



# SAWPA

SANTA ANA WATERSHED PROJECT AUTHORITY

11615 Sterling Avenue, Riverside, California 92503 • (951) 354-4220

This meeting will be conducted in person at the address listed below. As a convenience to the public, members of the public may also participate virtually using one of the options set forth below. Any member of the public may listen to the meeting or make comments to the Committee using the call-in number or Zoom link below. However, in the event there is a disruption of service which prevents the Authority from broadcasting the meeting to members of the public, the meeting will not be postponed or rescheduled but will continue without remote participation. The remote participation option is provided as a convenience to the public and is not required. Members of the public are welcome to attend the meeting in-person.

Meeting Access Via Computer (Zoom):	Meeting Access Via Telephone:
<ul style="list-style-type: none"><li>• <a href="https://sawpa.zoom.us/j/89001578939">https://sawpa.zoom.us/j/89001578939</a></li></ul>	<ul style="list-style-type: none"><li>• 1 (669) 900-6833</li></ul>
<ul style="list-style-type: none"><li>• Meeting ID: 890 0157 8939</li></ul>	<ul style="list-style-type: none"><li>• Meeting ID: 890 0157 8939</li></ul>

**REGULAR MEETING OF THE  
PROJECT AGREEMENT 24 COMMITTEE  
TUESDAY, AUGUST 5, 2025 – 10:00 A.M.**  
(or immediately following the 9:30 a.m. SAWPA Commission meeting)

at

**San Bernardino Valley Municipal Water District  
Board Room  
380 E. Vanderbilt Way  
San Bernardino, CA 92408**

and

**Desert Vista Community Center  
10360 Sun City Boulevard  
Las Vegas, NV 89134**

## **AGENDA**

- 1. CALL TO ORDER | PLEDGE OF ALLEGIANCE** (T. Milford Harrison, Chair)
- 2. ROLL CALL**
- 3. PUBLIC COMMENTS**

Members of the public may address the Committee on items within the jurisdiction of the Committee; however, no action may be taken on an item not appearing on the agenda unless the action is otherwise authorized by Government Code §54954.2(b).

Members of the public may make comments in-person or electronically for the Committee's consideration by sending them to [publiccomment@sawpa.gov](mailto:publiccomment@sawpa.gov) with the subject line "Public Comment". Submit your electronic comments by 5:00 p.m. on Monday, August 4, 2025. All public comments will be provided to the Chair and may be read into the record or compiled as part of the record. Individuals have a limit of three (3) minutes to make comments and will have the opportunity when called upon by the Committee.

**4. ITEMS TO BE ADDED OR DELETED**

Pursuant to Government Code §54954.2(b), items may be added on which there is a need to take immediate action and the need for action came to the attention of the Santa Ana Watershed Project Authority subsequent to the posting of the agenda.

**5. CONSENT CALENDAR**

All matters listed on the Consent Calendar are considered routine and non-controversial and will be acted upon by the Committee by one motion as listed below.

- A. **APPROVAL OF MEETING MINUTES: JUNE 3, 2025** .....5  
**Recommendation:** Approve as posted.

**6. COMMITTEE DISCUSSION/ACTION ITEMS**

- A. **QUITCLAIM OF EASEMENTS – WESTERN RIVERSIDE COUNTY REGIONAL CONSERVATION AGENCY (PA24#2025.15)** .....9

**Presenter:** Daniel Vasquez

**Recommendation:** That the Project Agreement 24 Committee quitclaims existing temporary easements for flooding purposes as recorded in Document No. 440014 and 470405 to Western Riverside County Regional Conservation Agency (RCA).

- B. **INLAND EMPIRE BRINE LINE RESERVE FUNDS REVIEW (PA24#2025.16)** .....29

**Presenter:** Karen Williams

**Recommendation:** That the Project Agreement 24 Committee approve the following:

1. **R-01 Brine Line Operating Reserve**  
Set the target balance at \$2,548,941, representing 25% of total operating expenses of \$10,195,765 for Fiscal Year Ending (FYE) 2025, an increase of \$257,833, and continue to accrue interest.
2. **R-07 Brine Line Replacement and Capital Investment Reserve**  
Establish the minimum and target funding levels at \$19,870,091 and \$48,830,227, respectively, based on the revised Capital Improvement Plan (CIP) total of \$69.2 million, as determined through Engineering's review.
3. **Other Reserve Funds**  
Approve the continued accrual of interest in FYE 2026 for the following reserve funds, with funding levels (as of June 30, 2025) above their respective targets:
  - R-02 Brine Line Debt Service Reserve
  - R-04 Pipeline Capacity Management Reserve
  - R-05 OC Future Treatment & Disposal Capacity Reserve
4. **Surplus Allocation**  
From the projected \$3,834,230 surplus for FYE 2025:
  - Transfer \$161,694 to the R-01 Brine Line Operating Reserve to reach its target balance.
  - Allocate the remaining balance to the R-07 Brine Line Replacement and Capital Investment Reserve.

**7. INFORMATIONAL REPORTS**

**Recommendation:** Receive for information.

- A. **BRINE LINE FINANCIAL REPORT – APRIL 2025** .....57  
**Presenter:** Karen Williams

**B. BRINE LINE FINANCIAL REPORT – MAY 2025 .....63**  
**Presenter:** Karen Williams

**C. GENERAL MANAGER REPORT**  
**Presenter:** Karen Williams

**D. COMMITTEE MEMBERS COMMENTS**

**E. CHAIR’S COMMENTS/REPORT**

**8. COMMITTEE MEMBER REQUESTS FOR FUTURE AGENDA ITEMS**

**9. CLOSED SESSION**

There were no Closed Session items anticipated at the time of the posting of this agenda.

**10. ADJOURNMENT**

**PLEASE NOTE:**

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the Clerk of the Board at (951) 354-4220. Notification at least 48 hours prior to the meeting will enable staff to make reasonable arrangements to ensure accessibility to this meeting.

Materials related to an item on this agenda submitted to the Committee after distribution of the agenda packet are available for public inspection during normal business hours at the SAWPA office, 11615 Sterling Avenue, Riverside, and available at [www.sawpa.org](http://www.sawpa.org), subject to staff’s ability to post documents prior to the meeting.

**Declaration of Posting**

I, Sara Villa, Clerk of the Board of the Santa Ana Watershed Project Authority declare that on July 31, 2025, a copy of this agenda has been uploaded to the SAWPA website at [www.sawpa.gov](http://www.sawpa.gov) and posted at the SAWPA’s office, 11615 Sterling Avenue, Riverside, CA 92503, SBVMWD Office at 380 E. Vanderbilt Way, San Bernardino, CA 92408, and Desert Vista Community Center 10360 Sun City Boulevard, Las Vegas, NV 89134.

**2025 Project Agreement 24 Committee Regular Meetings**

Inland Empire Brine Line

First Tuesday of Every Month

(Note: All meetings begin at 10:00 a.m., or immediately following the 9:30 a.m. SAWPA Commission meeting, whichever is earlier, unless otherwise noticed, and are held at SAWPA.)

<b>January</b>	<b>February</b>
1/7/25 Regular Committee Meeting [cancelled]	2/4/25 Regular Committee Meeting
<b>March</b>	<b>April</b>
3/4/25 Regular Committee Meeting	4/1/25 Regular Committee Meeting
<b>May</b>	<b>June</b>
5/6/25 Regular Committee Meeting	6/3/25 Regular Committee Meeting, EMWD
<b>July</b>	<b>August</b>
7/1/25 Regular Committee Meeting, WMWD	8/5/25 Regular Committee Meeting, SBVMWD
<b>September</b>	<b>October</b>
9/2/25 Regular Committee Meeting	10/7/25 Regular Committee Meeting
<b>November</b>	<b>December</b>
11/4/25 Regular Committee Meeting	12/2/25 Regular Committee Meeting

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**PROJECT AGREEMENT 24 COMMITTEE**  
Inland Empire Brine Line  
**REGULAR MEETING MINUTES**  
**June 3, 2025**

**COMMITTEE MEMBERS PRESENT**

T. Milford Harrison, Chair, San Bernardino Valley Municipal Water District Governing Board  
Mike Gardner, Vice Chair, Western Municipal Water District Governing Board  
Jasmin A. Hall, Inland Empire Utilities Agency Governing Board  
Philip Paule, Eastern Municipal Water District Governing Board

**COMMITTEE MEMBERS ABSENT**

None

**ALTERNATE COMMITTEE MEMBERS PRESENT [Non-Voting]**

Gil Botello, San Bernardino Valley Municipal Water District Governing Board [via – zoom]  
Craig Miller, Western Municipal Water District General Manager [via – zoom]  
Derek Kawaii, Western Municipal Water District

**STAFF PRESENT**

Jeff Mosher, Karen Williams, David Ruhl, Shavonne Turner, Dean Unger, John Leete, Sara Villa, Daniel Vasquez, Lucas Gilbert, David Ruhl, Marie Jauregui, Emily Fuentes

**OTHERS PRESENT**

Thomas S. Bunn, Lagerlof, LLP; Nick Kanetis, Fred Jung, Kevin Nugent

**1. CALL TO ORDER | PLEDGE OF ALLEGIANCE**

The Regular Meeting of the PA 24 Committee was called to order at 10:41 a.m. by Chair T. Milford Harrison on behalf of Eastern Municipal Water District, 2270 Trumble Road, Perris, CA 92570.

**2. ROLL CALL**

**3. PUBLIC COMMENTS**

There were no public comments; there were no public comments received via email.

**4. ITEMS TO BE ADDED OR DELETED**

There were no items to be added or deleted.

**5. CONSENT CALENDAR**

**A. APPROVAL OF MEETING MINUTES: MAY 6, 2025**

Recommendation: Approve as posted.

**MOVED**, to approve the Consent Calendar as posted.

Result:	<b>Adopted by Roll Call Vote</b>
Motion/Second:	Gardner/Hall
Ayes:	Gardner, Hall, Harrison, Paule
Nays:	None
Abstentions:	None
Absent:	None

## **6. COMMITTEE DISCUSSION/ACTION ITEMS**

### **A. BRINE LINE SERVICE CONTRACTS (PA24#2025.13)**

Daniel Vasquez provided a presentation on the Brine Line Service Contracts, contained in the agenda packet on pages 11-19.

Mr. Vasquez provided an overview of SAWPA's several on-call service contracts, these include CCTV inspections of the Brine Line, Surveying services, Meter Calibration, On-Call Line Cleaning, and Emergency Line Draining.

In February, the Project Agreement (PA) 24 Committee directed staff to solicit proposals. Two were received and evaluated. Staff negotiated dividing services and quantities between two contractors, resulting in the proposed revised costs.

The two new contracts with Patriot Environmental and United Stormwater are specifically for debris hauling. This involves the use of dewatering bins to remove and dry debris from the brine line. Once dewatered, the water is returned to the line for proper disposal. Maintaining reliable access to these bins is essential for effective maintenance.

Staff recommend that the PA 24 Committee authorize the General Manager to issue two task orders and corresponding General Service Agreements to Patriot Environmental (\$81,748) and United Stormwater (\$86,750) for two-year contracts. These are not-to-exceed amounts for debris hauling services.

Both contracts include a one-year extension option, in line with other service contracts. SAWPA currently has active contracts for CCTV, surveying, meter calibration, and line cleaning, and has extended the emergency services contract with Patriot for another year. These two debris hauling contracts would be new additions. There was no discussion.

**MOVED**, that the Project Agreement 24 Committee authorizes the General Manager to:

1. Issue a General Services Agreement and Task Order PAT240-02 to Patriot Environmental for Brine Line Debris Hauling Services for a period of two (2) years for the amount not-to-exceed \$81,748; and
2. Issue a General Services Agreement and Task Order UNIT240-01 to United Storm Water for Brine Line Debris Hauling Services for a period of two (2) years for the amount not-to-exceed \$86,750.

Result:	<b>Adopted by Roll Call Vote</b>
Motion/Second:	Gardner/Hall
Ayes:	Gardner, Hall, Harrison, Slawson
Nays:	None
Abstentions:	None
Absent:	None

### **B. INLAND EMPIRE BRINE LINE DATA MANAGEMENT SYSTEM (PA24#2025.14)**

Lucas Gilbert provided a presentation on the Inland Empire Brine Line Data Management System (DMS), contained in the agenda packet on pages 51-64.

A program overview was provided emphasizing that SAWPA, as the delegated Control Authority by OC San, manages the Brine Line Pretreatment Program in partnership with four member agencies and four contract agencies under a multi-jurisdictional agreement. The Regional Water Board serves as the Approval Authority, with OC San as the Control Authority and owner of the treatment works.

Currently, the program permits 47 Industrial Dischargers (32 Directly connected to the Brine Line and 15 Collection Stations) and 8 Liquid Waste Haulers. Oversight includes permitting, monitoring, sampling, and inspection activities to ensure compliance.

Since 2014, SAWPA has used the iPACS system as its DMS to manage pretreatment tasks and documentation. It supports 24 active users across agencies. However, iPACS is built on the Microsoft .NET framework, which will no longer be supported after December 2025, requiring replacement to ensure program continuity.

Mr. Gilbert noted that in February 2025, the PA 24 Committee authorized staff to issue a Request for Proposal (RFP) for a new DMS. The RFP included requirements for software development, configuration, installation, testing, training, documentation, and ongoing support.

A total of thirty-three (33) firms downloaded the RFP from PlanetBids, and three (3) proposals were ultimately submitted: Klir, Horus Technology, and NJBSoft, LLC. A Selection Committee comprised of SAWPA staff conducted a thorough evaluation of all proposals, and Klir received the highest combined score and unanimous support from the Selection Committee as the most qualified vendor.

The following implementation milestones are anticipated based on the project start date of June 2025:

- Kickoff
  - Scheduled for: Mid-June 2025
- Discovery Phase
  - Duration: Late June to Early July 2025
- Customer Management Configuration
  - Duration: Early July to Early August 2025
- Customer Enforcement Module Implementation
  - Duration: Mid-August to Mid-September 2025
- Proactive Insights Development
  - Duration: Mid-September to Mid-October 2025
- Training and Final Preparation
  - Duration: Late October to Mid-November 2025
- Full System Launch
  - Targeted for: Mid to Late November 2025

This item is to receive and file; no action was taken on agenda item no. 6.B.

## **7. INFORMATIONAL REPORTS**

Recommendation: Receive and file the following oral/written reports/updates.

### **A. BRINE LINE FINANCIAL REPORT – MARCH 2025**

### **B. FINANCIAL REPORT FOR THE INLAND EMPIRE BRINE LINE ENTERPRICE/CIP FOR THE THIRD QUARTER ENDING MARCH 31, 2025**

### **C. GENERAL MANAGER REPORT**

Mr. Mosher reported that the SAWPA/OC San Joint Policy Committee meeting is scheduled on June 30<sup>th</sup>, and the agenda has been distributed to Commissioners Milford Harrison and Philip Paule.

### **D. COMMITTEE MEMBERS COMMENTS**

There were no comments/reports from the Committee.

### **E. CHAIR'S COMMENTS/REPORT**

There were no comments/reports from the Chair.

**8. COMMITTEE MEMBER REQUESTS FOR FUTURE AGENDA ITEMS**

There were no requests for future Agenda items.

**9. CLOSED SESSION**

There was no Closed Session.

**10. ADJOURNMENT**

There being no further business for review, Committee Chair T. Milford Harrison adjourned the Regular meeting at 10:57 a.m.

**Approved at a Regular Meeting of the Project Agreement 24 Committee on August 5, 2025.**

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T. Milford Harrison, Chair

Attest:

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Sara Villa, Clerk of the Board



## **PA 24 COMMITTEE MEMORANDUM NO. 2025.15**

**DATE:** August 5, 2025

**TO:** Project Agreement 24 Committee  
(Inland Empire Brine Line)

**SUBJECT:** Quitclaim of Easements – Western Riverside County Regional  
Conservation Agency

**PREPARED BY:** Daniel Vasquez, Operations Manager

### **RECOMMENDATION**

That the Project Agreement 24 Committee quitclaims existing temporary easements for flooding purposes as recorded in Document No. 440014 and 470405 to Western Riverside County Regional Conservation Agency (RCA).

### **DISCUSSION**

SAWPA acquired temporary easements through multiple properties in 1993 during improvements to local elevations around Lake Elsinore as recorded in documents no. 440014 and 470495. The Regional Conservation Agency of Western Riverside County has requested SAWPA quitclaim these easements.

### **RESOURCE IMPACTS**

There is no fee to record for the quitclaim of temporary easement. Funds for staff time to prepare and review easement documentation is included in the Fiscal Year (FY) 2025-26 and FY 2025-26 Brine Line budget for Fund 240 (Brine Line Enterprise).

#### **Attachments:**

1. PowerPoint Presentation
2. Quitclaims of Easements and Original Legal Descriptions

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# Quitclaim of Easements – Western Riverside County Regional Conservation Agency

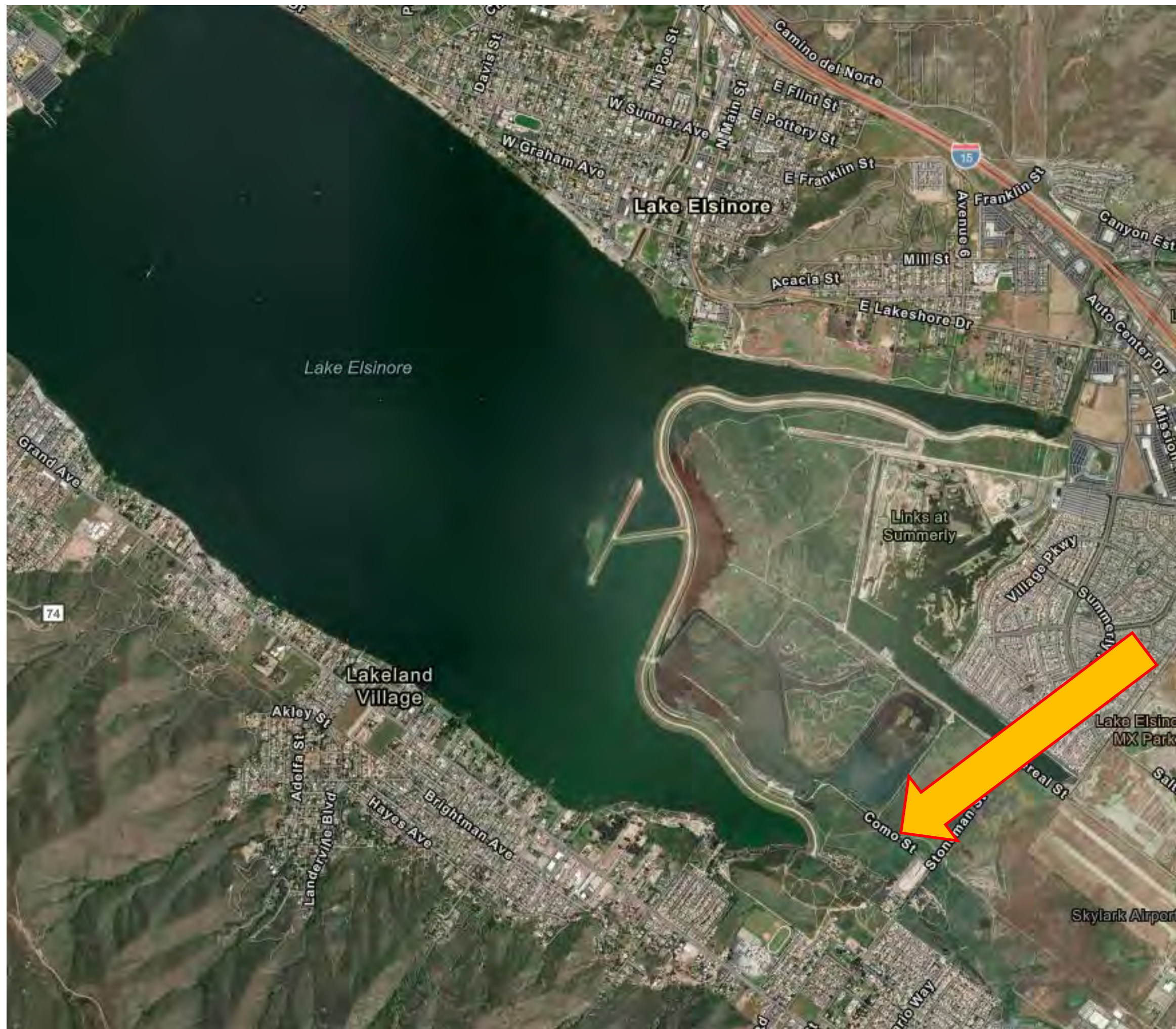
PA 24 Committee  
Agenda Item No. 6.A  
Daniel Vasquez  
Manager of Operations  
August 5, 2025

# Recommendation

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That the Project Agreement 24 Committee quitclaim existing temporary easements for flooding purposes as recorded in Document No. 440014 and 470405 to Western Riverside County Regional Conservation Agency (RCA).

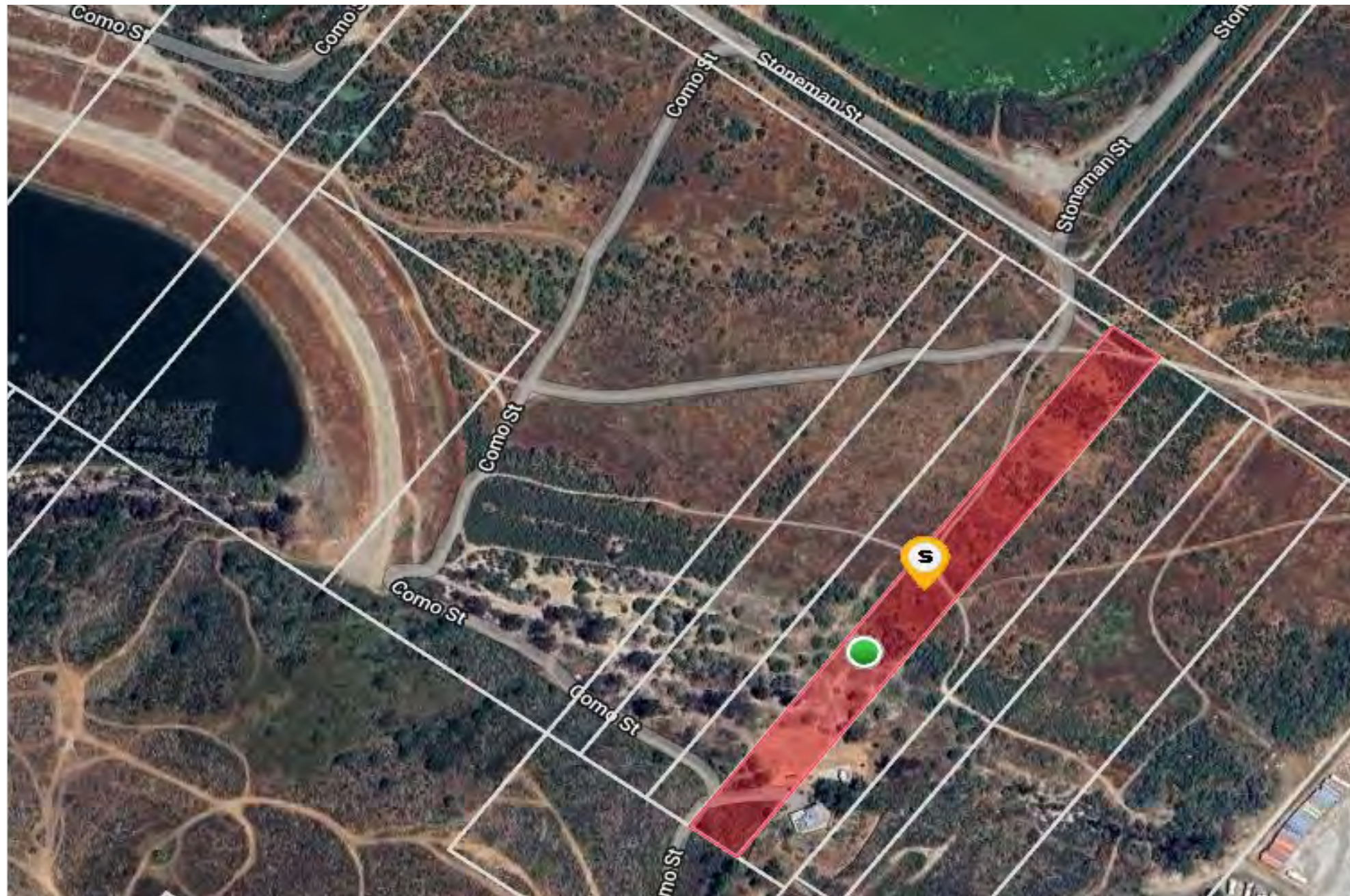






# Temporary Easements Near Lake Elsinore

- Obtained in 1993 during local construction elevation improvements for flooding purposes.



# Recommendation

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That the Project Agreement 24 Committee quitclaim existing temporary easements for flooding purposes as recorded in Document No. 440014 and 470405 to Western Riverside County Regional Conservation Agency (RCA).



# Questions?

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Daniel Vasquez  
Santa Ana Watershed Project Authority  
Office (951) 354-4220 | Cell (951) 941-7611  
dvasquez@sawpa.gov  
sawpa.gov





RECORDING REQUESTED BY

Western Riverside County Regional  
Conservation Authority

AND WHEN RECORDED MAIL DOCUMENT AND  
TAX STATEMENT TO:

Executive Director

NAME

STREET  
ADDRESS

4080 Lemon Street

CITY, STATE &  
ZIP CODE

Riverside, CA 92501

FREE Recording – This instrument is for the benefit of the Western Riverside  
Regional Conservation Authority, and is entitled to be recorded without fee.  
(Govt. Code 27383)

SPACE ABOVE THIS LINE FOR RECORDER'S USE ONLY

## QUITCLAIM DEED

APN: 371-100-006

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, SANTA ANA WATERSHED PROJECT AUTHORITY, a public agency of the State of California (Grantee) hereby remise, release and forever quitclaim to the WESTERN RIVERSIDE COUNTY REGIONAL CONSERVATION AUTHORITY, a public agency and joint powers authority (Grantor) the following described real property in the County of Riverside, State of California:

That certain real property in the County of Riverside, State of California, described in the Grant of Temporary Easement recorded November 3, 1993, in Document No. 440014, of Official Records in the Office of the County Recorder of said County.

DATED: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Its: \_\_\_\_\_

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA

COUNTY OF \_\_\_\_\_

On \_\_\_\_\_ before me, \_\_\_\_\_, personally appeared  
(here insert name and title of the officer)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature \_\_\_\_\_ (SEAL)

MAIL TAX STATEMENT AS DIRECTED ABOVE

440014

RECORDING REQUESTED BY AND WHEN  
RECORDED MAIL TO:

SANTA ANA WATERSHED PROJECT AUTHORITY  
c/o AKLUFU AND WYSOCKI, Attorneys  
3403 Tenth Street, Suite 610  
Riverside, California 92501

RECEIVED FOR RECORD  
AT 8:00 O'CLOCK

NOV -3 1993

RECORDED  
BY  
ALAN J. WYCK  
RIVERSIDE COUNTY CLERK

NO RECORDING FEE REQUIRED PER  
GOVERNMENT CODE SECTION 27383

GRANT OF TEMPORARY EASEMENT

TOMASINE MITCHELL ("GRANTOR") hereby grants to the SANTA ANA WATERSHED PROJECT AUTHORITY, a public agency of the State of California ("GRANTEE") the temporary right, power, privilege and easement to intermittently and completely seep, flood, flow and inundate GRANTOR's real property situated in the County of Riverside, State of California, described more particularly in Exhibit "A", which exhibit is attached hereto and made a part hereof, and as approximately depicted on the map marked Exhibit "B", which exhibit is attached hereto and made a part hereof, SUBJECT TO THE FOLLOWING TERMS, CONDITIONS AND RESERVATIONS:

1. GRANTOR reserves all surface and subsurface rights in GRANTOR's property which are not inconsistent with the rights granted herein, except that no buildings, structures, or improvements shall be erected or used for human occupancy upon GRANTOR's property below the 1265-foot elevation level (mean sea level), and no artificial change in the topography of the surface of the said lands shall be made (except terracing and soil conservation measures) which results in a net increase in the volume of the lands below the said 1265-foot elevation. GRANTOR hereby specifically releases GRANTEE from liability for any damages or injuries inflicted upon or suffered by the GRANTOR and his chattels or fixtures as a result of the use of this easement by GRANTEE or its assigns;

2. At such time as GRANTOR has raised the surface elevation of GRANTOR's property to the 1265-foot contour in compliance with local, state and federal law, rules and regulations, this Grant of Easement shall automatically become null and void and GRANTEE shall quitclaim this easement to GRANTOR; and

3. In the event the buildable contour is modified by official action, then this Grant of Easement shall only remain in effect until the GRANTOR has raised the surface elevation of GRANTOR's property to the new buildable contour flood line subject to the same restrictions as for the existing buildable contour flood line.

THIS RECORD FEE COPYRIGHTED 1993  
BY SECURITY UNION TITLE INSURANCE COMPANY.

440014-110393

GRANTOR:

Tomasine Mitchell  
TOMASINE MITCHELL

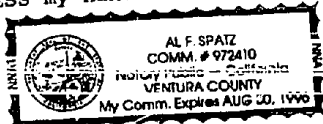
STATE OF CALIFORNIA )  
COUNTY OF VENTURA )  
RIVERSIDE

SS.

On 10/26/93, 1993, before me, AL F. SPATZ,  
Notary Public, personally appeared TOMASINE MITCHELL,  
personally known to me (or proved to me on the basis of satisfactory  
evidence) to be the person(s) whose name(s) is/are subscribed to the  
within instrument and acknowledged to me that he/she/they executed  
the same in his/her/their authorized capacity(ies), and that by  
his/her/their signature(s) on the instrument the person(s), or the  
entity upon behalf of which the person(s) acted, executed the  
instrument.

WITNESS my hand and official seal.

(SEAL)



[Signature]  
Notary Public in and for  
Said County and State

44-2000-7-11 03 93

THIS MICROFILM COPYRIGHTED 1993  
BY SECURITY UNION TITLE INSUR-  
ANCE COMPANY.

## EXHIBIT A

Roger Darby  
Christine Merriken

APN 371-100-006

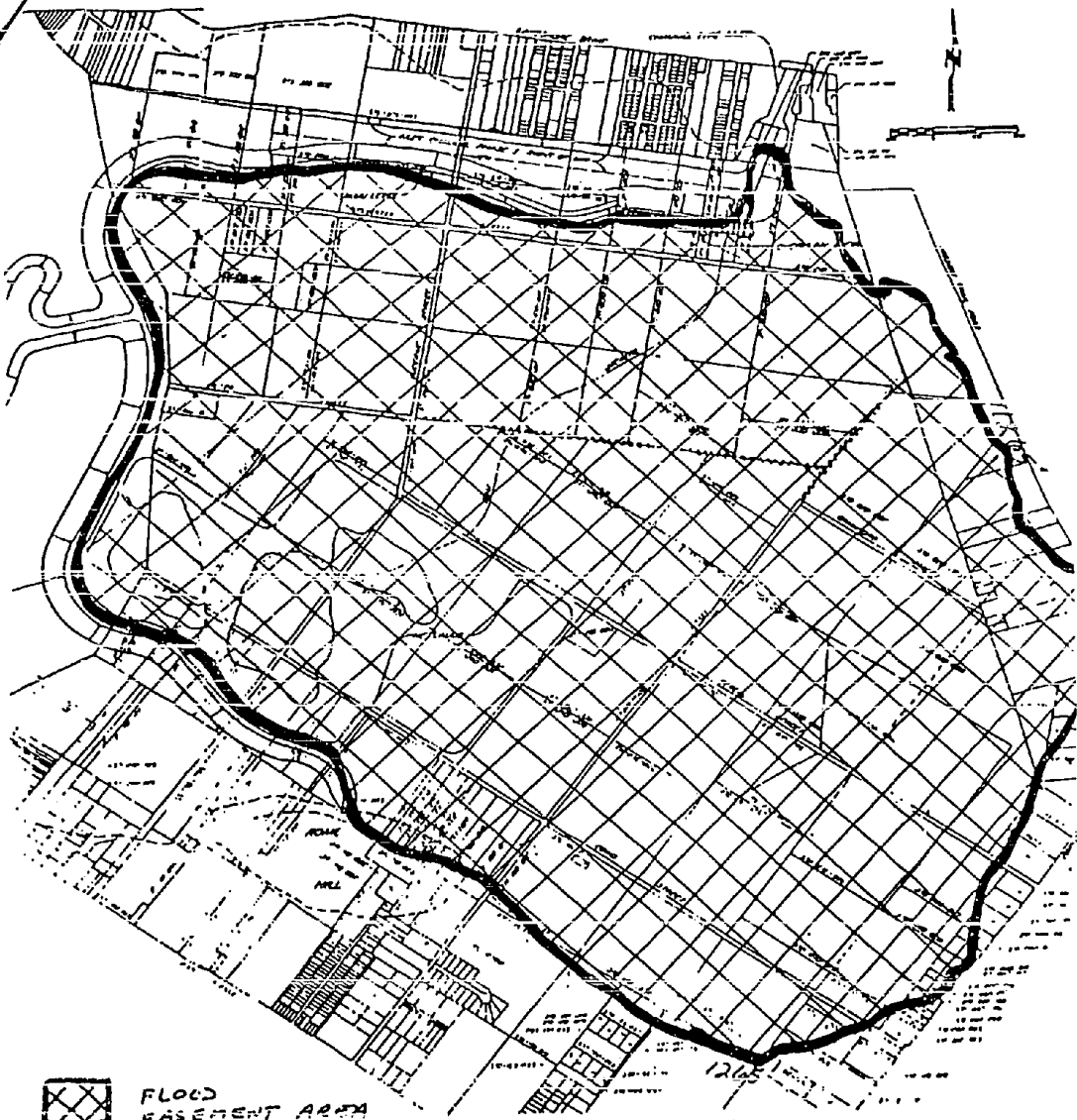
That real property situated in the State of California, County of  
Riverside, and described as follows:  
The northwesterly 218 feet of the southeasterly 1163 feet of Lot 9 in  
Block "E" of the Resubdivision of Block "D", Elsinore as shown by map  
on file in Book 6 of Maps at Page 296 thereof, records of San Diego  
County, California.  
Excepting therefrom the southeasterly 109 feet therefrom.

EXCEPTING any portion of the above parcel which may lie above the 1265'  
elevation.

THIS MICROFILM COPYRIGHTED 1993  
BY SECURITY UNION TITLE INSUR-  
ANCE COMPANY.

440014-11 03 93

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BY SECURITY UNION TITLE INSURANCE COMPANY




 FLOOD EASEMENT AREA

EXHIBIT B

ACCEPTANCE

This is to certify that the SANTA ANA WATERSHED PROJECT AUTHORITY, a public agency of the State of California, the GRANTEE herein, hereby accepts for public purposes the interest in real property conveyed by the within Grant of Temporary Easement and consents to the recordation thereof.

IN WITNESS WHEREOF, I have hereunto set my hand this 1<sup>st</sup> day of November, 1993.

SANTA ANA WATERSHED PROJECT AUTHORITY

By *Joseph S. Aklufi*  
JOSEPH S. AKLUFİ

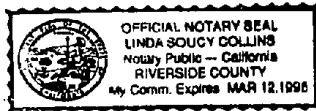
STATE OF CALIFORNIA )  
COUNTY OF RIVERSIDE )

ss.

On Nov. 1, 1993, before me, Linda Soucy Collins Notary Public, personally appeared JOSEPH S. AKLUFİ, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

(SEAL)



*Linda Soucy Collins*  
Notary Public in and for  
Said County and State

THIS INSTRUMENT CONVEYED 1993  
BY SECURITY UNION TITLE INSUR-  
ANCE COMPANY.

RECORDING REQUESTED BY

Western Riverside County Regional  
Conservation Authority

AND WHEN RECORDED MAIL DOCUMENT AND  
TAX STATEMENT TO:

Executive Director

NAME

STREET  
ADDRESS

4080 Lemon Street

CITY, STATE &  
ZIP CODE

Riverside, CA 92501

FREE Recording – This instrument is for the benefit of the Western Riverside  
Regional Conservation Authority, and is entitled to be recorded without fee.  
(Govt. Code 27383)

SPACE ABOVE THIS LINE FOR RECORDER'S USE ONLY

## QUITCLAIM DEED

APNs: 371-100-002, 371-110-002

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, SANTA ANA WATERSHED PROJECT AUTHORITY, a public agency of the State of California (Grantee) hereby remise, release and forever quitclaim to the WESTERN RIVERSIDE COUNTY REGIONAL CONSERVATION AUTHORITY, a public agency and joint powers authority (Grantor) the following described real property in the County of Riverside, State of California:

That certain real property in the County of Riverside, State of California, described in the Grant of Temporary Easement recorded November 24, 1993, in Document No. 470405, of Official Records in the Office of the County Recorder of said County.

DATED: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Its: \_\_\_\_\_

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA

COUNTY OF \_\_\_\_\_

On \_\_\_\_\_ before me, \_\_\_\_\_, personally appeared  
(here insert name and title of the officer)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature \_\_\_\_\_ (SEAL)

MAIL TAX STATEMENT AS DIRECTED ABOVE

470405

RECORDING REQUESTED BY AND WHEN  
RECORDED MAIL TO:

SANTA ANA WATERSHED PROJECT AUTHORITY  
c/o AKLUF AND WY SOCKI, Attorneys  
3403 Tenth Street, Suite 610  
Riverside, California 92501

RECEIVED FOR RECORD  
AT 8:00 O'CLOCK

NOV 24 1993

Recorded in Official Records  
of Riverside County, California

Recorder  
Fees \$

NO RECORDING FEE REQUIRED PER  
GOVERNMENT CODE SECTION 27383

GRANT OF TEMPORARY EASEMENT

BONGIOVANNI CONSTRUCTION COMPANY ("GRANTOR") hereby grants to the SANTA ANA WATERSHED PROJECT AUTHORITY, a public agency of the State of California ("GRANTEE") the temporary right, power, privilege and easement to intermittently and completely seep, flood, flow and inundate GRANTOR's real property situated in the County of Riverside, State of California, described more particularly in Exhibit "A", which exhibit is attached hereto and made a part hereof, and as approximately depicted on the map marked Exhibit "B", which exhibit is attached hereto and made a part hereof, SUBJECT TO THE FOLLOWING TERMS, CONDITIONS AND RESERVATIONS:

1. GRANTOR reserves all surface and subsurface rights in GRANTOR's property which are not inconsistent with the rights granted herein, except that no buildings, structures, or improvements shall be erected or used for human occupancy upon GRANTOR's property below the 1265-foot elevation level (mean sea level), and no artificial change in the topography of the surface of the said lands shall be made (except terracing and soil conservation measures) which results in a net increase in the volume of the lands below the said 1265-foot elevation. GRANTOR hereby specifically releases GRANTEE from liability for any damages or injuries inflicted upon or suffered by the GRANTOR and his chattels or fixtures as a result of the use of this easement by GRANTEE or its assigns;

2. At such time as GRANTOR has raised the surface elevation of GRANTOR's property to the 1265-foot contour in compliance with local, state and federal law, rules and regulations, this Grant of Easement shall automatically become null and void and GRANTEE shall quitclaim this easement to GRANTOR; and

3. In the event the buildable contour is modified by official action, then this Grant of Easement shall only remain in effect until the GRANTOR has raised the surface elevation of GRANTOR's property to the new buildable contour flood line subject to the same restrictions as for the existing buildable contour flood line.

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ANCE COMPANY.



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GRANTOR:

BONGIOVANNI CONSTRUCTION COMPANY

By : Angela Bongiovanni  
Angela Bongiovanni

STATE OF CALIFORNIA )  
Los Angeles ) ss.  
COUNTY OF ~~RIVERSIDE~~ )

On November 19, 1993, before me, Sylvia A. De Leon,  
Notary Public, personally appeared Angela Bongiovanni,  
personally known to me (or proved to me on the basis of satisfactory  
evidence) to be the person(s) whose name(s) is/are subscribed to the  
within instrument and acknowledged to me that he/she/they executed  
the same in his/her/their authorized capacity(ies), and that by  
his/her/their signature(s) on the instrument the person(s), or the  
entity upon behalf of which the person(s) acted, executed the  
instrument.

WITNESS my hand and official seal

(SEAL)



Sylvia A. De Leon  
Notary Public in and for  
Said County and State

Bongiovanni Construction Company

APN 371-100-002  
APN 371-110-002

That real property situated in the State of California, County of Riverside, and described as follows:  
Parcel 1: Lot 7 in Block "E" of the Resubdivision of Block "D", Elsinore, as shown by map on file in Book 6 of Maps at Page 296 thereof, records of San Diego County, California.  
Excepting therefrom the northwesterly 95 feet and the southeasterly 225 feet.

Also excepting that portion of said Lot 7 described as follows:  
Commencing at the most westerly corner of said Lot 7; Thence southeasterly along the southwesterly line of said lot, a distance of 95.00 feet to the point of beginning; Thence continuing southeasterly along said southwesterly line, a distance of 500.00 feet more or less, to a point 725.00 feet from the most southerly corner of said Lot 7; Thence northeasterly, parallel and distant 725.00 feet from the southeasterly line of said Lot 7, a distance of 660.00 feet; Thence northwesterly, parallel and distant 660.00 feet from the northeasterly right-of-way of Como Street (60.00 feet wide) as shown on said map of the resubdivision of Block "D", Elsinore, a distance of 500.00 feet more or less; Thence southwesterly parallel and distant 95.00 feet from the northwesterly line of said Lot 7, a distance of 660.00 feet to the point of beginning.

Parcel 2: All that portion of Lots 7, 8, and 10 in Block "E" of Elsinore, as shown by Map on file in Book 6 page 296 of Maps, Records of San Diego County, California described as follows:  
Beginning at the most Westerly corner of said Lot 8 in Block "E"; Thence Southeasterly, along the Southwesterly line of said Lots 8 and 10 in Block "E" to a point in the Southwesterly line of said Lot 10 which bears Southeasterly 330 feet from the most Westerly corner of said Lot 10; Thence Northeasterly, parallel with the Northwesterly line of said Lot 10, a distance of 688 feet; Thence Northwesterly, parallel with the Northeasterly line of said Lot 10, a distance of 165 feet; Thence Northeasterly, parallel to the Northwesterly line of said Lot 10, to a point which is Southwesterly 300 feet from the Northeasterly line of said Lot 10; Thence Northwesterly, parallel to the Northeasterly line of said Lots 10 and 8 in Block "E", a distance of 390 feet to a point in said Lot 8; Thence Northeasterly, parallel to the Northwesterly line of said Lots 8 and 7 in Block "E", to a point in the Northeasterly line of said Lot 7; Thence Northwesterly, along the Northeasterly line of said Lot 7, to point which is 95 feet Southwesterly of the Northwesterly line of said Lot 7; Thence Southwesterly, parallel to the Northwesterly line of said Lots 7 and 8 in Block "E", to a point which is 330 feet Northeasterly from the Southwesterly line of said Lot 8; Thence Northwesterly, parallel with the Southwesterly line of said Lot 8, a distance of 95 feet to the Northwesterly line of said Lot 8; Thence Southwesterly, along the Northwesterly line of said Lot 8, a distance of 330 feet to the Point of Beginning; Excepting therefrom that portion of said Lot 8 as conveyed to the United States of America by Deed recorded October 8, 1946 in Book 797 page 149 of Official Records of Riverside County, California.

EXCEPTING any portion of the above parcels which may lie above the 1265' elevation.

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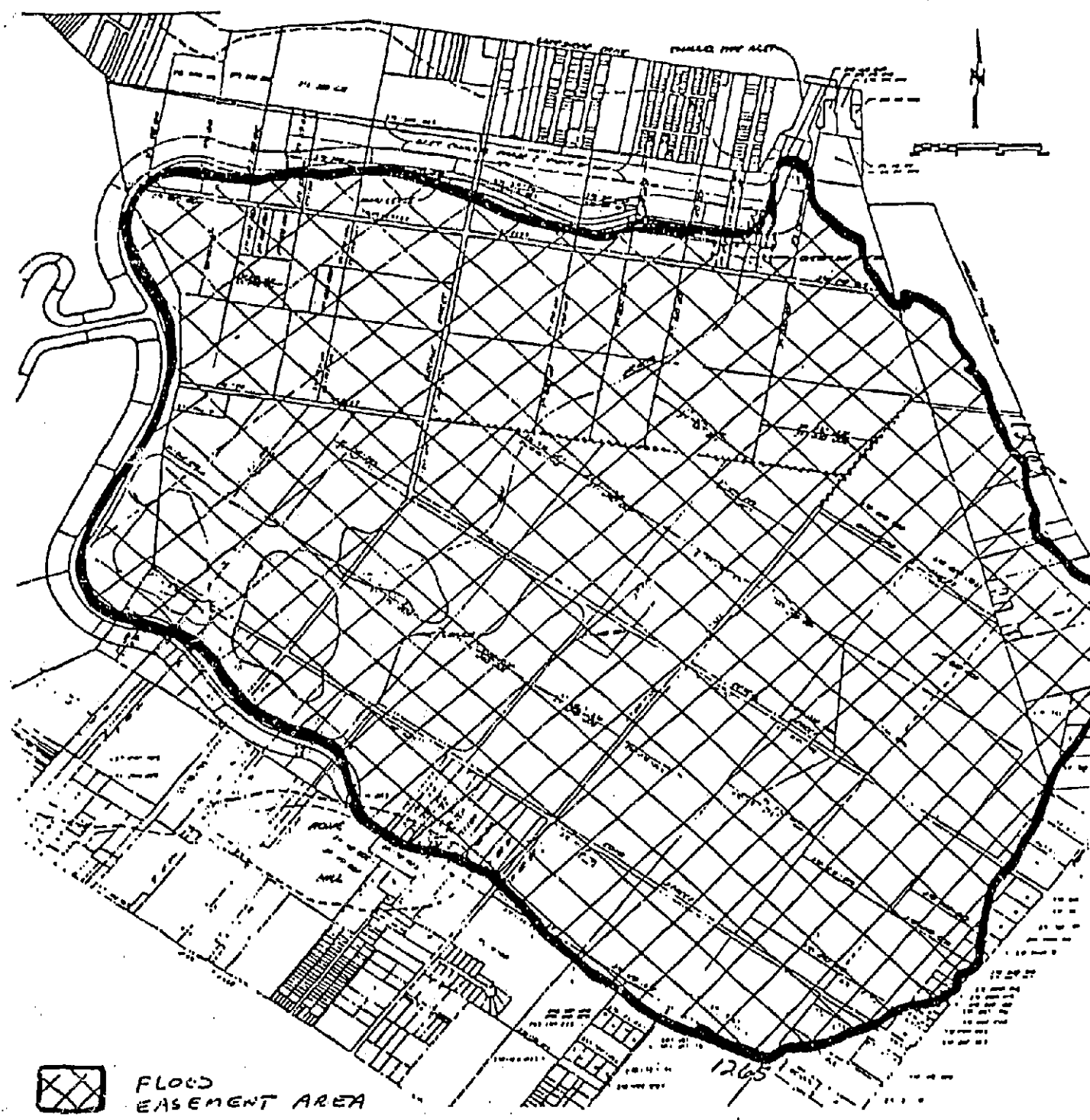


EXHIBIT B

2-7-03-0047 11 24 93

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ANCE COMPANY.

ACCEPTANCE

This is to certify that the SANTA ANA WATERSHED PROJECT AUTHORITY, a public agency of the State of California, the GRANTEE herein, hereby accepts for public purposes the interest in real property conveyed by the within Grant of Temporary Easement and consents to the recordation thereof.

IN WITNESS WHEREOF, I have hereunto set my hand this 23<sup>d</sup> day of November, 1993.

SANTA ANA WATERSHED PROJECT AUTHORITY

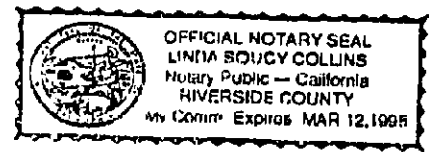
By *Joseph S. Akluft*  
JOSEPH S. AKLUFT

STATE OF CALIFORNIA )  
COUNTY OF RIVERSIDE ) ss.

On Nov. 23, 1993, before me, Linda Soucy Collins, Notary Public, personally appeared JOSEPH S. AKLUFT, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

(SEAL)



*Linda Soucy Collins*  
Notary Public in and for  
Said County and State

## PA 24 COMMITTEE MEMORANDUM NO. 2025.16

**DATE:** August 5, 2025

**TO:** Project Agreement 24 Committee  
(Inland Empire Brine Line)

**SUBJECT:** Inland Empire Brine Line Reserve Funds Review

**PREPARED BY:** Karen Williams, Interim General Manager

### RECOMMENDATION

That the Project Agreement 24 Committee approve the following:

1. **R-01 Brine Line Operating Reserve**  
Set the target balance at \$2,548,941, representing 25% of total operating expenses of \$10,195,765 for Fiscal Year Ending (FYE) 2025, an increase of \$257,833, and continue to accrue interest.
2. **R-07 Brine Line Replacement and Capital Investment Reserve**  
Establish the minimum and target funding levels at \$19,870,091 and \$48,830,227, respectively, based on the revised Capital Improvement Plan (CIP) total of \$69.2 million, as determined through Engineering's review.
3. **Other Reserve Funds**  
Approve the continued accrual of interest in FYE 2026 for the following reserve funds, with funding levels (as of June 30, 2025) above their respective targets:
  - R-02 Brine Line Debt Service Reserve
  - R-04 Pipeline Capacity Management Reserve
  - R-05 OC Future Treatment & Disposal Capacity Reserve
4. **Surplus Allocation**  
From the projected \$3,834,230 surplus for FYE 2025:
  - Transfer \$161,694 to the R-01 Brine Line Operating Reserve to reach its target balance.
  - Allocate the remaining balance to the R-07 Brine Line Replacement and Capital Investment Reserve.

### DISCUSSION

SAWPA's Reserve Policy was established to ensure that sufficient funding is available for current operating, capital, and debt service needs. The Reserve Policy describes how and why specific reserves are established and maintained to provide SAWPA's member agencies with assurance that reserve balances will be maintained at prudent and fiscally responsible levels. SAWPA currently maintains six (6) distinct reserve funds that pertain to the Brine Line. The six (6) reserve funds are as follows:

- R-01 Brine Line Operating Reserve
- R-02 Brine Line Debt Retirement Reserve
- R-04 Pipeline Capacity Management Reserve
- R-05 OC San Future Treatment & Disposal Capacity Reserve

- R-06 OC San Pipeline Rehabilitation Reserve
- R-07 Brine Line Replacement and Capital Investment Reserve

In accordance with the approved Reserve Policy, any reserve fund balances exceeding target levels will be reviewed and approved annually by the PA 24 Committee and the Commission, and during the biennial budget adoption process. For reserve funds currently below their target levels, staff will engage member agencies to assess and plan the timing for achieving target balances. During the FYE 2026–2027 budget process, contributions to the two underfunded reserves were reviewed and approved for the next two fiscal years.

As of June 30, 2025, three reserve funds are projected to exceed their target levels. The table below outlines each reserve’s balance, along with the corresponding minimum, target, and the amount over or under the target.

**Reserve Fund Balances as of June 30, 2025**

Reserve Fund	No.	Balance @ 06/30/2025	Minimum Balance	Target	Amount Over/(Under) Target	Comments
Brine Line Operating	R-01	\$2,387,248	\$2,548,941	\$2,548,941	(\$161,693)	Interest through 06/30/2025
Debt Retirement	R-02	\$3,142,328	\$1,709,476	\$1,709,476	\$1,432,852	1.5x annual debt plus interest through 06/30/2025
Pipeline Capacity Management	R-04	\$13,363,704	\$3,894,181	\$9,735,454	\$3,628,250	Funds from pipeline capacity sales plus interest
OC San Future Treatment and Disposal Capacity	R-05	\$2,046,026	\$1,842,396	\$1,842,396	\$203,630	Target set at 06/30/2022 balance. Interest through 06/30/2025
OC San Pipeline Rehabilitation	R-06	\$3,167,752	\$2,425,147	\$7,250,000	(\$4,082,248)	Budget contributions in FYE 2026 and 2027 (\$426,224, \$182,388)
Pipeline Replacement and Capital Investment	R-07	\$38,429,066	\$19,870,091	\$48,830,227	(\$10,401,161)	Budget contributions in FYE 2026 and 2027 (\$2.0 million each year)
Totals		<b>\$62,536,124</b>	<b>\$32,290,232</b>	<b>\$71,916,494</b>	<b>(\$9,380,370)</b>	

**R-01 Brine Line Operating**

The target set for this reserve was \$2,291,108 for FYE 2025. The target level set for this reserve is 25% of total operating expenses each year. Interest is earned each quarter and is based on the average monthly balance.

**Staff recommendation:** Change the target level for this reserve to \$2,548,941 based on budgeted operating expenses of \$10,195,765 for FYE 2026.

**R-02 Debt Retirement**

The target set for this reserve is \$1,709,476. The target level set for this reserve is equivalent to the annual debt service payments and is required by the SRF Loan agreements. Interest is earned each quarter and is based on the average monthly balance. Currently, this reserve is over the target.

**Staff recommendation:** Allow this reserve fund to continue to earn interest and keep a balance over the target level.

In the 10-year CIP there are over \$69.2 million in projects that may qualify for SRF loan funding. If we were to receive an SRF Loan in the amount of \$37.3 million for the Reach IV-D Corrosion Repair project, the annual debt service payment would be approximately \$3.1 million. This amount would need to be in the Debt Retirement Reserve. By continuing to earn interest each quarter the reserve amount would increase over time and no additional contributions would be needed.

**R-04 Pipeline Capacity Management**

The target set for this reserve is \$9,735,454. The target level set for this reserve is equal to 25% of the annual average CIP project costs associated with managing pipeline capacity. Interest is earned each quarter and is based on the average monthly balance. Currently, this reserve is over the target.

**Staff recommendation:** Allow this reserve to continue to earn interest and keep a balance over the target level.

The current balance of \$13,363,704 is from pipeline capacity sales to Eastern Municipal Water District and Western Municipal Water District, and interest earned. Until more is known regarding the future costs of this project, all funds should remain in this reserve account.

**R-05 OC San Future Treatment & Disposal Capacity**

The target set for this reserve is \$1,842,396. The target level set for this reserve was the June 30, 2022, reserve balance. Interest is earned each quarter and is based on the average monthly balance. Funds in this reserve are from treatment capacity purchases from San Bernardino Valley Municipal Water District. These funds will be used to purchase treatment & disposal capacity from OC Sanitation District. The current price to purchase 1 MGD of treatment & disposal capacity is \$8.3 million. Currently, this reserve is over the target.

**Staff recommendation:** Allow this reserve to continue to earn interest and keep a balance over the target level.

**R-06 OC San Pipeline Rehabilitation**

The target set for this reserve is \$7,250,000. The target level set for this reserve is based on SAWPA's share of future OC San capital project costs. Currently this reserve is \$3,167,752, which is below the target level. During the FYE 2026 and 2027 budget process, contributions to this reserve were set at \$426,224 and \$182,388. Interest is earned each quarter and is based on the average monthly balance. This reserve and future contributions will be reviewed during the FYE 2028 and 2029 budget process.

**R-07 Brine Line Replacement and Capital Investment**

The target set for this reserve is \$46,364,000. The target level set for this reserve is based on three components (Resiliency, CIP, and Renew and Replacement) and is reviewed each year. After the review by Engineering, the new maximum target needs to be set to \$48,830,227 based on the current CIP. Currently this reserve is \$38,429,066, which is below the target level. During the FYE 2026 and 2027 budget process, contributions to this reserve were set at \$2 million each year. Interest is earned each quarter and is based on the average monthly balance. This reserve and future contributions will be reviewed during the FYE 2028 and 2029 budget process.

**Surplus Allocation**

For the fiscal year ending 2025, projected revenues total \$15,931,477, with anticipated expenses of \$10,165,484 and planned contributions to reserves amounting to \$2,055,786. This results in an expected surplus of \$3,834,230. Staff recommend transferring \$161,694 to the R-01 Brine Line Operating Reserve to bring it to its target balance, with the remaining surplus allocated to the R-07 Brine Line Replacement and Capital Investment Reserve.

**RESOURCE IMPACTS**

There are no resource impacts at this time.

**Attachments:**

1. Approved Updated SAWPA Reserve Policy
2. Presentation



## **SANTA ANA WATERSHED PROJECT AUTHORITY**

# **RESERVE POLICY**

### **POLICY STATEMENT**

A key element of prudent financial planning is to ensure that sufficient funding is available for current operating, capital, and debt service needs. Additionally, fiscal responsibility requires anticipating the likelihood of, and preparing for, unforeseen events. The Santa Ana Watershed Project Authority (“SAWPA”) desires to identify and provide a calculation methodology and/or maintained level of all existing and future needs of the agency where reserve funds are required and/or necessary. The SAWPA Commission and the Project Agreement 24 Committee (PA 24) realizes the importance of reserves in providing reliable service to its member agencies, financing long-term capital projects, and the funding of emergencies, should they arise. In this context, SAWPA will at all times strive to have sufficient funding available to meet its operating, capital, and debt service obligations. Funds will be accumulated and maintained to allow SAWPA to fund expenditures in a manner consistent with SAWPA’s long range financial plan and the Capital Improvement Plan (“CIP”), and avoid significant rate fluctuations due to changes in cash flow requirements.

The Commission and PA 24 may designate specific reserve accounts and maintain minimum reserve balances consistent with statutory obligations that it has determined to be in the best interest of SAWPA. The Policy directives outlined in this document are intended to ensure SAWPA has sufficient funds to meet current and future needs. The Commission and PA 24 will annually review the level of reserve funding. Considerations to continue or the establishment of a new reserve will be determined based on the following criteria:

- ◆ Reason for the reserve.
- ◆ Availability and source of funds to continue, replenish or establish the reserve.
- ◆ Operating expenditure levels approved within the biennial budget process.
- ◆ Future capital expenditure and debt service requirements of the agency.
- ◆ Commission and PA 24 approval of the reserve policy.

SAWPA recognizes the importance of operating an agency or company with a sound business plan in place that provides for unanticipated/emergency costs should they arise within a budgeted fiscal year. In keeping SAWPA’s member agencies’ best interest in mind, these costs would be set aside to avoid, once a biennial budget has been approved, a request for additional funding from member agencies within a fiscal year.

It is staff’s intent through this policy to describe how and why specific reserves are established and maintained at SAWPA and to provide SAWPA’s member agencies with assurance that reserve balances will be maintained at prudent and fiscally responsible levels.

## **DEFINITIONS**

This policy describes the reserves to be maintained in connection with: i) the Inland Empire Brine Line (Brine Line) and ii) the General Fund. In general, there are two types of reserve fund classifications:

- I. **RESTRICTED FUNDS:** Restrictions on the use of these funds are imposed by an outside source such as creditors, grantors, contributors, laws, or regulations governing use. These funds are specifically governed by a written contract with SAWPA or outlined within the debt covenants of a debt financing.
- II. **UNRESTRICTED FUNDS:** These funds have no externally imposed use restrictions. The use of Unrestricted Funds is at the discretion of the SAWPA Commission and PA 24. Unrestricted Funds are designated for a specific purpose, which is determined by the Commission and PA 24. The Commission and PA 24 also have the authority to redirect the use of these funds as the needs of SAWPA change.

The restricted and unrestricted funds can further be subdivided into Capital Funds and Liquidity (Operating) Funds. The Capital Funds are designated for specific purposes and utilized primarily to fund capital and asset replacement costs. The Liquidity Funds are established to safeguard SAWPA's financial viability and stability and are funded from accumulated net revenues.

Further, for internal control purposes, SAWPA accumulates, maintains, and segregates its reserves into the following categories:

- ◆ *Restricted and Designated Reserves* – Reserves that are designated for a particular purpose and whose use is restricted to only that purpose. The Restricted and Designated Reserves consist of the Debt Retirement Reserve (R-02).
- ◆ *Board Designated Reserves* – Reserves earmarked for the purpose of funding items such as new capital facilities, repair or replacement of existing facilities, and general operating reserves designated for a specific purpose and use by the Commission and PA 24. The Board Designated Reserves are comprised of the following reserve accounts: Brine Line Operating Reserves (R-01), Debt Retirement Reserve (R-02), Pipeline Capacity Management Reserve (R-04), OC San Future Treatment and Disposal Capacity Reserve (R-05), OC San Pipeline Rehabilitation Reserve (R-06), Pipeline Replacement and Capital Investment Reserve (R-07), General Fund Operating Reserve (R-10), and General Fund Building Reserve (R-11).
- ◆ *Board Restricted (Obligated) Reserves* – Reserves set aside to meet financial commitments for services not yet fulfilled and purchases that will take place in the future. These reserves consist of the Capital Improvement Construction Reserve (R-12).
- ◆ *Contractually Restricted Reserves* – Funds held to satisfy limitations set by external requirements established by creditors, grant agencies or contributors, or law. Examples include stipulated bond covenants, capital improvement fees, and service deposits. These reserves consist of the Debt Retirement Reserve (R-02).

## **GENERAL PROVISIONS**

SAWPA will maintain its operating and capital funds in designated accounts in a manner that ensures its financial soundness and provides transparency to its member agencies. The fund balance minimum and target levels are intended to maintain SAWPA's fiscal strength and flexibility and adequately provide for:

- ◆ Compliance with applicable statutory requirements.
- ◆ Financing of future capital projects and repair and replacement of existing assets.
- ◆ Cash flow requirements.
- ◆ Economic uncertainties, local disasters, and other financial hardships or downturns in the local or national economy.
- ◆ Contingencies or unforeseen operating or capital needs.

In the context of funding future capital projects and maintaining and replacing existing assets, in each instance, SAWPA will analyze the benefits and tradeoffs of utilizing pay-as-you-go (cash financed) and/or debt financing and determine the optimal funding strategy or combination of funding strategies. The analysis should consider SAWPA's current and projected operating and capital positions, as well as the impact of inflation, depreciation, the cost of service, and other factors on the operations of SAWPA and its Capital Improvement Plan (CIP).

Through a variety of policy documents and plans, including the Brine Line CIP, the long-range financial plan, and the Brine Line Financial Study and Rate Model, the Commission and PA 24 have set forth a number of long-term goals for SAWPA. A fundamental purpose of SAWPA's policy documents and plans is to link what must be accomplished with the necessary resources to successfully do so.

SAWPA has established and will maintain the reserves outlined in the following sections. A principal tenet of SAWPA's Reserve Policy shall be the crediting of interest income to specific funds. Unless otherwise stated in this Reserve Policy, interest derived from reserve balances will be credited to the reserve account from which it was earned. Reserve balances will be reviewed by the Chief Financial Officer ("CFO") on a monthly basis, as well as biennially during the budget review process in order to determine how reserve balances compare with the budgeted projections and how they measure against the goals outlined in this Policy. The CFO will involve member agencies in reviewing SAWPA's long range financial plan during the biennial budget process to determine if the current annual funding amounts for each reserve, if applicable, should be raised, lowered, or maintained.

The minimum level established for each reserve represents the baseline financial condition that is acceptable to SAWPA from risk and long-range financial planning perspectives. The target level established represents the goal amount to be held in each reserve fund at any time. The maximum level funding for the reserves are these target levels. The target level may at times be above the target level due to the accumulation of funds to meet SAWPA's operating, capital and debt service obligations. Funding above the target level in the reserve will be discussed and approved with the Commission and PA24 annually and during the biennial budget adoption process. SAWPA will involve member agencies in reviewing the timing for each reserve to achieve its target. Maintaining reserve funding at appropriate levels is a prudent, ongoing

business process that consists of an iterative, dynamic assessment and application of various funding alternatives. These alternatives (either alone or in combination with each other) include, but are not limited to: rates, loans and grants, debt financing, investment of funds, and levels of capital expenditures.

The Commission or PA 24 shall approve any reallocation of funds or any transfers among reserve funding.

### **SPECIFIC PROVISIONS**

SAWPA will maintain the following reserves at or above the respective minimum levels, with a goal of achieving the respective target levels (if applicable):

- 1.) Brine Line Operating Reserve (R-01): The Brine Line Operating Reserve is established to cover temporary cash flow deficiencies that occur as a result of timing differences between the receipt of operating revenue and expenditure requirements. The reserve is utilized as needed to pay outstanding Brine Line Enterprise expenditures prior to the receipt of anticipated operating revenues. The reserve is also intended to mitigate the effects of occasional shortfalls in revenue due to a number of events such as weather factors (wet weather or drought events and natural disasters), increased water conservation, poor regional economic conditions, and unplanned or unexpectedly large rate adjustments/increases. This reserve may also be utilized in the event that a meter error occurs and the discharger is over-billed.

Minimum Level – Funding shall at a minimum be equal to 90 days (i.e., 25%) of SAWPA’s Brine Line Enterprise total annual operating expenditures. If SAWPA elects to issue variable rate debt, the minimum required balance in this reserve might need to be higher.

Target Level – Same as minimum level.

Events and Conditions Prompting the Use of the Reserve – This reserve is utilized as needed to pay outstanding Brine Line Enterprise expenditures prior to the receipt of anticipated operating revenues, to mitigate the effects of occasional revenue shortfalls, and to refund dischargers in the event that a meter error occurs and the discharger is over-billed.

Funding Source – Primary source of funding is through Brine Line Rates. Funding may be provided through reallocation of funds or any transfers among reserves as approved by PA 24.

Periodic Review Dates for Balances – Reviewed and recalibrated through the normal biennial budget and annual rate-setting process. Funding above the target level in the reserve will be discussed with PA 24 during the biennial budget adoption process.

- 2.) Debt Retirement Reserve (R-02) – This reserve was initially established with funds received from SAWPA’s member agencies for the purchase of pipeline capacity (30 MGD) in the Brine Line system to provide future funding on debt service payments for SRF loans

required to build the Brine Line system. Treasury-strips (“T-Strips”) were purchased with maturities to match annual principal and interest payments due on the long-term debt associated with the State loans. This reserve will be maintained and/or adjusted at levels set forth in future “bond covenants” or other debt obligation instruments as approved by PA 24.

Minimum Level – Funding shall at a minimum equal the amount stipulated in any formal loan agreements and/or bond covenants. Additionally, SAWPA shall meet or exceed all required debt service coverage ratios as stipulated in any formal loan agreements and/or bond covenants.

Target Level – Same as minimum level.

Additionally, SAWPA shall target a debt service coverage ratio equal to the higher of:

- ◆ 1.5 times the highest annual debt service; or
- ◆ The highest annual debt service times the sum of the minimum debt service coverage ratio plus 0.25

Events and Conditions Prompting the Use of the Reserve – This reserve is utilized as needed to pay when due debt service payments on SAWPA’s obligations. The PA 24 shall take action to approve annual debt service obligations of the Agency as presented in the biennial budget. Any other use (debt obligations approved and entered into following adoption of the biennial budget) shall require prior PA 24 approval before the expense of funds from this reserve.

Funding Source – Primary source of funding is through Brine Line Rates. Funding may be provided through reallocation of funds or any transfers among reserves as approved by PA 24.

Periodic Review Dates for Balances – Reviewed by staff on a semi-annual basis (i.e., every interest and/or principal payment date) and as part of the biennial budget process.

- 3.) Pipeline Capacity Management Reserve (R-04) – This reserve was established to set aside 100% of the funding derived from pipeline capacity sales to provide funds for future pipeline capacity needs within the Brine Line. As the pipeline reaches capacity, other alternatives will be needed to ensure the ability to discharge and achieve salt balance within the Santa Ana Watershed. All of the funding derived from pipeline capacity sales will be deposited and maintained in this reserve.

Minimum Level – Funding shall at a minimum equal 25% of annual average CIP project costs associated with managing pipeline capacity. These projects may involve Brine Line flow concentration, flow reduction, or other alternative solutions to ensure sufficient capacity.

Target Level – The target funding level shall equal 2.5 times the minimum level.

Events and Conditions Prompting the Use of the Reserve – This reserve is to be utilized to cover costs required to manage capacity within the pipeline, including the cost to further concentrate Brine Line flows, reduction of flows to meet capacity needs, additional pipeline capacity, additional CIP, and other changes as appropriate.

Funding Source – Funding derived from pipeline capacity sales and through Brine Line Rates. Funding may be provided through reallocation of funds or any transfers among reserves as approved by PA 24.

Periodic Review Dates for Balances – Reviewed as part of the biennial budget process. Funding above the target level in the reserve will be discussed with PA 24 during the biennial budget adoption process.

- 4.) OC San Future Treatment and Disposal Capacity Reserve (R-05) – This reserve is established to provide future funding as it becomes necessary for SAWPA to acquire (purchase) additional treatment and disposal capacity (minimum of 1 MGD increments) in the OC San treatment plant facility. As incremental treatment plant capacity is purchased by member agencies from SAWPA at an agreed upon rate set by SAWPA resolution, funds would be deposited into this reserve account which can then be used by SAWPA to purchase treatment and disposal capacity from OC San.

Reserve levels will depend on the rate of growth and capacity sales. As capacity purchases are made by member agencies, funds will be deposited in this reserve so that its balance will be sufficient to cover anticipated additional treatment and disposal capacity purchases as and when they come due. Capacity lease revenue may also be deposited in this reserve to provide funding for future purchases of treatment and disposal capacity from OC San required to serve Brine Line lessees.

Minimum Level – Funding shall at a minimum equal the sum of past reserve contributions from member agencies not yet spent by SAWPA to purchase additional treatment and disposal capacity from OC San.

Target Level – Same as minimum level.

Events and Conditions Prompting the Use of the Reserve – This reserve may only be utilized to purchase additional treatment capacity in the OC San plant as approved by PA 24. Any other use of this reserve shall not occur without prior authorization from PA 24.

Funding Source – Funding derived from treatment and disposal capacity sales, capacity lease revenues and Brine Line Rates. Funding may be provided through reallocation of funds or any transfers among reserves as approved by PA 24.

Periodic Review Dates for Balances – Reviewed as part of the biennial budget process. Funding above the target level in the reserve will be discussed with PA 24 during the biennial budget adoption process.

- 5.) OC San Pipeline Rehabilitation Reserve (R-06) – This reserve was established to fund SAWPA's share of capital costs associated with its proportionate share of capacity right

ownership in the Santa Ana Regional Interceptor (SARI) Line maintained by OC San. Since these costs are expected to vary significantly in timing and size, an approach has been developed to normalize these expenditures into equal annual payments. The objective is for SAWPA to make equal annual contributions (adjusted for inflation) into this interest earning reserve fund, and then make withdrawals from this fund when payments to OC San for the SARI Line come due. According to the Brine Line Financial Study, this approach will mitigate significant capital cost spikes for SAWPA.

Minimum Level – Funding shall at a minimum equal 2% of SAWPA’s estimated share of SARI Line asset value.

Target Level – The target funding level shall equal the higher of the following:

- ◆ The minimum level
- ◆  $[\% \text{ certainty of OC San's project costs}] \times [\text{SAWPA share in project}] \times [\% \text{ of project cost to be cash financed}]$

Events and Conditions Prompting the Use of the Reserve – This reserve is utilized as needed to pay when due SAWPA’s share of OC San SARI Line capital costs.

Funding Source – Primary source of funding is through Brine Line Rates. Funding may be provided through reallocation of funds or any transfers among reserves as approved by PA 24.

Periodic Review Dates for Balances – Reviewed and recalibrated through the normal biennial budget and if OC San revises its SARI Line capital costs. Funding above the target level in the reserve will be discussed with PA 24 during the biennial budget adoption process.

6.) Pipeline Replacement and Capital Investment Reserve (R-07): This reserve was established to provide capital replacement funding as the Brine Line system’s infrastructure (pipe) deteriorates over its expected useful life. This reserve is also intended to provide cash on hand for planned capital projects and emergency repairs. Maintaining this reserve serves two major purposes: i) provides a means of tracking funds designated for capital investment (such as capital revenues, depreciation funding, grants, etc.) and ensuring that they are used for their intended purpose and facilitating compliance with any applicable requirements, and ii) provides protection against the risk of cost overruns related to its capital improvement program.

Minimum Level – Funding shall at a minimum equal the sum of the following three components:

- ◆ Resiliency Component: Asset value times the lowest non-zero percentage of high and very high probability of failure (PoF) and consequence of failure (CoF) per SAWPA’s most recent Brine Line Criticality Assessment
- ◆ CIP Component: Annual average cash financed project costs in the 10-year inflated CIP

- ◆ **Renewal & Replacement (R&R) Component:** The sum of the following formula calculated individually for each pipeline reach:  

$$[10\% \text{ equity financing}] \times [\text{asset value}] \div [75\text{-year replacement period}] \times [\text{age of reach in years}]$$

**Target Level** – The target funding level shall equal the sum of the following three components:

- ◆ **Resiliency Component:** The minimum of:
  - 1) Asset value times half of the highest percentage of high and very high PoF and CoF per SAWPA's most recent Brine Line Criticality Assessment
  - 2) \$5 million
- ◆ **CIP Component:** 2.5 times the annual average cash financed projects in the 10-year inflated CIP
- ◆ **Renewal & Replacement Component:** The sum of the following formula calculated individually for each pipeline reach:  

$$[25\% \text{ equity financing}] \times [\text{asset value}] \div [75\text{-year replacement period}] \times [\text{age of reach in years}]$$

**Events and Conditions Prompting the Use of the Reserve** – Through the biennial budget process, staff shall recommend anticipated asset replacement projects. The PA 24 shall take action to approve recommended project appropriations from this reserve. This reserve shall be utilized to cover out of pocket insurance losses experienced by SAWPA. Any reimbursement received by SAWPA from the insurance company as a result of a submitted claim shall be deposited back into the reserve as replenishment for the loss. Should emergency replacement be necessary during any fiscal year, PA 24 ~~the~~ may take action to amend the budget and appropriate needed funds as required by such emergency. In addition, in certain circumstances SAWPA may elect to fund one-time operating expenditures related to specific projects through the use of this reserve rather than rate increases.

**Funding Source** – Primary source of funding is through Brine Line Rates. Funding may be provided through reallocation of funds or any transfers among reserves as approved by PA 24.

**Periodic Review Dates for Balances** – Reserve balances and projected replacement projects will be reviewed by staff and PA 24 during the preparation and approval of the biennial budget and on an as-needed basis in the case of emergencies. Funding above the target level in the reserve will be discussed with PA 24 during the biennial budget adoption process.

- 7.) **General Fund Operating Reserve (R-10)** – Established to provide cash flow for unbudgeted and/or unexpected expenditures and to mitigate potential delays between the time when expenditures are incurred and the time when revenues are received. This reserve also holds accrued employee vacation and sick time funds owed to SAWPA employees.

**Minimum Level** – None.



Target Level – A prudent target level will be equal to 180 days of SAWPA’s General Fund total budgeted operating expenditures. This reserve will be funded only based on realized efficiencies in the General Fund resulting in actual year-end expenditures being under budget.

Events and Conditions Prompting the Use of the Reserve – This reserve is designated to maintain working capital for current operations and to meet routine cash flow needs. Upon Commission approval, this reserve may be routinely utilized by staff to cover temporary cash flow deficiencies caused by timing differences between revenues and expenditures and extraordinary decreases in revenues and unexpected increases in expenditures. This reserve is also used to pay accrued employee vacation and sick time per the SAWPA Employee Manual.

Funding Source – Primary source of funding is from member agency contributions.

Periodic Review Dates for Balances – Reviewed during the preparation and approval of the biennial budget process. Funding above the target level in the reserve will be discussed with the Commission during the biennial budget adoption process.

- 8.) General Fund Building Reserve (R-11) - Established to provide for the accumulation of funds towards a building reserve set aside to cover major repair/maintenance work on SAWPA’s Headquarters Office unless directed otherwise by Commission action during the biennial budget process.

Minimum Level – Funding shall be at a minimum amount equal \$300,000 at all times.

Target Level – None.

Events and Conditions Prompting the Use of the Reserve – This reserve is designated to maintain a building repair and replacement reserve. Upon Commission approval, this reserve may be routinely utilized by staff for building-related purposes.

Funding Source – Primary source of funding is from member agency contributions.

Periodic Review Dates for Balances – Reviewed during the preparation and approval of the biennial budget process.

- 9.) Capital Improvement Construction Reserve (R-12) – This is a restricted reserve established to set aside 100% of the funding derived from the construction fund money proceeds of a bond issue required to support specific capital projects identified and approved by PA 24 in SAWPA’s CIP. The use of these proceeds is restricted by conditions set in the respective legal bond documents.

Minimum Level – None. The balance in this reserve will be determined based on the amount of construction fund moneys generated as part of the bond proceeds and the spend-down requirements for the particular CIP project being financed.

Target Level – Same as minimum level.

Events and Conditions Prompting the Use of the Reserve – The use of this reserve is for the sole purpose of paying for those capital expenditures identified within the SAWPA Commission approved CIP Program budget. Specific construction fund proceeds will be spent on applicable projects. The reserve will be depleted as the approved capital projects are completed. In the event that SAWPA has more than one bond issue outstanding, separate sub-funds will be created within this reserve with bond proceeds from each debt issue deposited in that issue's respective sub-account. Sub-accounts will be kept segregated at all times.

Funding Source – Proceeds from bond issuance. Funding may also be provided through reallocation of funds or any transfers among reserves as approved by PA 24.

Periodic Review Dates for Balances – Reviewed by staff on semi-annual basis whenever SAWPA has issued bonds and this reserve has a balance.

## **INVESTMENT GUIDELINES**

It has been SAWPA's practice to rely primarily on a pay-as-you-go (pay-go) strategy and some use of SRF loans to fund capital improvements and replacement of existing assets. Maintaining a balance between debt and pay-go sources may provide an added benefit to SAWPA in terms of allowing for a more optimal investment strategy. In the context of these policies and in circumstances where such balance is present, the investment portfolio can be separated into short and long portfolios to maximize investment returns. The balance in the Liquidity (Operating) Funds should be kept in short-term investments. Moneys in the Capital Funds, however, may be invested for a longer horizon as the funds are needed in the later years.

## **DELEGATION OF AUTHORITY**

The Commission and PA 24 have sole authority to amend or revise this Reserve Policy. Through approval of this Policy, the Commission and PA 24 have established written procedures and guidelines for staff to follow in the management of SAWPA's Reserves.



SANTA ANA WATERSHED  
PROJECT AUTHORITY

# Inland Empire Brine Line Reserve Funds Review

Karen Williams, Interim General Manager

PA 24 Committee Meeting

August 5, 2025

# Recommendation

It is recommended that the PA 24 Committee approve the following:

**1. R-01 Brine Line Operating Reserve**

Set the target balance at **\$2,548,941**, representing 25% of total operating expenses of **\$10,195,765** for Fiscal Year Ending (FYE) 2025, an increase of **\$257,833**, and continue to accrue interest.

**2. R-07 Brine Line Replacement and Capital Investment Reserve**

Establish the **minimum** and **target** funding levels at **\$19,870,091** and **\$48,830,227**, respectively, based on the revised Capital Improvement Plan (CIP) total of **\$69.2 million**, as determined through Engineering's review.

**3. Other Reserve Funds**

Approve the continued accrual of interest in FYE 2026 for the following reserve funds, with funding levels (as of June 30, 2025) above their respective targets:

- R-02 Brine Line Debt Service Reserve
- R-04 Pipeline Capacity Management Reserve
- R-05 OC Future Treatment & Disposal Capacity Reserve

**4. Surplus Allocation**

From the projected **\$3,834,230** surplus for FYE 2025:

- Transfer **\$161,694** to the **R-01 Brine Line Operating Reserve** to reach its target balance
- Allocate the remaining balance to the **R-07 Brine Line Replacement and Capital Investment Reserve**

# Brine Line Reserve Policy

- The updated Reserve Policy was approved by:
  - PA 24 on November 1, 2022
  - SAWPA Commission on December 20, 2022
- As per the approved Reserve Policy:
  - Funding above the target level in the reserve will be discussed and approved with the PA 24 and the Commission annually and during the biennial budget adoption process.
  - For those reserves under the target level, staff will involve member agencies in reviewing the timing for each reserve to achieve the target.
- Staff will bring the evaluation of reserves above the targets to PA 24 and the Commission in August each year.

# Reserve Balances as of 06/30/2025

Fund	06/30/2025 Ending Balance	Minimum (2026)	Target (2026)	Over or Under Target	Amount Over or (Under) Target	Comment
R-01 Brine Line Operating	\$2,387,248	\$2,548,941	\$2,548,941	Under	(\$161,693)	Interest through 06/30/2025
R-02 Debt Retirement	\$3,142,328	\$1,709,476	\$1,709,476	Over	\$1,432,852	Interest through 06/30/2025
R-04 Pipeline Capacity Management	\$13,363,704	\$3,894,181	\$9,735,454	Over	\$3,628,250	Funds from pipeline capacity sales
R-05 OC San Future Treatment and Disposal Capacity	\$2,046,026	\$1,842,396	\$1,842,396	Over	\$203,630	Target set at 06/30/22 balance Interest through 06/30/25
R-06 OC San Pipeline Rehabilitation	\$3,167,752	\$2,425,147	\$7,250,000	Under	(\$4,082,248)	Contributions for FYE 2026 and 2027 are \$426,224 and \$182,388
R-07 Pipeline Replacement and Capital Investment	\$38,429,066	\$19,870,091	\$48,830,227	Under	(\$10,401,161)	Contributions for FYE 2026 and 2027 are \$2.0 million each year
Resiliency Component		\$2,338,000	\$5,000,000	--	--	--
CIP Component		\$2,853,993	\$7,134,983	--	--	--
R&R Component		\$14,678,098	\$36,695,244	--	--	--
Total - Unrestricted	\$60,826,648	\$30,580,756	\$70,207,018	--	--	--
Total – Restricted (R-02)	\$1,709,476	\$1,709,476	\$1,709,476	--	--	--
Total	\$62,536,124	\$32,290,232	\$71,916,494	--	--	-- 46

# R-01 Brine Line Operating

- Target: \$2,548,941 (25% of FYE 2026 budgeted operating costs).
- Interest earned in 2025: \$ 99,188
- Balance at 06/30/2025: \$2,387,248

## Recommendation:

- Set Target at: \$2,548,941 (25% of FYE 2026 budgeted operating costs)
- Transfer \$161,693 from operating cash
- Continue to accrue interest in 2026

# R-02 Debt Retirement

- Target: \$1,709,476 (1x annual debt service payment)
- Interest earned in FYE 2025: \$ 130,642
- Balance at 06/30/2025: \$3,142,328

## Recommendation:

- Keep Target: \$1,709,476 (1x annual debt service payment)
- Keep the \$3,142,328 balance in this reserve and continue to accrue interest.
- 10-year CIP of \$69.2 million that qualifies for SRF Loans:
  - Reach IV-D Corrosion Repair SRF Loan of \$37.3 million
  - Estimated annual loan payment of \$1.3 million
  - \$3.1 million is 1x annual debt service payment reserve requirement



# R-04 Pipeline Capacity Management

- Target: \$ 9,735,454
- Interest earned in FYE 2025: \$ 555,593
- Balance at 06/30/2025: \$13,363,704

## **Recommendation:**

- Keep Target: \$ 9,735,454
- Keep the \$13,363,704 balance in this reserve and continue to accrue interest until more information is known on the future costs of this project.
- Funds in this account are from pipeline capacity sales to EMWD and WMWD, and interest earned.

# R-05 OC San Future Treatment and Disposal Capacity

• Target:	\$1,842,396
• Interest earned in 2025:	\$ 85,063
• Balance at 06/30/2025:	\$2,046,026

**Recommendation:**

- Keep Target: \$1,842,396
- Keep the \$2,046,026 in this reserve and continue to accrue interest.
- The current price for 1 MG of treatment & disposal capacity is \$8.3 million. Funds in this reserve will be used to purchase additional treatment capacity.
- Funds in this reserve are from SBVMWD treatment capacity purchases and interest earned.

# R-06 OC San Pipeline Rehabilitation

- Target: \$7,250,000
- Interest earned in 2025: \$ 131,291
- Contributions in 2025: \$ 155,786
- Balance at 06/30/2025: \$3,167,752

## **Recommendation:**

- Keep Target: \$7,250,000
- Continue to contribute to this fund
  - FYE 2026 contribution = \$426,224.

# R-07 Pipeline Replacement and Capital Investment

• Target (Resiliency, CIP, and Renew and Replacement):	\$48,830,227
• Interest earned in 2025:	\$ 1,588,061
• Contributions in 2025:	\$ 1,900,000
• Use of reserves in 2025	(\$ 177,360)
• SBVMWD Cost Share Agua Mansa Lateral	\$ 562,152
• Prado Reservoir MAS project reimbursement	\$ 210,010
• Balance at 06/30/2025	\$38,429,066

**Recommendation:**

• Keep Target:	\$48,830,227
• Continue to contribute to this fund.	
• FYE 2026 contribution = \$2,000,000	

# YVWD Treatment Purchase

- No Target
- YVWD purchased 0.505 treatment capacity    \$4,485,897
- Interest earned in 2025:                                \$    83,255
- Balance at 06/30/2025                                    \$4,520,062

## **Recommendation:**

- Continue to earn interest per agreement with SBVMWD and YVWD

# Surplus Allocation

Projected results from FYE 2025:

Total Revenues	\$ 15,931,477
Total Expenses	(\$ 10,165,484)
Contributions to Reserves	<u>(\$ 2,055,786)</u>
Excess Rev over Expenses	\$ 3,834,230

**Recommendation:**

- Transfer \$161,693 to R-01 Brine Line Operating
- Transfer remaining surplus to R-07 Pipeline Replacement and Capital Investment

# Recommendation

It is recommended that the PA Committee:

**1. R-01 Brine Line Operating Reserve**

Set the target balance at **\$2,548,941**, representing 25% of total operating expenses of **\$10,195,765** for Fiscal Year Ending (FYE) 2025, an increase of **\$257,833**, and continue to accrue interest.

**2. R-07 Brine Line Replacement and Capital Investment Reserve**

Establish the **minimum** and **target** funding levels at **\$19,870,091** and **\$48,830,227**, respectively, based on the revised Capital Improvement Plan (CIP) total of **\$69.2 million**, as determined through Engineering's review.

**3. Other Reserve Funds**

Approve the continued accrual of interest in FYE 2026 for the following reserve funds, with funding levels (as of June 30, 2025) above their respective targets:

- R-02 Brine Line Debt Service Reserve
- R-04 Pipeline Capacity Management Reserve
- R-05 OC Future Treatment & Disposal Capacity Reserve

**4. Surplus Allocation**

From the projected **\$3,834,230** surplus for FYE 2025:

- Transfer **\$161,694** to the **R-01 Brine Line Operating Reserve** to reach its target balance
- Allocate the remaining balance to the **R-07 Brine Line Replacement and Capital Investment Reserve**

# Questions

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Karen Williams  
Santa Ana Watershed Project Authority  
Office (951) 354-4231 | Cell (951) 476-5022  
[kwilliams@sawpa.gov](mailto:kwilliams@sawpa.gov)  
[sawpa.gov](http://sawpa.gov)






**Santa Ana Watershed Project Authority**  
**PA24 - Brine Line - Financial Report**  
**April 2025**

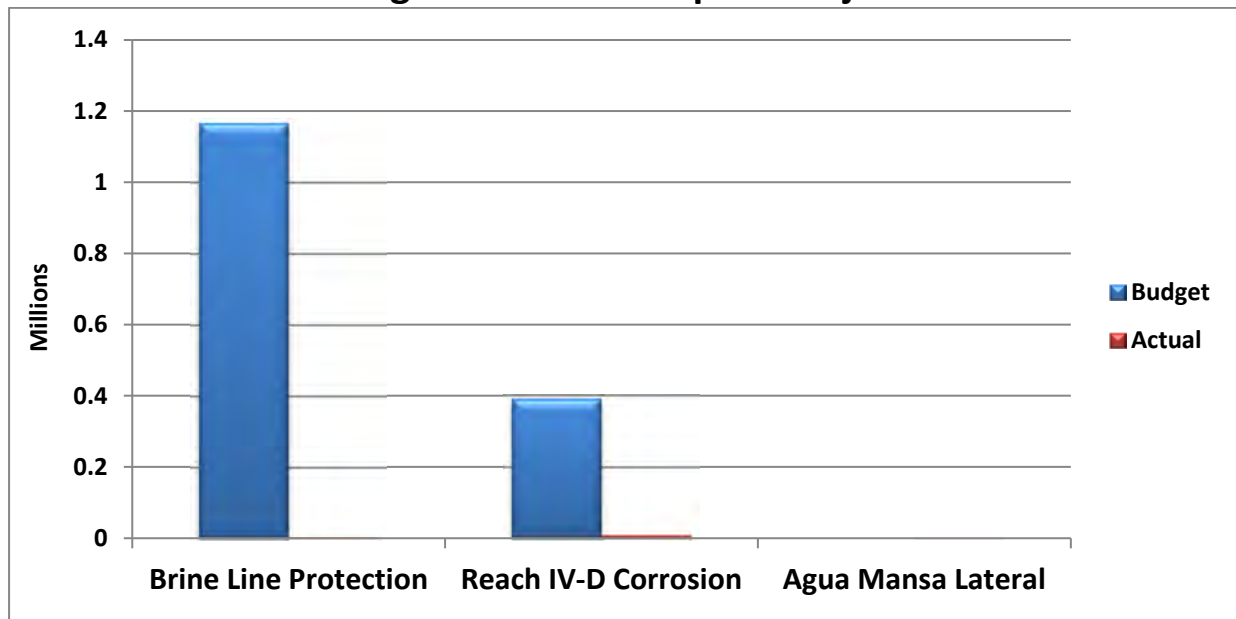
*Staff comments provided on the last page are an integral part of this report.*

Overview	This report highlights the Brine Line's key financial indicators for the Fiscal Year-to-Date (FYTD) through April 2025 unless otherwise noted.
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## Brine Line - Capital Projects

Budget to Actual – Capital Projects				 Favorable
	Annual Budget	FYTD Budget	FYTD Actual	Favorable (Unfavorable) Variance
Brine Line Protection	\$1,400,590	\$1,167,158	\$2,801	\$1,164,358
Reach IV-D Corrosion	469,423	391,186	10,251	380,935
Agua Mansa Lateral	-	-	1,488	(1,488)
<b>Total Capital Costs</b>	<b>\$1,870,013</b>	<b>\$1,558,344</b>	<b>\$14,540</b>	<b>\$1,543,805</b>

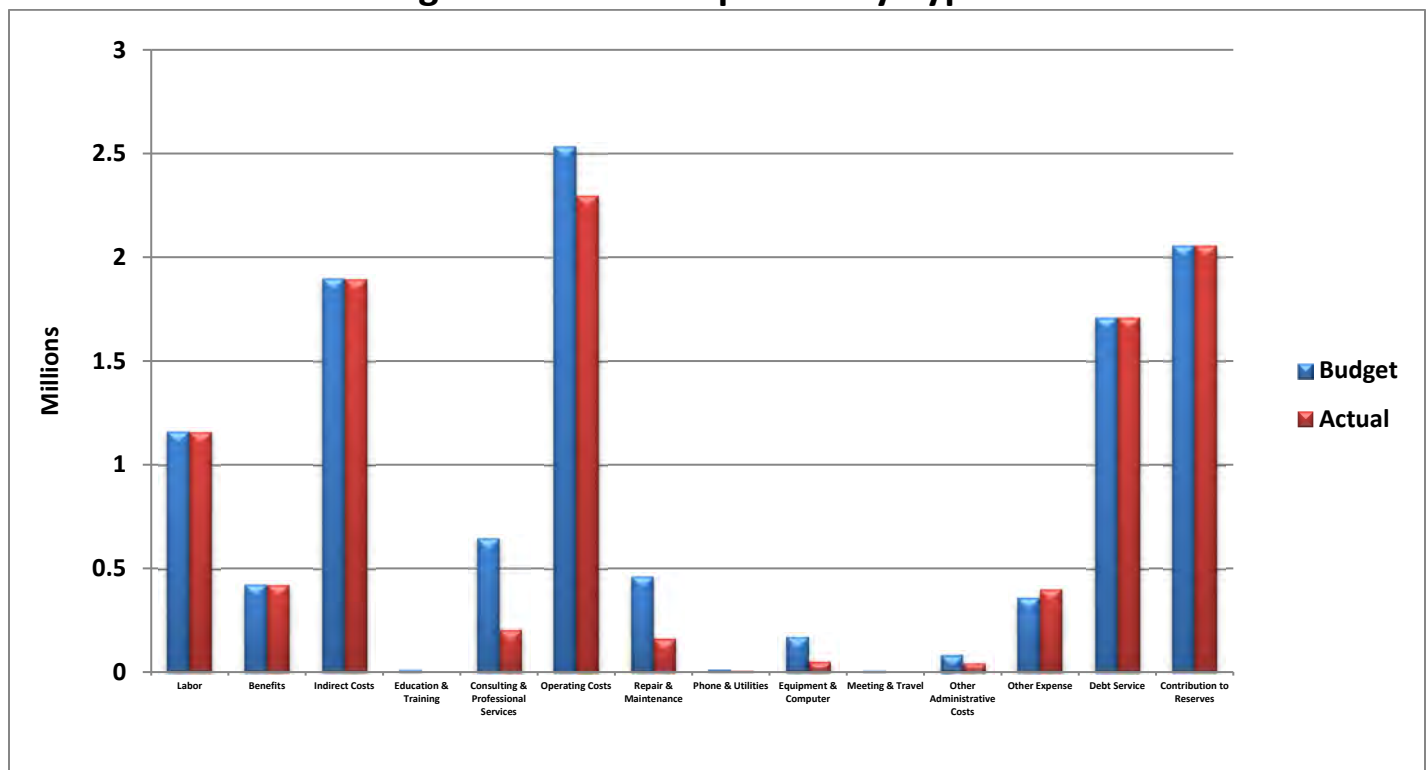
## Budget to Actual - Capital Projects



## Brine Line – Operating

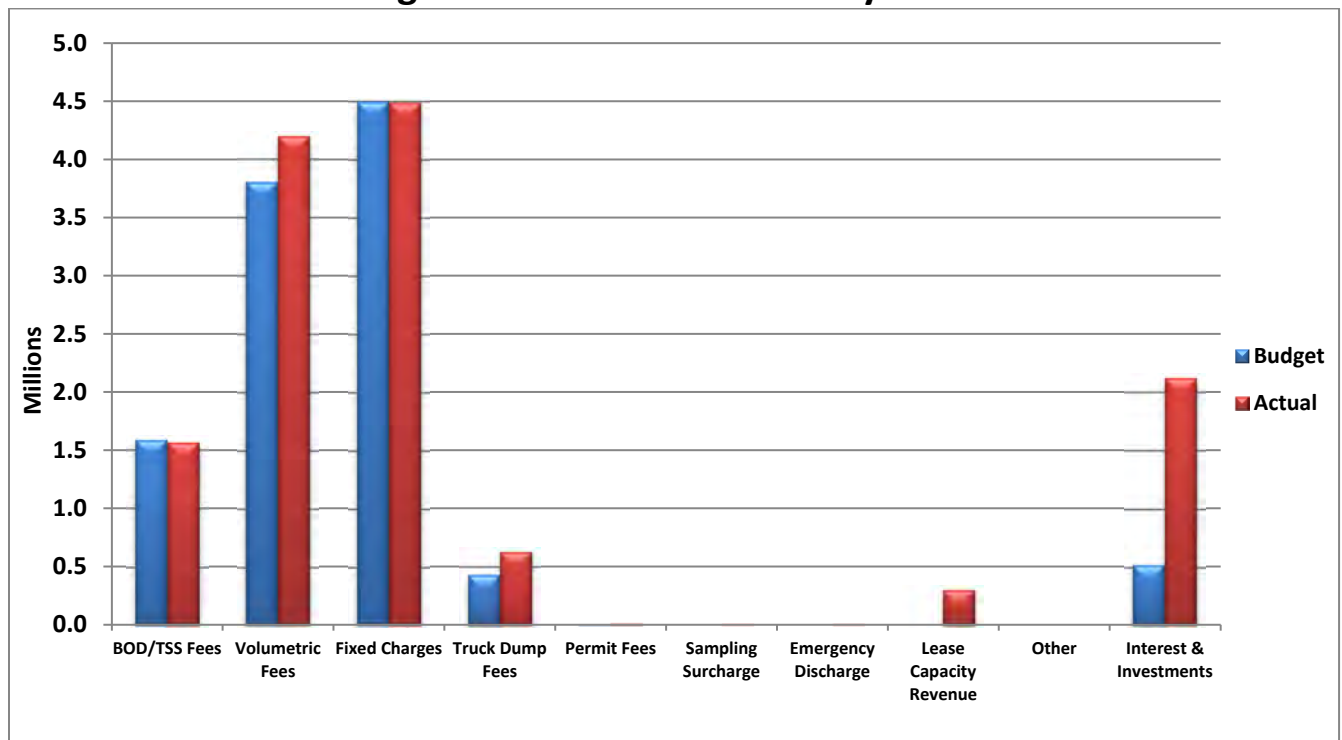
Budget to Actual - Expenses by Type				 Favorable
	Annual Budget	FYTD Budget	FYTD Actual	Favorable (Unfavorable) Variance
Labor	\$1,392,817	\$1,160,681	\$1,158,251	\$2,430
Benefits	507,443	422,869	421,603	1,266
Indirect Costs	2,278,716	1,898,930	1,894,898	4,032
Education & Training	15,225	12,688	100	12,588
Consulting & Prof Svcs	772,500	643,750	205,975	437,775
Operating Costs	3,041,939	2,534,949	2,298,581	236,368
Repair & Maintenance	553,558	461,298	162,309	298,989
Phone & Utilities	13,200	11,000	6,784	4,216
Equip & Computers	204,167	170,139	51,839	118,300
Meeting & Travel	7,700	6,417	1,126	5,291
Other Admin Costs	98,988	82,490	43,717	38,773
Other Expense	426,597	355,498	396,653	(41,155)
Debt Service	1,709,476	1,709,476	1,709,476	-
Contribution to Reserves	2,055,786	2,055,786	2,055,786	-
<b>Total</b>	<b>\$13,078,112</b>	<b>\$11,525,971</b>	<b>\$10,407,098</b>	<b>\$1,118,873</b>

Budget to Actual - Expenses by Type

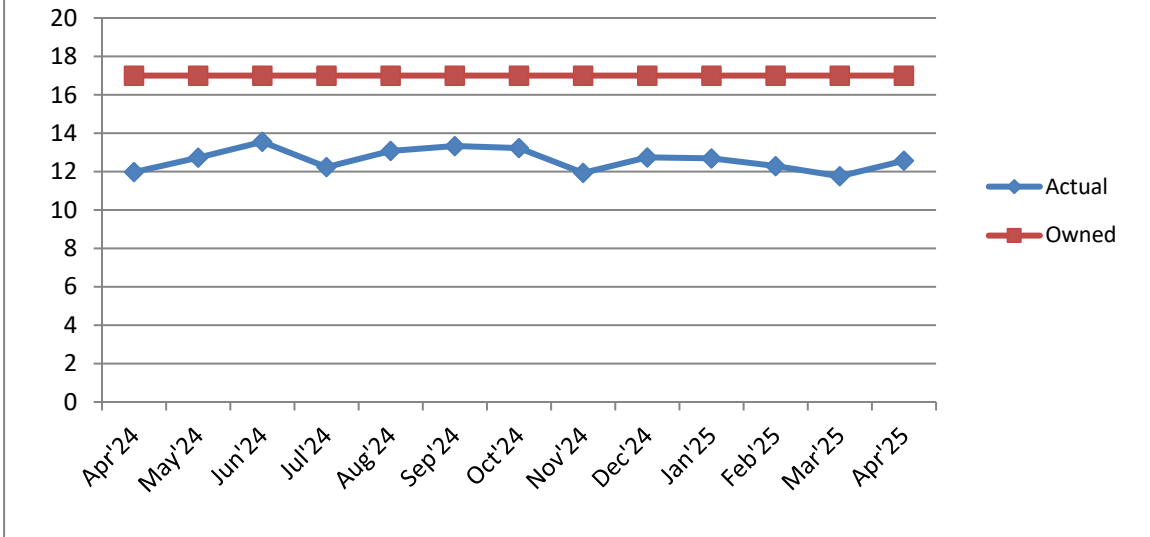


Budget to Actual - Revenues by Source				✓	Favorable
	Annual Budget	FYTD Budget	FYTD Actual	Favorable (Unfavorable) Variance	
BOD/TSS Fees	\$1,900,850	\$1,584,042	\$1,562,938	(\$21,104)	
Volumetric Fees	4,564,617	3,803,848	4,197,323	393,475	
Fixed Charges	5,396,025	4,496,688	4,486,685	(10,003)	
Truck Dump Fees	517,020	430,850	626,277	195,427	
Permit Fees	26,600	7,900	10,100	2,200	
Sampling Surcharge	-	-	7,028	7,028	
Emergency Discharge Fees	-	-	5,261	5,261	
Lease Capacity Revenue	-	-	302,202	302,202	
Other Revenue	-	-	307	307	
Interest & Investments	673,000	519,167	2,123,865	1,604,698	
<b>Total</b>	<b>\$13,078,112</b>	<b>\$10,842,495</b>	<b>\$13,321,986</b>	<b>\$2,479,491</b>	

**Budget to Actual - Revenues by Source**



## Average Daily Flow by Month

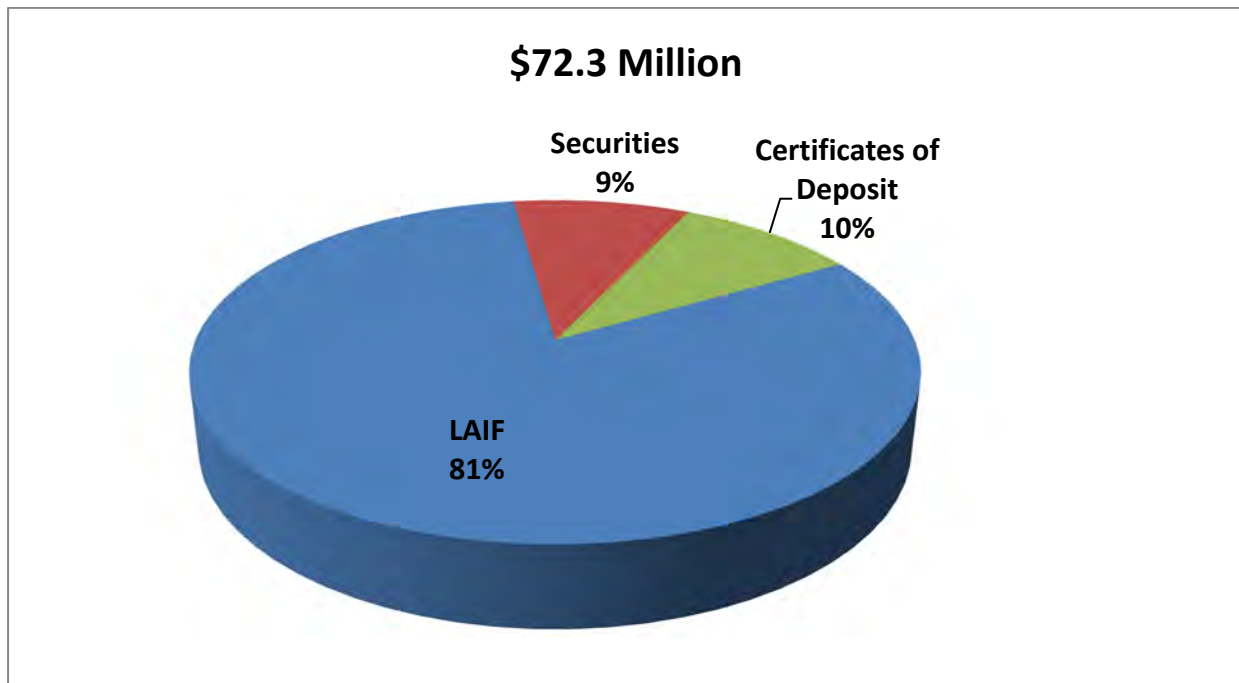


## Total Discharge by Agency (in million gallons)

Discharger	Jul'24	Aug'24	Sep'24	Oct'24	Nov'24	Dec'24	Total
Chino Desalter Authority	109.4633	99.5941	115.5658	112.7109	111.1550	113.0520	661.5411
Eastern Municipal Water District	104.3521	91.4534	115.7813	106.8580	111.8461	112.6482	642.9391
Inland Empire Utilities Agency	16.9394	14.3438	15.7094	14.2392	13.0521	13.0986	87.3825
San Bernardino Valley MWD	44.0789	45.0388	44.7654	45.5667	43.1998	45.4757	268.1253
Western Municipal Water District	88.9240	124.8091	124.5022	127.3453	105.6868	104.6496	675.9170
SAWPA Adjustment	0.0000	0.0000	6.5000	0.0000	0.0000	0.0000	6.5000
Truck Discharge	4.0942	3.9492	3.4518	3.3775	3.2437	2.8978	21.0142
<b>Total</b>	<b>367.8519</b>	<b>379.1884</b>	<b>426.2759</b>	<b>410.0976</b>	<b>388.1835</b>	<b>391.8219</b>	<b>2,363.4192</b>

Discharger	Jan'25	Feb'25	Mar'25	Apr'25	May'25	Jun'25	Total
Chino Desalter Authority	100.6980	95.1810	102.8871	106.7730			1,067.0802
Eastern Municipal Water District	97.6937	100.1684	103.3880	104.9378			1,049.1270
Inland Empire Utilities Agency	13.6921	13.0670	13.6646	13.8809			141.6871
San Bernardino Valley MWD	43.5330	41.0792	47.5985	44.8880			445.2240
Western Municipal Water District	122.0981	103.8978	105.2720	104.9187			1,112.1036
SAWPA Adjustment	0.0000	0.0000	0.0000	0.0000			6.5000
Truck Discharge	2.9594	2.8757	3.6734	3.5533			34.0760
<b>Total</b>	<b>380.6743</b>	<b>356.2691</b>	<b>376.4836</b>	<b>378.9517</b>			<b>3,855.7979</b>





## Total Cash & Investments



## Reserve Fund Balance

	Amount
Debt Retirement	\$3,108,588
Pipeline Replacement & Capital Investment	38,016,009
OC San Pipeline Rehabilitation	3,133,738
Pipeline Capacity Management	13,220,214
OC San Future Treatment & Disposal Capacity	2,024,057
YVWD Treatment Purchase	4,520,062
Brine Line Operating	2,361,615
Brine Line Operating Cash	5,907,499
<b>Total Reserves</b>	<b>\$72,291,782</b>

## Legend

		<u>Compared to Budget</u>
	Ahead or Favorable	Above +5% Favorable Revenue or Expense Variance
	On Track	+5% to -2% Variance
	Behind	-3% to -5% Variance
	Concern	Below -5% Variance

## Staff Comments

For this month's report, the item(s) explained below are either "behind", a "concern", or have changed significantly from the prior month.

Capital Projects are 99.1% below budget. Operating Expenses are 9.7% below budget and Revenues are 22.9% above budget.


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**Santa Ana Watershed Project Authority**  
**PA24 - Brine Line - Financial Report**  
**May 2025**

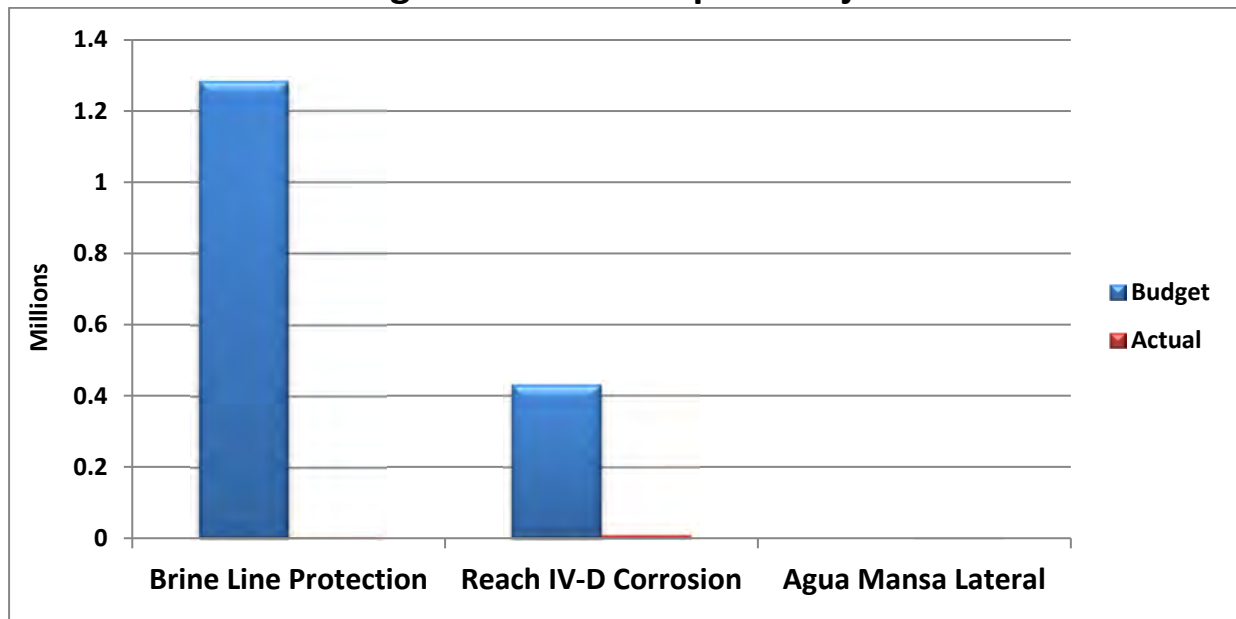
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Overview	This report highlights the Brine Line's key financial indicators for the Fiscal Year-to-Date (FYTD) through May 2025 unless otherwise noted.
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## Brine Line - Capital Projects

Budget to Actual – Capital Projects				 Favorable
	Annual Budget	FYTD Budget	FYTD Actual	Favorable (Unfavorable) Variance
Brine Line Protection	\$1,400,590	\$1,283,874	\$2,801	\$1,281,073
Reach IV-D Corrosion	469,423	430,304	10,251	420,053
Agua Mansa Lateral	-	-	1,488	(1,488)
<b>Total Capital Costs</b>	<b>\$1,870,013</b>	<b>\$1,714,178</b>	<b>\$14,540</b>	<b>\$1,699,638</b>

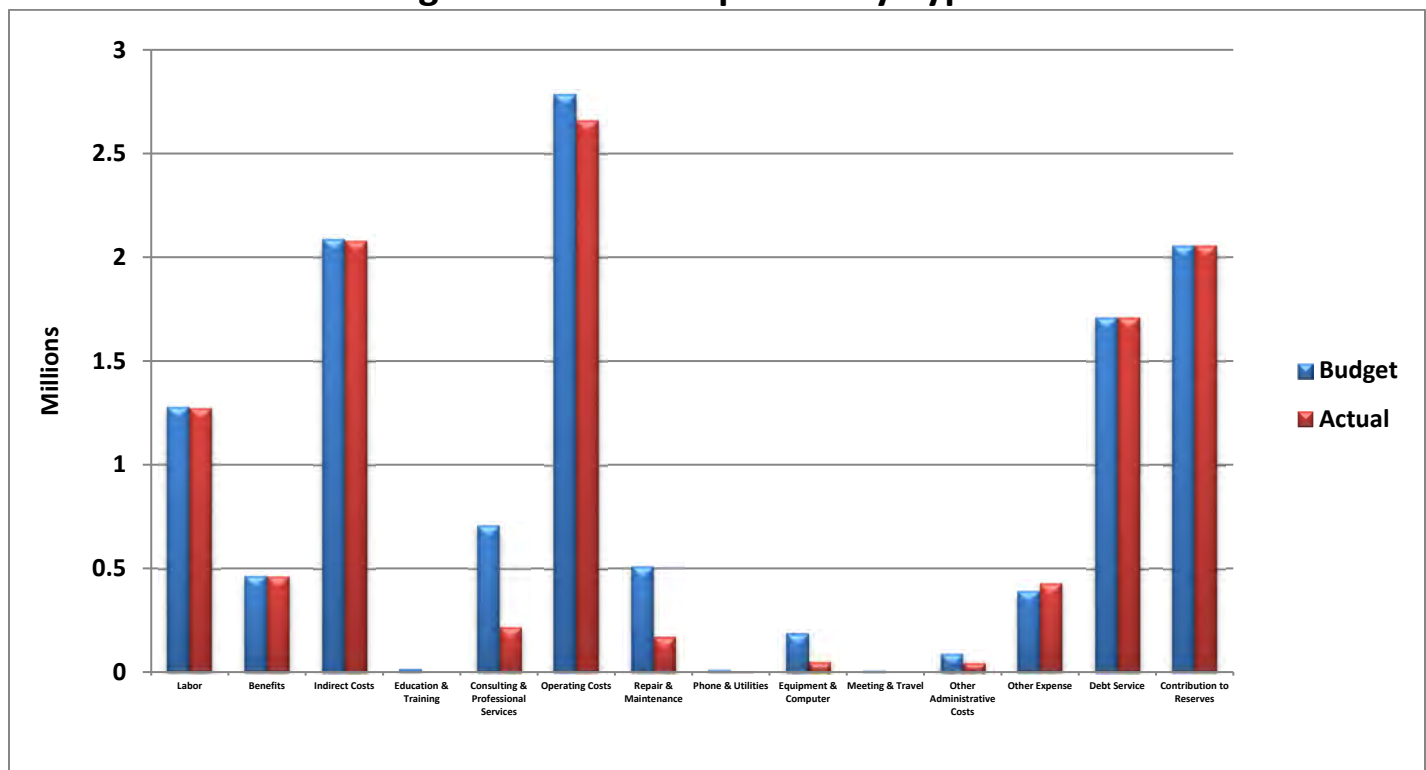
### Budget to Actual - Capital Projects



## Brine Line – Operating

Budget to Actual - Expenses by Type				 Favorable
	Annual Budget	FYTD Budget	FYTD Actual	Favorable (Unfavorable) Variance
Labor	\$1,392,817	\$1,276,749	\$1,271,214	\$5,535
Benefits	507,443	465,156	462,722	2,434
Indirect Costs	2,278,716	2,088,823	2,079,706	9,117
Education & Training	15,225	13,956	337	13,619
Consulting & Prof Svcs	772,500	708,125	219,352	488,773
Operating Costs	3,041,939	2,788,444	2,661,256	127,188
Repair & Maintenance	553,558	507,428	171,807	335,621
Phone & Utilities	13,200	12,100	7,362	4,738
Equip & Computers	204,167	187,153	52,389	134,764
Meeting & Travel	7,700	7,058	1,126	5,932
Other Admin Costs	98,988	90,739	46,292	44,447
Other Expense	426,597	391,047	426,987	(35,940)
Debt Service	1,709,476	1,709,476	1,709,476	-
Contribution to Reserves	2,055,786	2,055,786	2,055,786	-
<b>Total</b>	<b>\$13,078,112</b>	<b>\$12,302,040</b>	<b>\$11,165,812</b>	<b>\$1,136,228</b>

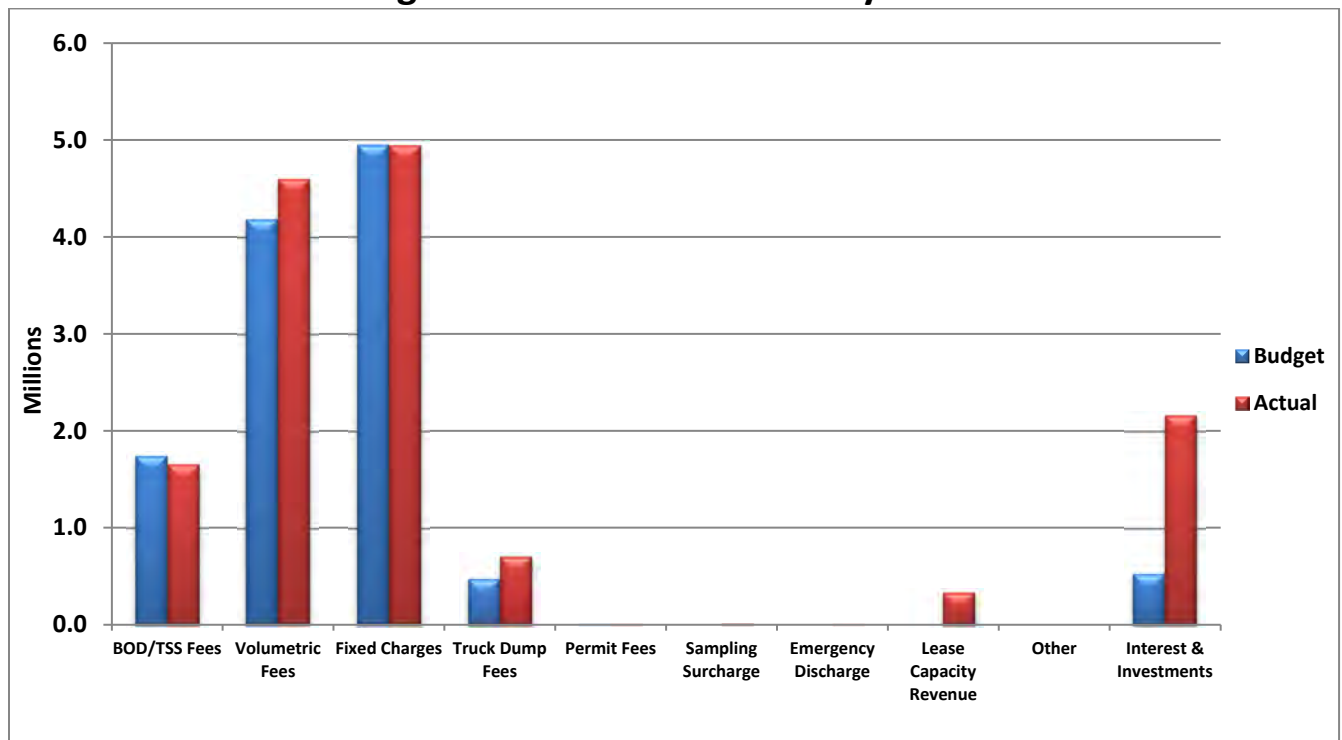
Budget to Actual - Expenses by Type



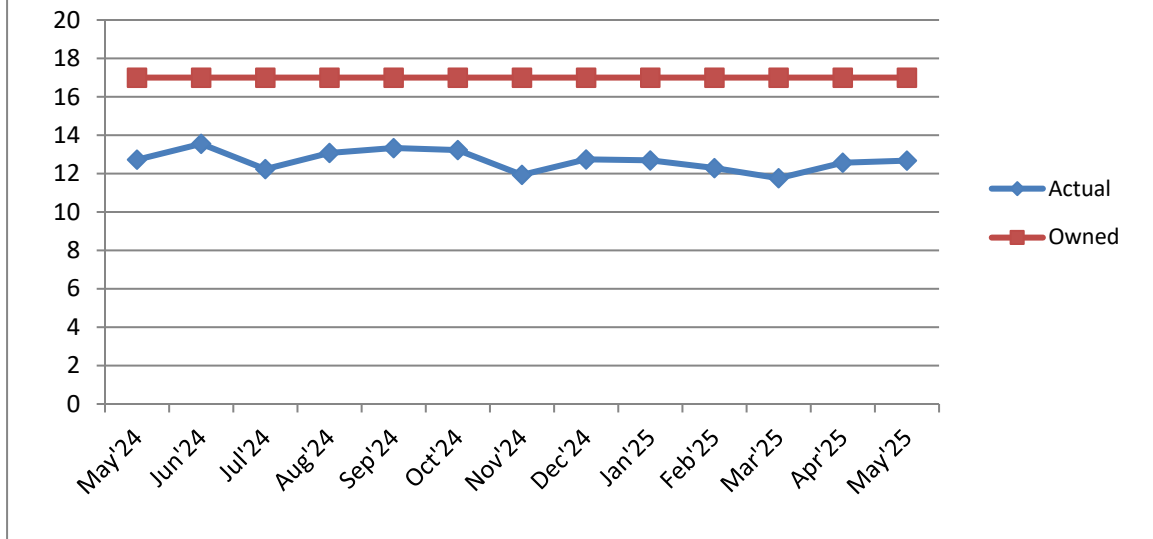


Budget to Actual - Revenues by Source				✓	Favorable
	Annual Budget	FYTD Budget	FYTD Actual	Favorable (Unfavorable) Variance	
BOD/TSS Fees	\$1,900,850	\$1,742,446	\$1,654,526	(\$87,920)	
Volumetric Fees	4,564,617	4,184,232	4,601,971	417,739	
Fixed Charges	5,396,025	4,946,356	4,939,956	(6,400)	
Truck Dump Fees	517,020	473,935	701,194	227,259	
Permit Fees	26,600	7,900	10,100	2,200	
Sampling Surcharge	-	-	11,356	11,356	
Emergency Discharge Fees	-	-	5,261	5,261	
Lease Capacity Revenue	-	-	331,292	331,292	
Other Revenue	-	-	340	340	
Interest & Investments	673,000	533,584	2,162,551	1,628,967	
<b>Total</b>	<b>\$13,078,112</b>	<b>\$11,888,453</b>	<b>\$14,418,547</b>	<b>\$2,530,094</b>	

**Budget to Actual - Revenues by Source**



## Average Daily Flow by Month

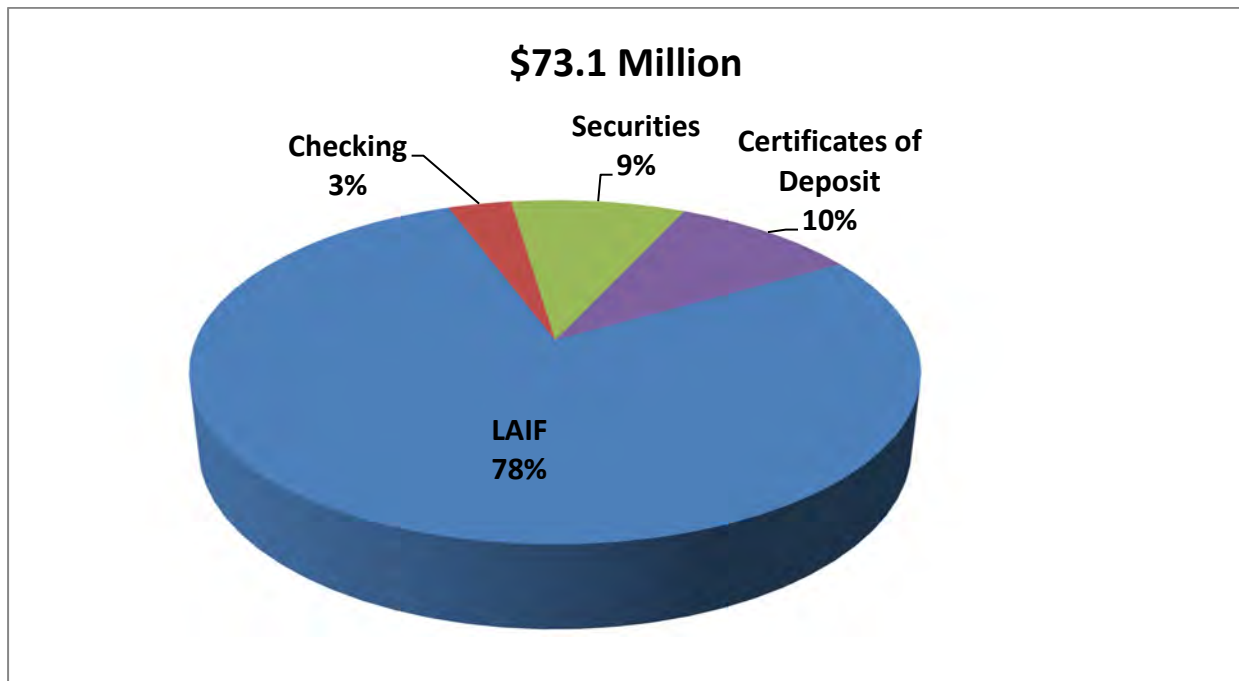


## Total Discharge by Agency (in million gallons)

Discharger	Jul'24	Aug'24	Sep'24	Oct'24	Nov'24	Dec'24	Total
Chino Desalter Authority	109.4633	99.5941	115.5658	112.7109	111.1550	113.0520	661.5411
Eastern Municipal Water District	104.3521	91.4534	115.7813	106.8580	111.8461	112.6482	642.9391
Inland Empire Utilities Agency	16.9394	14.3438	15.7094	14.2392	13.0521	13.0986	87.3825
San Bernardino Valley MWD	44.0789	45.0388	44.7654	45.5667	43.1998	45.4757	268.1253
Western Municipal Water District	88.9240	124.8091	124.5022	127.3453	105.6868	104.6496	675.9170
SAWPA Adjustment	0.0000	0.0000	6.5000	0.0000	0.0000	0.0000	6.5000
Truck Discharge	4.0942	3.9492	3.4518	3.3775	3.2437	2.8978	21.0142
<b>Total</b>	<b>367.8519</b>	<b>379.1884</b>	<b>426.2759</b>	<b>410.0976</b>	<b>388.1835</b>	<b>391.8219</b>	<b>2,363.4192</b>

Discharger	Jan'25	Feb'25	Mar'25	Apr'25	May'25	Jun'25	Total
Chino Desalter Authority	100.6980	95.1810	102.8871	106.7730	101.3500		1,168.4302
Eastern Municipal Water District	97.6937	100.1684	103.3880	104.9378	103.3628		1,152.4898
Inland Empire Utilities Agency	13.6921	13.0670	13.6646	13.8809	13.3403		155.0274
San Bernardino Valley MWD	43.5330	41.0792	47.5985	44.8880	45.1490		490.3730
Western Municipal Water District	122.0981	103.8978	105.2720	104.9187	104.4512		1,216.5548
SAWPA Adjustment	0.0000	0.0000	0.0000	0.0000	0.0000		6.5000
Truck Discharge	2.9594	2.8757	3.6734	3.5533	3.9310		38.0070
<b>Total</b>	<b>380.6743</b>	<b>356.2691</b>	<b>376.4836</b>	<b>378.9517</b>	<b>371.5843</b>		<b>4,227.3822</b>





## Total Cash & Investments



## Reserve Fund Balance

	Amount
Debt Retirement	\$3,108,588
Pipeline Replacement & Capital Investment	38,016,009
OC San Pipeline Rehabilitation	3,133,738
Pipeline Capacity Management	13,220,214
OC San Future Treatment & Disposal Capacity	2,024,057
YVWD Treatment Purchase	4,520,062
Brine Line Operating	2,361,615
Brine Line Operating Cash	6,681,023
<b>Total Reserves</b>	<b>\$73,065,306</b>

## Legend

		<u>Compared to Budget</u>
	Ahead or Favorable	Above +5% Favorable Revenue or Expense Variance
	On Track	+5% to -2% Variance
	Behind	-3% to -5% Variance
	Concern	Below -5% Variance

## Staff Comments

For this month's report, the item(s) explained below are either "behind", a "concern", or have changed significantly from the prior month.

Capital Projects are 99.2% below budget. Operating Expenses are 9.2% below budget and Revenues are 21.3% above budget.

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