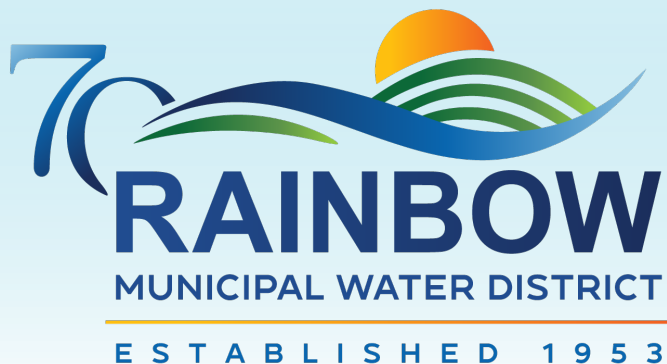


FY 2027 and FY 2028 Biennial Budget

April 14, 2026



FY 2027 and FY 2028 Budget Timeline

Schedule and Topics

- March 24, 2026 - Board review and approval of **projected water sales (10,750 AF)**
- April 7, 2026 – E&O Committee presentation of **5-Year Capital Improvement Program (CIP)**
- April 14, 2026 – B&F Committee review of **departmental budgets**
- May 12, 2026 – B&F Committee **Joint Budget Workshop**
 - Staffing analysis and labor budgets
 - Financial plan overview
 - Operating budget review
 - Water sales & purchases
 - Materials and services by department
 - Utilities Cost (Electricity, Chemicals)
- May 26, 2026 – Board review and **adopt FY 2027 and FY 2028 Budget**

Water Fund Expenditures and Revenues

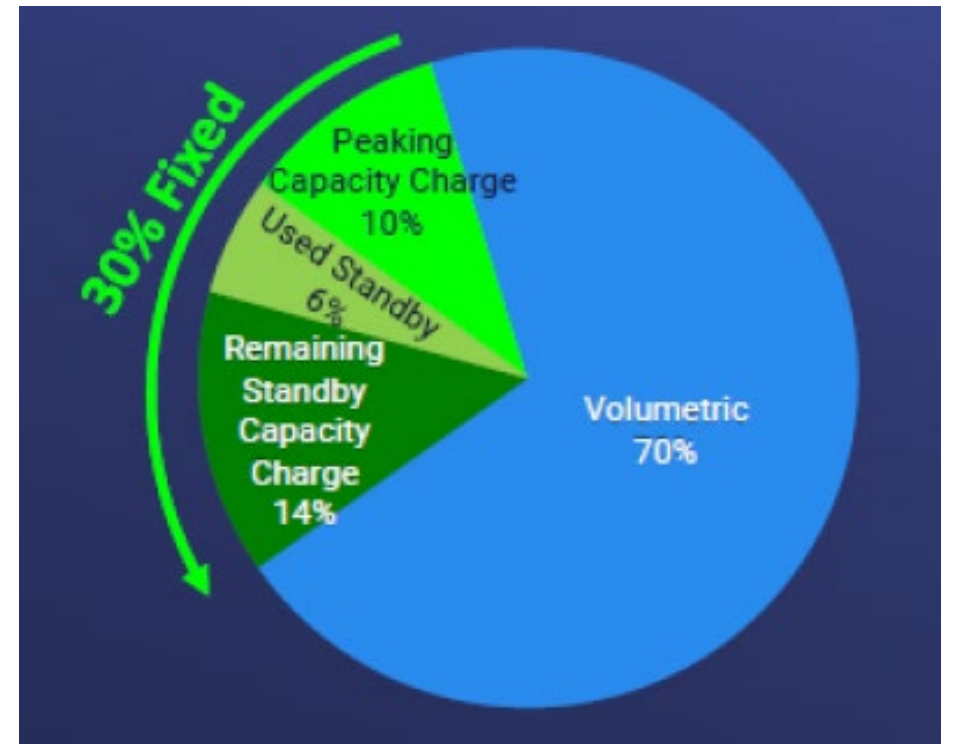


Major Cost Drivers FY 2027 and FY 2028

- **9.5% increase** in treated water purchases from MWD in CY 2027 and CY 2028
- 3 new fixed charges introduced by MWD:
 - Treatment Peaking Capacity Charge
 - Treatment Used Standby Capacity Charge
 - Treatment Remaining Capacity Charge
- **12% increase** in **CalPERS UAL** due to market performance and actuarial analysis
- **3.5% CPI** San Diego Area; **17.5% Gasoline** Cost Increase
- **6% increase** in power **costs** from SDG&E
- **Compliance costs** related to **new environmental and state regulations**
 - EV infrastructure – new state regulations
 - Backflow prevention – new state regulations

MWD Imported Water Cost

- Imported water costs continue to be the largest part (35%) of Rainbow's budgeted expenditures.
 - FY26: \$17.3M based on 11,000 AF water sales
 - FY27: \$18.6M based on 10,750 AF water sales
 - FY28: \$19.5M based on 10,500 AF water sales
- The trend that we are seeing: even with fewer water purchases, our annual water costs have increased.
- MWD is shifting towards fixed cost recovery.



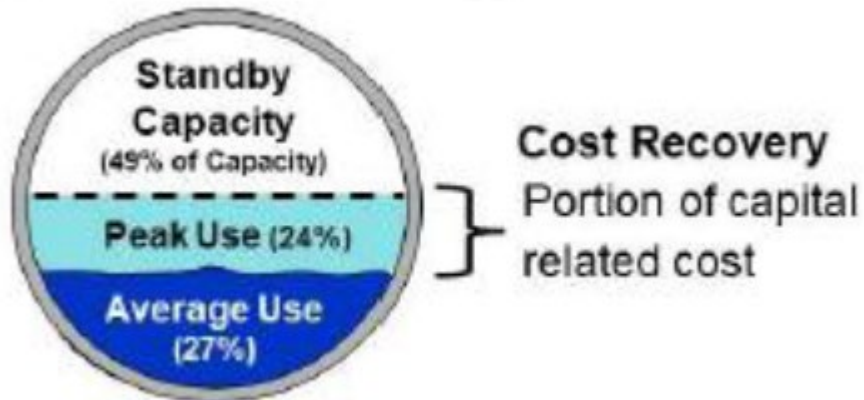
MWD Fixed Cost

2027					
Maximum Daily Peak (CFS)					
Member Agency	2023	2024	2025	3-Year Peak	Peak Date
Anaheim	64.0	23.9	31.1	64.0	9/4/2023
Beverly Hills	20.6	20.9	19.3	20.9	9/9/2024
Burbank	16.3	15.5	11.3	16.3	5/14/2023
Calleguas	159.6	167.1	171.8	171.8	8/25/2025
Central Basin	53.7	50.4	44.5	53.7	6/20/2023
Compton	3.2	0.0	3.7	3.7	8/28/2025
Eastern	190.5	229.8	265.0	265.0	7/15/2025
Foot Hill	14.9	18.1	15.7	18.1	7/26/2024
Fullerton	13.8	24.8	28.1	28.1	7/4/2025
Glendale	29.0	32.6	29.2	32.6	8/16/2024
Inland Empire	99.5	68.7	82.1	99.5	8/16/2023
Las Virgenes	37.9	30.6	32.6	37.9	7/13/2023
Long Beach	41.5	37.9	34.3	41.5	8/1/2023
Los Angeles	452.3	433.5	551.0	551.0	9/8/2025
MWDOC	233.6	258.5	260.5	260.5	7/12/2025
Pasadena	33.0	35.0	32.6	35.0	8/16/2024
San Diego CWA	558.6	498.5	577.0	577.0	5/15/2025
San Fernando	5.0	0.0	0.0	5.0	8/2/2023
San Marino	4.3	4.5	3.7	4.5	9/7/2024
Santa Ana	6.2	10.3	9.2	10.3	9/12/2024
Santa Monica	21.0	20.1	19.8	21.0	8/8/2023
Three Valleys	110.4	98.4	102.9	110.4	7/29/2023
Torrance	27.1	28.2	27.6	28.2	9/7/2024
Upper San Gabriel	11.5	16.4	17.8	17.8	7/8/2025
West Basin	171.7	175.6	173.9	175.6	7/22/2024
Western MWD	181.7	187.8	151.5	187.8	7/27/2024
Total	2,560.9	2,487.1	2,696.2	2,837.2	

- MWD Capacity Charge determined by max daily **3-year peak day** of EMWD
- EMWD allocates charges amongst its 4 member agencies and splits based on that day's CFS: Eastern, Rancho, FPUD, Rainbow

MWD New Fixed Charges

Proportional Share of Fixed Charges			
	Peaking	Used Standby	Unused Standby
Eastern	60.7%	65.4%	65.4%
Rancho	16.3%	17.6%	17.6%
Fallbrook	5.7%	5.4%	5.4%
Rainbow	17.3%	11.5%	11.5%

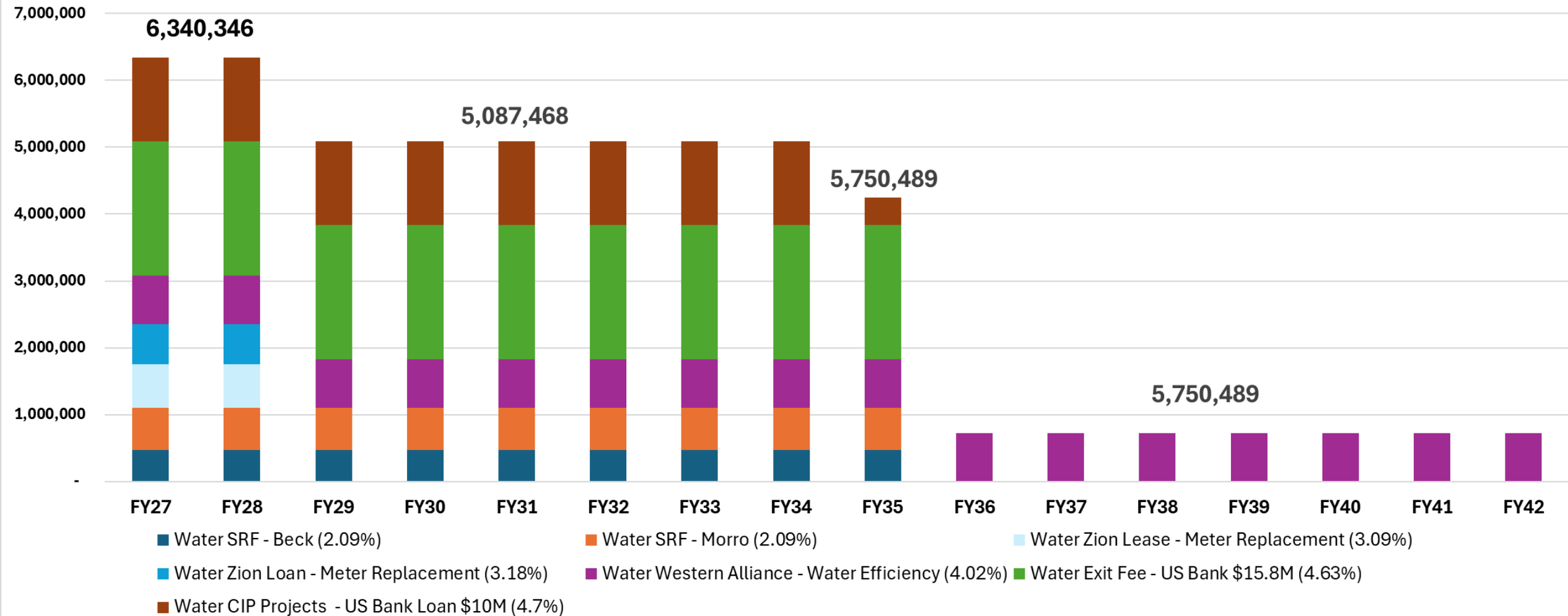


- Peaking: \$528K
- Used Standby: \$123K
- Remaining Standby: \$578K

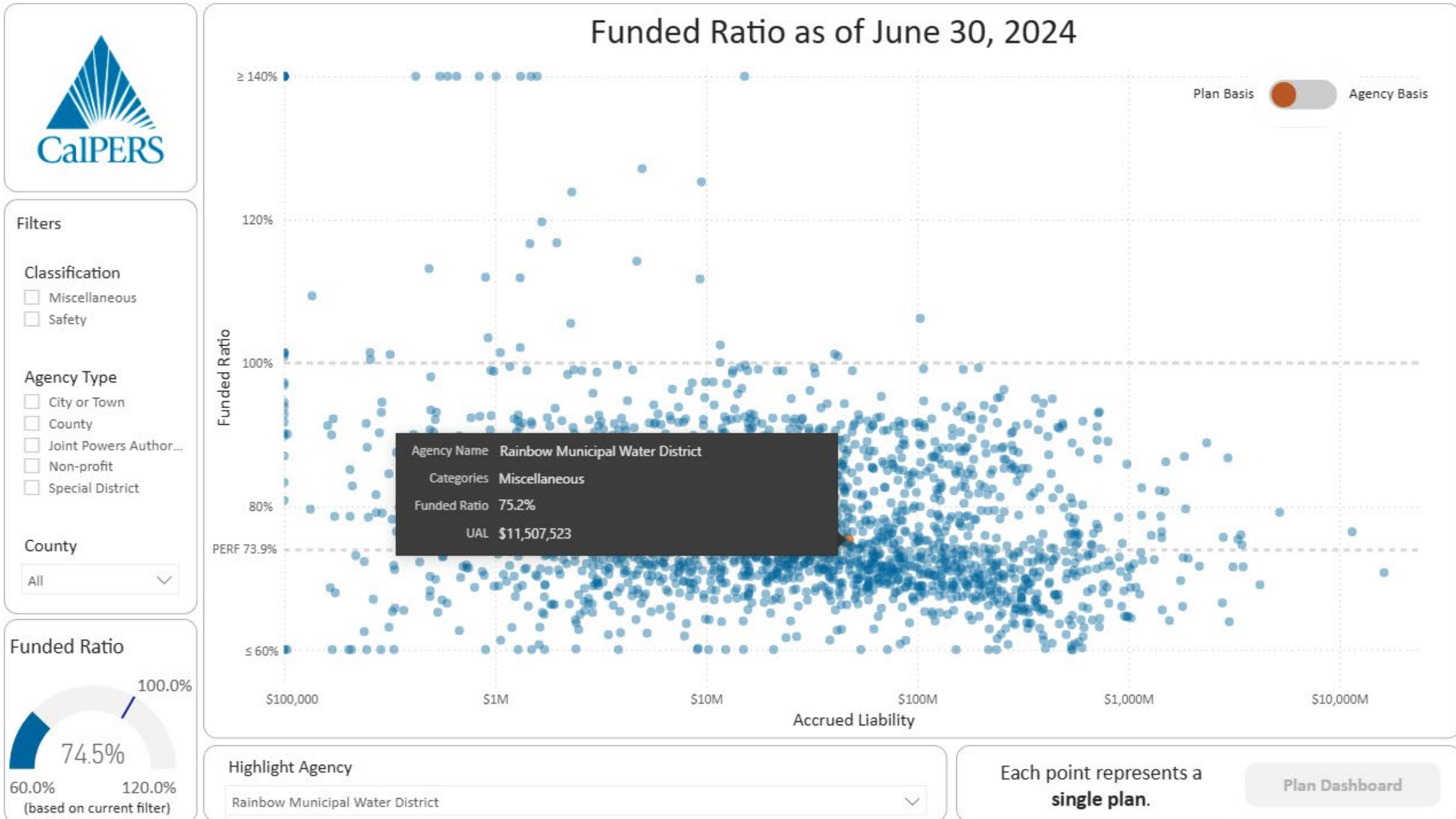
Total New Fixed Charges in FY27: **\$1,230,114**

Debt Obligations Overview

Water Fund Debt Service Schedule (Principal + Interest)



CalPERS Unfunded Liability Review



Miscellaneous

[Agency Dashboard](#)
[Full Report](#)
[PA Funded Ratios • Plan Basis](#)
[PA Funded Ratios ♦ Agency Basis](#)

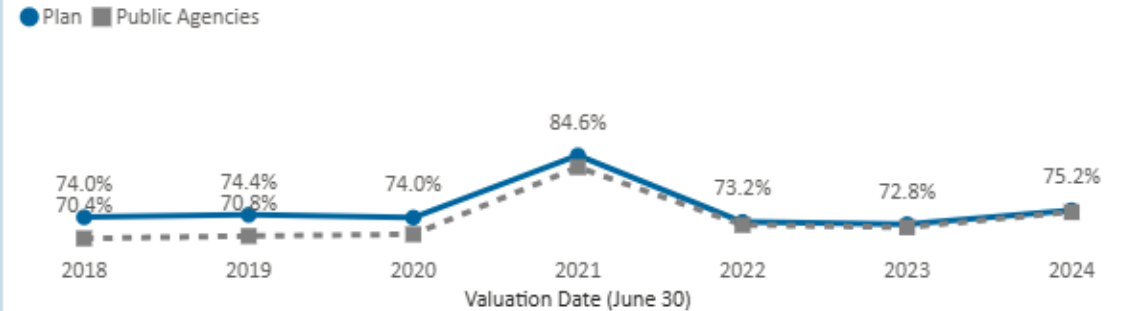
Employer Normal Cost Rate

Rate Plan	Plan Name	FY 2025-26	FY 2026-27
26407	PEPRA Miscellaneous Plan	7.96%	7.93%
1770	Miscellaneous Plan	14.18%	14.16%

Projected UAL Payments

Contribution Year	Annual Amount
FY 2026-27	\$1,094,177
FY 2027-28	\$1,138,000
FY 2028-29	\$1,257,000
FY 2029-30	\$1,263,000
FY 2030-31	\$1,265,000
FY 2031-32	\$1,289,000

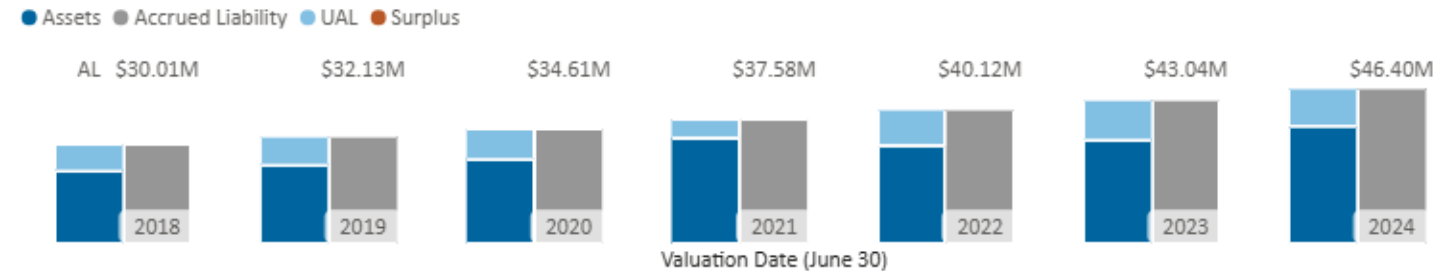
Plan and Public Agency Funded Ratio History



Member Contribution Rate

Rate Plan	Plan Name	FY 2026-27
1770	Miscellaneous Plan	8.00%
26407	PEPRA Miscellaneous Plan	7.75%

Funded Status History



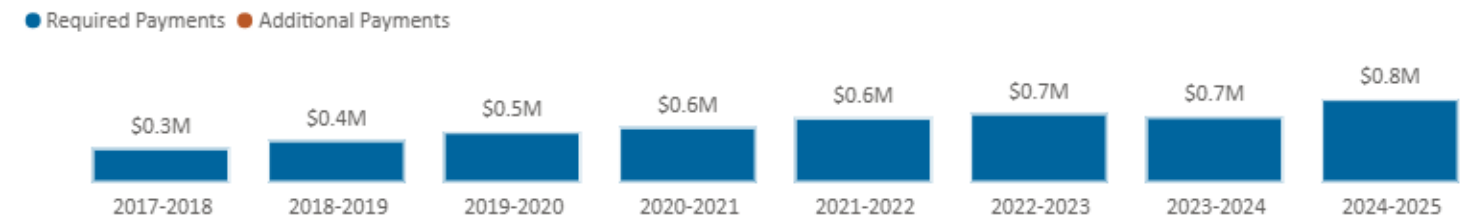
Funded Status

Accrued Liability	\$46,404,408
Assets	\$34,896,885
UAL	\$11,507,523
Funded Ratio	75.2%

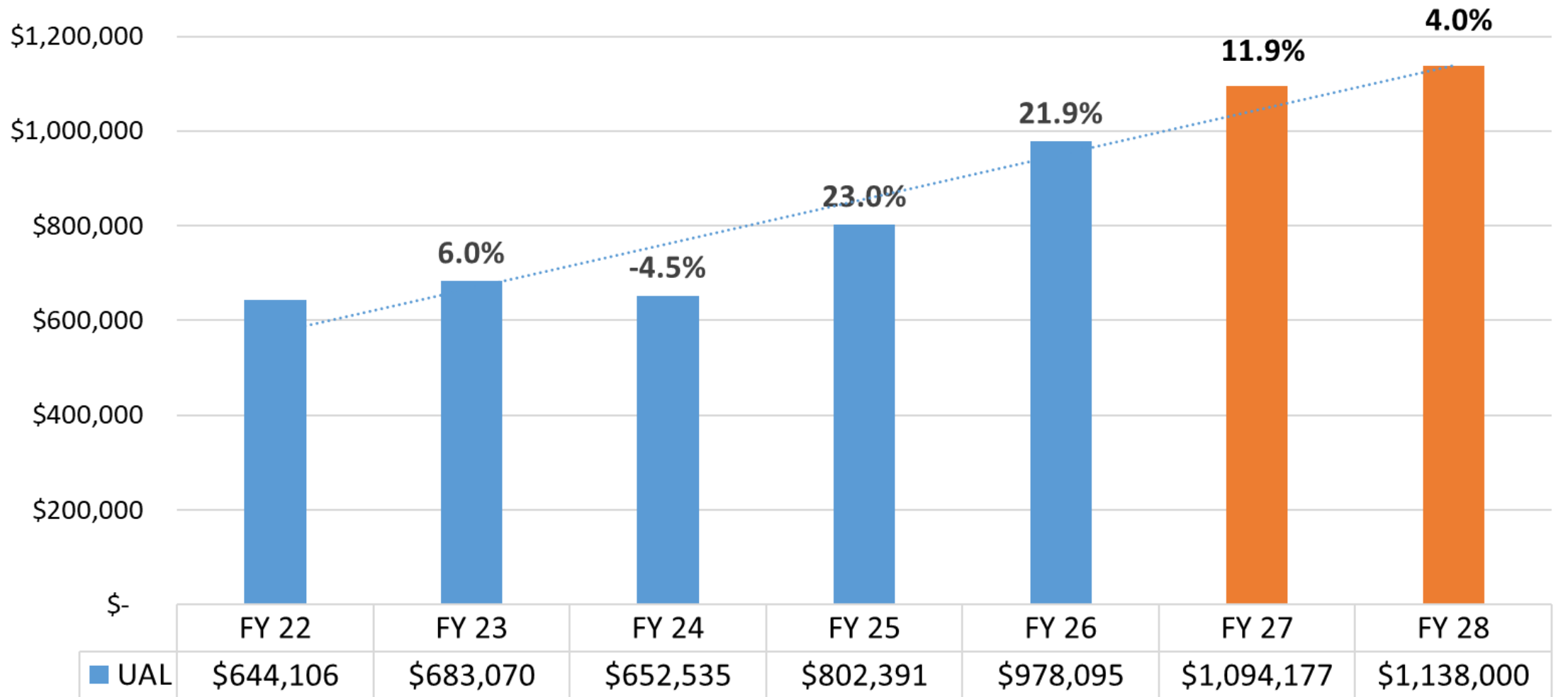
Member Count

Active	54
Transferred	43
Separated	23
Retired	69

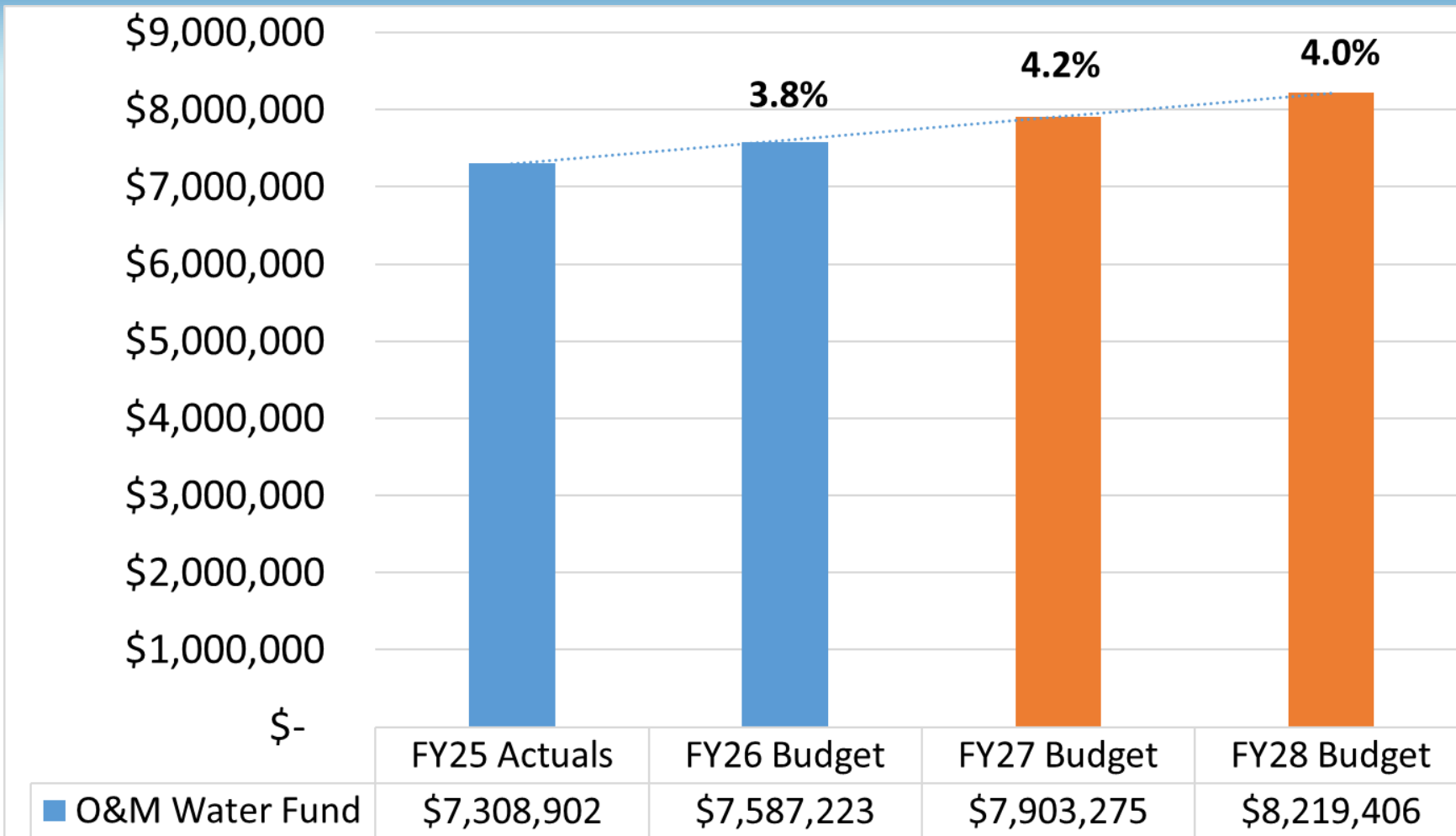
UAL Payments by Fiscal Year



RMWD CaIPERS UAL Year-Over-Year

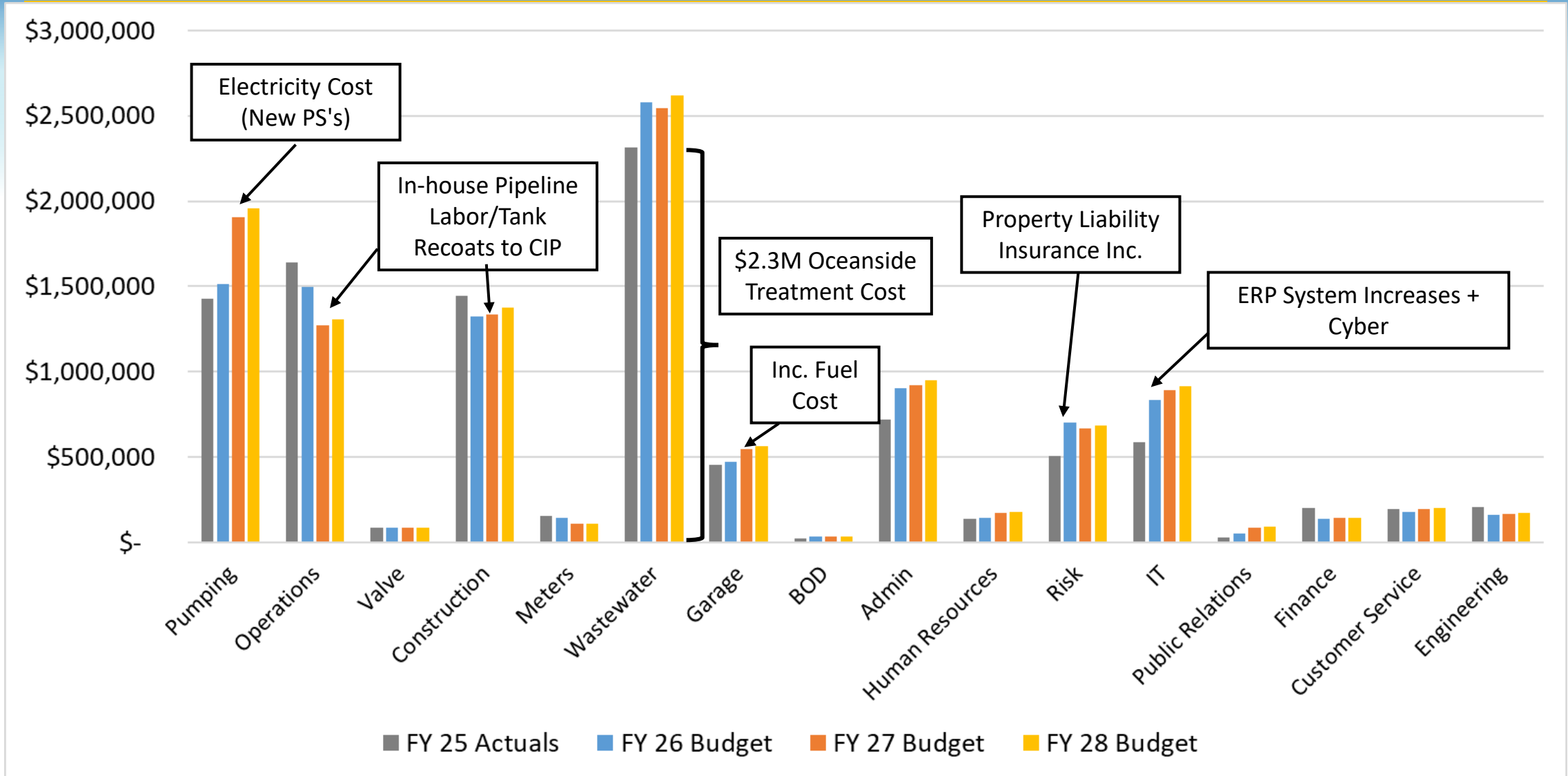


O&M Expenditures – Water Fund (01)

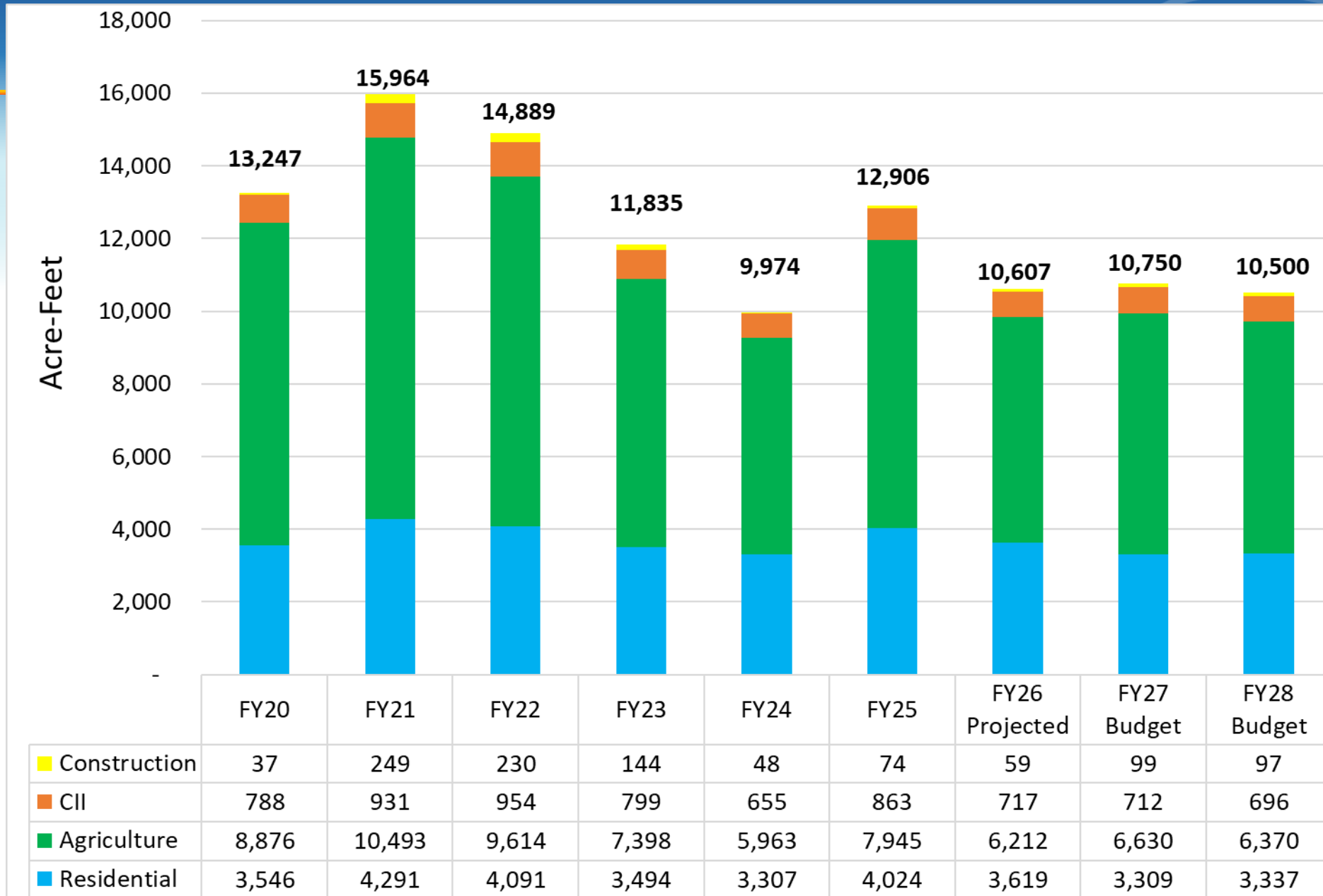


- 83.8% General Fund Allocated to the Water Fund
- 16.2% General Fund Allocated to the Wastewater Fund

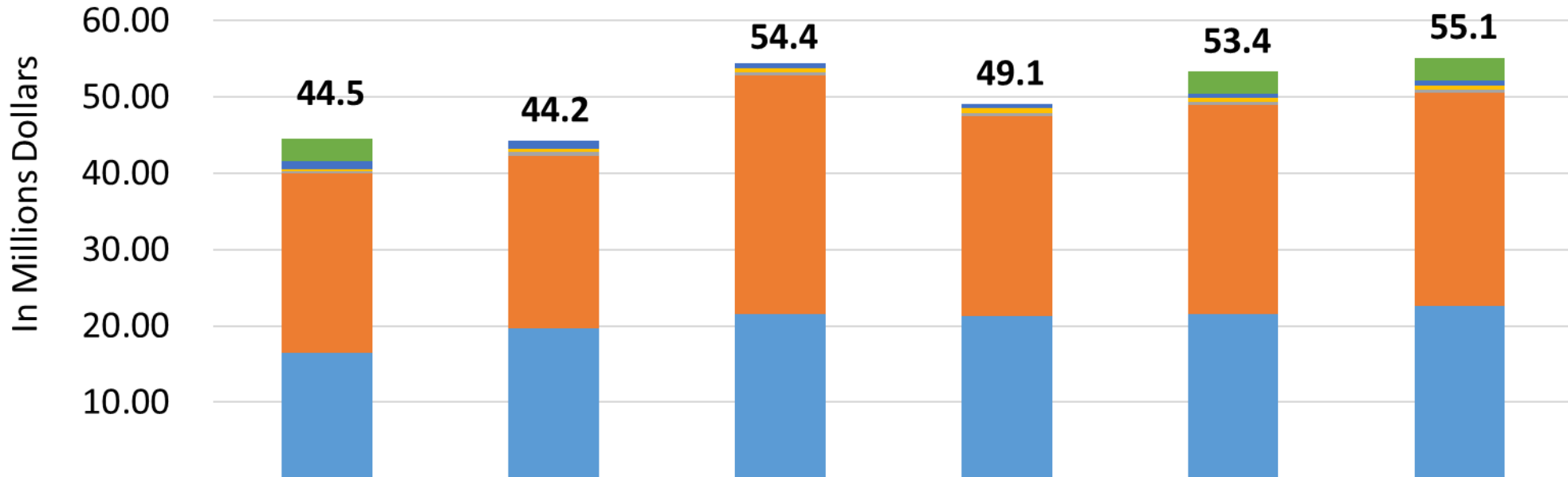
O&M Expenditures by Department/Drivers (no labor included)



Water Sales



Water Revenue Breakdown



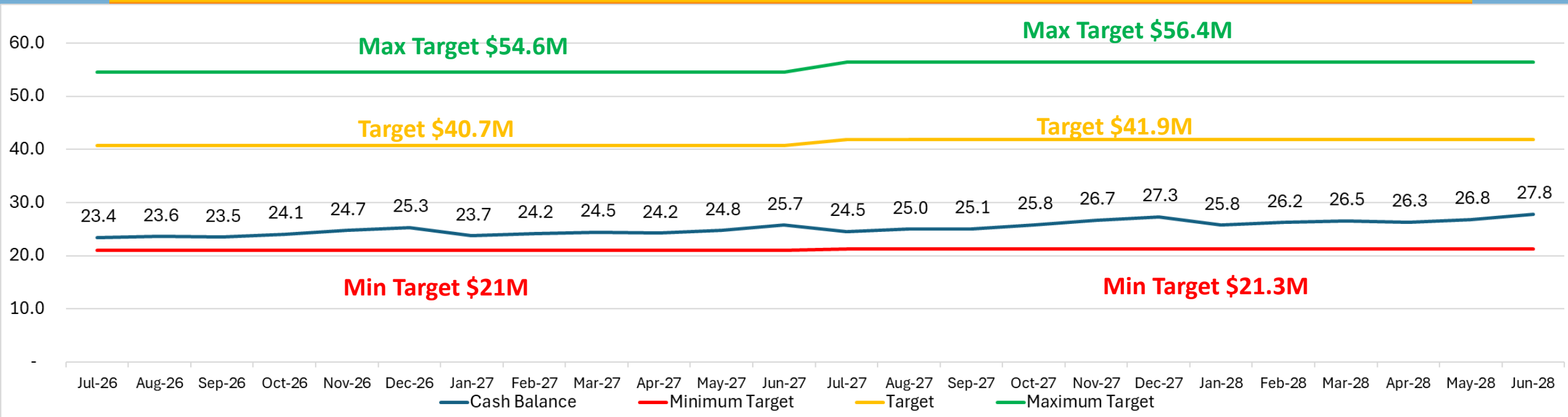
	FY23 Actual	FY24 Actual	FY25 Actual	FY26 Projected	FY 27 Budget	FY 28 Budget
Capacity Fees	2.91	-	-	-	3.01	3.01
Property Tax Revenues & Charges	1.08	1.04	0.58	0.53	0.56	0.57
Investment Income	0.31	0.46	0.60	0.76	0.54	0.61
Other Revenues	0.33	0.43	0.34	0.29	0.30	0.35
Consumption Charges	23.52	22.60	31.31	26.26	27.41	28.03
Fixed Charges	16.40	19.71	21.56	21.27	21.58	22.55

Total Net Revenue Budget FY 27, FY 28

Water Fund

REVENUE	Budget FY 27	Budget FY 28
Variable Water Consumption	27,406,113	28,026,701.00
Fixed Monthly Fees Meters	21,578,251	22,546,641.00
Tax Revenue	557,019	573,729
Interest Revenue	536,078	609,789
Other Revenue	300,000	350,000
Capacity Fees Water	3,006,030	3,006,030
Total Revenue	53,383,491	55,112,890
EXPENSES	Budget FY 27	Budget FY 28
Water Purchases EMWD	18,584,290	19,519,932
Debt Service	6,340,630	6,340,630
Labor	9,547,127	10,024,484
CalPERS UAL	1,094,177	1,138,000
O&M	7,903,275	8,179,889
CIP	8,775,000	8,085,000
RMWD Reserves	1,138,992	1,824,955
Total Expenses	53,383,491	55,112,890
Net Revenue	-	-

Projected Cash Reserve Balances FY 2027 and FY 2028



- Min Target: Working Capital (Operating) Reserve + Debt Service Reserve
- Target: Rate Stabilization Reserve (10% revenues) + Capital Facility Replacement (1 year of depreciation)
- Max Target: Special Project Reserve + Emergency (Disaster) Reserve

Proposed Plan

Main Action Items – *Main Rates*

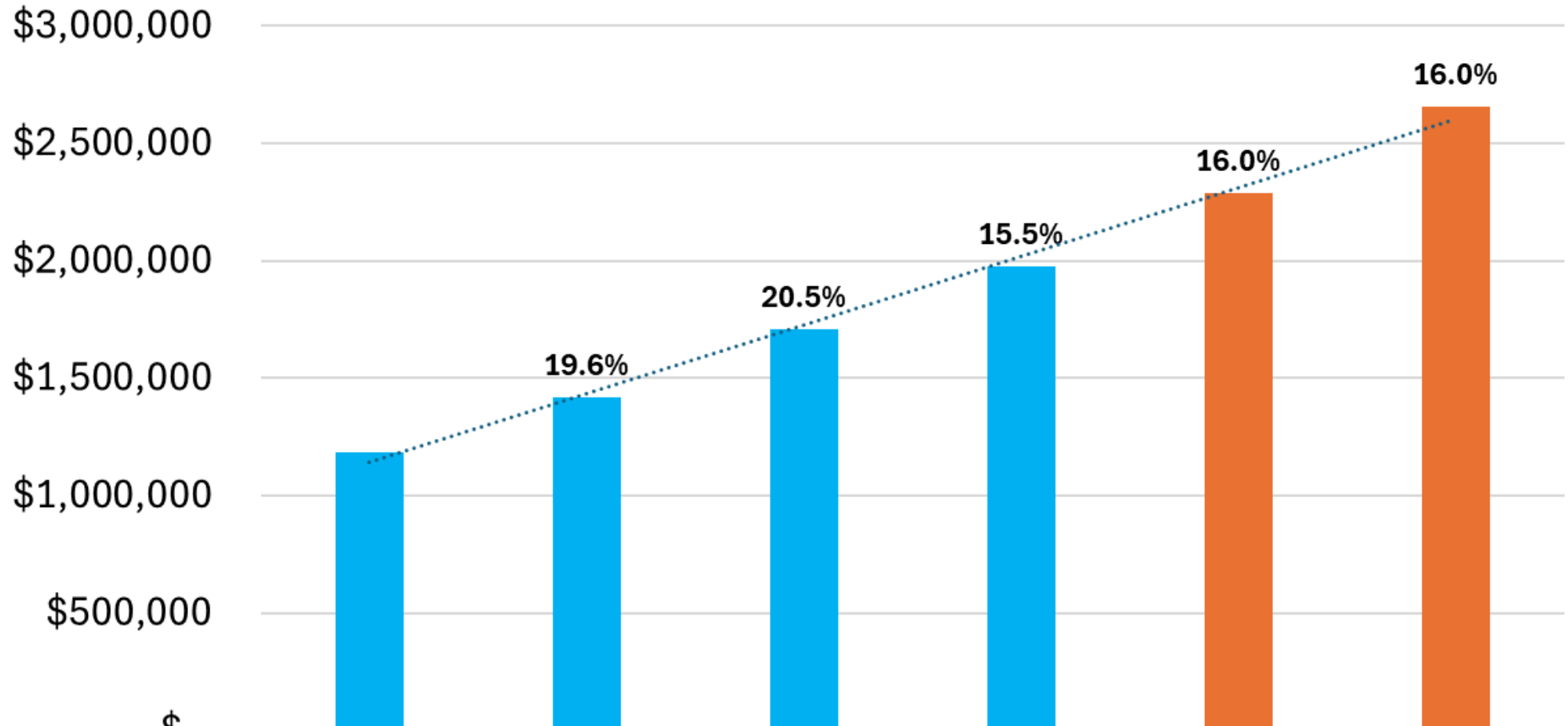
- **Water Rates** – raise variable and fixed rates in line with inflation adjusted for higher (9.5%) Metropolitan Water District pass through rate increase:
 - January 1, 2027 – increase variable and fixed rates by 5%
 - January 1, 2028 – increase variable and fixed rates by 5%

Wastewater Fund Expenditures and Revenues

Budget FY 2027 and FY 2028

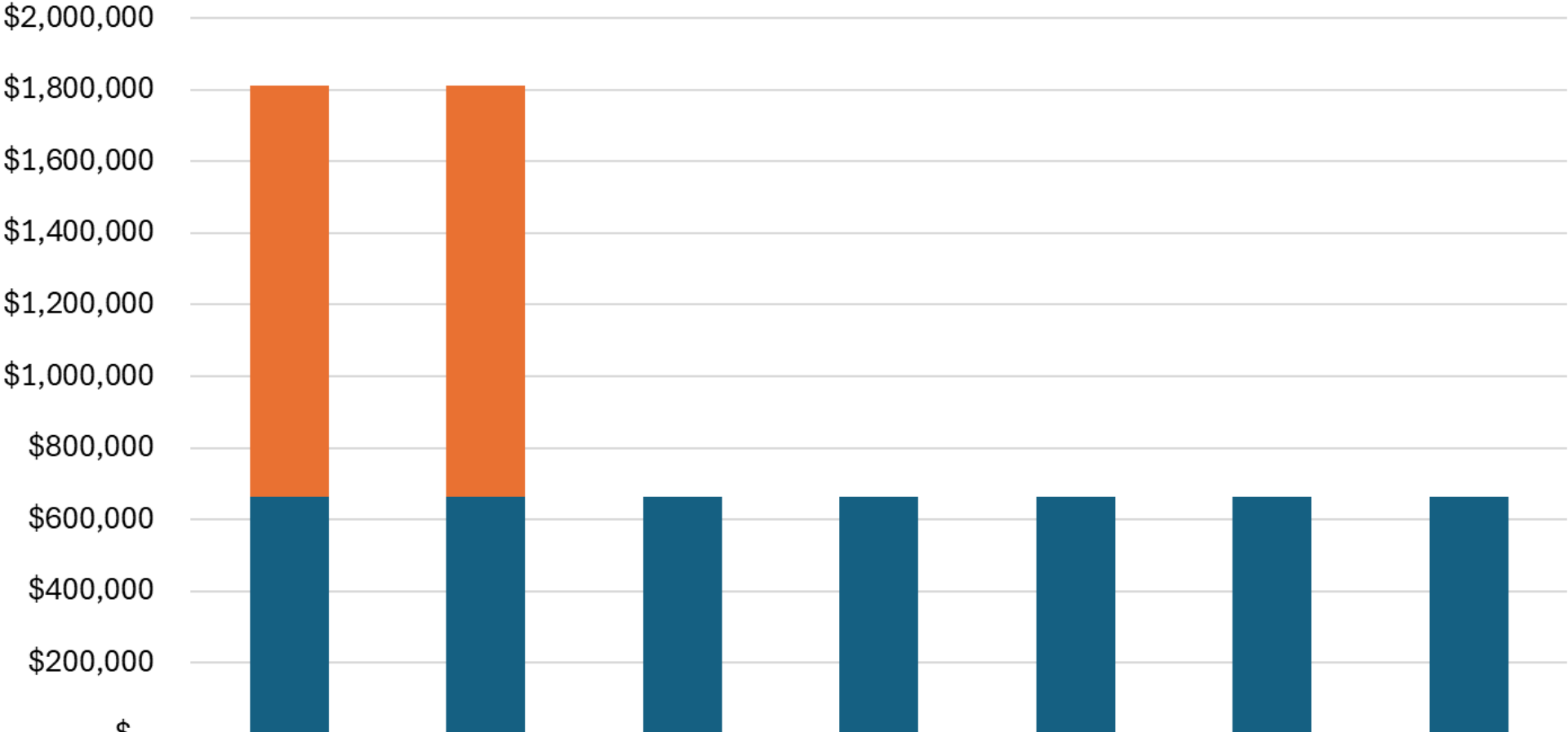


City of Oceanside Wastewater Processing O&M Charges (does not include CIP)



	FY 22-23 Actual	FY 23-24 Actual	FY 24-25 Actual	FY 25-26 Actual	FY 26-27 Budget	FY 27-28 Budget
City of Oceanside O&M Charge	\$1,185,621	\$1,418,090	\$1,709,451	\$1,974,749	\$2,290,709	\$2,657,222

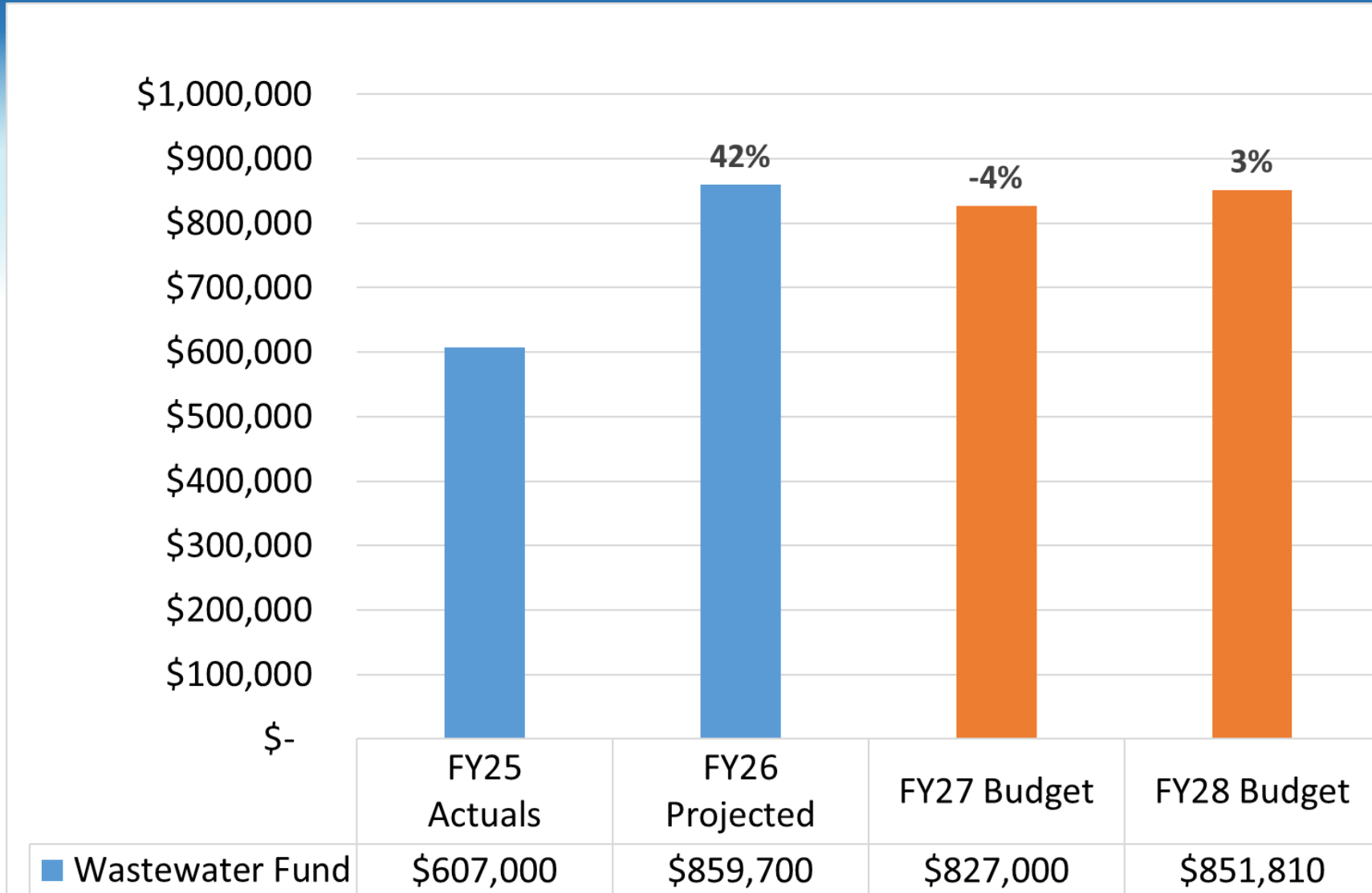
Wastewater Debt Obligations Overview



	FY27	FY28	FY29	FY30	FY31	FY32	FY33
JW Fowler Settlement	\$1,150,000	\$1,150,000					
Thoroughbred LS	\$663,021	\$663,021	\$663,021	\$663,021	\$663,021	\$663,021	\$663,021

■ Thoroughbred LS ■ JW Fowler Settlement

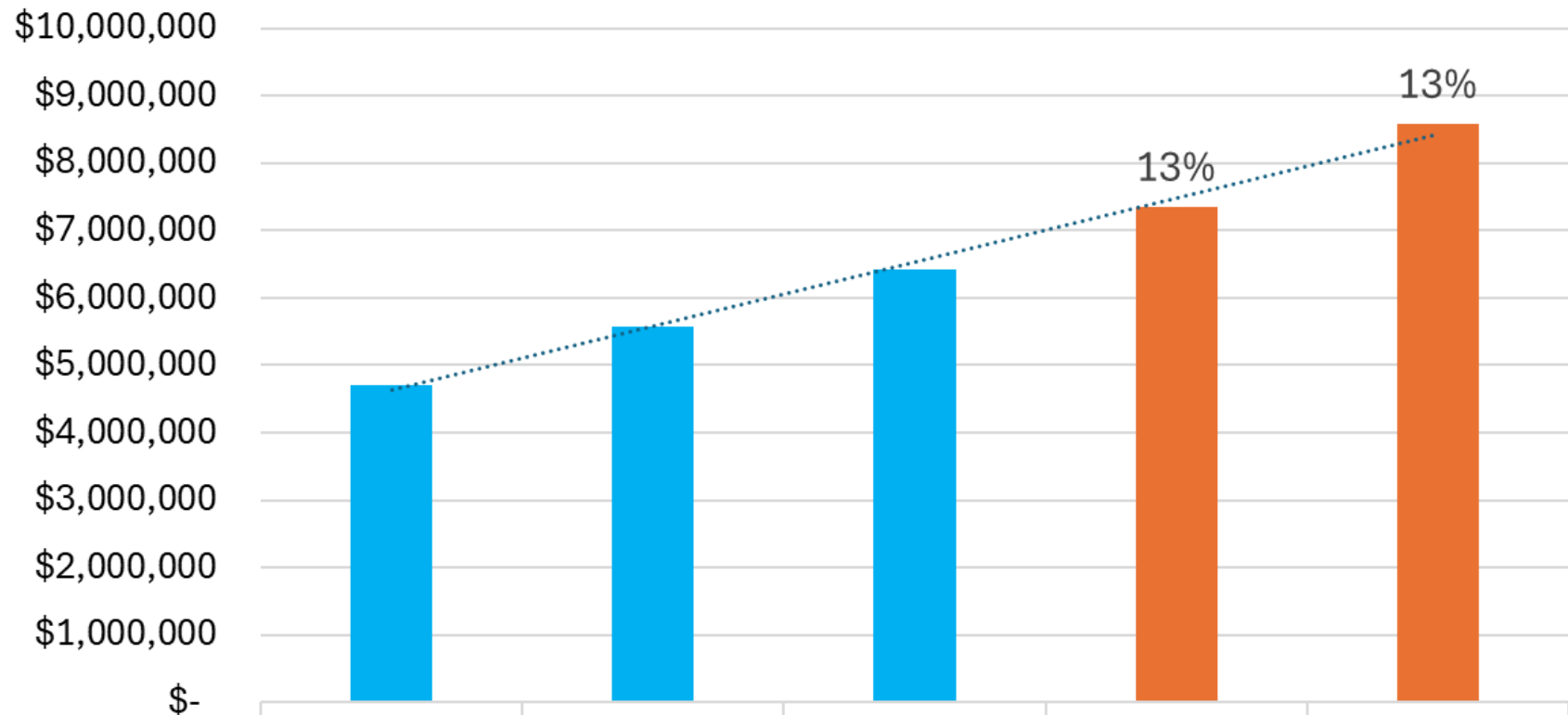
O&M Expenditures – Wastewater Fund (02)



- FY 27 is projected to decrease by 4% due to CCTV Camera purchase, which will save the district \$50K annually on contracting services

- FY 26 increased \$200K due to Odor Control for Horse Creek

Wastewater Revenue



	FY24 Actual	FY25 Actual	FY26 Projected	FY27 Budget	FY28 Budget
Wastewater Revenue	\$4,712,357	\$5,581,798	\$6,421,077	\$7,355,934	\$8,584,737

- Cost Per EDU:
- FY 26 \$88.93
 - FY 27 \$100.49
 - FY 28 \$113.55

FY 27 and FY 28 Budgets Revenue is based on 13% Year-over-Year rate increase and EDU growth based on available developer data

Total Net Revenue Budget FY 27 and FY 28 Wastewater Fund

REVENUE	FY 27 Budget	FY 28 Budget
EDU Fixed Charges	7,355,934	8,584,737
Interest	103,922	118,211
Tax Revenue	107,981	111,221
Capacity Fees Sewer	4,717,478	4,717,478
Total Revenue	12,285,315	13,531,647
EXPENSES		
City of Oceanside O&M	2,290,709	2,657,222
City of Oceanside CIP	500,000	550,000
Debt Service	1,813,021	1,813,021
RMWD Labor	1,797,678	1,851,609
RMWD O&M	827,000	868,350
RMWD CIP	1,960,000	1,600,000
Oceanside CIP Reserve	682,735	751,009
RMWD CIP Reserve	2,414,172	3,440,436
Total Expenses	12,285,315	13,531,646
Net Revenue	-	-

Proposed Plan

Main Action Items – *Main Rates*

- **Wastewater Rates** – raise monthly EDU fixed rates:
 - July 1, 2026 – increase EDU fixed monthly charges by 13%
 - July 1, 2027 – increase EDU fixed monthly charges by 13%

Next Steps

Questions and Board Direction

- May 12 Joint Budget Workshop
 - Any follow-up from April 28th Board of Directors meeting
- May 26 Board meeting
 - FY27 and FY28 Budgets and Rates Adoption

