



SANTA ANA WATERSHED  
PROJECT AUTHORITY

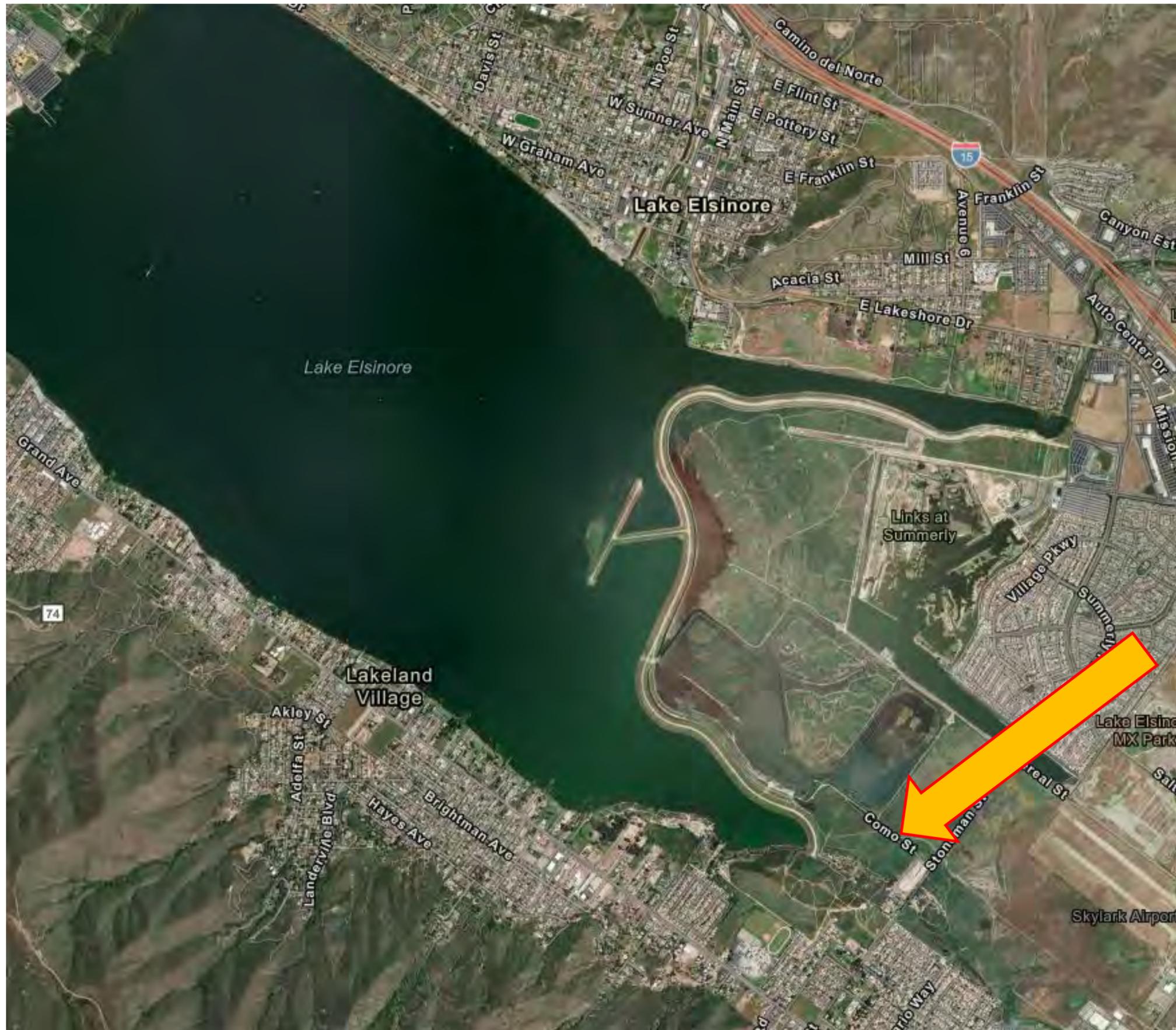
# Quitclaim of Easements – Western Riverside County Regional Conservation Agency

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

# Recommendation

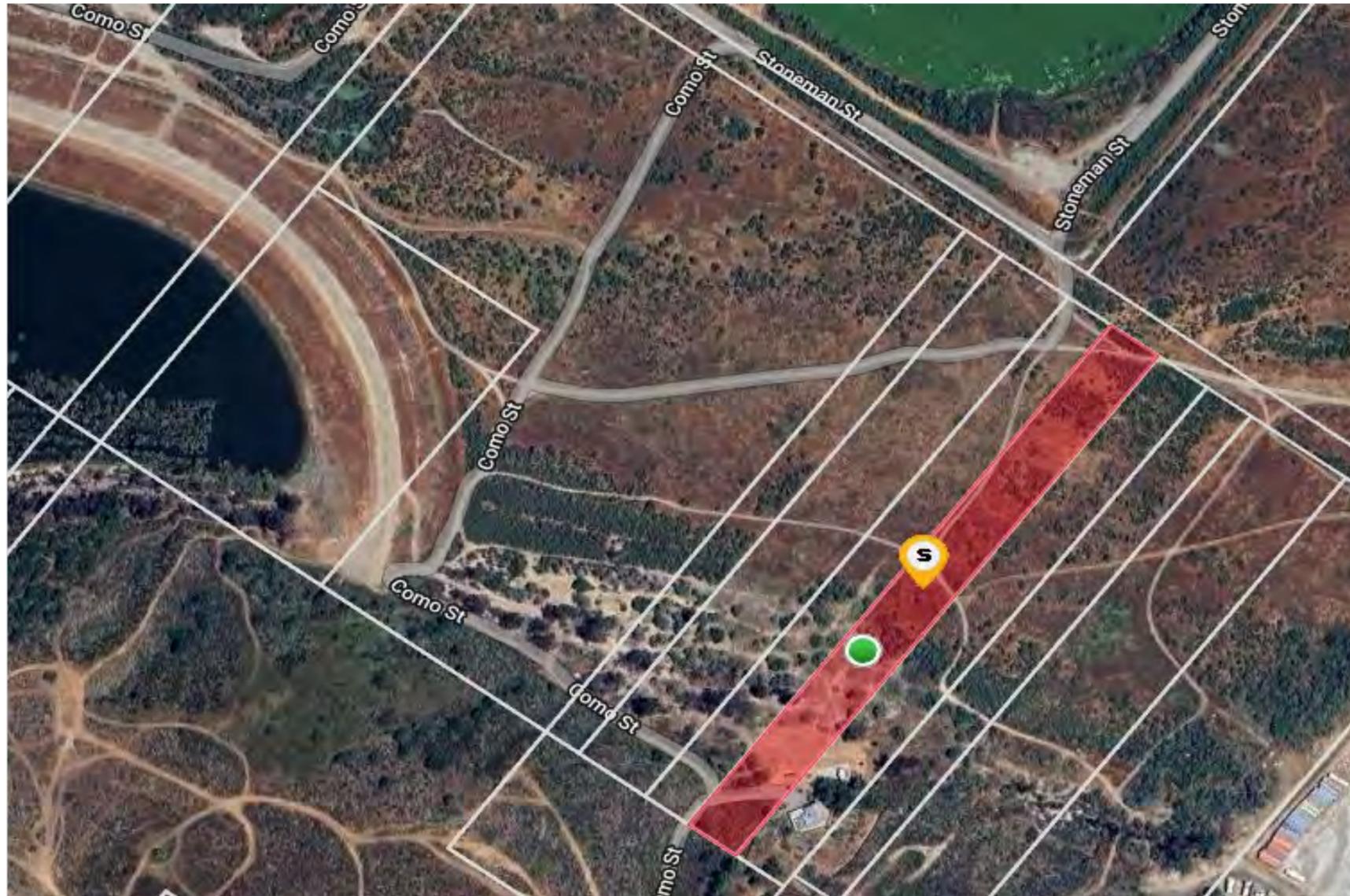
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That the Project Agreement 24 Committee quitclaim existing temporary easements for flooding purposes as recorded in Document No. 440014 and 470405 to Western Riverside County Regional Conservation Agency (RCA).



# 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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# 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	--	--	--
<b>Total</b>	<b>\$62,536,124</b>	<b>\$32,290,232</b>	<b>\$71,916,494</b>	<b>--</b>	<b>--</b>	<b>--</b>

# 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**

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# Questions

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