the cost of treating and delivering water to Mesa Water’s customers. The budget for this revenue source is based on estimated water sales which have remained consistent due to Mesa Water’s service area being substantially built-out. The FY 2026 acre feet sales budgeted for both potable and recycled water are listed on page 6.

Construction Water Revenues – This revenue is for the use of temporary hydrant meters used during construction. The revenue includes both the daily rental rate for the meter, and the per-unit charge which is charged at the same rate as the potable water rate based on the Board’s resolution. This revenue source is dependent solely on construction activity and is less predictable than other water revenue sources.

Fireline Revenues – This revenue is primarily from the stand-by charge for fireline services. Also, use of water other than for firefighting is charged at the same rate as the potable water rate based on the Board’s resolution. As Mesa Water’s service area is substantially built-out, this revenue source remains relatively consistent year-to-year.

Basic Charge – This charge is assessed per billing period (bi-monthly) and is a set charge based on meter size. This revenue source is intended to cover fixed charges such as financial obligations, customer service, public outreach, and administrative support, per the Board’s resolution. This revenue source is increasing, primarily due to the multi-year rate increase adopted by the Board in FY 2024. As Mesa Water’s service area is substantially built-out, there is limited growth in service connections.



Fiscal Year 2026 Budget

Major Revenue Descriptions, Continued
--

Non-Water Sales Revenue

Other Operating Revenues – These revenues include costs related to Mesa Water’s operations as a water utility that are not directly related to water sales. The major revenue sources in this category are: delinquent fees, new service establishment fees, and concessions from government agencies.

Delinquent fees are a result of the delinquent payment activity from customers. This revenue source has historically increased slightly from year-to-year. The Board periodically reviews the delinquent fees to ensure full cost recovery.

The new service establishment fee is charged when a new customer establishes an account with Mesa Water. The fee is intended to recover the costs associated with setting up a new account. This fee amount is reviewed periodically to ensure full cost recovery.

Non-Operating Revenues and Capital Contributions – The revenues under this category include interest earned on Mesa Water’s funds as well as development-related revenues such as capacity charges, inspection fees, plan check fees, and installation fees. The budget for interest earnings are based upon forecasted cash balances during the year as well as anticipated interest earnings from the State of California Local Agency Investment Fund (LAIF), and Mesa Water’s investment portfolio. Mesa Water elected to budget a low rate of return on its investments in FY 2026 based on current and anticipated market conditions.

Fund Description

Mesa Water reports its activities as a single enterprise fund, which is used to account for operations that are financed and operated in a manner similar to a private business enterprise, where the intent of Mesa Water is that the cost of providing water to its service area on a continuing basis be financed or recovered primarily through user charges (water sales and service charges), capital grants, and similar funding. Monies are set aside in designated funds for specific purposes based on Board policy or in reserve accounts as required by debt agreements. A listing and description of designated funds can be found on page 15.



Fiscal Year 2026 Budget

Basis of Accounting

Accounting basis determines when transactions and economic events are reflected in the financial statements and the budget. Mesa Water prepares its audited financial statements and budgets on the accrual basis of accounting in which revenues are recognized in the accounting period when earned and expenditures are recorded in the accounting period when incurred. Mesa Water's budget and financial statements are consistent with Generally Accepted Accounting Principles (GAAP).

Budget Control and Revisions

Although Mesa Water is not legally required to adopt a budget, the Board annually adopts a fiscal year budget following a series of public meetings. This budget authorizes and provides the basis for reporting, control of financial operations, and accountability.

Mesa Water's budget is prepared on an annual basis using estimates and financial projections for the following fiscal year that meet the priorities and needs of the District.

A quarterly review of the Comparative Statement of Revenue, Expenses and Change in Net Position is conducted and reviewed by the Board's Finance Committee and Mesa Water management and staff. A monthly review of capital expenditures is conducted by the Board of Directors and Mesa Water staff.



**Fiscal Year 2026 Budget
Departmental Budgets**

	Dept. 000 - General, Page 1 of 2	FY 2023 ACTUAL	FY 2024 ACTUAL	FY 2025 BUDGET	FY 2026 BUDGET
	REVENUE:				
40100	Usage Charge - Potable Water	\$ 28,737,512	\$ 30,396,707	\$ 36,998,231	\$ 39,500,317
40105	Water sold in lieu of lease payments	-	-	-	-
40149	Accrued Water Sales	27,512	579,372	-	-
40170	Construction Water Revenues	25,071	32,016	175,000	150,000
	TOTAL POTABLE CONSUMPTION REVENUES	28,790,095	31,008,095	37,173,231	39,650,317
40600	Basic Charge - Domestic	7,504,880	6,688,109	7,280,414	8,304,934
40650	Basic Charge - Fire Line	797,101	825,014	795,412	874,577
	TOTAL BASIC CHARGE REVENUES	8,301,981	7,513,123	8,075,826	9,179,511
40700	Capital Charge - Domestic	2,263,880	5,890,411	7,965,684	9,484,778
	TOTAL CAPITAL CHARGE REVENUES	2,263,880	5,890,411	7,965,684	9,484,778
40260	Usage Charge - Recycled Water	1,208,355	1,228,365	1,721,369	1,585,822
	TOTAL RECYCLED CONSUMPTION REVENUES	1,208,355	1,228,365	1,721,369	1,585,822
45700	Coastal Pumping Trns Pgm (CTPT)	-	-	-	-
45710	Intergovernmental - State	-	-	-	-
45720	Intergovernmental - Federal	-	-	-	-
	TOTAL CONCESSIONS FROM GOV'T AGENCIES	-	-	-	-
45100	New Service Establishment Fee	39,160	41,320	45,000	45,000
45105	LAFCO Surcharge	-	-	-	-
45110	Delinquent Fees	229,082	257,377	200,000	200,000
45115	Loss Recovery	15,450	51,846	10,000	10,000
45120	Cross Connection Testing Fee	-	-	5,000	5,000
45130	Plan Check Fees	248,229	208,806	115,000	115,000
45140	Water Use Efficiency Program benchmark	200	-	-	-
45300	Insurance reimbursement	-	-	-	-
45305	OC-44 HB contract revenue	-	82,305	5,000	5,000
45505	Sale of brass and scrap	7,088	13,776	5,000	5,000
45515	Other operating revenue	37,347	49,865	15,000	15,000
62100	Cash Over/Short	(598)	-	-	-
62190	Write-Off Bad Debt Exp	(37,922)	(150,816)	-	-
	TOTAL OTHER CHARGES AND SERVICES	538,036	554,479	400,000	400,000
	TOTAL OPERATING REVENUES	41,102,347	46,194,473	55,336,110	60,300,428



**Fiscal Year 2026 Budget
Departmental Budgets**

	Dept. 000 - General, Page 2 of 2	FY 2023 ACTUAL	FY 2024 ACTUAL	FY 2025 BUDGET	FY 2026 BUDGET
	TOTAL OPERATING REVENUES (previous page)	41,102,347	46,194,473	55,336,110	60,300,428
	<i>Recycled Water Costs</i>				
50200	Recycled Water Costs	727,510	754,579	1,075,043	886,530
	TOTAL RECYCLED WATER COSTS	727,510	754,579	1,075,043	886,530
	<i>DEPRECIATION AND AMORTIZATION</i>				
70100	Amortization & Depreciation	6,657,317	6,545,617	6,500,000	7,000,000
	TOTAL AMORTIZATION AND DEPRECIATION	6,657,317	6,545,617	6,500,000	7,000,000
	<i>INVESTMENT EARNINGS</i>				
46105	Interest earned OC Investment Pool	19,857	687	1,500	-
46110	Change fair value	(226,444)	926,876	(150,000)	(150,000)
46120	Interest Earned - Funds Under District Control	328,873	257,687	150,000	150,000
46125	Realized Gain/Loss on Investments	1,472,696	2,000,322	100,000	100,000
	TOTAL INVESTMENT EARNINGS	1,594,982	3,185,572	101,500	100,000
	<i>INTEREST EXPENSE</i>				
76115	2009 / 2020 COPs Interest Expense	2,566,200	2,566,200	2,566,200	2,566,200
76120	2010 / 2017 COPs Interest Expense	797,135	624,677	441,073	305,250
76150	Interest Expense	7,633	9,783	8,500	8,500
76130	2009 / 2017 COPs Deferred Amount	129,393	129,393	129,395	129,395
76815	2009 / 2020 Premium Amort Expense	(481,577)	(481,577)	(481,580)	(481,580)
76820	2010 / 2017 COPs Premium Amortization	(569,390)	(569,390)	(569,390)	(569,390)
	TOTAL INTEREST EXPENSE	2,449,394	2,279,086	2,094,198	1,958,375
	<i>OTHER NON-OPERATING</i>				
46805	Loss on Disposal of Equipment	-	-	(25,000)	(25,000)
46808	Loss on Abandonment	-	-	-	-
46810	Non Operating Revenue	2,070	6,133	25,000	25,000
76800	Non Operating Expense	(844)	(4,400)	(25,000)	(25,000)
76825	Bond Issuance Costs	-	-	-	-
76805	COPS Trustee Expense	-	-	(5,000)	(10,000)
	TOTAL OTHER NON-OPERATING	1,226	1,733	(30,000)	(35,000)
	TOTAL NON-OPERATING REVENUES/EXPENSE	(853,186)	908,220	(2,022,698)	(1,893,375)
	<i>CAPITAL CONTRIBUTIONS</i>				
48115	Capacity Charge Completed Projects	893,259	307,516	875,000	750,000
48125	Installation Fees Completed Projects	(33,019)	36,721	125,000	115,000
48135	Inspection Fees Completed Projects	142,714	103,913	65,000	100,000
48200	MWD Local Resource Prog - MWRF	365,267	356,568	397,490	-
48205	Utility Rebate - Water Operations	-	-	15,000	15,000
48300	Contributions from Developers	1,802,058	1,502,735	900,000	850,000
	TOTAL CAPITAL CONTRIBUTIONS	3,170,278	2,307,453	2,377,490	1,830,000
	Department Total	\$ 36,034,611	\$ 42,109,950	\$ 48,115,859	\$ 52,350,523



**Fiscal Year 2026 Budget
Departmental Budgets**

	Dept. 100 - Governance	FY 2023 ACTUAL	FY 2024 ACTUAL	FY 2025 BUDGET	FY 2026 BUDGET
	PAYROLL EXPENSES:				
60115	Labor Taxes	\$ 13,783	\$ 15,525	\$ 16,157	\$ 16,937
60120	Labor Workers Comp	40,182	39,810	2,307	2,419
60130	Labor Directors Fee	182,032	202,928	211,200	221,400
60205	Benefits LTD/Life/EAP	345	385	532	532
60215	Benefits Other	71,099	90,622	120,000	164,000
60220	Benefits Flex Credits	37,299	35,198	138,000	144,000
	Total Payroll	344,740	384,467	488,196	549,288
	EXPENSES (NON-PAYROLL)				
61100	Election Fees	-	-	45,000	-
62115	Staff Development & Conferences	26,453	25,753	25,000	30,000
62125	Department Admin	44,920	13,072	15,000	30,000
	Total	71,373	38,824	85,000	60,000
	Department Total	\$ 416,113	\$ 423,292	\$ 573,196	\$ 609,288

	Dept. 200 - Office of the General Manager	FY 2023 ACTUAL	FY 2024 ACTUAL	FY 2025 BUDGET	FY 2026 BUDGET
	PAYROLL EXPENSES:				
60100	Labor Regular	\$ 471,576	\$ 487,611	\$ 590,459	\$ 877,369
60105	Labor Non-Regular	33,019	31,271	-	-
60110	Labor Vacation	45,207	56,003	-	-
	Labor Subtotal	549,802	574,885	590,459	877,369
60115	Labor Taxes	26,949	28,931	29,766	46,537
60120	Labor Workers Comp	4,416	5,296	7,417	11,206
60205	Benefits LTD/Life/EAP	2,527	3,065	3,443	5,130
60210	Benefits CalPERS	(36,881)	295,766	215,000	275,000
60215	Benefits Other	21,211	20,261	22,586	33,588
60220	Benefits Flex Credits	51,826	52,256	55,200	86,400
	Total Payroll	619,850	980,460	923,871	1,335,230
	EXPENSES (NON-PAYROLL)				
61110	Regulatory Compliance/Permits	1,171	2,922	3,000	3,000
62115	Staff Development & Conferences	15,621	6,250	15,000	20,000
62125	Department Admin	5,603	10,677	12,000	12,000
62130	Dues and Subscriptions	123,704	85,346	115,440	130,000
63100	Support Services	207,589	603,248	350,000	426,500
63105	Legal Services	388,328	382,477	400,000	213,000
	Total	742,016	1,090,920	895,440	804,500
	Department Total	\$ 1,361,866	\$ 2,071,380	\$ 1,819,311	\$ 2,139,730

	Dept. 250 - Information Technology	FY 2023 ACTUAL	FY 2024 ACTUAL	FY 2025 BUDGET	FY 2026 BUDGET
	EXPENSES (NON-PAYROLL)				
62105	Computer Maint/Licensing	-	269,716	744,000	800,000
62145	General Supplies - IT	-	11,585	62,000	15,000
62175	Telecom/Network	-	257,853	227,000	425,000
62180	Tools & Equipment	-	1,887	1,000	15,000
63100	Support Services	-	923,760	1,050,000	1,765,000
	Department Total	-	\$ 1,464,801	\$ 2,084,000	\$ 3,020,000



**Fiscal Year 2026 Budget
Departmental Budgets**

	Dept. 3XX - Water Costs	FY 2023 ACTUAL	FY 2024 ACTUAL	FY 2025 BUDGET	FY 2026 BUDGET
	IMPORTED/BASIN MANAGED WATER EXPENSES				
50100-320	Imported Water Fixed Costs	\$ 335,771	\$ 367,693	\$ 539,000	\$ 557,500
50105-320	Imported Water Variable Costs	716	-	-	-
50115-320	Basin Managed Water	-	-	-	-
50130-320	Chemicals and Treatment	-	-	-	-
50180-320	Utilities - Imported	1,027	2,577	3,800	2,000
60100-320	Labor Import	-	-	-	-
62165-320	Parts and Materials - Import	64	258	10,000	5,000
63100-320	Support Services - Import	-	-	8,000	5,000
	Total Imported / Basin Managed Water Costs	337,578	370,528	560,800	569,500
50110-320	In-Lieu Water	-	-	-	-
	Total In-Lieu Water Costs	-	-	-	-
	CLEAR WATER EXPENSES				
50130-310	Chemicals - Clear	344,066	333,785	396,186	456,704
50150-310	Basin Replenishment Assessment - Clear	6,960,157	7,891,790	9,368,678	9,474,786
50180-310	Utilities - Clear	1,198,716	1,490,750	1,497,709	1,540,991
60100-310	Labor Clear	-	-	-	-
62165-310	Parts and Materials - Clear	119,723	155,913	100,000	100,000
63100-310	Support Services - Clear	218,286	262,063	235,000	223,500
	Total Clear Water Costs	8,840,948	10,134,301	11,597,573	11,795,981
	AMBER WATER EXPENSES				
50130-330	Chemicals - Amber	428,547	443,676	490,352	553,101
50150-330	Basin Replenishment Assessment - Amber	1,285,911	1,380,912	1,653,614	1,672,272
50180-330	Utilities - Amber	696,879	643,507	546,869	575,000
60100-330	Labor Amber	-	-	-	-
62165-330	Parts and Materials - Amber	40,467	49,598	60,000	70,000
63100-330	Support Services - Amber	88,630	119,702	178,000	208,500
	Total Amber Water Costs	2,540,434	2,637,395	2,928,835	3,078,873



**Fiscal Year 2026 Budget
Departmental Budgets**

	Dept. 300 - Water Operations	FY 2023 ACTUAL	FY 2024 ACTUAL	FY 2025 BUDGET	FY 2026 BUDGET
	PAYROLL EXPENSES:				
60100	Labor Regular	\$ 2,678,804	\$ 2,776,350	\$ 3,453,823	\$ 3,501,974
60105	Labor Non-Reg	243,387	273,149	-	-
60110	Labor Vacation	243,859	230,976	-	-
	<i>Labor Subtotal</i>	3,166,050	3,280,475	3,453,823	3,501,974
60115	Labor Taxes	252,491	274,612	262,453	266,708
60120	Labor Workers Comp	90,343	123,319	190,880	193,688
60125	Labor Temporary	65,559	-	25,000	25,000
60205	Benefits LTD/Life/EAP	24,759	31,278	28,969	28,672
60210	Benefits CalPERS	(175,999)	1,118,052	850,000	850,000
60215	Benefits Other	86,897	103,407	144,344	145,069
60220	Benefits Flex Credits	631,316	771,283	855,600	864,000
60990	Payroll jobs WIP	(273,660)	(411,054)	(102,900)	(175,675)
	Total Payroll	3,867,756	5,291,373	5,708,169	5,699,436
	EXPENSES (NON-PAYROLL)				
50130	Chemicals T&D	16,094	35,834	35,000	35,000
61110	Regulatory Compliance/Permits	121,765	254,900	225,000	295,000
62115	Staff Development & Conferences	26,059	23,078	30,000	35,000
62120	Damages	-	-	-	-
62125	Department Administration	10,213	16,972	15,000	10,000
62135	Facilities improvements	19,951	9,591	35,000	25,000
62140	Fuel	127,107	120,132	145,000	125,000
62145	General Supplies	24,031	6,050	20,000	10,000
62155	Leasing/ Equipment Rental	-	-	25,000	25,000
62160	Other Agency Cost Reimbursement	2,348	2,468	-	-
62165	Parts & Materials	736,135	721,233	550,000	750,000
62180	Tools & Equipment	3,684	5,586	-	-
62185	Utilities	261,007	287,675	222,976	220,000
63100	Support Services	1,422,972	1,435,263	1,575,500	1,400,500
63990	Capitalized G&A Contra - T&D	(20,262)	(22,127)	(75,000)	(50,000)
	Total	2,751,103	2,922,689	2,803,476	2,880,500
	Department Total	\$ 6,618,859	\$ 8,214,062	\$ 8,511,645	\$ 8,579,936

	Dept. 400 - Engineering	FY 2023 ACTUAL	FY 2024 ACTUAL	FY 2025 BUDGET	FY 2026 BUDGET
	PAYROLL EXPENSES:				
60100	Labor Regular	\$ 529,804	\$ 579,749	\$ 702,153	\$ 788,120
60105	Labor Non-Reg	62,095	48,241	-	-
60110	Labor Vacation	84,276	57,427	-	-
	<i>Labor Subtotal</i>	676,176	685,416	702,153	788,120
60115	Labor Taxes	45,203	47,468	47,850	55,371
60120	Labor Workers Comp	5,290	6,807	9,138	10,278
60125	Labor Temporary	-	1,081	-	-
60205	Benefits LTD/Life/EAP	4,491	5,483	4,899	5,752
60210	Benefits CalPERS	(35,081)	200,033	225,000	225,000
60215	Benefits Other	16,715	18,560	28,415	32,384
60220	Benefits Flex Credits	91,590	105,232	110,400	144,000
60990	Capital Labor/Benefit Contra	(231,218)	(190,543)	(168,300)	(232,830)
	Total Payroll	573,166	879,537	959,555	1,028,075
	EXPENSES (NON-PAYROLL)				
62115	Staff Development & Conferences	3,357	3,260	10,000	10,000
62125	Department Admin	1,991	1,895	6,000	6,000
62145	General Supplies	1,121	480	2,000	2,000
63100	Support Services	417,618	496,564	390,000	495,000
63990	Capitalized G&A Contra	(63,177)	(62,962)	(50,000)	(65,000)
	Total	360,909	439,237	358,000	448,000
	Department Total	\$ 934,075	\$ 1,318,774	\$ 1,317,555	\$ 1,476,075

	Transmission and Distribution	FY 2023 ACTUAL	FY 2024 ACTUAL	FY 2025 BUDGET	FY 2026 BUDGET
	Transmission and Distribution Grand Total	\$ 7,552,934	\$ 9,532,836	\$ 9,829,200	\$ 10,056,011



**Fiscal Year 2026 Budget
Departmental Budgets**

	Dept. 500 - Customer Services	FY 2023 ACTUAL	FY 2024 ACTUAL	FY 2025 BUDGET	FY 2026 BUDGET
	<i>PAYROLL EXPENSES:</i>				
60100	Labor Regular	\$ 339,476	\$ 226,304	\$ 275,039	\$ 288,589
60105	Labor Non-Reg	35,787	22,767	-	-
60110	Labor Vacation	36,331	19,223	-	-
	<i>Labor Subtotal</i>	411,594	268,293	275,039	288,589
60115	Labor Taxes	32,755	25,214	21,041	22,078
60120	Labor Workers Comp	3,007	2,388	2,950	3,098
60125	Labor Temporary	-	-	-	15,000
60205	Benefits LTD/Life/EAP	3,515	3,093	2,609	2,665
60210	Benefits CalPERS	(28,972)	130,512	125,000	115,000
60215	Benefits Other	22,078	11,675	12,331	12,806
60220	Benefits Flex Credits	89,789	81,790	82,800	86,400
	Total Payroll	533,766	522,965	521,770	545,636
	<i>EXPENSES (NON-PAYROLL)</i>				
62100	Cash Over/Short	597	-	-	-
62115	Staff Development & Conferences	2,153	-	2,500	2,500
62125	Department Admin	14,255	2,959	10,000	5,000
62145	General Supplies	167	-	1,000	1,000
63100	Support Services	144,136	148,806	208,000	261,500
	Total	161,308	151,765	221,500	270,000
	Department Total	\$ 695,074	\$ 674,730	\$ 743,270	\$ 815,636



**Fiscal Year 2026 Budget
Departmental Budgets**

	Dept. 600 - Financial Services	FY 2023 ACTUAL	FY 2024 ACTUAL	FY 2025 BUDGET	FY 2026 BUDGET
	PAYROLL EXPENSES:				
60100	Labor Regular	\$ 571,433	\$ 692,683	\$ 867,534	\$ 1,057,197
60105	Labor Non-Reg	48,783	54,607	-	-
60110	Labor Vacation	52,058	53,728	-	-
	<i>Labor Subtotal</i>	672,273	801,019	867,534	1,057,197
60115	Labor Taxes	50,298	59,844	60,430	77,330
60120	Labor Workers Comp	4,883	7,567	9,958	11,963
60125	Labor Temporary	42,241	33,967	15,000	50,000
60205	Benefits LTD/Life/EAP	4,326	6,621	6,515	8,295
60210	Benefits CalPERS	(30,941)	234,688	300,000	300,000
60215	Benefits Other	23,665	31,094	35,599	44,157
60220	Benefits Flex Credits	99,007	147,536	165,600	230,400
	Total Payroll	865,752	1,322,335	1,460,636	1,779,342
	EXPENSES (NON-PAYROLL)				
61105	LAFCO charge	23,900	32,238	-	25,000
62115	Staff development & conference expense	29,510	22,738	15,000	15,000
62125	Department administration expense	30,630	11,842	10,000	10,000
62145	General Supplies - Finance	50,470	42,921	50,000	50,000
62150	Liability insurance	252,294	319,386	275,000	325,000
63100	Support Services	528,974	507,618	695,000	825,900
63990	Capitalized G&A Contra - Finance	(381,120)	(316,817)	(150,000)	(150,000)
	Total	534,658	619,926	895,000	1,100,900
	Department Total	\$ 1,400,410	\$ 1,942,261	\$ 2,355,636	\$ 2,880,242



**Fiscal Year 2026 Budget
Departmental Budgets**

	Dept. 700 - Public Affairs	FY 2023 ACTUAL	FY 2024 ACTUAL	FY 2025 BUDGET	FY 2026 BUDGET
	<i>PAYROLL EXPENSES:</i>				
60100	Labor Regular	\$ 204,129	\$ 209,169	\$ 477,317	\$ 562,002
60105	Labor Non-Reg	15,484	12,839	-	-
60110	Labor Vacation	10,590	10,285	-	-
	<i>Labor Subtotal</i>	230,203	232,293	477,317	562,002
60115	Labor Taxes	20,280	20,790	36,515	42,993
60120	Labor Workers Comp	1,777	2,811	6,071	7,161
60125	Labor Temporary	-	27,336	-	-
60205	Benefits LTD/Life/EAP	1,746	2,041	3,874	4,709
60210	Benefits CalPERS	(9,891)	69,245	175,000	150,000
60215	Benefits Other	4,808	7,748	20,729	24,547
60220	Benefits Flex Credits	45,047	50,704	110,400	144,000
	Total Payroll	293,970	412,969	829,906	935,412
	<i>EXPENSES (NON-PAYROLL)</i>				
62115	Staff development & conference expense	3,655	3,816	9,000	9,000
62125	Department administration expense	2,840	6,599	2,500	5,000
62130	District memberships and subscriptions	9,001	11,731	9,000	9,000
62145	General Office Supplies/Minor Equipment	6,667	60,435	25,000	40,000
63100	Support Services	763,561	714,005	1,047,550	1,139,850
	Total	785,724	796,584	1,093,050	1,202,850
	Department Total	\$ 1,079,694	\$ 1,209,553	\$ 1,922,956	\$ 2,138,262

	Dept. 900 - Water Policy	FY 2023 ACTUAL	FY 2024 ACTUAL	FY 2025 BUDGET	FY 2026 BUDGET
	<i>PAYROLL EXPENSES:</i>				
60100	Labor Regular	\$ 165,181	\$ 172,029	\$ 208,382	\$ 214,607
60105	Labor Non-Reg	15,321	20,781	-	-
60110	Labor Vacation	20,661	14,518	-	-
	<i>Labor Subtotal</i>	201,162	207,328	208,382	214,607
60115	Labor Taxes	12,599	13,503	13,624	14,383
60120	Labor Workers Comp	1,692	2,006	2,780	2,863
60125	Labor Temporary	-	-	-	-
60205	Benefits LTD/Life/EAP	1,274	1,540	1,361	1,387
60210	Benefits CalPERS	(14,472)	97,501	80,000	80,000
60215	Benefits Other	11,363	12,655	8,253	8,471
60220	Benefits Flex Credits	22,528	26,249	27,600	28,800
	Total Payroll	236,146	360,783	342,000	350,511
	<i>EXPENSES (NON-PAYROLL)</i>				
62115	Staff Development & Conferences	18,422	24,998	15,000	15,000
62125	Department Admin	9,541	7,363	5,000	5,000
62130	Dues and Subscriptions	3,736	1,942	2,000	2,000
62145	General Supplies	724	2,669	1,500	1,500
63100	Support Services	347,586	508,957	445,000	450,000
63105	Legal Services	-	-	-	-
	Total	380,009	545,930	468,500	473,500
	Department Total	\$ 616,155	\$ 906,713	\$ 810,500	\$ 824,011



**Fiscal Year 2026 Budget
Departmental Budgets**

	Dept. 800 - Administrative Services	FY 2023 ACTUAL	FY 2024 ACTUAL	FY 2025 BUDGET	FY 2026 BUDGET
	PAYROLL EXPENSES:				
60100	Labor Regular	\$ 480,122	\$ 486,246	\$ 635,210	\$ 734,901
60105	Labor Non-Reg	45,766	56,716	-	-
60110	Labor Vacation	77,089	56,462	-	-
	<i>Labor Subtotal</i>	602,977	599,424	635,210	734,901
60115	Labor Taxes	46,541	46,124	45,835	55,628
60120	Labor Workers Comp	4,383	5,499	7,460	8,340
60125	Labor Temporary	-	24,397	-	-
60205	Benefits LTD/Life/EAP	4,701	5,666	5,117	6,027
60210	Benefits CalPERS	(38,532)	254,752	215,000	175,000
60215	Benefits Other	19,240	20,168	27,032	31,482
60220	Benefits Flex Credits	112,289	119,777	138,000	172,800
	Total Payroll	751,600	1,075,806	1,073,654	1,184,178
	EXPENSES (NON-PAYROLL)				
60235	Benefit Unemployment Insurance	-	-	-	-
62105	Computer Maint/Licensing	402,715	(29,186)	-	-
62115	Staff Development & Conferences	6,589	14,900	15,000	10,000
62125	Department Admin	1,477	2,765	10,000	8,000
62145	General Supplies - IT	35,739	3,946	-	-
62170	Postage/Shipping/Freight	15,170	15,848	10,000	10,000
62175	Telecom/Network	392,618	(11,896)	-	-
62180	Tools & Equipment	-	-	-	-
63100	Support Services	1,448,058	239,453	32,000	22,000
63110	Human Resources Services - Admin	(154)	(990)	-	-
	Total	2,302,213	234,839	67,000	50,000
	Department Total	\$ 3,053,813	\$ 1,310,645	\$ 1,140,654	\$ 1,234,178

	Dept. 850 - Human Resources	FY 2023 ACTUAL	FY 2024 ACTUAL	FY 2025 BUDGET	FY 2026 BUDGET
	PAYROLL EXPENSES:				
60100	Labor Regular	\$ 207,945	\$ 218,622	\$ 268,536	\$ 305,261
60105	Labor Non-Reg	13,292	19,610	-	-
60110	Labor Vacation	21,075	20,663	-	-
	<i>Labor Subtotal</i>	242,312	258,895	268,536	305,261
60115	Labor Taxes	19,694	21,703	20,543	23,352
60120	Labor Workers Comp	1,651	2,215	2,934	3,059
60125	Labor Temporary	-	-	-	-
60205	Benefits LTD/Life/EAP	1,896	2,323	2,107	2,155
60210	Benefits CalPERS	(14,776)	97,730	75,000	100,000
60215	Benefits Other	9,380	10,695	11,319	12,681
60220	Benefits Flex Credits	45,053	52,690	55,200	57,600
	Total Payroll	305,209	446,251	435,639	504,108
	EXPENSES (NON-PAYROLL)				
60225	Benefits OPEB	(31,443)	(29,693)	90,000	75,000
60230	Benefit Retiree Expenses	(34,484)	(34,949)	25,000	20,000
60235	Benefit Unemployment Insurance	15,750	-	20,000	25,000
62115	Staff Development & Conferences	14,601	6,223	10,000	10,000
62125	Department Admin	1,487	789	10,000	10,000
63110	Human Resources Services - Admin	239,683	264,446	270,000	451,800
	Total	205,594	206,815	425,000	591,800
	Department Total	\$ 510,803	\$ 653,066	\$ 860,639	\$ 1,095,908



Fiscal Year 2026 Budget

Glossary of Terms

Accrual	The recognition of a revenue or expense as it is earned or incurred regardless of when actual cash is received or paid.
Acre Foot (AF)	Covers one acre of land in area by one foot in depth and is equal to 325,851 gallons. Supplies a family of four for approximately one year.
Amber Water	Water produced from deep groundwater wells that require treatment for color and odor before being entered to the distribution system.
Amortization	The periodic expense attributed to the decline in usefulness on an intangible asset or the allocation of bond premium or discount over the life of the bond.
Appropriation	An amount of money in the budget authorized by the Board of Directors, for expenditures or obligations within organizational units for specific purposes.
Assets	Resources owned or held by the enterprise as a result of past events and from which future economic benefits are expected to flow to the enterprise.
Association of California Water Agencies (ACWA)	Association representing nearly 450 public water agencies consisting of municipal, irrigation, county and California water districts, and a number of special purpose agencies. ACWA also represents non-profit and non-public mutual water companies. Members provide the link between local, state and federal water projects, and ultimate water consumers.
Basin Pumping Percentage (BPP)	The amount of clear ground water that can be pumped as a percentage of total potable water. This percentage is set each year by Orange County Water District.
Budget	The District's fiscal plan detailing proposed revenues and expenditures for a period of time.
California Department of Water Resources (CA DWR)	California agency responsible for managing California's water resources.
Capacity Charge	Fee imposed when a customer requests a new service connection. Capacity charges are used by the District to pay for infrastructure built to accommodate future development or to plan, design and construct new facilities to support the additional demand placed on the water system by the new connections.
Capital	Purchases or projects that exceed Mesa Water's capitalization threshold, which is \$10,000 for non-water infrastructure and \$100 (the installation cost of a 5/8" meter) for water infrastructure.
Cash on Hand	Amount of unrestricted cash held by Mesa Water at a given time.
CCF	Abbreviation for unit of water sold in hundred cubic feet. Mesa Water sells water in this unit of measure.



Fiscal Year 2026 Budget

Glossary of Terms

Certificates Of Participation (COP)	Form of lease-purchase financing used to construct or acquire capital facilities or equipment.
Change in Net Position	The final figure on the Statement of Revenues, Expenses and Change in Net Position report where revenues are netted against expenses.
Clear Well Water	Water produced from groundwater wells that require minimal treatment to be released into the distribution system.
Coverage Ratio	Ratio of Net Revenues to total annual financial obligations. This is a margin of safety for payment of debt service, reflecting the number of times by which earnings for a period of time exceed debt service payable in such a period.
Days Cash Ratio	A ratio of the Cash on Hand divided by the average Operating Expenses less Pass-through water sales to government agencies.
Debt Service	Cash required in a given period for payment on interest and principal on outstanding financial obligations.
Depreciation	The method of allocating historical costs of capital assets (excluding land) to periods in which the assets are used.
Designated Funds	Segregation of assets for special purposes such as asset replacement.
Enterprise Fund	A fund established to account for the financing of self-supporting enterprises, such as a utility fund, which render services primarily to the public.
Expenses	The amount of assets consumed or services used in the process of earning revenue.
Fiscal Year (FY)	The annual accounting period. Mesa Water uses July 1 through June 30.
Full Time Equivalent (FTE)	An FTE equals one full-time employee working 2,080 hours per year.
GAAP	Generally Accepted Accounting Principles (GAAP) are uniform standards and guidelines that both private and public sectors use to report and record financial information. GAAP establishes a standard manner to measure and categorize accounting transactions to report financial results. Following GAAP provides a reasonable basis to compare financial results of other water or similar agencies.
Geographic Information System (GIS)	A system combining computer hardware, software and geographic data for collecting, storing, analyzing and displaying geographically referenced information.
In-Lieu Water	Water purchased at the same price as well water when the groundwater basin does not allow for full pumping.
Infrastructure	The accumulated pipelines, treatment plants and storage facilities of Mesa Water, including all meters, valves, pumps, hydrants and other appurtenances, whether constructed by Mesa Water or dedicated by private entities.



Fiscal Year 2026 Budget

Glossary of Terms

Imported Water	Water purchased from Municipal Water District of Orange County (MWDOC). It is transported by an aqueduct system from the Colorado River or the State Water Project.
LAFCO	Local Agency Formation Commission. This Commission facilitates constructive changes in governmental structure and boundaries and fosters orderly development and governance within its jurisdiction.
Liability	Obligations of the enterprise arising from past events.
Local Agency Investment Fund (LAIF)	A pooled investment vehicle for local agencies in California sponsored by the State of California and administered by the State Treasurer.
Meet and Confer	Labor relations and labor negotiations with different employee groups.
Memorandum of Understanding	A document describing agreement or accord reached between two or more parties including each party's rights and responsibilities.
Mesa Water Reliability Facility (MWRF)	The facility that is used to treat the amber water pumped by wells from deeper in the groundwater aquifer.
Metropolitan Water District (MWD)	A consortium of cities and water districts that provide water usage to water customers in parts of Los Angeles, Orange, San Diego, Riverside, San Bernardino and Ventura counties.
Municipal Water District of Orange County (MWDOC)	Regional water wholesaler of imported water that serves retail agencies in Orange County.
Non-water Expenses	Expenses associated with operations as a water utility but not directly attributable to the production and distribution of water.
Orange County Water District (OCWD)	The agency responsible for managing the Orange County Groundwater Basin in northern and central Orange County that serves cities and water districts.
Other Expense	An expense that cannot be associated definitely with operations.
Other Income	Revenue from sources other than Mesa Water's principal activities as a water utility.
Potable Water	Water that is suitable for drinking.
Public Employees Retirement System (PERS)	An agency, multiple-employer, public retirement system to which Mesa Water contributes that acts as a common investment and administrative agent for participating public entities within the State of California.
Recycled Water	Non-potable water that is used for irrigation purposes.
Replenishment Assessment (RA)	Amount charged on an acre-foot basis for water pumped from the Orange County Groundwater Basin charged by OCWD.



Fiscal Year 2026 Budget

Glossary of Terms

Restricted Reserves	An account used to indicate that a portion of Net Position is legally restricted for a specific purpose or not available for appropriation and subsequent spending.
Reservoir	A pond, lake, tank, or basin (natural or engineered) where water is collected and stored.
Revenue	The sale of goods or services produced by an entity which usually result in the creation of assets, most often cash or receivables.
Statement of Revenues, Expenses and Changes in Net Position	Reports the results of revenues and expenses over a period of time.
Supervisory Control and Data Acquisition (SCADA)	The Supervisory Control and Data Acquisition system collects operational data from remote units to monitor and control water systems and facilities throughout the District's service area.
Water Production Costs	The costs associated directly with the production and distribution of water into the system.
Working Capital	The difference between current assets and current liabilities. Represents the amount available for operations and other expenditures.