



# FY 2026-27 & 2027-28 Proposed Metropolitan Biennial Budget

*Joint Workshop Board Meeting*

# Metropolitan Proposed Biennial Budget

- 💧 This MET Budget focuses on System Reliability and Resiliency
  - 💧 Addressing Aging Assets & greater R&R with increasing Capital Infrastructure
  - 💧 Backlog of deferred maintenance & limited support calls for additional staffing
  - 💧 Need to replace Operating Equipment & Fleet
- 💧 Key assumption of funding an early stage of the Pure Water (PWSC) Project
- 💧 Board is discussing various drivers

# Proposed Budget Revisited

Calendar Year	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
<b>Revised Baseline Budget<sup>(1)</sup></b> 14.5%	7.3%	7.2%	6.5%	6.5%	5.0%	5.0%	4.5%	4.5%	4.0%	4.0%
Incremental Drivers										
Proposed Increase Base CIP	0.5%	1.0%	0.5%	0.5%	1.0%	1.0%	0.5%	0.5%	1.0%	1.0%
Proposed Operating Equipment	0.4%									
Proposed Staffing	0.6%	0.5%	0.5%	0.5%	0.5%	0.5%				
<b>Revised Baseline + Inc. Drivers</b>	<b>8.8%</b>	<b>8.7%</b>	<b>7.5%</b>	<b>7.5%</b>	<b>6.5%</b>	<b>6.5%</b>	<b>5.0%</b>	<b>5.0%</b>	<b>5.0%</b>	<b>5.0%</b>
45-MGD PWSC (Stage 1)	0.5%	0.5%	1.5%	1.5%	2.5%	2.5%	4.0%	4.0%	3.0%	3.0%
<b>Revised Proposed Budget</b> 18.5% (Baseline + Inc. Drivers + PWSC)	<b>9.3%</b>	<b>9.2%</b>	<b>9.0%</b>	<b>9.0%</b>	<b>9.0%</b>	<b>9.0%</b>	<b>9.0%</b>	<b>9.0%</b>	<b>8.0%</b>	<b>8.0%</b>

(1) Revised Baseline Budget includes 272.7 TAF SDCWA Exchange, 5 TAF 2<sup>nd</sup> right of refusal in the supply program, 51 TAF lower full-service water sales

Note: Displayed as a simple summed total

# FY 2026-27 & 2027-28 Proposed Metropolitan Biennial Budget Areas of Board Discussion

- 💧 Proposed Budget Alternatives will be developed based on key drivers:
  - 💧 Refined staffing
  - 💧 CIP levels
  - 💧 Pure Water Southern CA (PWSC)
  - 💧 Ad Valorem Tax Rate
  - 💧 LRP Budgeting
  - 💧 Conservation Budgeting

# Miller Proposal (Revised)

## Key Points

- Assume Ad Valorem Property Tax Rate of **0.0085%**
- Capital Investment Plan (CIP) budget of **\$875 million**
- Limit new positions to **79** between the Operations and Maintenance (O&M) and CIP departments
- Funding for PWSC limited to **grant-funded** activities only



# Schedule for Metropolitan Budget Process

Date	Related Activity
✓ February 10, 2026	MET FAAME Committee, Workshop #1
✓ February 24, 2026	MET FAAME Committee, Workshop #2
✓ March 4, 2026	MWDOC Joint Board Workshop – MET Staff Presentation on Budget
✓ March 10, 2026	MET FAAME Committee, Workshop #3 and public hearing on proposed rates and charges
✓ March 24, 2026	MET FAAME Committee, Workshop #4
April 1, 2026	MWDOC Joint Board Workshop – MET Budget Updates Item
April 14, 2026	MET Board <b><u>ACTION</u></b> regarding Biennial Budget for FY 2026/27 and 2027/28, rates and charges for CYs 2027 and 2028, and Ten-Year Financial Forecast



**Thank you!**