



Mid-Cycle Budget Workshop

Board of Directors

May 26, 2026

Presenters



Sophia Skoda

Director of
Finance



Sam Feldman

Manager of
Budget



Phoebe Grow

Principal
Management
Analyst



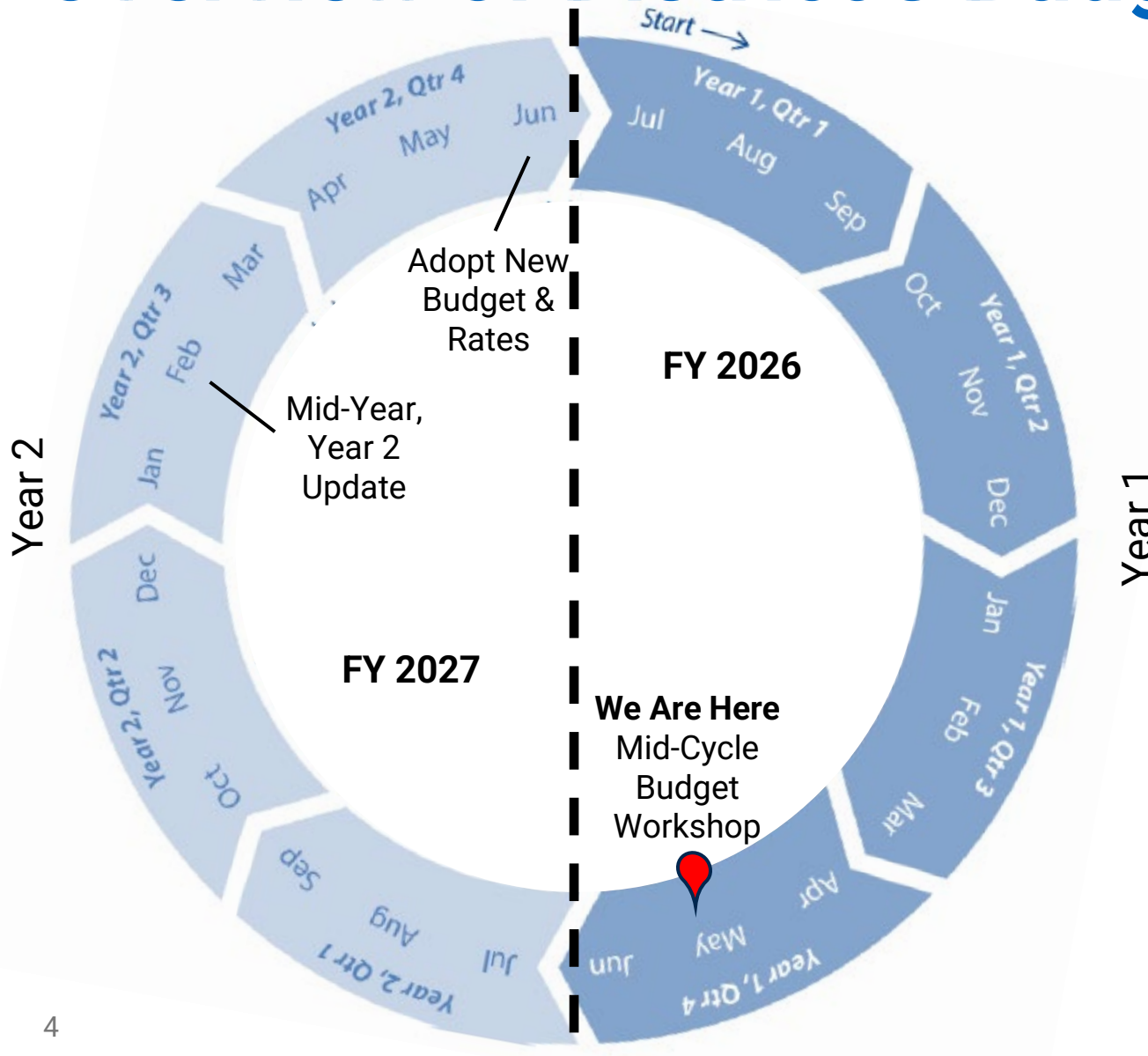
Nathan Hood

Principal
Management
Analyst

Agenda

- Overview of District's Budget & Rates Cycle
- Fiscal Year (FY) 2026 Year-End Budget Projections
- FY 2027 Mid-Cycle Budget Update on Revenues and Expenses
- FY 2027 Updates to Water and Wastewater Rates, Charges, and Other Fees
- FY 2027 System Capacity Charges and Wastewater Capacity Charges
- Key Performance Indicators for FY 2027 & FY 2028
- Workshop Summary
- Board Discussion and Public Comment

Overview of District's Budget & Rates Cycle



- The District follows a 2-year Budget cycle
- The charges on customers' bills reflect the "Proposition 218" or "Schedule A" rates that the Board adopts with the Budget
- The Board also adopts other rates ("Non-Proposition 218" rates) annually in June

FY 2026
Budget

Key Components of the Budget

FY 2026
Budget

- **Operating Expenses (\$594M, 38%)**

- Daily expenses to operate, cannot be debt-funded
- Includes all support services and most direct services
- 70% of operating expenses = District staff

- **Capital Improvement Program (\$663M, 42%)**

- Long-term investments in infrastructure
- Projects generally stretch over several years
- Can be debt-funded
- 20% of capital expenses = District staff

- **Debt Service (\$307M, 20%)**

- Pays principal and interest on bonds that funded past capital

Water
\$1,321M

Wastewater
\$243M

Operating
\$594M
38%

Capital
\$663M
42%

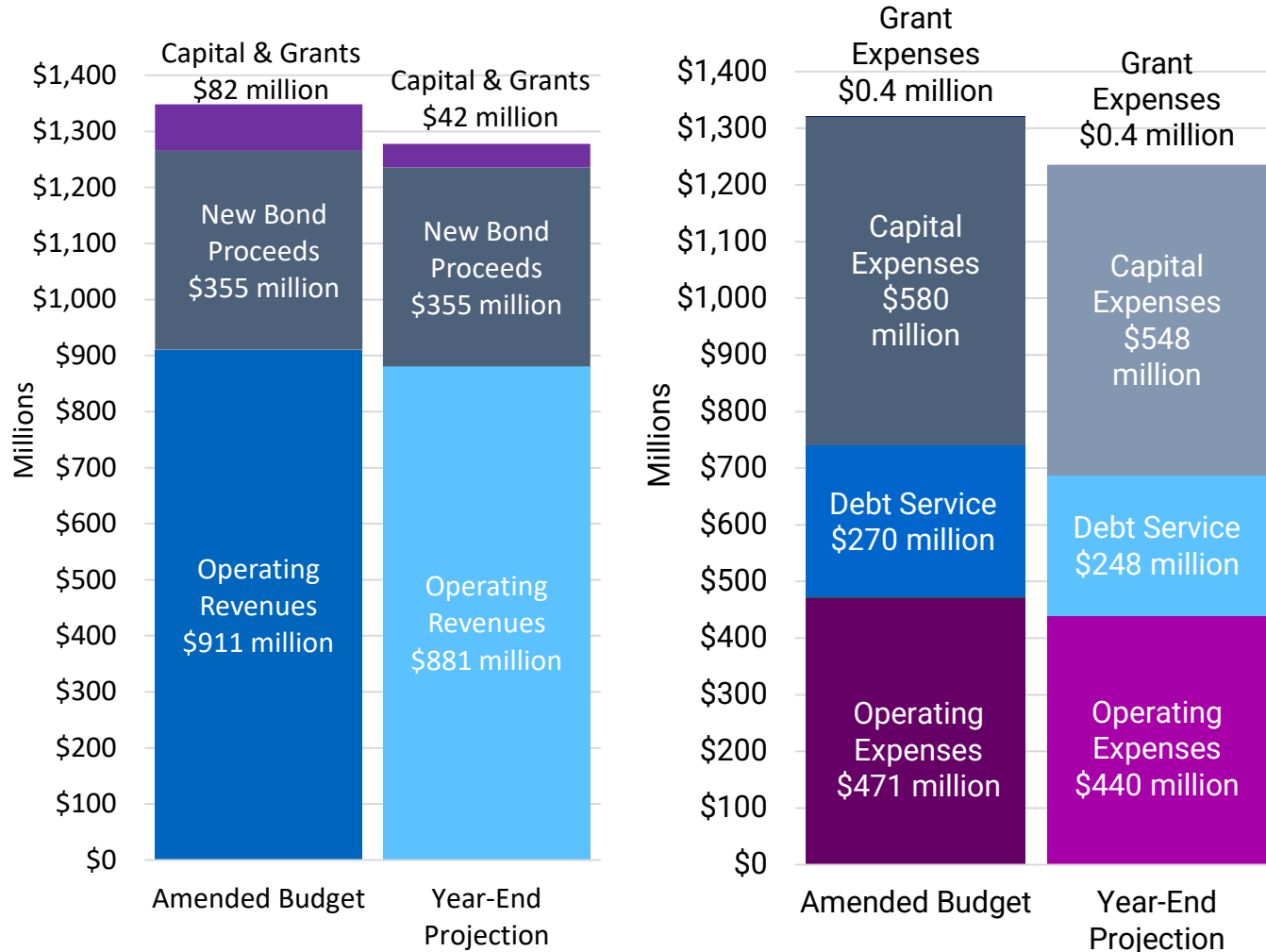
Debt Service
\$307M
20%

M = Millions

FY 2026 Year-End Budget Projections



Water System Year-End Projection for FY 2026

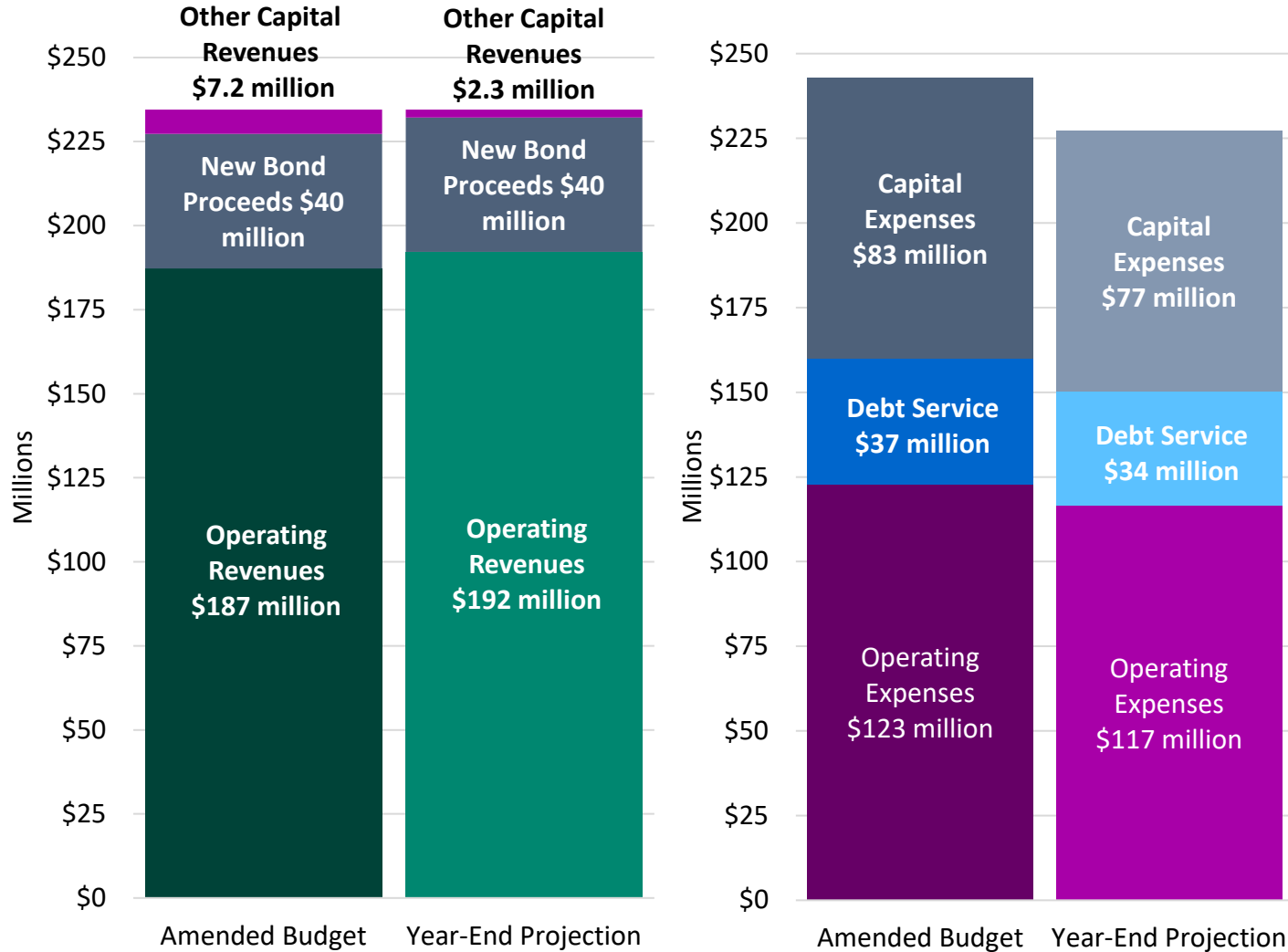


- Total revenues expected to be less than budget by 5%
- Operating expenses expected to be less than budget by 7%
- Debt service expected to be less than budget by 8%
- Capital expenses expected to be less than budget by 5%

Water System Year-End Projection for FY 2026

(\$ Thousands)	Amended Budget	Year-End Projection	Over / (Under)	%
Water Charges	798,911	758,000	(40,911)	95%
Property Taxes	54,958	55,000	42	100%
Power Sales	10,000	13,200	3,200	132%
Interest Income	12,368	16,500	4,132	133%
Reimbursements	12,525	15,000	2,475	120%
All Other Revenue	21,775	23,000	1,225	106%
Operating Revenues	910,537	880,700	(29,837)	97%
New Bond Proceeds	355,000	355,000	-	100%
SCC Revenue	20,000	20,000	-	100%
Capital Reimbursements	60,064	18,000	(42,064)	30%
Grants & Other	2,400	3,800	1,400	158%
Capital Revenues	437,464	396,800	(40,664)	91%
Total Revenues	1,348,001	1,277,500	(70,501)	95%
Operating Expenses	471,433	439,500	(31,933)	93%
Debt Service	269,710	248,000	(21,710)	92%
Capital Expenses	579,531	547,780	(31,751)	95%
Grant Expenses	449	449	-	100%
Total Expenses	1,321,123	1,235,729	(85,394)	94%
Revenues less Expenses	26,878	41,771	14,894	N/A

Wastewater System Year-End Projection for FY 2026



- Revenues expected to closely meet budget
- Operating expenses expected to be less than budget by 5%
- Debt service expected to be less than budget by 9%
- Capital expenses expected to be less than budget by 7%

Wastewater System Year-End Projection for FY 2026

(\$ Thousands)	Amended Budget	Year-End Projection	Over / (Under)	%
Treatment Charges	108,500	108,500	-	100%
Wet Weather Facility Charges	39,017	39,000	(17)	100%
Resource Recovery	11,000	14,000	3,000	127%
Property Taxes	9,057	9,500	443	105%
Interest Income	3,745	4,500	755	120%
Laboratory Services	5,651	5,700	49	101%
Reimbursements	2,065	2,600	535	126%
Permit Fees	1,685	1,500	(185)	89%
All Other Revenue	6,537	6,900	363	106%
Operating Revenues	187,257	192,200	4,943	103%
New Bond Proceeds	40,000	40,000	-	100%
Capacity Charges	3,000	1,800	(1,200)	0%
Grants & Other Capital Revenues	4,244	500	(3,744)	0%
Capital Revenues	47,244	42,300	(4,944)	90%
Total Revenues	234,500	234,500	-	100%
Operating Expenses	122,938	116,600	(6,338)	95%
Debt Service	36,925	33,600	(3,325)	91%
Capital Expenses	82,911	77,000	(5,911)	93%
Total Expenses	242,774	227,200	(15,574)	94%
Revenues less Expenses	(8,273)	7,300	15,573	N/A

Staffing Update



Represented Staff: Changes Proposed for FY 2027

Already Approved in FY 2026 & FY 2027 Budget:

- 2 Limited Term (LT) Utility Laborers to reduce fully-maintained and operated (FM&O) contracts for saw cutting as pipeline mileage goal increases

New Proposed Changes:

- Convert character of Part-time (PT)/ Temporary (TEMP) Assistant Construction & Maintenance Superintendent to Regular (REG) to support Pipeline Rebuild
 - +0.5 Full-time Employee (FTE)

Non-Represented Staff: Changes Proposed for FY 2027

New Proposed Changes:

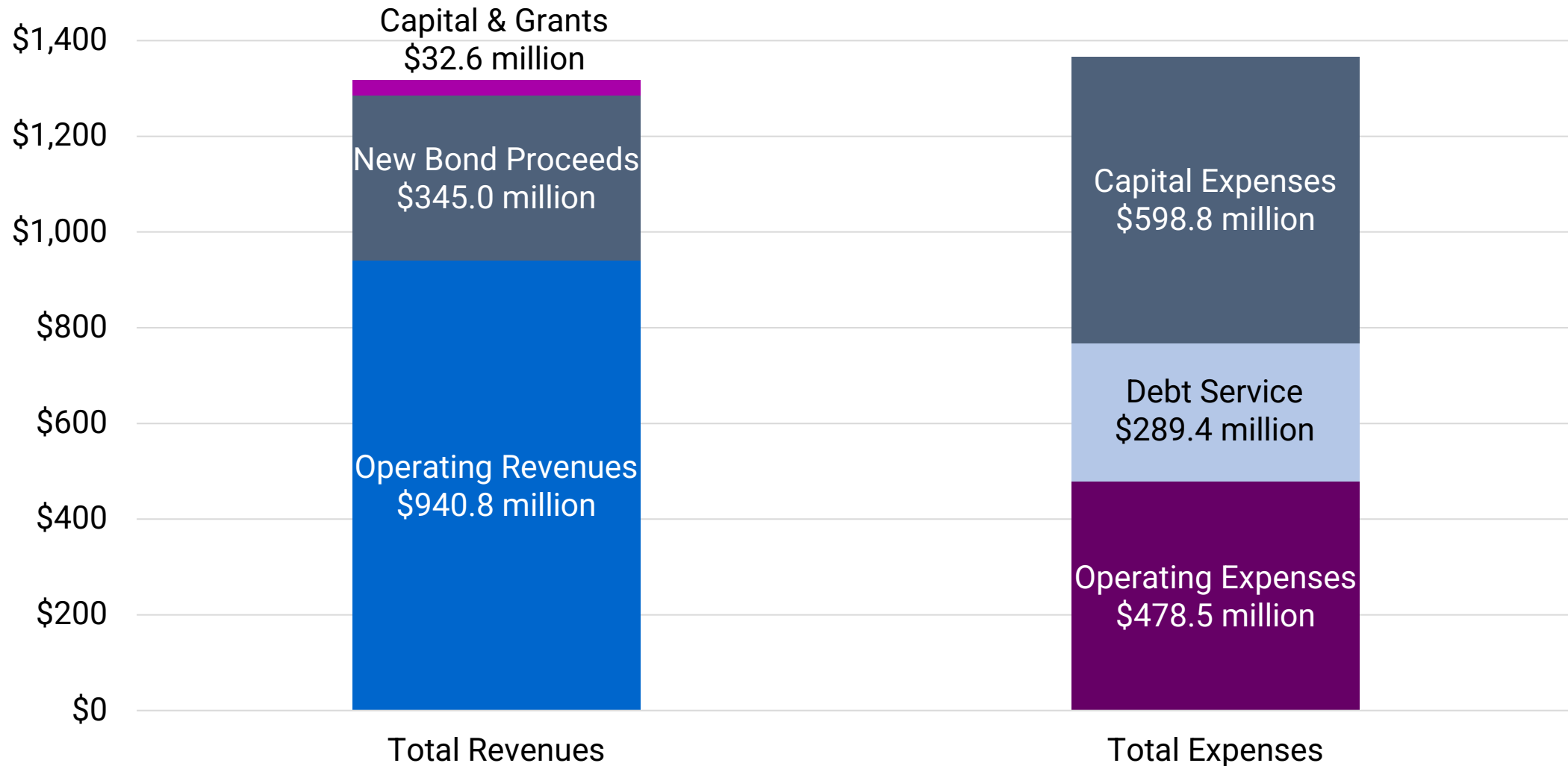
- **Add** Temporary Construction (TC) Information Systems Division Manager to enhance leadership capacity to support multiple enterprise system modernization projects
 - +1.0 FTE
- **Add** REG Human Resources Analyst II to support retirement-related benefits, including Health Insurance Benefit (HIB) and defined contribution programs
 - +1.0 FTE
- **Convert** LT Senior Administrative Clerk, Confidential to REG Senior Administrative Clerk, Confidential
 - No change in FTE; however makes the position permanent

FY 2027 Revenues & Expenses

Water System



FY 2027 Projected Revenues & Budgeted Expenses – Water



FY 2027 Projected Revenues & Budgeted Expenses – Water

(\$ Thousands)	FY 2027 Budget	Projections*	Over / (Under)	%
Water Charges	854,031	826,900	(27,131)	97%
Property Taxes	56,057	56,057	-	100%
Power Sales	10,000	10,000	-	100%
Interest Income	11,406	12,800	1,394	112%
Reimbursements	12,870	12,870	-	100%
All Other Revenue	22,161	22,161	-	100%
Operating Revenues	966,524	940,787	(25,737)	97%
New Bond Proceeds	345,000	345,000	-	100%
SCC Revenue	20,000	10,000	(10,000)	50%
Capital Reimbursements	50,682	20,000	(30,682)	39%
Grants & Other	2,591	2,591	-	100%
Capital Revenues	418,273	377,591	(40,682)	90%
Total Projected Revenues	1,384,797	1,318,379	(66,418)	95%
Operating Expenses	478,498	478,498	-	100%
Debt Service	289,380	289,380	-	100%
Capital Expenses	598,843	598,843	-	100%
Total Budgeted Expenses	1,366,721	1,366,721	-	100%
Revenues less Expenses	18,076	(48,343)	(66,418)	N/A

Projected Revenues:

- *Projections are updated based on current expectations.

Budgeted Expenses:

- Energy and chemical prices seeing rapid rise.
- Capital expenses currently projected to be on-budget.

Revenues less Expenses:

- After \$345 million in debt issuance, expenses projected to exceed revenues by \$48.3 million.

FY 2027 Budget Appropriations – Water

- No change in recommendation from Board-approved Biennial Budget in June 2025

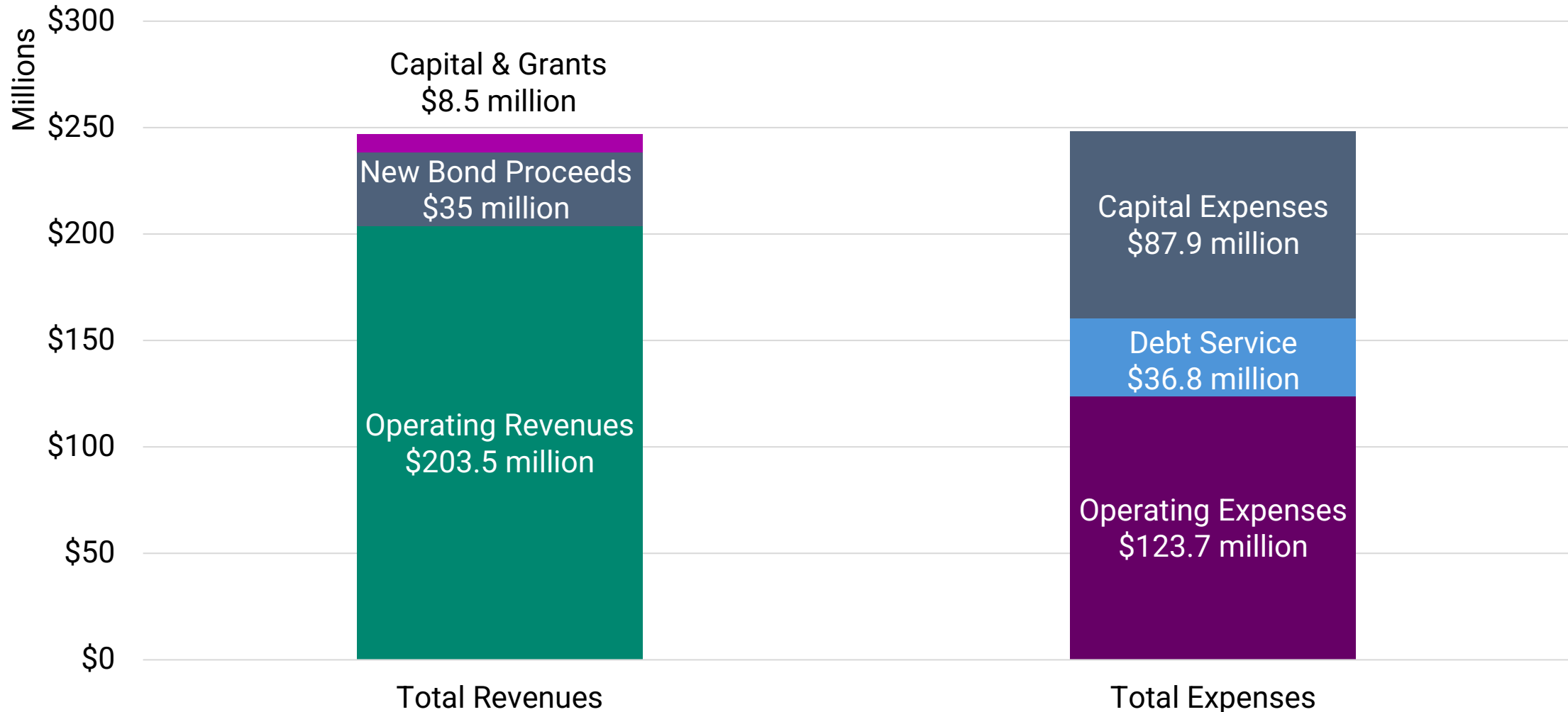
Water System	Approved in Biennial Budget	Recommended for Affirmation
Operating	\$478.5 million	\$478.5 million
Debt Service	\$289.4 million	\$289.4 million
Capital	\$394.4 million	\$394.4 million
Total	\$1,162.3 million	\$1,162.3 million

FY 2027 Revenues & Expenses

Wastewater System



FY 2027 Projected Revenues & Budgeted Expenses – Wastewater



FY 2027 Projected Revenues & Budgeted Expenses – Wastewater

(\$ Thousands)	FY 2027 Budget	Projections*	Over / (Under)	%
Treatment Charges	117,723	117,700	(23)	100%
Wet Weather Facility Charges	42,333	42,500	167	100%
Resource Recovery	11,000	12,500	1,500	114%
Property Taxes	9,238	9,500	262	103%
Interest Income	3,014	4,200	1,186	139%
Laboratory Services	5,807	5,900	93	102%
Reimbursements	2,122	2,600	478	123%
Permit Fees	1,731	1,600	(131)	92%
All Other Revenue	6,647	7,000	353	105%
Operating Revenues	199,614	203,500	3,886	102%
New Bond Proceeds	35,000	35,000	-	100%
Capacity Charges	3,000	1,500	(1,500)	50%
Grants & Other Capital Revenues	11,574	7,000	(4,574)	60%
Capital Revenues	49,574	43,500	(6,074)	88%
Total Revenues	249,189	247,000	(2,189)	99%
Operating Expenses	123,682	123,682	-	100%
Debt Service	36,790	36,790	-	100%
Capital Expenses	87,858	87,858	-	100%
Total Expenses	248,331	248,331	-	100%
Revenues less Expenses	858	(1,331)	(2,189)	N/A

Projected Revenues:

- *Projections are updated based on current expectations.

Budgeted Expenses:

- Energy and chemical prices seeing rapid rise.
- Capital expenses currently projected to be on-budget.

Revenues less Expenses:

- After \$35 million in debt issuance, expenses and revenue will be roughly balanced.

FY 2027 Budget Appropriations – Wastewater

- No change in recommendation from Board-approved Biennial Budget in June 2025

Wastewater System	Approved in Biennial Budget	Recommended for Affirmation
Operating	\$123.7 million	\$123.7 million
Debt Service	\$36.8 million	\$36.8 million
Capital	\$120.8 million	\$120.8 million
Total	\$281.3 million	\$281.3 million

FY 2027 Updates to Water and Wastewater Rates, Charges, and Other Fees

Not Subject to Proposition 218 (Non-Prop 218)



Proposed FY 2027 Non-Prop 218 Rates, Charges, and Other Fees

- The Report and Recommendation of the General Manager (GM Rate Report) proposes revisions to the Schedules of Rates and Charges, Capacity Charges, and Other Fees Not Subject to Proposition 218 for Fiscal Year 2027 (Schedules)
 - GM Rate Report filed at May 12, 2026 Board meeting
- If approved, the revised Schedules would become effective July 1, 2026
 - Recreation Use Fees effective January 1, 2027
- The proposed System Capacity Charge (SCC) and Wastewater Capacity Charge (WCC) reflect the new SCC and WCC studies
 - Note name change: Wastewater Capacity *Fee* -> Wastewater Capacity *Charge*

Non-Prop 218 Rates, Charges, and Other Fees Updated to Reflect District Costs

• Water System Rate Schedules

- Account Establishment Charge (Schedule B)
- Charges for Special Services (Schedule C)
- Water Service Installation Charges (Schedule D)
- Private Fire Service Installation Charges (Schedule E)
- Public Fire Service Installation Charges (Schedule F)
- Water Main Extension Charges (Schedule G)
- ~~○ Standard Participation Charge (SPC) (Schedule H)~~
- **System Capacity Charges (SCC) (Schedule J)**
- Water Service Estimate Application Fees (Schedule M)

**Proposed for
recission**

**Updated based on SCC and WCC
studies (appended to GM Rate Report)**

• Wastewater System Schedules

- Wastewater Industrial Permit Fees (Schedule C)
- Wastewater Department Other Fees (Schedule D)
- Wastewater Department Testing Fees (Schedule E)
- Resource Recovery Fees and Prices (Schedule F)
- **Wastewater Capacity Charges (WCC) (Schedule G)**
- Wastewater Interceptor Connection Review, Coordination, and Inspection Fee (Schedule H)

• Additional Schedules

- Public Records Act Fee Schedule
- Real Property Use Application Fees
- Recreation Use Fees

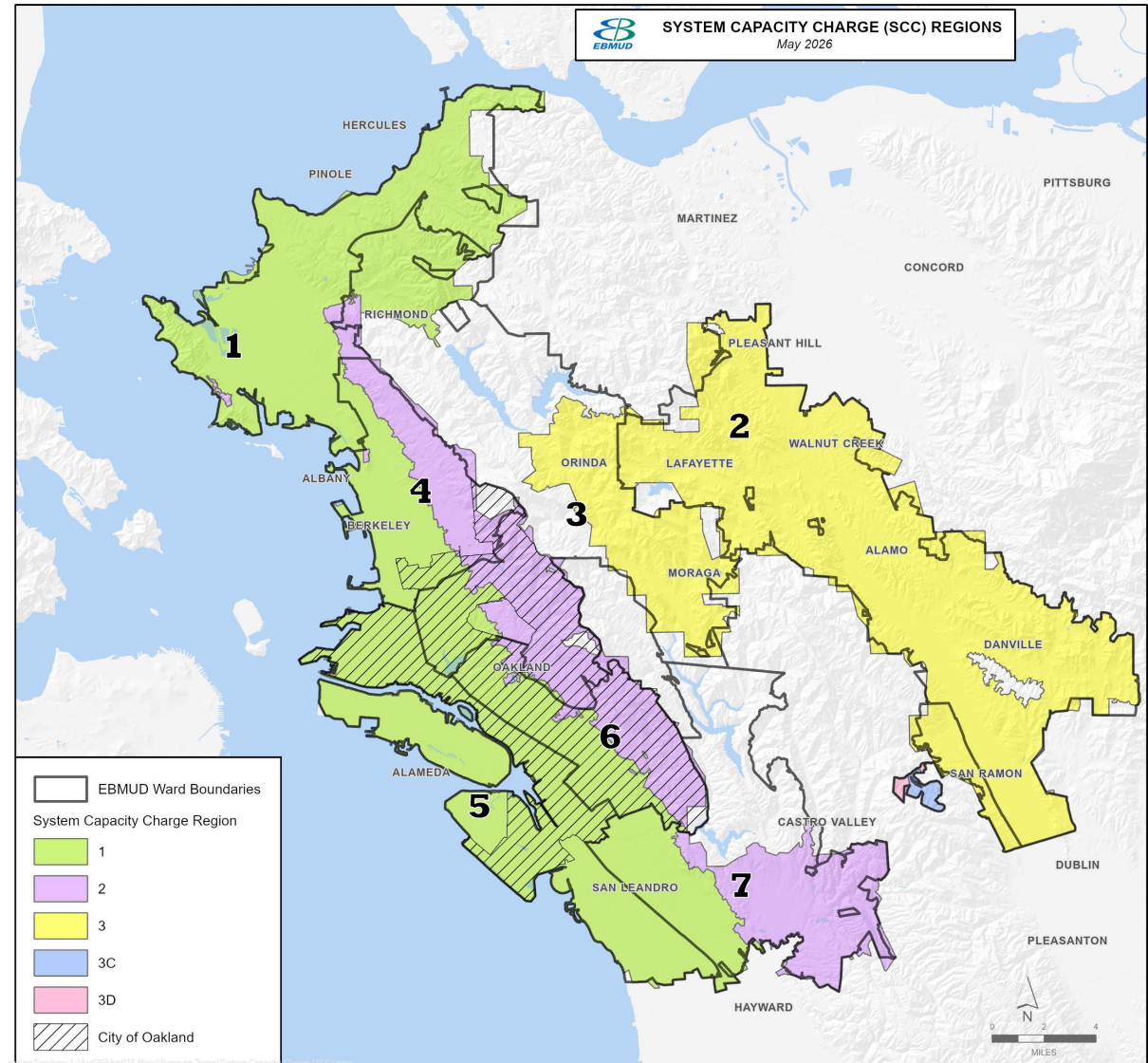
Proposed FY 2027 SCCs

Meter Size	Proposed FY 2027 SCCs
Residential Meters ≤1"	
≤1"	\$19,527
Non-Residential Meters 5/8" to 1"	
5/8"	\$19,527
3/4"	\$29,291
1"	\$48,818
All Meters >1"	
1½"	\$97,527
2"	\$156,218
3"	\$341,727
4"	\$585,818
6"	\$1,318,091
8"	\$1,562,182

- All residential meters ≤1" charged at 5/8" rate
 - Nearly all new-build homes have 1" meters ("dual-service")
 - Residential domestic (non-fire) demands can generally be served by 5/8" meter

No SCC Regions for Proposed FY 2027 SCC

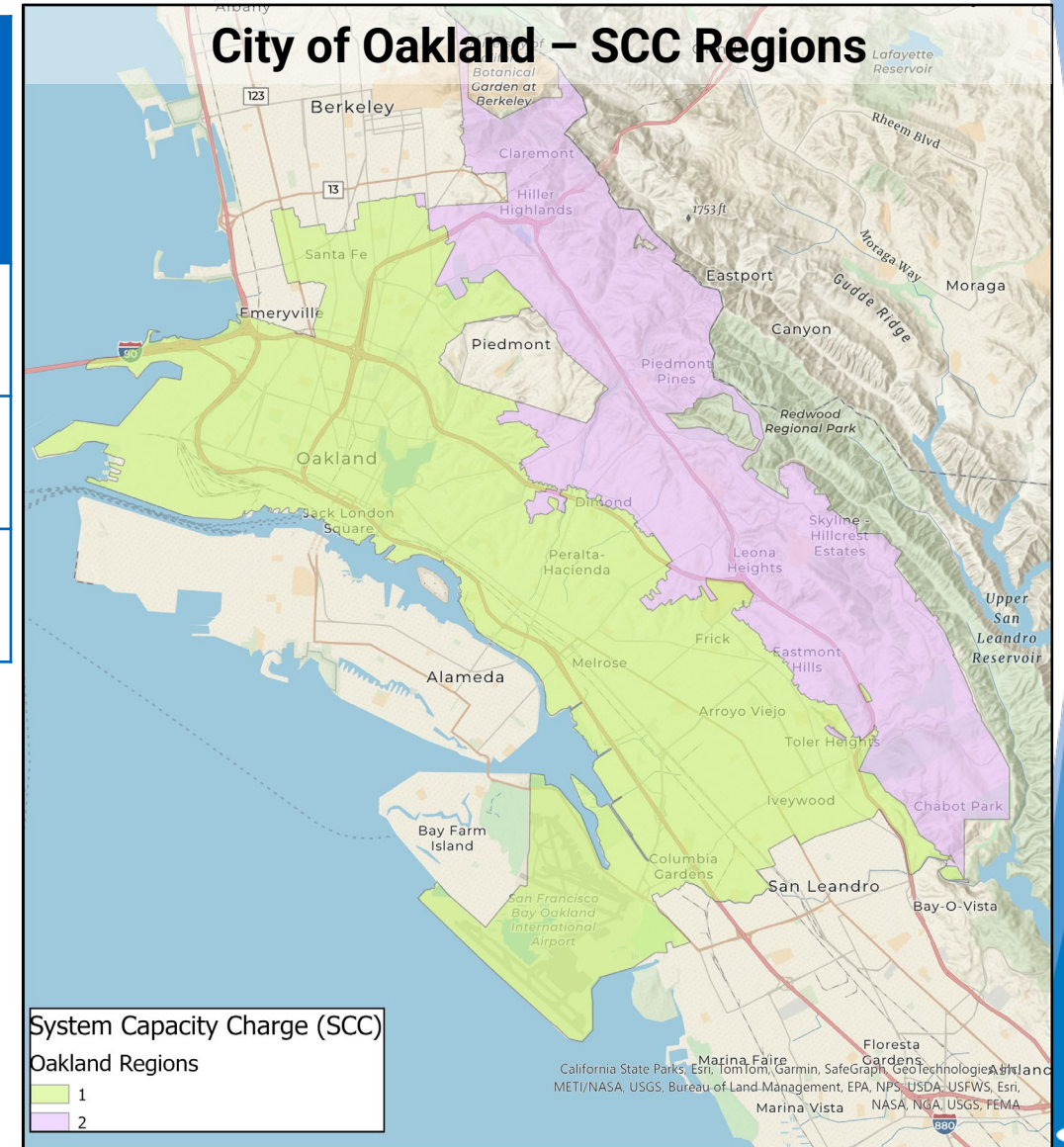
- Current (FY 2026) SCC Regions
 - Region 1: Crocket, Rodeo, Hercules, Pinole, San Pablo, El Sobrante, Richmond, El Cerrito, Albany, Berkeley, Oakland, Emeryville, Piedmont, Alameda, San Leandro, San Lorenzo, Hayward
 - Region 2: Oakland, Berkeley, El Cerrito, Kensington, Piedmont, San Leandro, Castro Valley
 - Region 3: Orinda, Moraga, Lafayette, Walnut Creek, Pleasant Hill, Alamo, Danville, San Ramon
- No regions with proposed SCCs



Changes to single-family residential (SFR) SCCs

Region	Current SCC SFR ¾" Meter	Current SCC SFR 1" Meter	Proposed SCC Residential ≤1" meter
1	\$13,881	\$19,725	\$19,527
2	\$21,494	\$46,059	\$19,527
3	\$40,614	\$60,164	\$19,527

- Currently most new SFRs pay ¾" SCC
- Proposed simplification (all residential meters ≤1" pay lowest SCC) results in no SCC for Accessory Dwelling Units (ADUs) on existing SFR meter ≤1"
- City of Oakland includes both Region 1 and Region 2 in current SSC framework



Proposed FY 2027 WCCs

Meter Size	Proposed FY 2027 WCCs
Residential meters ≤ 1"	
≤ 1 "	\$3,768
Non-Residential Meters 5/8" to 1"	
5/8"	\$3,768
3/4"	\$5,652
1"	\$9,420
All Meters > 1"	
1½"	\$18,840
2"	\$30,144
3"	\$65,939
4"	\$113,039
6"	\$254,338
8"	\$301,438

- All residential meters ≤ 1 " charged at 5/8" rate

Benefits of New Capacity Charge Methodology

- Straightforward rate schedule, including for ADUs
 - Easier for applicants to understand
 - Efficient for staff to implement
- Well-suited to mature Water and Wastewater systems with gradual growth
- Revenue impacts can be managed inside of Long-Range Financial Plan

Notable Revisions to Schedules

- Water Schedule C – Charges for Special Services
 - New tree trimming/removal charge proposed
- Water Schedule G – Water Main Extension Charges
 - Proposed revisions reflect District costs and currently used pipe materials
- WW Schedule C – Wastewater Department Industrial Permit Fees
 - New General Wastewater Discharge Permit fee proposed
- WW Schedule E – Wastewater Department Testing Fees
 - Added fee for Biochemical Oxygen Demand laboratory test
- Recreation Fees for Calendar Year 2027
 - Camanche Regional Park Advisory Board (CRPAB) reviewed Recreation Fees on March 19, 2026

Next Steps: Non-Prop 218 Rates, Charges & Fees

Milestone	Date
 Filed General Manager's Rate Report; Set Public Hearing for Non-Prop 218 Rates, Charges, and Other Fees	May 12, 2026
 Mid-Cycle Budget Update Board Workshop	May 26, 2026
 Public Hearing on and Board consideration of FY 2027 Non-Prop 218 Rates, Charges, and Other Fees	June 9, 2026
 Consideration of revisions to the District's Regulations Governing Water Service	June 23, 2026
 FY 2027 Rates, Charges, and Other Fees effective (if approved)	July 1, 2026

FY 2027 Proposition 218 (Prop 218) Rates

Adopted on June 10, 2025



FY 2027 Approved Rate Increases

- On June 10, 2025, the Board adopted the FY 2026 and FY 2027 Prop 218 rates for the Water and Wastewater systems
- The FY 2027 Prop 218 rates remain adequate to fund expenses and provide for long-term financial stability for both the Water and Wastewater systems
- Rates remain comparable with peer agencies

Example Single-Family Residential Water Bills

Monthly Bill – 3/4" Meter – Excludes Elevation Surcharge

Usage	FY 2026 (Current)	FY 2027 (Eff. 7/1/2026)	\$ Change	% Change
3 Units (25 th percentile)	\$50.52	\$53.80	\$3.28	6.5%
5 Units (50 th percentile, median use)	\$66.30	\$70.60	\$4.30	6.5%
7 Units (mean use)	\$82.08	\$87.40	\$5.32	6.5%
9 Units (75 th percentile)	\$100.38	\$106.88	\$6.50	6.5%
19 Units (95 th percentile)	\$196.80	\$209.53	\$12.73	6.5%

1 unit = 748 gallons = 100 cubic feet = 1 centum cubic foot (CCF)

Elevation Surcharge	FY 2026 (Current)	FY 2027 (Eff. 7/1/2026)	\$ Change	% Change
Elevation Band 1	\$0.00	\$0.00	\$0.00	No Change
Elevation Band 2	\$1.25	\$1.33	\$0.08	6.4%
Elevation Band 3	\$2.67	\$2.84	\$0.17	6.4%

Example Wastewater Charges on Water Bill

Monthly Bill – Excludes City Charges

Wastewater Treatment	FY 2026 (Current)	FY 2027 (Eff. 7/1/2026)	\$ Change	% Change
4 Units (median use)	\$28.05	\$30.40	\$2.35	8.4%
9 Units (maximum)	\$37.15	\$40.25	\$3.10	8.3%

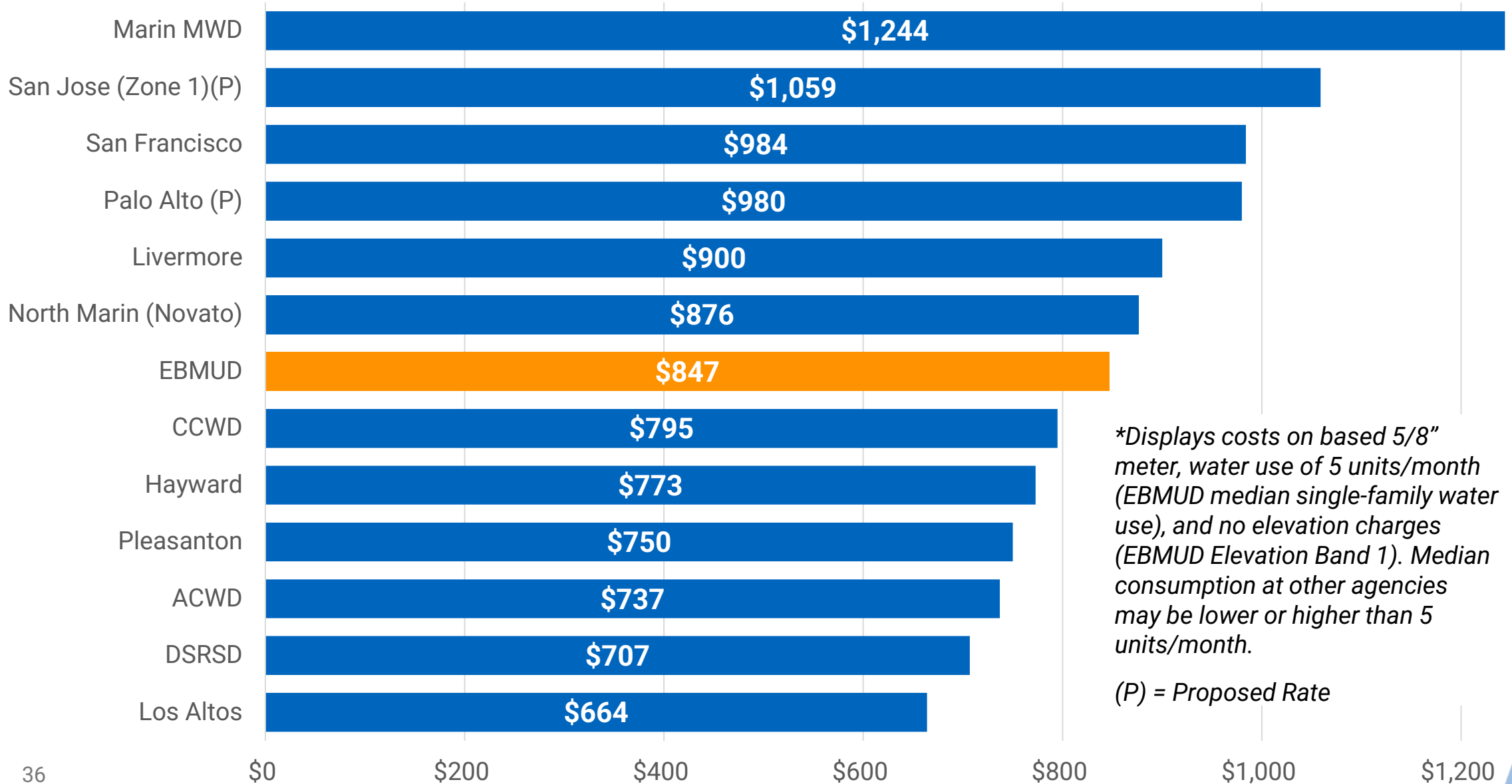
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Wet Weather Facilities Charge

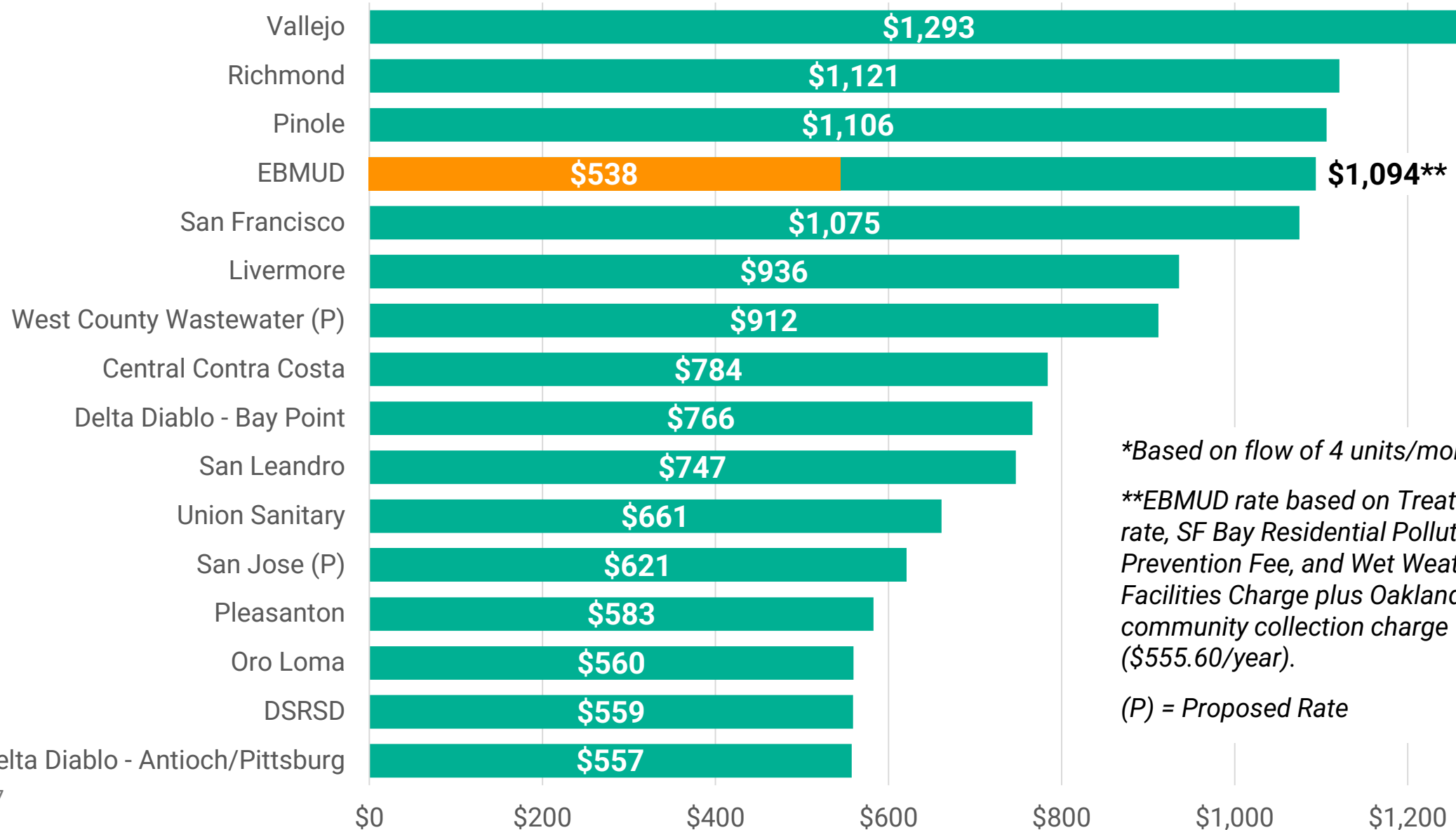
Annual – Collected on the Property Tax Bill

Parcel/Lot Size	FY 2026 (Current)	FY 2027 (Eff. 7/1/2026)	\$ Change	% Change
Small Lot (0-5,000 sq. ft.)	\$159.90	\$173.48	\$13.58	8.5%
Medium Lot (5,001-10,000 sq. ft.)	\$249.72	\$270.94	\$21.22	8.5%
Large Lot (>10,000 sq. ft.)	\$570.70	\$619.20	\$48.50	8.5%

Annual Water Charges* for Single-Family Residential (Effective July 1, 2026)



Annual Wastewater Bill* for Single-Family Residential (Effective July 1, 2026)



*Based on flow of 4 units/month.

**EBMUD rate based on Treatment rate, SF Bay Residential Pollution Prevention Fee, and Wet Weather Facilities Charge plus Oakland community collection charge (\$555.60/year).

(P) = Proposed Rate

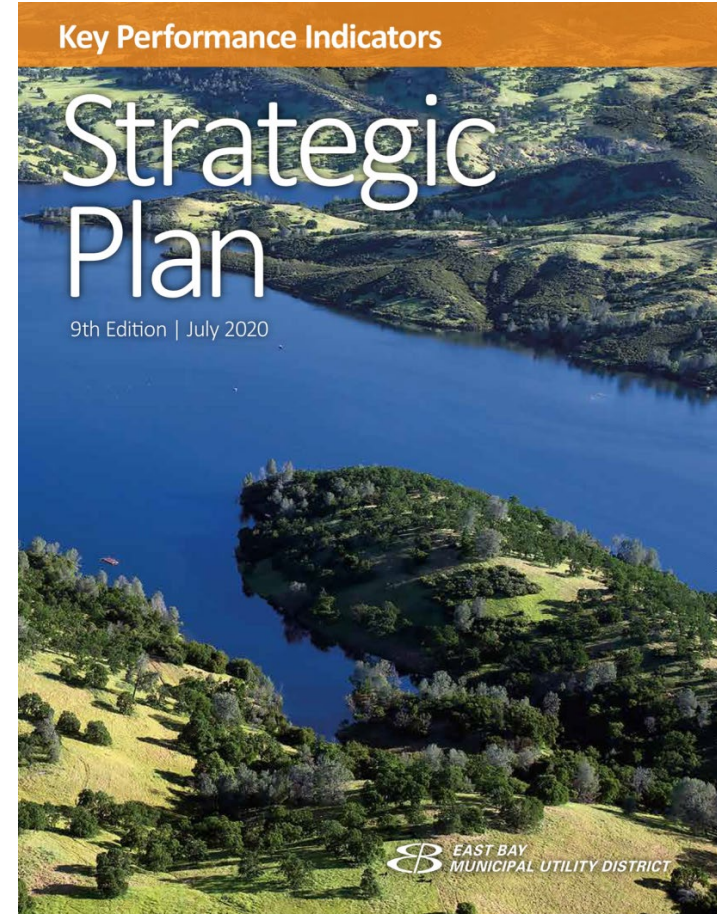
Key Performance Indicators for FY 2027 & FY 2028



FY 2027 & FY 2028 Updates

- Customer and Community Services
- Long-Term Financial Stability
- Long-Term Infrastructure Investment
- Long-Term Water Supply
- Water Quality and Environmental Protection
- Workforce Planning and Development

Last Key Performance Indicators (KPIs) update presented to and approved by Board in May 2024.



FY 2027 & FY 2028 Updates

- **Target Updates** where prior targets were consistently exceeded or the approach required recalibration
- **Scope Adjustments** to clarify intent, improve measurability, or better align with current practices
- **New KPIs** added to address emerging priorities or gaps identified through performance tracking and feedback

FY 2027 & FY 2028 KPIs – Target Updates

Strategic Plan Goal	KPI	Summary of Change	Increased Target	Updated Approach
Customer & Community Services	Unplanned Water Service Interruptions (>12 hours)	Targets tightened due to overperformance	✓	
Customer & Community Services	Inter-Agency Engagement	Increased expectations for coordination	✓	
Customer & Community Services	Mutual Assistance & Stakeholder Relationships	Higher partnership targets	✓	
Long-Term Infrastructure Investment	Sewer Interceptor Inspections	Increased inspection targets	✓	
Long-Term Infrastructure Investment	Water Pipe Surveys	Expanded monitoring targets	✓	✓
Water Quality & Environmental Protection	Pollution Prevention Outreach	Increased outreach targets	✓	
Workforce Planning & Development	Training Hours	Higher training expectations	✓	
Workforce Planning & Development	Wellness	Expanded program expectations	✓	✓
Workforce Planning & Development	Hiring Timelines	More aggressive timelines	✓	








FY 2027 & FY 2028 KPIs – Scope Adjusted

Strategic Plan Goal	KPI	Summary of Change
Customer & Community Services	Contact Center: Answer Speed, Quality of Service, Issue Resolution	Measurements clarified to align more closely with work
Long-Term Financial Stability	Audit: Completion and Finding Resolution	Planned and unplanned work now considered, with higher targets
Long-Term Infrastructure Investment	Construction Contract Change Orders	Separated monitoring for Water and Wastewater
Long-Term Water Supply	Savings from Conservation Programs	Updated annual targets
Water Quality & Environmental Protection	Carbon Neutrality by 2030	Updated annual targets

FY 2027 & FY 2028 KPIs – New KPIs

Strategic Plan Goal	KPI	Summary of Change
Customer & Community Services	CAP Enrollment (Total Participants)	Links lagging indicator (enrollment) to existing leading indicators (outreach, application processing time)
Workforce Planning & Development	Professional Development Hours	Differentiates focus on career development from required training (e.g., safety, regulatory)

Timeline and Next Steps

Milestone	Date
 Mid-Cycle Budget and Rates Workshop <i>New Format for FY 2025 & FY 2026 KPIs approved</i>	May 28, 2024
 Reported on FY 2024 KPIs <i>Previous Format for KPIs set in 2022</i>	September 24, 2024
 Began Measuring FY 2026 KPIs	July 1, 2025
 Reported on FY 2025 KPIs	October 28, 2025
 Draft FY 2027 & FY 2028 KPI Report via Memo	April 16, 2026
 Discuss FY 2027 & FY 2028 KPIs	May 26, 2026
 Report on FY 2026 KPIs	Fall 2026

Workshop Summary

Workshop Summary

- At the June 9, 2026 meeting, Board will consider:
 - Adopting Non-Prop 218 rates, charges, and other fees
 - Affirming appropriations for FY 2027
 - Adopting the position resolution for FY 2027
- At the June 23, 2026 meeting, Board will consider:
 - Adopting revisions to the Regulations Governing Water Service
- New KPIs will begin measurement on July 1, 2026 and first report on new KPIs will be October 2027

Board Discussion and Public Comment



Flowing
into the
Future