

# MARINA COAST WATER DISTRICT

FY 2026-27 ADOPTED BUDGET





Serving the Community—MCWD is committed to providing safe, reliable water and wastewater services while supporting public health, sustainability, and long-term community needs.

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Field crew in action—maintaining and cleaning the system to keep service safe, reliable, and flowing smoothly.



System Operator performing routine inspection—ensuring critical infrastructure remains safe, reliable, and operating at peak performance.

# INTRODUCTION

## Memorandum

On behalf of the Marina Coast Water District (MCWD), we present the Operating and Capital Improvement Budget for Fiscal Year 2027. This budget reflects a disciplined and forward-looking approach to managing the District's resources, with a focus on operational efficiency, infrastructure reliability, and long-term sustainability.

Developed through a collaborative process across departments, this budget prioritizes maintaining essential services while advancing strategic investments in water, recycled water, wastewater and power systems. It is grounded in the District's financial forecast established in the 2024 Rate Study prepared by Hildebrand Consulting and is aligned with the Board of Directors' 2024 Strategic Plan.

This budget is guided by the District's mission, vision, and values, which define our purpose, direction, and organizational culture.

### **Mission**

Marina Coast Water District delivers safe and environmentally sustainable water, recycled water, and wastewater services that meet community needs.

### **Vision**

During the next five years, the District will:

- Be a regional leader and productive partner in providing sustainable water and wastewater services.
- Maintain reliable, productive facilities and properties.
- Secure strong, stable finances and affordable rates.
- Deliver excellent customer service.
- Hire and retain qualified, high-performing staff.
- Enhance service quality and effectiveness through innovation.

## Values

The Marina Coast Water District Board and staff are committed to and guided by the following core values in everything we do:

- **Teamwork:** We collaborate productively and value, respect, and celebrate each individual's uniqueness to better serve our customers.
- **Professional Excellence:** We seek innovative ways to achieve goals, foster personal and District-wide growth and learning, and develop solutions that improve and enhance the District and its services.
- **Customers First:** We regard each customer as an owner and commit to delivering exceptional service, upholding ethical standards, and maintaining transparent communication on their behalf.
- **Accountability:** We take responsibility for our actions and work, and diligently manage District finances, facilities, and other resources to provide sustainable, quality, cost-effective services.
- **Leadership:** We lead by example, inspire through our actions, collaborate effectively, and advocate for our customers—internally, locally, and regionally.

The Strategic Plan provides the framework for decision-making and investment, ensuring that the District remains focused on delivering safe, reliable, and affordable services while preparing for future challenges. It is organized around six core goal areas—Water, People, Finance, Infrastructure, Engagement, and Stewardship, which collectively guide the District's priorities, performance, and accountability.

The following goals and objectives define this strategic direction:

### **Goal 1. WATER: Sustainable, Reliable, Affordable Water Supplies**

- **Objective 1.1:** Water supplies meet long-term needs from a diverse, affordable, sustainable, and reliable portfolio of sources.
- **Objective 1.2:** Water supply management and augmentation follow a comprehensive long-term strategy and plan for the orderly expansion of the system.
- **Objective 1.3:** The District actively engages in mutually beneficial partnerships with communities and water agencies across the region to protect, share, and sustainably manage shared water resources.
- **Objective 1.4:** Manage water rights to ensure sustainability and resilience.
- **Objective 1.5:** Work with other agencies to support long-term watershed health.

## **Goal 2. PEOPLE: A High-Performing Board, Staff, and Organization**

- **Objective 2.1:** Attract, onboard, and retain high-performing staff, and manage succession effectively.
- **Objective 2.2:** Ensure tools, systems, processes, policies, culture, and training are current and support efficient operations.
- **Objective 2.3:** Use technology to improve cost-effectiveness across management, administration, operations, and maintenance.
- **Objective 2.4:** The Board periodically evaluates and implements improvements to strengthen governance and oversight.
- **Objective 2.5:** The Board approves and updates, as appropriate, the strategy for major litigation.

## **Goal 3. FINANCE: Stable and Secure Funding and Affordable Rates**

- **Objective 3.1:** Maintain a unified cost-of-service structure across water, recycled water, and wastewater enterprises within a 10% variance.
- **Objective 3.2:** Manage finances to ensure adequate revenue and avoid rate volatility.
- **Objective 3.3:** Provide the Board with clear, timely, and accurate financial reporting.
- **Objective 3.4:** Maintain, review, and update a comprehensive set of financial policies.
- **Objective 3.5:** Pursue grant funding to offset costs and enhance customer service.

## **Goal 4. INFRASTRUCTURE: Reliable, Cost-Effective, and Sustainable Facilities and Properties**

- **Objective 4.1:** Maintain a comprehensive long-term plan for facility renewal, replacement, and development.
- **Objective 4.2:** Ensure long-term facility plans are adequately funded.
- **Objective 4.3:** Implement proactive corrective and preventive maintenance programs.
- **Objective 4.4:** Deliver capital improvement projects on schedule and within budget.
- **Objective 4.5:** Strengthen preparedness for emergencies, including cybersecurity resilience.

## **Goal 5. ENGAGEMENT: Effective Communication and Stakeholder Collaboration**

- **Objective 5.1:** Ensure customers understand District services and how to access information.
- **Objective 5.2:** Provide responsive and timely customer service.
- **Objective 5.3:** Build customer understanding and support for District initiatives.
- **Objective 5.4:** Maintain strong partnerships with regional agencies, municipalities, and stakeholders.

## **Goal 6. STEWARDSHIP: Resilient and Sustainable Operations**

- **Objective 6.1:** Reduce greenhouse gas emissions in alignment with climate action plans.
- **Objective 6.2:** Evaluate and implement strategies to increase energy independence and environmental sustainability.
- **Objective 6.3:** Promote environmental justice while optimizing resources for community benefit.
- **Objective 6.4:** Use research and forecasting to improve resilience to climate-related risks, including sea level rise, storms, erosion, and wildfire impacts.

## Plan Development

The District's Strategic Plan was developed through a structured and collaborative process designed to capture diverse perspectives, assess current conditions, and establish a clear path forward.

- **Background Research**

The process began with foundational research conducted by the consultant, including discussions with the General Manager and a review of existing District documents, plans, and operational data. This ensured alignment with current initiatives and a clear understanding of organizational priorities.

- **Confidential Interviews**

Confidential interviews were conducted with members of the Board of Directors, the Leadership Team, and legal counsel. These discussions provided candid insights into the District's strengths, challenges, and areas of opportunity.

- **Strategic Planning Workshop**

Participants engaged in a facilitated workshop to review findings, evaluate the District's current state, and identify key issues and opportunities. This session helped establish initial priorities and strategic direction.

- **Draft Plan Development**

The consultant worked with the General Manager and Leadership Team to develop a draft Strategic Plan based on collected input. The draft aligned key themes, priorities, and organizational goals into a cohesive framework.

- **Second Strategic Planning Workshop**

The draft plan was presented to the Board and Leadership Team for review and refinement. Feedback from this session informed updates to the mission, vision, values, and strategic priorities.

- **Implementation Phase**

Following adoption, the General Manager and Leadership Team will develop a detailed implementation plan, including initiatives, timelines, and performance metrics to guide execution and ensure accountability.

This budget represents the District's continued commitment to responsible stewardship of public resources, operational excellence, and long-term water security. Through alignment with the Strategic Plan, MCWD remains focused on delivering high-quality services while preparing for future challenges and opportunities.



Inside a water storage tank—critical infrastructure designed and maintained to ensure safe, reliable water delivery to the community.



Collecting water samples in the field—ensuring quality standards are met and the community receives safe, clean water.

# Who We Are & What We Do

Marina Coast Water District (MCWD) is a public agency responsible for delivering safe, reliable, and sustainable water and wastewater services that protect public health and support the long-term needs of the community. The District was formally organized in 1960 under the provisions of the California Water Code as a County Water District, following earlier efforts in 1958 by the Marina Community Service Corporation to establish a locally controlled municipal water system. Voters approved the formation of the District and later authorized \$950,000 in bonds in 1966 to acquire an existing private water company, securing local ownership of critical water infrastructure.

From its earliest years, the District has been shaped by the need to respond to water supply challenges. Studies conducted prior to its formation identified seawater intrusion into the groundwater basin due to over-pumping. In response, the District began diversifying its pumping strategy, and in 1983 it developed deeper groundwater sources in the 900-foot aquifer, which continue to supply roughly 50% of our water supply. In 1996, the District entered into an annexation agreement with the Monterey County Water Resource Agency to support the development of CSIP and as a first in demand management for the area by limiting and securing 3,020 AFY for the Marina area. The District also explored alternative sources, including operating a desalination facility beginning in 1997, though it was later put on standby due to costs. These efforts reflect a long-standing commitment to adapting to environmental constraints while maintaining reliable service.

As the community expanded, so did the District's responsibilities. Wastewater service began in the mid-1960s, with significant investment in sewer infrastructure, including a 2 million gallons per day (MGD) treatment plant financed through \$1.3 million in bonds in 1970.

The District's role expanded significantly with regional agreements and annexations. In 1989, MCWD secured rights to recycled water through its agreement with the regional treatment agency, establishing a foundation for long-term water reuse. Additional agreements in the mid-1990s supported groundwater mitigation and regional coordination.

In 1993, MCWD ceased operating its own treatment plant after reaching an agreement with MRWPCA to treat Marina's wastewater at the regional facility. This transition marked a significant shift, consolidating regional wastewater treatment while allowing MCWD to focus on operating and maintaining the local sewer collection system.

A major turning point came with the closure of the Fort Ord military base in 1997. The District is still contracted to operate its water and wastewater systems and formally assumed ownership in 2001, significantly expanding its service area, infrastructure responsibilities, and operational complexity.

Today, MCWD serves approximately 41,000 residents across more than 11,200 customer accounts and provides service to a diverse group of jurisdictions, including cities, universities, federal agencies, and state entities. The District operates an extensive utility system that includes approximately 250 miles of water pipeline, multiple production wells, storage facilities, and pump stations, delivering potable, recycled, and wastewater services across both the Marina and Ord service areas.

The District delivers essential services through an integrated approach that includes groundwater supply, recycled water, and wastewater collection. Potable water is provided through active management of wells, storage systems, and distribution infrastructure to ensure consistent and efficient service. At the same time, the wastewater collection system safely conveys flows to regional treatment facilities, protecting public health and supporting environmental sustainability.

To strengthen long-term water supply reliability, MCWD is advancing a diversified portfolio that includes the planned reactivation of its desalination facility while prioritizing recycled water as a key resource. Through its recycled water program, the District reduces demand for potable supplies and supports irrigation, landscaping, and other non-potable uses. This approach builds on decades of regional coordination and aligns with broader groundwater sustainability efforts.

In accordance with the Sustainable Groundwater Management Act, the District also serves as the Groundwater Sustainability Agency (GSA) for the Marina-Ord Management Area within the Monterey Subbasin and the 180/400 subbasin. In partnership with regional agencies, MCWD is implementing the adopted Groundwater Sustainability Plan to achieve long-term balance in the basin, supported by monitoring wells, data systems, weather systems, and resource planning tools.

MCWD is governed by an independent five-member elected Board of Directors and operated by professional staff committed to accountability, efficiency, and service reliability. Building on its history, the District continues to evolve to meet increasing demands while maintaining a strong operational foundation.

Across all services, MCWD remains committed to delivering the highest level of customer service through strategic infrastructure investments, enhanced operational performance, and full compliance with regulatory requirements. The District continues to meet the community where they are by improving accessibility, responsiveness, and service delivery. Together, these efforts support sustainable growth, strengthen system resiliency, and position the District to effectively respond to evolving water supply challenges.



The District's Conservation and Water Resources Team supports sustainable water management through conservation programs, groundwater sustainability efforts, regulatory compliance, and community outreach.

### Historical Water Connections

FY	Water Services	% of Increase
2021	9,632	1.64%
2022	9,954	3.34%
2023	10,005	0.51%
2024	10,514	5.09%
2025	11,207	6.59%

### Historical Sewer Flow

Year	Ord Flow (MGD)	Ord Flow (AF)	Marina Flow (MGD)	Marina Flow (AF)	Increase/Decrease
2021	314	964	373	1,146	-
2022	326	1,000	372	1,143	1.59%
2023	340	1,044	388	1,190	4.26%
2024	358	1,099	400	1,227	4.09%
2025	354	1,085	394	1,210	-1.32%

### Historical Water Deliveries

FY	Potable (AF)	Recycled (AF)	Total (AF)	Increase/Decrease
2021	3,159	-	3,159	5.62%
2022	3,182	-	3,182	0.73%
2023	2,810	178	2,988	-6.10%*
2024	3,018	386	3,404	13.92%**
2025	3,267	414	3,681	8.14%

### Historical Water Production By Service Area

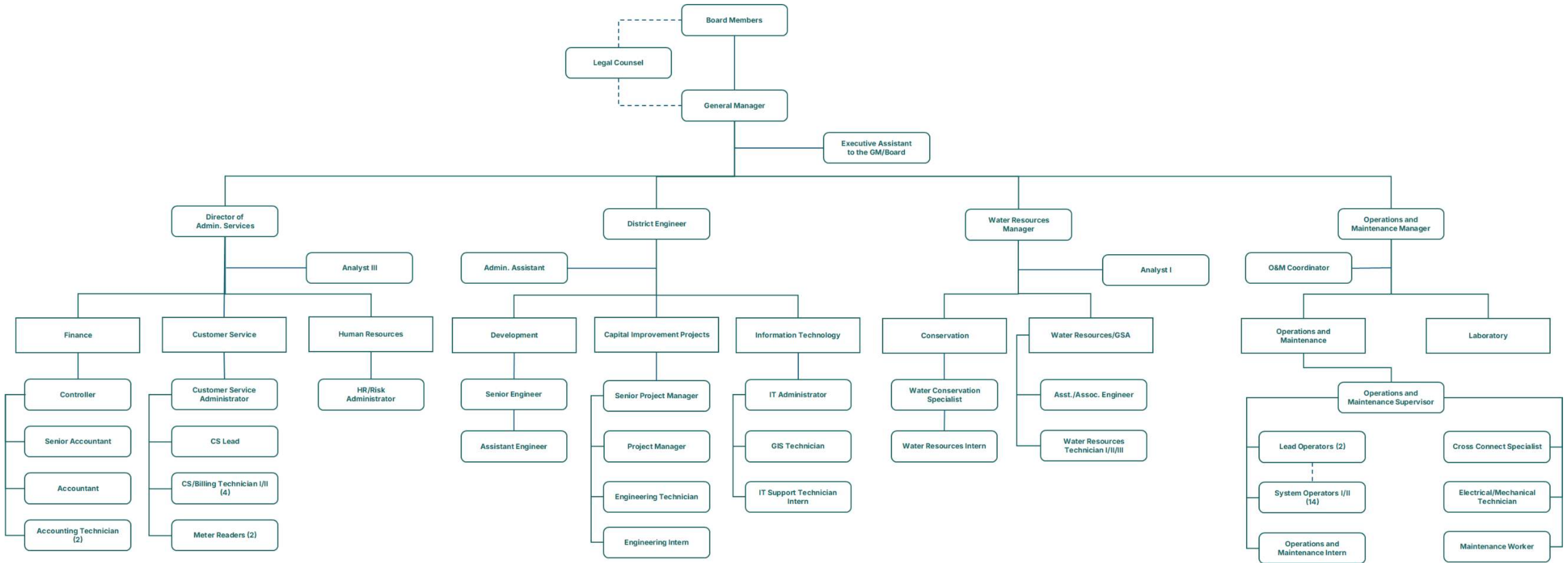
FY	Marina (AF)	Ord (AF)	Total (AF)	Increase/Decrease
2021	1,119	2,239	3,358	65.50%
2022	981	2,548	3,529	5.09%
2023	1,076	2,271	3,347	-5.16%
2024	1,039	2,263	3,302	-1.34%
2025	1,326	2356	3,681	11.48%

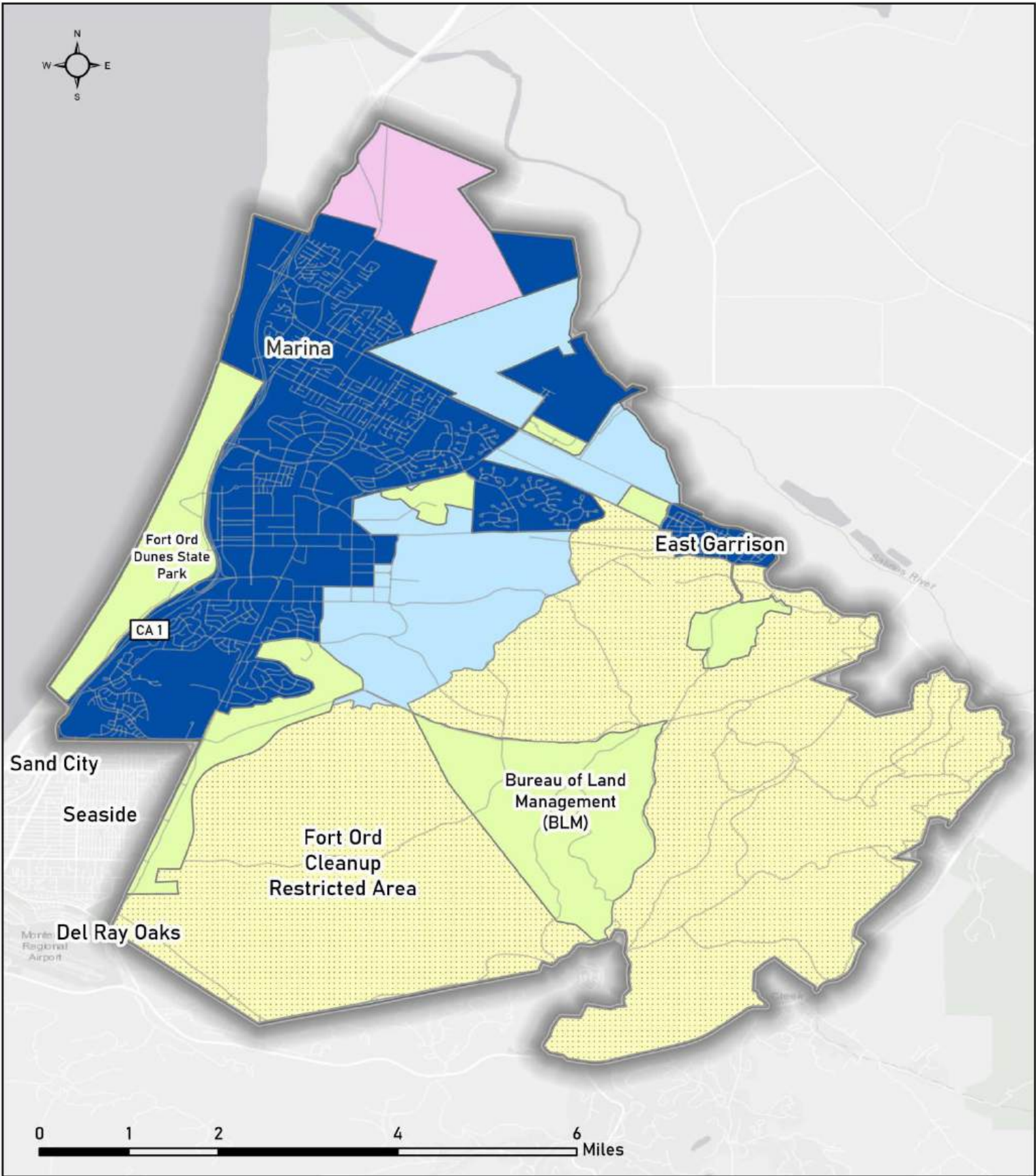
\*Decrease in total water deliveries is due to changes in climate patterns resulting in a wet season to reduced production from decreased demand

\*\*Increase in Fiscal Year 2024 total water deliveries is a result of increased recycled water demand and additional 5% increase in water customers.









# MCWD Organizational Chart





**Legend**

 MCWD Served	 Sphere of Influence
 MCWD Boundary	 MCWD Future Study
 Boundary Agreement	 Streets

# MARINA COAST WATER DISTRICT SERVICE AREA





Remleh Scherzinger, General Manager—providing leadership and strategic direction to ensure reliable service and long-term sustainability for the District.

# Message From The General Manager

The Fiscal Year (FY) 2027 Budget reflects a focused and disciplined approach to sustaining progress, improving efficiency, and strengthening the District's long-term position. Our priority this year is clear: execute with purpose, respond to challenges with precision, and continue building a resilient and secure water system for our community.

Over the past year, the District made significant investments in infrastructure, facilities, and organizational alignment. These efforts have strengthened our operational foundation. In FY 2027, we shift from expansion to execution, ensuring that these investments deliver measurable results and lasting value.

We are driving change by improving how we operate. This includes streamlining processes, enhancing coordination across departments, and focusing resources on initiatives that directly improve service reliability and performance. Efficiency is not an initiative; it is a requirement for sustaining long-term success.



**Focused execution, disciplined growth, and a commitment to resource sustainability will define how we serve today and sustain tomorrow.**

— Remleh Scherzinger, General Manager, Marina Coast Water District

At the same time, we must respond to ongoing challenges with a clear and steady approach. Outside threats, aging infrastructure, regulatory demands, and water supply constraints require continued investment and disciplined financial management. This budget maintains a strong financial position while advancing critical capital improvements and long-term planning.

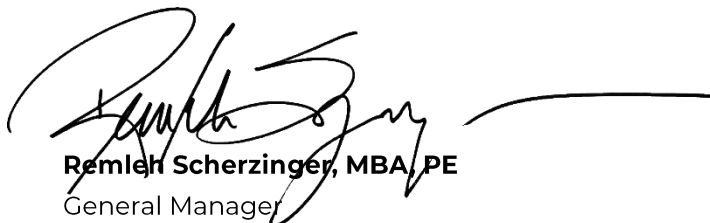
Water sustainability remains one of our highest priorities. As the Groundwater Sustainability Agency for the Monterey Subbasin, the District continues to lead efforts to address seawater intrusion and protect our groundwater resources. In parallel, we are advancing plans to reactivate the MCWD Desalination Plant at the Beach Office, a key step toward diversifying our water supply and strengthening system resilience.

Recycled water is no longer a supplemental resource. It is a primary strategy. The District is prioritizing the expansion and integration of recycled water across our system to reduce reliance on groundwater, support aquifer sustainability, and provide a reliable, drought-resistant supply. This approach positions recycled water at the center of our long-term water portfolio and reflects a necessary shift in how we secure and manage our resources.

Sustaining growth requires focus. This budget emphasizes execution over expansion, accountability over complexity, and results over activity. Every investment is aligned with our Strategic Plan and designed to deliver long-term value to our ratepayers.

The FY 2027 Budget is direct, practical, and forward-looking. This methodology positions the District to remain efficient, resilient, and prepared for the demands ahead while continuing to deliver safe, reliable, and sustainable services.

I thank the Board of Directors, staff, and our community partners for their continued support as we remain focused on delivering results and securing the District's future and the future of our community.



**Remleh Scherzinger, MBA, PE**  
General Manager  
Marina Coast Water District



Lift station upgrade in progress—improving reliability, capacity, and long-term performance of the District’s wastewater system.



Gail Morton, Board President, speaking at the A1/A2 Reservoirs Booster Pump Station ribbon cutting—marking a key milestone in strengthening system reliability and infrastructure.

# MCWD Board Of Directors

The Marina Coast Water District Board of Directors provides governance, policy direction, and oversight to ensure the District delivers safe, reliable, and financially sustainable water, recycled water, and wastewater services. Representing the community, the Board establishes the vision and long-term priorities that guide the District's operations and capital investments.

The Board is responsible for adopting the annual budget, setting water and wastewater rates, and approving major infrastructure projects that support system reliability and growth. Through its policy-making role, the Board ensures that District operations align with regulatory requirements, financial best practices, and the evolving needs of the communities served.

Working closely with the General Manager, the Board monitors organizational performance, supports strategic initiatives, and promotes transparency and accountability in all District activities. This includes advancing key priorities such as water supply reliability, expansion of recycled water as a primary resource, infrastructure resiliency, and responsible financial management.

Through informed decision-making and community representation, the Board of Directors plays a critical role in safeguarding public health, protecting environmental resources, and ensuring long-term water security for the District.



**Gail Morton, Esq.**

**President**

[directormorton@mcwd.org](mailto:directormorton@mcwd.org)

Gail is a practicing attorney who brings a strong background in law, governance, and public service to her work. She has served as Mayor Pro Tem and previously as a Council member, demonstrating a consistent commitment to community leadership and civic engagement. Through these roles, she has contributed to policy development, local decision-making, and advancing initiatives that support the community's long-term interests.



**Jan Shriner**

**Vice-President**

[directorshriner@mcwd.org](mailto:directorshriner@mcwd.org)

Jan Shriner is a retired biologist with a long career in outdoor education across both the private and public sectors. She was first elected to the Marina Coast Water District Board in 2010 and continues to serve as a dedicated Board member, bringing her experience, environmental perspective, and commitment to responsible water stewardship in support of the District and the community.



### **Brad Imamura**

**Director**

directorimamura@mcwd.org

Brad retired from the Santa Clara Valley Water District after a distinguished career. He has held positions with the City of San Jose and the County of Santa Clara. Brad was first elected to the MCWD board in November 2022.



### **Thomas Moore, Ph.D.**

**Director**

directormoore@mcwd.org

Since his arrival in Marina in 1989, Tom has been a professor in various capacities at the Naval Postgraduate, MIIS and the Naval War College. He also spent 27 years in the Engineer Corps of the U.S. Army and Army Reserve and retired as a full Colonel. Besides serving on the MCWD Board, he represents MCWD on the Board of Directors of Monterey One Water. Tom also has considerable experience in local government, having served six years on the Marina Planning Commission, several years on Monterey County LAFCO and on various local government committees.



### **Stacey Smith**

**Director**

directorsmith@mcwd.org

Stacey, a Commercial Finance Administrator, has owned a business for twenty-eight years and collaborated with major construction firms in California. She was elected to the MCWD Board in November 2024.



Remleh Scherzinger, General Manager, addressing attendees at the A1/A2 Reservoirs Booster Pump Station ribbon cutting—emphasizing the project’s role in strengthening system performance and supporting future growth.

# MCWD Leadership and Staff

Marina Coast Water District's leadership and staff are responsible for the day-to-day delivery of essential water, recycled water, and wastewater services that support the community. Guided by the Board of Directors, the District's leadership team translates strategic direction into actionable plans, ensuring that operations remain efficient, responsive, and aligned with long-term goals.

District staff across all departments work collaboratively to operate and maintain critical infrastructure, deliver high-quality customer service, and support capital improvement projects that strengthen system reliability and resilience. From field operations and engineering to administration, finance, customer service, and information technology, each team plays a vital role in sustaining the District's core services.

The organization is committed to continuous improvement, operational efficiency, and professional development. Staff are empowered to adapt to evolving challenges, implement new technologies, and support initiatives such as expanding recycled water use, enhancing cybersecurity, and improving data-driven decision-making.

Through dedication, technical expertise, and a shared commitment to public service, MCWD's leadership and staff ensure the reliable delivery of services that protect public health, support the environment, and meet the needs of the community today and into the future.

**Remleh Scherzinger, MBA, PE**  
**General Manager**

Remleh Scherzinger, MCWD's General Manager in his fifth year of service, continues to lead the District into Fiscal Year 2027 with a strong focus on innovation, sustainability, operational resiliency, and community service. Under his leadership, the District continues to advance strategic initiatives that strengthen water and wastewater infrastructure, support long-term resource reliability, and enhance services for the communities served by MCWD.



**Mary Lagasca, CPA**  
**Director of Administrative Services**  
mlagasca@mcwd.org

Mary Lagasca, MCWD's Director of Administrative Services, oversees Finance, Customer Service, and Human Resources, ensuring efficient operations and responsive service across the District. She leads financial planning, budgeting, and reporting efforts that support the District's fiscal stability and long-term goals, while also guiding customer service operations and workforce management. Her role is central to maintaining strong internal controls, supporting organizational effectiveness, and aligning administrative functions with the District's strategic priorities and service commitments.



## **Derek Cray**

### **Operations & Maintenance Manager**

dcray@mcwd.org

Derek Cray, MCWD's Operations and Maintenance Manager, leads the District's System Operators and field crews in the operation, maintenance, and repair of critical water, recycled water, and wastewater infrastructure, ensuring safe, reliable, and efficient service delivery to the community. Under his leadership, the team supports system integrity through preventive maintenance, timely response to operational issues. His role is essential in aligning day-to-day operations with long-term infrastructure planning, helping maintain high service standards while advancing the District's reliability and resiliency goals.



## **Patrick Breen**

### **Water Resources Manager**

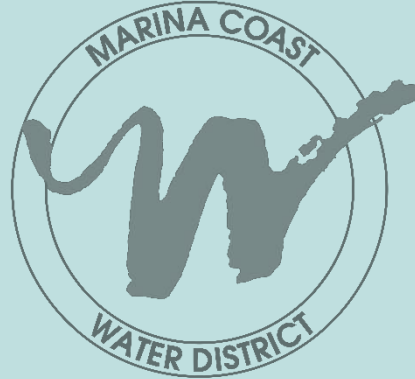
pbreen@mcwd.org

Patrick Breen, MCWD's Water Resources Manager, oversees water supply planning, conservation programs, and sustainability initiatives to ensure long-term resource reliability for the District and the communities it serves. He leads efforts to manage and diversify water supplies, advance conservation strategies, and support regulatory compliance, while working closely with regional partners and internal teams. His role is key in aligning water resource planning with the District's operational needs and long-term goals, helping strengthen resiliency and support a sustainable water future.



## District Engineer

The District Engineer (DE) position oversees capital improvement planning, engineering and development review, infrastructure coordination, regulatory compliance, and technical support for District operations and projects. These functions are currently being overseen by Remleh Scherzinger to ensure continuity of operations and ongoing project delivery while the District evaluates long-term organizational needs.



## Paula Riso

**Executive Assistant / Clerk to the Board**  
priso@mcwd.org

Paula Riso serves as the Executive Assistant and Clerk to the Board and has faithfully supported the Marina Coast Water District for over 20 years. In her role, she provides essential administrative and governance support to the Board of Directors, helping ensure transparency, continuity, and the effective coordination of Board activities while upholding high standards of organizational excellence.



# FY 2026 Highlights

As we enter Fiscal Year 2027, it is important to reflect on the accomplishments and progress made over the past fiscal year. Through focused effort, disciplined planning, and collaboration across all departments, Marina Coast Water District continued to strengthen its operations, advance key infrastructure projects, and enhance service delivery to the community.

This past year marked meaningful progress in maintaining system reliability, improving operational efficiency, and advancing the District's Capital Improvement Program (CIP). Strategic investments in infrastructure, technology, and workforce development have positioned the District to better respond to current demands while preparing for future challenges.

The following highlights provide a snapshot of the District's achievements over the past fiscal year, demonstrating a continued commitment to responsible stewardship, operational excellence, and long-term water security.

## 18th Consecutive GFOA Financial Reporting Award

During the past fiscal year, Marina Coast Water District proudly received its 18th consecutive Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association (GFOA). This recognition reflects the District's ongoing commitment to transparency, accountability, and high standards in financial reporting.

The award highlights the District's ability to produce clear, comprehensive, and well-organized financial documents that meet rigorous national standards. Achieving this distinction for 18 consecutive years demonstrates consistent excellence in financial management and reinforces the District's dedication to responsible stewardship of public resources.

This accomplishment is a testament to the efforts of the Administrative Services team and the District's leadership in maintaining strong financial practices that support informed decision-making and long-term fiscal sustainability.

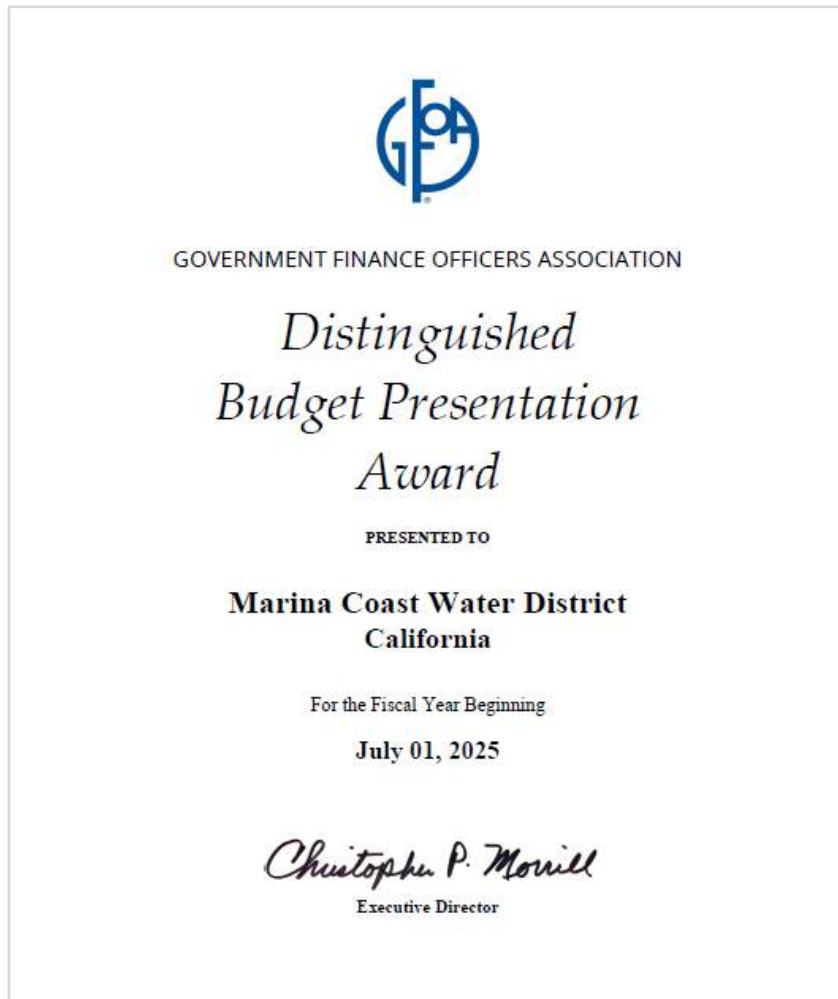


## GFOA Distinguished Budget Presentation Award

During the past fiscal year, Marina Coast Water District was honored with the Distinguished Budget Presentation Award from the Government Finance Officers Association (GFOA), recognizing the District's commitment to excellence in budget development and financial transparency. Established in 1984, the award program highlights public agencies that produce budget documents of the highest quality, aligned with national best practices and guidelines.

To receive this recognition, the District's budget document met rigorous criteria and demonstrated excellence as a policy document, financial plan, operations guide, and communication tool. This achievement reflects the District's dedication to clear, comprehensive, and transparent financial planning that supports informed decision-making and accountability to the community.

This recognition, alongside the District's continued success in financial reporting, reinforces MCWD's strong financial stewardship and its commitment to maintaining the highest standards in budgeting and public sector financial management.

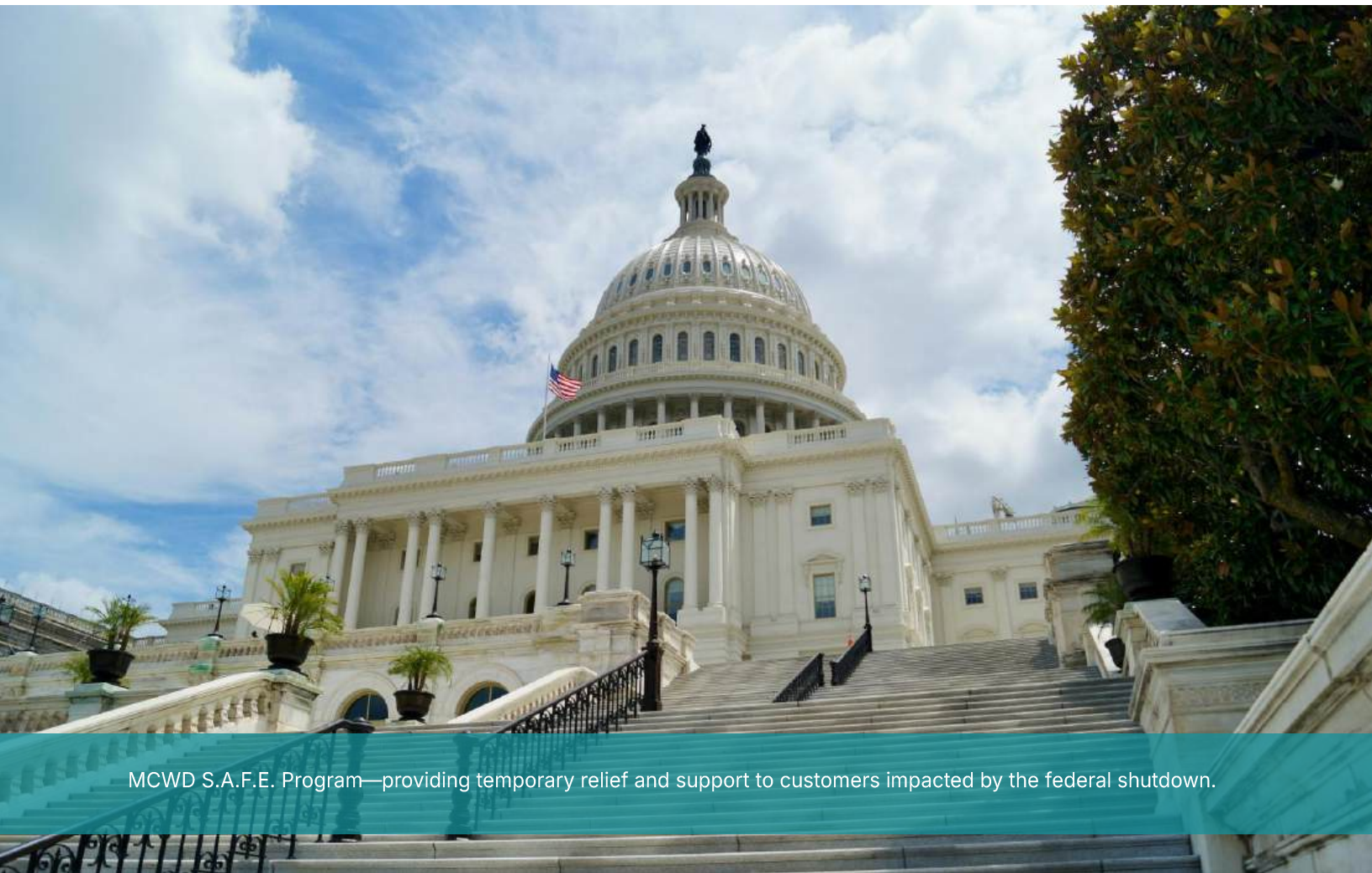


## Launch of the MCWD S.A.F.E. Program to Support Customers During Federal Government Shutdown

The District developed and launched the MCWD S.A.F.E. Program (Supporting Affected Federal Employees) to provide targeted assistance to customers affected by the federal government shutdown. The program was designed to offer temporary financial relief and flexible support options, helping impacted customers maintain essential water and sewer services during a period of economic uncertainty. By quickly identifying the needs of the community and implementing a structured response, the District demonstrated its ability to act decisively and responsibly in support of its customers.

This initiative required close coordination across departments, including Customer Service, Finance, and Administration, to ensure that assistance was delivered efficiently, eligibility was clearly defined, and communication with customers was consistent and accessible. Staff worked to streamline processes, respond to inquiries, and provide personalized support, reinforcing a customer-focused approach to service delivery.

Beyond its immediate impact, the S.A.F.E. Program strengthened community trust and highlighted the District's commitment to public service during challenging circumstances. The program received positive recognition at both the local and national levels, positioning the District as a responsive and compassionate organization that prioritizes the well-being of its customers while maintaining operational stability.



MCWD S.A.F.E. Program—providing temporary relief and support to customers impacted by the federal shutdown.

## B-Side Building Construction and Facility Improvements (WD-2401)

During the past fiscal year, the District completed the construction and buildout of the B-Side Building at the IOP facility, marking a significant milestone in improving workspace functionality and service delivery. This project was undertaken to better accommodate operational needs, support staff collaboration, and provide a dedicated space for key administrative and public-facing functions.

The facility now houses the District's Customer Service Division, providing a more accessible and efficient environment for serving the community. It also includes the main Board Room, where regular and special Board of Directors meetings are conducted, and serves as a venue for Salinas Valley Groundwater Sustainability Agency (SV-GSA) meetings. The upgraded space enhances public engagement and supports the District's governance and regional coordination efforts.

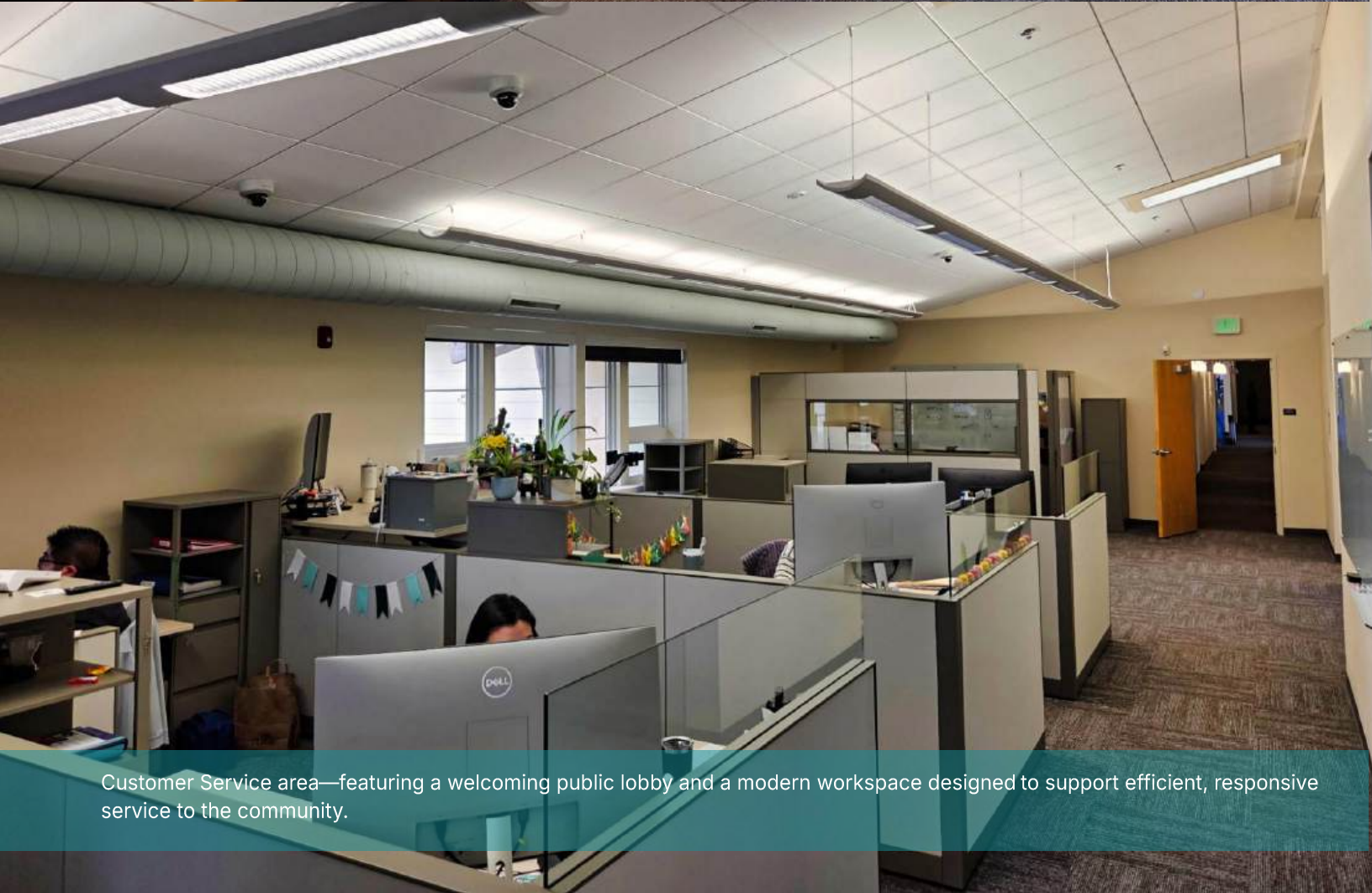
The project included interior improvements, technology and infrastructure upgrades, and the installation of modern equipment to support daily operations, public meetings, and presentations. The completion of the B-Side Building reflects the District's commitment to investing in its facilities and workforce, ensuring that staff and the public are supported by a functional, modern, and well-equipped environment aligned with the District's long-term goals.



Main Board Room—designed for public meetings, collaboration, and community engagement.



Flexible meeting space—supporting staff coordination, workshops, and multi-department collaboration. Conference room—equipped for focused discussions, planning sessions, and day-to-day operations.



Customer Service area—featuring a welcoming public lobby and a modern workspace designed to support efficient, responsive service to the community.

## Solar Energy and Battery Storage Project (WD-2405)

MCWD successfully completed the Solar Energy and Battery Storage Project at the District's Imjin Office Park (IOP) facility (920 Imjin Parkway) in FY 2026, marking a major step forward in advancing energy resiliency and sustainability. This project installed a solar array paired with a battery storage system capable of powering the IOP building and supporting surrounding facilities, reducing reliance on the electrical grid while ensuring continuity of critical operations.

The system provides up to 72 hours of backup power to key IT infrastructure and operational systems, significantly strengthening the District's emergency preparedness and ability to maintain essential services during outages. In addition to improving reliability, the project helps stabilize long-term energy costs by reducing exposure to market fluctuations and lowering overall energy expenses.

As part of the District's long-term strategy for energy independence and sustainability, the Imjin solar project serves as a scalable model for future deployments across facilities, including reservoirs, booster pump stations, and other critical infrastructure. This investment positions MCWD to expand its renewable energy portfolio while continuing to deliver reliable service to the community.



**Top/Right:** Aerial view of the Imjin Office Park solar array—expanding renewable energy capacity and supporting energy independence. **Bottom/Left:** Solar and battery storage system in operation—enhancing resiliency and providing reliable backup power for critical District facilities.



## Fire Hydrant Replacement Program (GW-2620)

In FY 2026, MCWD continued implementation of its Fire Hydrant Replacement Program, an ongoing effort to improve system reliability, fire protection, and operational safety across the District. Through this program, aging and undersized fire hydrants, along with associated appurtenances, are systematically replaced to address known deficiencies in both the Ord Community and Marina service areas.

Many existing hydrants in older portions of the system were installed without adequately sized laterals or isolation valves, limiting operational flexibility and reducing effectiveness during maintenance or emergency response. This program corrects those deficiencies by upgrading infrastructure to current standards, improving flow capacity, accessibility, and system control.

Beyond enhancing fire protection capabilities, the program also supports more efficient maintenance and reduces service disruptions by allowing better isolation of system segments. As part of the District's long-term infrastructure strategy, the Fire Hydrant Replacement Program ensures continued investment in critical assets, helping maintain reliable service and public safety for the community.



Fire Hydrant Testing—ensuring proper flow, pressure, and readiness to support fire protection and public safety.

## GSA Monitoring Wells Project (GA-2402)

In FY 2026, MCWD advanced its groundwater management efforts through the implementation of a new monitoring well under the Groundwater Sustainability Agency (GSA) program. This grant-funded project supports the collection of critical groundwater data needed to better understand aquifer conditions within the Monterey Subbasin and to meet regulatory requirements under the Groundwater Sustainability Plan (GSP).

The monitoring well is designed to address key data gaps in the District's groundwater system, improving the ability to track groundwater levels, assess long-term trends, and inform sustainable management strategies. This data is essential not only for compliance, but also for evaluating the feasibility of future water supply initiatives, including Indirect Potable Reuse (IPR) and Aquifer Storage and Recovery (ASR).

By leveraging external grant funding, the District is able to expand its monitoring capabilities without placing additional financial burden on ratepayers. This project represents a strategic investment in data-driven water management and reinforces MCWD's commitment to long-term groundwater sustainability, resource planning, and regional water resiliency.



Monitoring wells play a critical role in protecting groundwater resources by helping track water levels, groundwater quality, and potential impacts from seawater intrusion and environmental changes. These wells provide valuable data that supports sustainable water management and long-term resource planning for the community.

## Backup Internet Communication Implementation

During the past fiscal year, the District implemented backup internet communication systems for its two major office locations to strengthen operational resiliency and ensure continuity of critical services. This initiative provides redundancy in network connectivity, reducing the risk of service disruptions caused by outages or provider issues.

The addition of backup connectivity supports essential systems such as customer service operations, financial systems, GIS, and remote access for staff, allowing the District to maintain functionality during primary network interruptions. This improvement is especially important for supporting day-to-day operations, emergency response, and coordination across departments.

By investing in redundant communication infrastructure, the District enhances its ability to operate reliably under varying conditions, reinforcing its commitment to uninterrupted service delivery, data accessibility, and organizational resilience.



Backup Internet Connectivity—MCWD's main facilities are equipped with redundant internet connections to ensure continuous operations, reliable communications, and uninterrupted service even during outages.

## Expanded Payment Options through CheckFreePay

During the past fiscal year, the Customer Service Division introduced a new payment option through CheckFreePay, allowing customers to conveniently pay their water bills at participating Walmart locations. This enhancement provides greater flexibility and accessibility for customers who prefer in-person payment options outside of traditional District offices. The addition of CheckFreePay expands the District's payment channels, helping improve customer experience and making it easier for the community to stay current on their accounts. By offering more convenient and widely available payment options, the District continues to prioritize responsive customer service and accessibility for all customers.



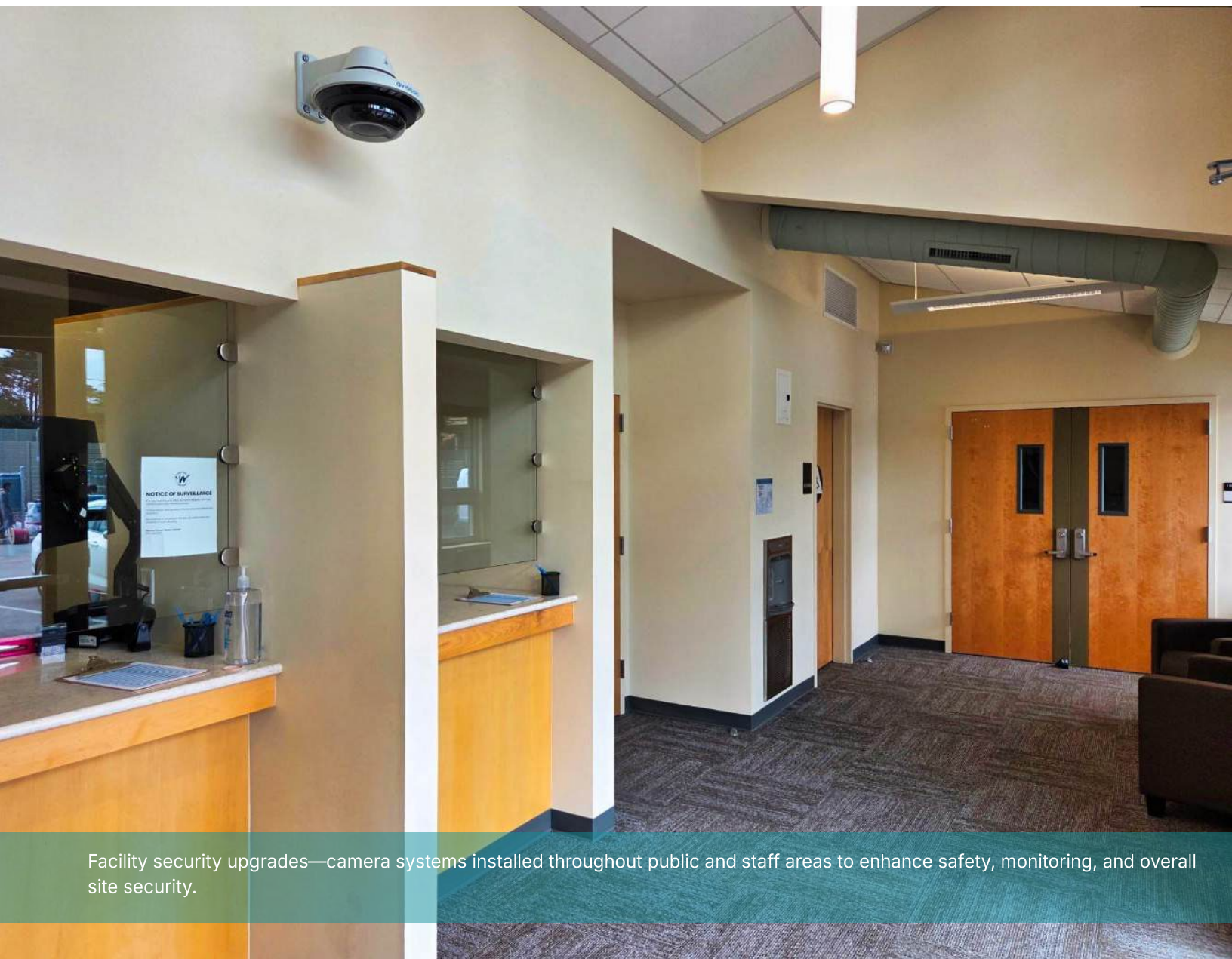
CheckFreePay at participating Walmart stores—providing convenient, in-person payment options for customers.

## Security Camera and Access Control Upgrades (WD-2404)

During the past fiscal year, the District installed security cameras and access control systems across its buildings and facilities to enhance physical security and protect critical infrastructure. These upgrades provide improved visibility, controlled access to sensitive areas, and better monitoring of District assets.

The implementation of modern surveillance and access control technologies strengthens the District's ability to safeguard staff, facilities, and equipment, while supporting accountability and incident response. Access controls help ensure that only authorized personnel can enter restricted areas, and camera systems provide real-time and recorded monitoring capabilities.

These improvements are part of the District's broader commitment to security and resiliency, helping reduce risk, support safe operations, and protect essential systems that are critical to delivering water and wastewater services.



Facility security upgrades—camera systems installed throughout public and staff areas to enhance safety, monitoring, and overall site security.



## MCWD Staff Participate in Earth Day Cleanup Near Former Fort Ord Area

In celebration of Earth Day, staff from Marina Coast Water District participated in a community cleanup effort along portions of the former Fort Ord area near the District's Imjin Office Facility. Employees from multiple departments volunteered their time to help collect litter, remove debris, and improve the condition of public areas surrounding the site, supporting ongoing efforts to maintain a cleaner and healthier environment for the community.

The cleanup effort reflects the District's continued commitment to environmental stewardship, sustainability, and community involvement beyond its core water, wastewater, and recycled water services. By participating in activities such as the Earth Day cleanup, District staff help promote environmental awareness while contributing to the preservation and appearance of shared public spaces within the communities served by MCWD.

The event also provided an opportunity for employees to work collaboratively outside of their normal daily responsibilities, reinforcing the District's culture of teamwork and public service. Through these efforts, MCWD continues to support initiatives that enhance the quality of life and environmental health of the region for current and future generations.





District employees came together in observance of Earth Day to help keep the community clean, demonstrating MCWD's continued commitment to sustainability, public service, and environmental responsibility.

## Five Years of Leadership and Long-Range Planning

Since being hired by the MCWD Board of Directors in spring 2021, General Manager Remleh Scherzinger has led the District with a focus on reliable service, financial discipline, and long-range planning.

Under his leadership, MCWD has continued to invest in critical water, wastewater, and recycled water infrastructure while maintaining a strong focus on affordability and system reliability. His technical background and steady management have helped the District make informed decisions, reduce service disruptions, and plan for future community needs.

Rem has also supported a staff culture built on collaboration, innovation, and continuous learning. Five years in, the District remains well-run, financially stable, and focused on providing dependable service to customers every day.

MCWD recognizes and appreciates Rem's five years of service as General Manager and looks forward to continued progress under his leadership.



## District Hosts and Partners in Deep Aquifers Well Owners Workshop

Marina Coast Water District served as both the in-person venue and a partner for the Deep Aquifers Well Owners Workshop held on Wednesday, May 20, 2026, in the District's main boardroom.

The workshop was hosted in partnership with Marina Coast Water District and Groundwater Sustainability Agency, Monterey County Water Resources Agency, the County of Monterey, and the Salinas Valley Basin Groundwater Sustainability Agency.

The event provided well owners, local agencies, and community members with an opportunity to discuss recommended options for interim and long-term management actions for the Deep Aquifers, along with the next steps toward decision-making.

By hosting and partnering in this workshop, the District continues to support regional collaboration, public outreach, and informed discussion on groundwater management issues that affect the community and the long-term reliability of local water resources.



Marina Coast Water District was proud to host the Deep Aquifers Well Owners Workshop in the District's main board room on May 20, 2026. The event brought together well owners, community members, and regional partner agencies to discuss interim and long-term management options for the Deep Aquifers and the next steps toward decision-making.

# DEEP AQUIFERS WELL OWNERS WORKSHOP

MCWD MAIN BOARD ROOM  
MAY 20, 2026 • 1:30 PM



MARINA COAST  
WATER DISTRICT  
AND GROUNDWATER SUSTAINABILITY AGENCY



Salinas Valley Basin  
Groundwater Sustainability Agency





MARINA COAST  
WATER DISTRICT  
**W INFORMATION**



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# EXECUTIVE BUDGET SUMMARY

The Marina Coast Water District enters Fiscal Year 2027 with a stable and resilient financial foundation, built on disciplined financial management, strategic planning, and a continued focus on long-term sustainability. FY 2026 demonstrated the District's ability to adapt to changing economic and development conditions while maintaining reliable service delivery and advancing priority infrastructure investments. The FY 2027 Budget builds on this momentum with a balanced approach to revenue forecasting, cost control, and targeted capital investment.

## **FY 2026 Financial Performance**

In FY 2026, the District maintained strong financial performance, with revenues and expenditures managed in alignment with budget expectations despite a dynamic development environment.

Core operating revenues, including water and sewer sales and interest earnings, remained consistent with projections and continued to be supported by the financial framework established in the 2024 5-Year Rate Study. Recycled water revenues showed gradual improvement but continued to depend on the pace of system expansion and new connections.

Development-related revenues remained below original projections due to slower construction activity. While growth continues in both Marina and Ord service areas, the timing of development impacted on the collection of capacity fees and meter fees. These trends were anticipated and managed through conservative planning.

Capital-related revenues, including grants and reimbursements, tracked below budget in alignment with the timing of project execution. On the expenditure side, the District maintained strong cost control, with operating expenses within budget and CIP expenditures reflecting a measured pace of delivery. Increased interest expenses reflect ongoing financing activities, while reserve usage remained strategic and aligned with capital priorities.

## FY 2027 Adopted Budget Overview

The FY 2027 Budget reflects a continued focus on financial stability, operational efficiency, and infrastructure investment. The District's budgeting process begins with developing a set of operational assumptions to ensure that expenditures remain within available resources while supporting core services and long-term priorities.

### Revenue Assumptions

Projected revenues are grouped into the following categories:

- **Rate Revenue:** Includes income from water, sewer, and recycled water sales. Assumptions are based on the 5-Year Rate Study adopted by the Board on April 29, 2024, providing a structured and predictable revenue framework.
- **Developer Fees and Capacity Charges:** Based on engineering forecasts for future development within the District's jurisdiction, including residential and non-residential growth. Capacity charges, established in 2020, are adjusted annually in accordance with Ordinance 6.08.090 Section B using the Engineering News-Record Construction Cost Index (ENR-CCI). The first quarter of 2026 reflects an increase of 2.72%, rounded to the nearest \$25.
- **Bond Proceeds:** Derived from the Capital Improvement Program (CIP) budget and drawn as projects progress. Estimates are based on project timelines and planned infrastructure investments.
- **Interest Income:** Calculated annually based on projected fund balances, with assumed interest rates ranging from 3% to 5%.
- **Other Revenue / Miscellaneous:** Includes service fees, penalties, lease revenues, and other sources. Projections are based on historical trends and anticipated activity for the fiscal year.

### Expense Assumptions

The District's expense budget is developed to align with anticipated revenues while ensuring efficient and reliable operations:

- **Salaries and Benefits:** Increased by 2.5% in accordance with Memorandum of Understanding (MOU) agreements, based on the Consumer Price Index (CPI-U) for the San Francisco Bay Area from February 2025 to February 2026.

- **Department Expenses:** Includes operational costs such as utilities, consulting services, supplies, and miscellaneous expenses. Budgets are developed collaboratively with department heads using prior year actuals and adjusted for expected increases.
- **Capital Equipment:** Covers the purchase or replacement of major operational equipment. Needs are identified by department heads and reviewed by the Director of Administrative Services and General Manager.
- **Capital Improvement Projects (CIP):** Includes funding for infrastructure projects that maintain, replace, or expand water, sewer, and recycled water systems. The CIP budget is developed through coordination between Engineering, Administration, and executive leadership, with funding sources including bonds, capacity charges, reserves, and grants.
- **Principal Debt Service:** Reflects repayment of loans and bonds used to finance capital projects, based on established debt schedules and annual payment obligations.

The FY 2026 financial performance reflects a stable and well-managed organization that continues to adapt to evolving conditions while delivering essential services and advancing key initiatives. The FY 2027 Budget builds on this foundation with a continued emphasis on financial discipline, operational efficiency, and strategic investment.

Through careful planning and responsible resource management, the District remains well-positioned to meet the needs of the community, support sustainable growth, and advance long-term priorities, including water supply reliability, infrastructure resiliency, and the expanded use of recycled water as a primary resource.



Lift station upgrade—enhancing capacity, reliability, and long-term performance of the wastewater system.

# BUDGET FRAMEWORK & FINANCIAL POLICIES

The District's budget is developed within a structured financial framework that emphasizes transparency, accountability, and long-term sustainability. The budget is prepared on a Generally Accepted Accounting Principles (GAAP) basis, aligning with the District's audited financial statements to ensure consistency and clarity in financial reporting. This approach allows for accurate tracking of revenues and expenditures while supporting informed decision-making by the Board and management.

Financial policies adopted by the Board guide the development and implementation of the budget, including policies related to reserves, investments, debt management, and rate setting. These policies establish clear expectations for maintaining adequate reserve levels, safeguarding public funds, and using debt strategically to support critical infrastructure investments. The District also follows a multi-year planning approach, integrating its operating and capital budgets with long-term financial forecasts and rate studies to maintain fiscal stability and avoid significant rate fluctuations.

The budget framework also incorporates cost allocation practices that ensure expenses are distributed appropriately across the District's service areas. This includes allocating shared administrative and operational costs based on established methodologies to maintain equity and compliance with governing agreements. Together, these financial policies and practices provide a disciplined foundation for managing resources, supporting strategic priorities, and delivering reliable services to the community.

# Budget Basis and Process

The District's budget is prepared and adopted in accordance with Generally Accepted Accounting Principles (GAAP). The District utilizes the accrual basis of accounting, under which:

- Revenues are recognized when earned, regardless of when cash is received.
- Expenses are recognized when incurred, regardless of when payments are made.

The basis of budgeting is consistent with the accounting methods used in the District's audited financial statements. This alignment ensures transparency, supports comparability, and strengthens the connection between financial planning and year-end reporting.

## Budget Process

Each fiscal year, the District develops and adopts an Operating Budget and updates its 10-Year Capital Improvement Program (CIP). Together, these serve as the foundation for both long-term financial planning and day-to-day fiscal management.

The adopted budget outlines projected revenues and expenditures and identifies the services, capital projects, and operational activities necessary to support the District's mission. A balanced budget is maintained when total projected revenues, including the strategic use of fund balance when appropriate, meet or exceed projected expenditures.

The budget process translates the policy direction of the Board of Directors into actionable financial plans while providing a framework for performance monitoring, accountability, and disciplined growth.

## FY 2027 Budget Development Roadmap



## Annual Budget Timeline

The Annual Budget Timeline provides a structured and transparent framework for developing, reviewing, and adopting the District's budget. It outlines key milestones throughout the fiscal planning cycle, ensuring coordination across departments, alignment with strategic priorities, and timely engagement with the Board of Directors and the public. This process supports disciplined financial planning while allowing the District to respond effectively to operational needs and long-term infrastructure goals.

- **December – January:** Departments prepare budget requests; staff updates revenue and expenditure projections. Key priorities such as capital projects, staffing, and system improvements are identified.
- **February:** A formal budget calendar is presented to the Board of Directors, establishing key milestones and expectations.
- **March:** The proposed Capital Improvement Program (CIP) is reviewed by the Budget and Engineering Committee for initial feedback and alignment with strategic priorities.
- **April:** The Operating Budget is presented to the Committee, followed by the release of the Draft Budget to the Board and the public for review and input.
- **May:** The Board of Directors formally adopts the budget during a public meeting.

The adopted budget serves as the District's financial and operational guide for the fiscal year, supporting continued investment in infrastructure, service reliability, and water resource sustainability.

## Budget Control and Oversight

Budgetary control is maintained at the department level to ensure adherence to the adopted financial plan. Controls are implemented through project codes and account-level appropriations, with actual expenditures monitored against budgeted amounts on a monthly basis.

The General Manager is authorized to transfer appropriations within the operating budget, provided there is no change to the total approved budget.

Board approval is required for:

- Any increase to total appropriations
- Any revisions to the Capital Improvement Program (CIP)

This structure maintains fiscal discipline while allowing the flexibility needed to respond to operational demands and emerging priorities.

## Key Financial Policies

The District maintains a comprehensive set of financial policies that guide budgeting, financial management, and long-term planning. These policies are regularly reviewed and updated to reflect best practices, regulatory requirements, and the District’s evolving operational needs.

Policy Name & Number	Policy Purpose
3000 – Procurement Policy	The purpose of this policy is to provide for a procurement system of quality and integrity; provide for the fair and equitable treatment of all persons or firms involved in purchasing by the District; ensure that supplies and services (including construction) are procured efficiently, effectively, and at the most favorable prices available to the District; promote competition in contracting; and assure that MCWD purchasing actions are in full compliance with applicable Federal standards, State, and local laws.
3010 - Debt Management Policy	The purpose of a debt management policy is to demonstrate to potential lenders, ratings agencies, and the public the District’s commitment to long-term capital financial planning using a formal set of written guidelines. Having and adhering to a formal debt management policy helps to ensure the District maintains a diversified debt portfolio that supports the District’s financing needs and minimizes the District’s cost of funds.
3040 – Investment Policy	The purpose of this policy is that all investments and deposits of District funds shall be made only as set forth in this Annual Statement of Investment Policy in accordance with the Government Code. As set forth in Government Code Section 53600.5, the primary objective of the District’s investment program shall be to safeguard the principal of funds. The secondary objective shall be to meet the liquidity needs. The third objective shall be to achieve a return on the funds invested.
3050 - Reserve Policy	The purpose of this Reserve Policy (Policy) is to ensure Marina Coast Water District (“District” or “MCWD”) has sufficient funds to meet current and future needs.
3090 – Capitalization Policy for Fixed Assets	The purpose of this policy is to establish guidelines for the accounting and reporting of Marina Coast Water District’s (District) capital assets according to Generally Accepted Accounting Principles in the United States (GAAP) and current authoritative guidance of the Governmental Accounting Standards Board (GASB) and to set a capitalized cost threshold.



Manhole repair—restoring structural integrity and ensuring safe, reliable wastewater system access.

# Budget Assumptions

## Revenue

The District's budgeting process begins with the development of key operational and financial assumptions designed to ensure that planned activities remain within available and sustainable resources. Revenue projections are developed using a combination of adopted rate structures, historical trends, engineering forecasts, and economic indicators. These assumptions provide the foundation for aligning service delivery, capital investment, and financial stability.

Projected revenues for Fiscal Year 2027 are grouped into the following categories:

- **Rate Revenue:** Rate revenue represents the District's primary and most stable source of funding and includes income generated from water, wastewater, and recycled water services. Projections are based on the 5-year rate study adopted by the Board of Directors on April 29, 2024. Revenue Estimates reflect anticipated customer demand, consumption patterns, and system growth across the Marina and Ord service areas. Continued emphasis is placed on the expansion of recycled water as a primary supply strategy, which is expected to play an increasing role in long-term revenue stability while supporting water sustainability goals.
- **Developer Fees and Capacity Charges:** Developer fees and capacity charges are derived from projected development activity within the District's service area. These revenues are closely tied to engineering forecasts and include anticipated residential, commercial, and industrial growth. Originally adopted in 2020, are adjusted annually in accordance with Ordinance 6.08.090 Section B, based on the Engineering News-Record Construction Cost Index (ENR-CCI). As of the first quarter of 2026, the index reflects an increase of 2.72%, rounded to the nearest \$25. These adjustments ensure

that new development contributes proportionally to the cost of infrastructure expansion and system capacity.

- **Bond Proceeds:** Bond proceeds are tied directly to the District's Capital Improvement Program (CIP) and are used to fund major infrastructure investments. Revenue from bond issuances is recognized based on the timing and progress of capital projects. The projected bond revenue reflects planned financing strategies to support critical infrastructure upgrades, system resiliency improvements, and long-term water supply initiatives. These funds are drawn incrementally as projects advance, ensuring alignment between financing and project delivery.
- **Interest Income:** Interest income is generated from the investment of available fund balances in accordance with the District's Investment Policy. Projections are based on estimated cash balances and assumed interest rates ranging from 3% to 5%, reflecting current market conditions and conservative financial management practices. This revenue source provides supplemental funding while maintaining a strong emphasis on liquidity and preservation of capital.
- **Other Revenue / Miscellaneous:** This category includes a variety of supplemental revenue sources such as service fees, penalties, lease agreements, reimbursements, and other incidental income.

Projections are based on historical performance, adjusted for anticipated operational changes and economic conditions. While not a primary funding source, these revenues contribute to overall financial flexibility and help offset operational costs.

## Expenditures

The District's expenditure plan for Fiscal Year 2027 is developed to align with projected revenues while ensuring the reliable delivery of essential services, regulatory compliance, and continued investment in infrastructure. Expenditures are carefully evaluated to balance operational efficiency with long-term sustainability and system resiliency.

Projected expenditures are categorized as follows:

- **Salaries and Benefits:** Salaries and benefits represent a significant portion of the District's operating budget and reflect the investment in maintaining a skilled and stable workforce.

For FY 2027, salaries and benefits are increased by 2.5% in accordance with the Memorandum of Understanding (MOU) with District employee groups. This adjustment is based on the Consumer Price Index (CPI-U) for the San Francisco Bay Area for the period of February 2025 through February 2026. The District continues to

prioritize workforce stability, competitive compensation, and professional development, particularly in critical operational and technical areas.

- **Department Expenses:** Department expenses include the day-to-day operational costs necessary to support District functions. These costs include utilities, professional and consulting services, maintenance, supplies, software, and other recurring expenses. Budgets are developed collaboratively with department heads, using prior-year actual expenditures as a baseline and adjusting for inflation, contractual obligations, and anticipated service demands. Emphasis is placed on efficiency, cost control, and maintaining service levels.
- **Capital Equipment:** Capital equipment expenditures include the acquisition, replacement, or upgrade of major equipment used in operations, such as vehicles, machinery, and technology systems. Needs are identified by department heads based on operational requirements and lifecycle considerations. All requests are reviewed by the Director of Administrative Services and approved by the General Manager to ensure alignment with budget priorities and financial capacity.
- **Capital Improvement Projects (CIP):** Capital Improvement Projects represent the District's investment in long-term infrastructure to maintain, upgrade, and expand water, wastewater, and recycled water systems. Projects are identified and prioritized through the District's Capital Improvement Plan (CIP), which reflects strategic goals related to system reliability, regulatory compliance, water supply sustainability, and growth management.

The capital budget is developed through a collaborative process led by the District Engineer, in coordination with the General Manager and the Director of Administrative Services. Budget estimates are based on project scope, engineering design, timelines, and available funding sources, including bond proceeds, capacity charges, capital reserves, and grants.

- **Principal Debt Service:** Principal debt service includes the scheduled repayment of borrowed funds used to finance capital projects. These payments are based on existing debt agreements and amortization schedules. The District maintains a structured and disciplined approach to debt management, ensuring timely repayment while preserving financial flexibility. Debt service obligations are carefully integrated into the overall financial plan to support long-term infrastructure investment without compromising operational stability.

## Key Revenue and Cost Drivers

The Fiscal Year 2027 budget is influenced by several key revenue and cost drivers that reflect the District's operational priorities, economic conditions, and long-term strategic direction. Understanding these drivers provides context for both financial performance and resource allocation decisions.

### Key Revenue Drivers

Revenue projections for Fiscal Year 2027 are shaped by a combination of adopted policies, operational trends, and external economic conditions. These drivers reflect both the stability of established funding sources and the variability introduced by factors such as customer demand, development activity, and market conditions. Understanding these influences provides important context for how revenues are forecasted and how financial sustainability is maintained while supporting ongoing operations and long-term infrastructure investment.

- **Adopted Rate Structure**

The 5-year rate study adopted in April 2024 remains the primary driver of revenue stability. Adjustments built into the rate model support cost recovery, infrastructure investment, and long-term financial sustainability.

- **Water Demand and Consumption Trends**

Variations in customer usage, driven by conservation efforts, weather conditions, and regulatory requirements, directly impact rate revenue. Continued shifts toward efficient water use may moderate revenue growth.

- **Expansion of Recycled Water Use**

The District's strategic focus on recycled water as a primary supply source is expected to influence both revenue composition and long-term demand patterns, particularly in irrigation and non-potable applications.

- **Development Activity and Growth**

Revenue from developer fees and capacity charges is dependent on the pace of development within the District. Economic conditions, housing demand, and regional growth trends will influence this revenue stream.

- **Capital Financing and Timing of Projects**

Bond proceeds are closely tied to the timing and execution of Capital Improvement Projects. Delays or acceleration of projects can impact the timing of revenue recognition.

- **Interest Rate Environment**

Interest income is influenced by market conditions and the District's available fund balances. Higher interest rates may provide modest increases in revenue, while declining rates may reduce earnings.

## Key Cost Drivers

Expenditure projections for Fiscal Year 2027 are driven by operational needs, economic conditions, and long-term infrastructure priorities. These cost drivers highlight the ongoing balance between maintaining reliable service delivery, meeting regulatory requirements, and investing in system improvements. Together, they provide context for how resources are allocated to support operational efficiency, financial discipline, and long-term resiliency.

- **Labor and Workforce Costs:** Salary and benefit adjustments, including the 2.5% increase tied to CPI, remain a primary cost driver. Maintaining a skilled workforce and supporting operational capacity continue to be critical priorities.
- **Inflation and Market Conditions:** Inflation impacts a wide range of operating costs, including utilities, materials, fuel, and contracted services. These pressures are reflected in department expense projections.
- **Infrastructure and Capital Investment Needs:** Ongoing investment in aging infrastructure, system expansion, and resiliency projects continues to drive capital expenditures. The CIP reflects these long-term needs and priorities.
- **Regulatory and Compliance Requirements:** Compliance with state and federal regulations, including water quality, environmental standards, and reporting requirements, contributes to both operating and capital costs.
- **Energy and Utility Costs:** Energy consumption for water treatment, pumping, and wastewater operations remains a significant operational expense and is subject to market fluctuations.
- **Technology and Cybersecurity Investments:** Continued investment in IT infrastructure, system modernization, and cybersecurity initiatives, including grant-funded programs, supports operational resilience but contributes to overall cost growth.
- **Debt Service Obligations:** Scheduled principal and interest payments on existing debt remain a fixed cost component, requiring careful financial planning to ensure long-term affordability.

Together, these revenue and cost drivers shape the District's financial outlook for FY 2027. The budget reflects a balanced approach that prioritizes operational efficiency, infrastructure investment, and financial sustainability while positioning the District to respond to future challenges and opportunities.

## **Board Waiver of District Code Section 6.08.070**

As part of the Fiscal Year 2027 Budget, the Board of Directors continues the waiver of District Code Section 6.08.070, which requires that 25% of all monthly water charge revenues be allocated to long-term water supply projects.

The waiver allows the District to retain the full amount of water charge revenues within the operating and capital budget for the fiscal year. This provides increased financial flexibility to address current operational demands, support critical infrastructure investments, and maintain service reliability.

This action reflects a balanced approach to financial management, ensuring that immediate system needs and ongoing capital priorities are met while the District continues to evaluate and plan for long-term water supply strategies, including recycled water expansion and potential reactivation of the desalination facility.

# OPERATING BUDGET OVERVIEW

The Fiscal Year 2027 Operating Budget reflects a balanced and disciplined approach to supporting the District's day-to-day operations while maintaining a strong focus on long-term financial sustainability. The budget is primarily supported by operating revenues generated from water, sewer, and recycled water services, which continue to serve as the foundation of the District's financial stability. These revenues are guided by the adopted rate structure and informed by ongoing trends in customer demand, system usage, and regional growth.

Operating expenditures are carefully managed to ensure the continued delivery of reliable and compliant services across all systems. Key cost drivers include personnel and benefits, utilities, regulatory compliance requirements, routine maintenance, and technology investments that support operational efficiency and cybersecurity. The District continues to prioritize proactive maintenance and system monitoring to minimize disruptions, extend asset life, and control long-term costs.

The Operating Budget also reflects the District's commitment to aligning resources with strategic priorities, including water supply reliability, infrastructure resiliency, and organizational effectiveness. Through prudent financial management and ongoing evaluation of operational needs, the District is able to maintain service levels, respond to emerging challenges, and position itself for sustainable growth while avoiding unnecessary rate volatility.

# Cost Centers

Marina Coast Water District operates as a single enterprise fund supported by six distinct cost centers. These cost centers ensure that revenues and expenses are properly tracked, managed, and aligned with their respective service areas.

In accordance with **District Ordinance No. 43, Section 6.04.050**, separate cost centers are maintained for the Marina service area, the Ord Community service area, recycled water operations, and the Groundwater Sustainability Agency (GSA). This structure ensures transparency, accountability, and compliance with both District requirements and external agreements.

The separation of financial activities is also required under the agreement with the Fort Ord Reuse Authority (FORA), which specifies that the Ord service area must be accounted for independently.

## Cost Center Structure

### Water Cost Centers

These cost centers support potable water operations across all departments, including Administration, Operations and Maintenance, Engineering, and Information Technology.

- **Marina Water:** Generates revenue primarily from potable water sales within the Marina service area, along with related fees and charges.
- **Ord Water:** Generates revenue from potable water sales within the Ord Community, which includes multiple jurisdictions and ongoing development activity.

**Ordinance 43 Section 6.04.050**

For as long as supported by administrative, engineering, financial, or legal considerations, and notwithstanding the termination of the District's water and wastewater agreement with the Fort Ord Reuse Authority, the District maintains separate accounting for its operations in the Ord Community service area within the general enterprise fund.

The Ord Community service area is accounted for using distinct line items and account numbers, allowing clear reporting of revenues, operating costs, and capital expenditures specific to the Ord service area.

**FORA Contractual Requirement Section 7.1.1**

Separate fund accounting is maintained for operations within the Ord Community service area as required under the agreement with the Fort Ord Reuse Authority.

This structure ensures that revenues and expenses are tracked independently from other service areas. Cost allocations between service areas and overall operations are determined in accordance with the principles set forth in *Circular A-87, Cost Principles for State and Local Governments*, issued by the federal Office of Management and Budget.

### Wastewater Collection (Sewer) Cost Centers

These cost centers support wastewater collection system operations across Administration, Operations, Maintenance, and Engineering.

- **Marina Sewer:** Generates revenue from sewer service charges within the Marina service area.
- **Ord Sewer:** Generates revenue from sewer service charges within the Ord Community, including multiple land-use jurisdictions.

### Recycled Water Cost Center

Supports recycled water operations across Administration, Operations and Maintenance, and Engineering. Revenue is generated through the delivery and sale of recycled water, which continues to be positioned as a primary long-term supply strategy.

### Groundwater Sustainability Agency (GSA) Cost Center

Supports groundwater management activities in coordination with Administration and Water Resources. This includes planning, compliance, and sustainability efforts required under state groundwater regulations.



**MARINA COAST**



**WATER DISTRICT**

**2840**

Supporting Responsible Development—MCWD reviews and provides water and wastewater services to new development while ensuring system capacity, reliability, and long-term sustainability.

# Cost Allocation

Direct costs are assigned to the appropriate cost centers whenever they can be clearly identified. Costs tied to shared operational functions are allocated across the six primary cost centers using key drivers such as water rights, pipeline length, and customer count.

Costs that cannot be directly assigned are distributed across all cost centers to support overall operational efficiency. These shared costs represent approximately 15% of total operating expenses and are categorized as “All Other” costs.

This category includes:

- Administrative salaries and benefits
- Board-related expenses
- Information Technology services and infrastructure
- Accounting and financial services
- Rate study and financial planning costs

These functions support the organization as a whole and cannot be reasonably allocated using standard operational metrics.

In 2023, Hildebrand Consulting conducted a comprehensive review of the cost allocation methodology to improve transparency and alignment. The report is available on the District's website.

The following allocation percentages are applied for Fiscal Year 2027:

**COST ALLOCATION BASED ON FY 2025 OPERATING EXPENSES  
FY 2027 BUDGET**

Cost Center	Code	Audited Amount (\$)	Allocation %	Prior Year %
Marina Water	MW	5,141,168	24%	28%
Marina Sewer	MS	1,280,214	6%	5%
Ord Water	OW	11,626,504	56%	55%
Ord Sewer	OS	2,655,857	13%	11%
Recycled Water	RW	172,279	1%	1%
<b>Total</b>		<b>20,876,022</b>	<b>100%</b>	<b>100%</b>



Valve operation and maintenance—ensuring proper flow control and reliable water system performance.

# RATES, FEES AND CHARGES

The District's rates, fees, and charges are established to ensure the financial sustainability of utility operations while maintaining fairness, transparency, and compliance with applicable regulations. These revenues support the full cost of providing water, sewer, and recycled water services, including day-to-day operations, infrastructure maintenance, capital improvements, and long-term water supply reliability. The rate structure is designed to align with the cost of service, ensuring that customers pay their equitable share based on usage and system demands.

Rates and charges are periodically reviewed and adjusted in accordance with the District's adopted rate study to reflect changes in operating costs, capital needs, regulatory requirements, and economic conditions. This structured approach helps maintain stable and predictable revenue streams while minimizing sudden rate impacts to customers. Fees such as capacity charges, connection fees, and other service-related charges are implemented to ensure that new development and specific services are appropriately funded without placing undue burden on existing ratepayers.

Through careful planning and adherence to Board-approved financial policies, the District's rates, fees, and charges provide a reliable foundation for delivering essential services. This framework supports ongoing investment in infrastructure, promotes efficient water use, and ensures compliance with legal requirements, including cost-of-service principles and applicable provisions governing public utility rates.

# Marina Rates, Fees, and Charges

Rates, fees, and charges for the Marina service area are established to support the delivery of safe, reliable, and sustainable water, wastewater, and recycled water services. These charges are structured to recover the full cost of operations, maintenance, infrastructure improvements, and regulatory compliance, while maintaining financial stability and long-term system resiliency. The rate structure is guided by the District’s adopted rate study and is periodically reviewed to ensure alignment with service demands, capital investment needs, and changing economic conditions.

## Marina Water Schedule of Rates (Effective July 1, 2026)

Single Family Consumption Charge (\$/HCF)	Amount in \$
Tier 1 <sup>1</sup>	6.28
Tier 2	10.08

Multi-Family and Non-Residential Consumption Charge (\$/HCF)	Amount in \$
Uniform Rate	6.68

<sup>1</sup> For the first 10 HCF per month.

### Fixed Monthly Service Charge (Effective July 1, 2026)

Meter Size	Amount in \$
5/8" & 3/4"	60.90
1"	93.69
1.5"	175.69
2"	274.09
3"	536.49
4"	831.67
6"	1,651.67
8"	2,635.65
10"	4,603.61
12"	6,899.57

### Marina Sewer Schedule Of Rates (Effective July 1, 2026)

Type of Charge	Amount in \$
Fixed Monthly Charges (\$/EDU)	12.50
Flow-based Charges (\$/HCF)	2.45

### Marina Monthly Private Fire Meter Charge (Effective July 1, 2026)\*

Meter Size	Amount in \$
1"	2.18
1.5"	6.32
2"	13.50
2.5"	24.25
3"	39.20
4"	83.51
6"	242.59
8"	516.95

\*Increase based on a 2.5% increase in the Consumer Price Index (CPI) between Feb 2025 and Feb 2026.

### Temporary Water Service (Effective July 1, 2026)\*

Type of Charge	Amount in \$
Meter Deposit Fee	856
Hydrant Meter Fee (Set/Remove, one-time fee)	Actual Cost
Hydrant Meter Fee (Relocate fee, per occurrence)	Actual Cost
Minimum Monthly Service Charge, per month	129
Estimated Water Consumption Deposit (minimum)	1,444

### Capacity Charges (Effective July 1, 2026)\*\*

Type of Charge	Amount in \$
Water Capacity Fee	7,125
Sewer Capacity Fee	2,775

### Typical Monthly Bill - Marina (Effective July 1, 2026)

Charge Type	July 1, 2025	July 1, 2026	Change in \$
Fixed Water Charge- 3/4"	50.75	60.90	10.15
Consumption - 6 HCF	31.38	37.68	6.30
<b>Total Water Charge</b>	<b>82.13</b>	<b>98.58</b>	<b>16.45</b>
Fixed Sewer charge	10.87	12.50	1.63
Sewer Flow (5 HCF)	10.65	12.25	1.60
<b>Total Sewer Charge</b>	<b>21.52</b>	<b>24.75</b>	<b>3.23</b>
<b>Total Charge</b>	<b>103.65</b>	<b>123.33</b>	<b>19.68</b>

\*Increase based on a 2.5% increase in the Consumer Price Index (CPI) between Feb 2025 and Feb 2026.

\*\*Per District Ordinance 6.08.090 Section B, each July 1st, Capacity Charges will be adjusted by an increment based on the change in the Engineering News Record-City Average Construction Index (CCI) over the prior year, using the index published for the first quarter of the calendar year, and rounding to the nearest \$25. The average CCI for the first quarter of 2026 is 2.72%.



Manhole repair project—improving system safety and reliability of the wastewater infrastructure.

# Ord Rates, Fees, and Charges

Rates, fees, and charges for the Ord service area are structured to ensure the full and independent recovery of costs associated with providing water, wastewater, and recycled water services. In accordance with established agreements and District requirements, the Ord system operates as a separate cost center, with revenues and expenses maintained independently from other service areas. Charges are based on the adopted rate study and are designed to support ongoing operations, infrastructure maintenance, capital improvements, and regulatory compliance, while ensuring long-term financial sustainability and system reliability.

## Ord Water Schedule of Rates (Effective July 1, 2026)

Single Family Consumption Charge (\$/HCF)	Amount in \$
Tier 1 <sup>1</sup>	8.22
Tier 2	12.55

Multi-Family and Non-Residential Consumption Charge (\$/HCF)	Amount in \$
Uniform Rate	8.83

<sup>1</sup> For the first 10 HCF per month.

### Fixed Monthly Service Charge (Effective July 1, 2026)

Meter Size	Amount in \$
5/8" & 3/4"	63.33
1"	95.12
1.5"	174.62
2"	270.00
3"	524.35
4"	810.52
6"	1,605.40
8"	2,559.26
10"	4,466.98
12"	6,692.66

### Ord Sewer Schedule Of Rates (Effective July 1, 2026)

Type of Charge	Amount in \$
Fixed Monthly Charges (\$/EDU)	22.22
Flow-based Charges (\$/HCF)	4.35

### Ord Monthly Private Fire Meter Charge (Effective July 1, 2026)\*

Meter Size	Amount in \$
1"	3.13
1.5"	9.10
2"	19.42
2.5"	34.91
3"	56.39
4"	120.14
6"	348.97
8"	743.69

\*Increase based on a 2.5% increase in the Consumer Price Index (CPI) between Feb 2025 and Feb 2026.

### Temporary Water Service (Effective July 1, 2026)\*

Type of Charge	Amount in \$
Meter Deposit Fee	856
Hydrant Meter Fee (Set/Remove, one-time fee)	Actual Cost
Hydrant Meter Fee (Relocate fee, per occurrence)	Actual Cost
Minimum Monthly Service Charge, per month	129
Estimated Water Consumption Deposit (minimum)	1,444

### Capacity Charges (Effective July 1, 2026)\*\*

Type of Charge	Amount in \$
Water Capacity Fee	14,525
Sewer Capacity Fee	3,750

### Cal-AM Wheeling Charge (Effective July 1, 2026)\*\*\*

Type of Charge	Amount in \$
Wheeling Charge (per month)	3,317.77

### Water Allocation Fee\*

Type of Charge	Amount in \$
Ord Water Allocation Fee	5.50 per Acre Feet

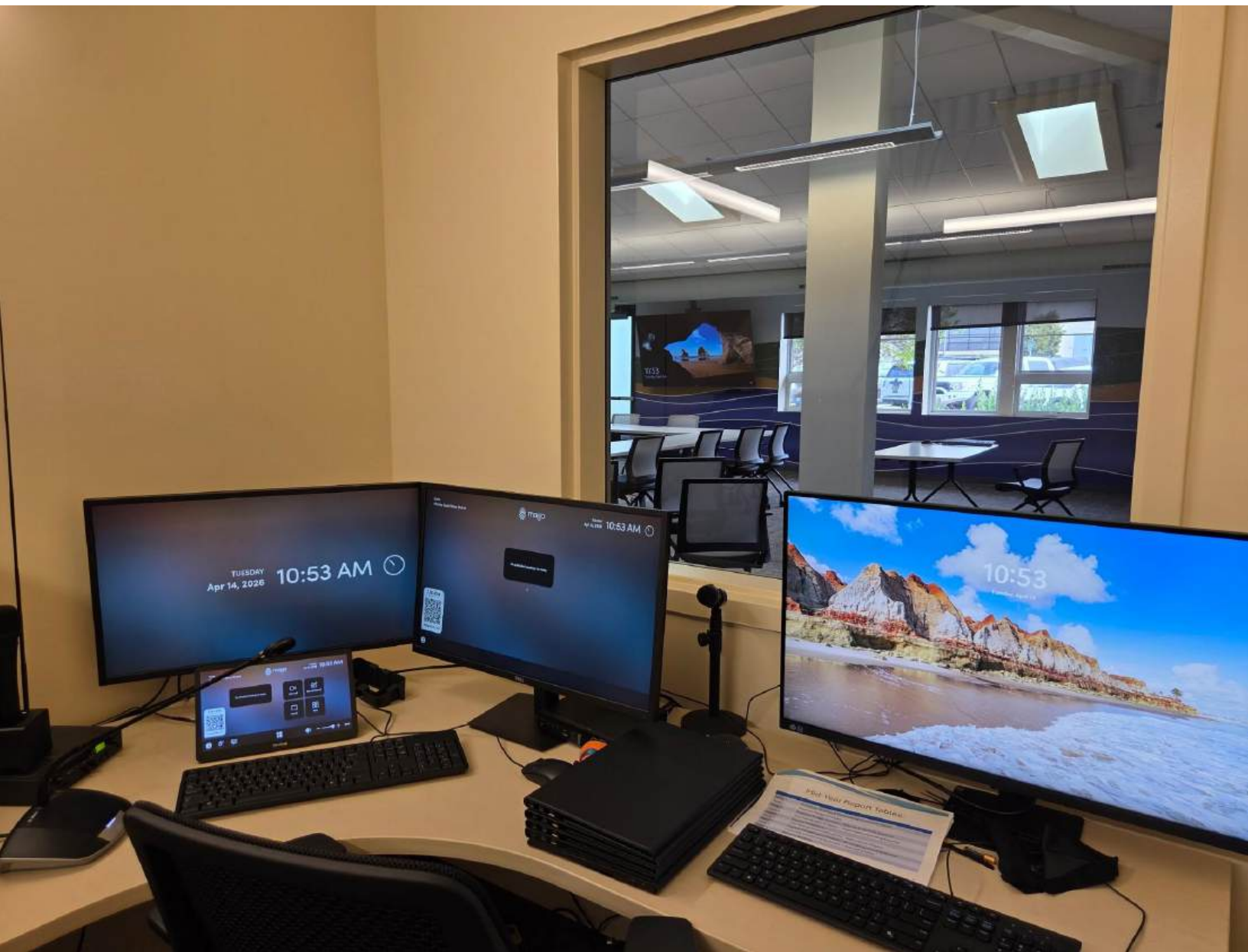
\*Increase based on a 2.5% increase in the Consumer Price Index (CPI) between Feb 2025 and Feb 2026.

\*\*Per District Ordinance 6.08.090 Section B, each July 1st, Capacity Charges will be adjusted by an increment based on the change in the Engineering News Record-City Average Construction Index (CCI) over the prior year, using the index published for the first quarter of the calendar year, and rounding to the nearest \$25. The average CCI for the first quarter of 2026 is 2.72%.

\*\*\* Computed based on the average CCI for 1st Quarter 2026 (2.72%). Effective July 1, 2026 as per agreement with California American Water Company.

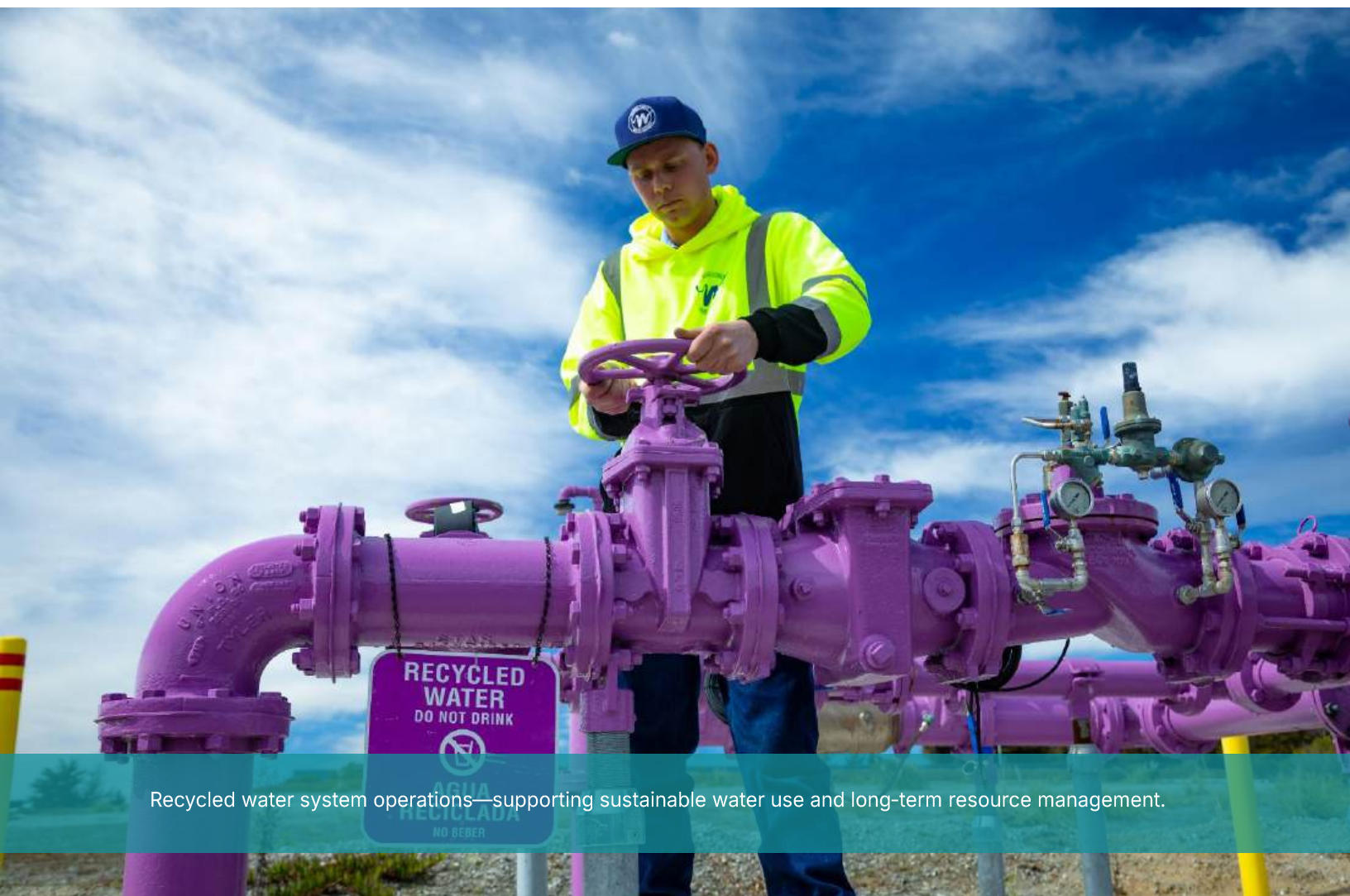
## Typical Monthly Bill – Ord (Effective July 1, 2026)

Charge Type	July 1, 2025	July 1, 2026	Change in \$
Fixed Water Charge- 3/4"	57.57	63.33	5.76
Consumption - 6 HCF	44.82	49.32	4.50
<b>Total Water Charge</b>	<b>102.39</b>	<b>112.65</b>	<b>10.26</b>
Fixed Sewer Charge	21.37	22.22	0.85
Sewer Flow (5 HCF)	20.90	21.75	0.85
<b>Total Sewer Charge</b>	<b>42.27</b>	<b>43.97</b>	<b>1.70</b>
<b>Total Charge</b>	<b>144.66</b>	<b>156.62</b>	<b>11.96</b>



# Recycled Water Rates, Fees, and Charges

Rates, fees, and charges for recycled water are established to support the expansion and long-term sustainability of recycled water as a water supply strategy. These charges are designed to recover the costs of distribution, system maintenance, and ongoing capital investments required to deliver reliable non-potable water for irrigation and other approved uses. The rate structure reflects the District's commitment to maximizing beneficial reuse, reducing reliance on potable water supplies, and meeting regulatory requirements, while remaining consistent with the adopted rate study and long-term financial planning objectives.



Recycled water system operations—supporting sustainable water use and long-term resource management.

**Recycled Water Schedule of Rates  
(Effective July 1, 2026)**

<b>Consumption Charge (\$/HCF)</b>	<b>Amount in \$</b>
Per HCF	7.83

**Fixed Monthly Service Charge (Effective July 1, 2026)**

<b>Meter Size</b>	<b>Amount in \$</b>
5/8" & 3/4"	60.78
1"	86.17
1.5"	149.69
2"	225.91
3"	467.22
4"	822.86
6"	1,673.87
8"	3,579.09
10"	5,175.65
12"	6,525.45

**Capacity Charges (Effective July 1, 2026)\***

<b>Type of Charge</b>	<b>Amount in \$</b>
Recycled Water Capacity Fee	5,725

\*Per District Ordinance 6.08.090 Section B, each July 1st, Capacity Charges will be adjusted by an increment based on the change in the Engineering News Record-City Average Construction Index (CCI) over the prior year, using the index published for the first quarter of the calendar year, and rounding to the nearest \$25. The average CCI for the first quarter of 2026 is 2.72%

# General Rates, Fees and Charges

## Staff Rates (Effective July 1, 2026)

Job Title	Adopted FY 2027 Rate (\$)
<b>Administration</b>	
General Manager	267
Director of Administrative Services	207
<b>Engineering</b>	
District Engineer	207
Senior Engineer	162
Senior Project Engineer	156
Associate Engineer	112
Assistant Engineer	96
Engineering Technician	76
Engineering Administrative Assistant	89
<b>Operations &amp; Maintenance</b>	
O&M Manager	174
O&M Supervisor	156
O&M Coordinator	90
Operations & Maintenance System Lead Operator	130
Operations & Maintenance System Operator II	118
Operations & Maintenance System Operator I	103
Meter Reader	81
Cross Connection Control Specialist	89
<b>Water Resources/Conservation</b>	
Water Resources Manager	174
Conservation Specialist	122
Water Resources Technician	76

### Water Meter Connection Fee (Effective July 1, 2026)\*

Meter Size	Amount in \$
3/4	642
1	737
1 ½	831
2	1,284
3 and larger	Actual direct and indirect costs to the District

### Other Fees And Charges (Effective July 1, 2026)\*

Charge Type	Rate (\$)
<b>Plan Review Fees:</b>	
Existing Residential modifications/additions	370
Existing Commercial modifications/additions	739
Small Projects	924
<b>Construction Inspection Fees:</b>	
Small Project (Single lot)	739
Large Project	924
<b>Permit Fees:</b>	
Water/Sewer Permit Fee (each)	93
New Service Tap Inspection Review Fee	528
Industrial Water Discharge Permit Fee (per year)	139
<b>Other Charges:</b>	
Preliminary Project Review (large projects)**, ***	924
Deposit for a Meter Relocation	211
Mark and Locate Fee (USA Markings)	135
GSA Pumping Fee (Per ac/ft)****	332

\*Increase based on a 2.5% increase in the Consumer Price Index (CPI) between Feb 2025 and Feb 2026.

\*\*Fees are subject to additional personnel costs as needed. Please refer to the previous page for hourly rate information.

\*\*\*These are for projects that do not require an infrastructure agreement.

\*\*\*\* Computed based on the average CCI for 1st Quarter 2026 (2.72%). Effective July 1, 2026 as per agreement with California American Water Company.

Charge Type	Rate (\$)
Deposit for New Account/Re-Establish Account	48
Meter Test Fee	43
Penalty	10%
Photocopy charges	.25/ per sheet

<b>Returned Check Fee*</b>	
For the first incident	25
For each subsequent occurrence	35

Charge Type	Rate (\$)
Backflow/Cross Connection Control Fee	136
Additional Backflow/Cross Connection Device	90

\*Per California Civil Code Section 1719, a \$25 fee will be charged for any check returned due to insufficient funds, and \$35 for each subsequent NSF occurrence.



Corporation Yard demolition—clearing outdated structures to make way for future facility improvements and operational upgrades.



The District's Imjin Office building serves as a central hub for Administration, Finance, Engineering, and Customer Service, bringing key functions together to support efficient operations and responsive service to the community.

# FY 2027 BUDGET SUMMARY

The Fiscal Year 2027 Budget Summary reflects a balanced and forward-looking financial plan that supports core operations, infrastructure investment, and long-term water reliability. Total revenues and other sources are projected at approximately \$60.0 million, driven primarily by water and sewer service charges, along with grant funding, capacity fees, and capital-related revenues tied to development and system expansion.

Operating revenues continue to serve as the foundation of the District's financial stability, providing consistent and predictable funding to support day-to-day operations, maintenance activities, and essential customer services. These revenues are supported by the District's adopted rate structure, which is designed to ensure cost recovery while maintaining affordability and long-term financial sustainability. At the same time, non-operating sources, including grants, developer contributions, and debt financing—play a critical role in advancing the District's Capital Improvement Program (CIP) and strengthening system resiliency.

This diversified revenue structure allows the District to strategically invest in infrastructure renewal and replacement, regulatory compliance, and emerging priorities such as energy resiliency and cybersecurity. It also supports key long-term initiatives, including the continued expansion of recycled water as a primary and sustainable supply strategy. By aligning financial resources with operational and strategic goals, the FY 2027 Budget positions the District to maintain reliable service, meet future demand, and adapt to evolving environmental and regulatory challenges.

## FY 2027 Budget Summary (Revenue and Other Sources)

Revenue and Other Sources	Marina Water (\$)	Marina Sewer (\$)	Ord Water (\$)	Ord Sewer (\$)	Recycled Water (\$)	GSA (\$)	Total (\$)
Water Sales	7,399,000	-	13,586,000	-	-	-	20,985,000
Sewer Sales	-	2,291,000	-	5,156,000	-	-	7,447,000
Recycled Water Sales	-	-	-	-	1,845,000	-	1,845,000
Developer Fees	125,000	125,000	260,000	260,000	-	-	770,000
Water Allocation Fee	-	-	25,700	-	-	-	25,700
Water Source Fees	-	-	-	-	-	1,163,000	1,163,000
Other Fees & Charges	374,500	17,200	825,900	24,400	-	-	1,242,000
<b>Total - Operating Revenues</b>	<b>7,898,500</b>	<b>2,433,200</b>	<b>14,697,600</b>	<b>5,440,400</b>	<b>1,845,000</b>	<b>1,163,000</b>	<b>33,477,700</b>
Capacity Charge/Capital Surcharge	1,318,000	378,200	3,481,800	1,002,000	-	-	6,180,000
Interest Revenue	317,800	407,800	976,400	579,300	338,500	36,200	2,656,000
Other Revenue	159,300	54,000	409,000	113,000	195,900	-	931,200
Grant Revenue	2,326,100	12,200	12,740,200	5,600	31,200	-	15,115,300
2024 Bond Proceeds	160,000	-	1,603,400	-	-	-	1,763,400
MCWD Internal Loan	-	-	-	103,600	-	-	103,600
<b>Total - Non-Operating Revenues</b>	<b>4,281,200</b>	<b>852,200</b>	<b>19,210,800</b>	<b>1,803,500</b>	<b>565,600</b>	<b>36,200</b>	<b>26,749,500</b>
<b>Total Revenue and other sources</b>	<b>12,179,700</b>	<b>3,285,400</b>	<b>33,908,400</b>	<b>7,243,900</b>	<b>2,410,600</b>	<b>1,199,200</b>	<b>60,227,200</b>

## FY 2027 Budget Summary (Expenses and Other Uses)

Expenses and Other Uses	Marina Water (\$)	Marina Sewer (\$)	Ord Water (\$)	Ord Sewer (\$)	Recycled Water (\$)	GSA (\$)	Total (\$)
Salaries & Benefits	3,021,360	1,118,635	6,595,296	1,911,149	65,011	77,058	12,788,509
Department Expense	4,444,959	958,320	9,445,417	2,259,045	2,059,345	925,000	20,092,086
Interest Expense	245,186	275,358	1,131,502	363,917	648,737	-	2,664,700
Capital Improvement Projects	3,334,600	2,672,300	24,075,600	95,400	123,300	72,000	30,373,200
Principal Debt Service	237,048	110,578	751,550	355,074	1,131,591	-	2,585,841
Capital Equipment	357,540	65,460	763,460	251,480	13,060	-	1,451,000
Net Transfer - Capital Replacement Reserve	-	-	-	-	-	-	-
Net Transfer - Capacity Fee	211,415	(2,585,656)	(8,051,341)	698,495	(123,300)	-	(9,850,387)
Net Transfer - Operating Reserve	327,592	670,405	(803,084)	1,309,340	(1,507,144)	125,142	122,251
<b>Total Expenses &amp; Other Uses</b>	<b>12,179,700</b>	<b>3,285,400</b>	<b>33,908,400</b>	<b>7,243,900</b>	<b>2,410,600</b>	<b>1,199,200</b>	<b>60,227,200</b>



District Conservation Specialist—supporting sustainable landscaping and water-efficient practices across the community.

# BUDGET COMPARISON & FINANCIAL TRENDS

## Statement of Net Position

The Statement of Net Position provides a clear snapshot of the District's financial position and reflects how resources are structured to support ongoing operations, infrastructure investment, and long-term sustainability. Net position is organized into three components:

### 1. Net Investment in Capital Assets

This component reflects the District's investment in critical infrastructure, including water, wastewater, and recycled water systems. It includes capital assets, net of accumulated depreciation, and reduced by outstanding debt used to finance those assets.

Unspent debt proceeds at year-end are excluded from this calculation. Deferred outflows and inflows related to capital assets or associated debt are included, as applicable. This category highlights the District's continued focus on maintaining and improving essential infrastructure.

### 2. Restricted Net Position

Restricted net position represents resources that are set aside for specific purposes based on external requirements, including debt covenants, grant conditions, and regulatory obligations.

These funds are used only for their intended purposes, ensuring compliance and accountability. When both restricted and unrestricted resources are available, restricted funds are applied first.

### 3. Unrestricted Net Position

Unrestricted net position represents the remaining resources available to support operations, address emerging needs, and fund priorities established by the Board.

This component provides the flexibility needed to manage day-to-day operations while maintaining financial stability and responding to changing conditions.

## Projected Statement of Revenues, Expenses, and Changes In Net Position

The Statement of Net Position presented in this budget is intended for informational and comparative purposes only and may not fully reconcile to the budget schedules. Variances may exist due to differences in account classifications, reporting methodology, and presentation format between budgetary reporting and financial statement reporting.

	Marina Water (\$)	Marina Sewer (\$)	Ord Water (\$)	Ord Sewer (\$)	Recycled Water (\$)	GSA (\$)	Total (\$)
<b>OPERATING REVENUES</b>							
Water Services	6,138,600	-	13,105,400	-	1,400,000	-	20,644,000
Wastewater Services	-	1,995,800	-	4,700,000	-	-	6,695,800
Other Services and Fees	220,000	23,700	529,200	39,600	1,500	1,100,000	1,914,000
Developer Capacity and Connection Fees	123,300	82,700	4,612,900	1,158,900	2,200	-	5,980,000
<b>Total Operating Revenues</b>	<b>6,481,900</b>	<b>2,102,200</b>	<b>18,247,500</b>	<b>5,898,500</b>	<b>1,403,700</b>	<b>1,100,000</b>	<b>35,233,800</b>
<b>OPERATING EXPENSES</b>							
Districtwide	201,155	33,196	391,811	69,052	4,896	-	700,110
Administrative	2,520,924	360,860	4,873,470	793,819	74,572	-	8,623,644
Operations and Maintenance	1,753,615	670,853	2,995,780	1,253,581	27,762	-	6,701,591
Laboratory	85,415	-	177,321	-	2,504	-	265,240
Water Resources - Conservation	131,889	-	257,040	-	-	-	388,929
Engineering	605,813	203,583	1,392,920	404,602	135,350	-	2,742,268
Information Technology	93,500	27,919	238,659	41,507	32,339	-	433,924
Water Resources - Districtwide	427,070	-	864,834	-	-	-	1,291,904

	Marina Water (\$)	Marina Sewer (\$)	Ord Water (\$)	Ord Sewer (\$)	Recycled Water (\$)	GSA (\$)	Total (\$)
Water Resources - GSA	-	-	-	-	-	851,281	851,281
Depreciation and amortization	1,084,440	193,650	2,130,150	426,030	38,730	-	3,873,000
<b>Total Operating Expenses</b>	<b>6,903,821</b>	<b>1,490,061</b>	<b>13,321,985</b>	<b>2,988,591</b>	<b>316,153</b>	<b>851,281</b>	<b>25,871,891</b>
<b>Operating income (loss)</b>	<b>(421,921)</b>	<b>612,140</b>	<b>4,925,516</b>	<b>2,909,909</b>	<b>1,087,547</b>	<b>248,719</b>	<b>9,361,909</b>
<b>NON-OPERATING REVENUES (EXPENSES)</b>							
Lease Revenue	89,988	25,711	175,694	44,994	-	-	336,387
Gain (loss) on sales of assets	-	-	-	-	-	-	-
Contributions to other agencies	-	-	-	-	(1,327,800)	-	(1,327,800)
Investment income	291,700	374,500	895,800	639,400	309,500	-	2,510,900
Interest expense	(308,292)	(315,573)	(1,401,542)	(468,246)	(747,663)	-	(3,241,316)
<b>Total Non-Operating Revenues (Expenses)</b>	<b>73,396</b>	<b>84,638</b>	<b>(330,048)</b>	<b>216,148</b>	<b>(1,765,963)</b>	<b>-</b>	<b>(1,721,829)</b>
<b>Income (loss) before capital contributions</b>	<b>(348,525)</b>	<b>696,778</b>	<b>4,595,468</b>	<b>3,126,057</b>	<b>(678,416)</b>	<b>248,719</b>	<b>7,640,080</b>

	Marina Water (\$)	Marina Sewer (\$)	Ord Water (\$)	Ord Sewer (\$)	Recycled Water (\$)	GSA (\$)	Total (\$)
<b>CAPITAL CONTRIBUTIONS</b>							
Grants	1,038	11,407	57,036	5,183	29,036	2,570,249	2,673,949
Developer capacity and connection fees	-	-	-	-	-	-	-
<b>Total Capital Contributions</b>	<b>1,038</b>	<b>11,407</b>	<b>57,036</b>	<b>5,183</b>	<b>29,036</b>	<b>2,570,249</b>	<b>2,673,949</b>
<b>Change in net position</b>	<b>(347,487)</b>	<b>708,185</b>	<b>4,652,504</b>	<b>3,131,240</b>	<b>(649,380)</b>	<b>2,818,968</b>	<b>10,314,029</b>
<b>Total Net Position - Beginning</b>	<b>12,844,844</b>	<b>9,024,551</b>	<b>123,365,125</b>	<b>67,971,696</b>	<b>19,380,093</b>	<b>2,146,494</b>	<b>234,732,803</b>
<b>Total Est. Net position - Ending</b>	<b>12,497,357</b>	<b>9,732,736</b>	<b>128,017,629</b>	<b>71,102,936</b>	<b>18,730,713</b>	<b>4,965,462</b>	<b>245,046,832</b>



Routine Maintenance—ongoing inspections, repairs, and preventative work keep the District's water and wastewater systems operating safely, efficiently, and reliably every day.

# FY 2027 Budget Comparison

## Multi-Year Revenue Comparison

Category	FY27 – Adopted Budget (\$)	FY26 Budget (\$)	FY26 Est. Actuals (\$)	FY25 Actuals (\$)	Bud vs Bud % Change
Water Sales	20,985,000	17,915,400	18,684,000	15,245,284	17%
Sewer Sales	7,447,000	6,708,000	6,695,800	5,653,972	11%
Recycled Water Sales	1,845,000	1,757,000	1,400,000	1,279,329	5%
Developer Revenue	770,000	502,000	500,000	861,615	53%
Water Source Fees	1,163,000	1,093,522	1,100,000	1,110,660	6%
Water Allocation Fee	25,700	-	-	-	0%
Other Fees & Charges	1,242,000	917,200	1,185,000	1,168,324	35%
Capacity Charge/Capital Surcharge	6,180,000	6,069,800	5,480,000	7,196,113	2%
Interest Revenue	2,656,000	1,951,000	2,401,900	2,356,303	36%
Other Revenue	931,200	922,189	827,876	6,397,172	1%
2024 Bond Proceeds	1,763,400	12,335,000	8,969,550	4,475,074	-86%
Grant Revenue	15,115,300	3,714,170	2,673,949	1,608,133	307%
MCWD - Internal Loan	103,600	109,000	109,000	114,000	-5%
<b>Grand Total</b>	<b>60,227,200</b>	<b>53,994,281</b>	<b>50,027,075</b>	<b>47,465,979</b>	<b>12%</b>

## Operating Revenue

Operating revenues are generated through the District's core services and ongoing activities that support water delivery, wastewater collection, and recycled water operations.

- **Water Sales:** Revenue from potable water service provided to single-family, multi-family, commercial, government, and hydrant customers.
- **Sewer Sales:** Revenue from residential and non-residential wastewater collection services.
- **Recycled Water Sales:** Revenue generated through recycled water rates and service agreements.
- **Developer Fees:** Reimbursements associated with developer-funded infrastructure and related costs.
- **Water Source Fees:** Fees collected by the MCWD Groundwater Sustainability Agency to support groundwater management activities and projects.
- **Water Allocation Fee:** A charge assessed to manage remaining water allocation assigned to jurisdictions. This annual fee supports the ongoing tracking, administration, and enforcement of jurisdiction-specific water allocations. Revenues help ensure that usage remains within assigned limits, maintain compliance with regulatory and contractual requirements, and promote the sustainable use of available water supplies.
- **Other Fees and Charges:** Includes fire service charges, backflow prevention fees, late fees, plan check fees, permit fees, and other service-related charges.

## Non-Operating Revenue and Other Sources

Non-operating revenues and other sources support capital investment, financial stability, and long-term planning beyond routine operations.

- **Capacity Fees and Capital Surcharges:** Capacity fees are one-time charges for new developments connecting to the District's water and sewer systems. Capital surcharges are fixed monthly charges applied to certain developments connected between July 1, 2005, and July 1, 2014.
- **Interest Income:** Earnings from cash balances and investments, including savings accounts, money market funds, and other fixed-income instruments.
- **Other Revenues:** Includes deferred revenue, rental income, and grant funding received during the fiscal year.
- **2024 Bond Proceeds:** Debt financing issued to fund capital improvement projects and support long-term infrastructure needs.
- **Grants Revenue:** Anticipated grant funding from federal, state, or regional sources to support specific projects and initiatives.
- **MCWD Internal Loan:** Internal financing between the Recycled Water Fund and the Ord Sewer Fund to support project delivery and cash flow management.

## Multi-Year Expenses Comparison

Category	FY27 – Adopted Budget (\$)	FY26 Budget (\$)	FY26 Est. Actuals (\$)	FY25 Actuals (\$)	Bud vs Bud % Change
Salaries & Benefits	12,788,509	10,858,896	9,636,120	8,991,575	18%
Department Expense	20,092,086	19,256,246	17,563,571	14,928,918	4%
Interest Expense	2,664,700	2,959,756	2,938,827	2,480,027	-10%
Capital Equipment	1,451,000	400,000	383,152	753,476	263%
Capital Improvement Projects*	30,373,200	22,605,000	21,665,039	9,725,943	34%
Principal Debt Service	2,585,841	2,287,576	2,287,576	2,032,831	13%
Net Transfer - Capital Replacement Reserve	-	1,557,190	-	(1,645,866)	-100%
Net Transfer - Capacity Fee	(9,850,387)	(5,554,362)	(4,560,788)	915,602	77%
Net Transfer - Operating Reserve	122,251	(4,307,898)	(966,258)	9,240,147	-103%
<b>Total Expenses</b>	<b>60,227,200</b>	<b>50,062,404</b>	<b>48,947,239</b>	<b>47,422,653</b>	<b>20%</b>

\*The FY26 Capital Improvement Projects budget presented in the table reflects the original adopted budget of \$22.6 million. The CIP budget was subsequently amended during FY26 to \$38.0 million.

## Operating Expenses

Operating expenses represent the ongoing costs required to deliver water, wastewater, and recycled water services, maintain infrastructure, and support daily operations.

- **Salaries and Benefits:** Includes employee wages and benefits such as health insurance, retirement contributions, workers' compensation, disability, and life insurance.
- **Department Expenses:** Includes administrative and office expenses, operating supplies, maintenance and repair costs, information technology services, professional services, and other operational costs.
- **Interest Expense:** Interest payments associated with outstanding debt used to finance capital improvements and infrastructure.

## Non-Operating Expenses and Other Uses

Non-operating expenses and other uses reflect investments in infrastructure, debt obligations, and financial planning activities that support long-term system reliability and sustainability.

- **Capital Improvement Program (CIP) and Capital Equipment:** Investments in infrastructure projects and capital equipment necessary to maintain, replace, and expand system capacity.
- **Principal Debt Service:** Debt payments applied to the principal balance of bonds and loans.
- **Transfer to/from Capacity Fees:** Use of capacity fee revenues to fund infrastructure improvements required to support new development and system expansion.
- **Transfer to/from Capital Replacement Reserve:** Contributions to reserves designated for future capital equipment replacement and infrastructure renewal, consistent with the District's reserve policy.
- **Transfer To/from Reserves, Net:** Net transfers between reserve funds to support operational needs, capital planning, and financial stability.



Routine Maintenance—ongoing inspections, repairs, and preventative work keep the District’s water and wastewater systems operating safely, efficiently, and reliably every day.

# DISTRICT DEPARTMENT OVERVIEW

The Marina Coast Water District is organized to support the full range of services required to deliver safe, reliable, and sustainable water, wastewater, and recycled water operations. Its structure integrates financial management, customer service, infrastructure planning, system operations, and resource stewardship into a coordinated framework that supports both daily operations and long-term strategic goals. This integrated approach ensures that services are delivered efficiently while maintaining regulatory compliance and operational reliability.

In FY 2027, the District continues to strengthen this model through targeted organizational enhancements, including strategic staffing adjustments, internal restructuring, and the formalization of Information Technology as a standalone division. These efforts improve coordination, enhance accountability, and better align technology, data, and business processes with service delivery needs. As operations become more complex, the District is placing greater emphasis on data-driven decision-making, system integration, and cybersecurity to support efficient and resilient operations.

The District remains focused on optimizing existing resources while maintaining fiscal discipline. Investments in staffing, infrastructure, and technology are carefully evaluated to ensure long-term value and alignment with the District's strategic priorities. This balanced approach positions the District to effectively meet current service demands while preparing for future growth, regulatory requirements, and evolving community needs.

# Administration Department

The Administration Department serves as the organizational backbone of the Marina Coast Water District, providing the structure and support needed for the District to operate effectively. It brings together key functions—including Information Technology, Customer Service, Finance, and Human Resources—under a unified framework that supports daily operations, organizational continuity, and consistent service delivery.

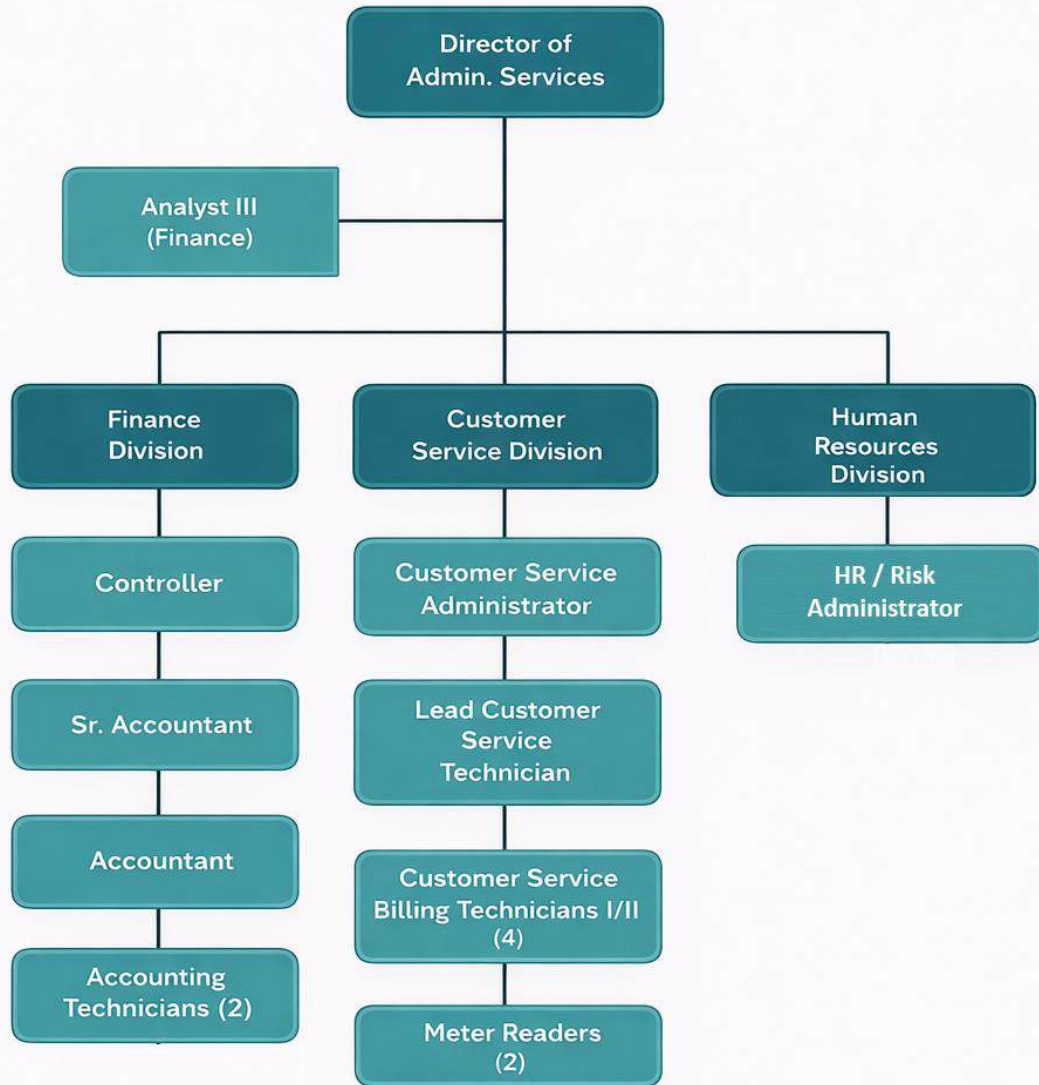
In FY 2027, the Department continues to strengthen coordination, streamline processes, and enhance service delivery through targeted staffing and technology improvements. The formalization of Information Technology as its own division reflects the growing importance of cybersecurity, data management, and enterprise systems in supporting District operations.

Working closely with all areas of the District, Administration ensures consistency in processes, communication, and support services. This integrated approach enables efficient operations, informed decision-making, and alignment with the District's strategic goals.

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## ADMINISTRATION DEPARTMENT ORGANIZATIONAL CHART

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# Finance Division

The Finance Division provides the financial foundation of the Marina Coast Water District, supporting the organization through structured oversight and fiscal coordination. As part of the Administration Department, it plays a key role in maintaining the District's fiscal health and ensuring that financial operations are carried out in a consistent, transparent, and accountable manner.

The division is responsible for managing core financial activities, including budgeting, financial planning, accounting, payroll, and financial reporting. It supports the preparation and monitoring of the annual budget, oversees accounts payable and receivable, manages cash flow and investments, and coordinates audit activities. The Finance Division also ensures compliance with applicable laws and regulations while maintaining accurate and timely financial records.

Through ongoing financial analysis and forecasting, the division supports informed decision-making by leadership and the governing board. By maintaining strong internal controls and sound financial practices, the Finance Division contributes to the District's long-term fiscal sustainability and its ability to meet strategic goals.

## FY 2026 Accomplishments

**Strategic Objective 2.2- Tools, systems, processes, policies, culture, and training are up-to-date and support the ability of Staff to perform efficiently and effectively.**

**Strategic Objective 2.3- Technology is used to improve the cost-effectiveness of Management, Administration, Operations, and Maintenance.**

- Continued enhancement of financial systems, including:
  - a. Implemented electronic workflows for payroll functions to improve operational efficiency, enhance internal controls, and reduce reliance on paper-based processes
  - b. Development of ad hoc departmental financial reporting dashboards.
  - c. Fixed asset module migration to Springbrook Cloud platform

- d. Refinement and implementation of a comprehensive capital asset procedure
- Implemented departmental requisition process to refine internal controls for budget availability and contract review.
- Implemented positive pay banking process to supplement preventative internal controls within the AP function.

**Strategic Objective 3.2 – Finances are well managed to provide adequate revenue and avoid volatile rates.**

- Awarded the GFOA Distinguished Budget Presentation Award by enhancing the quality, transparency, and usability of the District's budget documents.
- Earning the GFOA Certificate of Achievement for Excellence in Financial Reporting for the 17th consecutive year (FY24/25 Audit), with no audit findings.

**Strategic Objective 3.4 – A full set of financial policies are in place, reviewed, and updated on a scheduled basis.**

- Revised capital asset policy increasing capitalization threshold

## FY 2025/2026 Finance Division Performance Measures

Performance Measures	FY 2024/2025	FY 2025/2026
Accounts Payable Checks/ACH	2,014	2,028
Journal Entries Processed	4,923	3,933
Payroll Checks/ACH	1,329	1,574
Purchase Orders Issues	1,615	1,257
Accounts Payable Invoices Processed	2,965	2,891
Grants Processed	1 grant, \$867,814 collected	1 grant, \$1,093,362 collected \$103,700 for reimbursement
Annual Audit to the Board by November.	X	X
Clean Audit/Unmodified Opinion – Annual Audit	X	X
Mid-Year Financial Report to the Board by February	X	X
Investment Report Annual Review	X	X
Quarterly Inv. Report to the Board 2 months after Qtr. End	X	X
Operating and CIP Budget Adoption by June	X	X
Number of Agenda Reports	47	51
GFOA Award – Distinguished Budget Presentation Award		X
GFOA Award – ACFR	X	X

The Finance Division demonstrated measurable improvements from FY 2025 to FY 2026 in financial management, process efficiency, and organizational capacity. Key enhancements included the addition of a Finance Controller, improvements to accounts payable and procurement workflows, and progress in asset management. These efforts strengthened internal controls, improved reporting consistency, and supported the District’s long-term financial stability.

## FY 2027 Goals

The Finance Division continues to strengthen the District's operational foundation by improving systems, processes, and financial management practices. Efforts are focused on modernizing tools, enhancing internal controls, and using technology to drive efficiency across management, administration, operations, and maintenance. At the same time, the Division remains committed to maintaining strong financial stability through responsible revenue management, implementation of updated reporting standards, and continuous evaluation of investment strategies.

These initiatives are supported by ongoing updates to financial policies and procedures to ensure alignment with current regulations, industry best practices, and the District's evolving needs. Together, these efforts position the District to operate more efficiently, make informed decisions, and sustain long-term financial health.

### **Strategic Objective 2.2- Tools, systems, processes, policies, culture, and training are up-to-date and support Staff to perform efficiently and effectively.**

- Refine and implement vendor onboarding process for alignment with industry standards and government code to ensure appropriate review and vendor record management.
- Digitize financial forms to improve accessibility, streamline submissions, and support the District's sustainability efforts.

### **Strategic Objective 2.3: Technology is used to improve the cost-effectiveness of Management, Administration, Operations, and Maintenance.**

- Develop and implement a Purchase Order/Accounts Payable (PO/AP) assessment report to streamline processes, improve reporting, and identify opportunities for efficiency.

### **Strategic Objective 3.2 – Finances are well managed to provide adequate revenue and avoid volatile rates.**

- Continue a property easement inventory and valuation project to improve asset tracking and ensure accurate financial reporting.

### **Strategic Objective 3.4 – A full set of financial policies are in place, reviewed, and updated on a scheduled basis.**

- Integrate updates from the vendor onboarding and PO/AP process improvements into formal financial policies and procedures, ensuring consistency, compliance, and regular review cycles.

**Strategic Objective 2.3: Technology is used to improve the cost-effectiveness of Management, Administration, Operations, and Maintenance.**

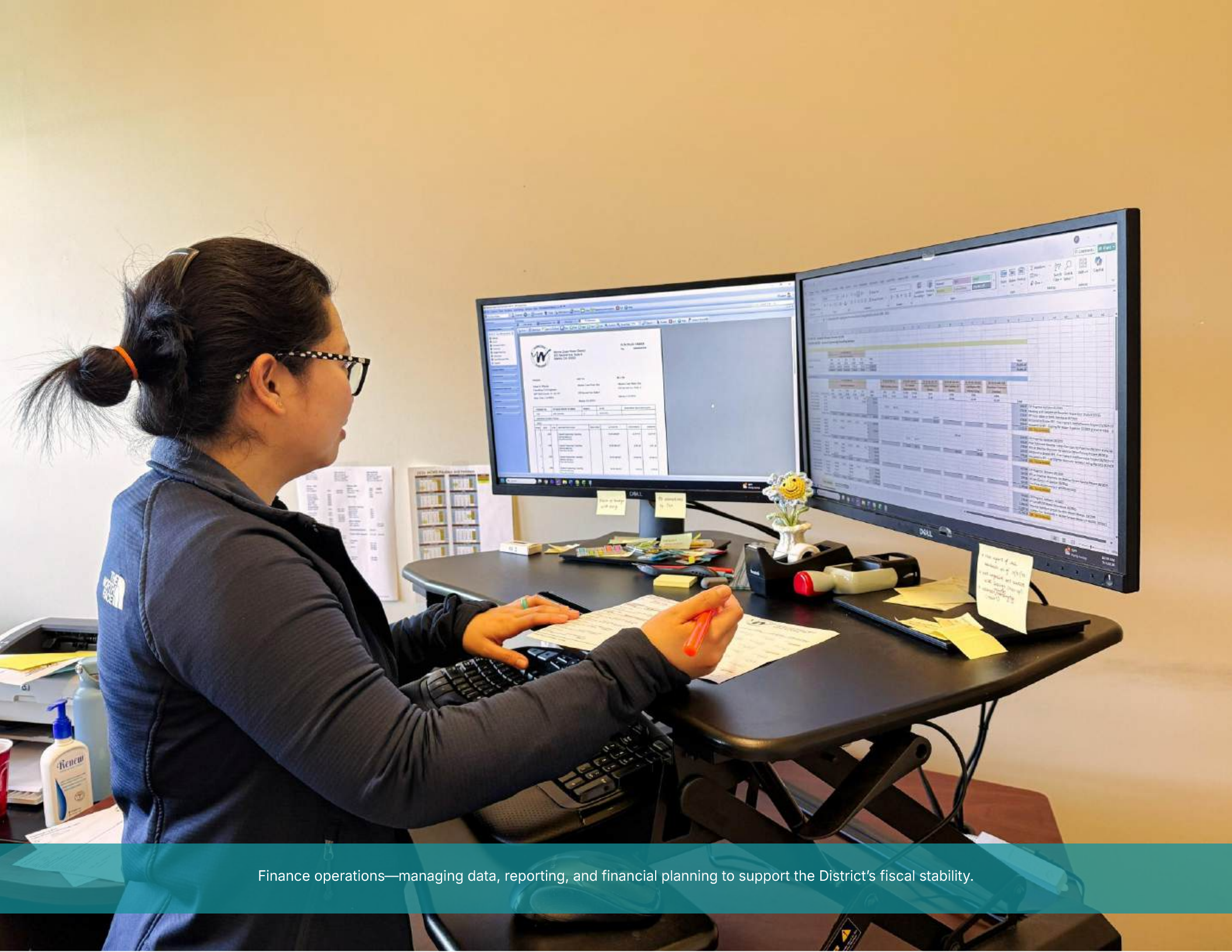
- Drive an enterprise resource planning (ERP) needs assessment project to identify current financial process use case, limitations of current platform, and needs for a future ERP acquisition.

**Strategic Objective 3.2 – Finances are well managed to provide adequate revenue and avoid volatile rates.**

- Implementation of GASB 103, Financial Reporting Model Improvements as part of the financial statements for the fiscal year ended June 30, 2026
- Explore the active investment management structures and potential partners to maximize District investment returns.

**Strategic Objective 3.4 – A full set of financial policies are in place, reviewed, and updated on a scheduled basis.**

- Continue updating and modernizing finance policies to align with current regulations, best practices, and organizational needs including procurement and travel policies.



Finance operations—managing data, reporting, and financial planning to support the District's fiscal stability.



The District's Finance Team—supporting fiscal responsibility, transparency, and long-term financial planning.

# Customer Service Division

The Customer Service and Billing Division serves as the primary interface between the District and its customers and supports reliable service delivery, accurate billing, and consistent revenue collection. The division manages the full lifecycle of customer accounts from service initiation and termination to billing, payments, and issue resolution, while coordinating with operations and other departments to ensure timely and efficient service.

## Key Responsibilities

- **Customer Support:** Provide timely and responsive assistance through phone, email, and in-person interactions for account inquiries, service requests, billing questions, and general information.
- **Billing and Payments:** Prepare and issue accurate water and wastewater bills based on meter data and adopted rates, process payments, and manage delinquent accounts in accordance with District policies.
- **Meter Reading and Data Management:** Coordinate consistent and reliable meter reading and investigate anomalies such as high usage, potential leaks, or equipment issues to maintain data accuracy.
- **Service Orders and Field Coordination:** Schedule and coordinate service activations, disconnections, and field investigations in coordination with Operations and Maintenance staff.
- **Customer Education and Outreach:** Support conservation programs and provide customers with information on water use, efficiency tools, and available resources.
- **Regulatory Compliance:** Ensure all customer service, billing, and collection practices comply with applicable local, state, and federal regulations.

## FY 2026 Accomplishments

**Strategic Objective 5.1 Customers understand the services the District provides, where to learn more, and how to get their questions answered.**

- Enhanced the District website by introducing online Connect and Disconnect service applications, improving access to information and enabling customers to easily initiate or terminate services without visiting the payment center.

- Initiated website traffic analytics tracking to better understand customer behavior and identify opportunities to improve communication, navigation, and overall user experience.

**Strategic Objectives 5.2 The District provides prompt, responsive service to customer needs and requests.**

- Expanded remote payment capabilities through the implementation of new Credit Card Reader POS devices, allowing customers to submit deposits and payments without in-person visits, reducing wait times and improving service efficiency.
- Partnered with Walmart to introduce CheckFreePay services, enabling customers to pay utility bills at retail locations nationwide and improving convenience for those who prefer in-person payment options.

**Strategic Objectives 5.3 Customers understand and support the District and its activities.**

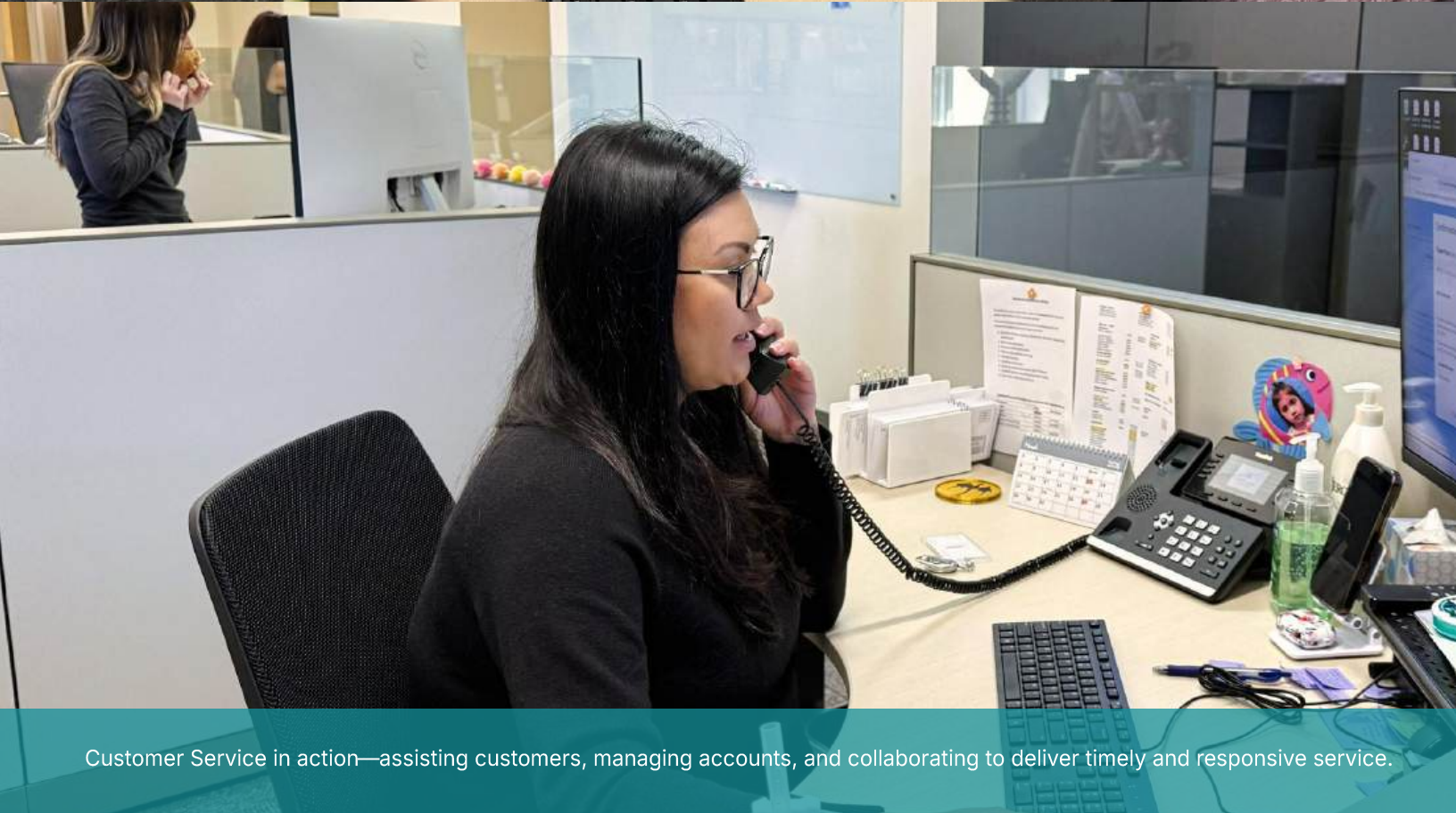
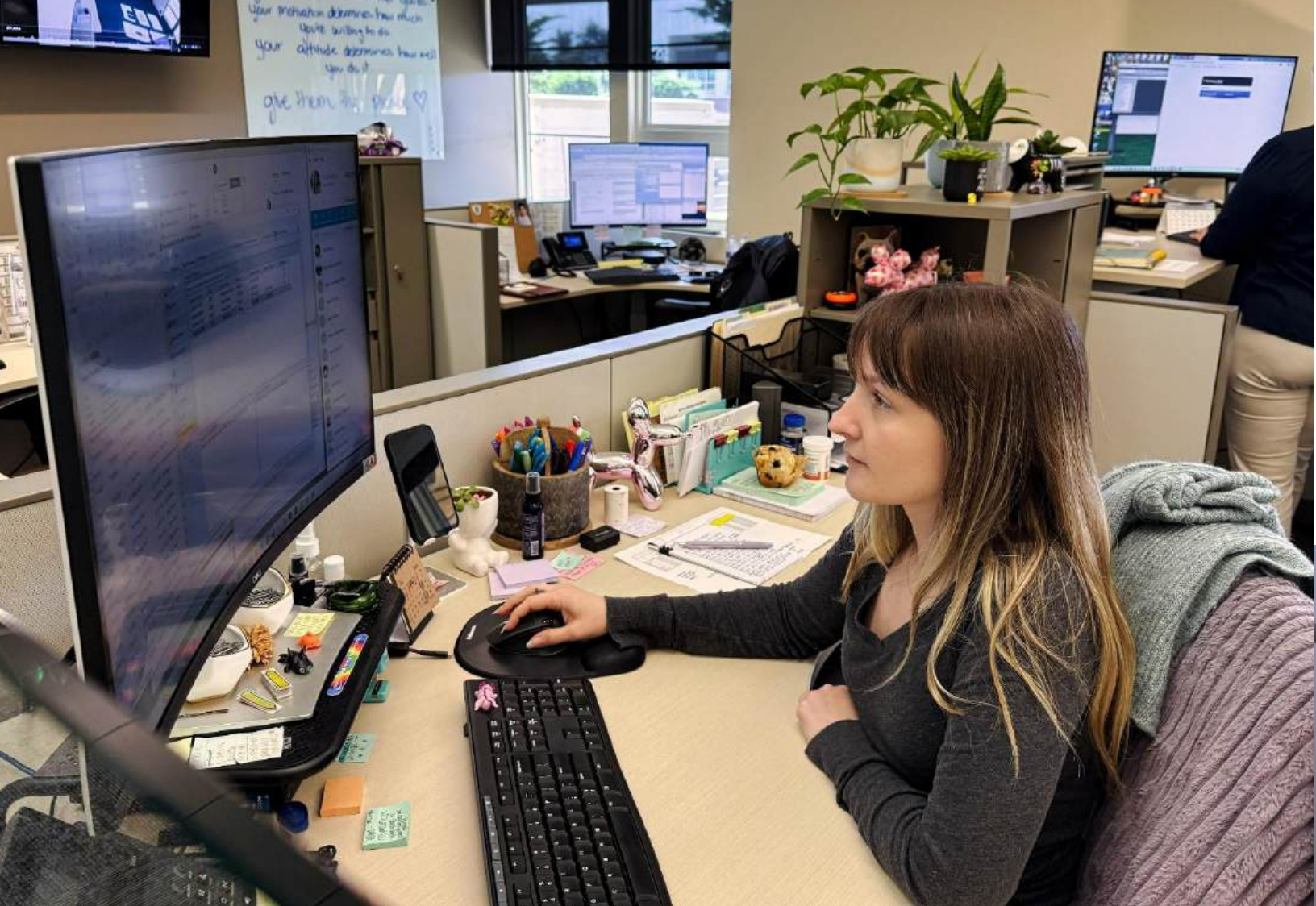
- Developed and launched the MCWD S.A.F.E. Program (Supporting Affected Federal Employees) to assist customers impacted by the federal government shutdown, reinforcing the District's commitment to community support and generating positive local and national recognition.

**Strategic Objective 5.4 The District's Board and Staff develop and maintain productive, mutually beneficial collaborative partnerships with the County, municipalities, neighboring water providers, and other stakeholders**

- Developed and initiated the first batch of delinquent accounts for submission to the Monterey County Tax Roll, creating a compliant pathway for long-term balance recovery and strengthening coordination with the County.



Customer Service workspace—supporting efficient operations and responsive service for the community.



Customer Service in action—assisting customers, managing accounts, and collaborating to deliver timely and responsive service.



## FY 2025/2026 Customer Service Division Performance Measures

Transaction Type	FY 2024/2025	FY 2025/2026
Customer service phone calls	15,336	18,648
Bills processed	133,104	138,399
Online and IVR transactions	42,204	55,722
Service Requests Processed	6,116	7,019
Meter Installs	1,512	545
Disconnects/Shut offs	407	680

The Customer Service Division demonstrated measurable improvements from FY 2025 to FY 2026 across staffing, service delivery, and operational efficiency. Increased staffing levels expanded payment options, and the implementation of new systems resulted in improved customer access, faster processing times, and stronger coordination with Finance and Engineering.

### FY 2027 Goals

The Customer Service Division continues to advance operational effectiveness by strengthening workforce capacity, improving service delivery processes, and leveraging technology to support more efficient and responsive operations. Key efforts are focused on enhancing data-driven decision-making, standardizing workflows, and investing in staff development to ensure consistent, high-quality service across the District.

At the same time, the Division is prioritizing modernization initiatives, including system evaluations, billing process improvements, and the introduction of advanced metering technologies to improve accuracy, transparency, and customer engagement. Financial sustainability remains a core focus through strengthened revenue collection efforts and the development of programs that balance fiscal responsibility with community support.

These initiatives position the District to deliver reliable, efficient, and customer-focused services while maintaining long-term operational and financial stability.

#### **Strategic Objective 2.1 The District attracts, onboards, and retains high-performing Staff, and manages succession effectively.**

- Customer Service Lead Position:** Recruit a Customer Service Lead to serve as a centralized internal analyst and primary point of contact for all customer service performance metrics. This role will be responsible for collecting, preparing, and analyzing customer service and operational data to identify trends, improve service delivery, and support continuous operational improvement across the department.

**Strategic Objective 2.2 Tools, systems, processes, policies, culture, and training are up-to-date and support the ability of Staff to perform efficiently and effectively**

- **Establish Enhanced Customer Service Performance Metrics:** Develop and implement comprehensive, measurable customer service performance metrics to better track service delivery outcomes. This will include key indicators for work orders such as meter installations, service disconnections, reconnections, and response times. These metrics will provide greater visibility into operational efficiency, help identify service gaps, and support data-driven decision-making to improve overall customer satisfaction.
- **Revise and Implement a New Unified Billing Cycle:** Customer Service will revamp the existing billing calendar to establish a standardized monthly billing cycle in which all customers are read and billed during the same consistent timeframe. This initiative will improve internal operational efficiency for both billing staff and meter readers by reducing calendar variability, streamlining workflows, minimizing billing delays, and improving predictability across departments. A unified billing cycle will also enhance customer understanding of bills and reduce inquiries related to billing timing
- **Meter Reading Training:** Implement a structured meter reader training program including ongoing training opportunities and the pursuit of relevant certifications, equipping meter readers with the knowledge and skills necessary to perform accurately, safely, and efficiently in the field. Continued professional development will support data integrity, operational excellence, and workforce readiness.

**Strategic Objective 2.3 Technology is used to improve the cost-effectiveness of Management, Administration, Operations, and Maintenance.**

- **ERP Needs Assessment:** Begin drafting data-driven assessments and operational insights to support the procurement of a new Customer Information System (CIS). This process will evaluate current system limitations and future needs, positioning MCWD to adopt modernized technology that enhances billing accuracy, data integration, customer self-service capabilities, and overall efficiency.
- **Launch the District's First AMI Pilot Program:** Initiate MCWD's first Advanced Metering Infrastructure (AMI) pilot program to enable remote meter reading and advanced 24/7 usage data reporting. The pilot will support improved water usage monitoring, leak detection, water loss prevention, and enhanced customer transparency while laying the groundwork for potential district-wide AMI deployment.

**Strategic Objective 3.2 Finances are well managed to provide adequate revenue and avoid volatile rates.**

- **Strengthen Delinquent Account Collection Efforts:** Enhance collection strategies for delinquent accounts by formalizing processes and exploring partnerships with a third-party collection agency for closed, long-term delinquent accounts. This effort will improve outstanding revenue recovery while ensuring compliance with legal, regulatory, and policy guidelines, ultimately strengthening the District's financial stability.
- **Develop and Implement a Customer Assistance Program (CAP):** Design and implement a Customer Assistance Program (CAP) to provide financial relief to low-income and vulnerable customers during periods of economic instability and beyond. This program will aim to balance revenue protection with community support, ensuring continued access to essential water services while reinforcing MCWD's commitment to equity, affordability, and public service.

**Strategic Objective 4.3 Corrective and preventive maintenance is planned and proactively implemented**

- **Develop and Implement a Meter Replacement Policy:** Customer Service and Meter Readers will collaborate to develop a formal meter replacement policy that proactively addresses the aging meter inventory within the District. This policy will establish clear criteria and schedules for meter replacement to ensure continued accuracy of meter reads, reduce equipment failure, and prevent billing inaccuracies. Proactively replacing aging meters will improve customer confidence in their bills, reduce disputes, and minimize corrective billing actions.



MCWD's Customer Service Team—dedicated to providing responsive, reliable support to the community.

# Human Resources Division

The Human Resources Division supports the Marina Coast Water District by providing structure and consistency in workforce management and organizational development. As part of the Administration Department, the Division helps ensure that personnel-related processes are handled in a fair, organized, and compliant manner.

Working across all departments, Human Resources supports staff coordination, organizational policies, and workforce planning while maintaining alignment with the District's goals and operational needs.

## FY 2026 Accomplishments

### **Strategic Objective 2.1 – The District attracts, onboards, and retains high-performing staff, and manages succession effectively.**

- Successfully onboarded 3 new employees, contributing to organizational growth and capacity.
- Administered and certified 2 employees through bilingual proficiency testing, supporting language access and service equity.
- Conducted classification studies and completed job description updates, including developing and reviewing new and existing roles to ensure alignment with organizational needs.

### **Strategic Objective 2.2 – Tools, systems, processes, policies, culture, and training are up-to-date and support the ability of Staff to perform efficiently and effectively.**

- Developed and implemented a comprehensive Workplace Violence Prevention Policy to enhance employee safety and organizational preparedness.
- Delivered two compliance training sessions:
  - Anti-Harassment
  - Workplace Violence Prevention

## FY 2025/2026 Human Resources Division Performance Measures

Performance Measures	FY 2024/2025	FY 2025/2026
Recruitments	12	9
Applications Processed/Screened	281	340
New Hire Processing	8	3
Job Description Development/Review	6	5
Grievances & Discipline	5	4
Personnel Action Forms	57	50
FMLA	11	18
Health Enrollments/Changes	10	4

The Human Resources Division showed measurable progress from FY 2024 to FY 2026 in recruitment, organizational alignment, and workforce development. Key improvements included supporting department restructuring, enhancing leadership alignment through compensation updates, expanding internship partnerships, and strengthening workplace training. These efforts improved workforce stability, organizational clarity, and the District’s ability to attract and retain talent.

### FY 2027 Goals

The Human Resources Division continues to focus on strengthening the District’s workforce by attracting, developing, and retaining high-performing staff while building a sustainable pipeline for future leadership. Efforts are centered on maintaining competitive compensation, expanding internship opportunities, and investing in professional development to support employee growth and long-term success.

At the same time, the Division is advancing organizational efficiency by standardizing policies, improving internal processes, and enhancing training programs to ensure staff are supported with clear guidance and consistent practices. Technology will continue to play a key role in streamlining HR operations, improving data management, and supporting more effective onboarding and personnel tracking.

Together, these initiatives position the District to build a strong, capable workforce and maintain an efficient, well-supported organization.

#### **Strategic Objective 2.1 – The District attracts, onboards, and retains high-performing Staff, and manages succession effectively**

- Conduct a biennial compensation survey to ensure the District’s salary and benefits packages remain competitive within the industry.

- Strengthen and expand internship programs by partnering with local colleges and universities, participating in job fairs, and developing structured internship opportunities to attract emerging talent.
- Develop and implement professional development initiatives, including training programs and leadership development opportunities, to support employee growth and career advancement.
- Design and maintain a comprehensive employee recognition program that acknowledges exceptional performance through awards, incentives, and other forms of recognition.

**Strategic Objective 2.2 – Tools, systems, processes, policies, culture, and training are up-to-date and support Staff to perform efficiently and effectively**

- The Division will continue updating and standardizing policies, procedures, and documentation to ensure consistency, compliance, and clarity across the organization. This includes developing and maintaining Standard Operating Procedures and improving internal guidance for staff, as well as continuing staff training initiatives.

**Strategic Objective 2.3 – Technology is used to improve the cost-effectiveness of Management, Administration, Operations, and Maintenance**

- The Division will continue to support organizational alignment efforts and explore opportunities to improve HR operations through technology, including enhancements to personnel tracking, onboarding systems, and digital documentation.

## Department – FY 2027 Administration Expenses by Category

Category	FY27 – Adopted Budget (\$)	FY26 Budget (\$)	FY26 Est. Actuals (\$)	FY25 Actuals (\$)
Administrative Expense	396,000	308,300	344,010	315,759
Bond Fees	-	-	-	533,762
Depreciation	3,800,000	3,800,000	3,700,000	3,481,631
Information Technology	-	8,000	330	2,223
Insurance and Fees	467,000	527,300	512,310	494,312
Interest Expense	2,664,700	2,959,756	2,938,827	2,480,027
M1W Cost Share	1,780,000	1,790,000	1,327,800	801,409
Meters and Maintenance	153,500	255,000	102,500	62,808
Modular Rental	150,000	90,000	100,000	87,443
Office Expense	141,700	147,000	107,900	145,964
Permits	74,000	82,500	70,000	72,622
Professional Services	4,083,000	3,420,000	3,650,000	2,030,771
Rent/Lease Equipment	-	15,500	15,300	14,171
Salaries & Benefits	4,594,399	4,150,329	3,288,754	3,042,776
Utilities Expense	-	83,400	105,650	77,537
Water Source Fees	1,150,000	1,093,522	1,200,000	1,110,660
<b>Grand Total</b>	<b>19,454,299</b>	<b>18,730,607</b>	<b>17,463,381</b>	<b>14,753,875</b>

# Department – Administration Expenses by Cost Center

## Marina Water

Category	FY27 – Adopted Budget (\$)	FY26 Budget (\$)	FY26 Est. Actuals (\$)	FY25 Actuals (\$)
Administrative Expense	95,040	86,324	96,323	84,661
Bond Fees	-	-	-	75,581
Depreciation	912,000	1,064,000	1,036,000	422,780
Information Technology	-	2,240	92	600
Insurance and Fees	112,080	147,644	143,446	130,947
Interest Expense	245,186	267,802	267,745	205,872
Meters and Maintenance	47,550	84,150	33,825	56,469
Modular Rental	36,000	25,200	28,000	23,610
Office Expense	34,008	41,160	30,212	32,705
Permits	17,760	23,100	19,600	25,913
Professional Services	972,720	957,600	1,022,000	572,922
Rent/Lease Equipment	-	4,340	4,284	3,423
Salaries & Benefits	1,121,382	1,176,783	883,155	797,729
Utilities Expense	-	23,352	29,582	21,033
Water Source Fees	460,000	437,409	480,000	409,135
<b>Grand Total</b>	<b>4,053,726</b>	<b>4,341,104</b>	<b>4,074,264</b>	<b>2,863,380</b>

## Marina Sewer

Category	FY27 – Adopted Budget (\$)	FY26 Budget (\$)	FY26 Est. Actuals (\$)	FY25 Actuals (\$)
Administrative Expense	23,760	15,415	17,201	15,072
Bond Fees	-	-	-	76,009
Depreciation	228,000	190,000	185,000	220,942
Information Technology	-	400	17	111
Insurance and Fees	28,020	28,915	28,931	25,227
Interest Expense	275,358	290,734	290,724	235,721
Modular Rental	9,000	4,500	5,000	4,372
Office Expense	8,502	7,350	5,395	22,847
Permits	4,440	4,125	3,500	1,187
Professional Services	243,180	171,000	182,500	48,150
Rent/Lease Equipment	-	775	765	709
Salaries & Benefits	256,936	192,826	154,115	141,555
Utilities Expense	-	4,170	5,282	3,858
<b>Grand Total</b>	<b>1,077,196</b>	<b>910,210</b>	<b>878,430</b>	<b>795,760</b>

## Ord Water

Category	FY27 – Adopted Budget (\$)	FY26 Budget (\$)	FY26 Est. Actuals (\$)	FY25 Actuals (\$)
Administrative Expense	221,760	169,565	189,206	174,536
Bond Fees	-	-	-	302,239
Depreciation	2,128,000	2,090,000	2,035,000	1,354,497
Information Technology	-	4,400	182	1,223
Insurance and Fees	261,520	285,765	276,246	275,487
Interest Expense	1,131,502	1,264,154	1,264,045	1,032,264
Meters and Maintenance	105,915	170,800	68,650	6,312
Modular Rental	84,000	49,500	55,000	48,094
Office Expense	79,352	80,850	59,345	54,588
Permits	41,440	45,375	38,500	35,501
Professional Services	2,269,680	1,881,000	2,007,500	1,217,413
Rent/Lease Equipment	-	8,525	8,415	8,310
Salaries & Benefits	2,613,438	2,315,002	1,879,280	1,733,070
Utilities Expense	-	45,870	58,107	42,618
Water Source Fees	690,000	656,113	720,000	701,525
<b>Grand Total</b>	<b>9,626,607</b>	<b>9,066,919</b>	<b>8,659,476</b>	<b>6,987,677</b>

## Ord Sewer

Category	FY27 – Adopted Budget (\$)	FY26 Budget (\$)	FY26 Est. Actuals (\$)	FY25 Actuals (\$)
Administrative Expense	51,480	33,913	37,841	36,696
Bond Fees	-	-	-	32,793
Depreciation	494,000	418,000	407,000	759,769
Information Technology	-	880	36	267
Insurance and Fees	60,710	60,553	59,669	59,617
Interest Expense	363,917	413,072	413,050	369,032
Modular Rental	19,500	9,900	11,000	10,493
Office Expense	18,421	16,170	11,869	34,934
Permits	9,620	9,075	7,700	2,769
Professional Services	526,890	376,200	401,500	104,225
Rent/Lease Equipment	-	1,705	1,683	1,722
Salaries & Benefits	556,698	424,213	338,981	339,684
Utilities Expense	-	9,174	11,622	9,257
<b>Grand Total</b>	<b>2,101,236</b>	<b>1,772,855</b>	<b>1,701,951</b>	<b>1,761,258</b>

## Recycled Water

Category	FY27 – Adopted Budget (\$)	FY26 Budget (\$)	FY26 Est. Actuals (\$)	FY25 Actuals (\$)
Administrative Expense	3,960	3,083	3,440	4,794
Bond Fees	-	-	-	47,140
Depreciation	38,000	38,000	37,000	723,643
Information Technology	-	80	3	22
Insurance and Fees	4,670	4,423	4,018	3,034
Interest Expense	648,737	723,994	703,263	637,138
M1W Cost Share	1,780,000	1,790,000	1,327,800	801,409
Meters and Maintenance	35	50	25	27
Modular Rental	1,500	900	1,000	874
Office Expense	1,417	1,470	1,079	890
Permits	740	825	700	7,252
Professional Services	40,530	34,200	36,500	87,704
Rent/Lease Equipment		155	153	7
Salaries & Benefits	45,945	41,505	33,223	30,738
Utilities Expense	-	834	1,057	771
<b>Grand Total</b>	<b>2,565,534</b>	<b>2,639,519</b>	<b>2,149,261</b>	<b>2,345,443</b>

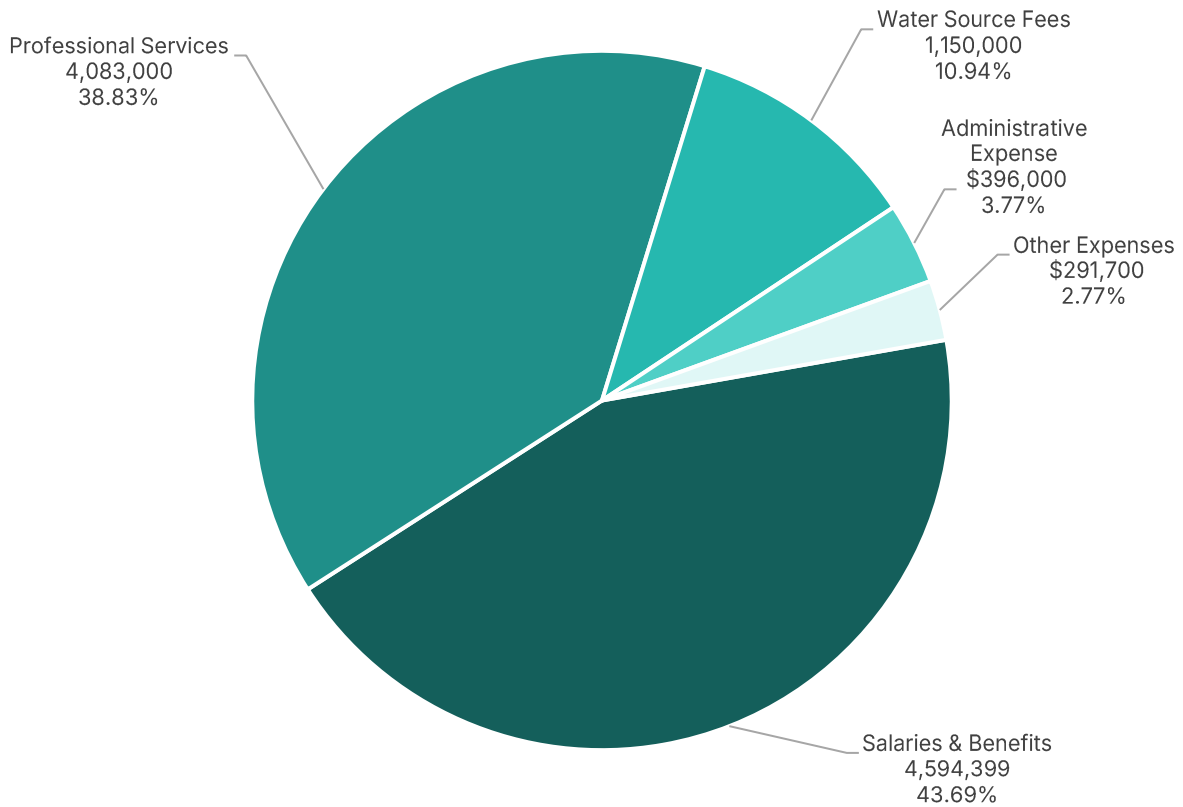
## GSA

Category	FY27 – Adopted Budget (\$)	FY26 Budget (\$)	FY26 Est. Actuals (\$)	FY25 Actuals (\$)
Professional Services	30,000	-	-	357
<b>Grand Total</b>	<b>30,000</b>	<b>-</b>	<b>-</b>	<b>357</b>

## Division - Administration Operating Expenses By Category

Category	FY27 - Adopted Budget (\$)	FY26 Budget (\$)	FY26 Est. Actuals (\$)	FY25 Actuals (\$)	Bud vs Bud % Change
Salaries & Benefits	4,594,399.00	4,150,329	3,288,754	3,042,776	11%
Professional Services	4,083,000	3,420,000	3,650,000	2,030,771	19%
Water Source Fees	1,150,000	1,093,522	1,200,000	1,110,660	5%
Administrative Expense	396,000	308,300	344,010	315,759	28%
Modular Rental	150,000	90,000	100,000	87,443	67%
Office Expense	141,700	147,000	107,900	145,964	-4%
Information Technology	-	8,000	330	2,223	-100%
Utilities Expense	-	83,400	105,650	77,537	-100%
<b>Grand Total</b>	<b>10,515,099</b>	<b>9,300,551</b>	<b>8,796,644</b>	<b>6,813,133</b>	<b>13%</b>

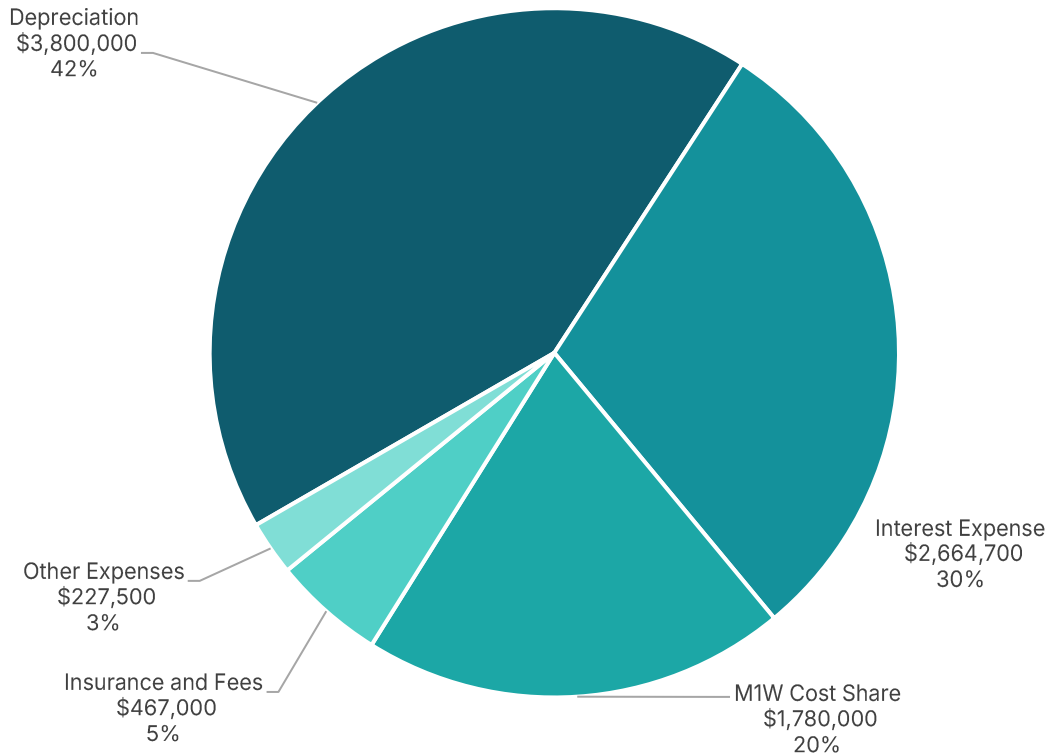
### FY 26/27 Adopted Budget



## Division – Districtwide Operating Expenses By Category

Category	FY27 - Adopted Budget (\$)	FY26 Budget (\$)	FY26 Est. Actuals (\$)	FY25 Actuals (\$)	Bud vs Bud % Change
Depreciation	3,800,000	3,800,000	3,700,000	3,481,631	0%
Interest Expense	2,664,700	2,959,756	2,938,827	2,480,027	-10%
PWM/M1W Cost Share	1,780,000	1,790,000	1,327,800	801,409	-1%
Insurance and Fees	467,000	527,300	512,310	494,312	-11%
Meters and Maintenance	153,500	255,000	102,500	62,808	-40%
Permits	74,000	82,500	70,000	72,622	-10%
Bond Fees	-	-	-	533,762	0%
Rent/Lease Equipment	-	15,500	15,300	14,171	-100%
<b>Total</b>	<b>8,939,200</b>	<b>9,430,056</b>	<b>8,666,737</b>	<b>7,940,742</b>	<b>-5%</b>

### FY26/27 Adopted Budget



# Engineering Department

The Engineering Department is responsible for planning, developing, and constructing the District's infrastructure to support reliable water, wastewater, and recycled water services. The department leads the design and delivery of capital improvement projects, oversees system expansion associated with new development, standardizes renewal and replacement for existing facilities, systems, and infrastructures, and ensures that infrastructure investments are aligned with long-term operational needs, regulatory requirements, and growth within the service area.

In addition to project delivery, the department plays a key role in asset management, system planning, and regulatory compliance. This includes evaluating the condition and performance of existing infrastructure, prioritizing improvements, and supporting initiatives that enhance system reliability, resiliency, and efficiency. The department works closely with Operations and Maintenance to ensure that projects are practical, sustainable, and integrated into ongoing system operations.

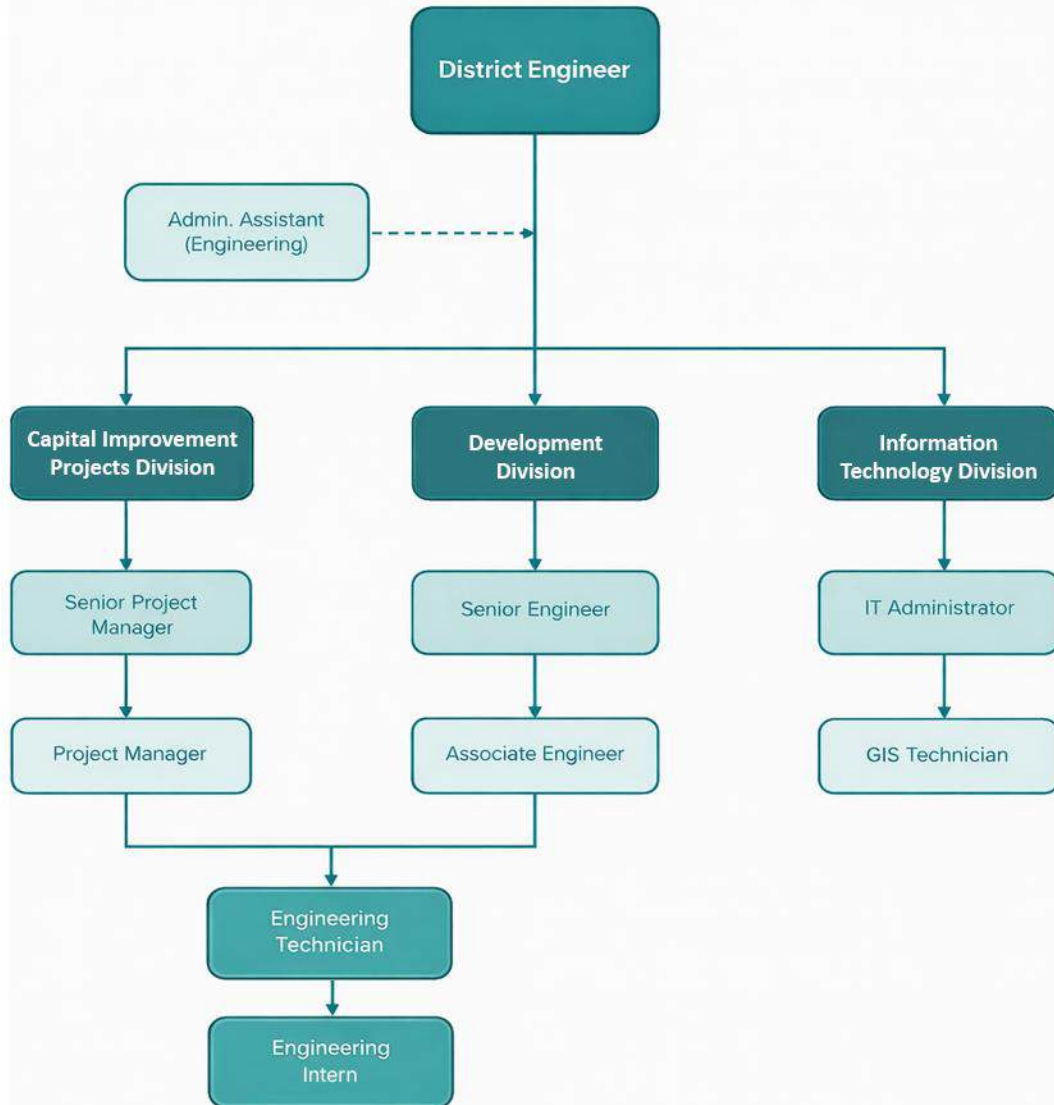
The Engineering Department also supports the use of technology and data to improve decision-making and operational effectiveness. This includes working with District departments to implement Information Technology (IT) and Operational Technology (OT) initiatives. These efforts enhance asset visibility, streamline workflows, and support data-driven planning across the organization.

Through collaboration with internal departments, regional agencies, and regulatory partners, the Engineering Department helps ensure that the District's infrastructure is effectively managed, responsibly expanded, and positioned to meet current and future service demands.

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## ENGINEERING DEPARTMENT ORGANIZATIONAL CHART

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## FY 2025/2026 Engineering Department Performance Measures

Performance Measure	FY 2024/2025	FY 2025/2026
New Pipe Dedicated and Added to the District System	43,069 LF*	59,000 LF
Projects Completed	13	19
ADUs and Renovation Projects Reviewed and Completed	28	56
Meter Requests Processed	302	207**
CIP Programs Initiated/Completed	55	39

The Engineering Department tracks performance through project delivery, development support, infrastructure improvements, and organizational alignment. From FY 2025 to FY 2026, the Department made measurable progress in staff alignment, project execution, and advancing sustainable water use initiatives. These improvements support reliable infrastructure, efficient operations, and long-term resource planning.

\*LF = Linear Feet  
 \*\* As of 04/2026

## Department – Engineering Expenses By Category

Category	FY27 – Adopted Budget (\$)	FY26 Budget (\$)	FY26 Est. Actuals (\$)	FY25 Actuals (\$)
Administrative Expense	13,750	19,250	1,761	9,364
Developer Expenses	947,366	674,200	558,988	814,126
Information Technology	434,000	235,000	253,766	316,786
Office Expense	15,500	4,000	15,300	1,216
Professional Services	880,200	982,100	839,489	432,517
Salaries & Benefits	1,547,462	1,458,047	1,422,046	1,322,027
Utilities Expense	90,000	88,000	84,842	89,542
<b>Grand Total</b>	<b>3,928,278</b>	<b>3,460,597</b>	<b>3,176,192</b>	<b>2,985,578</b>

# Department – Engineering Expenses By Cost Center

## Marina Water

Category	FY27 – Adopted Budget (\$)	FY26 Budget (\$)	FY26 Est. Actuals (\$)	FY25 Actuals (\$)
Administrative Expense	3,300	5,389	493	2,159
Developer Expenses	169,496	80,700	55,899	103,479
Information Technology	104,160	65,800	71,054	83,308
Office Expense	3,720	1,120	4,284	329
Professional Services	164,016	223,640	145,047	119,030
Salaries & Benefits	371,389	408,254	398,780	356,985
Utilities Expense	21,600	24,640	23,756	24,177
<b>Grand Total</b>	<b>837,681</b>	<b>809,543</b>	<b>699,313</b>	<b>689,467</b>

## Marina Sewer

Category	FY27 – Adopted Budget (\$)	FY26 Budget (\$)	FY26 Est. Actuals (\$)	FY25 Actuals (\$)
Administrative Expense	825	963	88	141
Developer Expenses	125,000	37,500	55,899	82,902
Information Technology	26,040	11,750	12,689	17,790
Office Expense	930	200	765	60
Professional Services	101,054	97,650	86,882	19,250
Salaries & Benefits	92,848	72,902	70,937	66,103
Utilities Expense	5,400	4,400	4,242	4,477
<b>Grand Total</b>	<b>352,097</b>	<b>225,365</b>	<b>231,502</b>	<b>190,723</b>

## Ord Water

Category	FY27 – Adopted Budget (\$)	FY26 Budget (\$)	FY26 Est. Actuals (\$)	FY25 Actuals (\$)
Administrative Expense	7,700	10,587	968	3,834
Developer Expenses	392,870	341,500	294,422	388,515
Information Technology	243,040	129,250	139,571	170,668
Office Expense	8,680	2,200	8,415	671
Professional Services	416,004	432,550	361,098	243,399
Salaries & Benefits	866,579	801,925	780,441	727,097
Utilities Expense	50,400	48,400	46,664	49,248
<b>Grand Total</b>	<b>1,985,273</b>	<b>1,766,412</b>	<b>1,631,579</b>	<b>1,583,432</b>

## Ord Sewer

Category	FY27 – Adopted Budget (\$)	FY26 Budget (\$)	FY26 Est. Actuals (\$)	FY25 Actuals (\$)
Administrative Expense	1,787	2,118	194	955
Developer Expenses	260,000	212,500	148,268	239,230
Information Technology	56,420	25,850	27,914	42,461
Office Expense	2,015	440	1,683	144
Professional Services	119,117	122,130	100,931	46,241
Salaries & Benefits	201,169	160,384	157,787	158,617
Utilities Expense	11,700	9,680	9,332	10,745
<b>Grand Total</b>	<b>652,208</b>	<b>533,102</b>	<b>446,109</b>	<b>498,393</b>

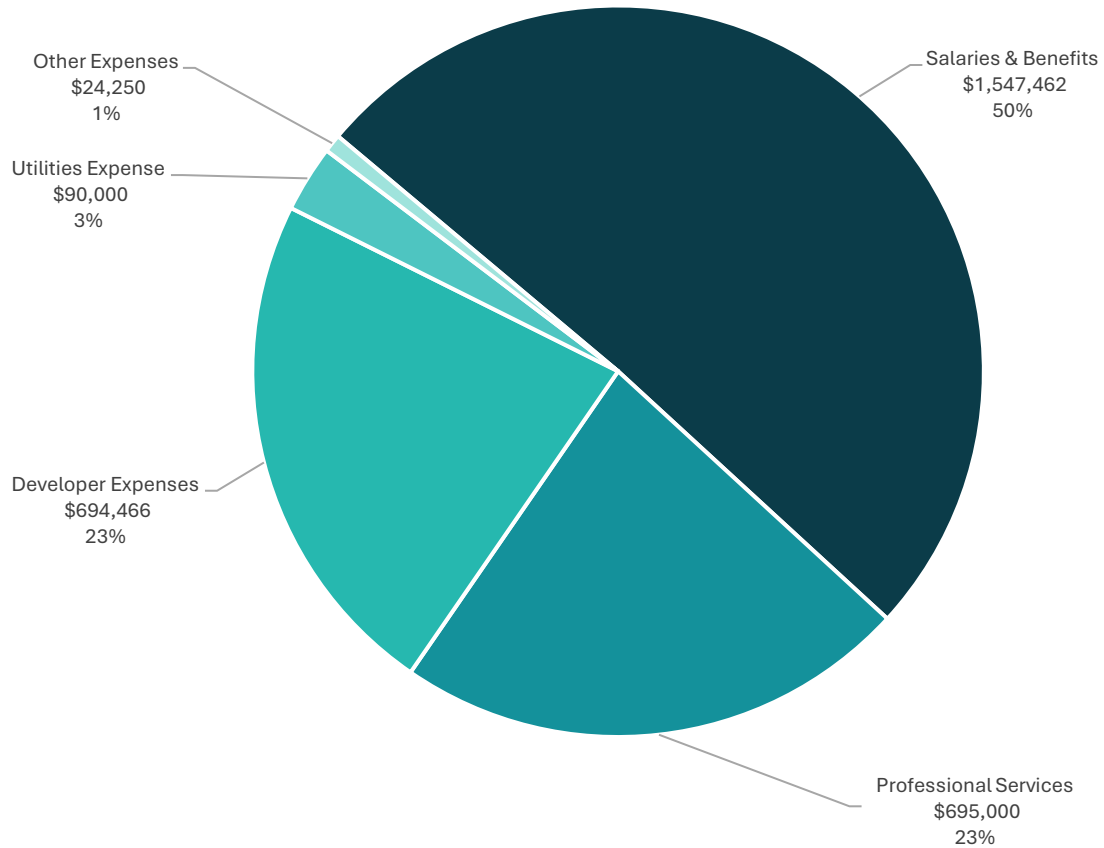
## Recycled Water

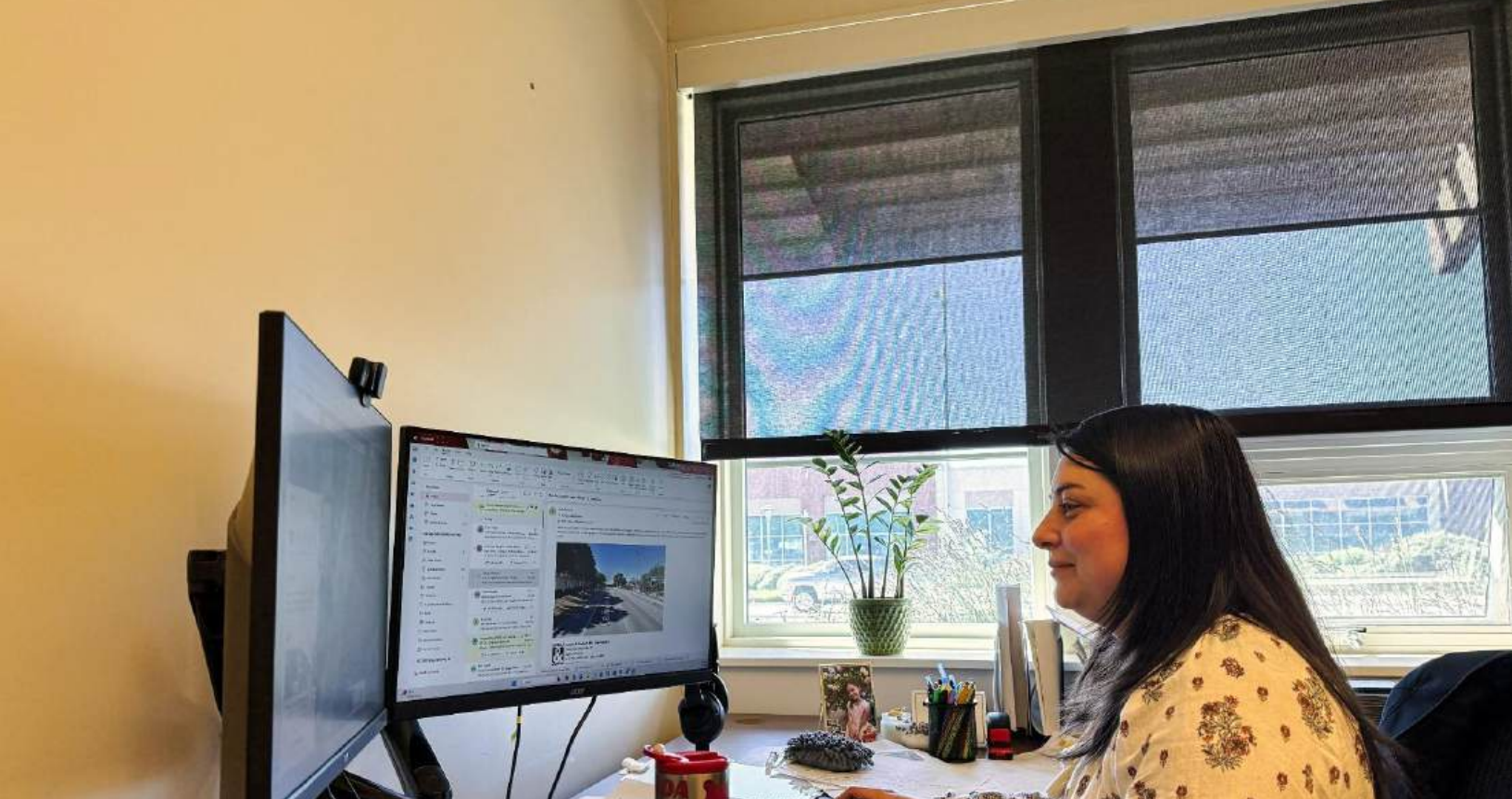
Category	FY27 – Adopted Budget (\$)	FY26 Budget (\$)	FY26 Est. Actuals (\$)	FY25 Actuals (\$)
Administrative Expense	138	193	18	2,275
Developer Expenses	-	2,000	4,500	-
Information Technology	4,340	2,350	2,538	2,559
Office Expense	155	40	153	12
Professional Services	80,009	106,130	145,531	4,597
Salaries & Benefits	15,477	14,582	14,101	13,225
Utilities Expense	900	880	848	895
<b>Grand Total</b>	<b>101,019</b>	<b>126,175</b>	<b>167,689</b>	<b>23,563</b>

## Division - Engineering Operating Expenses By Category

Category	FY27 - Adopted Budget (\$)	FY26 Budget (\$)	FY26 Est. Actuals (\$)	FY25 Actuals (\$)	Bud vs Bud % Change
Salaries & Benefits	1,547,462	1,458,047	1,422,046	1,322,027	6%
Professional Services	695,000	687,100	659,331	373,442	1%
Developer Expenses	947,366	674,200	558,988	814,126	3%
Utilities Expense	90,000	88,000	84,842	89,542	2%
Office Expense	15,500	4,000	15,300	1,216	288%
Administrative Expense	8,750	19,250	1,761	9,364	-55%
<b>Total</b>	<b>3,304,078</b>	<b>2,930,597</b>	<b>2,742,268</b>	<b>2,609,717</b>	<b>13%</b>

### FY 26/27 Adopted Budget





From office to field—coordinated efforts that support planning, operations, and maintenance across the District.



From office to field—coordinated efforts that support planning, operations, and maintenance across the District.

# Information Technology Division

The Information Technology (IT) Division supports the Marina Coast Water District by managing and maintaining the District's technology systems, infrastructure, enterprise applications, and Geographic Information Systems (GIS). As part of the Engineering Department, the IT Division plays a critical role in supporting daily operations, enabling system integration, and improving overall efficiency across the organization.

The Division works closely with all departments to ensure that systems, data, and mapping resources are reliable, secure, and aligned with the District's operational and strategic needs.

## **FY 2026 Accomplishments**

In alignment with the District's Strategic Plan, particularly Goal 2: People – A High-Performing Board, Staff, and Organization and Goal 4: Infrastructure – Reliable and Sustainable Systems, the IT Division made significant progress in system modernization, operational support, and cybersecurity readiness during FY 2026.

The Division completed several key system upgrades and integrations, including the successful integration of Springbrook with Cityworks, enabling improved coordination between financial and asset management systems. The District's Esri Enterprise environment was upgraded to unlock additional features and services, and the CCTV sewer inspection software was updated to the latest supported version. Cityworks was also upgraded to the latest version, ensuring continued vendor support and improved security, with additional features such as Respond planned for implementation.

The Division completed the Security Camera and Access Improvement Project, strengthening physical security across District facilities. In addition, all District computers were successfully migrated from Windows 10 to Windows 11 ahead of the operating system's end-of-life, improving security and system compatibility.

Infrastructure improvements included upgrading the District's file server and relocating it to its designated location, as well as supporting the successful move and integration of Customer Service into the IOP B-Side building.

The IT Division also provided direct operational support to Customer Service, including implementing credit card payment terminals and launching online service request forms for service activation and cancellations, improving customer accessibility and efficiency.

To support daily operations, the Division maximized the use of an IT intern and external contractors, resolving 726 support tickets since July 1, 2025, helping maintain system reliability and responsiveness.

In addition, GIS functions are being integrated under the IT Division to strengthen coordination between systems, data, and mapping services. This alignment supports improved data management, system integration, and operational decision-making across the District.

As part of the District’s cybersecurity grant, Phase 1 components will be implemented in FY 2026. This includes conducting cybersecurity awareness training for both the Board and staff, as well as performing a comprehensive Vulnerability Assessment and Penetration Test to identify risks and strengthen the District’s cybersecurity posture.

The Division also developed a draft of the District’s Guidelines for Using Generative AI, supporting responsible and secure adoption of emerging technologies.

These efforts contributed to improved system performance, enhanced security, increased operational efficiency, and better support for District-wide services.

### FY 2025/2026 IT Division Performance Measures

Performance Measure	FY 2024/2025	FY 2025/2026
IT Help Desk Tickets Resolved	691	726*
Hardware Replacements***	8	10
Network Hardware Upgrades	0	6
% System uptime	99.9%	99.9%
End Point Systems Coverage	100%	100%
Backup Success Rate	100%	100%
Email Protection		
Malware	60	225*
Spam	7,320	63,828*
Phish	50,112	7,128*
Unauthorized Network Traffic Blocked	952,573	571,680*
Workorders processed in the AMS	1,460	1,305*
CCTV Inspections processed in the system	96	275*

\*As of April 2026

## FY 2027 Goals

In alignment with the District's Strategic Plan, particularly Goal 2: People – A High-Performing Board, Staff, and Organization and Goal 4: Infrastructure – Reliable and Sustainable Systems, the IT Division will continue to enhance system performance, strengthen cybersecurity, and expand enterprise system capabilities.

### **Strategic Objective 2.2 – Tools, systems, processes, policies, culture, and training are up-to-date and support Staff to perform efficiently and effectively**

- The Division will optimize the use of Cityworks by identifying underutilized modules and addressing training gaps to improve system adoption and operational efficiency.

### **Strategic Objective 2.3 – Technology is used to improve the cost-effectiveness of Management, Administration, Operations, and Maintenance**

- Building on the FY 2026 cybersecurity grant efforts, the Division will implement improvements based on the results of the Vulnerability Assessment and Penetration Test, strengthen IT policies and controls, and continue enhancing cybersecurity awareness training. The Division will also explore the acquisition of a more comprehensive security solution to further protect District systems and data.

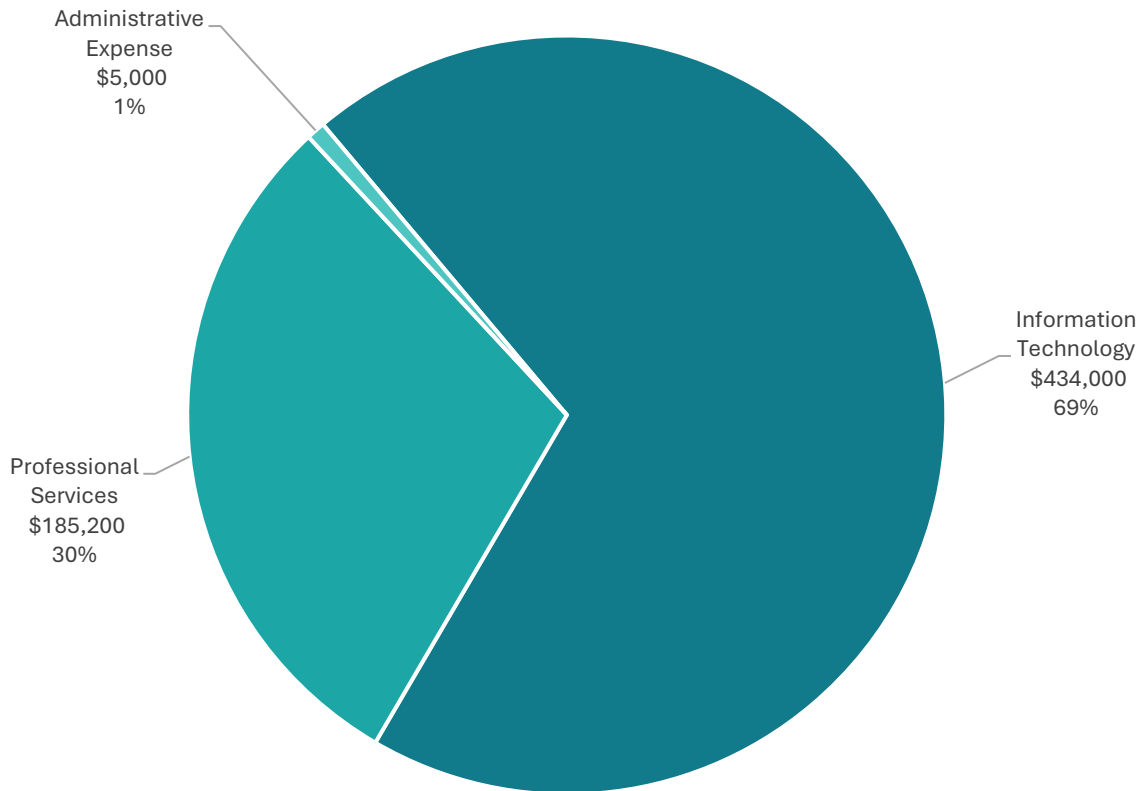
### **Strategic Objective 4.1 – A comprehensive plan guides long-term, cost-effective renewal, replacement, usage, and development of District facilities and properties**

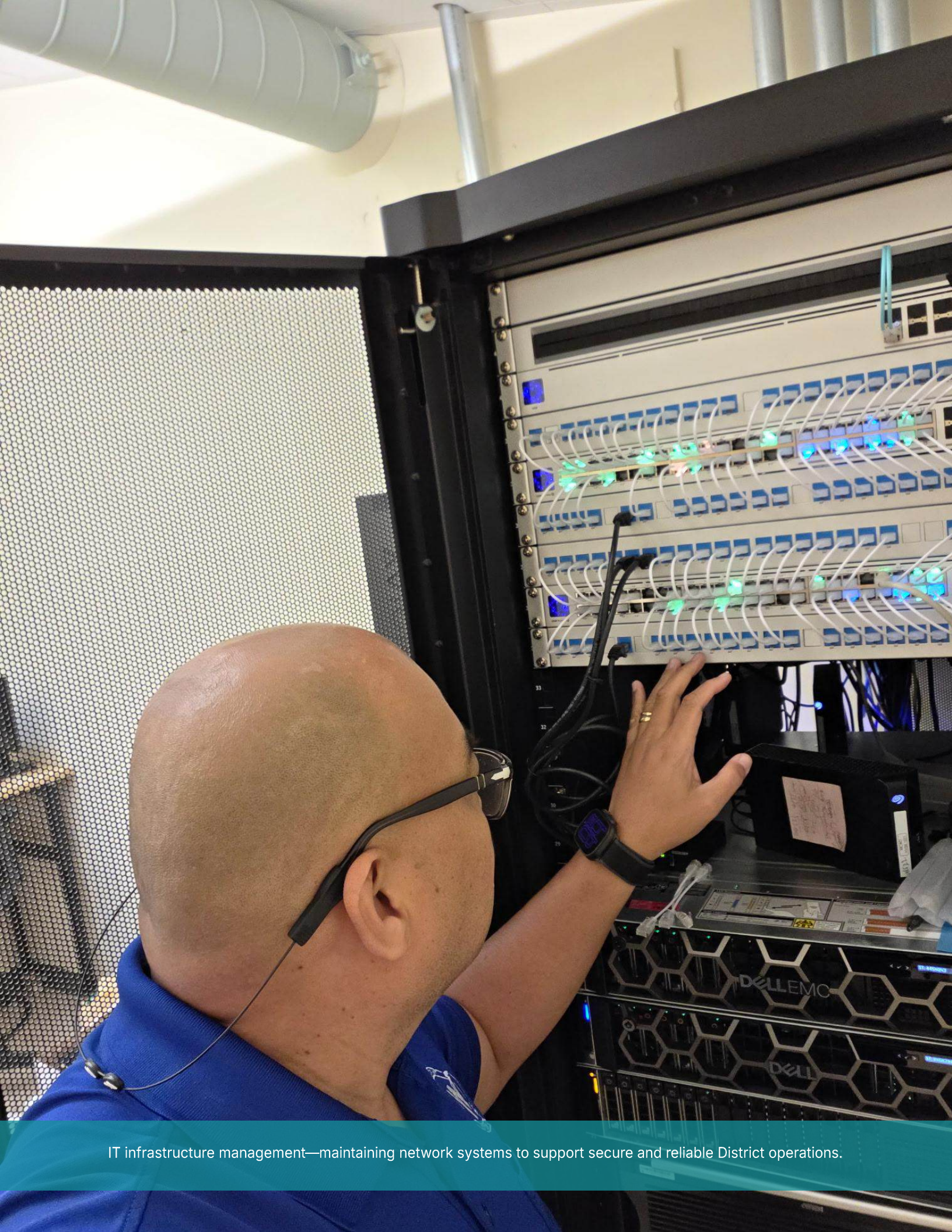
- The Division will continue supporting system reliability and modernization, including transitioning Laserfiche to the cloud to improve accessibility, scalability, and disaster recovery capabilities, while further integrating GIS to support data-driven planning and operations.

## Division - Information Technology Operating Expenses By Category

Category	FY27 - Adopted Budget (\$)	FY26 Budget (\$)	FY26 Est. Actuals (\$)	FY25 Actuals (\$)	Bud vs Bud % Change
Information Technology	434,000	235,000	253,766	316,786	85%
Professional Services	185,200	295,000	180,158	59,075	-37%
Administrative Expense	5,000	-	-	-	0%
<b>Total</b>	<b>624,200</b>	<b>530,000</b>	<b>433,924</b>	<b>375,861</b>	<b>18%</b>

### FY 26/27 Adopted Budget





IT infrastructure management—maintaining network systems to support secure and reliable District operations.



Routine Maintenance—ongoing inspections, repairs, and preventative work keep the District's water and wastewater systems operating safely, efficiently, and reliably every day.

# Operations and Maintenance Department

The Operations and Maintenance (O&M) Department is responsible for the reliable operation and maintenance of the District's water, wastewater, and recycled water systems, as well as the upkeep of its fleet and facilities. With a team of twenty full-time employees, the Department manages critical conveyance infrastructure, including the installation, repair, and replacement of water, sewer, and recycled water mains and service lines to support ongoing operations and system resiliency.

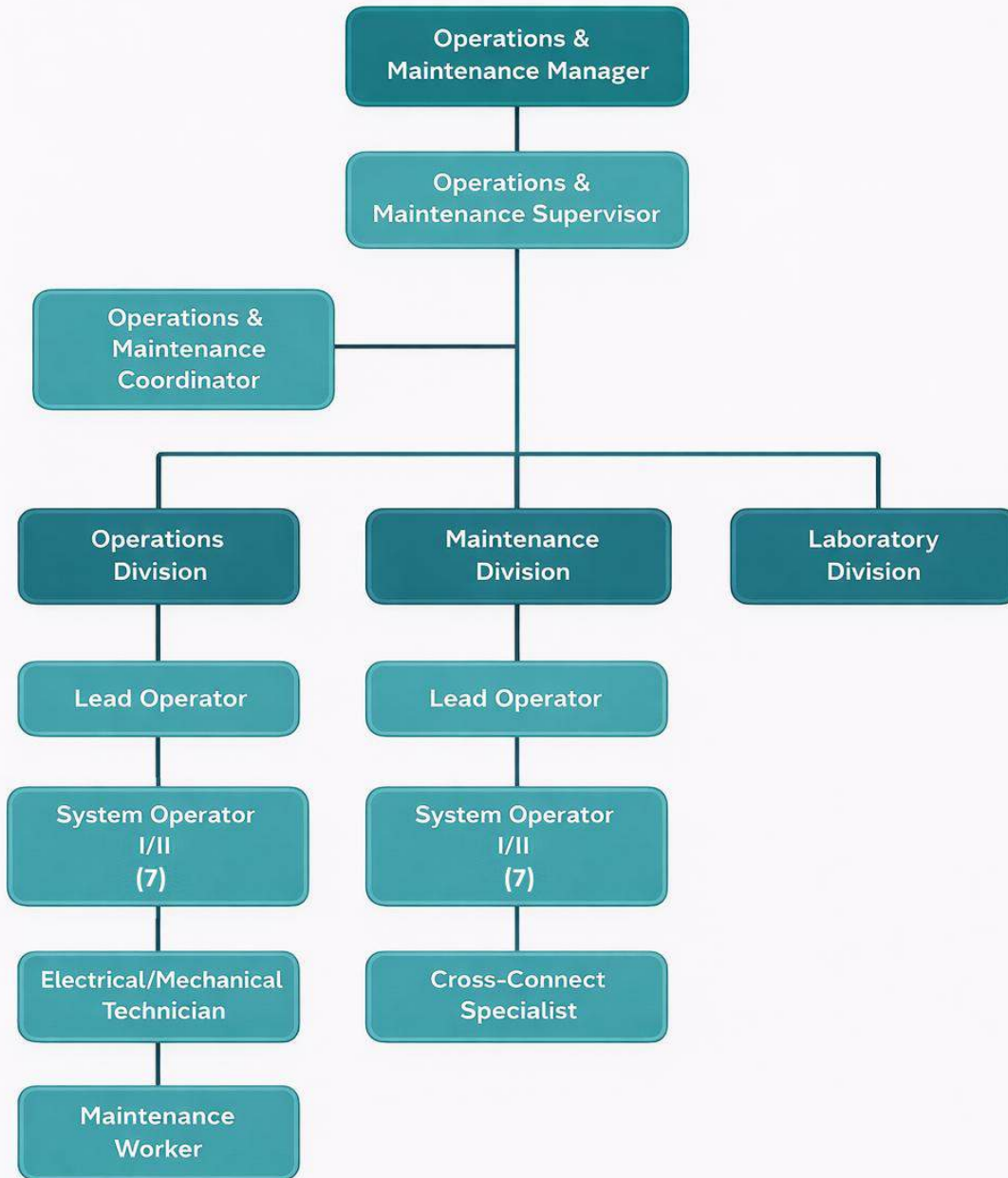
The Department operates and maintains 20 sewer lift stations, 8 water wells, 9 water storage reservoirs, 6 water booster pump stations, and over 40 pressure-reducing valves. In addition, O&M ensures compliance with all applicable regulatory requirements and reporting obligations for agencies such as the State Water Resources Control Board Division of Drinking Water, Central Coast Regional Water Quality Control Board, State and Regional Air Boards, Monterey County Environmental Health, and the Department of Transportation.

To support uninterrupted service, the Department maintains 24/7 standby personnel to respond to emergencies, system failures, and operational needs, ensuring the continued delivery of safe and reliable water and wastewater services to the community.

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## OPERATIONS AND MAINTENANCE DEPARTMENT ORGANIZATIONAL CHART

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## FY 2026 Accomplishments

### **Strategic Objective 2.2 Tools, systems, processes, policies, culture, and training are up to date and support the ability of Staff to perform efficiently and effectively.**

- The sewer system management plan (SSMP) was updated, with a significant overhaul to the existing document to comply with new State Regulations.
- Updated Fats, Oil, and Grease (FOG) Ordinance
- Cross-Connection Control Plan was created and approved by the State Waterboards, Division of Drinking Water
- Cross-Connection Control Ordinance was updated

### **Strategic Objective 3.2 Finances are well managed to provide adequate revenue and avoid volatile rates.**

- PFAS claim information was submitted, and the District began receiving its first monies from the settlement agreement.

### **Strategic Objective 4.3 - Corrective and preventive maintenance is planned and proactively implemented on schedule for cost effectiveness and the least disruption to regular operations.**

### **Strategic Objective 4.4 - Capital improvement program renewal, replacement, and new development are planned with the longest reasonable time horizon and completed on schedule and budget.**

- Phase 2 of the Programmable Logic Controllers (PLC) upgrade project was completed, thus replacing all the District's PLCs with current make/models with significant programming improvements.
- Blackhorse Reservoir potable makeup pump pulled and rehabilitated

### **Strategic Objective 5.4 The District's Board and Staff develop and maintain productive, mutually beneficial collaborative partnerships with the County, municipalities, neighboring water providers, and other stakeholders.**

- Executed an Emergency Alert agreement with the Monterey County Emergency Operations Center (EOC)
- Intertie agreement with Cal-Am was executed
- Notification and Response Plan submitted and approved for Pure Water Monterey Expansion.



Field operations—collecting and verifying data to support accurate system monitoring and reliable service delivery.

## FY 2025/2026 Operations & Maintenance Performance Measures

Performance Measures	FY 2024/2025	FY 2025/2026
Miles of Sewer Main Cleaned	166	179
Miles of Sewer Main CCTV	8.1	28.4
Sewer Spills	5	3
Water Main Breaks/Repairs	18	16
Water Main Valves Exercised	1,224	877
Water Service Line Breaks	7	9

### FY 2027 Goals

**Strategic Objective 5.2 The District provides prompt, responsive service to customer needs and requests.**

- Continue enhanced Cross-Connection Control assessments and surveys throughout the District's service area

**Strategic Objective 4.4 - Capital improvement program renewal, replacement, and new development are planned with the longest reasonable time horizon and completed on schedule and budget**

- Replacement of Motor Control Center (MCCs) at East Garrison and Reservation Lift Station
- Continued Enhanced CCTV of sewer system inspections to help drive future Capital Improvement Projects
- Soft start replacement at Well 29
- In-house replacement project of old dry barrel hydrants
- Finalize Bacteriological Sampling Site Plan revision and installation of new sample stations throughout the service area



MCWD's Operations & Maintenance Team—dedicated professionals working around the clock to operate, maintain, and protect the District's water wastewater, and recycled water systems, ensuring reliable service for the community every day.

## Department - Operations and Maintenance Expenses By Category

Category	FY27 – Adopted Budget (\$)	FY26 Budget (\$)	FY26 Est. Actuals (\$)	FY25 Actuals (\$)
Administrative Expense	60,075	67,675	58,310	32,911
BLM & IOP Expense	149,000	-	-	-
Information Technology	-	36,500	-	31,339
Office Expense	26,500	22,500	22,334	21,231
Operations, Maintenance & Repair	1,589,310	1,545,025	1,353,345	1,272,693
Professional Services	175,250	130,550	119,825	143,799
Property Fees	5,300	-	-	-
Salaries & Benefits	5,551,346	4,247,168	3,999,348	3,785,518
Utilities Expense	1,705,485	1,481,885	1,413,669	1,470,753
<b>Grand Total</b>	<b>9,262,266</b>	<b>7,531,303</b>	<b>6,966,831</b>	<b>6,758,244</b>

## Department - Operations and Maintenance Expenses By Cost Center

### Marina Water

Category	FY27 – Adopted Budget (\$)	FY26 Budget (\$)	FY26 Est. Actuals (\$)	FY25 Actuals (\$)
Administrative Expense	14,530	19,152	13,502	6,049
BLM & IOP Expense	35,760	-	-	-
Information Technology	-	10,220	-	7,788
Office Expense	7,800	7,300	6,654	6,915
Operations, Maintenance & Repair	343,790	381,465	321,431	303,674
Professional Services	46,378	37,670	34,307	43,594
Property Fees	1,272	-	-	-
Salaries & Benefits	1,212,934	1,166,768	1,089,786	888,892
Utilities Expense	531,260	335,305	373,350	394,555
<b>Grand Total</b>	<b>2,193,724</b>	<b>1,957,880</b>	<b>1,839,030</b>	<b>1,651,467</b>

## Marina Sewer

Category	FY27 – Adopted Budget (\$)	FY26 Budget (\$)	FY26 Est. Actuals (\$)	FY25 Actuals (\$)
Administrative Expense	4,390	3,181	4,155	4,301
BLM & IOP Expense	8,940	-	-	-
Information Technology	-	1,825		5,237
Office Expense	150	125	117	76
Operations, Maintenance & Repair	91,010	93,475	82,994	68,508
Professional Services	8,561	4,000	3,996	6,547
Property Fees	318	-	-	-
Salaries & Benefits	768,851	547,851	547,810	594,298
Utilities Expense	40,800	26,650	31,781	25,505
<b>Grand Total</b>	<b>923,020</b>	<b>677,107</b>	<b>670,853</b>	<b>704,472</b>

## Ord Water

Category	FY27 – Adopted Budget (\$)	FY26 Budget (\$)	FY26 Est. Actuals (\$)	FY25 Actuals (\$)
Administrative Expense	28,441	37,666	26,423	12,274
BLM & IOP Expense	83,440	-	-	-
Information Technology	-	20,075	-	14,908
Office Expense	17,960	14,575	15,083	14,042
Operations, Maintenance & Repair	662,660	712,525	618,549	589,167
Professional Services	98,406	75,540	70,982	80,501
Property Fees	2,968	-	-	-
Salaries & Benefits	2,412,690	1,746,567	1,589,072	1,427,740
Utilities Expense	951,750	973,575	852,992	911,539
<b>Grand Total</b>	<b>4,258,315</b>	<b>3,580,523</b>	<b>3,173,101</b>	<b>3,050,171</b>

## Ord Sewer

Category	FY27 – Adopted Budget (\$)	FY26 Budget (\$)	FY26 Est. Actuals (\$)	FY25 Actuals (\$)
Administrative Expense	12,195	6,999	13,850	10,091
BLM & IOP Expense	19,370	-	-	-
Information Technology	-	4,015		3,151
Office Expense	325	275	257	183
Operations, Maintenance & Repair	394,505	342,115	303,497	301,050
Professional Services	19,976	10,500	9,460	9,825
Property Fees	689	-	-	-
Salaries & Benefits	1,153,282	782,642	771,179	874,594
Utilities Expense	180,325	146,190	155,338	138,990
<b>Grand Total</b>	<b>1,780,667</b>	<b>1,292,736</b>	<b>1,253,581</b>	<b>1,337,884</b>

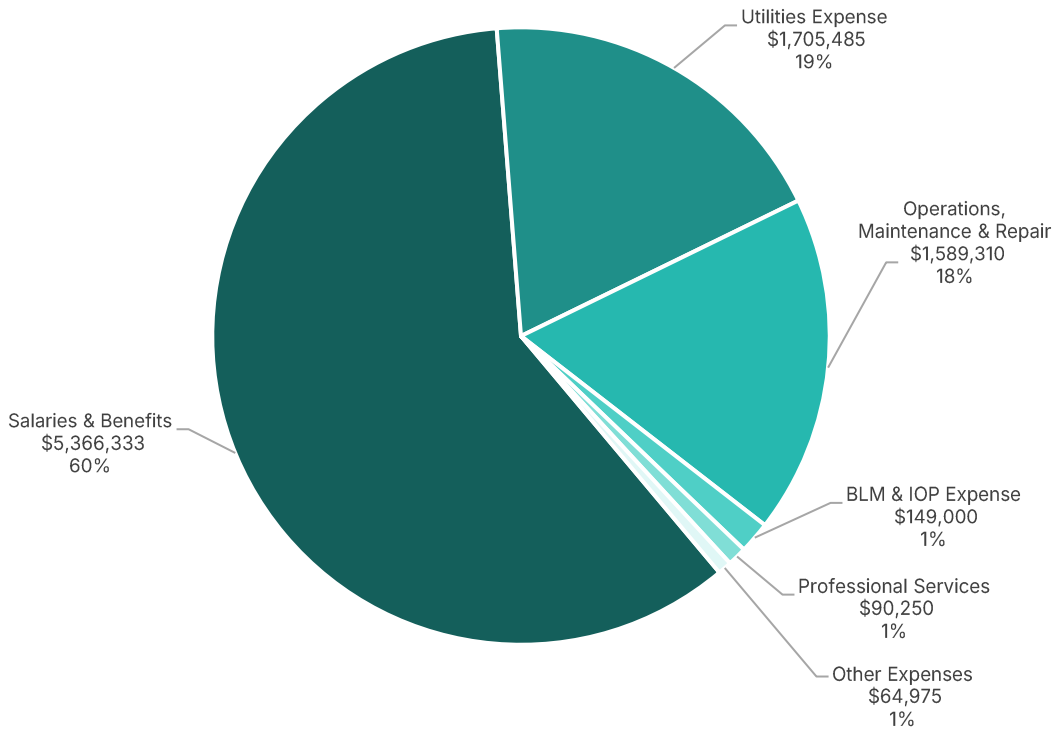
## Recycled Water

Category	FY27 – Adopted Budget (\$)	FY26 Budget (\$)	FY26 Est. Actuals (\$)	FY25 Actuals (\$)
Administrative Expense	519	677	380	196
BLM & IOP Expense	1,490	-	-	-
Information Technology	-	365	-	255
Office Expense	265	225	223	15
Operations, Maintenance & Repair	97,345	15,445	26,874	10,294
Professional Services	1,929	2,840	1,080	3,332
Property Fees	53	-	-	-
Salaries & Benefits	3,589	3,340	1,501	(6)
Utilities Expense	1,350	165	208	164
<b>Grand Total</b>	<b>106,540</b>	<b>23,057</b>	<b>30,266</b>	<b>14,250</b>

## Division - Operations & Maintenance Operating Expenses by Category

Category	FY27 - Adopted Budget (\$)	FY26 Budget (\$)	FY26 Est. Actuals (\$)	FY25 Actuals (\$)	Bud vs Bud % Change
Salaries & Benefits	5,366,333	4,045,834	3,837,017	3,650,623	33%
Utilities Expense	1,705,485	1,481,885	1,413,669	1,470,753	15%
Operations, Maintenance & Repair	1,589,310	1,545,025	1,353,345	1,272,693	3%
BLM & IOP Expense	149,000	-	-	-	-
Professional Services	90,250	46,550	39,628	61,848	94%
Administrative Expense	57,175	63,625	55,598	29,976	-10%
Property Fees	5,300	-	-	-	-
Office Expense	2,500	2,500	2,334	1,528	-
Information Technology	-	36,500	-	31,339	-100%
<b>Total</b>	<b>8,965,353</b>	<b>7,221,919</b>	<b>6,701,591</b>	<b>6,518,760</b>	<b>24%</b>

### FY 26/27 Adopted Budget



# Laboratory Division

The Laboratory Division plays a critical role in protecting public health and ensuring the reliability of the District's water supply. It is responsible for comprehensive water quality monitoring across all stages of the system—from groundwater production and treatment to storage and distribution. Through consistent sampling and analysis, the Division ensures that drinking water meets or exceeds all state and federal regulatory standards.

The Division conducts a wide range of testing to detect microbiological contaminants, chemical constituents, and radiological elements. This includes routine bacteriological monitoring, testing for volatile and synthetic organic compounds, nitrates, minerals, and disinfection by-products. Sampling is performed at wells, storage tanks, and throughout the distribution system to ensure water quality is maintained from source to customer.

Beyond regulatory compliance, the Laboratory supports operational decision-making by providing timely and reliable data to Engineering and Operations staff. Test results help optimize treatment processes, identify potential issues early, and guide corrective actions. This proactive approach strengthens system performance, reduces risk, and supports uninterrupted delivery of safe drinking water.

The Laboratory Division also ensures accurate regulatory reporting and maintains thorough documentation to support audits and inspections. As water quality regulations continue to evolve, including increased focus on emerging contaminants, the Division remains committed to adapting its monitoring programs and maintaining high standards of compliance. Each year, more than 2,000 tests are conducted to uphold water quality and protect the community.

## FY 2026 Accomplishments

### **Strategic Objective 1.1 – Water supplies meet long-term needs from a diverse, affordable, sustainable, and reliable portfolio of sources**

- The District performed 520 routine bacteriological samples
- Collected and analyzed 28 raw water bacteriological well samples
- Performed regular sampling for volatile organic compounds (VOCs), nitrates, radiological, general mineral content, inorganic, and organic compounds
- Conducted regular sampling of the District's storage tanks to test for VOCs and general/mineral content
- Completed disinfection by-product sampling in the distribution system
- The District received a waiver for a reduction in radiological and VOC sampling due to levels being below the maximum contaminant level
- Held a public hearing for the District's newly created Public Health Goal Report
- Distributed the Consumer Confidence Report to the District's customers

## FY 2027 Goals

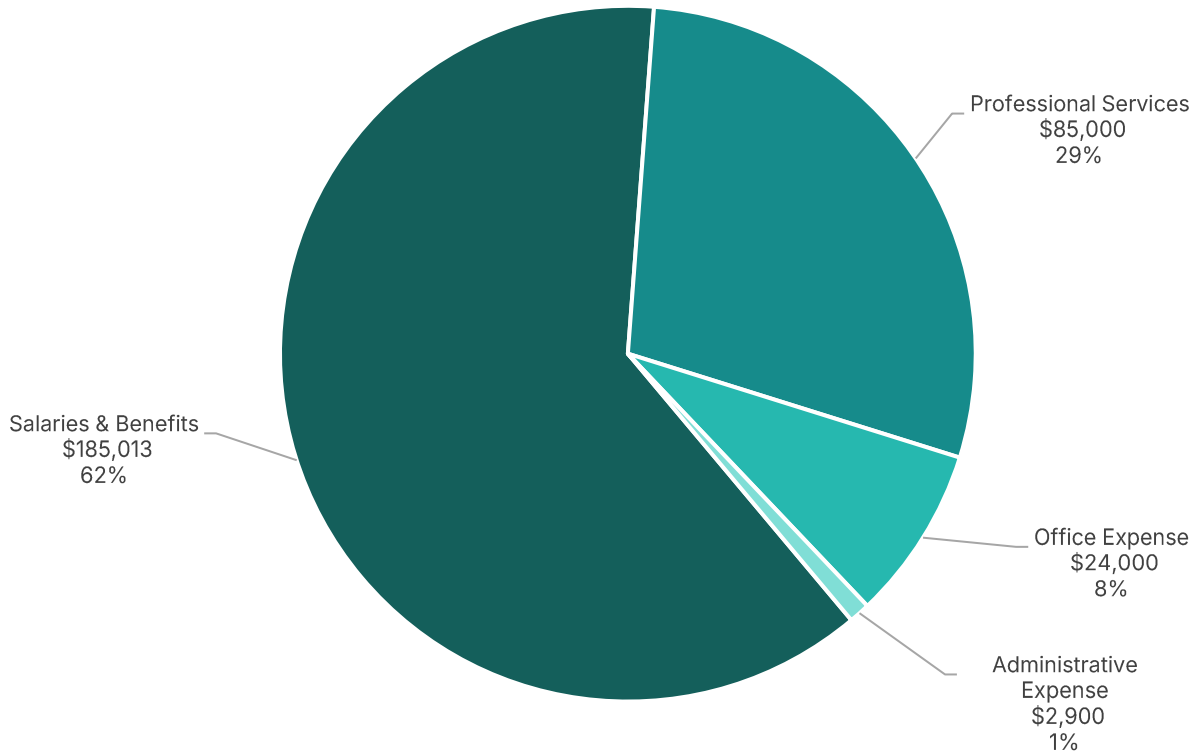
### **Strategic Objective 1.1 – Water supplies meet long-term needs from a diverse, affordable, sustainable, and reliable portfolio of sources**

- Collect and analyze 520 bacteriological samples to monitor water quality.
- Collect and analyze 28 raw water well bacteriological samples.
- Perform routine sampling for VOCs, nitrates, general/mineral, inorganic, and organic compounds.
- Perform testing for unregulated constituents.
- Continue monitoring for PFOA, PFOS and related PFAS analytes.
- Test storage tanks for VOCs and mineral content.
- Continue sampling for disinfection by-products in the distribution system.
- Revise the District's Consumer Confidence Report to support a future additional distribution of the report, enhanced layout, and Web accessibility.

## Division - Laboratory Operating Expenses by Category

Category	FY27 - Adopted Budget (\$)	FY26 Budget (\$)	FY26 Est. Actuals (\$)	FY25 Actuals (\$)	Bud vs Bud % Change
Salaries & Benefits	185,013	201,334	162,331	134,895	-8%
Professional Services	85,000	84,000	80,197	81,951	1%
Office Expense	24,000	20,000	20,000	19,703	20%
Administrative Expense	2,900	4,050	2,712	2,935	-28%
<b>Total</b>	<b>296,913</b>	<b>309,384</b>	<b>265,240</b>	<b>239,484</b>	<b>-4%</b>

## FY 26/27 Adopted Budget





Dedicated to Service—committed to delivering reliable, high-quality water and wastewater services to the community every day.



Conservation Specialist inspecting a meter—supporting efficient water use and accurate monitoring.

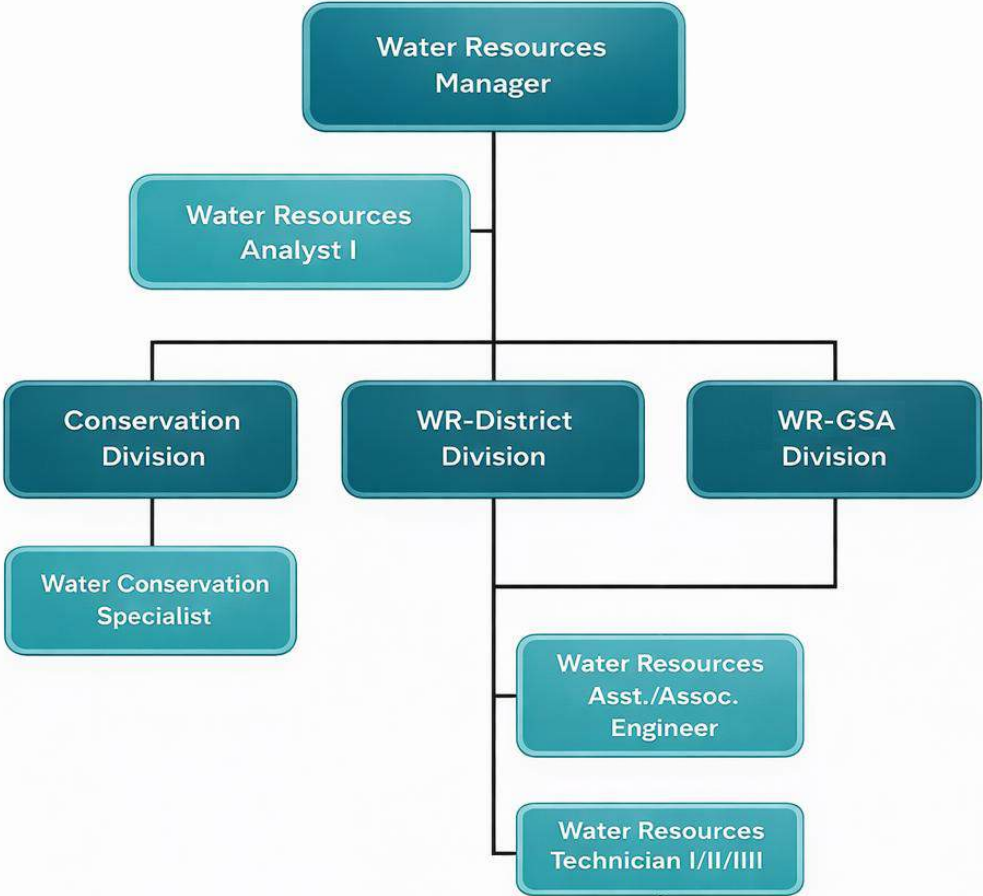
# Water Resources Department

The Water Resources Department plays a central role in supporting the District's long-term water supply reliability, regulatory compliance, and data-driven decision-making. The Department is responsible for the measurement, tracking, analysis, and reporting of water, sewer, and recycled water resources, ensuring that accurate and timely data informs operational planning and policy development. In FY 2027, the Department continues to strengthen its conservation program through enhanced data collection, improved reporting tools, and expanded outreach efforts. These efforts include increasing participation in rebate programs, streamlining conservation certifications, and promoting water use efficiency across residential, commercial, and institutional customers.

The Department also leads the implementation and ongoing management of the District's Groundwater Sustainability Agency (GSA) responsibilities under the Monterey Subbasin Groundwater Sustainability Plan (GSP). Building on the Board-adopted plan, Water Resources is advancing monitoring and modeling efforts to better understand groundwater conditions and trends. In FY 2027, this includes incorporating newly constructed monitoring wells into the network, enhancing data collection through improved instrumentation and field testing, and refining groundwater models to support informed decision-making. These efforts directly support the State's sustainability requirements, including maintaining groundwater levels, protecting water quality, preventing seawater intrusion, and avoiding land subsidence.

In addition, the Water Resources Department continues to expand its strategic use of technology and partnerships to improve regional water management outcomes. This includes advancing geospatial capabilities through improved mapping, data integration, and aerial imaging, as well as strengthening coordination with regional agencies, stakeholders, and regulatory bodies. Staff participation in regional committees and technical working groups ensures the District remains actively engaged in shaping water resource planning and policy. Through these combined efforts, the Department supports a proactive, collaborative, and resilient approach to managing the District's water resources in the future.

**WATER RESOURCES DEPARTMENT  
ORGANIZATIONAL CHART**



## FY 2026 Accomplishments

### **Strategic Objective 1.1 – Water supplies meet long-term needs from a diverse, affordable, sustainable, and reliable portfolio of sources.**

- Deployed real-time monitoring equipment to track groundwater levels and seawater intrusion, establishing an early warning system to detect shifts in the seawater intrusion front within the Monterey Subbasin.
- Conducted low-flow testing on 20 wells, including long-standing monitoring wells, to improve understanding of aquifer conditions and support sustainable groundwater management.
- Deployed eight weather stations across the District's service area to collect precipitation and climate data, supporting analysis of water year type and groundwater recharge trends.

### **Strategic Objective 1.2 – Water supply management and augmentation follow a comprehensive long-term strategy and plan for the orderly expansion of the system.**

- Supported the construction of seven new monitoring wells funded through the Sustainable Groundwater Management Act (SGMA) Implementation Round 2 Grant, filling critical data gaps and strengthening the long-term groundwater monitoring network.

### **Strategic Objective 1.3 – The District actively engages in mutually beneficial partnerships with communities and water agencies across the region to protect, share, and sustainably manage our shared water resources.**

- Coordinated with regional partners through shared monitoring efforts, ensuring that groundwater and seawater intrusion data contributes to basin-wide management and decision-making.
- Delivered educational outreach at local schools, promoting water conservation awareness and highlighting careers in the water industry.
- Presented to students at California State University, Monterey Bay on local water infrastructure and water industry professions, strengthening community engagement and regional collaboration.

### **Strategic Objective 2.3 – Technology is used to improve the cost-effectiveness of Management, Administration, Operations, and Maintenance**

- Leveraged advanced monitoring technologies and data collection systems, including real-time sensors and weather stations, to improve operational decision-making, enhance resource management, and reduce long-term costs associated with water supply uncertainty.

## FY 2025/2026 Water Resources Department Performance Measures

Performance Measures	FY 2024/2025	FY 2025/2026
Conservation Excessive Water Use Investigations	130	321
Conservation Water Leak Investigations	X	47
Conservation Service Calls (water waste, backflow prevention, meter issues)	X	46
Conservation School Events	10	4
Community Events Attended	12	14
Clothes Washer Rebates	47	22
High-Efficiency Toilet Rebates	29	30
Landscape Rebates	10	16
Residential Gallons per Capita per Day	47	48
Water Resources Consultants PCT	30%	Approx. 93%
Sample events per well	4	11
Deploy/Monitoring Weather Stations	3	8
Monitoring activities per well	14	19
GSA Consultant PCT	88%	Approx. 91%
Conferences	X	1

## FY 2027 Goals

### **Strategic Objective 1.1 – Water supplies meet long-term needs from a diverse, affordable, sustainable, and reliable portfolio of sources.**

- Enhance the groundwater monitoring program by installing additional monitoring devices in existing wells and continuing EC profiling and low-flow testing of Representative Monitoring Site (RMS) wells to improve understanding of aquifer conditions and long-term sustainability.
- Continue deployment of weather stations across the District's service area to support improved analysis of precipitation, evapotranspiration, and groundwater recharge trends.

### **Strategic Objective 1.2 – Water supply management and augmentation follow a comprehensive long-term strategy and plan for the orderly expansion of the system.**

- Incorporate the seven newly constructed monitoring wells into the District's monitoring network, addressing critical data gaps identified in the Groundwater Sustainability Plan (GSP) and supporting refined groundwater modeling and long-term resource planning.
- Update the Climate Action and Adaptation Plan to address climate change impacts, outline response strategies, and evaluate opportunities to decarbonize District operations and facilities.

### **Strategic Objective 1.3 – The District actively engages in mutually beneficial partnerships with communities and water agencies across the region to protect, share, and sustainably manage our shared water resources.**

- Collaborate with the California Irrigation Management Information System (CIMIS) to deploy a regional weather station, strengthening data sharing and regional coordination for water resource management.
- Develop a public-facing Water Data Platform, including an interactive map, dashboard, and story map, to improve transparency, support regional collaboration, and enhance public understanding of groundwater conditions and District initiatives.

### **Strategic Objective 2.3 – Technology is used to improve the cost-effectiveness of Management, Administration, Operations, and Maintenance**

- Implement a new software system to monitor and report Urban Water Use Objectives (UWUO) in compliance with requirements from the California Department of Water Resources, improving regulatory reporting efficiency and enabling data-driven conservation strategies.
- Deploy a comprehensive Water Data Platform integrating groundwater, water quality, and weather data to support real-time decision-making, operational efficiency, and improved public access to information.



The District's Water Resources Team supports long-term water reliability and sustainability through conservation programs, groundwater management, regulatory reporting, environmental coordination, and data-driven planning initiatives that help protect and manage the community's water resources.

## Department - Water Resources Expenses by Category

Category	FY27 - Adopted Budget (\$)	FY26 Budget (\$)	FY26 Est. Actuals (\$)	FY25 Actuals (\$)
Salaries & Benefits	1,095,302	1,003,352	925,972	841,254
Professional Services	1,523,000	2,115,589	1,512,870	1,009,189
Conservation Program	105,250	173,450	66,750	33,538
GSA Devices/Material	95,000	-	-	-
Office Expense	53,000	13,400	2,920	4,625
Administrative Expense	26,900	28,800	14,305	7,417
Information Technology	-	7,800	-	950
Office Supply	2,000	10,000	9,297	5,724
Utilities Expense	-	-	-	126
<b>Total</b>	<b>2,900,452</b>	<b>3,352,391</b>	<b>2,532,114</b>	<b>1,902,823</b>

# Department - Water Resources Expenses by Cost Center

## Marina Water

Category	FY27 - Adopted Budget (\$)	FY 26 Budget (\$)	FY26 Est. Actuals (\$)	FY 25 Actuals (\$)
Administrative Expense	6,789	9,164	3,632	2,661
Conservation Program	56,000	84,700	25,470	22,363
Information Technology	-	2,574	-	72
Office Expense	16,430	4,912	964	1,631
Professional Services	231,500	295,750	223,341	100,830
Salaries & Benefits	315,655	331,106	305,552	277,603
<b>Grand Total</b>	<b>626,374</b>	<b>728,206</b>	<b>558,959</b>	<b>405,160</b>

## Ord Water

Category	FY27 - Adopted Budget (\$)	FY 26 Budget (\$)	FY26 Est. Actuals (\$)	FY 25 Actuals (\$)
Administrative Expense	15,111	15,636	7,373	5,402
Conservation Program	49,250	88,750	41,280	11,175
Information Technology	-	5,226	-	146
Office Expense	36,570	8,488	1,956	2,994
Professional Services	498,500	441,750	450,845	228,028
Salaries & Benefits	702,589	672,246	620,420	563,651
<b>Grand Total</b>	<b>1,302,020</b>	<b>1,232,096</b>	<b>1,121,874</b>	<b>811,396</b>

## GSA

Category	FY27 - Adopted Budget (\$)	FY 26 Budget (\$)	FY26 Est. Actuals (\$)	FY 25 Actuals (\$)
Administrative Expense	5,000	4,000	3,300	(646)
GSA Devices/Material	95,000			-
Information Technology	-	-	-	732
Office Supply	2,000	10,000	9,297	5,724
Professional Services	793,000	1,378,089	838,684	680,331
Salaries & Benefits	77,058			
Utilities Expense	-	-	-	126
<b>Grand Total</b>	<b>972,058</b>	<b>1,392,089</b>	<b>851,281</b>	<b>686,267</b>

# Water Resources – Conservation Division

The Conservation Division is responsible for promoting efficient and sustainable water use across the District through programs, incentives, and public engagement. The Division develops and implements water conservation strategies that align with regulatory requirements and long-term resource planning goals, ensuring the responsible management of potable and recycled water supplies.

Key responsibilities include administering conservation programs such as rebates for water-efficient fixtures, conducting water use surveys, and issuing water conservation certificates for property transfers. The Division also performs data collection, tracking, and reporting to monitor water usage trends and evaluate program effectiveness. These efforts support compliance with state mandates and help guide policy and operational decisions.

In addition, the Conservation Division leads community outreach and education efforts by participating in local events, providing informational resources, and working directly with customers to encourage water-saving practices. Through these initiatives, the Division plays a critical role in reducing demand, improving system efficiency, and supporting the District's long-term water sustainability objectives.

## FY 2027 Goals

### **Strategic Objective 1.1 – Water supplies meet long-term needs from a diverse, affordable, sustainable, and reliable portfolio of sources.**

- Increase rebate applications by improving awareness of rebate opportunities, identifying eligible submissions more consistently, and streamlining follow-up.

### **Strategic Objective 1.2 – Water supply management and augmentation follow a comprehensive long-term strategy and plan for the orderly expansion of the system.**

- Increase meter testing to improve system accuracy, identify issues earlier, and support more reliable water use data.

### **Strategic Objective 1.3 – The District actively engages in mutually beneficial partnerships with communities and water agencies across the region to protect, share, and sustainably manage our shared water resources.**

- Increase community awareness by planning and hosting more community events that provide education, build relationships, and promote available resources and services.

### **Strategic Objective 2.3 – Technology is used to improve the cost-effectiveness of Management, Administration, Operations, and Maintenance.**

- Implement a new software system to monitor and report on Urban Water Use Objectives (UWUO).

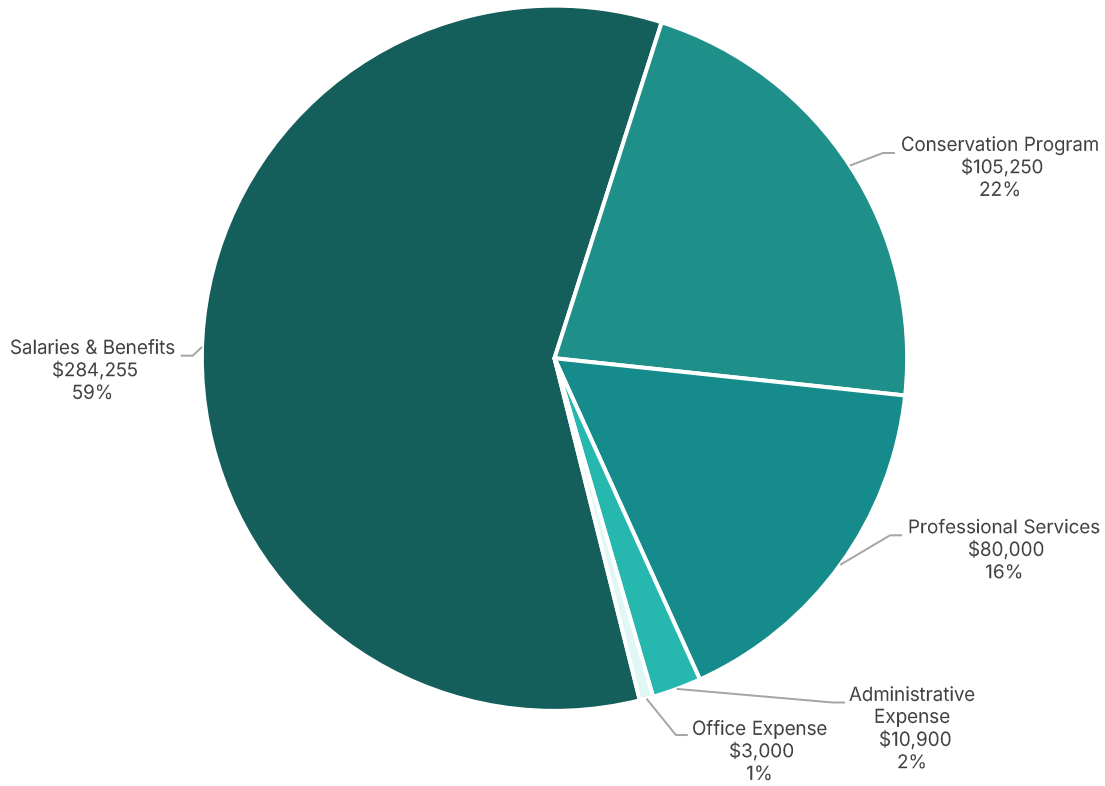


Water Resources Team—analyzing data and planning strategies to support sustainable and reliable water management.

## Division – Conservation Operating Expenses by Category

Category	FY27 - Adopted Budget (\$)	FY26 Budget (\$)	FY26 Est. Actuals (\$)	FY25 Actuals (\$)	Bud vs Bud % Change
Salaries & Benefits	284,255	268,828	272,080	317,316	6%
Conservation Program	105,250	173,450	66,750	33,538	-39%
Professional Services	80,000	7,500	39,580	44,995	967%
Administrative Expense	10,900	10,800	7,599	6,848	1%
Office Expense	3,000	6,400	2,920	2,886	-53%
Information Technology	-	7,800		218	-100%
<b>Total</b>	<b>483,405</b>	<b>474,778</b>	<b>388,929</b>	<b>405,801</b>	<b>2%</b>

## FY 26/27 Adopted Budget





System Flushing—removing buildup and maintaining water quality to ensure safe, reliable service throughout the distribution system.

# Water Resources – District & Groundwater Sustainability Agency (GSA) Division

The GSA Division is responsible for managing and protecting the District's groundwater resources in accordance with the Sustainable Groundwater Management Act. The Department oversees implementation of the Monterey Subbasin Groundwater Sustainability Plan, which outlines the long-term strategy to achieve and maintain groundwater sustainability.

Key responsibilities include monitoring groundwater conditions, collecting and analyzing data, and preparing required regulatory reports for state agencies. The Department evaluates groundwater levels, storage, water quality, and potential risks such as seawater intrusion and land subsidence. These efforts ensure compliance with state requirements and provide the technical foundation for informed water management decisions.

The GSA Division also coordinates with regional stakeholders, regulatory agencies, and neighboring water providers to support basin-wide sustainability efforts. It manages water source fee programs and funding mechanisms that support groundwater projects and studies. Through planning, analysis, and collaboration, the Division works to secure a reliable and sustainable groundwater supply for current and future users while protecting the long-term health of the basin.

## FY 2027 Goals

**Strategic Objective 1.3 – The District actively engages in mutually beneficial partnerships with communities and water agencies across the region to protect, share, and sustainably manage our shared water resources.**

- Promote greater public awareness and cultivate sustained engagement through education, outreach, and collaborative participation.

**Strategic Objective 1.2 – Water supply management and augmentation follow a comprehensive long-term strategy and plan for the orderly expansion of the system.**

- Incorporate the seven newly constructed monitoring wells into the monitoring network to fill critical data gaps identified in the GSP.

**Strategic Objective 1.2 – Water supply management and augmentation follow a comprehensive long-term strategy and plan for the orderly expansion of the system.**

- Enhance the monitoring program by installing monitoring devices and continuing EC profiling and low-flow testing of RMS wells.

**Strategic Objective 1.3 – The District actively engages in mutually beneficial partnerships with communities and water agencies across the region to protect, share, and sustainably manage our shared water resources.**

- Foster coordination with affiliated agencies to promote information sharing, streamline joint initiatives, and improve community outcomes.

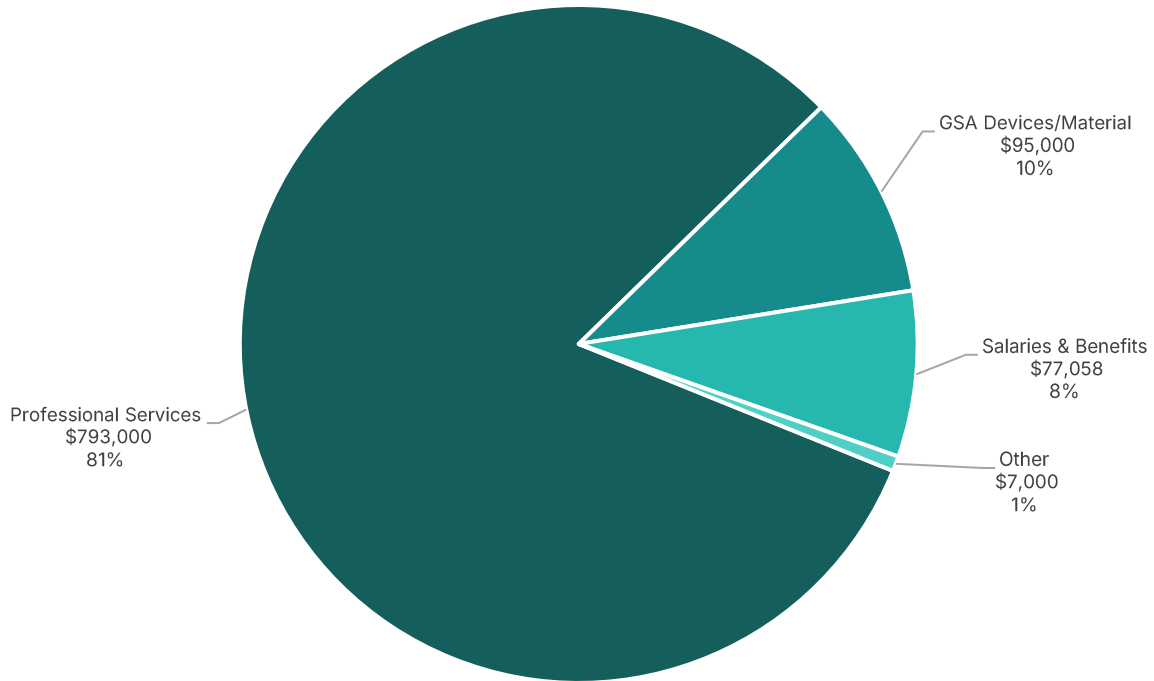
**Strategic Objective 2.3 – Technology is used to improve the cost-effectiveness of Management, Administration, Operations, and Maintenance.**

- Expand modeling and mapping capabilities through improved groundwater modeling, drone-based imaging, and geospatial data collection.

### Division – WR GSA Operating Expenses by Category

Category	FY27 - Adopted Budget (\$)	FY26 Budget (\$)	FY26 Est. Actuals (\$)	FY25 Actuals (\$)	Bud vs Bud % Change
Salaries & Benefits	77,058	-	-	-	-
GSA Devices/Material	95,000	-	-	-	-
Professional Services	793,000	1,378,089	838,684	680,331	-42%
Administrative Expense	5,000	4,000	3,300	(646)	25%
Office Supply	2,000	10,000	9,297	5,724	-80%
Information Technology	-	-	-	732	-
Utilities Expense	-	-	-	126	-
<b>Total</b>	<b>972,058</b>	<b>1,392,089</b>	<b>851,281</b>	<b>686,267</b>	<b>-30%</b>

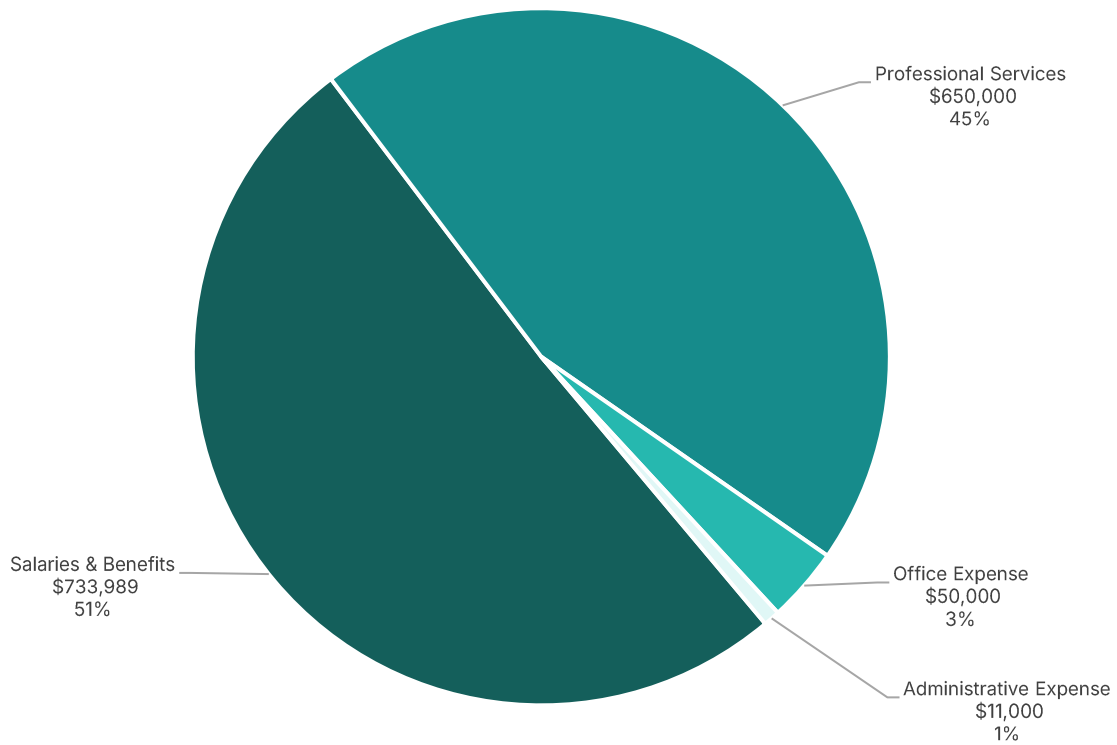
### FY 26/27 Adopted Budget



### Division – WR District Expenses by Category

Category	FY27 - Adopted Budget (\$)	FY26 Budget (\$)	FY26 Est. Actuals (\$)	FY25 Actuals (\$)	Bud vs Bud % Change
Salaries & Benefits	733,989	734,524	653,892	523,938	-0.07%
Professional Services	650,000	730,000	634,606	283,863	-11%
Office Expense	50,000	7,000	-	1,739	614%
Administrative Expense	11,000	14,000	3,406	1,215	-21%
<b>Total</b>	<b>1,444,989</b>	<b>1,485,524</b>	<b>1,291,904</b>	<b>810,755</b>	<b>-3%</b>

### FY 26/27 Adopted Budget





Capital Improvement Program (CIP)—investing in critical infrastructure upgrades to ensure long-term reliability and system performance.

# CAPITAL BUDGET

The Fiscal Year 2027 Capital Budget outlines the District's planned investments in infrastructure, system reliability, and long-term water supply sustainability. Guided by the District's Master Plans, Urban Water Management Plan, and multi-year Capital Improvement Program (CIP), the Capital Budget prioritizes projects that maintain and enhance critical water, sewer, and recycled water systems while supporting future growth and regulatory compliance.

Capital investments focus on the rehabilitation and replacement of aging infrastructure, expansion of system capacity where needed, and the continued development of recycled water as a key supply strategy. Additional emphasis is placed on projects that improve operational resiliency, including system redundancy, facility upgrades, and technology enhancements that support monitoring, control, and data-driven decision-making. These investments are essential to ensuring reliable service delivery and protecting the District's assets over the long term.

Funding for the Capital Budget is supported through a combination of operating revenues, capital reserves, grants, and external financing where appropriate. This diversified funding approach allows the District to advance priority projects while maintaining financial stability and minimizing impacts on ratepayers. By aligning capital investments with strategic objectives, the District continues to strengthen its infrastructure, improve system performance, and support sustainable service delivery for the community.

# Capital Improvement Program

The Capital Improvement Program (CIP) serves as the Marina Coast Water District's strategic framework for planning, funding, and delivering major infrastructure investments. The CIP supports the construction, rehabilitation, and replacement of critical water, wastewater, and recycled water systems to ensure the continued delivery of safe, reliable, and sustainable services to the community.

Capital Expenditures (Capex) are used to acquire, add to, or improve physical assets such as land, buildings, equipment, and infrastructure that have an expected useful life extending beyond a single reporting period. These long-term investments are capitalized and depreciated in accordance with Generally Accepted Accounting Principles (GAAP). Within the Capital Improvement Program (CIP), the District evaluates not only the initial project costs, but also the long-term operational and maintenance impacts associated with new and upgraded assets throughout each phase of the project lifecycle to support sound financial planning and sustainable infrastructure management.

## Key Components of the CIP Process

- **Long-Term Strategic Planning**

The District maintains a rolling 10-year Capital Improvement Plan informed by key planning documents, including the Water System Master Plan, Sewer System Master Plan, and Urban Water Management Plan. These plans identify infrastructure needs based on system capacity, growth projections, regulatory requirements, and overall system performance. Capital projects may also be driven by public health and safety considerations, environmental factors, and evolving regulatory compliance requirements. Project cost estimates incorporate inflation assumptions and projected increases in the Construction Cost Index (CCI) to ensure long-term financial accuracy.

- **Asset Condition and Risk Assessment**

The District utilizes its Computerized Maintenance Management System (CMMS) to assess the condition and performance of existing assets. This data-driven approach identifies infrastructure that is aging, underperforming, or at risk of failure, enabling

timely rehabilitation or replacement. This process supports a proactive, risk-based approach to capital planning and system reliability.

- **Annual CIP Budget Development**

Each year, the District develops a capital budget by aligning long-term infrastructure priorities with asset condition data and available funding. CMMS insights are integrated into project prioritization based on urgency, risk, system impact, and lifecycle cost considerations. Funding strategies may include capacity fees, grants, low-interest loans, and reserve funds, ensuring that capital investments are both fiscally responsible and strategically timed.

- **Board Review and Adoption**

The proposed CIP is presented to the Board of Directors as part of the annual budget process for review and adoption. This ensures transparency, accountability, and alignment with the District's mission and strategic objectives. Public and stakeholder input is incorporated, when applicable, to further inform project prioritization.

- **Integration of Capital and Operating Budgets**

The CIP is developed in coordination with the District's operating budget to ensure full financial alignment. Annual updates reflect changes in infrastructure needs, asset conditions, and funding availability. Projects are prioritized based on urgency, regulatory compliance, system performance, and available resources.

The financial impact of capital projects on both current and future operating budgets is carefully evaluated. New or expanded infrastructure may increase operational costs, including maintenance, staffing, utilities, and treatment. Conversely, certain capital investments—such as system replacements or efficiency upgrades—may reduce long-term operating costs. These impacts are analyzed during project planning and incorporated into the District's long-range financial forecasts. This integrated approach ensures the District can proactively manage future obligations while maintaining financial sustainability and service reliability.

### FY 2027 Capital Improvement Projects by Funding Source

#	CIP No	Capital Project Name	2024 Bond	Bldg. Removal Fund	Capacity Fee	Future Grant	GSA Fund Balance	Operating Reserve	Grand Total
1	WD-2405	Solar Array	-	-	644,000	-	56,000	-	700,000
2	WD-2601	Power & Communications Grid	-	-	184,000	-	16,000	-	200,000
3	GW-0123	B2 Zone Tank	-	-	250,000	-	-	-	250,000
4	GW-0330	Reservoir 2 Exterior Coating And Upgrades Project	400,200	-	-	-	-	179,800	580,000
5	GW-2310	Castroville Water Pipeline Intertie	-	-	-	7,500,000	-	-	7,500,000
6	GW-2602	Advanced Metering Infrastructure (AMI) Phase 1	-	-	300,000	-	-	-	300,000
7	GW-2603	Fire Hydrant Replacement Prog Fy26/27	-	-	-	-	-	50,000	50,000
8	MW-0321	California Ave Upsizing And Replacement	160,000	-	-	-	-	-	160,000
9	MW-2580	Armstrong Ranch Water Distribution System Installation	-	-	390,000	-	-	-	390,000
10	OW-0127	5th Ave Pipeline Replacement Project	500,000	-	-	-	-	-	500,000

#	CIP No	Capital Project Name	2024 Bond	Bldg. Removal Fund	Capacity Fee	Future Grant	GSA Fund Balance	Operating Reserve	Grand Total
11	OW-0201	Gigling Transmission Main	703,200	-	-	-	-	-	703,200
12	OW-2402	Ord Wastewater Treatment Plant Blight Removal Project	-	10,000	-	-	-	-	10,000
13	OW-2404	Reservation Road Desal Plant Renovation Project	-	-	8,896,000	5,004,000	-	-	13,900,000
14	OW-2501	Ammo Pump Station Rehabilitation Project	-	-	-	2,500,000	-	-	2,500,000
15	MS-2401	Tate Park Lift Station	-	-	2,630,000	-	-	-	2,630,000
<b>Grand Total</b>			<b>1,763,400</b>	<b>10,000</b>	<b>13,294,000</b>	<b>15,004,000</b>	<b>72,000</b>	<b>229,800</b>	<b>30,373,200</b>

### FY 2027 Capital Improvement Projects By Cost Center

#	CIP No.	Project Name	Marina Water	Marina Sewer	Ord Water	Ord Sewer	Recycled Water	GSA	Grand Total
1	WD-2405	Solar Array	137,900	32,900	303,100	74,200	95,900	56,000	700,000
2	WD-2601	Power & Communications Grid	39,400	9,400	86,600	21,200	27,400	16,000	200,000
3	GW-0123	B2 Zone Tank	77,500	-	172,500	-	-	-	250,000
4	GW-0330	Reservoir 2 Exterior Coating And Upgrades Project	179,800	-	400,200	-	-	-	580,000
5	GW-2310	Castroville Water Pipeline Intertie	2,325,000	-	5,175,000	-	-	-	7,500,000
6	GW-2602	Advanced Metering Infrastructure (AMI) Phase 1	-	-	300,000	-	-	-	300,000
7	GW-2603	Fire Hydrant Replacement Prog Fy26/27	25,000	-	25,000	-	-	-	50,000
8	MW-0321	California Ave Upsizing And Replacement	160,000	-	-	-	-	-	160,000
9	MW-2580	Armstrong Ranch Water Distribution System Installation	390,000	-	-	-	-	-	390,000
10	OW-0127	5th Ave Pipeline Replacement Project	-	-	500,000	-	-	-	500,000
11	OW-0201	Gigling Transmission Main	-	-	703,200	-	-	-	703,200
12	OW-2402	Ord Wastewater Treatment Plant Blight Removal Project	-	-	10,000	-	-	-	10,000

#	CIP No.	Project Name	Marina Water	Marina Sewer	Ord Water	Ord Sewer	Recycled Water	GSA	Grand Total
13	OW-2404	Reservation Road Desal Plant Renovation Project	-	-	13,900,000	-	-	-	13,900,000
14	OW-2501	Ammo Pump Station Rehabilitation Project	-	-	2,500,000	-	-	-	2,500,000
15	MS-2401	Tate Park Lift Station	-	2,630,000	-	-	-	-	2,630,000
	<b>Grand Total</b>		<b>3,334,600</b>	<b>2,672,300</b>	<b>24,075,600</b>	<b>95,400</b>	<b>123,300</b>	<b>72,000</b>	<b>30,373,200</b>

# Capital Project Details

The Capital Project Details section provides a comprehensive overview of the District's planned and ongoing Capital Improvement Projects (CIPs), along with their corresponding funding allocations. These projects reflect the District's continued investment in maintaining, upgrading, and expanding critical infrastructure to support reliable water, wastewater, and recycled water services.

Each project presented in the following pages is aligned with the District's long-term planning documents, including the Capital Improvement Program, Master Plans, and Strategic Objectives. The identified funding sources—such as operating revenues, capacity charges, grants, and external financing—demonstrate a balanced and responsible approach to delivering essential infrastructure improvements while maintaining financial stability.

Together, these projects support system resiliency, regulatory compliance, and service reliability, ensuring that the District can meet current demands and plan effectively for future growth.

**Project #:** WD-2405



**Solar - Solar Energy and Battery Storage at 920 Imjin Pkwy Project**

**Area:** WD      **Type:** Energy      **Short Name:** IOP Solar

**Project Description**

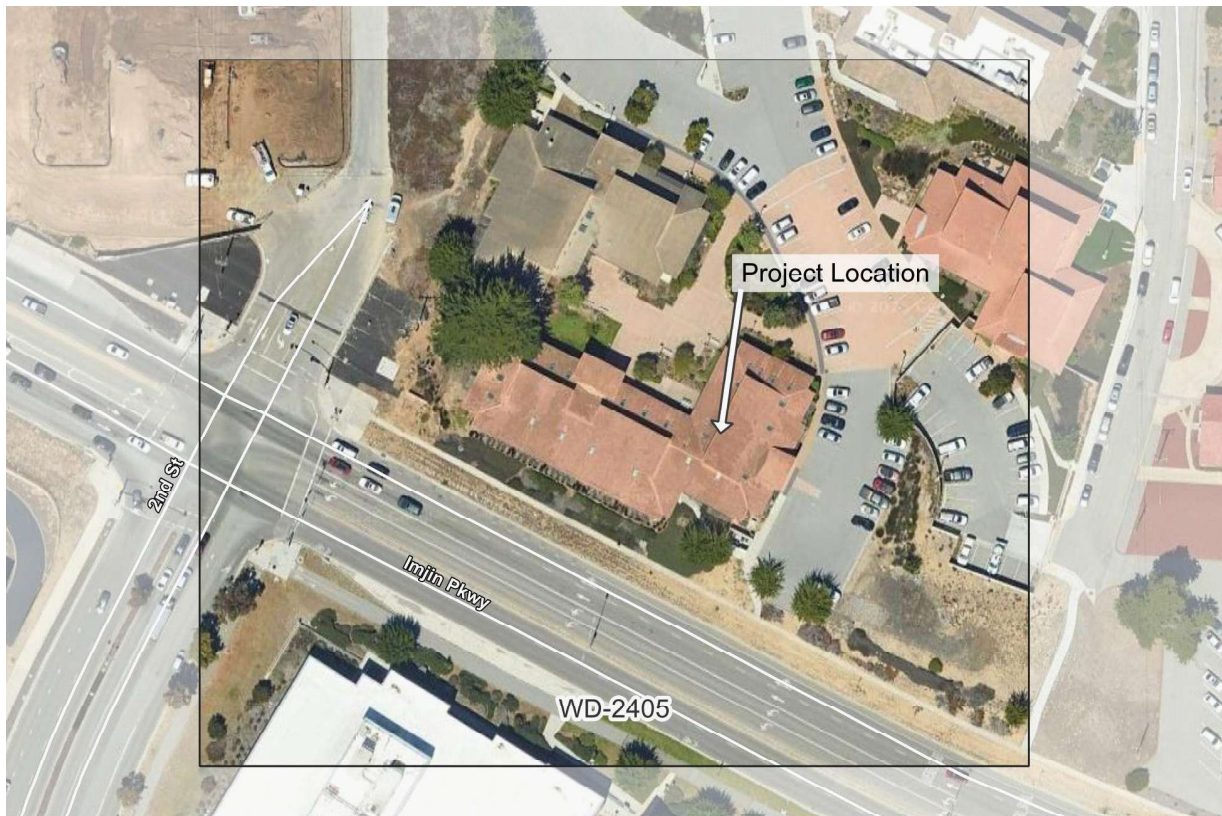
New solar array and backup power system at Imjin Office Park to increase energy grid reliability and sustainability. Project includes 156 KW generation, 2.5 MWh storage, and 1 Level 3 and 3 Level 2 car chargers.

**Project Need**

Project will improve the sustainable green energy portfolio of the district and provide 72 hours of emergency backup power for the District's key IT infrastructure and systems.

**Environmental Review**

NOE filed August 2025.



**Legend**



	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	Out Years
	\$k	\$k	\$k	\$k	\$k	\$k
Bond						
Capacity	644					
Renewal & Replacement						
GSA	56					
Grant						
Other						
<b>TOTAL</b>	<b>700</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Reimbursement      No



**Power and Communications Microgrid**

**Area:** WD      **Type:** Energy      **Short Name:** Microgrid

**Project Description**

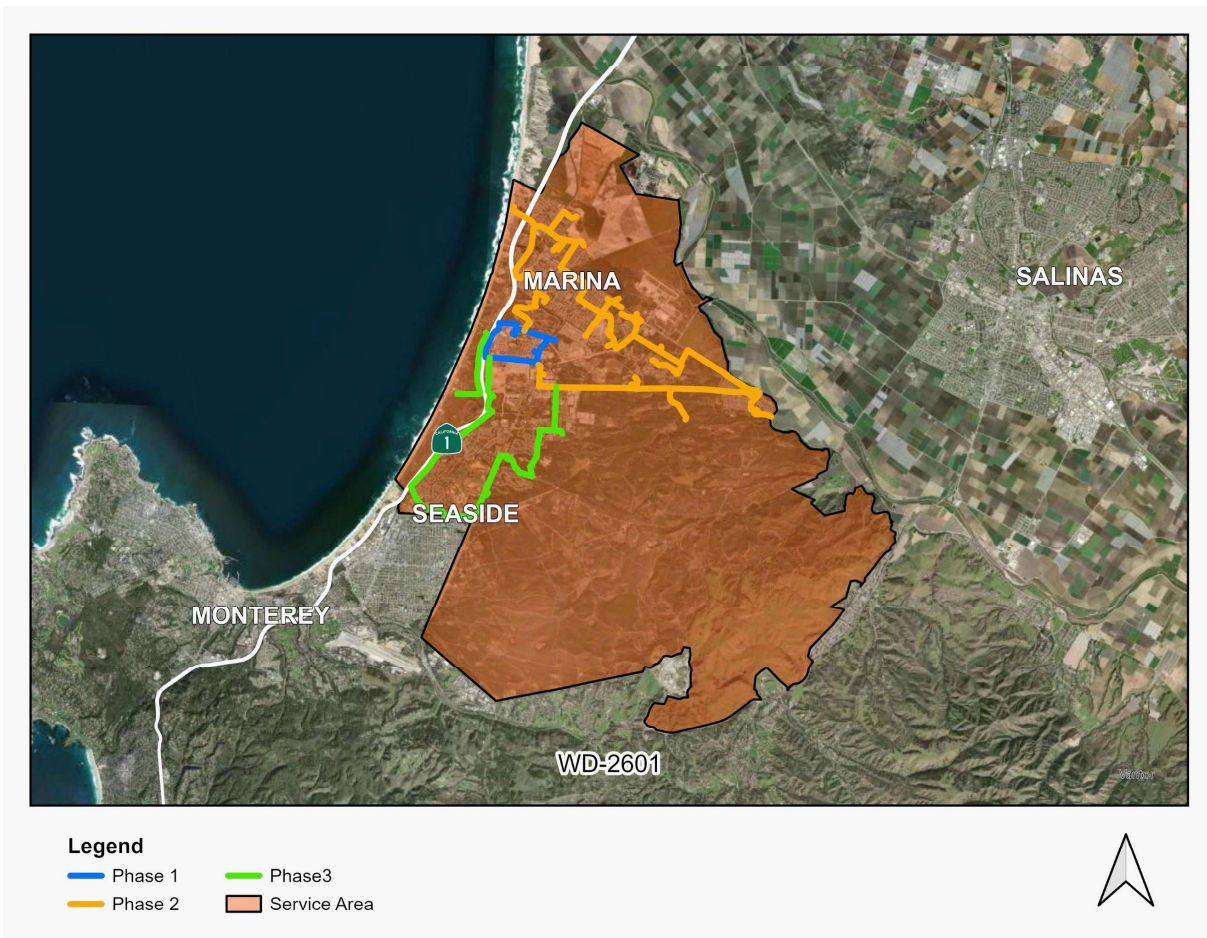
Project will investigate, plan, design, and construct distributed energy generation assets and a power microgrid to distribute the energy to District facilities and other facilities as identified. Project will be conducted in phases, with the FY26/27 phase conducting the feasibility analysis and basis of design report.

**Project Need**

Project will enhance the District's sustainable energy portfolio and energy independence, increasing energy reliability, efficiency, and control.

**Environmental Review**

N/A for the first planning phase. Permitting needs for future phases to be determined.



	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	Out Years
	\$k	\$k	\$k	\$k	\$k	\$k
Bond						
Capacity	184	2,000	5,000	5,000	5,000	
Renewal & Replacement						
GSA	16					
Grant						
Other						
<b>TOTAL</b>	<b>200</b>	<b>2,000</b>	<b>5,000</b>	<b>5,000</b>	<b>5,000</b>	<b>-</b>
Reimbursement	No					



**Reservoir - Zone B Tank 2**

**Area:** GW      **Type:** Reservoir      **Short Name:** Tank B2

**Project Description**

This project consists of the construction of a new 2.2 MG storage tank, booster station improvements, and site enhancements at the existing Zone B tank site.

**Project Need**

Project adds additional storage identified in the Master Plan to meet system growth.

**Environmental Review**

To be determined during pre-planning.



**Legend**

+ Tanks      ▲ Pump Stations      — Water Mains



	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	Out Years
	\$k	\$k	\$k	\$k	\$k	\$k
Bond						
Capacity	250	7,458	3,000			
Renewal & Replacement						
GSA						
Grant						
Other						
<b>TOTAL</b>	250	7,458	3,000	-	-	-

Reimbursement      No

**Project #:** GW-0330



**Reservoir - Reservoir 2 Exterior Coating and Upgrades Project**

**Area:** GW      **Type:** Storage Tank      **Short Name:** Paint Reservoir 2

**Project Description**

Project will recoat the tank exterior, improve safety structures, and include other site/equipment upgrades.

**Project Need**

Existing coating is failing and needs to be redone to improve protection from corrosive environment and extend life of asset. Safety structure and other site improvements will enhance the working and operational features of the facility.

**Environmental Review**

NOE filed on April 28, 2025



**Legend**

● Wells    + Tanks    ▲ Pump Stations    — Water Mains



	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	Out Years
	\$k	\$k	\$k	\$k	\$k	\$k
Bond	400.2					
Capacity						
Renewal & Replacement	-					
GSA						
Grant						
Operating Reserve	179.8					
<b>TOTAL</b>	<b>580</b>	-	-	-	-	-
Reimbursement	No					

**Project #:** GW-2310



**Pipeline - Castroville Water Pipeline Intertie - 28,300 LF, 20-inch diam.**

**Area:** GW      **Type:** Pipeline      **Short Name:** Castroville Pipeline

**Project Description**

The project concept will extend the potable water system north of existing Marina service area and connect to Castroville. This connection will enhance supply availability and reliability for Castroville and areas between. This preliminary engineering phase of the project will investigate partners, project needs, and preliminary engineering, then progress into design and construction process.

**Project Need**

To increase water resiliency for the extended community through the expansion of the existing MCWD distribution system. Project will require grant funds to initiate and implement.

**Environmental Review**

CEQA requirements to be determined based on designed project scope.



**Legend**

— Water Mains      — Project Focus



	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	Out Years
	\$k	\$k	\$k	\$k	\$k	\$k
Bond						
Capacity						
Renewal & Replacement						
GSA						
Grant	7,500					
Other						
<b>TOTAL</b>	<b>7,500</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Reimbursement	No					



**AMI Phase 1**

**Area:** GW      **Type:** District Wide      **Short Name:** AMI Phase 1

**Project Description**

Project will implement the first phase of the Advanced Metering Infrastructure (AMI). Phase 1 will install a radio tower and communication equipment at D Reservoir. Data will be integrated into District's existing financial system.

**Project Need**

AMI allows radio read of customer water meters, reducing meter read costs and efforts while increasing accuracy and reliability.

**Environmental Review**

NOA to be filed.



**Legend**

Project Focus



	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	Out Years
	\$k	\$k	\$k	\$k	\$k	\$k
Bond						
Capacity	300					
Renewal & Replacement						
GSA						
Grant						
Other						
<b>TOTAL</b>	300	-	-	-	-	-

Reimbursement      No

**Project #:** GW-2603



**Fire Hydrant Replacement Program FY26/27**

**Area:** GW      **Type:** Valve      **Short Name:** Hydrant Program

**Project Description**

Replace fire hydrants through an annual program. Program will replace approximately 300-500 total hydrants over time.

**Project Need**

Many existing hydrants from the Fort Ord and Marina system are old and outdated.

**Environmental Review**

To be determined based on selected sites.



	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	Out Years
	\$k	\$k	\$k	\$k	\$k	\$k
Bond						
Capacity						
Renewal & Replacement						
GSA						
Grant						
Operating Reserve	50					
<b>TOTAL</b>	50	-	-	-	-	-

Reimbursement      No

**Project #:** MW-0321

**Pipeline - California Ave. Upsizing and Replacement - Patton Parkway to Reindollar Ave - 1,225 LF, 16-inch diam.**



**Area:** MW

**Type:** Pipeline

**Short Name:** Calif Ave Pipeline

**Project Description**

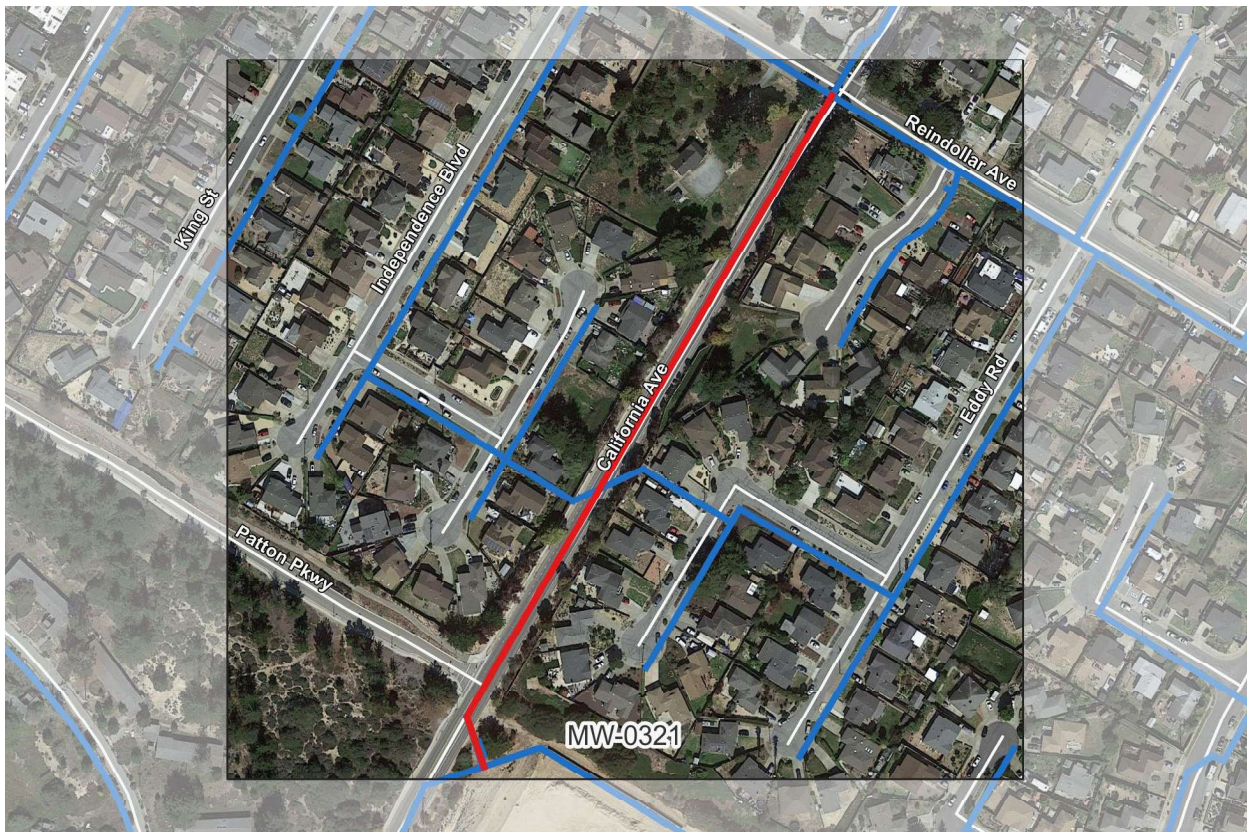
This project includes replacing an existing 12-inch pipeline with a new 16-inch pipeline (approx. 1,225 LF).

**Project Need**

Project will increase the transmission main capacity from the planned Zone A tanks to the Central Marina service area.

**Environmental Review**

NOE was filed August 13, 20205.



**Legend**

— Water Mains      — Project Focus



	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	Out Years
	\$k	\$k	\$k	\$k	\$k	\$k
Bond	160					
Capacity						
Renewal & Replacement						
GSA						
Grant						
Other						
<b>TOTAL</b>	160	-	-	-	-	-

Reimbursement      No

**Project #:** MW-2580



**Pipeline - Armstrong Ranch Water Distribution System - 7,575 LF, 12" diam.**

**Area:** MW      **Type:** Pipeline      **Short Name:** AR Distribution

**Project Description**

This project is for reimbursement to the Marina Station developer, approved in reimbursement agreement on March 17, 2025. Project includes the construction of a new 12-inch (approx. 7,575 LF) distribution main. This pipeline is intended to serve the future Marina Station development north of the existing Marina service area.

**Project Need**

Project will serve the Marina Station area and resolve looping and fire flow deficiencies in northern part of Marina.

**Environmental Review**

Included in Development CEQA Process



**Legend**

— Water Mains      — Project Focus



	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	Out Years
	\$k	\$k	\$k	\$k	\$k	\$k
Bond						
Capacity	390					
Renewal & Replacement						
GSA						
Grant						
Other						
<b>TOTAL</b>	390	-	-	-	-	-
Reimbursement	Yes					

**Project #:** OW-0127

**Pipeline - 5th Avenue Pipeline Replacement Project - Divarty Circle to Inter-Garrison - 750 LF, 12-inch diam.**



**Area:** OW      **Type:** Pipeline      **Short Name:** 5th Av. Pipeline

**Project Description**

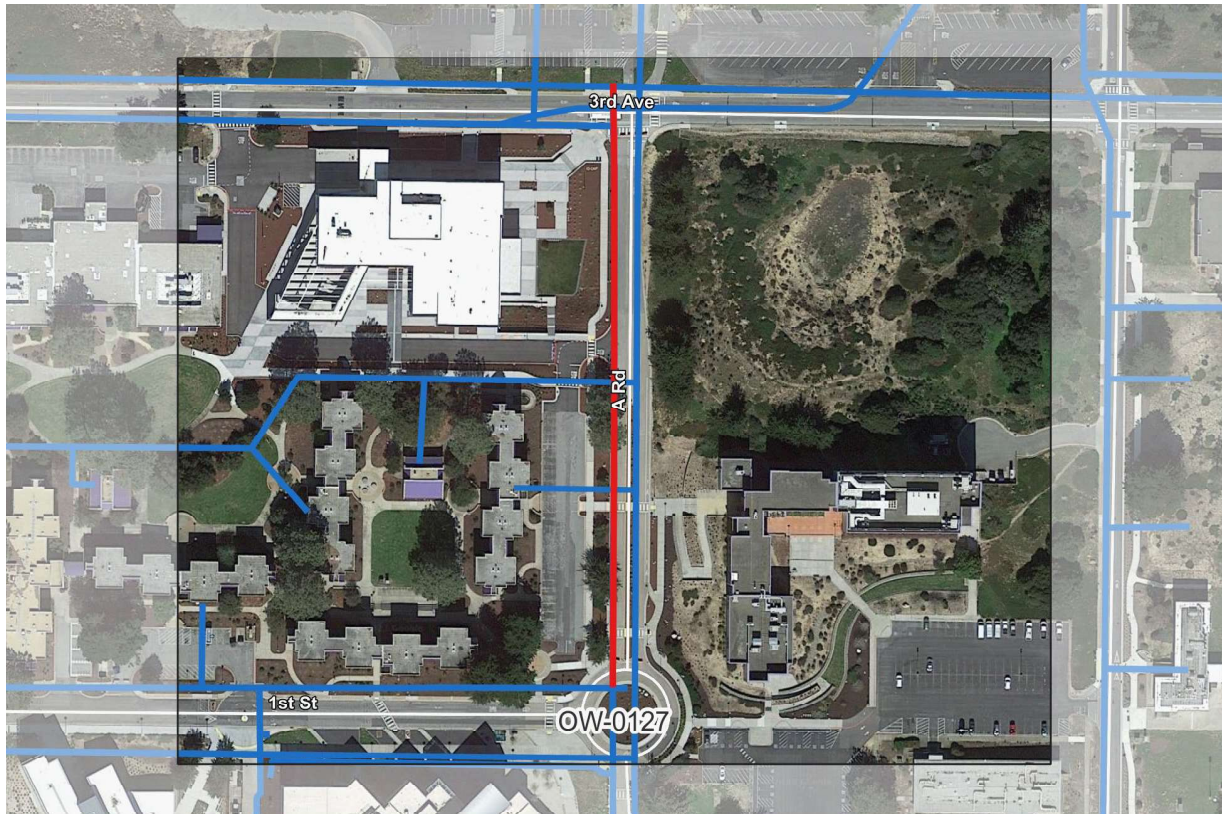
This project consists of replacing an existing 8-inch pipeline with a new 12-inch pipeline (approx. 750 LF). CSUMB is designing and building the pipeline, MCWD will reimburse CSUMB for the design and construction.

**Project Need**

This project is intended to mitigate an existing fire flow deficiency.

**Environmental Review**

N/A, CSUMB is lead.



**Legend**

— Water Mains      — Project Focus



	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	Out Years
	\$k	\$k	\$k	\$k	\$k	\$k
Bond	500					
Capacity						
Renewal & Replacement						
GSA						
Grant						
Other						
<b>TOTAL</b>	500	-	-	-	-	-

Reimbursement      No

**Project #:** OW-0201



**Gigling Road Water Pipeline Replacement - 2,300 LF, 12-inch diam.**

**Area:** OW      **Type:** Pipeline      **Short Name:** Gigling Road Pipeline

**Project Description**

This project consists of replacing an existing 12-inch pipeline (approx. 2,300 LF) along Gigling from General Jim Moore Blvd to Zone D Pump Station.

**Project Need**

This project is to replace the pipeline segment that has been subject to numerous repairs and modifications and will optimize the alignment.

**Environmental Review**

NOE filed on August 13, 2025.



**Legend**

- ▲ Pump Stations
- Water Mains
- Project Focus



	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	Out Years
	\$k	\$k	\$k	\$k	\$k	\$k
Bond	703.2					
Capacity						
Renewal & Replacement						
GSA						
Grant						
Other						
<b>TOTAL</b>	<b>703.2</b>	-	-	-	-	-
Reimbursement	No					

**Project #:** OW-2402



**Corp Yard Demo and Rehabilitation**

**Area:** OW      **Type:** District Facility      **Short Name:** Corp Yard Demo

**Project Description**

Project includes the demolition and removal of past Army facilities at the exiting Corp Yard. This project was mostly completed in FY 25/26, with the FY 26/27 budget utilized to cover closeout of project.

**Project Need**

Past Army facilities are beyond their useful life and no longer used.

**Environmental Review**

Not applicable.



**Legend**

— Project Focus



	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	Out Years
	\$k	\$k	\$k	\$k	\$k	\$k
Bond						
Capacity						
Renewal & Replacement						
GSA						
Grant						
Bldg. Removal Fund	10					
<b>TOTAL</b>	10	-	-	-	-	-

Reimbursement      No

**Project #:** OW-2404



**Reservation Road Desal Renovation**

**Area:** OW      **Type:** Treatment      **Short Name:** Res Road Desal

**Project Description**

Project renovates the existing Reservation Road Desalination Facility to bring it back on line at it's original design capacity of 300 AFY. Project renovates the intake well, treatment system, and brine discharge well.

**Project Need**

Project provides alternative supply source to enhance supply reliability and availability, and reduce groundwater pumping to enhance groundwater sustainability.

**Environmental Review**

NOE was filed on September 11, 2025.



**Legend**

● Wells



	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	Out Years
	\$k	\$k	\$k	\$k	\$k	\$k
Bond						
Capacity	8,896					
Renewal & Replacement						
GSA						
Grant	5,004					
Other						
<b>TOTAL</b>	<b>13,900</b>	-	-	-	-	-
Reimbursement	No					

**Project #:** OW-2501



**Booster Station - Ammo Pump Station Rehabilitation Project**

**Area:** OW      **Type:** Pump Station      **Short Name:** ASP Booster Rehab

**Project Description**

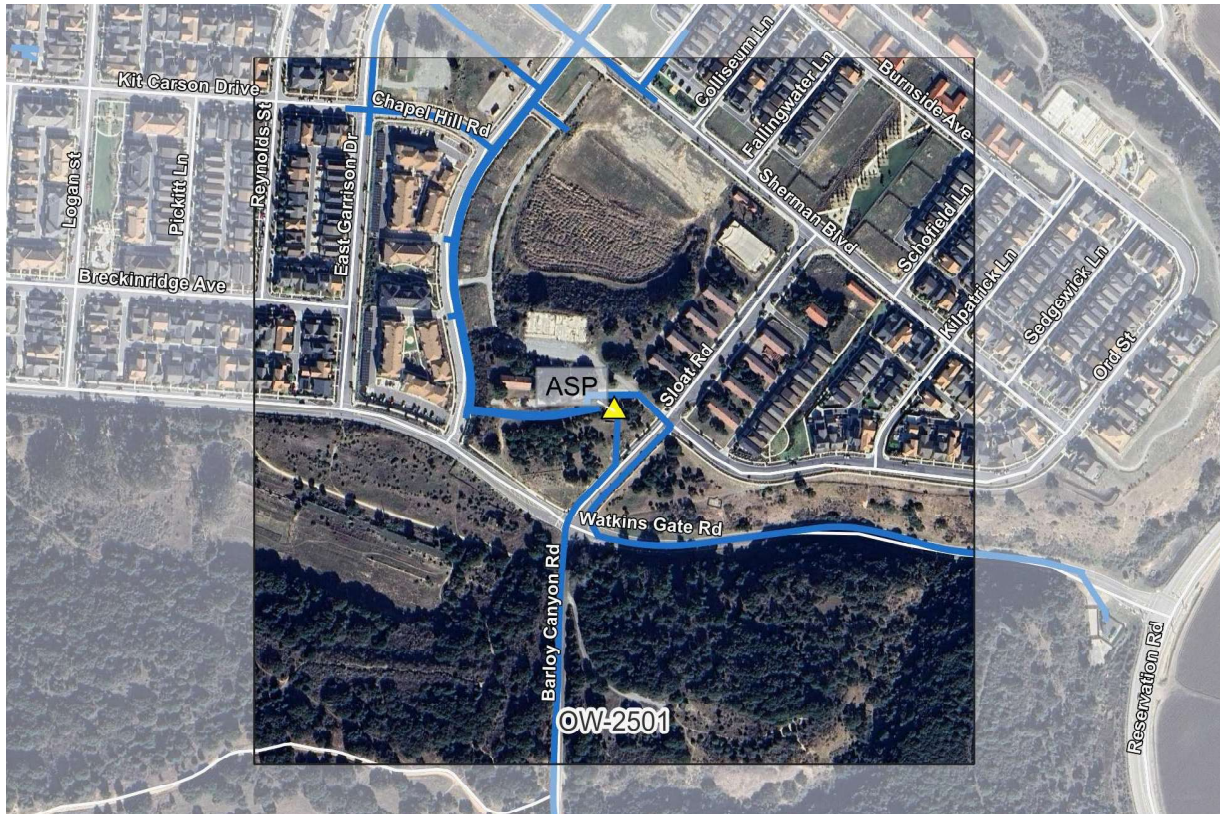
Project will refurbish the existing pumping station to ensure water service to the Sherriff facilities at the former Fort Ord ammo supply location. Solution may include additional storage. Project will begin with a study and basis of design report to identify the recommended project.

**Project Need**

Project is needed to supply water service (including fire service) to the site. Grant funds are required to initiate this project.

**Environmental Review**

Type of environmental review to be determined during the planning phase.



**Legend**

▲ Pump Stations      — Water Mains



	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	Out Years
	\$k	\$k	\$k	\$k	\$k	\$k
Bond						
Capacity						
Renewal & Replacement						
GSA						
Grant	2,500					
Other						
<b>TOTAL</b>	<b>2,500</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Reimbursement	No					



**Lift Station - Tate Park**

**Area:** MS      **Type:** Lift Station      **Short Name:** Tate Park LS

**Project Description**

This project consists of the installation of a new sanitary sewer lift station and associated gravity and force-main sewer pipes. The proposed location of the lift station is on north side of park adjacent to Boy Scout hut in an area designated by the City through review of the project. Peak Flow: 0.71 mgd. Average flow 0.26 mgd. District will reimburse developer for construction.

**Project Need**

This project is needed to serve the Marina Station development and existing Central Marina customers. The lift station facilities are undersized for the increased sewage flow from the Marina Station development. The existing site is on ocean side of Highway 1 and the new site will improve resiliency against climate change.

**Environmental Review**

Included in development CEQA process.



**Legend**

— Gravity Mains      ● Project Location



	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	Out Years
	\$k	\$k	\$k	\$k	\$k	\$k
Bond						
Capacity	2,630					
Renewal & Replacement						
GSA						
Grant						
Other						
<b>TOTAL</b>	2,630	-	-	-	-	-

Reimbursement      No



Capital equipment investment—specialized maintenance vehicles supporting efficient and reliable wastewater system operations.

# Capital Equipment

The Capital Equipment section outlines the District's planned investments in essential machinery, vehicles, and operational equipment for the upcoming fiscal year. These investments are critical to supporting day-to-day operations and maintenance activities, ensuring continued efficiency, reliability, and service delivery across all departments.

For FY 2027, the District has identified key equipment needs, including the replacement of a skid steer that has exceeded its useful life, as well as the acquisition of light-duty fleet vehicles to replace aging units and sustain operational capacity. These replacements are prioritized based on asset condition, maintenance history, and operational necessity to minimize downtime and maintain service levels.

The District continues to evaluate equipment needs through a lifecycle management approach, ensuring that capital equipment investments are timely, cost-effective, and aligned with long-term operational requirements.

### FY 2027 Capital Equipment Summary

Category	FY27 - Adopted Budget (\$)	FY26 Budget (\$)	FY26 Est. Actuals (\$)	FY25 Actuals
Capital Equipment	1,251,000	100,000	94,575	479,676
Vehicles	200,000	300,000	288,577	273,800
<b>Grand Total</b>	<b>1,451,000</b>	<b>400,000</b>	<b>383,152</b>	<b>753,476</b>

### FY 2027 Capital Equipment By Cost Center

Category	Marina Water (\$)	Marina Sewer (\$)	Ord Water (\$)	Ord Sewer (\$)	Recycled Water (\$)	Total
O&M Capital Equipment	297,700	54,500	644,500	227,400	10,900	1,235,000
WR Capital Equipment	3,840	960	8,960	2,080	160	16,000
Vehicles	56,000	10,000	110,000	22,000	2,000	200,000
<b>Total</b>	<b>357,540</b>	<b>65,460</b>	<b>763,460</b>	<b>251,480</b>	<b>13,060</b>	<b>1,451,000</b>



Meet our Meter Readers and Customer Service Administrator—working together to ensure accurate billing, reliable data collection, and responsive service for our community.

# DEBT OBLIGATIONS

The Marina Coast Water District strategically utilizes debt financing to support critical capital improvements and infrastructure investments. In accordance with the District's Debt Management Policy, all debt is issued and managed prudently to promote long-term financial sustainability, cost-effectiveness, and transparency.

Debt financing enables the District to advance essential projects while aligning repayment obligations with the useful life of the assets being funded. This approach helps balance current and future ratepayer impacts while maintaining the reliability and resilience of the District's infrastructure.

The following tables summarize the District's outstanding debt obligations, including loans and bonds, across their full repayment terms.

## Santa Cruz Bank Installment Loan (Holman Capital)

On January 20, 2017, the District converted a construction loan that financed the construction of an office building at 940 2nd Avenue within Imjin Office Park in Marina, which is currently leased to the Bureau of Land Management, to a 20-year fixed rate loan. The installment loan in the amount of \$2,799,880 has a fixed all-in rate of 5.75%. Commercial loan rates were at 5.00% - 7.00% for loans above \$250,000 at time of offer. There is no prepayment penalty on the installment loan, so the District has the ability to refinance it. Debt service payments are as follows:

### Santa Cruz Bank Installment Loan (Holman Capital)

Year	Principal (\$)	Interest (\$)	Total
2027	129,074	108,314	237,388
2028	136,603	100,785	237,388
2029	144,571	92,817	237,388
2030	153,003	84,385	237,388
2031	161,927	75,461	237,388
2032-2037	1,190,346	233,983	1,424,329

## State Revolving Fund (SRF) Loan Agreement 1

On January 25, 2018, the District entered into a construction installment sale agreement and grant with the California State Water Resources Control Board for the construction of the Regional Urban Water Augmentation Project (“RUWAP”) transmission pipeline with a maximum amount of \$10,513,217 at an interest rate of 1.8% per annum and a completion date of September 30, 2020. The State amended the contract completion date to coincide with the completion date of the distribution system of March 30, 2022. Per the Agreement, there is a maximum grant component of \$3,595,789. Debt service payments are as follows:

### Clean Water SRF Loan (Agreement 1)

Year	Principal (\$)	Interest (\$)	Total
2027	109,660	64,718	174,378
2028	111,634	62,744	174,378
2029	113,643	60,734	174,377
2030	115,689	58,689	174,378
2031	117,771	56,606	174,377
2032-2036	621,428	250,459	871,887
2037-2041	679,407	192,481	871,888
2042-2046	742,795	129,093	871,888
2047-2052	983,390	62,874	1,046,264

### Water Recycling Fund Program Prop 1 Loan (Agreement 1)

Year	Principal (\$)	Interest (\$)	Total
2027	33,291	18,930	52,221
2028	33,890	18,331	52,221
2029	34,500	17,721	52,221
2030	35,121	17,100	52,221
2031	35,753	16,468	52,221
2032-2036	188,654	72,452	261,106
2037-2041	206,256	54,850	261,106
2042-2046	225,499	35,607	261,106
2047-2052	258,725	14,788	273,513

## State Revolving Fund (SRF) Loan Agreement 2

On June 27, 2018, the District entered into a second construction installment sale agreement with the California State Water Resources Control Board to fund the RUWAP distribution system, with a maximum amount of \$11.4 million at an interest rate of 1.8%. The original completion date of March 30, 2020, was extended to March 30, 2023, due to bid and construction delays. The agreement includes a grant component of up to \$3.7 million. Estimated debt service payments are as follows:

### SRF 120 Water Recycling (Agreement 2)

Year	Principal (\$)	Interest (\$)	Total
2027	54,783	33,899	88,682
2028	55,769	32,913	88,682
2029	56,773	31,909	88,682
2030	57,795	30,887	88,682
2031	58,835	29,847	88,682
2032-2036	310,448	132,963	443,411
2037-2041	339,413	103,998	443,411
2042-2046	371,079	72,332	443,411
2047-2051	405,701	37,710	443,411
2052-2053	172,689	4,677	177,366

### SRF 120 Water Recycling (Agreement 2)

Year	Principal (\$)	Interest (\$)	Total
2027	130,778	80,924	211,702
2028	133,132	78,570	211,702
2029	135,528	76,173	211,701
2030	137,968	73,734	211,702
2031	140,451	71,251	211,702
2032-2036	741,101	317,408	1,058,509
2037-2041	810,244	248,264	1,058,508
2042-2046	885,840	172,669	1,058,509
2047-2051	968,487	90,022	1,058,509
2052-2053	412,240	11,164	423,404

## 2019 Enterprise Revenue Certificates Of Participation (COPs)

The District issued COPs worth \$17,725,000 on December 19, 2019, to fund necessary capital improvement projects such as pipeline improvements, booster pump replacements, and reservoir tank construction. Emergency generators were also acquired for key well sites, booster stations, and sewer pumping facilities to ensure they operate during power outages. The total cost, including all annualized expenses, amounts to 2.99% over thirty years. Below is the schedule of debt service payments:

### 2019 Enterprise Revenue Certificates of Participation (COPs)

Year	Principal (\$)	Interest (\$)	Total
2027	405,000	601,400	1,006,400
2028	425,000	581,150	1,006,150
2029	445,000	559,900	1,004,900
2030	470,000	537,650	1,007,650
2031	490,000	514,150	1,004,150
2032-2036	2,815,000	2,211,850	5,026,850
2037-2041	3,435,000	1,595,300	5,030,300
2042-2046	4,170,000	860,400	5,030,400
2047-2049	2,845,000	172,350	3,017,350

## 2024 Enterprise Revenue Certificates Of Participation (COPs)

On August 18, 2024, the District issued Certificates of Participation (COPs) amounting to \$19,310,000. The proceeds will fund the replacement and upgrade of aging assets. Projects will implement infrastructure improvements to pipelines, pumping stations, storage, groundwater wells, other water supply sources, facilities, and other operational systems. The true interest cost (TIC) for the COPs issuance is 3.89%, reflecting the overall cost of the bond over its lifetime. S&P Global Ratings assigned a municipal bond rating of "AA-". Below is the schedule of debt service payments:

### 2024 Enterprise Revenue Certificates of Participation (COPs)

Year	Principal (\$)	Interest (\$)	Total
2027	-	826,100	826,100
2028	-	826,100	826,100
2029	-	826,100	826,100
2030	-	826,100	826,100
2031	-	826,100	826,100
2032-2036	-	4,130,500	4,130,500
2037-2041	5,370,000	3,744,250	9,114,250
2042-2046	8,195,000	2,157,800	10,352,800
2047-2049	5,745,000	465,600	6,210,600

## 2025 Enterprise Refunding Bonds

The District has issued bonds over the years to manage its debt obligations and improve its financial position. The 2015 bond issuance refinanced earlier debt (2006 COPs), which had been used to finance improvements to the District's water and wastewater systems, as well as refinance prior obligations. On February 6, 2025, the District took advantage of favorable market conditions to refinance the 2015 bonds. S&P Global Ratings assigned a municipal bond rating of "AA-". The true interest cost (TIC), which includes all annualized costs, is 2.7%. Below is the schedule of debt service payments:

### 2025 Enterprise Revenue Refunding Bonds

Year	Principal (\$)	Interest (\$)	Total
2027	1,195,000	826,350	2,021,350
2028	1,250,000	766,600	2,016,600
2029	1,310,000	704,100	2,014,100
2030	1,375,000	638,600	2,013,600
2031	1,445,000	569,850	2,014,850
2032-2037	10,340,000	1,766,100	12,106,100

## Recycled Water Interfund Loan

The Recycled Water Fund (Cost Center 05) has run a negative cash balance since the early 2000s, with the deficit growing from \$33,000 in fiscal year 2001 to \$11.4 million in fiscal year 2024. Over this period, the funds have incurred significant infrastructure investment costs. Despite revenue from Capacity fees, FORA, Cost Share Agreements, and Grants, these were insufficient to cover the infrastructure cost. The purpose of the inter-fund loan is to permanently address the negative cash balance in the Recycled Water Fund by transitioning from short-term borrowing to long-term borrowing between the Recycled Water Fund and the Ord Sewer Fund. The loan has a 20-year term and an interest rate of 1%. Debt service payments are as follows:

### Recycled Water Interfund Loan

Year	Principal (\$)	Interest (\$)	Total
2027	528,141	103,594	631,735
2028	533,422	98,312	631,734
2029	538,757	92,978	631,735
2030	544,144	87,590	631,734
2031	549,586	82,149	631,735
2032-2036	2,831,474	327,199	3,158,673
2037-2041	2,975,907	182,766	3,158,673
2042-2044	1,851,668	37,281	1,888,949

## Principal and Interest By Fund Through Maturity Date

Principal	MW (\$)	MS (\$)	OW (\$)	OS (\$)	RW (\$)	Total (\$)
2019 Bond	4,030,000	1,550,000	4,340,000	5,580,000	-	15,500,000
2017 (BLM)	536,347	153,242	957,762	268,173	-	1,915,524
110-CWSRF	-	-	-	-	3,595,417	3,595,417
110-WRFR	-	-	-	-	1,051,689	1,051,689
120-CWSRF	-	-	-	-	4,495,769	4,495,769
120-WRFR	-	-	-	-	1,883,285	1,883,285
2024 Bond	3,475,800	3,862,000	11,972,200	-	-	19,310,000
2025 Bond	1,353,200	845,750	8,119,200	2,706,400	3,890,450	16,915,000
<b>Totals</b>	<b>9,395,347</b>	<b>6,410,992</b>	<b>25,389,162</b>	<b>8,554,573</b>	<b>14,916,609</b>	<b>64,666,684</b>

Interest	MW (\$)	MS (\$)	OW (\$)	OS (\$)	RW (\$)	Total (\$)
2019 Bond	1,984,879	763,415	2,137,562	2,748,294	-	7,634,150
2017 (BLM)	194,809	55,660	347,872	97,404	-	695,745
110-CWSRF	-	-	-	-	938,398	938,398
110-WRFR	-	-	-	-	266,247	266,247
120-CWSRF	-	-	-	-	1,220,179	1,220,179
120-WRFR	-	-	-	-	511,135	511,135
2024 Bond	2,633,157	2,925,730	9,069,763	-	-	14,628,650
2025 Bond	421,728	263,580	2,530,368	843,456	1,212,468	5,271,600
<b>Totals</b>	<b>5,234,573</b>	<b>4,008,385</b>	<b>14,085,565</b>	<b>3,689,154</b>	<b>4,148,428</b>	<b>31,166,104</b>

# Debt Service Coverage

Debt Service Coverage	Estimated Debt Service Coverage as of 06/30/2027 (\$)
<b>Gross Revenue</b>	
Water Sales	20,985,000
Sewer Sales	7,447,000
Recycled Water Sales	1,845,000
Developer Fees	770,000
Other Fees and Charges	1,242,000
Capacity Fee/Capital Surcharge	6,180,000
Interest	2,656,000
Other Revenue	931,200
<b>Total Gross Revenue</b>	<b>42,056,200</b>
<b>Operating Expenses</b>	
Salaries & Benefits	12,788,509
Department Expense	20,092,086
<b>Total Operating Expense</b>	<b>32,880,595</b>
<b>Net Available Revenue</b>	<b>9,175,605</b>
<b>Debt Service</b>	
2019 Certificate of Participation	1,006,400
Santa Cruz County Bank Loan	237,388
State Revolving Fund Loan -110	226,599
State Revolving Fund Loan -120	300,384
2024 Certificate of Participation	826,100
2025 Enterprise Revenue Refunding Bonds	2,021,350
<b>Total Expenses</b>	<b>4,618,221</b>
<b>Debt Coverage Ratio(%)</b>	<b>1.99</b>
<b>Min. Coverage Ratio For All Debt Service (%)</b>	<b>1.25</b>



Routine Maintenance—ongoing inspections, repairs, and preventative work keep the District's water and wastewater systems operating safely, efficiently, and reliably every day.

# RESERVES AND INVESTMENTS

The District maintains a strong reserves and investment portfolio to support financial stability, operational continuity, and long-term infrastructure planning. Reserves are established and managed in accordance with Board policy to ensure the availability of funds for emergencies, economic uncertainty, capital replacement, and rate stabilization. This structured approach allows the District to respond to unforeseen events while continuing to meet service and regulatory obligations without disruption.

The District's investment strategy prioritizes the preservation of principal and liquidity, while seeking a reasonable rate of return. Funds are allocated across secure and conservative investment vehicles, including accounts with financial institutions and participation in the State's Local Agency Investment Fund (LAIF). These investments are selected to ensure that cash is readily available to meet operational needs, support capital projects, and maintain flexibility in a changing financial environment.

Through prudent management of reserves and adherence to its Investment Policy, the District is able to balance short-term operational requirements with long-term financial goals. This approach supports the District's ability to fund infrastructure improvements, manage debt obligations, and maintain stable rates over time, while safeguarding public funds and ensuring fiscal responsibility.

# District Investments

The District's investment portfolio reflects a disciplined and well-diversified approach aligned with its Investment Policy, which prioritizes the preservation of principal, protection of accrued interest, and the achievement of a reasonable rate of return. Consistent with this policy, investment decisions emphasize safety and liquidity, ensuring that funds remain readily accessible to support operational needs, capital projects, and unforeseen events without exposing the District to undue risk.

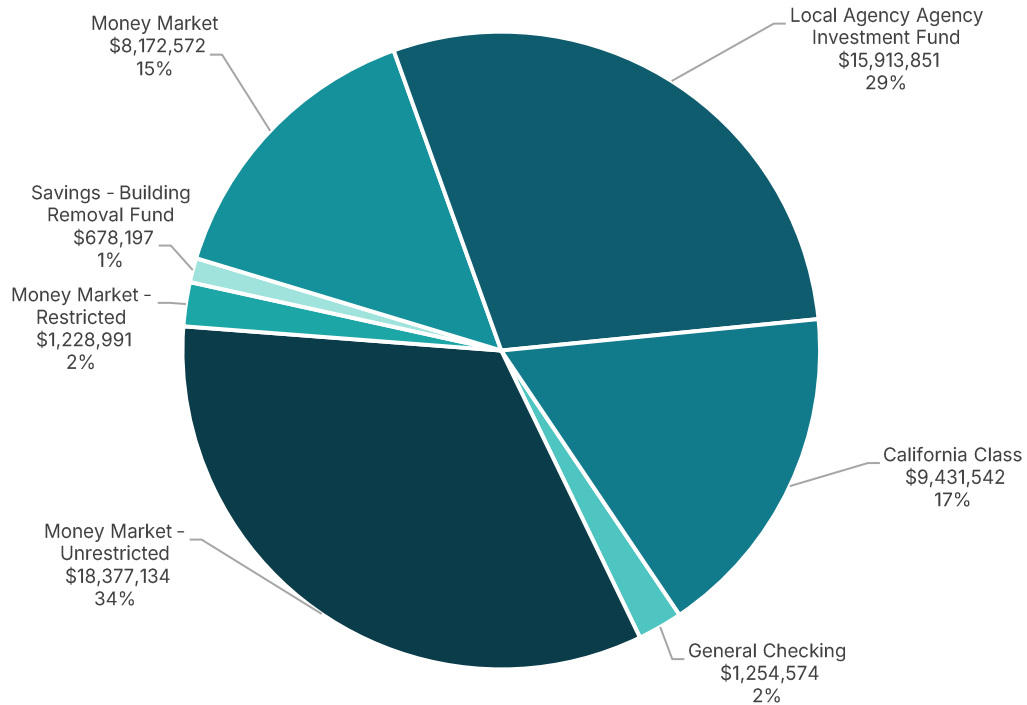
As of June 30, 2026, the District's total estimated investments are approximately \$55.1 million. The largest portion is held in a Mechanics Bank money market account, with a balance of \$21.5 million, providing immediate liquidity and financial stability. In late 2025, the District expanded and diversified its portfolio through an investment in Five Star Bank, which currently holds an estimated balance of \$8.2 million. A substantial share of the portfolio is also allocated to the Local Agency Investment Fund (LAIF), administered by the California State Treasurer's Office through the Pooled Money Investment Account (PMIA). With an estimated balance of \$15.9 million, LAIF continues to serve as a core investment due to its strong liquidity, ease of access, and conservative strategy focused on U.S. Treasury securities and short-term instruments.

Further enhancing diversification and yield potential, the District has invested in California CLASS, a pooled investment program tailored for public agencies. California CLASS offers competitive returns while maintaining a risk-conscious approach through broad, high-quality diversification. As of June 30, 2026, the District's estimated balance in California CLASS is \$9.4 million. Together, these investments form a balanced and resilient portfolio that positions the District to effectively navigate changing market conditions while maintaining financial security, liquidity, and flexibility.

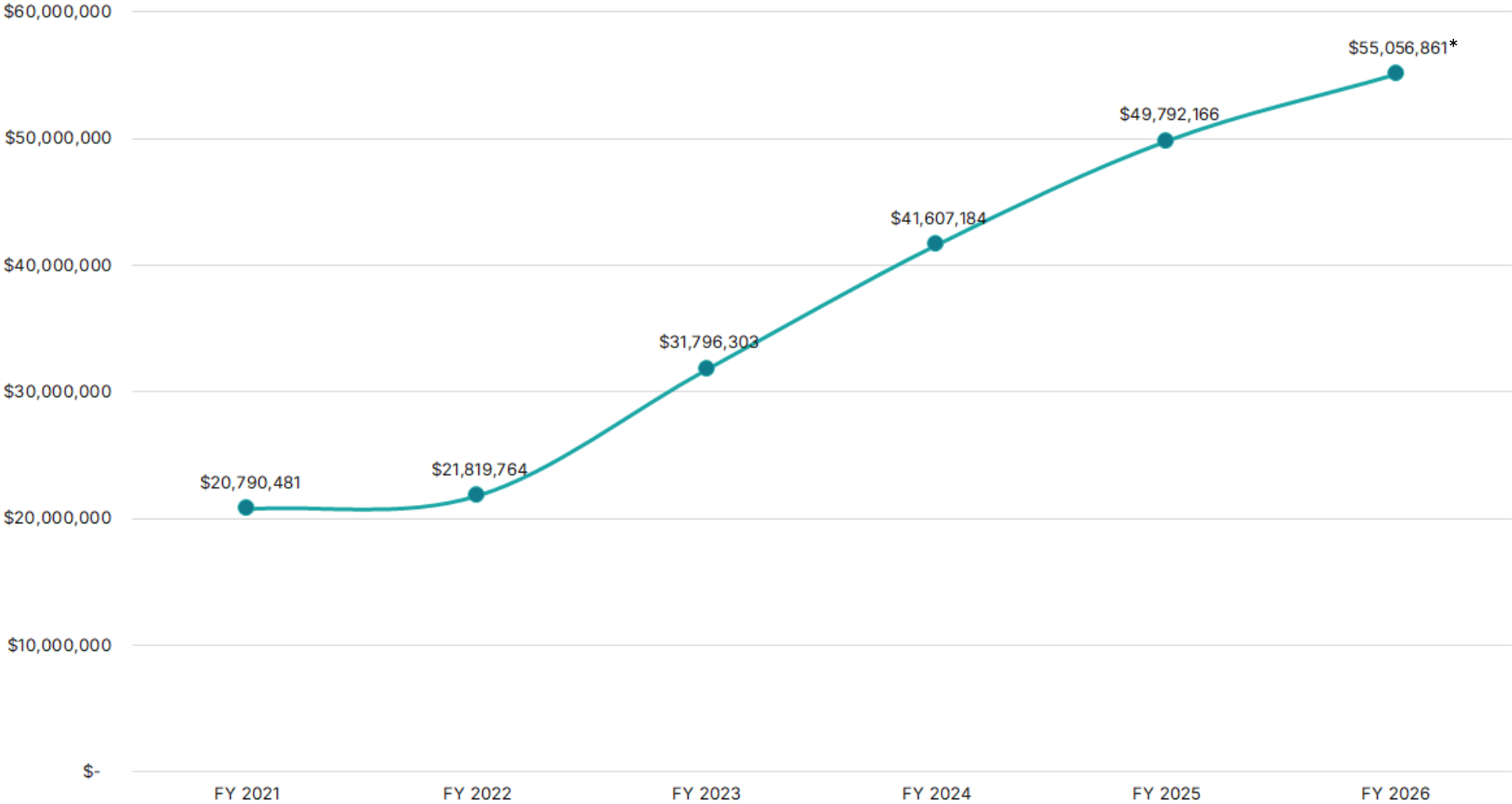
### FY 2025/2026 Investments

Depository	Balance as of 06/30/2025	Projected Balance as of 06/30/2026
<b>Mechanics Bank</b>		
General Checking	1,959,042	1,254,574
Money Market - Unrestricted	17,982,877	18,377,134
Money Market - Restricted	1,213,859	1,228,991
Savings - Building Removal Fund	729,324	678,197
Certificate of Deposit	5,260,285	-
Certificate of Deposit	3,156,171	-
<b>Five Star Bank</b>		
Money Market	-	8,172,572
<b>State of California</b>		
Local Agency Investment Fund	7,424,172	15,913,851
<b>Joint Powers Authority Investments</b>		
California Class	9,066,436	9,431,542
<b>Total Investment</b>	<b>46,792,166</b>	<b>55,056,861</b>

### FY 2026 District Investments



# MCWD Historical Investments



\*Projected for FY 2026

# District Reserves

Adequate reserves are essential to ensure the District maintains sufficient financial resources to meet its ongoing operating, capital, and debt service obligations. In addition, healthy reserve levels provide the flexibility to address future capital needs, issue new debt, and respond to unfunded mandates, including evolving regulatory requirements.

The District maintains two categories of reserve funds: Restricted reserves and Board-designated reserves.

Restricted reserve funds consist of monies that are legally or contractually obligated for specific uses. These include proceeds from bond issuances or other forms of debt financing, governed by their respective financing agreements, as well as funds received from other agencies and capacity charges collected for infrastructure improvements.

The District's restricted reserve funds include:

- **RUWAP-110 Debt Reserve Fund** – Established in March 2022, this reserve fund was created in accordance with the loan agreement for the State Revolving Fund (SRF), which financed the construction of the recycled water transmission pipeline. As required by the agreement, both the principal balance and any accrued earnings must remain in the fund for the duration of the loan. The reserve is designated for use as the final debt service payment due in March 2052. The loan agreement predetermined the target funding level for this reserve and is currently fully funded.
- **RUWAP-120 Debt Reserve Fund** – This reserve fund was established in March 2023 in accordance with the loan agreement with the State Revolving Fund (SRF), which provided financing for the construction of the recycled water distribution system. In compliance with the terms of the agreement, both the fund balance and any accrued interest must be retained in the account for the duration of the loan. The reserve will be applied toward the final debt service payment scheduled for March 2052. The target funding level was predetermined by the SRF agreement and is currently fully funded.

- **2024 Bond Reserve Fund** - In August 2024, the District issued Certificates of Participation (COPs) totaling \$19,310,000. The bond proceeds will be used to fund the replacement and upgrade of aging infrastructure. Planned projects include improvements to pipelines, pumping stations, storage facilities, groundwater wells, alternative water supply sources, and other critical operational systems that support the District's long-term service reliability and efficiency.
- **Capacity Fee Reserve Fund** - The monies in this fund are collected from developers and are restricted to pay for the new facilities necessary to deliver water and wastewater service to the newly developed property. The reserve fund is drawn upon as capital expenditures are made. The balance in this account fluctuates depending on the number and timing of development projects and therefore, no minimum or maximum target levels have been established.

The Board-Designated Reserve Funds are comprised of the Capital Replacement and Improvement Fund, Operating Reserve and the Rate Stabilization Fund. Currently, MCWD's Board-designated reserve funds include:

- **Capital Replacement Reserve Fund** - The Capital Replacement and Improvement Fund is designated to finance the replacement of capital assets that have reached the end of their useful life, as well as improvements to existing infrastructure and system components. Each fiscal year, Marina Coast Water District (MCWD) will strive to contribute to this fund based on the availability of resources. The target funding level is set to equal the replacement cost of the most expensive asset within each component system.
- **Building Removal Fund** – Funds from the Fort Ord Reuse Authority reserved for blight removal are used by the District to address deteriorated structures, environmental hazards, and obsolete infrastructure.
- **Operating Reserve Fund** – The Operating Reserve Fund is established to provide financial stability for the District by covering unanticipated operating expenses and addressing routine cash flow needs. Staff may use this reserve to temporarily offset cash flow shortfalls resulting from:
  - a) timing differences between revenue collection and expenditures,
  - b) unexpected decreases in revenue,
  - c) or unforeseen increases in operating costs. The target minimum balance for this fund is set at 150% of the District's currently budgeted total operating expenses, excluding depreciation, to ensure sufficient liquidity and operational resilience.
- **Rate Stabilization Fund** – The Rate Stabilization Fund is established to assist in smoothing rate increases in the event actual revenues fall short of projections. The target balance for this fund is 10% of annual rate revenue. The fund is currently unfunded.

# Restricted Reserves

## RUWAP - 110 Debt Reserve

	Marina Water (\$)	Marina Sewer (\$)	Ord Water (\$)	Ord Sewer (\$)	Recycled Water (\$)	GSA (\$)	Total (\$)
Beginning Balance 6/30/26	-	-	-	-	226,599	-	226,599
Transfer In - from Capacity Fees	-	-	-	-	226,800	-	226,800
FY27 Debt Service Payment	-	-	-	-	(226,800)	-	(226,800)
<b>Estimated Ending Balance 6/30/27</b>	-	-	-	-	<b>226,599</b>	-	<b>226,599</b>

## RUWAP - 120 Debt Reserve

	Marina Water (\$)	Marina Sewer (\$)	Ord Water (\$)	Ord Sewer (\$)	Recycled Water (\$)	GSA (\$)	Total (\$)
Beginning Balance 6/30/26	-	-	-	-	300,384	-	300,384
Transfer In - from Capacity Fees	-	-	-	-	300,500	-	300,500
FY27 Debt Service Payment	-	-	-	-	(300,500)	-	(300,500)
<b>Estimated Ending Balance 6/30/27</b>	-	-	-	-	<b>300,384</b>	-	<b>300,384</b>

## 2024 Bond

	Marina Water (\$)	Marina Sewer (\$)	Ord Water (\$)	Ord Sewer (\$)	Recycled Water (\$)	GSA (\$)	Total (\$)
Beginning Balance 6/30/26	160,000	2,315,489	4,106,667	-	-	-	6,582,156
FY27 CIP - 2024 Bond	(160,000)	-	(1,603,400)	-	-	-	(1,763,400)
<b>Estimated Ending Balance 6/30/27</b>	<b>-</b>	<b>2,315,489</b>	<b>2,503,267</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,818,756</b>

## Capacity Fee Reserve

	Marina Water (\$)	Marina Sewer (\$)	Ord Water (\$)	Ord Sewer (\$)	Recycled Water (\$)	GSA (\$)	Total (\$)
Beginning Balance 6/30/26	(933,661)	(118,336)	5,272,332	4,959,237	5,490,258	-	14,669,830
FY27 Revenue - Capacity Fee/Capital Surcharge	1,318,000	378,200	3,481,800	1,002,000	-	-	6,180,000
FY27 CIP - Capacity Fee	(644,800)	(2,672,300)	(9,758,200)	(95,400)	(123,300)	-	(13,294,000)
Transfers Out - to RUWAP Debt Service	-	-	-	-	(527,300)	-	(527,300)
Transfers Out - to Operating for 2025 Debt Service	(7,602)	(8,057)	(81,313)	(50,903)	(95,030)	-	(242,905)
Transfers Out - to Operating for Buy-in Portion	(454,183)	(283,499)	(1,693,628)	(157,202)	-	-	(2,588,512)
<b>Estimated Ending Balance 6/30/27</b>	<b>(722,246)</b>	<b>(2,703,992)</b>	<b>(2,779,009)</b>	<b>5,657,732</b>	<b>4,744,628</b>	<b>-</b>	<b>4,197,113</b>

# Designated Reserves

## Capital Replacement Reserve

	Marina Water (\$)	Marina Sewer (\$)	Ord Water (\$)	Ord Sewer (\$)	Recycled Water (\$)	GSA (\$)	Total (\$)
Beginning Balance 6/30/26	1,078,570	457,796	971,756	500,000	-	-	3,008,122
<b>Estimated Ending Balance 6/30/27</b>	<b>1,078,570</b>	<b>457,796</b>	<b>971,756</b>	<b>500,000</b>	-	-	<b>3,008,122</b>

## Building Removal Fund (FORA)

	Marina Water (\$)	Marina Sewer (\$)	Ord Water (\$)	Ord Sewer (\$)	Recycled Water (\$)	GSA (\$)	Total (\$)
Beginning Balance 6/30/26	-	-	217,408	-	-	-	217,408
FY27 CIP - Bldg. Removal Fund	-	-	(10,000)	-	-	-	(10,000)
<b>Estimated Ending Balance 6/30/27</b>	-	-	<b>207,408</b>	-	-	-	<b>207,408</b>

### Operating Reserve

	Marina Water (\$)	Marina Sewer (\$)	Ord Water (\$)	Ord Sewer (\$)	Recycled Water (\$)	GSA (\$)	Total (\$)
Beginning Balance 6/30/26	3,993,208	5,072,278	4,260,354	7,837,739	219,733	1,671,753	23,055,065
FY27 Revenue - Unrestricted (inc. grants)	10,701,700	2,907,200	28,823,200	6,241,900	2,410,600	1,199,200	52,283,800
Transfer In - from Capacity Fee Reserve for Buy-in Portion	454,183	283,499	1,693,628	157,202	-	-	2,588,512
Transfer In - from Capacity Fee Reserve for 2025 Debt Service	7,602	8,057	81,313	50,903	95,030	-	242,905
FY27 Department Operating Expense	(7,711,505)	(2,352,313)	(17,172,215)	(4,534,111)	(2,574,393)	(1,002,058)	(35,346,595)
FY27 Debt Service Payment	(237,048)	(110,578)	(751,550)	(355,074)	(802,991)	-	(2,257,241)
FY27 Capital Equipment	(357,540)	(65,460)	(763,460)	(251,480)	(13,060)	-	(1,451,000)
FY27 CIP - Operating & Grant Funded	(2,529,800)	-	(12,704,000)	-	-	(72,000)	(15,305,800)
<b>Estimated Ending Balance 6/30/27</b>	<b>4,320,800</b>	<b>5,742,683</b>	<b>3,467,270</b>	<b>9,147,079</b>	<b>(665,081)</b>	<b>1,796,895</b>	<b>23,809,646</b>

### Rate Stabilization Reserve

	Marina Water (\$)	Marina Sewer (\$)	Ord Water (\$)	Ord Sewer (\$)	Recycled Water (\$)	GSA (\$)	Total (\$)
Beginning Balance 6/30/26	-	-	-	-	-	-	-
Ending Balance 6/30/27	-	-	-	-	-	-	-

# District Reserve Summary

## Restricted Reserves

			6/30/2026 (\$)	6/30/2027 (\$)	Target (\$)
1	Bond/Debt Reserve	Amount determined by Bond/Debt Schedule	526,983	526,983	526,983
2	2024 Bond	Bond proceeds to fund Capital Improvement Projects	6,582,156	4,818,756	N/A
3	Capacity Fee Reserve	Collected from developers to pay for new facilities/expansion projects	14,669,830	4,197,113	N/A

## Designated Reserves

			6/30/2026 (\$)	6/30/2027 (\$)	Target (\$)
1	Capital Replacement Reserve	Set aside for capital replacement when capital reaches its useful life; Target level based on the most expensive asset per cost center to replace	3,008,122	3,008,122	3,000,000
2	Building Removal Fund Reserve	Funds from FORA reserved for blight removal	217,408	207,408	N/A
3	Operating Reserve	To be used for unanticipated operating expense; designated for current operations to meet routine cash flow needs; Target is 150% of Operating Expense Budget	23,055,065	23,809,646	53,361,743
4	Rate Stabilization Reserve	To assist in smoothing rates; should serve as a buffer should revenue estimates not meet projections. The target level is 10% of the revenue rate	N/A	N/A	3,027,700



Trained System Operators—ensuring safe, compliant, and efficient operation of the District's water and wastewater systems.

# STAFF POSITIONS

The District's budgeted Full-Time Equivalent (FTE) positions have increased incrementally over the past several fiscal years—from 49 FTEs in FY 2023–2024 to 50 in FY 2024–2025, and 52 in FY 2025–2026. This measured growth reflects the District's continued focus on strengthening internal capacity to support expanding operational, regulatory, technical, and analytical demands.

In FY 2024–2025, the District added a District Analyst III position in Finance to enhance the Department's ability to support complex budgeting, reporting, and long-term financial planning. Following a comprehensive assessment of the Finance Division conducted by an external consultant, additional enhancements were implemented in FY 2025–2026, including the addition of a Controller position and further expansion of analytical capacity. These changes were recommended to ensure the Finance Department remains well positioned to meet increasing demands for financial oversight, strategic planning, and regulatory compliance.

The Water Resources Department also expanded in FY 2025–2026 with the addition of a Water Resources Technician. As the Department continues to take on a larger role in groundwater sustainability, recycled water planning, climate-related initiatives, and regulatory reporting, this position provides critical support in data collection, technical analysis, and coordination with regional and state agencies.

In FY 2027, the District implemented key organizational enhancements across multiple departments. Within the Engineering Department, an Administrative Assistant with extensive public works experience was added to improve operational support, coordination, and overall efficiency. In addition, an Engineering Technician vacancy was successfully filled, restoring

critical capacity to support project delivery, asset data management, and field-to-office coordination. The Engineering Department was also restructured to better align roles and responsibilities with the District's growing capital improvement and development activities.

The Customer Service Division was strengthened with the addition of both a Customer Service Administrative position and a Customer Service Billing Technician. These roles enhance front-line service delivery, improve billing operations and accuracy, and support increasing customer service demands as the District continues to modernize its customer-facing systems and processes.

The Operations Department was also strengthened in FY 2027 with the addition of two System Operator positions, increasing System Operator staffing from 12 to 14. This increase supports the District's ongoing need to maintain reliable water and wastewater operations, improve system coverage, and provide adequate staffing for daily operations, maintenance activities, and emergency response.

As part of the broader organizational restructuring, the District formalized Information Technology as its own division. This change recognizes the increasing importance of technology, cybersecurity, data management, and system integration across all operations. The GIS Technician position was transitioned under the IT Division to better align geospatial services with enterprise systems, data governance, and digital infrastructure initiatives.

For FY 2027, the District's staffing approach focuses on targeted additions, optimizing existing resources, improving cross-departmental coordination, and leveraging technology investments to enhance efficiency. This reflects a balanced strategy—ensuring the organization remains adequately staffed to meet service demands while maintaining fiscal discipline.

Overall, these staffing and organizational adjustments demonstrate the District's proactive and strategic approach to workforce planning, ensuring alignment with organizational priorities, regulatory requirements, and long-term service delivery goals.

## MCWD Staff Positions

Job Title	Department	24/25	25/26	26/27
General Manager	Administration	1	1	1
Director of Admin Services	Administration	1	1	1
Human Resources/Risk Administrator	Administration	1	1	1
Executive Assistant to GM/Clerk to the Board	Administration	1	1	1
Controller	Administration	0	1	1
Senior Accountant	Administration	1	1	1
District Analyst III	Administration	1	1	1
Accountant	Administration	1	1	1
Accounting Technician	Administration	2	2	2
Customer Service Administrator	Administration	0	1	1
Customer Supervisor	Administration	1	0	0
Lead Customer Service Billing Technician	Administration	1	1	1
Cust Service/Billing Technician I/II	Administration	4	4	4
Meter Reader	Administration	2	2	2
Water Conservation Specialist III	Conservation	1	1	1
District Engineer	Engineering	1	1	1
Senior Civil Engineer	Engineering	2	1	1
Senior Project Manager	Engineering	0	1	1
Assistant Engineer	Engineering	2	2	2
Engineering Technician	Engineering	2	2	2
Administrative Assistant	Engineering	1	1	1
IT Administrator	Engineering	1	1	1
O&M Manager	Operations & Maintenance	1	1	1
O&M Supervisor	Operations & Maintenance	1	1	1
O&M Coordinator	Operations & Maintenance	1	1	1
Electrical/Mechanical Technician	Operations & Maintenance	1	1	1
System Operator Lead	Operations & Maintenance	2	2	2
Cross-Connection Control Specialist	Operations & Maintenance	1	1	1
System Operator I/II	Operations & Maintenance	12	12	14
Maintenance Worker	Operations & Maintenance	1	1	1
Water Resources Manager	Water Resources	1	1	1

Job Title	Department	24/25	25/26	26/27
Water Resources Assistant Engineer	Water Resources	1	1	1
Water Resources District Analyst I	Water Resources	1	1	1
Water Resources Technician I	Water Resources	0	1	1
<b>Total</b>		<b>50</b>	<b>52</b>	<b>54</b>

# Salary Schedules

## Employees Association

Classification and Salary Schedule for FY 2026/2027

Percentage between Ranges = 2.5%  
Percentage between Steps = 5.0%

Effective July 1, 2026

CLASSIFICATION	RANGE	STEP 1	STEP 2	STEP 3	STEP 4	STEP 5	STEP 6
1		60,589.40	63,618.86	66,799.80	70,139.78	73,646.79	77,329.12
		5,049.12	5,301.57	5,566.65	5,844.98	6,137.23	6,444.09
		2,330.36	2,446.88	2,569.22	2,697.68	2,832.57	2,974.20
		29.13	30.59	32.12	33.72	35.41	37.18
2		62,104.14	65,209.33	68,469.81	71,893.29	75,487.96	79,262.35
		5,175.35	5,434.11	5,705.82	5,991.11	6,290.66	6,605.20
		2,388.62	2,508.05	2,633.45	2,765.13	2,903.38	3,048.55
		29.86	31.35	32.92	34.56	36.29	38.11
3		63,656.74	66,839.57	70,181.53	73,690.64	77,375.17	81,243.91
		5,304.73	5,569.96	5,848.46	6,140.89	6,447.93	6,770.33
		2,448.34	2,570.75	2,699.29	2,834.26	2,975.97	3,124.77
		30.60	32.13	33.74	35.43	37.20	39.06
4		65,248.16	68,510.56	71,936.09	75,532.87	79,309.53	83,275.00
		5,437.35	5,709.21	5,994.67	6,294.41	6,609.13	6,939.58
		2,509.54	2,635.02	2,766.77	2,905.11	3,050.37	3,202.88
		31.37	32.94	34.58	36.31	38.13	40.04
5		66,879.34	70,223.32	73,734.50	77,421.22	81,292.27	85,356.88
		5,573.28	5,851.94	6,144.54	6,451.77	6,774.36	7,113.07
		2,572.28	2,700.90	2,835.94	2,977.74	3,126.63	3,282.96
		32.15	33.76	35.45	37.22	39.08	41.04

CLASSIFICATION	RANGE	STEP 1	STEP 2	STEP 3	STEP 4	STEP 5	STEP 6
Customer Service/Billing Technician I	6	68,551.33	71,978.90	75,577.86	79,356.74	83,324.57	87,490.81
		5,712.61	5,998.24	6,298.16	6,613.06	6,943.71	7,290.90
		2,636.59	2,768.42	2,906.84	3,052.18	3,204.79	3,365.03
		32.96	34.61	36.34	38.15	40.06	42.06
	7	70,265.10	73,778.39	77,467.31	81,340.67	85,407.69	89,678.08
		5,855.43	6,148.20	6,455.61	6,778.39	7,117.31	7,473.17
		2,702.50	2,837.63	2,979.51	3,128.49	3,284.91	3,449.16
		33.78	35.47	37.24	39.11	41.06	43.11
Maintenance Worker Meter Reader	8	72,021.75	75,622.83	79,403.98	83,374.18	87,542.87	91,920.03
		6,001.81	6,301.90	6,617.00	6,947.85	7,295.24	7,660.00
		2,770.07	2,908.57	3,054.00	3,206.70	3,367.03	3,535.39
		34.63	36.36	38.17	40.08	42.09	44.19
	9	73,822.30	77,513.43	81,389.07	85,458.53	89,731.47	94,218.03
		6,151.86	6,459.45	6,782.42	7,121.54	7,477.62	7,851.50
		2,839.32	2,981.29	3,130.35	3,286.87	3,451.21	3,623.77
		35.49	37.27	39.13	41.09	43.14	45.30
Customer Service/Billing Technician II	10	75,667.86	79,451.24	83,423.81	87,595.00	91,974.73	96,573.48
		6,305.66	6,620.94	6,951.98	7,299.58	7,664.56	8,047.79
		2,910.30	3,055.82	3,208.61	3,369.04	3,537.49	3,714.36
		36.38	38.20	40.11	42.11	44.22	46.43
	11	77,559.54	81,437.51	85,509.40	89,784.86	94,274.11	98,987.82
		6,463.29	6,786.46	7,125.78	7,482.07	7,856.18	8,248.99
		2,983.06	3,132.21	3,288.82	3,453.26	3,625.93	3,807.22
		37.29	39.15	41.11	43.17	45.32	47.59
	12	79,498.54	83,473.48	87,647.14	92,029.52	96,630.98	101,462.52

CLASSIFICATION	RANGE	STEP 1	STEP 2	STEP 3	STEP 4	STEP 5	STEP 6
		6,624.88	6,956.12	7,303.93	7,669.13	8,052.58	8,455.21
		3,057.64	3,210.52	3,371.04	3,539.60	3,716.58	3,902.40
		38.22	40.13	42.14	44.24	46.46	48.78
	13	81,486.00	85,560.30	89,838.32	94,330.23	99,046.75	103,999.08
		6,790.50	7,130.03	7,486.53	7,860.85	8,253.90	8,666.59
		3,134.08	3,290.78	3,455.32	3,628.09	3,809.49	3,999.96
		39.18	41.13	43.19	45.35	47.62	50.00
Administrative Assistant	14	83,523.15	87,699.31	92,084.28	96,688.49	101,522.91	106,599.06
		6,960.26	7,308.28	7,673.69	8,057.37	8,460.24	8,883.26
		3,212.43	3,373.05	3,541.70	3,718.79	3,904.73	4,099.96
		40.16	42.16	44.27	46.48	48.81	51.25
Accounting Technician	15	85,611.22	89,891.80	94,386.36	99,105.68	104,060.99	109,264.04
Engineering Technician		7,134.27	7,490.98	7,865.53	8,258.81	8,671.75	9,105.34
Lead Customer Service/Billing Tech		3,292.74	3,457.38	3,630.24	3,811.76	4,002.35	4,202.46
System Operator I		41.16	43.22	45.38	47.65	50.03	52.53
Water Resources Technician I							
	16	87,751.50	92,139.09	96,746.04	101,583.33	106,662.50	111,995.62
		7,312.62	7,678.26	8,062.17	8,465.28	8,888.54	9,332.97
		3,375.06	3,543.81	3,721.00	3,907.05	4,102.40	4,307.52
		42.19	44.30	46.51	48.84	51.28	53.84
District Analyst I	17	89,945.32	94,442.55	99,164.69	104,122.91	109,329.06	114,795.51
		7,495.44	7,870.21	8,263.72	8,676.91	9,110.76	9,566.29
		3,459.44	3,632.41	3,814.03	4,004.73	4,204.96	4,415.21
		43.24	45.41	47.68	50.06	52.56	55.19
O&M Coordinator	18	92,193.92	96,803.64	101,643.80	106,726.01	112,062.31	117,665.41

CLASSIFICATION	RANGE	STEP 1	STEP 2	STEP 3	STEP 4	STEP 5	STEP 6
Cross-Connection Control Specialist		7,682.83	8,066.97	8,470.32	8,893.83	9,338.53	9,805.45
		3,545.92	3,723.22	3,909.38	4,104.85	4,310.09	4,525.59
		44.32	46.54	48.87	51.31	53.88	56.57
Water Resources Technician II	19	94,498.79	99,223.72	104,184.91	109,394.13	114,863.84	120,607.05
		7,874.90	8,268.64	8,682.08	9,116.18	9,571.99	10,050.59
		3,634.57	3,816.30	4,007.11	4,207.47	4,417.84	4,638.73
		45.43	47.70	50.09	52.59	55.22	57.98
Project Manager I	20	96,861.25	101,704.30	106,789.53	112,128.99	117,735.45	123,622.20
System Operator II		8,071.77	8,475.36	8,899.13	9,344.08	9,811.29	10,301.85
		3,725.43	3,911.70	4,107.29	4,312.65	4,528.29	4,754.70
		46.57	48.90	51.34	53.91	56.60	59.43
Accountant	21	99,282.79	104,246.92	109,459.27	114,932.21	120,678.83	126,712.77
Assistant Engineer		8,273.57	8,687.24	9,121.61	9,577.68	10,056.57	10,559.40
District Analyst II		3,818.57	4,009.50	4,209.97	4,420.47	4,641.49	4,873.57
Electrical/Mechanical Technician		47.73	50.12	52.62	55.26	58.02	60.92
	22	101,764.83	106,853.09	112,195.74	117,805.54	123,695.81	129,880.61
		8,480.40	8,904.42	9,349.65	9,817.13	10,307.98	10,823.38
		3,914.03	4,109.73	4,315.22	4,530.98	4,757.53	4,995.41
		48.93	51.37	53.94	56.64	59.47	62.44
Lead Operator	23	104,308.98	109,524.42	115,000.64	120,750.66	126,788.19	133,127.63
Water Conservation Specialist III		8,692.42	9,127.03	9,583.39	10,062.55	10,565.68	11,093.97
		4,011.88	4,212.48	4,423.10	4,644.26	4,876.47	5,120.29
		50.15	52.66	55.29	58.05	60.96	64.00
	24	106,916.68	112,262.51	117,875.66	123,769.44	129,957.92	136,455.80
		8,909.72	9,355.21	9,822.97	10,314.12	10,829.83	11,371.32

CLASSIFICATION	RANGE	STEP 1	STEP 2	STEP 3	STEP 4	STEP 5	STEP 6
		4,112.18	4,317.79	4,533.68	4,760.36	4,998.38	5,248.30
		51.40	53.97	56.67	59.50	62.48	65.60
District Analyst III	25	109,589.60	115,069.09	120,822.54	126,863.65	133,206.84	139,867.19
Senior Accountant		9,132.47	9,589.09	10,068.55	10,571.97	11,100.57	11,655.60
		4,214.98	4,425.73	4,647.02	4,879.37	5,123.34	5,379.51
		52.69	55.32	58.09	60.99	64.04	67.24
Project Manager II	26	112,329.34	117,945.82	123,843.10	130,035.26	136,537.02	143,363.88
		9,360.78	9,828.82	10,320.26	10,836.27	11,378.09	11,946.99
		4,320.36	4,536.38	4,763.20	5,001.36	5,251.42	5,514.00
		54.00	56.70	59.54	62.52	65.64	68.92
	27	115,137.59	120,894.47	126,939.20	133,286.13	139,950.45	146,947.96
		9,594.80	10,074.54	10,578.27	11,107.18	11,662.54	12,245.66
		4,428.37	4,649.79	4,882.28	5,126.39	5,382.71	5,651.84
		55.35	58.12	61.03	64.08	67.28	70.65
	28	118,016.04	123,916.83	130,112.67	136,618.31	143,449.22	150,621.68
		9,834.67	10,326.40	10,842.72	11,384.86	11,954.10	12,551.81
		4,539.08	4,766.03	5,004.33	5,254.55	5,517.28	5,793.14
		56.74	59.58	62.55	65.68	68.97	72.41
Laboratory Supervisor	29	120,966.41	127,014.76	133,365.48	140,033.77	147,035.45	154,387.21
		10,080.53	10,584.56	11,113.79	11,669.48	12,252.95	12,865.60
		4,652.55	4,885.18	5,129.44	5,385.91	5,655.21	5,937.97
		58.16	61.06	64.12	67.32	70.69	74.22
O&M Supervisor	30	123,990.59	130,190.11	136,699.62	143,534.60	150,711.31	158,246.92
		10,332.55	10,849.18	11,391.63	11,961.22	12,559.28	13,187.24
		4,768.87	5,007.31	5,257.68	5,520.56	5,796.59	6,086.42

CLASSIFICATION	RANGE	STEP 1	STEP 2	STEP 3	STEP 4	STEP 5	STEP 6
		59.61	62.59	65.72	69.01	72.46	76.08
	31	127,090.35	133,444.88	140,117.12	147,122.98	154,479.10	162,203.08
		10,590.86	11,120.41	11,676.43	12,260.25	12,873.26	13,516.92
		4,888.09	5,132.50	5,389.12	5,658.58	5,941.50	6,238.58
		61.10	64.16	67.36	70.73	74.27	77.98
	32	130,267.61	136,780.99	143,620.03	150,801.02	158,341.08	166,258.16
		10,855.63	11,398.42	11,968.34	12,566.75	13,195.09	13,854.85
		5,010.29	5,260.81	5,523.85	5,800.04	6,090.04	6,394.54
		62.63	65.76	69.05	72.50	76.13	79.93
	33	133,524.31	140,200.51	147,210.54	154,571.06	162,299.61	170,414.61
		11,127.03	11,683.38	12,267.55	12,880.92	13,524.97	14,201.22
		5,135.55	5,392.33	5,661.94	5,945.04	6,242.29	6,554.41
		64.19	67.40	70.77	74.31	78.03	81.93
	34	136,862.40	143,705.52	150,890.81	158,435.35	166,357.13	174,674.97
		11,405.20	11,975.46	12,574.23	13,202.95	13,863.09	14,556.25
		5,263.94	5,527.14	5,803.49	6,093.67	6,398.35	6,718.27
		65.80	69.09	72.54	76.17	79.98	83.98

# Teamsters Unit (Management & Confidential)

Classification and Salary Schedule for FY 2026/2027

Percentage between Ranges = 2.5%  
Percentage between Steps = 5.0%

Effective July 1, 2026

CLASSIFICATION	RANGE	STEP 1	STEP 2	STEP 3	STEP 4	STEP 5	STEP 6
	T20	107,462.68	112,835.78	118,477.57	124,401.45	130,621.52	137,152.60
		8,955.22	9,402.98	9,873.13	10,366.79	10,885.13	11,429.38
		4,133.18	4,339.84	4,556.83	4,784.67	5,023.90	5,275.10
		51.66	54.25	56.96	59.81	62.80	65.94
	T21	110,149.21	115,656.69	121,439.53	127,511.49	133,887.06	140,581.42
		9,179.10	9,638.06	10,119.96	10,625.96	11,157.26	11,715.12
		4,236.51	4,448.33	4,670.75	4,904.29	5,149.50	5,406.98
		52.96	55.60	58.38	61.30	64.37	67.59
	T22	112,902.96	118,548.08	124,475.52	130,699.28	137,234.26	144,095.95
		9,408.58	9,879.01	10,372.96	10,891.61	11,436.19	12,008.00
		4,342.42	4,559.54	4,787.52	5,026.90	5,278.24	5,542.15
		54.28	56.99	59.84	62.84	65.98	69.28
Executive Assistant to GM/Board Clerk	T23	115,725.54	121,511.81	127,587.41	133,966.75	140,665.10	147,698.35
		9,643.80	10,125.98	10,632.28	11,163.90	11,722.09	12,308.20
		4,450.98	4,673.53	4,907.21	5,152.57	5,410.20	5,680.71
		55.64	58.42	61.34	64.41	67.63	71.01
	T24	118,618.66	124,549.61	130,777.07	137,315.94	144,181.75	151,390.80
		9,884.89	10,379.13	10,898.09	11,443.00	12,015.15	12,615.90
		4,562.26	4,790.37	5,029.89	5,281.38	5,545.45	5,822.72
		57.03	59.88	62.87	66.02	69.32	72.78
	T25	121,584.13	127,663.33	134,046.52	140,748.84	147,786.27	155,175.57
		10,132.01	10,638.61	11,170.54	11,729.07	12,315.52	12,931.30
		4,676.31	4,910.13	5,155.64	5,413.42	5,684.09	5,968.29

CLASSIFICATION	RANGE	STEP 1	STEP 2	STEP 3	STEP 4	STEP 5	STEP 6
		58.45	61.38	64.45	67.67	71.05	74.60
	T26	124,623.74	130,854.92	137,397.67	144,267.55	151,480.95	159,054.98
		10,385.31	10,904.58	11,449.81	12,022.30	12,623.41	13,254.58
		4,793.22	5,032.88	5,284.53	5,548.75	5,826.19	6,117.50
		59.92	62.91	66.06	69.36	72.83	76.47
Customer Service Administrator	T27	127,739.33	134,126.30	140,832.60	147,874.25	155,267.94	163,031.36
		10,644.94	11,177.19	11,736.05	12,322.85	12,939.00	13,585.95
		4,913.05	5,158.70	5,416.64	5,687.47	5,971.84	6,270.44
		61.41	64.48	67.71	71.09	74.65	78.38
	T28	130,932.82	137,479.47	144,353.41	151,571.10	159,149.64	167,107.14
		10,911.07	11,456.62	12,029.45	12,630.92	13,262.47	13,925.59
		5,035.88	5,287.67	5,552.05	5,829.66	6,121.14	6,427.20
		62.95	66.10	69.40	72.87	76.51	80.34
Associate Engineer	T29	134,206.13	140,916.44	147,962.28	155,360.38	163,128.39	171,284.82
IT Administrator		11,183.84	11,743.04	12,330.19	12,946.70	13,594.03	14,273.73
		5,161.77	5,419.86	5,690.86	5,975.40	6,274.17	6,587.88
		64.52	67.75	71.14	74.69	78.43	82.35
	T30	137,561.28	144,439.34	151,661.31	159,244.38	167,206.60	175,566.91
		11,463.44	12,036.61	12,638.44	13,270.37	13,933.88	14,630.58
		5,290.82	5,555.36	5,833.13	6,124.78	6,431.02	6,752.57
		66.14	69.44	72.91	76.56	80.39	84.41
Senior Project Manager	T31	141,000.33	148,050.32	155,452.84	163,225.50	171,386.76	179,956.11
		11,750.03	12,337.53	12,954.40	13,602.13	14,282.23	14,996.34
		5,423.09	5,694.24	5,978.96	6,277.90	6,591.80	6,921.39
		67.79	71.18	74.74	78.47	82.40	86.52

CLASSIFICATION	RANGE	STEP 1	STEP 2	STEP 3	STEP 4	STEP 5	STEP 6
	T32	144,525.33	151,751.58	159,339.17	167,306.15	175,671.43	184,455.00
		12,043.78	12,645.96	13,278.26	13,942.18	14,639.29	15,371.25
		5,558.67	5,836.60	6,128.43	6,434.85	6,756.59	7,094.42
		69.48	72.96	76.61	80.44	84.46	88.68
Controller	T33	148,138.45	155,545.37	163,322.64	171,488.78	180,063.23	189,066.38
Senior Civil Engineer		12,344.87	12,962.11	13,610.22	14,290.73	15,005.27	15,755.53
		5,697.63	5,982.51	6,281.64	6,595.72	6,925.51	7,271.78
		71.22	74.78	78.52	82.45	86.57	90.90
	T34	151,841.93	159,434.04	167,405.72	175,776.00	184,564.81	193,793.06
		12,653.49	13,286.17	13,950.48	14,648.00	15,380.40	16,149.42
		5,840.07	6,132.08	6,438.68	6,760.62	7,098.65	7,453.58
		73.00	76.65	80.48	84.51	88.73	93.17
	T35	155,637.98	163,419.86	171,590.85	180,170.39	189,178.93	198,637.88
		12,969.83	13,618.32	14,299.24	15,014.20	15,764.91	16,553.16
		5,986.08	6,285.38	6,599.65	6,929.63	7,276.11	7,639.92
		74.83	78.57	82.50	86.62	90.95	95.50
	T36	159,528.93	167,505.37	175,880.62	184,674.65	193,908.42	203,603.80
		13,294.08	13,958.78	14,656.72	15,389.55	16,159.03	16,966.98
		6,135.73	6,442.51	6,764.64	7,102.87	7,458.02	7,830.92
		76.70	80.53	84.56	88.79	93.23	97.89
	T37	163,517.16	171,693.00	180,277.64	189,291.54	198,756.13	208,693.91
		13,626.43	14,307.75	15,023.14	15,774.30	16,563.01	17,391.16
		6,289.12	6,603.58	6,933.76	7,280.44	7,644.47	8,026.69
		78.61	82.54	86.67	91.01	95.56	100.33

CLASSIFICATION	RANGE	STEP 1	STEP 2	STEP 3	STEP 4	STEP 5	STEP 6
O&M Manager	T38	167,605.09	175,985.33	184,784.60	194,023.81	203,725.02	213,911.26
Water Resources Manager		13,967.09	14,665.44	15,398.72	16,168.65	16,977.08	17,825.94
		6,446.35	6,768.67	7,107.10	7,462.45	7,835.58	8,227.36
		80.58	84.61	88.84	93.28	97.94	102.84
	T39	171,795.19	180,384.96	189,404.22	198,874.42	208,818.13	219,259.04
		14,316.27	15,032.08	15,783.68	16,572.87	17,401.51	18,271.59
		6,607.51	6,937.88	7,284.78	7,649.02	8,031.47	8,433.04
		82.59	86.72	91.06	95.61	100.39	105.41
	T40	176,090.10	184,894.59	194,139.30	203,846.28	214,038.59	224,740.55
		14,674.17	15,407.88	16,178.27	16,987.19	17,836.55	18,728.38
		6,772.70	7,111.33	7,466.90	7,840.24	8,232.25	8,643.87
		84.66	88.89	93.34	98.00	102.90	108.05
	T41	180,492.33	189,516.95	198,992.79	208,942.45	219,389.56	230,359.04
		15,041.03	15,793.08	16,582.73	17,411.87	18,282.46	19,196.59
		6,942.01	7,289.11	7,653.57	8,036.25	8,438.06	8,859.96
		86.78	91.11	95.67	100.45	105.48	110.75
	T42	185,004.62	194,254.88	203,967.61	214,165.99	224,874.27	236,118.00
		15,417.05	16,187.91	16,997.30	17,847.17	18,739.52	19,676.50
		7,115.56	7,471.34	7,844.91	8,237.15	8,649.01	9,081.46
		88.94	93.39	98.06	102.96	108.11	113.52
	T43	189,629.75	199,111.22	209,066.79	219,520.14	230,496.16	242,020.96
		15,802.48	16,592.60	17,422.23	18,293.35	19,208.01	20,168.41
		7,293.45	7,658.12	8,041.03	8,443.08	8,865.24	9,308.50
		91.17	95.73	100.51	105.54	110.82	116.36

CLASSIFICATION	RANGE	STEP 1	STEP 2	STEP 3	STEP 4	STEP 5	STEP 6
Director of Administrative Services	T44	194,370.49	204,089.02	214,293.48	225,008.14	236,258.57	248,071.49
District Engineer		16,197.54	17,007.42	17,857.79	18,750.68	19,688.21	20,672.62
		7,475.79	7,849.58	8,242.06	8,654.16	9,086.87	9,541.21
		93.45	98.12	103.03	108.18	113.59	119.27

# Unrepresented (Exempt) Management

Classification and Salary Schedule for FY 2026/2027

Percentage between Ranges = 2.5%  
 Percentage between Steps = 5.0%  
 Effective July 1, 2026

CLASSIFICATION	RANGE	STEP 1	STEP 2	STEP 3	STEP 4	STEP 5	STEP 6
	U30	137,560.92	144,438.96	151,660.91	159,243.97	167,206.17	175,566.48
		11,463.41	12,036.58	12,638.41	13,270.33	13,933.85	14,630.54
		5,290.80	5,555.34	5,833.11	6,124.77	6,431.01	6,752.56
		66.14	69.44	72.91	76.56	80.39	84.41
	U31	140,999.93	148,049.93	155,452.42	163,225.05	171,386.30	179,955.61
		11,749.99	12,337.49	12,954.37	13,602.09	14,282.19	14,996.30
		5,423.07	5,694.23	5,978.94	6,277.89	6,591.78	6,921.37
		67.79	71.18	74.74	78.47	82.40	86.52
HR/Risk Administrator	U32	144,524.95	151,751.20	159,338.77	167,305.72	175,671.00	184,454.55
		12,043.75	12,645.93	13,278.23	13,942.14	14,639.25	15,371.21
		5,558.65	5,836.58	6,128.41	6,434.84	6,756.58	7,094.41
		69.48	72.96	76.61	80.44	84.46	88.68
	U33	148,138.06	155,544.96	163,322.20	171,488.30	180,062.73	189,065.86
		12,344.84	12,962.08	13,610.18	14,290.69	15,005.23	15,755.49
		5,697.62	5,982.50	6,281.62	6,595.70	6,925.49	7,271.76
		71.22	74.78	78.52	82.45	86.57	90.90
	U34	151,841.54	159,433.62	167,405.31	175,775.58	184,564.35	193,792.56
		12,653.46	13,286.14	13,950.44	14,647.96	15,380.36	16,149.38
		5,840.06	6,132.06	6,438.67	6,760.60	7,098.63	7,453.56
		73.00	76.65	80.48	84.51	88.73	93.17

CLASSIFICATION	RANGE	STEP 1	STEP 2	STEP 3	STEP 4	STEP 5	STEP 6
	U35	155,637.58	163,419.46	171,590.43	180,169.95	189,178.45	198,637.38
		12,969.80	13,618.29	14,299.20	15,014.16	15,764.87	16,553.11
		5,986.06	6,285.36	6,599.63	6,929.61	7,276.09	7,639.90
		74.83	78.57	82.50	86.62	90.95	95.50
	U36	159,528.51	167,504.94	175,880.18	184,674.19	193,907.90	203,603.30
		13,294.04	13,958.74	14,656.68	15,389.52	16,158.99	16,966.94
		6,135.71	6,442.50	6,764.62	7,102.85	7,458.00	7,830.90
		76.70	80.53	84.56	88.79	93.22	97.89
	U37	163,516.70	171,692.54	180,277.16	189,291.02	198,755.59	208,693.37
		13,626.39	14,307.71	15,023.10	15,774.25	16,562.97	17,391.11
		6,289.10	6,603.56	6,933.74	7,280.42	7,644.45	8,026.67
		78.61	82.54	86.67	91.01	95.56	100.33
	U38	167,604.65	175,984.89	184,784.14	194,023.36	203,724.52	213,910.74
		13,967.05	14,665.41	15,398.68	16,168.61	16,977.04	17,825.89
		6,446.33	6,768.65	7,107.08	7,462.44	7,835.56	8,227.34
		80.58	84.61	88.84	93.28	97.94	102.84
	U39	171,794.77	180,384.51	189,403.74	198,873.92	208,817.61	219,258.48
		14,316.23	15,032.04	15,783.64	16,572.83	17,401.47	18,271.54
		6,607.49	6,937.87	7,284.76	7,649.00	8,031.45	8,433.02
		82.59	86.72	91.06	95.61	100.39	105.41
	U40	176,089.64	184,894.11	194,138.82	203,845.76	214,038.05	224,739.96
		14,674.14	15,407.84	16,178.23	16,987.15	17,836.50	18,728.33
		6,772.68	7,111.31	7,466.88	7,840.22	8,232.23	8,643.84
		84.66	88.89	93.34	98.00	102.90	108.05
	U41	180,491.88	189,516.48	198,992.29	208,941.91	219,389.00	230,358.44

CLASSIFICATION	RANGE	STEP 1	STEP 2	STEP 3	STEP 4	STEP 5	STEP 6
		15,040.99	15,793.04	16,582.69	17,411.83	18,282.42	19,196.54
		6,942.00	7,289.10	7,653.55	8,036.23	8,438.04	8,859.94
		86.77	91.11	95.67	100.45	105.48	110.75
	U42	185,004.16	194,254.38	203,967.11	214,165.47	224,873.75	236,117.44
		15,417.01	16,187.87	16,997.26	17,847.12	18,739.48	19,676.45
		7,115.54	7,471.32	7,844.89	8,237.13	8,648.99	9,081.44
		88.94	93.39	98.06	102.96	108.11	113.52
	U43	189,629.27	199,110.75	209,066.29	219,519.60	230,495.57	242,020.36
		15,802.44	16,592.56	17,422.19	18,293.30	19,207.96	20,168.36
		7,293.43	7,658.11	8,041.01	8,443.06	8,865.21	9,308.48
		91.17	95.73	100.51	105.54	110.82	116.36
	U44	194,369.99	204,088.50	214,292.92	225,007.56	236,257.94	248,070.85
		16,197.50	17,007.37	17,857.74	18,750.63	19,688.16	20,672.57
		7,475.77	7,849.56	8,242.04	8,654.14	9,086.84	9,541.19
		93.45	98.12	103.03	108.18	113.59	119.26
	U45	199,229.26	209,190.74	219,650.27	230,632.77	242,164.42	254,272.64
		16,602.44	17,432.56	18,304.19	19,219.40	20,180.37	21,189.39
		7,662.66	8,045.80	8,448.09	8,870.49	9,314.02	9,779.72
		95.78	100.57	105.60	110.88	116.43	122.25
	U46	204,209.97	214,420.46	225,141.49	236,398.57	248,218.51	260,629.43
		17,017.50	17,868.37	18,761.79	19,699.88	20,684.88	21,719.12
		7,854.23	8,246.94	8,659.29	9,092.25	9,546.87	10,024.21
		98.18	103.09	108.24	113.65	119.34	125.30
	U47	209,315.25	219,781.02	230,770.07	242,308.58	254,424.02	267,145.22
		17,442.94	18,315.08	19,230.84	20,192.38	21,202.00	22,262.10

CLASSIFICATION	RANGE	STEP 1	STEP 2	STEP 3	STEP 4	STEP 5	STEP 6
		8,050.59	8,453.12	8,875.77	9,319.56	9,785.54	10,274.82
		100.63	105.66	110.95	116.49	122.32	128.44
	U48	214,548.11	225,275.52	236,539.31	248,366.27	260,784.58	273,823.80
		17,879.01	18,772.96	19,711.61	20,697.19	21,732.05	22,818.65
		8,251.85	8,664.44	9,097.67	9,552.55	10,030.18	10,531.68
		103.15	108.31	113.72	119.41	125.38	131.65
Deputy GM/DE	U49	219,911.83	230,907.41	242,452.79	254,575.42	267,304.19	280,669.40
		18,325.99	19,242.28	20,204.40	21,214.62	22,275.35	23,389.12
District Legal Counsel		8,458.15	8,881.05	9,325.11	9,791.36	10,280.93	10,794.98
		105.73	111.01	116.56	122.39	128.51	134.94
	U50	225,409.62	236,680.10	248,514.12	260,939.83	273,986.81	287,686.15
		18,784.14	19,723.34	20,709.51	21,744.99	22,832.23	23,973.85
		8,669.60	9,103.08	9,558.24	10,036.15	10,537.95	11,064.85
		108.37	113.79	119.48	125.45	131.72	138.31
	U51	231,044.86	242,597.10	254,726.95	267,463.29	280,836.46	294,878.29
		19,253.74	20,216.42	21,227.25	22,288.61	23,403.04	24,573.19
		8,886.34	9,330.66	9,797.19	10,287.05	10,801.40	11,341.47
		111.08	116.63	122.46	128.59	135.02	141.77

# GLOSSARY

## **Accrual Basis of Accounting**

The accrual basis of accounting for special districts records revenues when earned and expenses when incurred, regardless of when cash is received or paid.

## **Acre Foot (AF)**

An acre-foot is a term commonly used in water supply planning to describe water volume. An acre foot is approximately 326,000 gallons.

## **Adopted Budget**

Is a formally approved financial plan that authorizes the District to receive and spend money for a specific fiscal year. It is considered a binding legal document that sets the limits on expenditures for various services and projected revenues.

## **Advanced Metering Infrastructure (AMI)**

Advance metering infrastructure (AMI) is an integrated system of smart meters, communication networks, and data management systems that enables rapid communication with customers.

## **Annual Comprehensive Financial Report (ACFR)**

Annual Comprehensive Financial Report is an audited, detailed financial document providing a comprehensive overview of the District's financial health, revenues, expenditures, and management for the fiscal year ending June 30.

## **Appropriation**

An appropriation is the formal setting aside of funds for a specific, designated purpose. For a special district, it means the governing board has approved a budget allowing the district to spend public funds on defined projects, services or operations.

## **Assets**

Are any resources owned by the District that holds monetary value and is expected to provide future economic benefits.

## **Automated Meter Reading (AMR)**

System that automatically read customers' meters using radio frequencies, allowing for more accurate and frequent meter readings and transfer of data to a central database for billing and analysis.

## **Backflow Fee**

Mandatory annual inspection and certification of a backflow prevention device by a certified tester, ensuring that potential contaminants cannot reverse flow into the public water system.

## **Balance Budget**

A budget is balanced when budgeted expenditures are equal or less than the amount of budgeted revenues plus other available sources.

## **Benefits**

District funded employee health insurance, vision insurance, dental insurance, life insurance, workers' compensation, unemployment insurance, long term disability and CalPERS retirement program.

## **Bonds**

A long-term debt source that provides monies that can be used to pay for specific capital facilities. Bonds are a written promise to pay a specified sum of money at a predetermined date or dates in the future, called the maturity date, along with periodic interest at a specified rate.

## **Bond Proceeds**

Funds derived from the sale of bonds for the purpose of constructing major capital facilities.

## **Bond Rating**

A bond rating for a special district is a forward-looking, letter-based assessment assigned by credit rating agencies like Moody's Investors Service, S&P Global Ratings, or Fitch Ratings that measures the creditworthiness of a special-purpose entity. It indicates the likelihood that the district will make timely interest payments and repay principal to bondholders.

### **Board of Directors**

The elected Board of Directors of Marina Coast Water District is responsible for setting strategic direction, establishing policy, approving budgets, and ensuring sustainable management of water resources, including groundwater sustainability plans, infrastructure improvements, public, safe, and reliable service.

### **Budget Assumption**

Budget assumptions are the foundational, data-driven estimates such as inflation, salary increases, revenue growth used to forecast future financial performance.

### **Budgetary Control**

The control or management of a government or enterprise in accordance with an approved budget to keep expenditures within the limitations of available appropriations and available revenues.

### **Budget Timeline**

The schedule of key dates which Marina Coast Water District follows in the preparation, adoption, and administration of the budget.

### **California Cooperative Liquid Assets Securities System (CA CLASS)**

A Joint Powers Authority (JPA) investment pool sponsored by the California Special District Association (CSDA), used by the District to invest funds in a diversified portfolio of short-term investments, providing safety, liquidity and competitive returns.

### **Capacity Charge/Connection fees**

Capacity Charge is a one-time fee charged on new development or expanded service to pay for the infrastructure needed to provide water, sewer, and recycled water.

### **Capital Expenditure**

Capital Expenditures (Capex) are used to acquire, add to, or improve physical assets such as land, buildings, equipment, and infrastructure that have an expected useful life extending beyond a single reporting period.

### **Capital Improvement Program (CIP)**

The Capital Improvement Program serves as the Marina Coast Water District's strategic framework

for planning, funding, and delivering major infrastructure investments. The CIP supports the construction, rehabilitation, and replacement of critical water, wastewater, and recycled water systems.

### **Construction Cost Index (CCI)**

A construction industry benchmark published by the Engineering News-Record (ENR) that measures changes in the cost of labor and materials over time. Marina Cost Water District uses the CCI to annually adjust capacity charges, wheeling charges, and other applicable development related fees to account for inflation.

### **Consumer Price Index (CPI)**

An economic index published by the U.S. Bureau of Labor Statistics that measures changes in the cost of goods and services over time. Marina Coast Water District uses the CPI index for the San Francisco Bay Area to adjust certain fees and charges annually to account for inflation.

### **Cost Center**

Marina Coast Water District operates as a single enterprise fund supported by six distinct cost centers. These cost centers ensure that revenues and expenses are properly tracked, managed, and aligned with their respective service areas.

### **Customer Assistance Program (CAP)**

District funded program to provide financial relief to low-income customers.

### **Debt Obligations**

A debt obligation is a legally binding commitment to repay borrowed funds, typically used to support critical capital improvement projects.

### **Debt Service Coverage Ratio (DSCR)**

A financial metric that measures the district's ability to pay its long-term debt obligations (principal and interest) using its net operating revenues. It is a critical indicator used by rating agencies and investors to assess the fiscal health and creditworthiness of the district.

### **Depreciation**

The portion of the cost of a fixed asset which is charged as an expense during a particular period.

### **Designated Reserve Funds**

The district maintains designated reserve funds to ensure financial stability and infrastructure longevity, primarily focusing on Capital Replacement and Improvement Fund, Operating Reserve Fund and Rate Stabilization Fund.

### **Direct Cost**

Direct costs are assigned to the appropriate cost centers whenever they can be clearly identified. These are costs directly linked to a specific project, activity

### **Enterprise Resources Planning (ERP)**

A software system that helps organizations manage core business processes such as accounting, finance, HR and payroll.

### **Equivalent Dwelling Unit (EDU)**

A measurement of demand equal to a typical single-family home, used to calculate capacity fees and services charges.

### **Expenditures/Expenses**

These terms refer to the outflow of funds paid or to be paid for an asset, goods, or services obtained regardless of when actually paid for.

### **Fiscal Year**

A fiscal year (FY) is a consecutive 12-month period used by the District for budgeting, financial reporting, and accounting. The fiscal year begins on July 1 and ends on June 30 of the following year.

### **Full Time Equivalent (FTE)**

The number of equivalent staff positions. It is equal to the total labor hours divided by the standard annual labor hours of 2,080 for a full-time employee.

### **Generally Accepted Accounting Principles (GAAP)**

GAAP is a common set of accounting rules, requirements, and practices issued by the Financial Accounting Standards (FASB) and the Governmental Accounting Standards Board (GASB) to standardize the classifications, assumptions and

procedures used in the recording of financial transactions.

### **Geographic Information System (GIS)**

A geographic information system, or GIS, is a computer-based conceptualized framework designed to capture, store, analyze, manage, and visualize geographically referenced information.

### **Governmental Accounting Standards Board (GASB)**

The GASB establishes accounting and financial reporting standards for U.S. state and local government that follow generally accepted accounting principles (GAAP). It aims to improve accounting standards, providing useful information for taxpayers, officials and investors.

### **Government Finance Officers Association (GFOA) Distinguished Budget Award**

Highest form of recognition in governmental budgeting, awarded to state and local governments that prepare high-quality, transparent, and user-friendly documents. It promotes best practices in financial communication and requires meeting strict criteria.

### **Grants**

Contributions or gifts of assets from other government agencies or developers to be used or expended for specific purposes.

### **Groundwater Sustainability Agency (GSA)**

A public agency established under California's Sustainable Groundwater Management Act (SGMA) responsible for managing groundwater resources within a designated basin.

### **Hundred Cubic Feet (HCF)**

It is a standard unit of measurement used to calculate water consumption. Water and sewer flow-based are billed by hundred cubic feet. One HCF is equal to 748 gallons of water.

### **Indirect Cost**

Indirect costs are expenses incurred for common or joint purposes that cannot be easily and specifically identified with a particular project, program, or service.

**Local Agency Investment Fund (LAIF)**

A pooled investment fund administered by the State of California that allows the District and other local agencies to combine and invest funds through the California State Treasurer's Office.

**Million Gallons per Day (MGD)**

A standard unit of measure for water flow in water and wastewater treatment.

**Money Market**

An interest-bearing financial account used by the District to invest and manage short-term cash balances while maintaining liquidity and safety of funds.

**Operating Budget**

The annual financial plan of Marina Coast Water District that identifies the estimated revenues and expenses necessary to support the District's day to day operations and maintenance of the water, wastewater, and recycled water systems during a fiscal year.

**Performance Measures**

Quantifiable measurements used by the District to evaluate efficiency, effectiveness, and overall performance of District operations, programs and services. Performance measures provide a way to evaluate achievement of operational and strategic goals.

**Rate Stabilization Fund**

A reserve established to mitigate large rate increases to customers by covering unexpected revenue shortfalls or rising costs.

**Rate Study (2024)**

An independent, comprehensive analysis of the District's water, sewer, and recycled water finances. It evaluates costs for operations, infrastructure maintenance (pipes, pumps, tanks), and debt to set fair, legal, and reliable user rates for the next five years.

**Restricted Reserve Funds**

Restricted funds, specifically bond proceeds and capacity fee reserves, as dedicated, legally constrained resources meant solely for capital infrastructure improvements, not for daily operating expenses.

**Revenue**

Funds that the district receives as income. It includes items such as water sales, wastewater sales, recycled water sales and miscellaneous revenues.

**Water Distribution System**

A water distribution system is a critical infrastructure network that conveys potable water from a treatment plant or supply source to customers. It consists of pipes, pumps, storage facilities, and valves that maintain pressure and supply water for residential, commercial, industrial, and fire safety.

**Wastewater Collection System**

The District owns and operates the wastewater collection system, pipes, manholes, and lift stations that collect and transport sewage from residential and commercial units to Monterey One Water regional treatment facility.





A fun moment celebrating the amazing women of MCWD on Women's Day! Honoring the dedication, teamwork, and positive energy that help make our District stronger every day.