



CCWA FY 2026/27 Preliminary  
Budget  
Board of Directors  
March 26, 2026

# Budget Overview in Total

- Preliminary FY 2026/27 Budget totals \$71 million
- Final FY 2025/26 Budget( including supplemental assessment): \$62 million
- Preliminary Budget increase of \$9 million
  - \$0.6 million - Increase in O&M/CIP CCWA expense
  - \$6.2 million - Increase in DWR pass-thru expense
  - \$2.2 million - Decrease in CCWA credits

# Budget Overview in Total

## *Two-Year Total Combined Fixed and Variable Payments History by Project Participant*

<b>Project Participant</b>	<b>Total Payments FY 2025/26</b>	<b>Total Payments FY 2026/27</b>	<b>Change FY 2025/26 to FY 2026/27</b>
Guadalupe	\$ 711,225	\$ 867,569	\$ 156,344
Santa Maria	23,711,150	27,975,762	4,264,612
Golden State Wate	761,213	856,514	95,301
Vandenberg SFB	8,968,465	10,143,067	1,174,602
Buellton	858,958	1,086,951	227,993
Santa Ynez (Solva	2,557,184	2,760,330	203,146
Santa Ynez	1,129,544	1,591,966	462,422
Goleta	7,120,198	8,109,799	989,601
Morehart Land	316,722	320,509	3,788
La Cumbre	1,760,842	1,940,820	179,978
Raytheon	59,227	81,073	21,846
Santa Barbara	4,885,827	5,161,476	275,650
Montecito	4,827,218	5,131,551	304,333
Carpinteria	2,915,901	3,309,501	393,599
Shandon	15,602	21,393	5,790
Chorro Valley	508,098	658,309	150,211
Lopez	536,580	688,884	152,304
<b>TOTAL:</b>	<b>\$ 61,643,954</b>	<b>\$ 70,705,474</b>	<b>\$ 9,061,520</b>

# CCWA Budget Assumptions

- DWR Statement of Charges-actuals for CY 2026 and cost estimates for CY 2027
- CCWA credits ( O&M unexpended fixed assessments from FY 24/25; interest) retained to cover future DWR anticipated cost increases -\$2.4 Million
- Water delivery estimates
- DWR investment income-retained to cover future DWR cost increases- \$1 million
- DWR- no Rate Management credits and Debt Service Reserve Fund credits in CY 2027
  - CY Allocation:\$3.4 million RMC
  - CY Allocation:\$1.1 million DSRF

# CCWA Credits as of 12/31/25

- Some participants elected to use their credits to cover the fixed supplemental assessment bill for FY 2025/26

Project Participant	CCWA O&M Credits (Due)	O&M Reserve Fund Interest Credits	Rate Coverage Reserve Fund Interest Credit	Prepayments Interest Credits	Total CCWA Credits (Due)
Guadalupe	\$ 15,588	\$ 1,157	\$ 7,850		\$ 24,595
Santa Maria	618,223	34,045	212,182		864,450
Golden State Water Co.	19,755	1,035	-		20,789
Vandenberg SFB <sup>(2)</sup>	317,299	11,562	-		328,861
Buellton	41,552	1,197	11,264		54,013
Santa Ynez (Solvang)	104,640	3,110	25,609		133,359
Santa Ynez <sup>(1)</sup>	126,277	1,051	18,930		146,258
Goleta <sup>(2)</sup>	329,636	9,463	-		339,099
Morehart Land	6,472	421	-	16,645	23,537
La Cumbre	182	323	2,528		3,033
Raytheon	61	105	-	2,483	2,650
Santa Barbara	217,168	6,189	-		223,357
Montecito <sup>(2)</sup>	651	511	4,969		6,130
Carpinteria <sup>(2)</sup>	2,542	4,204	19,775		26,521
Shandon	733	-	645		1,378
Chorro Valley	95,107	-			95,107
Lopez	65,326	-			65,326
	\$1,961,212	\$74,371	\$303,751	\$19,128	\$2,358,462

# DWR Investment Income Interest

<b>DWR Inv. Interest credits as of 12/31/25</b>	
Buellton	15,498
Carpinteria	58,398
Goleta	141,606
Guadalupe	13,529
La Cumbre	27,716
Montecito	101,052
Morehart Land	5,994
Santa Barbara	103,386
Raytheon	14,165
Santa Maria	390,294
Golden State Water Co.	12,771
Santa Ynez (Solvang)	38,789
Santa Ynez	17,320
Vandenberg AFB	1,809,609
<b>Total</b>	<b>2,750,128</b>

# DWR Reserve Fund

<b>DWR Reserve fund</b>	<b>12/31/2025</b>
Buellton	152,430
Guadalupe	144,953
La Cumbre	254,714
Morehart Land	52,724
Santa Barbara	492,078
Raytheon	13,181
Santa Maria	4,761,290
Golden State Water Co.	115,592
Santa Ynez (Solvang)	190,416
Santa Ynez	131,790
<b>TOTAL</b>	<b>\$ 6,309,168</b>

# Budget payments summary by participant

FY 2026-27 Budget Payments				
Project Participant	Without Credits	With Credits	Difference	
Guadalupe	867,569	829,445	(38,124)	
Santa Maria	27,975,762	26,721,018	(1,254,744)	
Golden State Water Co.	856,514	822,954	(33,560)	
Vandenberg AFB	10,143,067	9,814,206	(328,861)	
Buellton	1,086,951	1,017,441	(69,510)	
Santa Ynez (Solvang)	2,760,330	2,588,182	(172,148)	
Santa Ynez	1,591,966	1,428,388	(163,578)	
Goleta	8,109,799	7,629,094	(480,705)	
Morehart Land	320,509	290,978	(29,531)	
La Cumbre	1,940,820	1,910,071	(30,749)	
Raytheon	81,073	64,258	(16,815)	
Santa Barbara	5,161,476	4,834,733	(326,744)	
Montecito	5,131,551	5,024,369	(107,182)	
Carpinteria	3,309,501	3,224,582	(84,919)	
Shandon	21,393	20,015	(1,378)	
Chorro Valley	658,309	563,202	(95,107)	
Lopez	688,884	623,558	(65,326)	
<b>TOTAL:</b>	<b>\$70,705,474</b>	<b>\$ 67,406,493</b>	<b>\$ (3,298,981)</b>	

DWR Inv.	
Interest credits	(940,519)
CCWA credits	(2,358,462)
<b>Total</b>	<b>(3,298,981)</b>

# Budget timeline

March  
Preliminary  
Budget

April Final  
Budget

July Board  
meeting

- ❑ Operating committee preliminary budget presentation on 3/11

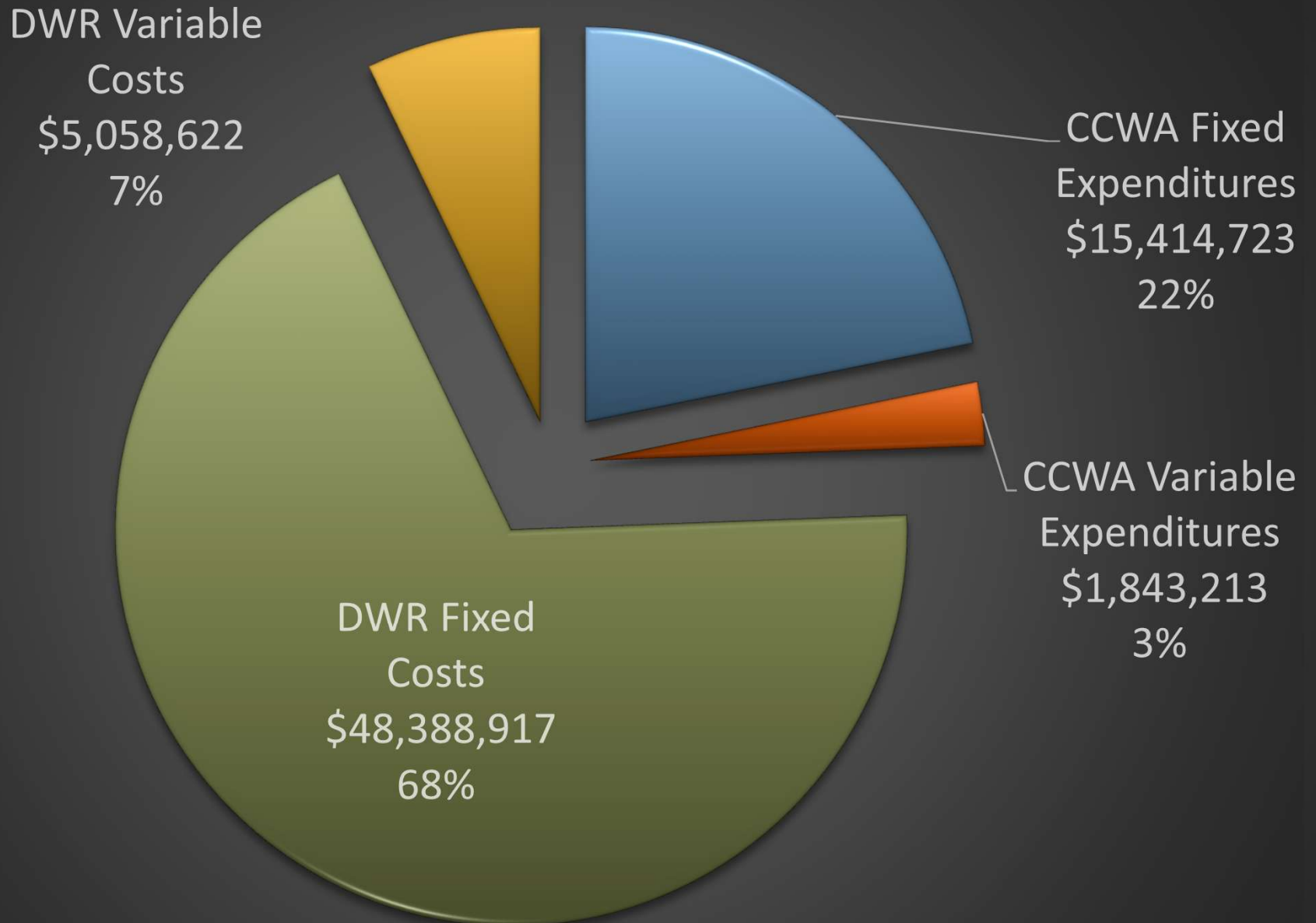
- ❑ Review CIP/NCIP Program
- ❑ Review O&M Expense
- ❑ 10-year financial proforma plan
- ❑ Budget approval and adoption

- ❑ CY 2027 SOC-July 1<sup>st</sup> release
- ❑ Review DWR pass thru budget charges for CY 2027
- ❑ Budget to SOC true-up
- ❑ Invoice if needed

# FY 2026/27 Preliminary Budget Summary by cost types

Budget Item	Final FY 2025/26 Budget	Preliminary FY 2026/27 Budget	Increase (Decrease)
<u>CCWA Expenses</u>			
CCWA Operating Expenses - Fixed	\$ 11,877,099	\$ 12,267,596	\$ 390,498
CCWA Operating Expenses - Variable	1,819,728	1,843,213	23,484
Capital/Non-Capital Projects	2,947,718	3,108,727	161,009
Total CCWA Expenses:	16,644,545	17,219,536	574,991
<u>Pass-Through Expenses</u>			
DWR Fixed Costs	42,568,263	48,388,917	5,820,654
DWR Variable Costs	4,660,309	5,058,622	398,313
Warren Act and Trust Fund Payments	52,440	38,400	(14,040)
Total Pass-Through Expenses:	47,281,011	53,485,938	6,204,927
Subtotal Gross Budget:	63,925,556	70,705,474	6,779,918
CCWA (Credits) Due	(2,281,509)	-	2,281,509
TOTAL:	\$ 61,644,047	\$ 70,705,474	\$ 9,061,427

# Budget Composition



# CCWA Operating Budget-\$413,982 or 4% increase

- Increase over FY 2025/26 Budget
  - Personnel - Salaries, Retirement and Health insurance-4.4%
  - Supplies and Equipment expense - 7%
  - Repairs and Maintenance-5%
  - Insurance-16%
- Decrease over FY 2025/26 Budget
  - Utilities – WTP variable electric-\$100k
    - Electric cost decreases from \$11.56/AF to \$5.29/AF
  - Professional Services-\$78k

# Capital Projects FY 2026/27 Budget:\$2.7 M

## Filter Multimedia and Underdrain Nozzle Replacement

- \$1.2 million in project cost
- Location-WTP
- Priority-High
- Removal and replacement of four filter media and nozzles, and repair filter basin concrete surface
- Goal: prevent WTP capacity reduction

## Storage Tank Lining Replacement

- \$431,000
- Location-WTP
- Priority-High
- Goal: Protect tank useful life and operational capacity

## Six Additional projects at WTP

- \$607,960 in project cumulative cost
- Utility water piping replacement(\$78K); Actuators(\$57K), Access road maintenance(\$158K);Security Access Control Project-\$200K);other

# FY 2026/27 CIP/NCIP Preliminary Budget

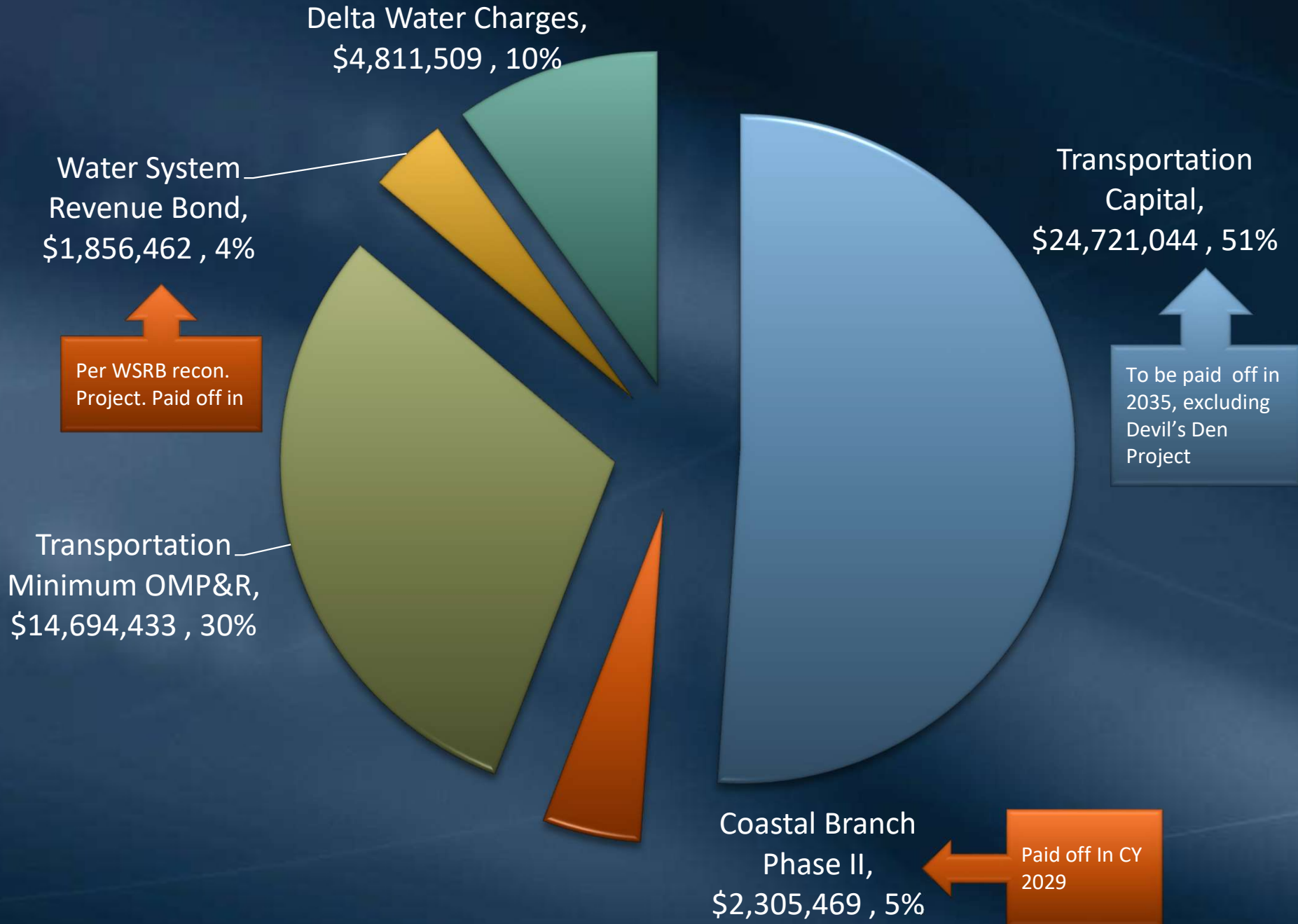
## Vehicle Replacements

- Three vehicle replacements per CCWA's policy- (125,000 miles or 10 years)
- Total cost: \$265,356

## Non-Capital Projects

- Total projects: 5
- Chorro Valley Access Rd Repair; Electrical Safety Plan and Arc Flash Coordination Study
- Total Non-Capital project cost of \$341,250

# FY 2026/27 DWR Fixed Costs



# FY 2026/27 DWR Fixed Costs

<i>DWR Fixed Cost Comparison</i>				
Cost Component	FY 2025/26 Est. Actual <sup>(1)</sup>	FY 2026/27 Budget	FY 2025/26 Budget to FY 2026/27 Budget Increase (Decrease)	
Transportation Capital	\$ 23,431,674	\$ 24,721,044	\$	1,289,370
Coastal Branch Phase II	1,356,015	2,305,469		469,110
Transportation Minimum OMP&R	13,203,776	14,694,433		1,490,656
Water System Revenue Bond	869,579	1,856,462		986,883
Delta Water Charges	4,121,854	4,811,509		689,655
<b>Total Fixed DWR Charges</b>	<b>42,982,898</b>	<b>48,388,917</b>		<b>4,925,675</b>

## Transportation Capital

- No offset from RMC
- No offset from DSRF Allocation

## Transportation Minimum

- Projected increase in cost component
- No reduction from prior year credit

# FY 2026/27 DWR Variable costs \$398,314 increase

- Var OMP&R - \$5 Million
  - FY 2026/27 Unit Rate: \$275/AF based on DWR IIR discussion in Feb 2026
  - Requested water deliveries Santa Barbara County: 13,197 AF
  - Off Aqueduct charge: \$1/AF
  - True up amount from historical over/under adjustment of \$1.4 million included in total estimate ( CY 2026 SOC)
  - Variable charges invoiced each quarter

# DWR Variable Cost-\$5 Million estimate

FY 2026/27 Est. DWR Var OMPR.	\$3,629,175
FY 2026/27 Est. DWR Var True-up	\$1,419,334
<b>Total</b>	<b>\$5,048,509</b>

Project Participant	Requested Deliveries	Exchange Deliveries	Net Deliveries
Guadalupe	50	-	50
Santa Maria	6,800	-	6,800
Golden State Water	185	-	185
VSFB	2,830	-	2,830
Buellton	270	-	270
Solvang	590	-	590
Santa Ynez	-	2,152	2,152
Goleta	775	(775)	-
Morehart	-	-	-
La Cumbre	320	-	320
Raytheon	-	-	-
Santa Barbara	515	(515)	-
Montecito	515	(515)	-
Carpinteria	346	(346)	-
<b>TOTAL:</b>	<b>13,197</b>	<b>-</b>	<b>13,197</b>

**Rate per AF**  
**\$275**

**Total DWR Variable Cost**  
**\$3,629,175**

equals

from 2/2026 IIR Discussion with DWR

# DWR Variable Cost-\$5 Million estimate

FY 2026/27 Est. DWR Var OMPR.	\$3,629,175
FY 2026/27 Est. DWR Var True-up	\$1,419,334
<b>Total</b>	<b>\$5,048,509</b>

<b>VARIABLE OMP&amp;R CHARGES</b>	
	<b>TOTAL</b>
<b>Project Participant</b>	<b>FY 2026/27 Var. OMP&amp;R</b>
Guadalupe	\$ 28,123
Santa Maria	2,359,364
Golden State Water Co.	62,036
VSFB	893,780
Buellton	89,565
Santa Ynez (Solvang)	239,388
Santa Ynez	14,221
Goleta	303,042
Morehart	2,005
La Cumbre	124,502
Raytheon	1,447
Santa Barbara	409,624
Montecito	379,699
Carpinteria	141,716
<b>Total</b>	<b>\$ 5,048,509</b>

# FY 2026/27 Participant Payments

- Fixed Assessments

- May 1, 2026-Invoices mailed to participants
- June 1, 2026-Fixed Payments Due
- July 1, 2026-DWR issues CY 2027 SOC
- July Board meeting-True-up between 2027 Statement of Charges (SOC) and budget

- Variable Assessments

- Billed quarterly
- Variable deposits billed based on delivery estimates and budgeted rates (DWR Var OMP&R, CCWA Variable cost/AF - SYPP electric, WTP, Warren Act, etc.)
- Variable expenses true-up mid year and year end

# FY 2026/27 Final Budget

- Approval to obtain bids for those projects in the budget that require formal bids
- Use of available CCWA and DWR credits determination by project participants
- Recommendation to CCWA Board for Approval of Final Budget

Questions?