

FYE BUDGET



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**Santa Ana Watershed Project Authority
California**

For the Biennium Beginning

July 01, 2023

Christopher P. Morrell

Executive Director

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Section 1 Budget Message / Executive Summary



July 1, 2025

The Honorable Board of Commissioners
Santa Ana Watershed Project Authority
11615 Sterling Ave
Riverside, CA 92503

Honorable Board of Commissioners:

It is my pleasure to present the Santa Ana Watershed Project Authority (SAWPA) Fiscal Years Ending (FYE) 2026 and 2027 Operating and Capital Improvement Budget. This budget reflects the collective dedication of the SAWPA Commission and staff and serves as the financial and operational framework guiding the Agency's work over the next two years. The two-year budget totals \$55.9 million and provides the necessary funding to continue advancing the goals of SAWPA's Strategic Plan, support core operations, and implement critical capital projects throughout the watershed.

SAWPA's long-term direction is grounded in the Agency's Strategic Plan, originally developed in 2010 – 2011 with extensive engagement from the Commission and the General Managers of our Member Agencies. The Strategic Plan was designed to:

- Clearly articulate SAWPA's mandate, vision, and mission;
- Establish measurable goals that enable the Agency to achieve that mission;
- Identify strategic issues that must be addressed; and
- Define the strategies, actions, and implementation pathways necessary for success.

In 2016, the Commission further refined the Strategic Plan by establishing Purpose and Objectives, Critical Success Factors, and detailed Processes, Activities, and Tasks for each of SAWPA's major business lines, including the Inland Empire Brine Line, the One Water One Watershed (OWOW) Program, and the various regional Roundtables and Task Forces. As SAWPA prepares for the next decade of watershed challenges and opportunities, the Commission will review and consider updates to the Strategic Plan in FYE 2026 to ensure continued alignment with regional needs and emerging priorities.

Brine Line Needs and Priorities

Ensuring the long-term viability and sustainability of the Inland Empire Brine Line remains one of SAWPA's highest priorities. The Brine Line is a critical regional asset, valued at more than \$400 million, that provides essential brine and high-salinity wastewater disposal services to protect groundwater quality, support water recycling projects, and enable economic development throughout the upper Santa Ana River Watershed.

Preserving this system requires:

- Continuous operations and maintenance (O&M), supported by an annual \$14 - 15 million budget;
- Ongoing condition assessment and targeted rehabilitation;
- Protection and strategic relocation efforts;

- Strengthened partnerships with regional stakeholders; and
- Forward-looking planning to evaluate and prepare for future capacity needs.

To support these needs, SAWPA will continue implementing a robust Capital Improvement Program (CIP) totaling more than \$70.0 million over the next ten years. This CIP is essential to maintaining system reliability, ensuring regulatory compliance, and positioning the Brine Line to support future water reuse and economic growth across the region.

Strategic Alignment and Long-Term Watershed Needs: This budget reflects SAWPA's commitment to advancing the Critical Success Factors established by the Commission while also addressing long-term regional priorities, including funding the CIP, achieving salt balance in the watershed, and preparing for future needs through new technologies and innovative regional solutions.

Brine Line Critical Success Factors

1. Minimize disruptions to customers.
2. Ensure that Brine Line value and benefits are known to economic development agencies and others.
3. Maintain sufficient funding and reserves for current and future capital and O&M costs through stable, predictable, and affordable rates and charges.
4. Provide professional and highly trained staff across planning, administration, engineering, pretreatment, and field operations.
5. Protect and preserve the useful life of Brine Line assets through strategic maintenance, repair, and capital improvements.
6. Conduct proactive capital and O&M planning to improve efficiency and maintain needed capacity in the long and medium terms.
7. Maintain strong relationships with Orange County Sanitation District (OC San), regulatory agencies, and Brine Line dischargers.
8. Operate the Brine Line to: (1) meet all OC San pretreatment program requirements; (2) protect the OC San treatment plant and the environment from non-compliant dischargers; and (3) eliminate any uncontrolled pipeline releases.

This budget addresses these success factors as well as looks at the long-term goals of funding the CIP, establishing salt balance in the Watershed, and providing for future needs using new technologies and innovation.

Watershed Planning Needs

The Santa Ana River Watershed continues to face significant challenges to water supply reliability and water quality, driven by climate change, vulnerabilities in the Sacramento–San Joaquin Delta, uncertainty in the Colorado River Basin, and increasingly stringent regulations associated with emerging constituents. Through regional collaboration and strong partnerships, SAWPA and its member agencies are positioned to respond to these challenges and support a resilient, sustainable watershed. Our long-term vision is a drought-proofed, salt-balanced, climate-resilient watershed that sustains both the economic vitality and environmental health of the region.

The watershed remains an area of diverse water demand, influenced by its rich agricultural history, including remaining clusters of citrus and dairy operations, its extensive industrial and commercial base, and its rapidly expanding population. In 2018, SAWPA estimated that the watershed required 1.4 million acre-feet of water (456 billion gallons) to meet 2020 demands. By 2040, that need is projected to increase to nearly 1.7 million acre-feet (540 billion gallons). Continued commitment to water-use efficiency, landscape transformation, irrigation improvements, and expanded recycled water use will allow the region to accommodate much of this growth without additional imported supplies.

To address ongoing and future needs, SAWPA, its member agencies, and watershed stakeholders collaboratively updated the region's Integrated Regional Water Management (IRWM) plan, OWOW. The

OWOW Plan Update 2018, adopted in February 2019, reflects new statewide planning standards established by the California Department of Water Resources (DWR), including considerations of water and culture, sediment management, water quality, and climate resilience.

Consistent with prior OWOW Plans, the OWOW Plan Update 2018 focuses on system-wide, multi-benefit regional projects that advance long-term watershed sustainability. These efforts include integrated approaches to climate change resilience, water supply reliability, water and land use coordination, water quality enhancement, flood risk reduction, stormwater capture, water recycling, environmental justice, habitat protection, and natural resource stewardship. Through broad integration, regional partners can better leverage scarce resources and develop cost-effective approaches to complex watershed challenges.

The OWOW Plan Update 2018 has enabled SAWPA to secure millions of dollars in State water bond funding, further advancing regional priorities. Building on this foundation, SAWPA is pursuing funding to develop the Santa Ana River Watershed Climate Adaptation and Resilience Plan (SARW-CARP). SARWCARP will identify an actionable portfolio of watershed resilience strategies that address local adaptation needs through equitable, cross-sector collaboration among public, private, tribal, and community-based partners. Upon completion, SARW-CARP will be incorporated as an amendment to the OWOW Plan.

As part of the foundational work preceding the OWOW Plan Update 2018, the Commission established the following Critical Success Factors for the OWOW Program:

1. Continued support from SAWPA Commission of OWOW Steering Committee's decision-making authority as a means of ensuring trust, transparency, and external communications.
2. Active participation of a diverse group of stakeholders representing counties, cities, and water districts, as well as the private sector and the regulatory, environmental, and environmental justice communities who integrate the different interests in the Watershed beyond political boundaries, thereby ensuring all perspectives are heard and valued.
3. Distribution of benefits from the implementation of all integrated water resources management activities across the Watershed in a fair and equitable fashion. Recognition that upstream conditions affect downstream water quality and quantity.
4. OWOW criteria and values are transparent to watershed-wide stakeholders.
5. A strong reputation and sufficient capacity within SAWPA staff for strategic facilitation, planning, communication, leadership, and community engagement.
6. Administration of the OWOW process and plan in a highly efficient and cost-effective manner.
7. Successful implementation of an integrated regional water resource plan that reflects the watershed management needs of the public and the environment.
8. Annually review the accomplishments and implementation performance of the plan with the Commission and the Steering Committee.
9. Data and information needed for decision-making is available to all.

Roundtables, Task Forces, and Work Groups

SAWPA facilitates a wide range of collaborative water-resource planning and implementation efforts throughout the Santa Ana River Watershed. These collaborations, organized as Roundtables, Task Forces, and Work Groups, bring together agencies and organizations to enhance regional integration, share costs, leverage technical expertise, and develop innovative, watershed-based solutions.

These partnerships operate under a combination of formal and informal agreements, often in coordination with the Santa Ana Regional Water Quality Control Board (RWQCB). Through these structures, SAWPA and its stakeholders collectively address emerging issues, regulatory requirements, and long-term watershed needs in a cost-effective and synergistic manner.

To guide these efforts, the Commission has established the following Critical Success Factors for the Roundtables:

1. SAWPA has a strong reputation as a watershed-wide, knowledgeable, neutral and trusted facilitator, leader, and administrator of contracted activities.
2. Goals, scope, costs, resources, timelines, and the contract term are approved by the Commission before executing an agreement to participate in a roundtable group.
3. Clear upfront criteria and terms for completing or transitioning efforts that have been successfully established or completed.
4. Report and use results of roundtable's work, leverage information and involvement for the benefit of SAWPA, its members, and other stakeholders.
5. Annual reviews of workplans and budgets for each task force activity.
6. Adequate professional staff and resources to effectively provide facilitation, management, administrative, and technical support to collaborative work efforts.

Major Priorities Based on Goals and Objectives

The major priorities shaping the FYEs 2026 and 2027 Budget are as follows:

1. Strategic and Vision Alignment

- Maintain SAWPA's vision of a sustainable Santa Ana River Watershed with clean, reliable water resources and healthy ecosystems.
- Facilitate collaboration across agencies to address regional water challenges.

2. Brine Line Program

- Support long-term salinity balance and water quality protection in the watershed.
- Expand recycled water and manage high-salinity wastewater disposal.
- Implement Brine Line Master Plan follow-up studies and advanced monitoring (real-time data).
- Explore brine treatment technologies and green hydrogen feasibility.
- Execute capital projects (pipeline inspections, supervisory control and data acquisition (SCADA) upgrades, infrastructure relocations).

3. OWOW (One Water One Watershed) Program

- Maintain and update OWOW 2.0 Plan, including Climate Adaptation and Resilience Plan (CARP).
- Facilitate watershed-based solutions and regional projects.
- Maximize funding opportunities through integrated watershed efforts.
- Implement climate resiliency strategies and nature-based solutions.

4. Roundtables and Stakeholder Engagement

- Build relationships among regulators, member agencies, and stakeholders.
- Provide regional capacity for multi-agency forums to address water resource challenges.
- Support task forces for water quality, habitat restoration, and emerging contaminants.

5. Agency Operations

- Strategic: Update Strategic Plan, enhance communications, and strengthen state advocacy.
- Financial: Ensure compliance with Government Accounting Standards Board (GASB) standards, manage audits, and pursue investment advisory services.
- Administrative: Improve efficiencies, update policies, enhance enterprise content management, and complete facility upgrades.

- Information technology (IT): Upgrade infrastructure, improve cybersecurity, develop geographical information systems (GIS) web apps, and explore artificial intelligence (AI) for automation and predictive analytics.

6. Budget and Governance

- Implement a collaborative two-year budget process aligned with strategic goals.
- Engage member agencies and stakeholders in budget development and approval.
- Ensure timely adoption and execution of the budget cycle.

7. Water Quality & Salinity Management

- Continue monitoring and controlling salinity levels in the watershed.
- Implement advanced treatment and disposal strategies for high-salinity waste.
- Support regional compliance with water quality standards and regulatory requirements.

8. Climate Resilience & Sustainability

- Develop and implement nature-based solutions for flood control and habitat restoration.
- Integrate climate adaptation strategies into all programs.
- Promote carbon reduction initiatives, including green hydrogen feasibility studies.

9. Infrastructure Reliability

- Execute Brine Line capital improvement projects (pipeline inspections, SCADA upgrades).
- Ensure long-term reliability of critical water infrastructure.
- Plan for future capacity needs and emergency response readiness.

10. Technology & Innovation

- Expand GIS capabilities and develop web-based applications for data visualization.
- Explore AI-driven automation and predictive analytics for operational efficiency.
- Enhance cybersecurity measures and IT infrastructure upgrades.

11. Financial Stewardship

- Maintain strong fiscal controls and compliance with GASB standards.
- Optimize investment strategies and advisory services.
- Ensure transparency and accountability in budget planning and execution.

12. Regional Collaboration & Advocacy

- Strengthen partnerships with member agencies, regulators, and stakeholders.
- Advocate for state and federal funding for watershed projects.
- Facilitate multi-agency forums to address emerging water challenges.

Budget Summary and Overview

FYEs 2026 and 2027 are positioned to be highly productive years for the Agency. This document represents SAWPA's tenth biennial budget, continuing the Agency's commitment to long-range financial planning and strategic stewardship of regional water resources.

The combined two-year budget totals \$55.9 million, allocated across key Agency functions as follows:

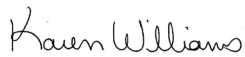
- \$40.0 million (71.6%) for operating expenses
- \$3.4 million (6.1%) for debt service
- \$5.0 million (9.0%) for reserve contributions
- \$7.5 million (13.3%) for capital improvement program expenses

Resources available to support these activities include \$55.2 million in projected revenues and approximately \$0.73 million in planned use of fund balances.

This biennial budget reflects SAWPA's focus on maintaining the long-term reliability of the Inland Empire Brine Line, advancing integrated watershed planning through OWOW and the forthcoming Climate Adaptation and Resilience Plan, supporting regional collaboration through our Roundtables and Task Forces, and delivering capital and operational programs essential to the health and sustainability of the Santa Ana River Watershed.

We look forward to a biennium full of promising opportunities for SAWPA, our member agencies, and the entire region. I remain committed to guiding the Agency into the next era of Brine Line operations, watershed stewardship, and innovative regional water management.

Respectfully submitted,

A handwritten signature in cursive script that reads "Karen Williams".

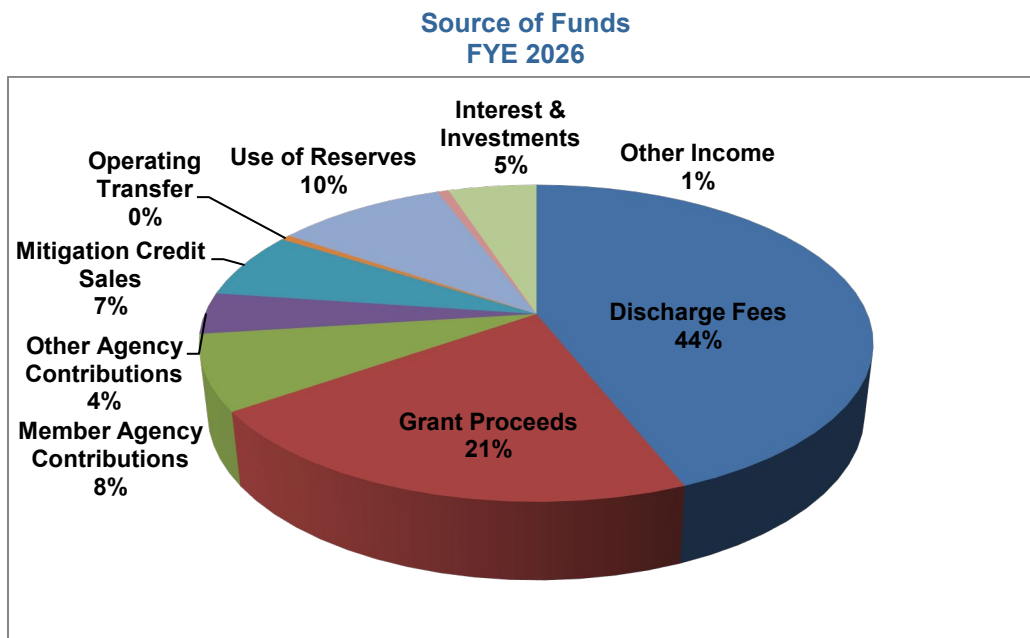
Karen Williams
General Manager

Sources of Funds

The Agency's primary revenue source continues to be discharge fees generated by the Brine Line Enterprise. Additional funding sources include grant proceeds, interest and investment earnings, capacity sales, use of reserves, member agency contributions, participant fees, operating transfers, and other income.

For FYE 2026, total receipts are projected to be \$29.6 million. These revenues include \$13.0 million in discharge fees, \$6.3 million in grant proceeds, \$2.3 million in member agency contributions, \$1.3 million in other agency contributions, \$2.0 million in mitigation credit sales, \$161,250 in operating transfers, \$2.9 million in use of reserves, \$192,111 in other income, and \$1.5 million in interest and investment earnings. This reflects a 34.2% increase compared to FYE 2025.

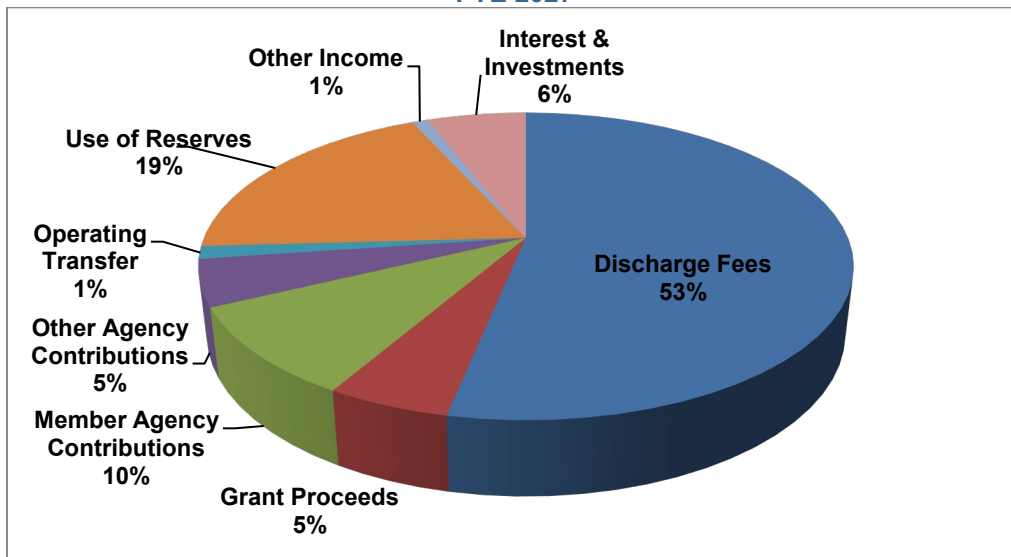
The year-over-year increase is driven primarily by higher discharge fee revenues, increased grant proceeds, greater use of reserves, the sale of the remaining mitigation credits, and higher projected interest and investment earnings. Overall, total projected revenues for FYE 2026 are adequate to fully fund all anticipated expenses for the fiscal year.



For FYE 2027, total receipts are projected to be \$25.5 million. These revenues include \$13.6 million in discharge fees, \$1.3 million in grant proceeds, \$2.4 million in member agency contributions, \$1.3 million in other agency contributions, \$391,550 in operating transfers, \$4.9 million in use of reserves, \$223,516 in other income, and \$1.5 million in interest and investment earnings. This represents a 13.8% decrease compared to FYE 2026.

The majority of the revenue decrease is due to lower grant proceeds and the absence of mitigation credit sales in FYE 2027. At the same time, discharge fees and the use of reserves increased compared to FYE 2026. Despite these changes, total projected revenues for FYE 2027 are sufficient to fully fund all anticipated expenses for the fiscal year.

Source of Funds FYE 2027



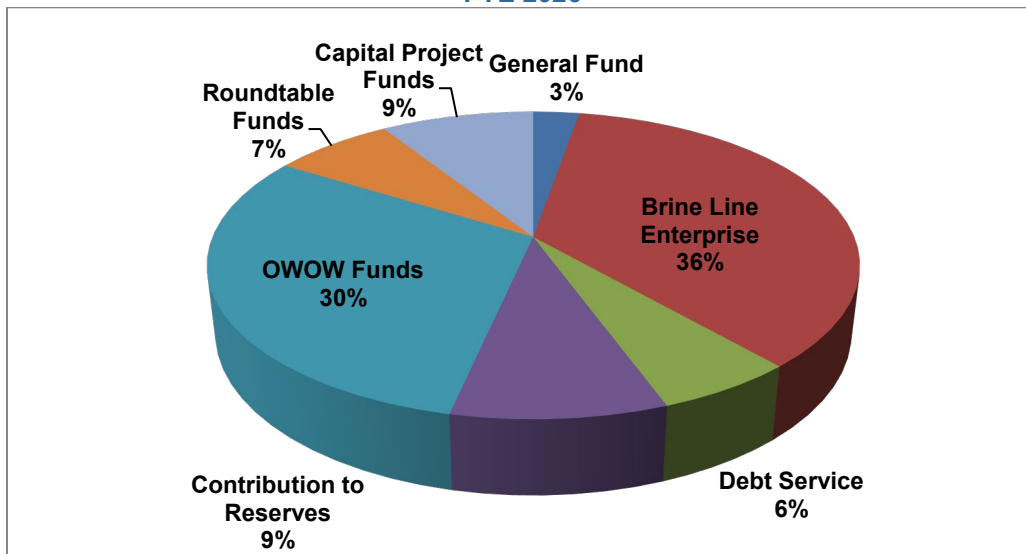
Uses of Funds

Total expenses for FYE 2026 are projected to be \$29.1 million. These expenditures include \$0.8 million for Joint Powers Authority (JPA) operations, \$10.4 million for Brine Line Enterprise operations, \$2.6 million for capital projects, \$1.7 million for debt service, \$2.1 million for Roundtable funds, \$8.8 million for OWOW funds, and \$2.6 million in contributions to reserves.

Capital programs are primarily funded through reserves and State Revolving Fund (SRF) loans in alignment with SAWPA's long-range financial plan. Debt service, operating costs, and administrative expenses are supported by discharge fees, interest and investment income, member agency contributions, participant fees, and grant proceeds.

The year-over-year increase in expenses is driven largely by higher contributions to reserves, increased costs for the Disadvantaged Communities Involvement (DACI) drought-relief grant, and additional expenditures associated with Proposition 1 and Proposition 84 grant-funded projects.

Use of Funds FYE 2026

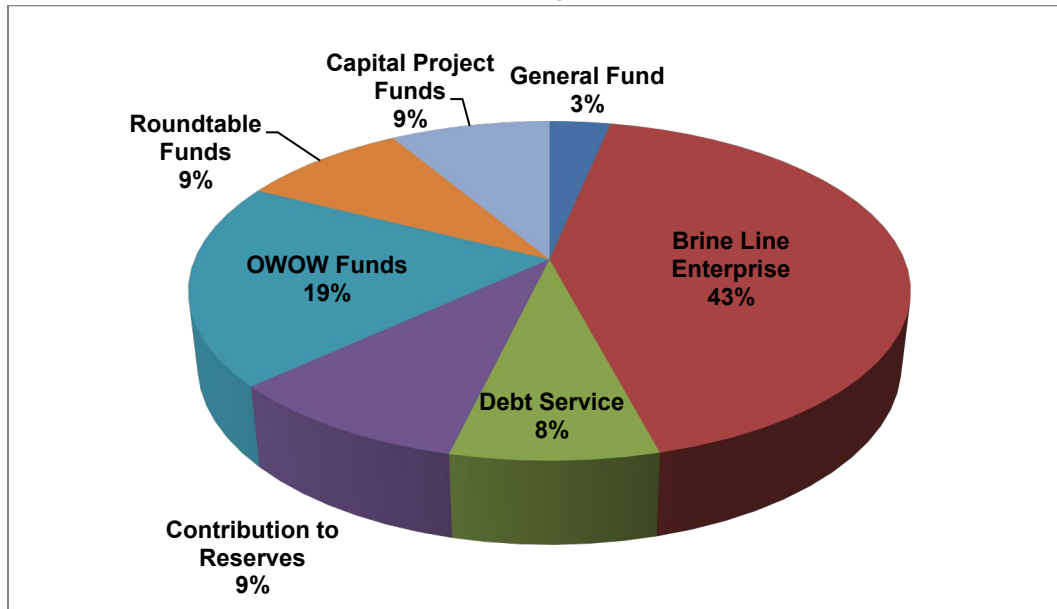


Total expenses for FYE 2027 are projected to be \$26.9 million. These expenditures include \$0.6 million for JPA operations, \$11.2 million for Brine Line Enterprise operations, \$4.8 million for capital projects, \$1.7 million for debt service, \$2.2 million for Roundtable funds, \$3.9 million for OWOW funds, and \$2.4 million in contributions to reserves.

Capital programs continue to be funded primarily through reserves and SRF loans in accordance with SAWPA's long-range financial plan. Debt service, operating costs, and administrative expenses are supported by discharge fees, interest and investment income, member agency contributions, participant fees, and grant proceeds.

The \$2.2 million decrease in total expenses compared to the prior year is largely attributable to the completion of the DACI Drought Relief grant in FYE 2026.

Use of Funds FYE 2027



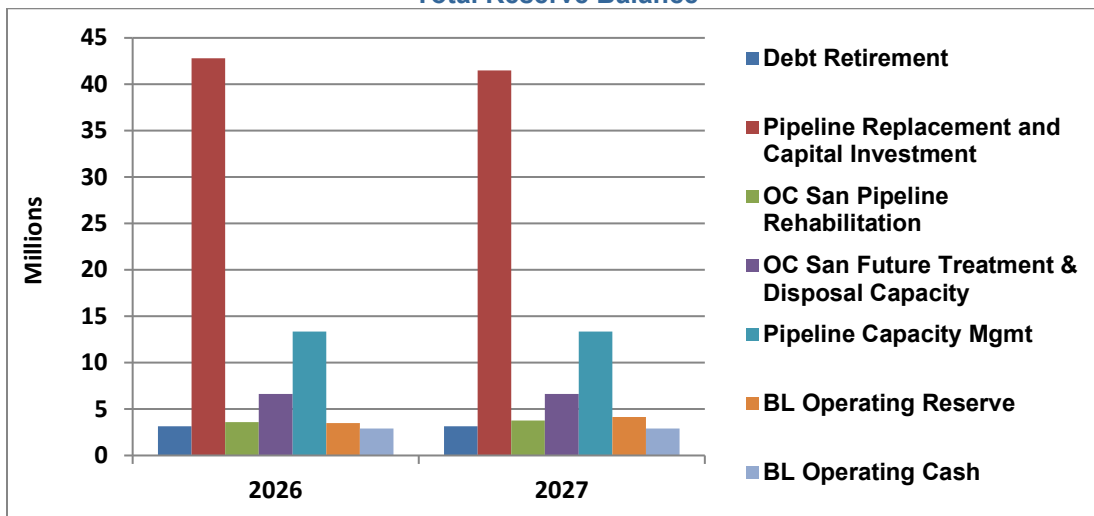
Debt Service

Outstanding debt at the beginning of FYE 2026 is projected to be \$19.8 million and is expected to decrease to \$17.2 million by the end of FYE 2027. Debt service obligations continue to be fully funded through Brine Line rates. Total debt service payments are projected to be \$1.7 million in both FYE 2026 and FYE 2027.

Reserves

In FYEs 2026 and 2027, the Operating Fund for the Brine Line includes budgeted reserve contributions of \$2.4 million and \$2.2 million, respectively. Total reserves are projected to be \$75.9 million at the end of FYE 2026 and \$75.5 million at the end of FYE 2027. The chart below illustrates the projected reserve balances for FYEs 2026 and 2027.

Total Reserve Balance



Personnel

The Agency's current staffing level is 26 full-time equivalent (FTE) positions. Total employment costs, including wages and benefits, are projected to be \$6.8 million in FYE 2026 and \$7.4 million in FYE 2027, representing 23.3% and 27.4% of the Agency's total budget, respectively. Overall, employment expenses are expected to increase by 12.4% (\$748,603) in FYE 2026 and by 8.8% (\$598,041) in FYE 2027. These increases reflect an assumed 8% merit/cost-of-living adjustment (COLA) in each budget year, along with rising medical insurance premiums and higher Public Employees Retirement Fund (PERS) employer contribution rates.

Fund Budgets

The FYEs 2026 and 2027 Budget is comprised of several distinct funds: the General Fund, Enterprise Fund, OWOW Fund, Roundtable Fund, and Capital Projects Fund. Each fund plays a specific role in supporting SAWPA's operations, programs, and long-term planning efforts. The following sections present each fund along with its corresponding revenues, expenses, and fund balance, as applicable.

FYE 2026 Budget

	<i>General Fund</i>	<i>Enterprise Fund</i>	<i>OWOW Fund</i>	<i>Roundtable Fund</i>	<i>Capital Project Fund</i>	<i>Total</i>
Revenues	\$ 991,800	\$ 14,538,465	\$ 7,937,772	\$ 3,549,089	\$ 2,632,558	\$ 29,649,684
Expenses	(991,800)	(14,538,465)	(8,837,161)	(2,066,341)	(2,632,558)	(29,066,325)
Net Income (Loss)	—	—	(899,389)	1,482,748	—	583,359
Beg. Fund Balance	—	—	1,879,669	2,596,645	—	4,476,314
End. Fund Balance	\$ —	\$ —	\$ 980,280	\$ 4,079,393	\$ —	\$ 5,059,673

FYE 2027 Budget

	<i>General Fund</i>	<i>Enterprise Fund</i>	<i>OWOW Fund</i>	<i>Roundtable Fund</i>	<i>Capital Project Fund</i>	<i>Total</i>
Revenues	\$ 848,033	\$ 15,104,122	\$ 3,185,193	\$ 1,581,865	\$ 4,828,641	\$ 25,547,854
Expenses	(848,033)	(15,104,122)	(3,884,958)	(2,195,872)	(4,828,641)	(26,861,626)
Net Income (Loss)	—	—	(699,765)	(614,007)	—	(1,313,772)
Beg. Fund Balance	—	—	980,280	4,079,393	—	5,059,673
End. Fund Balance	\$ —	\$ —	\$ 280,514	\$ 3,465,386	\$ —	\$ 3,745,900

Fund Balances

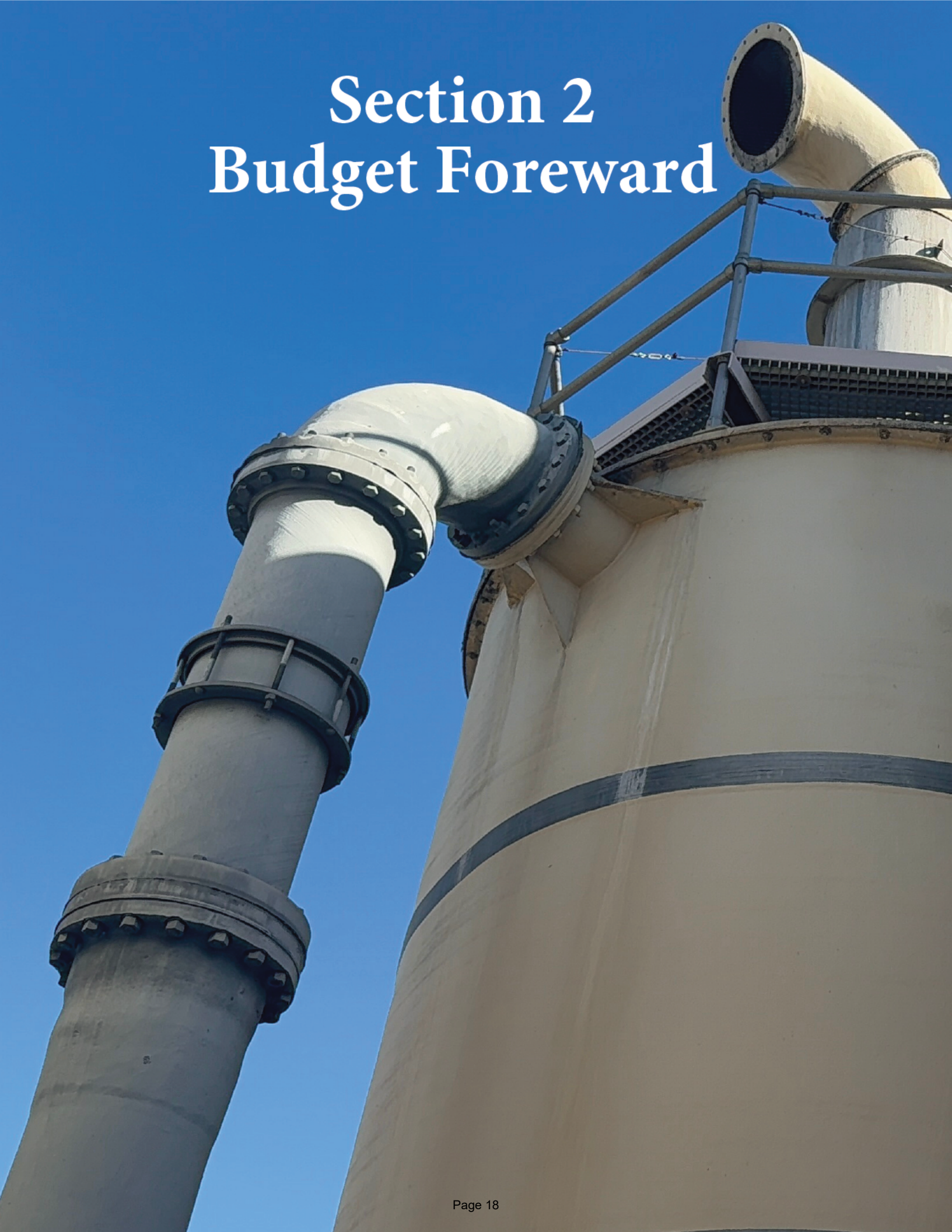
The fund balance represents the difference between a fund's assets and liabilities. For OWOW and Roundtable projects, revenues are often received in one fiscal year while the related expenses occur in a subsequent year. As a result, fund balances reflect this timing difference between when cash is collected and when it is ultimately spent. These balances help maintain financial stability and may be used to help balance the budget from year to year.

Departments

To help advance SAWPA's vision, each department developed a staffing plan aligned with the Agency's overarching goals and strategic direction. As part of this process, departments created individual mission statements that outline key objectives for the next two fiscal years, along with group goals and measurable performance outcomes. These staffing plans serve as a roadmap, demonstrating how each department will support and contribute to achieving SAWPA's goals, objectives, and long-term vision.

Section 2

Budget Foreward



Reader's Guide to the Budget

Reader's Guide to the Budget

This guide is intended to help the reader understand what information is available in the budget and how it is organized. This budget document is broken down into 11 sections which are listed below. The Finance Department invites suggestions on ways to make the budget document more understandable.

The following is an explanation of the major sections of this budget:

Budget Message/Executive Summary

This section contains the General Manager's budget message and the executive summary which highlights critical issues and financial information regarding the Agency's FYEs 2026 and 2027 Budget.

Budget Foreward

This section includes the categories listed below:

- **About the Agency** – This section provides an overview of the Agency and its role within the Watershed.
- **Vision, Mission and Goals** – This section sets forth the Agency's vision and mission as well as the goals and strategies necessary to obtain that vision.
- **Budget and Financial Overview** – This section provides an overview of the budget development process and the accounting structure used within the Agency.

Budget Summary

This section is a high-level consolidated summary of the FYEs 2026 and 2027 Budget.

Combined Schedules

This section is a comprehensive overview of the FYEs 2026 and 2027 combined budget. The combined budget consolidates all of the Agency's funds. Listed below is a description of the schedules contained in this section:

- **Combined Summary** – Combines all sources and uses of funds for all Agency funds.
- **Revenue and Expenses** – Summarizes, by fund, total budgeted revenues and expenses.
- **Sources and Uses of Funds** – Summarizes total expenses for each fund and the source of funds used to meet expenses.
- **Line-Item Detail** – Summarizes line-item detail expense totals for each fund type.
- **Cash Flow** – Summarizes cash flow and changes in fund balance for each fund type.
- **Benefit and Indirect Cost Allocation** – Summarizes the calculation of the Benefit and Indirect Cost Allocation rates using total general fund and benefit costs. Detailed schedules for each are included.
- **Member Contribution** – Summarizes the member contributions for each fund for FYEs 2025 through 2027.

Revenues

This section details the total revenue by source for each fund and describes, in detail, each revenue source available for operating and capital expenses.

Debt Service

This section describes the Agency's debt service obligation including a listing of the outstanding debt issues; a description of the purpose of each issue; a debt service retirement schedule; and debt service requirements, including principal and interest, over the life of the outstanding debt issues.

Reserves

This section details the Agency's general reserve policy, categorizes and defines each reserve account, and lists the contributions budgeted in FYEs 2026 and 2027 for each reserve account.

Personnel

This section details total staffing and employment related costs and includes a historical detailed schedule of authorized positions and full-time equivalent employees by department.

Fund Budgets

This section describes the Agency's fund structure and includes a narrative description of each fund's initiatives, activities, and budget. The budget includes both consolidated and individual fund sources and uses statement as well as projected changes in fund balance.

Departments

This section contains staffing plans for each of the Agency's departments which includes an organizational chart, mission statements, accomplishments from the prior year, objectives for current year, core activities, and group goals for each.

Glossaries

- **Financial Policies** – Contains all current Agency policies incorporated in this budget.
- **Statistical and Other Information** – Useful information about the Agency's service area and operations.
- **General Terms** – Helps translate budget terminology into language that makes it easier to understand.
- **Acronyms and Abbreviations** – A listing of the acronyms and abbreviations used throughout the budget document.

About the Agency

What is SAWPA?

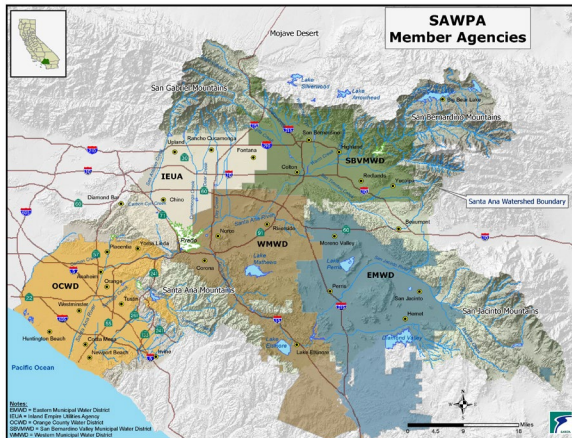
The Santa Ana Watershed Project Authority (SAWPA) is a Joint Powers Authority (JPA) dedicated to developing and implementing regional plans, programs, and projects that protect and enhance water resources and their beneficial uses within the Santa Ana River Watershed. SAWPA works to ensure that watershed management is carried out in a manner that is both economically efficient and environmentally responsible.

SAWPA's mission is to facilitate communication, identify emerging opportunities, develop regional plans, secure funding, implement programs, build projects, operate and maintain facilities that serve the long-term needs of the watershed. Originally formed in 1968 as a planning agency, SAWPA was re-formed in 1975 with a strengthened mandate to plan for and construct facilities necessary to protect water quality throughout the watershed.

The Authority is composed of the five largest water agencies in the Santa Ana River Watershed:

- Eastern Municipal Water District (EMWD)
- Inland Empire Utilities Agency (IEUA)
- Orange County Water District (OCWD)
- San Bernardino Valley Municipal Water District (SBVMWD)
- Western Municipal Water District (WMWD)

Collectively, these agencies guide SAWPA's work and ensure that regional challenges are addressed collaboratively and effectively.



The Santa Ana River Watershed covers approximately 2,840 square miles across San Bernardino, Riverside, and Orange Counties, with a small portion extending into Los Angeles County. The watershed is home to more than six million residents and supports a diverse mix of communities, industries, agriculture, and natural ecosystems.

California and the watershed region continue to face complex challenges in meeting the growing demand for reliable, high-quality water supplies. SAWPA works alongside planners, water managers, engineers, nongovernmental organizations, and state and federal agencies to identify issues and develop innovative,

integrated solutions. These efforts help the watershed respond to changing conditions, including climate impacts, regulatory requirements, and population growth, while protecting vital water resources for current and future generations.

SAWPA's Regional Vision

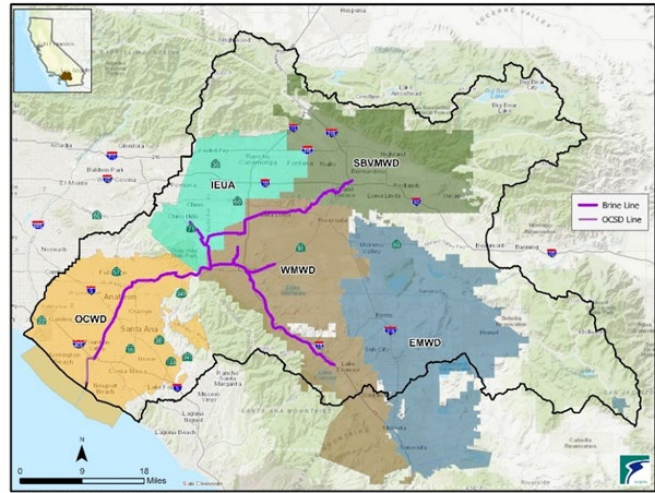
SAWPA's vision is a sustainable Santa Ana River Watershed that provides clean, reliable water resources to support a vibrant regional economy and a high quality of life for all residents, while preserving healthy ecosystems and open-space opportunities.

A successful SAWPA delivers meaningful value to both its member agencies and the watershed as a whole by facilitating collaboration across jurisdictional boundaries, aligning regional priorities, and addressing challenges that no single entity can solve alone. Through partnership, innovation, and an integrated watershed approach, SAWPA works to advance shared goals and long-term resilience for the entire region.

Inland Empire Brine Line

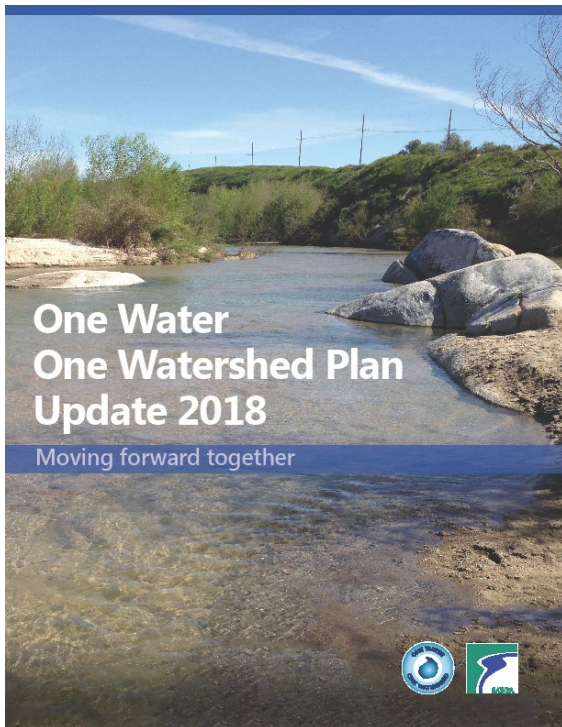
SAWPA's enterprise operations include the ownership and management of the Inland Empire Brine Line, formerly known as the Santa Ana Regional Interceptor (SARI). This 73-mile regional conveyance system is designed to transport up to 30 million gallons per day (MGD) of non-reclaimable wastewater from the upper Santa Ana River Basin to the Orange County Sanitation District for treatment and ultimately to the Pacific Ocean for regulated disposal.

Now more than 54 years old, the Brine Line remains a foundational component of the watershed's long-term water quality strategy and the primary method of salt export for the region. Decades of imported water used for agriculture and other purposes have elevated salinity levels in many groundwater basins throughout the watershed. Exporting salt through the Brine Line is essential to restoring and maintaining salt balance, a key indicator of watershed sustainability.



A significant portion of the brine conveyed through the system originates from reverse osmosis desalters, which remove salt from brackish groundwater. The concentrated brine is discharged to the Brine Line, while the treated water is delivered as potable water for regional use. Through this role, the Brine Line supports groundwater protection, enables recycled water production, and advances regional water supply reliability.

Integrated Regional Water Management Planning



SAWPA has been engaged in regional and watershed-scale integrated water resource planning since its inception. The Santa Ana River Watershed Integrated Regional Water Management Plan (IRWMP) - known as the One Water One Watershed (OWOW) Plan, serves as the foundational framework for collaborative, multi-benefit water management throughout the watershed.

The OWOW 2.0 Plan, adopted in February 2014, advanced a comprehensive vision for addressing long-term water resource challenges. Building on that foundation, the OWOW Plan Update 2018 was adopted by the SAWPA Commission on February 19, 2019. This update was developed through a decentralized stakeholder process that engaged experts, agencies, tribal communities, environmental organizations, and representatives from all areas of the watershed. The result is an exceptionally collaborative and forward-looking plan designed to guide water management decisions for the next two decades.

The OWOW Plan Update 2018 addresses a broad range of regional needs, including:

- Climate change adaptation and resilience
- Water supply reliability
- Coordination of water and land use planning
- Water quality improvement
- Flood control and stormwater management
- Water-use efficiency
- Water recycling and reuse
- Parks, recreation, and open-space integration
- The needs of disadvantaged and tribal communities
- Environmental stewardship and habitat protection

These efforts are organized through integrated “pillars” or workgroups, each focused on a specific strategy area. By aligning these strategies within one watershed-wide framework, partners can better leverage limited resources, pursue multi-benefit solutions, and develop cost-effective approaches to complex water challenges.

SAWPA is currently expanding the OWOW framework through the development of the Santa Ana River Watershed CARP. CARP will provide a comprehensive, science-based assessment of climate risks across the watershed, such as extreme heat, drought, wildfire, flooding, and water quality impacts, and will develop equitable, regionally coordinated adaptation strategies. CARP will identify prioritized project portfolios, partnership pathways, and funding strategies that reflect the needs of both local communities and watershed-scale systems. Once completed, CARP will be incorporated into the OWOW Plan as a formal amendment, strengthening the region’s integrated approach to climate resilience and positioning SAWPA and its partners for future state and federal funding opportunities.

Roundtables and Programs

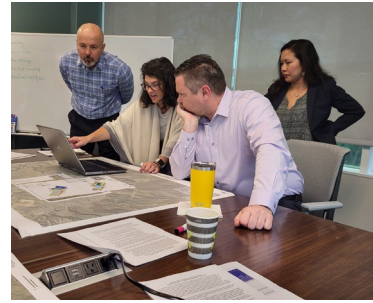
SAWPA plays a vital regional role in administering numerous water quality and water supply initiatives that bring together agencies, organizations, and stakeholders across the Santa Ana River Watershed. These initiatives often address complex challenges that extend beyond the jurisdiction or capacity of any single entity, and SAWPA’s leadership provides a trusted forum for collaboration, problem-solving, and coordinated action.

Since its formation, SAWPA has served as a convener and facilitator, building strong regional partnerships with the Santa Ana Regional Water Quality Control Board (Regional Board) and a broad network of watershed stakeholders. Through these partnerships, SAWPA helps advance integrated solutions to water quality protection, water supply reliability, regulatory compliance, data sharing, and long-term watershed stewardship.

The following task forces, roundtables, and workgroups represent examples of the collaborative Watershed programs that SAWPA currently administers. These groups provide technical expertise, stakeholder coordination, and targeted implementation efforts that support regional water resource management and advance the shared goals of the watershed community.

Basin Monitoring Program Task Force

The Basin Monitoring Program Task Force is a collaborative effort of over 20 water agencies, who are regulated by the Regional Board through their discharge of recycled water into the Watershed's waterways, to conduct periodic water quality evaluations related to that recycled water. The Task Force, which is a partnership with the Regional Board, was formed as a spinoff of the Total Inorganic Nitrogen/Total Dissolved Solids (TIN/TDS) Task Force in 2003 with the mission of implementing the monitoring requirements required as part of the original TIN/TDS Task Force. These monitoring requirements include a periodic update of the ambient groundwater quality throughout the 35 groundwater basins within the Watershed, an annual report on the nitrogen and TDS in the Santa Ana River (SAR), and a Wasteload Allocation, which defines the limits of nitrogen and TDS that can be discharged by wastewater treatment plants to waterways and still ensure "beneficial use protection." Work has begun on updating the Basin Plan through preparation of an amendment so that groundwater quality monitoring can be conducted every five years and the surface water quality monitoring conducted annually.



Santa Ana River Fish Conservation Task Force

This multi-agency task force administered by SAWPA staff conducts applied research and efforts directed toward the recovery and delisting of the Santa Ana sucker, which was listed as "threatened" in 2000 by the U.S. Fish and Wildlife Service (USFWS). The activities of the task force focus on interagency coordination and cooperation, fish habitat analysis, and habitat restoration.

The Agency administers the effort with funding support from the SAWPA member agencies and other stakeholders such as the City of Riverside. Previous grant funding has been received by the Regional Board and the USFWS.

The task force also implements small scale sucker habitat restoration projects in the Santa Ana River as grant funding becomes available. These small-scale projects can be scaled up and duplicated to support



further mitigation in the river. The task force also conducts an annual Santa Ana River Habitat Survey, also known as the Riverwalk, to measure the habitat conditions in 18 miles of the SAR. The results are reflected in an annual report with map products and comparative analysis of data from previous surveys.

Middle Santa Ana River TMDL Task Force

The Middle Santa Ana River (MSAR) TMDL (Total Maximum Daily Load) Task Force is a collaborative effort of public and private sector agencies and interests focused on addressing pathogen TMDLs for SAR Reach

3, its tributaries, and other water bodies in the Chino Basin area. Formed in 2007, the task force has been working on several pathogen-related activities and studies within the MSAR Watershed. The objectives of this task force are to implement tasks prescribed by the Regional Board in their 2005 Amendment to the Basin Plan. These include conducting monitoring and special studies to identify, characterize and quantify sources of bacteria. The task force is currently working with the Regional Board to revise the TMDLs to extend the wet weather implementation due date to December 31, 2035.

Regional Water Quality Monitoring Task Force



This task force reflects the completion and conclusion of the Stormwater Quality Standards Task Force efforts and the establishment of a new task force to implement a regional monitoring program by the flood control districts in the Watershed. Its purpose is to implement a coordinated regional water quality monitoring program in the Watershed to meet the implementation plan requirements of the 2012 Basin Plan Amendment to Revise Recreation Standards for Inland Freshwaters in the Santa Ana Region. Further, the Santa Ana River Bacteria Monitoring Program combines the separate and disparate bacteria monitoring programs of the three county flood control

districts along with the existing bacteria monitoring program under the MSAR TMDL Task Force to eliminate redundancy and streamline reporting of regional monitoring efforts. As such, the MSAR TMDL Task Force contributes funds for its share of the Santa Ana River Bacteria Monitoring Program through a transfer of funds to the Regional Water Quality Monitoring Program Task Force on an annual basis.

Emerging Constituents Program Task Force

Based on an April 2008 agreement between the Regional Board and nine local water agencies that recharge imported water into some of the Watershed's 35 groundwater basins, the nine parties agreed to develop a plan to investigate "emerging constituents" (EC) in water that is intentionally recharged to local aquifers. In general, the phrase "emerging constituents", refers to a relatively large group of man-made chemical compounds for which the Environmental Protection Agency (EPA) and the State of California have not enacted a numeric water quality objective or a numeric translator for relevant narrative objectives, nor has the California Department of Public Health adopted a Maximum Contaminant Level (MCL). To prepare this sampling program, an EC Program Task Force was formed among the signatories and interested parties, such as publicly owned treatment works (POTW), to design and implement a voluntary annual sampling program of emerging constituents within the source waters of the Watershed. From 2010 to 2013 the task force conducted three annual sampling reports that were submitted to the Regional Board.

In August 2019, a sampling program was conducted to update the status of past EC monitoring and to also include per- and polyfluoroalkyl substances (PFAS) which are found to be potentially harmful at very low levels of detection. Sampling of various PFAS compounds is now required annually at all discharges from POTWs in the Watershed. Both State and Federal regulatory agencies are updating their regulatory standards for PFAS in drinking water with new MCLs.



Meetings of the EC Program Task Force continue a quarterly basis. Topics that are addressed by the EC Program Task Force also include State studies of EC impacting aquatic habitat and microplastics in drinking water.



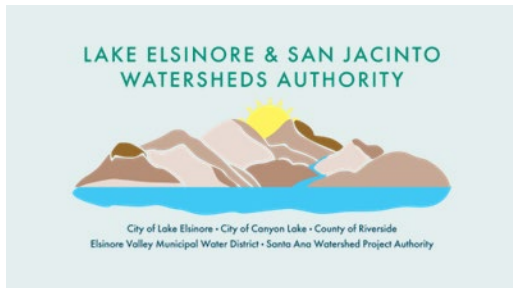
Arundo Management & Habitat Restoration

This SAWPA-led effort provides funding for Arundo Donax removal and native plant habitat maintenance within the Watershed. Funding for this project is generated from the sale of mitigation credits from the Riverside County Regional Park and Open-Space District's Santa Ana River Mitigation Bank. SAWPA purchased 100 credits from the District for \$40,000 per credit as part of the Proposition 13 Integrated Watershed Program in order to create a long-term revenue source dedicated to Arundo removal in the Watershed.

Funding from this program allows Arundo removal activities to continue as mitigation bank credits are sold. Revenue from the mitigation bank's credit sales is also used to implement field surveys of Arundo regrowth in the upper Watershed. SAWPA is currently contracted with Inland Empire Resource Conservation District through December 2029 survey and treat a project area of over 10,000 acres in the upper Watershed.

Lake Elsinore and San Jacinto Watersheds Authority (LESJWA)

SAWPA serves as the administrator for a separate JPA, LESJWA, that oversees studies and projects that help improve the water quality of Lake Elsinore and Canyon Lake. LESJWA's member agencies include the City of Canyon Lake, City of Lake Elsinore, Elsinore Valley Municipal Water District, County of Riverside, and SAWPA. LESJWA was formed in 2000 and has implemented multiple projects to improve lake quality at both lakes. Some of the most significant projects include the Lake Elsinore Aeration and Mixing System at Lake Elsinore and the alum application at Canyon Lake.



LESJWA is working to achieve the key priorities and goals outlined in its Strategic Plan, adopted in the first quarter of 2025. For fiscal years 2026 and 2027, this includes working collaboratively with member agencies to define the characteristics of healthy lakes and clarify LESJWA's role in supporting and maintaining them.

LESJWA is continuing to support the lakes through the implementation of projects funded in part by the DWR

Proposition 1 Integrated Regional Water Management grant program that address algal blooms that are plaguing Lake Elsinore. A Proposition 1 grant-funded project demonstrating the use of nanobubble technology for algae harvesting to improve water quality in Lake Elsinore is scheduled to be completed in 2026.

In July 2025, the Regional Board approved language to update the Basin Plan and to revise the LE&CL TMDLs. It is anticipated that the State Water Resources Control Board and the State Office of Administrative Law will approve the updated TMDLs within the next year and start the clock for the LE&CL TMDL Task Force to begin work on the new TMDL tasks.

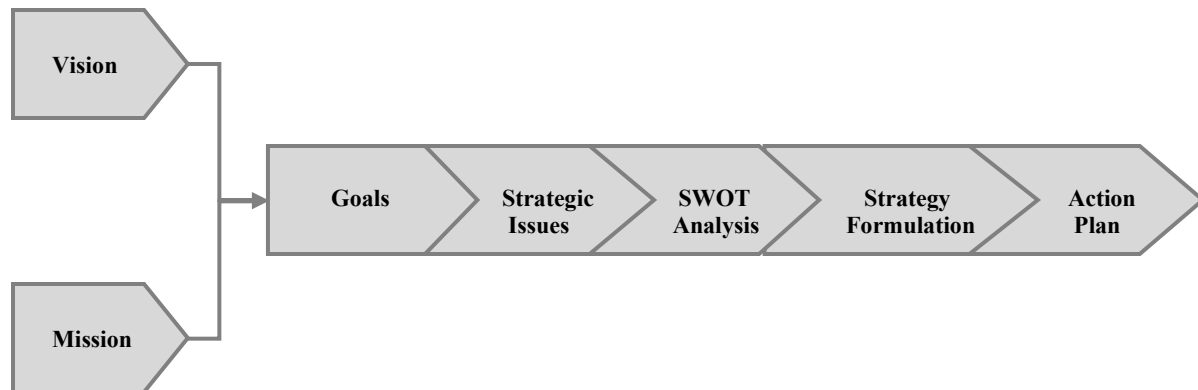
Vision, Mission, and Goals

Strategic Planning

During late 2010 and early 2011, SAWPA engaged in the preparation of a Strategic Plan for the organization with the participation and guidance of the Commission members and the General Managers of the Member Agencies. The objectives of the Strategic Plan are to:

- Articulate SAWPA's mandate, vision, and mission;
- Establish specific goals that would allow SAWPA to meet its mandate and mission;
- Identify key strategic issues that need to be addressed to accomplish the goals; and
- Formulate strategies and specific actions to meet the goals.

The strategic planning process is illustrated below.



During 2016, the Commission further defined strategic goals by preparing Purpose and Objectives, Critical Success Factors, and Processes, Activities and Tasks for each business line: the Inland Empire Brine Line (Brine Line), One Water One Watershed (OWOW, watershed wide planning) and the Round Tables (Task Forces, Work Groups, etc.). Our Agency faces many challenges in the coming years. Our refocused Strategic Plan sets out the goals and objectives, success factors, and actions necessary to address those challenges. The critical success factors are listed below.

The following details our vision, mission, and goals as well as the strategies developed to help attain our mission and ultimately, our vision.

Our Vision

SAWPA's vision is a sustainable Santa Ana River Watershed that provides clean and reliable water resources for a vibrant economy and high quality of life for all, while maintaining healthy ecosystems and open space opportunities. A successful SAWPA provides value to its member agencies and to the Watershed as a whole by facilitating collaboration across boundaries to address common goals and tackle problems that are larger than any individual entity.

Our Mission

SAWPA strives to make the Santa Ana River Watershed sustainable through fact-based planning and informed decision-making; regional and multi-jurisdictional coordination; and the innovative development of policies, programs, and projects. Our mission is accomplished through a number of specific functions:

- Maintaining peace in the Watershed.
- Facilitating conflict resolution through collaborative processes.
- Preparing an integrated watershed-wide water management plan that provides a unified vision for the Watershed.

- Operating the Inland Empire Brine Line to convey salt out of the Watershed and support economic development.
- Developing water-related initiatives, particularly those that require the participation of several entities.
- Identifying, pursuing, securing, and administering supplemental funds for the Watershed.
- Influencing legislation for the benefit of the Watershed.

Our Values

Our strategy and day-to-day operations are guided by values strongly held by our member agencies, management, and staff:

Leadership in the development and advancement of a vision and plan for a sustainable Watershed, and in the incorporation of new paradigms for water and watershed planning.

Collaboration and cooperation among member agencies and other stakeholders in the Watershed toward the formulation and implementation of solutions to watershed-wide, multi-jurisdictional problems.

Creativity in the pursuit of new approaches to watershed planning, the use of new technologies, and the enhancement of a new water ethic in the Watershed.

Fact-based decision-making to identify neutral and transparent solutions that maximize the benefit to the entire Watershed.

Respect for all voices and perspectives in the Watershed to develop sound solutions and maximize consensus building.

Transparency, integrity, and professionalism to maintain the respect and trust of our partners, and to attract and retain talented and committed individuals to our organization.

Using the Agency's Vision and Mission Statement as a guide, the FYEs 2026 and 2027 Budget provides the resources necessary for successful implementation of the goals and strategies listed below.

Each department created a staffing plan in support of the Agency's overall goals and strategies. Each department developed an individual mission statement, identified the objectives to be addressed within the next two fiscal years, group goals, and measurable performance objectives. The staffing plans provide a roadmap as to how each department will contribute to achieving the Agency's goals and objectives, and ultimately, its vision.

Our Goals

SAWPA's vision and mission will be advanced by the following eight goals:

1. Achieve optimal use of local water supplies and reduce reliance on imported water.
2. Improve water quality.
3. Achieve salt balance and ensure continued cost-effective and reliable operation of the Brine Line.
4. Balance water supply needs with natural habitat protection.
5. Build public understanding and support for Watershed sustainability.
6. Facilitate incorporation of water resources management in land use planning.
7. Be a resource for compliance with AB32 (greenhouse gas regulations) and reducing its impact on member agencies.
8. Secure external funding for the Watershed to support accomplishing Watershed goals.

Strategies to accomplish our goals

The following section outlines the strategies that will be pursued to achieve each goal. For each of these strategies, a series of actions is identified.

1. Achieve optimal use of local water supplies and reduce reliance on imported water

A. Advance and coordinate regional projects to achieve OWOW goals for desalination, water reuse, water use efficiency, groundwater recharge, and stormwater capture and recharge

- Update OWOW in a way that proactively promotes more multi-regional and multi-beneficial projects.
- Support OWOW Pillar groups to create forums for the identification and implementation of multi-beneficial regional projects and programs.

B. Develop watershed-wide strategies and plans for conjunctive use and groundwater recharge, water use efficiency, stormwater capture and recharge, and desalination in coordination with member agencies and other suppliers

- Explore regional conjunctive use/recharge opportunities or expand existing ones in coordination with relevant parties.
- Support OWOW Pillar groups in exploring opportunities to implement regional plans and programs.
- Create forum for coordination with land use agencies on water issues.
- Update OWOW in a way that promotes “new paradigm” integrated projects.

C. Support and coordinate multi-agency initiatives that enhance the flexibility and reliability of water supply systems

- Create forum to identify and advance specific multi-beneficial regional projects and programs to address systems reliability and flexibility.

2. Improve water quality

A. Administer and support regional approaches to conform with TMDLs and Basin Plan requirements

- Prioritize upcoming TMDLs, regulatory implementation and water quality issues to anticipate future task force needs, including the creation of new task forces.
- Support efforts to implement corrective projects and programs to meet TMDLs and requirements.

B. Coordinate watershed-wide monitoring program aimed at reducing compliance costs

- Explore feasibility with relevant regulatory agencies and interested permittees.
- Prepare business case for regional monitoring.
- Develop implementation strategy.

C. Develop strategy and market basis for water quality trading

- Explore feasibility with relevant regulatory agencies.
- Prepare case studies from other regions or arenas.
- If supported by participants, develop strategy and accounting system, including identification of resources needed.

D. Promote establishing stormwater quality standards and pathogen indicators to allocate resources more efficiently

- Prepare business case for initiative.
- Prepare case studies from successful changes.
- If program seems feasible, develop strategy, including resources needed.

E. Support emerging constituents sampling program and explore public outreach program for ECs and other constituents of public concern

- Explore feasibility with interested agencies in conjunction with the Regional Board.
- Identify priority constituents.

- Develop strategy, including internal resources needed.

3. Achieve salt balance and ensure continued cost-effective and reliable operation of the Brine Line

A. Support salinity management efforts and coordinate watershed-wide salt management activities

- Conduct more detailed study of salinity management plan components to better project recommended actions.
- Update OWOW in a way that promotes additional multi-beneficial, multi-jurisdictional salt removal projects.
- Create forum to advance specific salt management projects identified in OWOW Plan.

B. Investigate alternatives for conveying future brine flows, including brine concentration and alternative discharge points

- Evaluate feasibility of future conveyance alternatives such as Brine-to-Salton Sea option.
- Promote participation among member agencies and others in the investigation of brine management activities, including brine concentration.

C. Address Brine Line rehabilitation and relocation needs

- Update Brine Line master plan.
- Rehabilitate Reaches IV-A and IV-B.
- Continue inspection and repair of pipe and access structures.
- Support Brine Line relocation efforts in Orange County (on-going Orange County Flood Control District (OCFCD) project).

D. Market the Brine Line to maximize flows from industry and other users

- Prepare business plan for the incorporation of new users (e.g. costs vs. rates and revenues).
- Refine and continue implementing marketing plan.

E. Develop solutions to minimize O&M costs of Brine Line due to solids formation and scaling

- Confirm mechanisms of scale and solids formation, identify methods to control, and consider merits of implementation.
- Make adjustments as in-line chemistry changes.
- Work to minimize O&M line cleaning efforts and overall costs to Brine Line and customers.

F. Revise financial strategies and ownership of capacity to eliminate idle capacity

- Develop Capacity Management Plan, a strategy to make capacity available to new customers while ensuring capacity is available to all investors when needed.

4. Balance water supply needs with natural habitat protection

A. Develop mechanism to provide mitigation opportunities for on-going operational activities and new construction projects in areas occupied by endangered or threatened species, or in other sensitive areas

- Develop regional permits where beneficial.
- Promote development and use of mitigation banking and regional multi-species conservation plans.
- Become regional education resource for alternatives to project-by-project mitigation programs focusing on new models developed nationally.

B. Facilitate opportunities for regional management of species and habitat

- Develop toolkit for streamlining project development process by incorporating mitigation.
- Advocate for outcome-based regulatory structures.

C. Support removal of invasive plant species by identifying and prioritizing target species, and by securing funding for removal and habitat maintenance efforts

- Market removal of invasive species and habitat restoration opportunities as effective means for developing local water supply.
- Develop metrics for equating invasive species removal and habitat restoration to surface and groundwater supply.
- Support on-going invasive plant removal program by the Santa Ana Watershed Association (SAWA) and others.

D. Promote solutions to manage waterways to protect all beneficial uses, including management of sediment and soft-bottom channels

- Coordinate with stakeholders in on-going efforts, Watershed objectives, and possible benefits of additional regional coordination.

5. Build public understanding and support for Watershed sustainability

A. Coordinate legislative and advocacy efforts on key Watershed issues

- Expand on success of current collaborative advocacy process.
- Reach out to legislators and staff in connection with the OWOW Conference.
- Coordinate with more stakeholder groups.

B. Develop consistent messages in water issues for use by agencies in the Watershed

- Work with member agency Public Information Officers (PIO) and Legislative Directors to identify common themes and messages.

C. Publish information demonstrating the economic value to the Watershed of sustainable water resources practices and regional collaboration

- Identify and collaborate with local resources, such as Council of Governments (COG), business and trade advocacy groups, economic development agencies, and the Urban Land Institute in developing this information.

D. Establish a repository of information on water quality to assist agencies in analysis and decision-making

- Use geographical information systems (GIS) to develop internet portal to make water resources information easily accessible to agencies and the public.

E. Help foster and brand a unique Santa Ana River Watershed identity

- Work with member agency PIOs and Legislative Directors to identify common themes and messages.

6. Facilitate incorporation of water resources management in land use planning

A. Highlight to land use agencies the inter-relationship between land use planning and water resources, and provide information to support decision-making

- Create forum for communication between water and land use agencies.
- Prepare materials emphasizing the case for incorporation of water resources considerations in general plans.
- Develop GIS tools that account for recharge and water production areas, functional floodplains, and opportunity sites for aquatic habitat and recreation.

B. Promote regional approach to stormwater permit compliance that effectively integrates water supply and IRWM opportunities

- Develop business case and strategies for collaboration.
- Initiate conversations with regulators to develop basis for regional approach.

- Develop policies and technical basis for accounting for water efficient design in a development's water supply assessment.

C. Coordinate with land use agencies to resolve issues and avoid disputes associated with water management activities

- Create forum for communication between water and land use agencies.
- Identify potential strategies and develop framework for collaboration.
- Develop policies and technical basis for accounting for water efficient design in a development's water supply assessment.

7. Be a resource for compliance with AB32 (greenhouse gas regulations) and reducing its impact on member agencies

A. Coordinate the development of a climate action plan that addresses greenhouse gas (GHG) mitigation and adaptation to climate change providing compliance on a regular scale

- Develop understanding of how regional approach will benefit the Watershed and increase local control.
- Create forum to discuss need for the plan and eventually agree on its objectives.
- Develop participation, resource pooling, and governance for regional plan.

B. Identify opportunities for multi-agency cooperation in the development and implementation of GHG mitigation and adaptation actions

- Create forum to identify regional opportunities for mitigation and adaptation.
- Develop participation, resource pooling, and governance for the development of specific projects to meet regulatory GHG reductions.
- Develop regional resources for GHG audits and reporting templates.

8. Secure external funding for the Watershed to support accomplishing Watershed goals

A. Leverage OWOW Plan and future updates to increase the clout of the region in securing funding

- Update OWOW Plan every two years to reassess watershed needs and pursue funding.
- Identify opportunities for funding of OWOW Plan updates and project implementation beyond Proposition 1 and 84.
- Determine if regional local funding from other stakeholders, such as stormwater entities, who benefit from OWOW planning and project implementation is supported.

B. Influence state and federal legislation to increase funding for the region

- Encourage joint legislative outreach for State and Federal bills that provide additional funding for IRWM planning and project implementation.
- Provide active support to future Water Bonds to support water infrastructure in the Watershed.
- Obtain Board consensus on fee-based funding for 21st century water management, and move forward to advocate if supported.

C. Explore new funding opportunities, such as private sector and foundations

- Identify and explore new potential sources of funding.
- Expand Brine Line marketing opportunities to support further O&M activities.

Critical Success Factors

Brine Line Critical Success Factors

1. Minimize disruptions to customers.
2. Ensure that Brine Line value and benefits are known to economic development agencies and others.
3. Maintain sufficient funding and reserves for current and future Capital and O&M costs through stable, predictable, and affordable rates and charges.
4. Provide professional and highly-trained staff across planning, administration, engineering and field operations.
5. Protect and preserve the useful life of Brine Line assets through strategic maintenance, repair and capital improvements.
6. Conduct proactive capital and O&M planning to improve efficiency and maintain needed capacity in the long and medium terms.
7. Maintain strong relationships with OC Sanitation District and regulatory agencies.
8. Operate the Brine Line to: (1) protect the OC Sanitation District treatment plant and the environment from non-compliant dischargers, and (2) eliminate any uncontrolled pipeline releases.

OWOW Critical Success Factors

1. Continued support from SAWPA Commission of OWOW Steering Committee's decision-making authority as a means of ensuring trust, transparency, and external communications.
2. Active participation of a diverse group of stakeholders representing counties, cities, and water districts, as well as the private sector and the regulatory, environmental, and environmental justice communities who integrate the different interests in the Watershed beyond political boundaries, thereby ensuring all perspectives are heard and valued.
3. Distribution of benefits from the implementation of all integrated water resources management activities across the Watershed in a fair and equitable fashion. Recognition that upstream conditions affect downstream water quality and quantity.
4. OWOW criteria and values are transparent to watershed-wide stakeholders.
5. A strong reputation and sufficient capacity within SAWPA staff for strategic facilitation, planning, communication, leadership, and community engagement.
6. Administration of the OWOW process and plan in a highly efficient and cost-effective manner.
7. Successful implementation of an integrated regional water resource plan that reflects the watershed management needs of the public and the environment.
8. Annually review the accomplishments and implementation performance of the plan with the Commission and the Steering Committee.
9. Data and information needed for decision-making is available to all.

Roundtable Critical Success Factors

1. SAWPA has a strong reputation as a watershed-wide, knowledgeable, neutral and trusted facilitator, leader, and administrator of contracted activities.
2. Goals, scope, costs, resources, timelines, and the contract term are approved by the Commission before executing an agreement to participate in a roundtable group.
3. Clear upfront criteria and terms for completing or transitioning efforts that have been successfully established or completed.
4. Report and use results of roundtable's work, leverage information and involvement for the benefit of SAWPA, its members, and other stakeholders.
5. Annual reviews of workplans and budgets for each task force activity.
6. Adequate professional staff and resources to effectively provide facilitation, management, administrative, and technical support to collaborative work efforts.

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Budget and Financial Overview



Budget Process

The Agency's annual budget preparation process begins in November of each year and concludes in June upon its adoption. However, the entire budget process extends beyond one year and overlaps with the preceding budget and the subsequent budget. This is the ninth time the Agency has adopted a biennial budget. Each individual year of the budget will follow this process. As shown in the diagram above, the budget process consists of four major stages. These stages occur throughout the two-year budget period as follows:

- Preparation/Planning – takes place November through February.
- Integration – runs from February through May.
- Adoption – adoption of the budget usually occurs in June of each year.
- Execution/Feedback – starts from the first day of the budget year, July 1, through the entire two-year budget period.

Preparation/Planning

The budget preparation process begins in November with the Budget Kickoff Meeting. At this meeting, management discusses the proposed budget schedule, major budget assumptions, procedures, requirements, and changes from the prior year's budget. The budget manual and forms for each fund are distributed to Department Managers to review and update goals, objectives, and performance measures, and to provide a detailed list of the prior year's accomplishments.

Integration

During the stage of integration, the Finance Department consolidates all the gathered information and analyzes the budget requests. The budgets for each fund are then reviewed by the General Manager along with the Department Managers. The information is presented to the member agencies' Chief Financial Officers (CFO) and at the SAWPA Commission Workshop for review and comment before being presented to the SAWPA Commission for adoption.

Adoption

After incorporating changes from the Commission Workshop's review of the budget, the final draft budget is presented to the Commission for adoption at the first scheduled meeting in April. Once the Commission has adopted the budget, each member agency must take the Adopted Budget to their Board for approval.

Execution/Feedback

During the fiscal year, budget-to-actual expense/revenue reports are distributed to all levels of management. The SAWPA CFO is required to prepare and submit a budget variance analysis quarterly, in accordance with budget variance guidelines. Subsequently, staff present the Agency's quarterly budget-to-actual variance to the Commission. The on-going budget review process is essential in monitoring current-year operation costs. It further acts as an early warning mechanism for Department Managers when actual spending differs from amounts budgeted.

Budget Calendar

As part of the initial annual budget process, budgetary staff prepares a schedule for the development of the budget for that year. The schedule is then distributed to the Commission and management staff for their reference in submitting their data for review, approval, and incorporation into the final budget.

The budget schedule for this fiscal year is as follows:

Fiscal 2025 – 2026 and 2026 – 2027 Budget Schedule

Date	Description	Responsibility
November 14, 2024	Budget Kick-off Meeting	CFO/GM/Department Managers
November 21, 2024	Budget Goals & Objectives Due	Department Managers
December 16, 2024	Labor Hour Distributions Due	Department Managers
January 09, 2025	Budget Assumptions Due	Department Managers
January 21, 2025	Commission Overview of Budget Goals & Objectives	CFO, GM
February 6, 2025	Budget Workshop – First Draft	CFO, Member Agency Finance Staff
March 4, 2025	Commission Budget Workshop – First Draft OWOW & Roundtable Budgets	GM, CFO, Department Managers
March 18, 2025	Commission Budget Workshop – First Draft General Fund & Brine Line Budgets	GM, CFO, Department Managers
April 1, 2025	Commission Budget Workshop Review – Comprehensive Budget (Adoption by Commission)	GM, CFO, Department Managers
May 6, 2025	Commission Budget Presentation (Adoption by Commission)	CFO, GM, Commissioners
June 30, 2025	Budget Ratification by Member Agencies	Member Agency Boards

Level of Control and Budget Amendments

Budgetary controls are maintained to ensure compliance with the provisions embodied in the biennial approved budget. The budgetary level of control, the level at which operating expenses cannot exceed the budgeted amount, is exercised at the individual department level. Administrative policies provide guidelines on budget transfers and the authorization necessary to implement transfers. Generally, there are two types of budget transfers:

Budget Adjustment

This is a transfer which does not change the total budgeted amount and does not require Commission action. Depending on the budget category affected by the transfer, approval may be granted at the General Manager or Department Manager level as follows: Department Managers have the discretion to reapportion funds between certain line items within a budgeted fund but may not exceed total budgeted amounts for each fund. The General Manager will approve all budget adjustments.

Budget Amendment

A budget amendment is an adjustment to the total budgeted amount, which was not included in the original budget. These supplemental adjustments require formal action by the Commission.

Balanced Budget

The Agency maintains zero-based fund accounting, whereby all the revenues in excess of expenditures are transferred into reserves within the fund and all expenses in excess of revenues are transferred from reserves within the same fund.

The Agency's budget is prepared with itemized budgets for each project within a fund. The budget is balanced with current revenues equal to or greater than current expenses. Prior year fund balances will be used when current expenses exceed current revenues.

Accounting Structure

The Agency is operated as an enterprise fund, which is an accounting entity with a self-balancing set of accounts established to record the financial position and results that pertain to a specific governmental activity. The activities of enterprise funds closely resemble those of businesses in which the purpose is to conserve and add basic resources while meeting operating expenses from current revenues. Enterprise funds account for operations that provide services on a continuous basis and are substantially financed by revenues derived from user charges.

Basis of Accounting

Basis of accounting refers to the point at which revenues and expenses are recognized in the accounts and reported in the financial statements. Revenues and expenses are recognized on the full accrual basis of accounting. In an enterprise fund, revenues are recognized in the accounting period in which they are earned, and expenses are recognized in the period incurred, regardless of when the related cash flows take place.

Budget Basis

The operating budget for the Enterprise Fund is adopted on a basis consistent with generally accepted accounting principles (GAAP). Except as noted in the paragraph below, the basis of accounting and the budgetary basis of accounting are the same.

Under the GAAP basis of accounting, the receipt of long-term debt proceeds, capital outlay, debt service principal payments, and investment maturities are not reported in operations but have been included in the Agency's budget. The GAAP basis of accounting also includes allocation for depreciation and amortization expenses and changes in the fair value of investments, but those items are not included in the Agency's budget.

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A photograph of a clear, shallow stream flowing over rocks, surrounded by dense green foliage. The water is crystal clear, revealing a bed of smooth, multi-colored stones in shades of brown, tan, and grey. The stream flows from the background towards the foreground, with gentle ripples and small waves. The banks are lined with thick, vibrant green trees and bushes, creating a lush, natural setting. Sunlight filters through the leaves, casting dappled shadows on the water and rocks. The overall scene is peaceful and scenic.

Section 3 Budget Summary

Santa Ana Watershed Project Authority
Budget Summary
FYE 2026 and 2027

	<i>FYE 2026 Budget</i>	<i>FYE 2027 Budget</i>	<i>2 Year Budget</i>
Source of Funds:			
Discharge Fees	\$ 13,038,465	\$ 13,604,122	\$ 26,642,587
Grant Proceeds	\$ 6,326,222	\$ 1,321,143	\$ 7,647,365
Member Agency Contributions	\$ 2,273,400	\$ 2,421,233	\$ 4,694,633
Other Agency Contributions	\$ 1,252,718	\$ 1,257,649	\$ 2,510,367
Other Income	\$ 5,258,879	\$ 5,443,707	\$ 10,702,586
Interest & Investments	\$ 1,500,000	\$ 1,500,000	\$ 3,000,000
Total Source of Funds	\$ 29,649,684	\$ 25,547,854	\$ 55,197,538
Staffing:			
Hours Allocated	59,400	58,880	58,880
FTE (based on 2080)	28.6	28.3	28.3
Use of Funds:			
Labor	\$ 4,829,649	\$ 5,244,232	\$ 10,073,881
Benefits	\$ 1,944,444	\$ 2,127,902	\$ 4,072,346
Indirect Costs	\$ –	\$ –	\$ –
Education & Training	\$ 82,700	\$ 84,425	\$ 167,125
Consulting & Professional Services	\$ 4,426,226	\$ 4,817,401	\$ 9,243,627
Operating Costs	\$ 3,800,080	\$ 4,094,433	\$ 7,894,513
Repair & Maintenance	\$ 633,100	\$ 652,950	\$ 1,286,050
Phone & Utilities	\$ 87,333	\$ 87,883	\$ 175,216
Equipment & Computers	\$ 436,256	\$ 436,767	\$ 873,023
Meeting & Travel	\$ 86,180	\$ 86,600	\$ 172,780
Other Administrative Costs	\$ 309,289	\$ 325,710	\$ 634,999
Other Expenses	\$ 1,105,620	\$ 1,084,500	\$ 2,190,120
Program Expenses	\$ 4,741,682	\$ 117,731	\$ 4,859,413
Construction	\$ 2,250,000	\$ 3,595,000	\$ 5,845,000
Debt Service	\$ 1,709,476	\$ 1,709,476	\$ 3,418,952
Total Use of Funds from Operations	\$ 26,442,035	\$ 24,465,010	\$ 50,907,045
Contribution To/(From) Reserves:			
Pipeline Replacement & Capital Investment	\$ 2,000,000	\$ 2,000,000	\$ 4,000,000
OC San Pipeline Replacement	\$ 426,224	\$ 182,388	\$ 608,612
Post Retirement Medical Benefits	\$ 98,066	\$ 114,228	\$ 212,294
Building Repair/Replacement Reserve	\$ 100,000	\$ 100,000	\$ 200,000
Total Contributions to Reserves	\$ 2,624,290	\$ 2,396,616	\$ 5,020,906
Total Use of Funds	\$ 29,066,325	\$ 26,861,626	\$ 55,927,951
Net Gain (Loss)	\$ 583,359	\$ (1,313,772)	\$ (730,413)
Beginning Fund Balance	\$ 4,476,314	\$ 5,059,673	\$ 4,476,314
Ending Fund Balance	\$ 5,059,673	\$ 3,745,901	\$ 3,745,901
<i>Pass Throughs (Proposition 1 & 84 – Capital)</i>	<i>\$ 20,843,088</i>	<i>\$ 7,300,000</i>	<i>\$ 28,143,088</i>

Santa Ana Watershed Project Authority
Budget Summary
FYE 2021 through 2027

	FYE 2021 Actuals	FYE 2022 Actuals	FYE 2023 Actuals	FYE 2024 Actuals
Source of Funds:				
Discharge Fees	\$ 11,539,517	\$ 12,159,431	\$ 12,310,368	\$ 12,830,811
Grant Proceeds	\$ 2,569,692	\$ 856,080	\$ 1,142,350	\$ 1,458,206
Member Agency Contributions	\$ 1,530,340	\$ 1,581,845	\$ 2,069,760	\$ 2,299,275
Other Agency Contributions	\$ 1,930,499	\$ 1,565,787	\$ 1,315,388	\$ 1,329,726
Mitigation Credit Sales	\$ —	\$ —	\$ —	\$ —
Operating Transfer	\$ 133,000	\$ 114,625	\$ 145,964	\$ 124,165
Use of Reserves	\$ 4,701,359	\$ 2,331,556	\$ 2,975,255	\$ 3,127,961
Other Income	\$ 212,889	\$ 547,701	\$ 481,143	\$ 2,539,735
Interest & Investments	\$ 1,410,166	\$ 384,954	\$ 1,455,407	\$ 2,718,602
Total Source of Funds	\$ 24,027,462	\$ 19,541,979	\$ 21,895,635	\$ 26,428,481
Use of Funds:				
Labor	\$ 3,227,595	\$ 3,531,792	\$ 3,985,333	\$ 4,120,957
Benefits	\$ 1,438,426	\$ 1,468,272	\$ 1,673,486	\$ 1,312,727
Indirect Costs	\$ 100,390	\$ 127,279	\$ (100,807)	\$ 26,119
Education & Training	\$ 22,959	\$ 25,210	\$ 24,415	\$ 52,683
Consulting & Professional Services	\$ 2,364,675	\$ 1,892,178	\$ 2,618,365	\$ 3,581,616
Operating Costs	\$ 2,705,072	\$ 2,783,028	\$ 2,943,946	\$ 3,331,853
Repair & Maintenance	\$ 310,470	\$ 333,628	\$ 154,311	\$ 362,464
Phone & Utilities	\$ 65,174	\$ 67,243	\$ 63,709	\$ 68,612
Equipment & Computers	\$ 241,142	\$ 253,862	\$ 263,743	\$ 362,963
Meeting & Travel	\$ 6,034	\$ 28,704	\$ 55,078	\$ 60,494
Other Administrative Costs	\$ 216,991	\$ 208,494	\$ 239,106	\$ 257,768
Other Expenses	\$ 510,704	\$ 429,728	\$ 491,713	\$ 570,344
Program Expenses	\$ 841,910	\$ 1	\$ 281,354	\$ 105,563
Construction	\$ 2,695,477	\$ 83,522	\$ 2,304,765	\$ 2,267,305
Debt Service	\$ 2,835,753	\$ 2,835,027	\$ 1,709,476	\$ 1,709,475
Total Use of Funds	\$ 17,582,772	\$ 14,067,968	\$ 16,707,993	\$ 18,190,943
Contribution To Reserves:				
Pipeline Replacement & Capital Investment	\$ 1,435,478	\$ 1,810,491	\$ 1,467,543	\$ 1,900,000
OC San Pipeline Rehabilitation	\$ —	\$ —	\$ —	\$ 325,309
Self-Insurance	\$ 100,000	\$ 100,000	\$ —	\$ —
Debt Service	\$ 1,790,027	\$ 1,708,750	\$ —	\$ —
Post Retirement Medical Benefits	\$ 81,266	\$ 131,283	\$ 79,207	\$ 83,407
Building Repair/Replacement Reserve	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000
Total Contributions to Reserves	\$ 3,506,771	\$ 3,850,524	\$ 1,646,750	\$ 2,408,716
Total Use of Funds	\$ 21,089,543	\$ 17,918,492	\$ 18,354,743	\$ 20,599,659
Net Gain (Loss)	\$ 2,937,919	\$ 1,623,487	\$ 3,540,892	\$ 5,828,822
<i>Pass Throughs (Prop 1, 50 & 84 – Capital)</i>	<i>\$ 10,726,798</i>	<i>\$ 11,290,121</i>	<i>\$ 8,067,833</i>	<i>\$ 5,132,063</i>

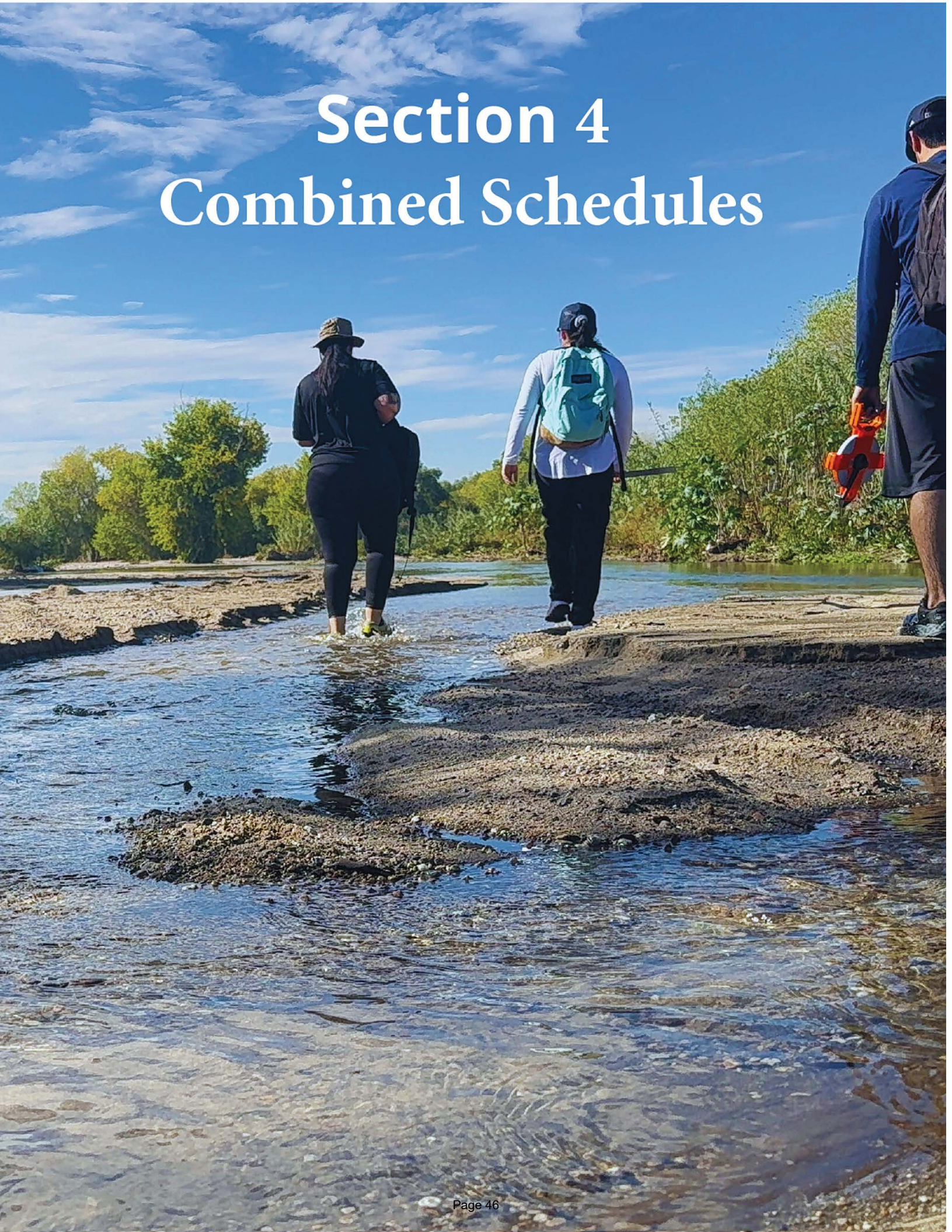
Santa Ana Watershed Project Authority
Budget Summary
FYE 2021 through 2027

	FYE 2025 Budget	FYE 2025 Actuals	FYE 2026 Budget	FYE 2027 Budget
Source of Funds:				
Discharge Fees	\$ 12,405,112	\$ 13,036,749	\$ 13,038,465	\$ 13,604,122
Grant Proceeds	\$ 2,359,785	\$ 1,984,874	\$ 6,326,222	\$ 1,321,143
Member Agency Contributions	\$ 2,261,410	\$ 2,261,410	\$ 2,273,400	\$ 2,421,233
Other Agency Contributions	\$ 1,324,212	\$ 1,280,764	\$ 1,252,718	\$ 1,257,649
Mitigation Credit Sales	\$ 889,800	\$ –	\$ 2,014,560	\$ –
Operating Transfer	\$ 120,320	\$ 120,320	\$ 161,250	\$ 344,750
Use of Reserves	\$ 1,870,013	\$ 24,081	\$ 2,890,958	\$ 4,875,441
Other Income	\$ 188,285	\$ 158,322	\$ 192,111	\$ 233,516
Interest & Investments	\$ 673,000	\$ 3,212,369	\$ 1,500,000	\$ 1,500,000
Total Source of Funds	\$ 22,091,937	\$ 22,078,889	\$ 29,649,684	\$ 25,547,854
Use of Funds:				
Labor	\$ 4,416,450	\$ 4,431,621	\$ 4,829,649	\$ 5,244,232
Benefits	\$ 1,609,040	\$ 1,389,594	\$ 1,944,444	\$ 2,127,902
Indirect Costs	\$ –	\$ 53	\$ –	\$ –
Education & Training	\$ 76,225	\$ 66,023	\$ 82,700	\$ 84,425
Consulting & Professional Services	\$ 4,764,865	\$ 1,954,717	\$ 4,426,226	\$ 4,817,401
Operating Costs	\$ 3,053,819	\$ 3,374,550	\$ 3,800,080	\$ 4,094,433
Repair & Maintenance	\$ 660,458	\$ 312,563	\$ 633,100	\$ 652,950
Phone & Utilities	\$ 102,866	\$ 68,790	\$ 87,333	\$ 87,883
Equipment & Computers	\$ 469,830	\$ 354,840	\$ 436,256	\$ 436,767
Meeting & Travel	\$ 92,450	\$ 48,447	\$ 86,180	\$ 86,600
Other Administrative Costs	\$ 312,218	\$ 255,240	\$ 309,289	\$ 325,710
Other Expenses	\$ 716,885	\$ 721,374	\$ 1,105,620	\$ 1,084,500
Program Expenses	\$ 478,726	\$ 475,870	\$ 4,741,682	\$ 117,731
Construction	\$ 1,125,000	\$ –	\$ 2,250,000	\$ 3,595,000
Debt Service	\$ 1,709,476	\$ 1,709,476	\$ 1,709,476	\$ 1,709,476
Total Use of Funds	\$ 19,588,308	\$ 15,163,158	\$ 26,442,035	\$ 24,465,010
Contribution To Reserves:				
Pipeline Replacement & Capital Investment	\$ 1,900,000	\$ 5,410,485	\$ 2,000,000	\$ 2,000,000
OC San Pipeline Rehabilitation	\$ 155,786	\$ 155,786	\$ 426,224	\$ 182,388
Self-Insurance	\$ –	\$ –	\$ –	\$ –
Debt Service	\$ –	\$ –	\$ –	\$ –
Post Retirement Medical Benefits	\$ 99,523	\$ 99,523	\$ 98,066	\$ 114,228
Building Repair/Replacement Reserve	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000
Total Contributions to Reserves	\$ 2,255,309	\$ 5,765,794	\$ 2,624,290	\$ 2,396,616
Total Use of Funds	\$ 21,843,617	\$ 20,928,952	\$ 29,066,325	\$ 26,861,626
Net Gain (Loss)	\$ 248,320	\$ 1,149,937	\$ 583,359	\$ (1,313,772)
Pass Throughs (Prop 1, 50 & 84 – Capital)	\$ 15,263,495	\$ 11,183,011	\$ 20,843,088	\$ 7,300,000

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Section 4

Combined Schedules



**Santa Ana Watershed Project Authority
Combined Summary**

Source of Funds:	Budget FYE 2026	Budget FYE 2027
Member Agency Contributions	\$ 2,273,400	\$ 2,421,233
Other Agency Contributions	\$ 1,252,718	\$ 1,257,649
Discharge Fees (Brine Line)	\$ 13,038,465	\$ 13,604,122
Interest & Investments	\$ 1,500,000	\$ 1,500,000
Use of Reserves	\$ 2,890,958	\$ 4,875,441
Mitigation Credit Sales	\$ 2,014,560	\$ –
Other Income	\$ 192,111	\$ 223,516
Operating Transfers	\$ 161,250	\$ 344,750
Grant Proceeds	\$ 6,326,222	\$ 1,321,143
Total Revenues (Not Including Pass Through)	\$ 29,649,684	\$ 25,547,854
Proposition 1 & 84 – Capital (Pass Through)	\$ 20,843,088	\$ 7,300,000
Total Revenues	\$ 50,492,772	\$ 32,847,854

Use of Funds:	Budget FYE 2026	Budget FYE 2027
General Fund	\$ 991,800	\$ 848,033
Brine Line Enterprise Fund	\$ 10,402,765	\$ 11,212,258
Debt Service	\$ 1,709,476	\$ 1,709,476
Brine Line Reserve Contributions	\$ 2,426,224	\$ 2,182,388
OWOW Funds	\$ 8,837,161	\$ 3,884,958
Roundtable Funds	\$ 2,066,341	\$ 2,195,872
Capital Brine Line Fund	\$ 2,632,558	\$ 4,828,641
Total Appropriations (Not Including Pass Through)	\$ 29,066,325	\$ 26,861,626
Proposition 1 & 84 – Capital (Pass Through)	\$ 20,843,088	\$ 7,300,000
Total Appropriations	\$ 49,909,413	\$ 34,161,626
Contribution to/(Use of) Fund Balance	\$ (583,359)	\$ 1,313,772

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BUDGET REVENUE

Summary

Fund		Adopted FYE 2025	Budget FYE 2026	Budget FYE 2027
100	General Fund	\$ 712,910	\$ 991,800	\$ 848,033
145	Proposition 84 – 2015 Program Management	\$ 539,894	\$ 534,786	\$ –
150	Proposition 1 R1 – Program Management	\$ 248,593	\$ 172,540	\$ 181,736
155	Proposition 1 R2 – Program Management	\$ –	\$ 280,675	\$ 621,296
240	Brine Line Enterprise	\$ 13,078,112	\$ 14,538,465	\$ 15,104,122
320	Brine Line Protection Project	\$ 1,400,590	\$ 2,632,558	\$ 4,828,641
327	Reach IV-D Corrosion Repair	\$ 469,423	\$ –	\$ –
370	Basin Planning General	\$ 450,000	\$ 500,000	\$ 500,000
370	USBR Partnership Studies	\$ 70,000	\$ 20,000	\$ 20,000
373	Watershed Management (OWOW)	\$ 767,900	\$ 547,300	\$ 547,300
374	Basin Monitoring Program Task Force	\$ 516,000	\$ 224,043	\$ 266,282
376	ICARP	\$ –	\$ 527,229	\$ 410,890
377	PFAS Study	\$ 550,000	\$ 450,000	\$ 400,000
378	Cloud Seeding	\$ 402,500	\$ 273,372	\$ 389,356
381	SA River Fish Conservation Task Force	\$ 279,000	\$ 39,000	\$ 39,000
384	MSAR TMDL Task Force	\$ 282,820	\$ 427,200	\$ 427,700
386	RWQ Monitoring Task Force	\$ 417,625	\$ 463,334	\$ 430,000
387	Arundo Management & Habitat Restoration	\$ 889,800	\$ 2,014,560	\$ –
392	Emerging Constituents Task Force	\$ 114,000	\$ 178,841	\$ 185,367
397	WECAN - Riverside	\$ 148,933	\$ 68,546	\$ –
398	Drought Relief Grant - DACI	\$ 471,466	\$ 4,475,423	\$ –
477	LESJWA Administration	\$ 198,285	\$ 202,111	\$ 233,516
504	Proposition 84 - SARCCUP	\$ 47,908	\$ 50,473	\$ –
505	Proposition 1 – Capital Projects	\$ 36,178	\$ 37,428	\$ 114,615
Total		\$ 22,091,937	\$ 29,649,684	\$ 25,547,854
504,505	Proposition 1 & 84 Capital - Pass Through	\$ 15,263,495	\$ 20,843,088	\$ 7,300,000

BUDGET EXPENSES

Summary

Fund		Adopted FYE 2025	Budget FYE 2026	Budget FYE 2027
100	General Fund	\$ 712,910	\$ 991,800	\$ 848,033
145	Proposition 84 – 2015 Program Management	\$ 539,894	\$ 534,786	\$ –
150	Proposition 1 R1 – Program Management	\$ 248,593	\$ 172,540	\$ 181,736
155	Proposition 1 R2 - Program Management	\$ –	\$ 280,675	\$ 621,296
240	Brine Line Enterprise	\$ 13,078,112	\$ 14,538,465	\$ 15,104,122
320	Brine Line Protection Project	\$ 1,400,590	\$ 2,632,558	\$ 4,828,641
327	Reach IV-D Corrosion Repair	\$ 469,423	\$ –	\$ –
370	Basin Planning General	\$ 539,791	\$ 496,690	\$ 544,963
370	USBR Partnership Studies	\$ 69,471	\$ 47,921	\$ 51,121
373	Watershed Management (OWOW)	\$ 904,428	\$ 547,789	\$ 665,081
374	Basin Monitoring Program Task Force	\$ 565,988	\$ 451,230	\$ 455,658
376	ICARP	\$ –	\$ 527,229	\$ 410,890
377	PFAS Study	\$ 550,459	\$ 836,766	\$ 654,305
378	Cloud Seeding	\$ 494,707	\$ 525,515	\$ 414,201
381	SA River Fish Conservation Task Force	\$ 288,541	\$ 70,455	\$ 73,551
384	MSAR TMDL Task Force	\$ 284,664	\$ 505,880	\$ 531,442
386	RWQ Monitoring Task Force	\$ 415,702	\$ 432,195	\$ 434,782
387	Arundo Management & Habitat Restoration	\$ 85,780	\$ 222,088	\$ 275,109
392	Emerging Constituents Task Force	\$ 114,303	\$ 182,382	\$ 191,814
397	WECAN - Riverside	\$ 148,933	\$ 68,546	\$ –
398	Drought Relief Grant – DACI	\$ 471,466	\$ 4,475,423	\$ –
477	LESJWA Administration	\$ 198,285	\$ 202,111	\$ 233,516
504	Proposition 84 - SARCCUP	\$ 225,399	\$ 193,723	\$ 226,750
505	Proposition 1 – Capital Projects	\$ 36,178	\$ 129,558	\$ 114,615
Total		\$ 21,843,617	\$ 29,066,325	\$ 26,861,626
504,505	Proposition 1 & 84 Capital – Pass Through	\$ 15,263,495	\$ 20,843,088	\$ 7,300,000

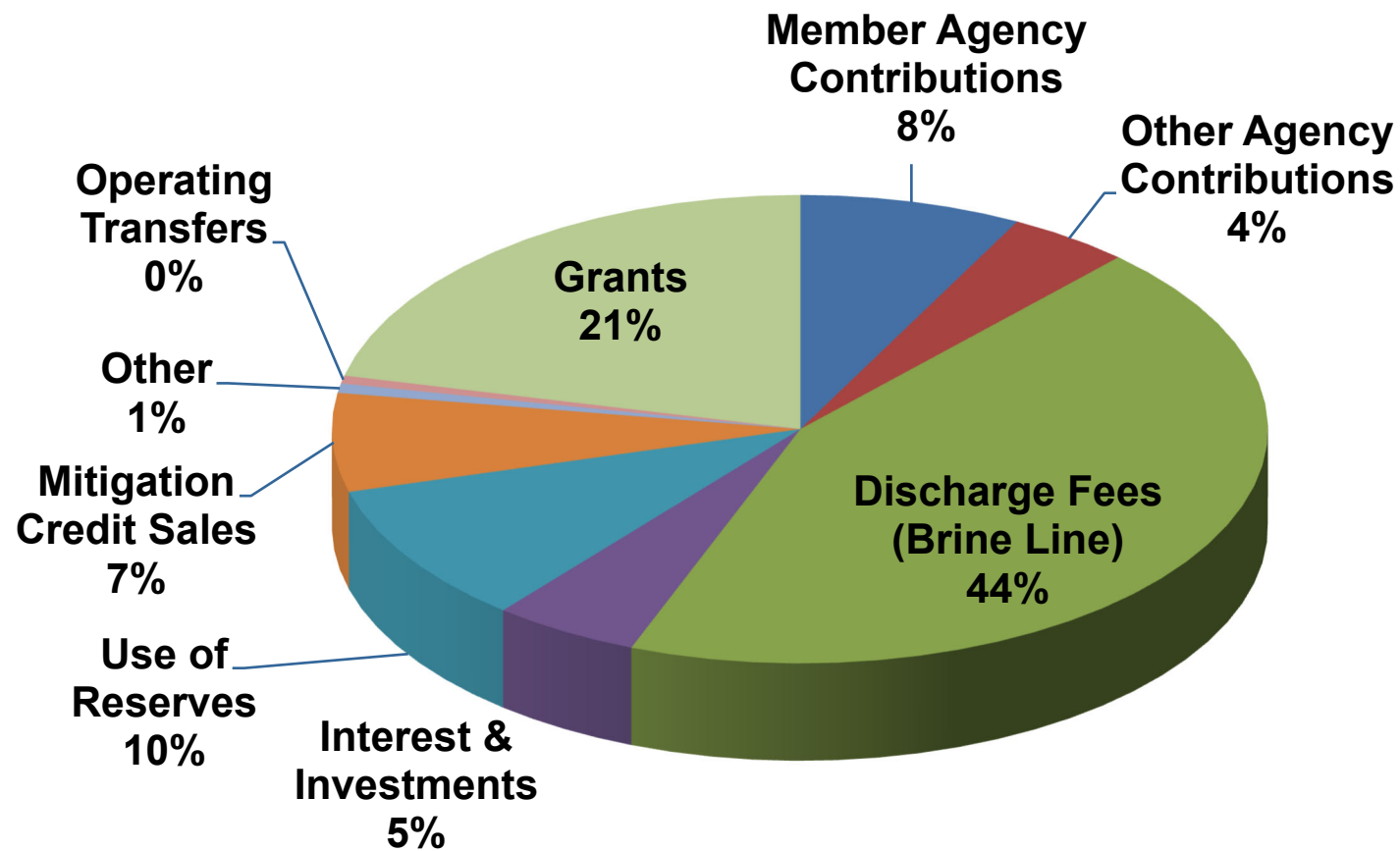
Sources and Uses of Funds

FYE 2026

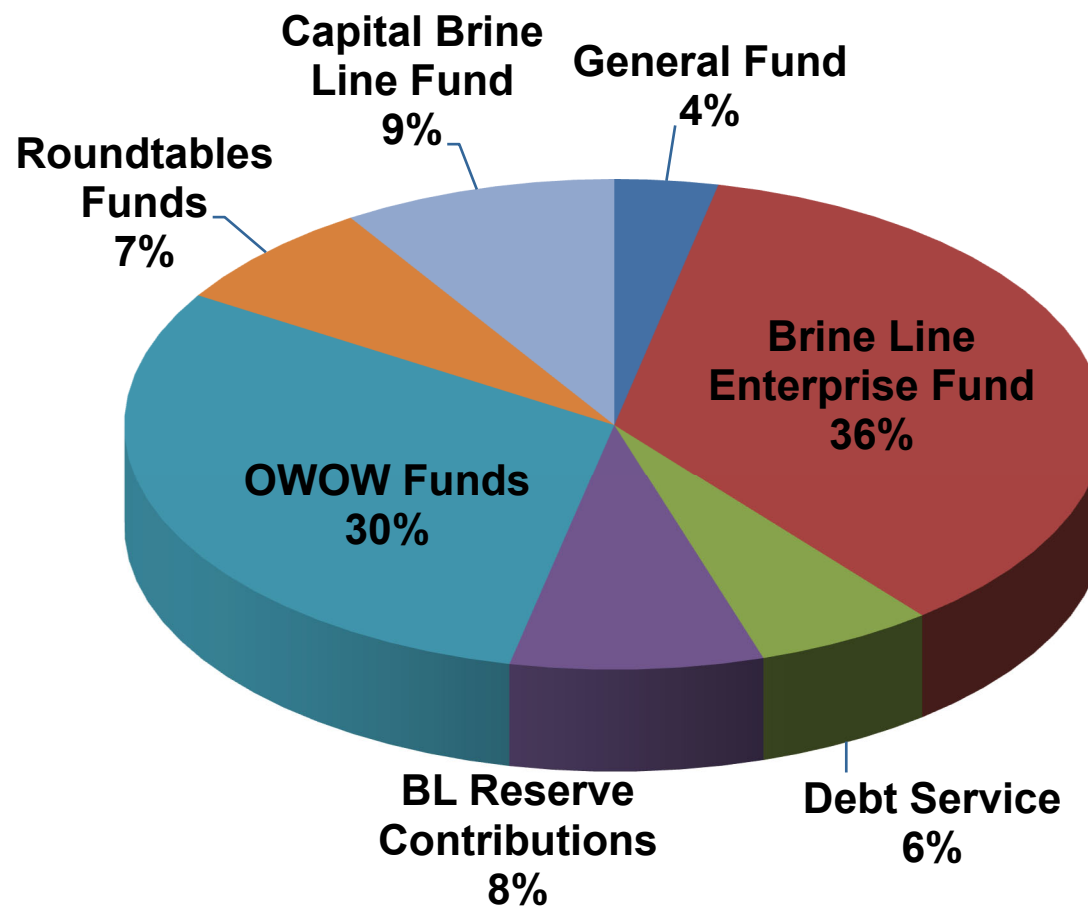
EXPENSES			REVENUES											
			Total	Member Contributions	Other Agency Contributions	Discharge Fees	Interest & Investments	Other Income				Grant Proceeds	Total	
								Use of Reserves	Mitigation Credit Sales	Other	Operating Transfers			
100	General Fund	\$	991,800	733,400	–	–	–	258,400	–	–	–	–	\$	991,800
145	Prop 84 – 2015 Program Management	\$	534,786	–	–	–	–	–	–	–	–	534,786	\$	534,786
150	Prop 1 R1 – Program Management	\$	172,540	–	–	–	–	–	–	–	–	172,540	\$	172,540
155	Prop 1 R2 – Program Management	\$	280,675	–	–	–	–	–	–	–	–	280,675	\$	280,675
240	Brine Line Enterprise	\$	14,538,465	–	–	13,038,465	1,500,000	–	–	–	–	–	\$	14,538,465
320	Brine Line Protection Project	\$	2,632,558	–	–	–	–	2,632,558	–	–	–	–	\$	2,632,558
327	Reach IV-D Corrosion Repair	\$	–	–	–	–	–	–	–	–	–	–	\$	–
370	Basin Planning General	\$	496,690	500,000	–	–	–	–	–	–	–	–	\$	500,000
370	USBR Partnership Studies	\$	47,921	20,000	–	–	–	–	–	–	–	–	\$	20,000
373	Watershed Management (OWOW)	\$	547,789	500,000	47,300	–	–	–	–	–	–	–	\$	547,300
374	Basin Monitoring Program Task Force	\$	451,230	–	224,043	–	–	–	–	–	–	–	\$	224,043
376	Integrated Climate Adaptation & Resilience	\$	527,229	40,000	–	–	–	–	–	–	43,250	443,979	\$	527,229
377	PFAS Study	\$	836,766	450,000	–	–	–	–	–	–	–	–	\$	450,000
378	Cloud Seeding	\$	525,515	–	11,000	–	–	–	–	–	–	262,372	\$	273,372
381	SA River Fish Conservation	\$	70,455	20,000	19,000	–	–	–	–	–	–	–	\$	39,000
384	MSAR TMDL Task Force	\$	505,880	–	427,200	–	–	–	–	–	–	–	\$	427,200
386	RWQ Monitoring Task Force	\$	432,195	–	345,334	–	–	–	–	–	118,000	–	\$	463,334
387	Arundo Mgmt & Habitat Restoration	\$	222,088	–	–	–	–	–	2,014,560	–	–	–	\$	2,014,560
392	Emerging Constituents Task Force	\$	182,382	–	178,841	–	–	–	–	–	–	–	\$	178,841
397	WECAN - Riverside	\$	68,546	–	–	–	–	–	–	–	–	68,546	\$	68,546
398	Drought Relief Grant - DACI	\$	4,475,423	–	–	–	–	–	–	–	–	4,475,423	\$	4,475,423
477	LESJWA Administration	\$	202,111	10,000	–	–	–	–	–	192,111	–	–	\$	202,111
504	Proposition 84 – SARCCUP	\$	193,723	–	–	–	–	–	–	–	–	50,473	\$	50,473
505	Proposition 1 SAWPA - Capital Project	\$	129,558	–	–	–	–	–	–	–	–	37,428	\$	37,428
			\$29,066,325	\$ 2,273,400	\$ 1,252,718	\$13,038,465	\$ 1,500,000	\$ 2,890,958	\$ 2,014,560	\$ 192,111	\$ 161,250	\$ 6,326,222	\$29,649,684	
PASS THROUGH														
504	Proposition 84 – Capital Projects	\$	9,000,000	–	–	–	–	–	–	–	–	\$9,000,000	\$	9,000,000
505	Proposition 1 – Capital Projects Round I & II	\$	11,843,088	–	–	–	–	–	–	–	–	\$11,843,088	\$	11,843,088
Total			\$49,909,413										\$50,492,772	

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Source of Funds FYE 2026 \$29,649,684



Use of Funds FYE 2026 \$29,066,325



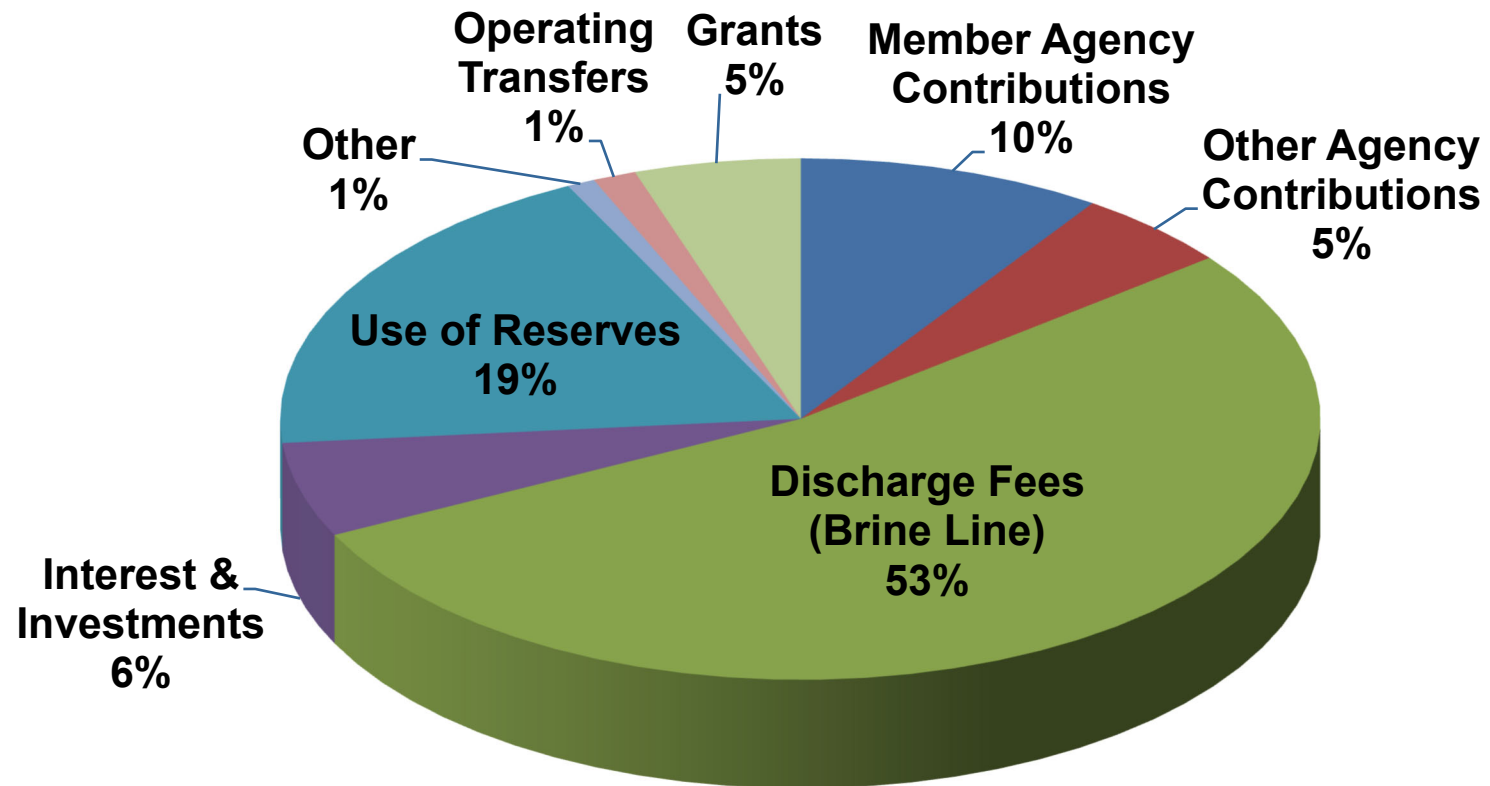
Sources and Uses of Funds

FYE 2027

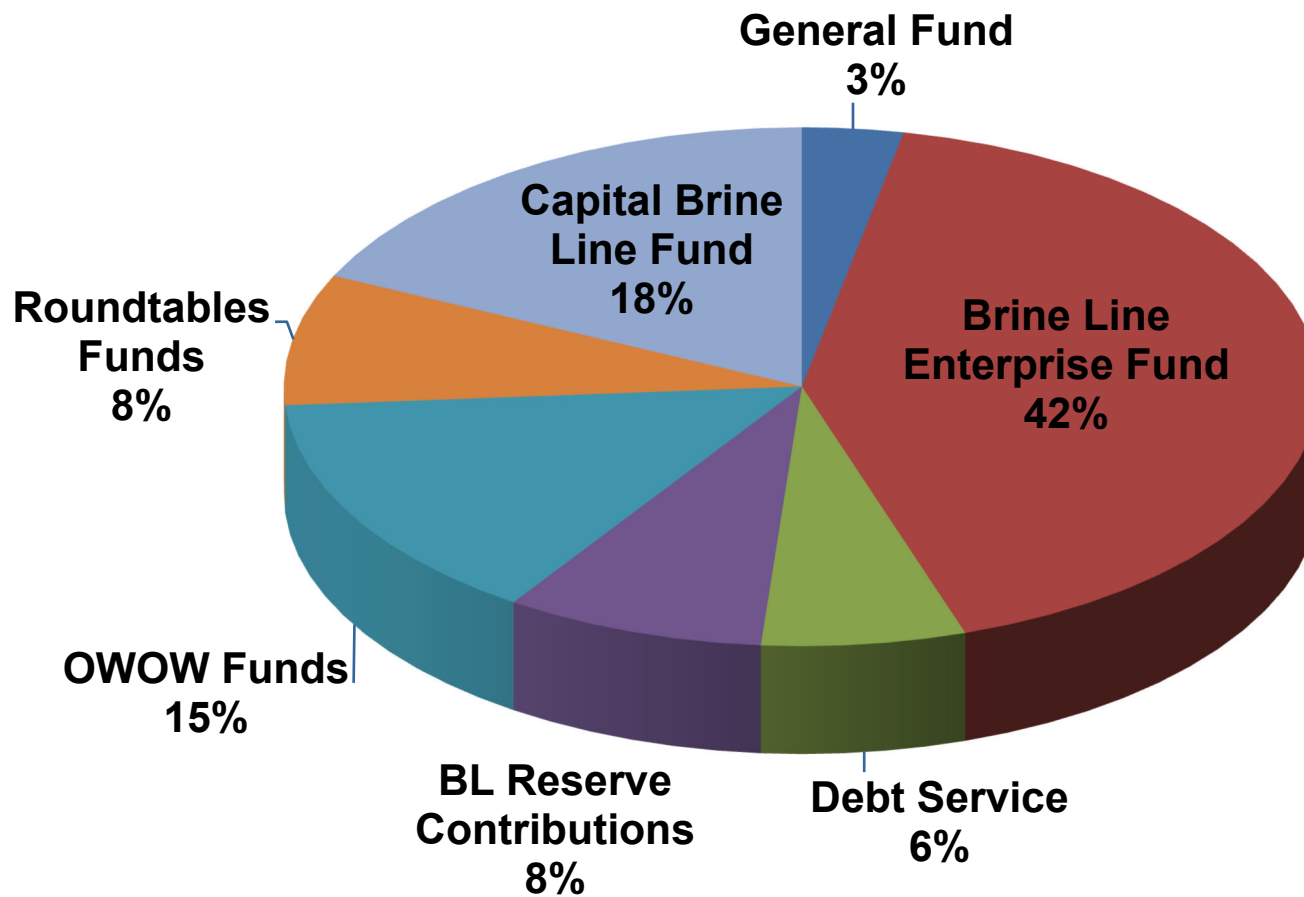
EXPENSES			REVENUES										
			Total	Member Contributions	Other Agency Contributions	Discharge Fees	Interest & Investments	Other Income				Grant Proceeds	Total
								Use of Reserves	Mitigation Credit Sales	Other	Operating Transfers		
100	General Fund	\$ 848,033	801,233	–	–	–	46,800	–	–	–	–	\$ 848,033	
145	Prop 84 – 2015 Program Management	\$ –	–	–	–	–	–	–	–	–	–	\$ –	
150	Prop 1 R1 – Program Management	\$ 181,736	–	–	–	–	–	–	–	–	181,736	\$ 181,736	
155	Prop 1 R2 – Program Management	\$ 621,296	–	–	–	–	–	–	–	–	621,296	\$ 621,296	
240	Brine Line Enterprise	\$15,104,122	–	–	13,604,122	1,500,000	–	–	–	–	–	\$15,104,122	
320	Brine Line Protection Project	\$ 4,828,641	–	–	–	–	4,828,641	–	–	–	–	\$ 4,828,641	
327	Reach IV-D Corrosion Repair	\$ –	–	–	–	–	–	–	–	–	–	\$ –	
370	Basin Planning General	\$ 544,963	500,000	–	–	–	–	–	–	–	–	\$ 500,000	
370	USBR Partnership Studies	\$ 51,121	20,000	–	–	–	–	–	–	–	–	\$ 20,000	
373	Watershed Management (OWOW)	\$ 665,081	500,000	47,300	–	–	–	–	–	–	–	\$ 547,300	
374	Basin Monitoring Program Task Force	\$ 455,658	–	266,282	–	–	–	–	–	–	–	\$ 266,282	
376	Integrated Climate Adaptation & Resilience	\$ 410,890	–	–	–	–	–	–	–	226,750	184,140	\$ 410,890	
377	PFAS Study	\$ 654,305	400,000	–	–	–	–	–	–	–	–	\$ 400,000	
378	Cloud Seeding	\$ 414,201	170,000	–	–	–	–	–	–	–	219,356	\$ 389,356	
381	SA River Fish Conservation	\$ 73,551	20,000	19,000	–	–	–	–	–	–	–	\$ 39,000	
384	MSAR TMDL Task Force	\$ 531,442	–	427,700	–	–	–	–	–	–	–	\$ 427,700	
386	RWQ Monitoring Task Force	\$ 434,782	–	312,000	–	–	–	–	–	118,000	–	\$ 430,000	
387	Arundo Mgmt & Habitat Restoration	\$ 275,109	–	–	–	–	–	–	–	–	–	\$ –	
392	Emerging Constituents Task Force	\$ 191,814	–	185,367	–	–	–	–	–	–	–	\$ 185,367	
397	WECAN - Riverside	\$ –	–	–	–	–	–	–	–	–	–	\$ –	
398	Drought Relief Grant - DACI	\$ –	–	–	–	–	–	–	–	–	–	\$ –	
477	LESJWA Administration	\$ 233,516	10,000	–	–	–	–	–	223,516	–	–	\$ 233,516	
504	Proposition 84 – SARCCUP	\$ 226,750	–	–	–	–	–	–	–	–	–	\$ –	
505	Proposition 1 SAWPA - Capital Project	\$ 114,615	–	–	–	–	–	–	–	–	114,615	\$ 114,615	
		\$26,861,626	\$ 2,421,233	\$ 1,257,649	\$13,604,122	\$ 1,500,000	\$ 4,875,441	\$ –	\$ 223,516	\$ 344,750	\$ 1,321,143	\$25,547,854	
PASS THROUGH													
504	Proposition 84 – Capital Projects	\$ –	–	–	–	–	–	–	–	–	\$–	\$ –	
505	Proposition 1 – Capital Projects Round I & II	\$7,300,000	–	–	–	–	–	–	–	–	\$7,300,000	\$ 7,300,000	
Total		\$34,161,626										\$32,847,854	

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**Source of Funds
FYE 2027
\$25,547,854**



**Use of Funds
FYE 2027
\$26,861,626**



Line-Item Detail by Fund Type FYE 2026

Line-Item Detail		Agency Wide Total	General Fund	Brine Line Enterprise Fund	OWOW Fund	Roundtable Fund	Capital Fund
51000	Salaries - Regular	\$ 4,829,649	\$ 2,370,735	\$ 1,434,775	\$ 822,367	\$ 167,909	\$ 33,863
52000	Benefits	1,944,444	954,471	577,649	331,089	67,602	13,633
53000	Indirect Costs	–	(4,179,824)	2,438,925	1,397,913	285,424	57,562
60111	Tuition Reimbursement	10,500	10,500	–	–	–	–
60112	Training	32,700	18,200	14,500	–	–	–
60113	Education	19,000	19,000	–	–	–	–
60114	Other Training & Education	20,500	20,500	–	–	–	–
60120	Audit Fees	22,040	22,040	–	–	–	–
60121	Consulting	3,922,786	295,500	785,000	1,522,500	1,319,786	–
60122	Cost of Funds	500	–	–	–	500	–
60126	Temporary Services	5,000	5,000	–	–	–	–
60128	Other Professional Services	32,000	32,000	–	–	–	–
60129	Other Contract Services	30,000	--	–	30,000	–	–
60130	Legal Fees	108,900	75,000	25,000	5,400	3,500	–
6210	Engineering	275,000	–	–	–	–	275,000
60132	Project Management Services	–	–	–	–	–	–
60133	Employment Recruitment	30,000	30,000	--	–	–	–
60140	Treatment Costs	2,002,800	–	2,002,800	–	–	–
60141	Volumetric Costs	1,353,420	--	1,353,420	–	–	–
60143	Lab Costs	125,000	–	125,000	–	–	–
60145	Permit Fees	35,700	–	35,700	–	–	–
60148	Brine Line Operating Costs	10,000	–	10,000	–	–	–
60149	Permitting/Pre-Treatment Activities	55,000	–	55,000	–	–	–
60152	Maintenance Labor	45,960	–	45,960	–	–	–
60153	Materials & Supplies	152,200	7,000	145,200	–	–	–
60154	Safety	20,000	7,600	12,400	–	–	–
60155	Security	12,000	9,000	3,000	–	--	–
60156	Custodial Contract Services	36,000	36,000	–	–	–	–
60157	Landscaping Maintenance	30,500	30,500	–	–	–	–

Line-Item Detail by Fund Type FYE 2026

Line-Item Detail		Agency Wide Total	General Fund	Brine Line Enterprise Fund	OWOW Fund	Roundtable Fund	Capital Fund
60158	HVAC	12,000	12,000	–	–	–	–
60159	Facility Repair & Maintenance	542,600	27,600	515,000	–	–	–
60160	Telephone	25,333	25,333	–	–	–	–
60161	Cellular Services	24,000	16,000	8,000	–	–	–
60163	Electricity	28,000	25,000	3,000	–	–	–
60164	Water Services	10,000	10,000	–	–	–	–
60170	Equipment Expensed	36,500	9,000	27,500	–	–	–
60171	Equipment Rented	63,350	18,350	45,000	–	–	–
60172	Equipment Repair/Maintenance	2,000	–	2,000	–	–	–
60180	Computer Hardware	52,200	22,200	30,000	–	–	–
60181	Software	207,706	154,500	53,206	–	–	–
60182	Internet Services	27,000	25,000	2,000	–	–	–
60183	Computer Supplies	6,600	5,600	1,000	–	–	–
60184	Computer Repair/Maintenance	2,900	2,900	–	–	–	–
60185	Cloud Storage	38,000	38,000	–	–	–	–
60190	Offsite Meeting/Travel Expense	33,430	15,000	1,000	16,180	1,250	–
60191	In House Meetings	3,250	2,000	1,000	–	250	–
60192	Conference Expense	49,500	43,500	1,000	5,000	–	–
60193	Car, Repair, Maintenance	54,000	–	54,000	–	–	–
60200	Dues	87,600	61,000	6,600	10,000	10,000	–
60202	Subscriptions	13,950	9,500	4,450	–	–	–
60203	Contributions	32,500	32,500	–	–	–	–
60211	Shipping/Postage	6,050	5,000	1,000	–	50	–
60212	Office Supplies	18,300	12,000	6,000	200	100	–
60220	Commission Fees	66,000	66,000	–	–	–	–
60221	Commission Mileage Reimbursement	6,339	6,339	–	–	–	–
60222	Other Commission Expense	3,500	3,500	–	–	–	–
60230	Other Expense	21,050	5,000	10,000	2,050	1,500	2,500
60300	Contingency Fund	25,000	25,000	–	–	–	–

Line-Item Detail by Fund Type FYE 2026

Line-Item Detail		Agency Wide Total	General Fund	Brine Line Enterprise Fund	OWOW Fund	Roundtable Fund	Capital Fund
60500	Program Expense	4,741,682	–	–	4,651,212	90,470	–
80101	Construction	2,250,000	–	–	–	–	2,250,000
13005	Fixed Assets	465,400	258,400	207,000	–	–	–
60240	Building Lease	103,470	8,790	94,680	–	–	–
80000	Building Repair/Replacement Reserve	100,000	100,000	–	–	–	–
81010	Post Retiree Medical Benefits	98,066	98,066	–	–	–	–
80001	Insurance Expense	350,500	85,500	265,000	–	–	–
33070	Pipeline Replacement & Capital Improve	2,000,000	–	2,000,000	–	–	–
33075	OC San Pipeline Rehabilitation	426,224	–	426,224	–	–	–
20700	Debt Service	1,709,476	–	1,709,476	–	–	–
91000	Operating Transfers	161,250	–	–	43,250	118,000	–
Sub-total		\$ 29,066,325	\$ 991,800	\$ 14,538,465	\$ 8,837,161	\$ 2,066,341	\$ 2,632,558
PASS THROUGH							
504	Proposition 84 - Capital Projects	\$ 9,000,000					
505	Proposition 1 – Capital Projects	\$ 11,843,088					
Total		\$ 49,909,413					

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Line-Item Detail by Fund Type FYE 2027

Line-Item Detail		Agency Wide Total	General Fund	Brine Line Enterprise Fund	OWOW Fund	Roundtable Fund	Capital Fund
51000	Salaries - Regular	\$ 5,244,232	\$ 2,663,660	\$ 1,559,822	\$ 777,315	\$ 203,557	\$ 39,878
52000	Benefits	2,127,902	1,080,808	632,914	315,404	82,595	16,181
53000	Indirect Costs	–	(4,535,131)	2,741,252	1,366,064	357,733	70,082
60111	Tuition Reimbursement	10,500	10,500	–	–	–	–
60112	Training	33,725	18,500	15,225	–	–	–
60113	Education	19,000	19,000	–	–	–	–
60114	Other Training & Education	21,200	21,200	–	–	–	–
60120	Audit Fees	22,470	22,470	–	–	–	–
60121	Consulting	3,512,681	273,500	789,500	1,112,500	1,337,181	–
60122	Cost of Funds	500	–	–	–	500	–
60126	Temporary Services	5,000	5,000	–	–	–	–
60128	Other Professional Services	32,000	32,000	–	–	–	–
60130	Legal Fees	109,750	75,000	26,250	5,000	3,500	–
6210	Engineering	1,105,000	–	–	–	–	1,105,000
60133	Employment Recruitment	30,000	30,000	–	–	–	–
60140	Treatment Costs	2,179,500	–	2,179,500	–	–	–
60141	Volumetric Costs	1,454,760	–	1,454,760	–	–	–
60143	Lab Costs	130,750	–	130,750	–	–	–
60145	Permit Fees	37,475	–	37,475	–	–	–
60148	Brine Line Operating Costs	10,000	–	10,000	–	–	–
60149	Permitting/Pre-Treatment Activities	56,000	–	56,000	–	–	–
60152	Maintenance Labor	46,758	–	46,758	–	–	–
60153	Materials & Supplies	158,570	7,000	151,570	–	–	–
60154	Safety	20,620	7,600	13,020	–	–	–
60155	Security	6,100	3,100	3,000	–	–	–
60156	Custodial Contract Services	36,000	36,000	–	–	–	–
60157	Landscaping Maintenance	30,500	30,500	–	–	–	–

Line-Item Detail by Fund Type FYE 2027

Line-Item Detail		Agency Wide Total	General Fund	Brine Line Enterprise Fund	OWOW Fund	Roundtable Fund	Capital Fund
60158	HVAC	12,000	12,000	–	–	–	–
60159	Facility Repair & Maintenance	568,350	27,600	540,750	–	–	–
60160	Telephone	25,333	25,333	–	–	–	–
60161	Cellular Services	24,400	16,000	8,400	–	–	–
60163	Electricity	28,150	25,000	3,150	–	–	–
60164	Water Services	10,000	10,000	–	–	–	–
60170	Equipment Expensed	36,500	9,000	27,500	–	–	–
60171	Equipment Rented	65,600	18,350	47,250	–	–	–
60172	Equipment Repair/Maintenance	2,000	–	2,000	–	–	–
60180	Computer Hardware	64,900	33,400	31,500	–	–	–
60181	Software	193,067	153,500	39,567	–	–	–
60182	Internet Services	27,200	25,000	2,200	–	–	–
60183	Computer Supplies	6,600	5,600	1,000	–	–	–
60184	Computer Repair/Maintenance	2,900	2,900	–	–	–	–
60185	Cloud Storage	38,000	38,000	–	–	–	–
60190	Offsite Meeting/Travel Expense	33,850	15,000	1,000	16,600	1,250	–
60191	In House Meetings	3,250	2,000	1,000	–	250	–
60192	Conference Expense	49,500	43,500	1,000	5,000	–	–
60193	Car, Repair, Maintenance	56,700	–	56,700	–	–	–
60200	Dues	98,210	61,500	6,710	20,000	10,000	–
60202	Subscriptions	14,115	9,600	4,515	–	–	–
60203	Contributions	33,000	33,000	–	–	–	–
60211	Shipping/Postage	6,050	5,000	1,000	–	50	–
60212	Office Supplies	18,300	12,000	6,000	200	100	–
60220	Commission Fees	68,400	68,400	–	–	–	–
60221	Commission Mileage Reimbursement	6,385	6,385	–	–	–	–
60222	Other Commission Expense	3,500	3,500	–	–	–	–

Line-Item Detail by Fund Type FYE 2027

Line-Item Detail		Agency Wide Total	General Fund	Brine Line Enterprise Fund	OWOW Fund	Roundtable Fund	Capital Fund
60230	Other Expense	21,050	5,000	10,000	2,050	1,500	2,500
60300	Contingency Fund	25,000	25,000	–	–	–	–
60500	Program Expense	117,731	–	–	38,075	79,656	–
80101	Construction	3,595,000	–	–	–	–	3,595,000
13005	Fixed Assets	243,800	46,800	197,000	–	–	–
60240	Building Lease	108,450	9,230	99,220	–	–	–
80000	Building Repair/Replacement Reserve	100,000	100,000	–	–	–	–
81010	Post Retiree Medical Benefits	114,228	114,228	–	–	–	–
80001	Insurance Expense	362,500	85,500	277,000	–	–	–
33070	Pipeline Replacement & Capital Improve	2,000,000	–	2,000,000	–	–	–
33075	OC San Pipeline Rehabilitation	182,388	–	182,388	–	–	–
20700	Debt Service	1,709,476	–	1,709,476	–	–	–
91000	Operating Transfers	344,750	–	–	226,750	118,000	–
Sub-total		\$ 26,861,626	\$ 848,033	\$ 15,104,122	\$ 3,884,958	\$ 2,195,872	\$ 4,828,641

PASS THROUGH							
504	Proposition 84 - Capital Projects	\$ –					
505	Proposition 1 – Capital Projects	\$ 7,300,000					
Total		\$ 34,161,626					

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Cash Flow 2026

Fiscal Year 2025-26						
	BALANCE @ June 2025	Revenues	Interest	Expenses	Debt Service	BALANCE @ June 2026
General Fund	\$ 1,838,989	\$ 991,800	\$ —	\$ 991,800	\$ —	\$ 1,838,989
OWOW Fund	\$ 1,879,669	\$ 7,937,772	\$ —	\$ 8,837,161	\$ —	\$ 980,280
Roundtable Fund	\$ 2,596,645	\$ 3,549,089	\$ —	\$ 2,066,341	\$ —	\$ 4,079,393
Brine Line Enterprise						
Brine Line Operating Reserve	\$ 2,548,940	\$ 13,038,465	\$ —	\$ 10,402,765	\$ 1,709,476	\$ 3,475,164
Debt Retirement Reserve	\$ 3,142,328	\$ —	\$ —	\$ —	\$ —	\$ 3,142,328
Pipeline Replacement & Capital Investment	\$ 41,939,551	\$ 2,000,000	\$ 1,500,000	\$ 2,632,558	\$ —	\$ 42,806,993
OC San Pipeline Rehabilitation Reserve	\$ 3,167,752	\$ 426,224	\$ —	\$ —	\$ —	\$ 3,593,976
OC San Future Treatment & Disposal Capacity	\$ 6,615,178	\$ —	\$ —	\$ —	\$ —	\$ 6,615,178
Pipeline Capacity Management Reserve	\$ 13,363,704	\$ —	\$ —	\$ —	\$ —	\$ 13,363,704
Operating Cash	\$ 2,917,215	\$ —	\$ —	\$ —	\$ —	\$ 2,917,215
Brine Line Enterprise	\$ 73,694,668	\$ 15,464,689	\$ 1,500,000	\$ 13,035,323	\$ 1,709,476	\$ 75,914,558
Legal Defense Fund	\$ 530,456	\$ —	\$ —	\$ —	\$ —	\$ 530,456
TOTALS	\$ 80,540,427	\$ 27,943,350	\$ 1,500,000	\$ 24,930,625	\$ 1,709,476	\$ 83,343,676

Cash Flow 2026

Investments & Cash:		
	Actual 6/30/25	Projected 6/30/26
Local Agency Investment Fund (LAIF)	\$ 66,005,299	\$ 13,500,000
Securities - (Incl Disc/Prem)	6,030,149	63,313,220
Certificates of Deposit	7,241,166	5,000,000
Savings Account - EPA Legal	530,456	530,456
Checking Accounts	733,357	1,000,000
	\$ 80,540,427	\$ 83,343,676

Cash Flow 2027

Fiscal Year 2026-27						
	BALANCE @ June 2026	Revenues	Interest	Expenses	Debt Service	BALANCE @ June 2027
General Fund	\$ 1,838,989	\$ 848,033	\$ —	\$ 848,033	\$ —	\$ 1,838,989
OWOW Fund	\$ 980,279	\$ 3,185,193	\$ —	\$ 3,884,958	\$ —	\$ 280,514
Roundtable Fund	\$ 4,079,393	\$ 1,581,865	\$ —	\$ 2,195,872	\$ —	\$ 3,465,386
Brine Line Enterprise						
Brine Line Operating Reserve	\$ 3,475,164	\$ 13,604,122	\$ —	\$ 11,212,258	\$ 1,709,476	\$ 4,157,552
Debt Retirement Reserve	\$ 3,142,328	\$ —	\$ —	\$ —	\$ —	\$ 3,142,328
Pipeline Replacement & Capital Investment	\$ 42,806,993	\$ 2,000,000	\$ 1,500,000	\$ 4,828,641	\$ —	\$ 41,478,352
OC San Pipeline Rehabilitation	\$ 3,593,976	\$ 182,388	\$ —	\$ —	\$ —	\$ 3,776,364
OC San Future Treatment & Disposal Capacity	\$ 6,615,178	\$ —	\$ —	\$ —	\$ —	\$ 6,615,178
Pipeline Capacity Management Reserve	\$ 13,363,704	\$ —	\$ —	\$ —	\$ —	\$ 13,363,704
Operating Cash	\$ 2,917,215	\$ —	\$ —	\$ —	\$ —	\$ 2,917,215
Brine Line Enterprise	\$ 75,914,558	\$ 15,785,510	\$ 1,500,000	\$ 16,040,899	\$ 1,709,476	\$ 75,450,693
Legal Defense Fund	\$ 530,456	\$ —	\$ —	\$ —	\$ —	\$ 530,456
TOTALS	\$ 83,343,676	\$ 21,401,601	\$ 1,500,000	\$ 22,969,762	\$ 1,709,476	\$ 81,566,038

Cash Flow 2027

Investments & Cash:		
	Projected 6/30/26	Projected 6/30/27
Local Agency Investment Fund (LAIF)	\$ 13,500,000	\$ 13,500,000
Securities - (Incl Disc/Prem)	63,313,220	66,530,582
Certificates of Deposit	5,000,000	5,000,000
Savings Account - EPA Legal	530,456	530,456
Checking Accounts	1,000,000	1,000,000
	\$ 83,343,676	\$ 81,566,038

SUMMARY OF LABOR MULTIPLIERS

FYE 2026			FYE 2027		
		Benefits Rate		Benefits Rate	
Total Employee Benefits	\$1,944,444	0.403	\$2,127,902	0.406	
Total Payroll	4,829,649		5,244,232		
Gross Indirect Costs	4,679,824		5,085,131		
<i>Less: Member Contributions</i>	<i>(500,000)</i>		<i>(550,000)</i>		
Indirect Costs for Distribution	4,179,824		4,535,131		
		Indirect Costs		Indirect Costs	
Direct Labor Charged	2,458,914	1.700	2,580,572	1.757	
Indirect Costs	4,179,824		4,535,131		
Budgeted Labor Multiplier		2.103		2.163	

	Actual	Budgeted
FY 2024-25 Labor Multiplier	2.146	2.000
FY 2023-24 Labor Multiplier	2.060	2.058
FY 2022-23 Labor Multiplier	1.984	2.028
FY 2021-22 Labor Multiplier	1.993	2.009

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**FYE 2026
GENERAL FUND COSTS (INDIRECT)
(to be Distributed)**

G/L Acct.	Description	Budget	G/L Acct.	Description	Budget
51000	Salaries - Regular	\$ 2,299,154	60172	Equipment Repair/Maintenance	\$ -
52000	Benefits	\$ 925,652	60180	Computer Hardware	\$ 22,200
60111	Tuition Reimbursement	\$ 10,500	60181	Software/Updates/Licensing	\$ 154,500
60112	Training	\$ 18,200	60182	Internet Services	\$ 25,000
60113	Education	\$ 19,000	60183	Computer Supplies	\$ 5,600
60114	Other Training & Education	\$ 20,500	60184	Computer Repair/Maintenance	\$ 2,900
60120	Audit Fees	\$ 22,040	60185	Cloud Storage	\$ 38,000
60121	Consulting	\$ 178,500	60190	Offsite Meeting/Travel Expense	\$ 5,000
60126	Temporary Services	\$ 5,000	60191	In House Meetings	\$ 2,000
60128	Other Professional Services	\$ 30,000	60192	Conference Expense	\$ 39,500
60130	Legal Fees	\$ 75,000	60200	Dues	\$ 61,000
60133	Employment Recruitment	\$ 30,000	60202	Subscriptions	\$ 9,500
60153	Materials & Supplies	\$ 7,000	60203	Contributions	\$ 32,500
60154	Safety	\$ 7,600	60211	Shipping/Postage	\$ 5,000
60155	Security	\$ 9,000	60212	Office Supplies	\$ 12,000
60156	Custodial Contract Services	\$ 36,000	60220	Commission Fees	\$ 66,000
60157	Landscaping Maintenance	\$ 30,500	60221	Commission Mileage Reimbursement	\$ 6,339
60158	HVAC	\$ 12,000	60222	Other Commission Expense	\$ 3,500
60159	Facility Repair & Maintenance	\$ 27,600	60230	Other Expense	\$ 5,000
60160	Telephone	\$ 25,333	60240	Building Lease	\$ 8,790
60161	Cellular Services	\$ 16,000	81010	Post Retirement Medical Benefits	\$ 98,066
60163	Electricity	\$ 25,000	80001	Insurance Expense	\$ 85,500
60164	Water Services	\$ 10,000	80000	Building Repair/Replacement Reserve	\$ 100,000
60170	Equipment Expensed	\$ 9,000	13005	Fixed Assets	\$ -
60171	Equipment Rented	\$ 18,350	60300	Reserves/Contingency	\$ 25,000

(Continued – next column)

Total General Fund Costs	\$ 4,679,824
Less Reserves Used	-
Net General Fund Costs	\$ 4,679,824

FYE 2027
GENERAL FUND COSTS (INDIRECT)
(to be Distributed)

G/L Acct.	Description	Budget	G/L Acct.	Description	Budget
51000	Salaries - Regular	\$ 2,579,554	60172	Equipment Repair/Maintenance	\$ -
52000	Benefits	\$ 1,046,681	60180	Computer Hardware	\$ 33,400
60111	Tuition Reimbursement	\$ 10,500	60181	Software/Updates/Licensing	\$ 153,500
60112	Training	\$ 18,500	60182	Internet Services	\$ 25,000
60113	Education	\$ 19,000	60183	Computer Supplies	\$ 5,600
60114	Other Training & Education	\$ 21,200	60184	Computer Repair/Maintenance	\$ 2,900
60120	Audit Fees	\$ 22,470	60185	Cloud Storage	\$ 38,000
60121	Consulting	\$ 156,500	60190	Offsite Meeting/Travel Expense	\$ 5,000
60126	Temporary Services	\$ 5,000	60191	In House Meetings	\$ 2,000
60128	Other Professional Services	\$ 30,000	60192	Conference Expense	\$ 39,500
60130	Legal Fees	\$ 75,000	60200	Dues	\$ 61,500
60133	Employment Recruitment	\$ 30,000	60202	Subscriptions	\$ 9,600
60153	Materials & Supplies	\$ 7,000	60203	Contributions	\$ 33,000
60154	Safety	\$ 7,600	60211	Shipping/Postage	\$ 5,000
60155	Security	\$ 3,100	60212	Office Supplies	\$ 12,000
60156	Custodial Contract Services	\$ 36,000	60220	Commission Fees	\$ 68,400
60157	Landscaping Maintenance	\$ 30,500	60221	Commission Mileage Reimbursement	\$ 6,385
60158	HVAC	\$ 12,000	60222	Other Commission Expense	\$ 3,500
60159	Facility Repair & Maintenance	\$ 27,600	60230	Other Expense	\$ 5,000
60160	Telephone	\$ 25,333	60240	Building Lease	\$ 9,230
60161	Cellular Services	\$ 16,000	81010	Post Retirement Medical Benefits	\$ 114,228
60163	Electricity	\$ 25,000	80001	Insurance Expense	\$ 85,500
60164	Water Services	\$ 10,000	80000	Building Repair/Replacement Reserve	\$ 100,000
60170	Equipment Expensed	\$ 9,000	13005	Fixed Assets	\$ -
60171	Equipment Rented	\$ 18,350	60300	Reserves/Contingency	\$ 25,000

(Continued – next column)

Total General Fund Costs \$ 5,085,131
-
\$ 5,085,131

BENEFITS SUMMARY

(Distributed based on Actual Labor)

G/L Acct.	Description	Budget FYE 2025	Budget FYE 2026	Budget FYE 2027
70101	FICA	\$ 222,966	\$ 268,773	\$ 271,461
70102	Medicare	\$ 64,604	\$ 70,719	\$ 76,757
70103	State Unemployment Insurance	\$ 4,557	\$ 4,158	\$ 4,384
70104	Worker's Compensation Insurance	\$ 78,307	\$ 52,589	\$ 60,095
70105	State Disability Insurance	\$ 41,212	\$ 56,975	\$ 62,128
70106	PERS Pension Plan – Employer	\$ 516,499	\$ 720,582	\$ 832,990
70111	Medical Insurance	\$ 562,370	\$ 630,438	\$ 674,246
70112	Dental Insurance	\$ 31,523	\$ 43,085	\$ 45,902
70113	Vision Insurance	\$ 8,526	\$ 7,785	\$ 8,208
70114	Life Insurance	\$ 16,327	\$ 17,228	\$ 17,476
70115	Long Term Disability Insurance	\$ 19,249	\$ 20,512	\$ 21,005
70116	Wellness Program	\$ 3,900	\$ 4,200	\$ 4,050
70120	Car Allowance	\$ 39,000	\$ 47,400	\$ 49,200
Total Benefits		\$ 1,609,040	\$ 1,944,444	\$ 2,127,902
Total Payroll		\$ 4,416,450	\$ 4,829,649	\$ 5,244,232
Benefits Rate		36.4%	40.3%	40.6%

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MEMBER CONTRIBUTION

Summary Schedule

Member Agency Contributions		Adopted FYE 2025	Adopted FYE 2026	Adopted FYE 2027
Exempt from Indirect Costs	Funds			
General Fund Costs	100-00	\$ 475,000	\$ 500,000	\$ 550,000
State Legislative/Regulatory Outreach	100-03	\$ 215,250	\$ 233,400	\$ 251,233
Federal Legislative/Regulatory Outreach	100-04	\$ 22,660	\$ -	\$ -
		\$ 712,910	\$ 733,400	\$ 801,233
Planning Projects				
General Planning	370-01	\$ 400,000	\$ 500,000	\$ 500,000
USBR Partnership Studies	370-02	\$ 20,000	\$ 20,000	\$ 20,000
Watershed Management (OWOW)	373	\$ 400,000	\$ 500,000	\$ 500,000
SA River Fish Conservation	381	\$ 10,000	\$ 20,000	\$ 20,000
LESJWA Administration	477	\$ 10,000	\$ 10,000	\$ 10,000
		\$ 840,000	\$ 1,050,000	\$ 1,050,000
Special Projects				
ICARP	376	\$ -	\$ 40,000	\$ -
PFAS Study	377	\$ 550,000	\$ 450,000	\$ 400,000
Cloud Seeding Pilot Project	378	\$ 158,500	\$ -	\$ 170,000
		\$ 708,500	\$ 490,000	\$ 570,000
Total Member Agency Contributions		\$ 2,261,410	\$ 2,273,400	\$ 2,421,233
Per Member Agency		\$ 452,282	\$ 454,680	\$ 484,247

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MEMBER CONTRIBUTION

by Agency

FYE 2026

ACTIVITY	TOTAL	EMWD	IEUA	OCWD	SBVMWD	WMWD
370 General Planning	\$500,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000
370 USBR Partnership Studies	20,000	4,000	4,000	4,000	4,000	4,000
373 Watershed Management (OWOW)	500,000	100,000	100,000	100,000	100,000	100,000
381 SA River Fish Conservation	20,000	4,000	4,000	4,000	4,000	4,000
477 LESJWA Administration	10,000	2,000	2,000	2,000	2,000	2,000
<i>Subtotal (Planning)</i>	<i>1,050,000</i>	<i>210,000</i>	<i>210,000</i>	<i>210,000</i>	<i>210,000</i>	<i>210,000</i>
376 ICARP	40,000	8,000	8,000	8,000	8,000	8,000
377 PFAS Study	450,000	90,000	90,000	90,000	90,000	90,000
<i>Subtotal (Special Projects)</i>	<i>490,000</i>	<i>98,000</i>	<i>98,000</i>	<i>98,000</i>	<i>98,000</i>	<i>98,000</i>
State/Federal Legislative/Regulatory Outreach	233,400	46,680	46,680	46,680	46,680	46,680
General Fund Costs	500,000	100,000	100,000	100,000	100,000	100,000
<i>Subtotal (Administration)</i>	<i>733,400</i>	<i>146,680</i>	<i>146,680</i>	<i>146,680</i>	<i>146,680</i>	<i>146,680</i>
Member Agency Contributions to SAWPA	\$2,273,400	\$454,680	\$454,680	\$454,680	\$454,680	\$454,680

MEMBER CONTRIBUTION

by Agency

FYE 2027

ACTIVITY	TOTAL	EMWD	IEUA	OCWD	SBVMWD	WMWD
370 General Planning	\$500,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000
370 USBR Partnership Studies	20,000	4,000	4,000	4,000	4,000	4,000
373 Watershed Management (OWOW)	500,000	100,000	100,000	100,000	100,000	100,000
381 SA River Fish Conservation	20,000	4,000	4,000	4,000	4,000	4,000
477 LESJWA Administration	10,000	2,000	2,000	2,000	2,000	2,000
<i>Subtotal (Planning)</i>	<i>1,050,000</i>	<i>210,000</i>	<i>210,000</i>	<i>210,000</i>	<i>210,000</i>	<i>210,000</i>
377 PFAS Study	400,000	80,000	80,000	80,000	80,000	80,000
378 Cloud Seeding Pilot Project	170,000	34,000	34,000	34,000	34,000	34,000
<i>Subtotal (Special Projects)</i>	<i>570,000</i>	<i>114,000</i>	<i>114,000</i>	<i>114,000</i>	<i>114,000</i>	<i>114,000</i>
State/Federal Legislative/Regulatory Outreach	251,233	50,247	50,247	50,247	50,247	50,247
General Fund Costs	550,000	110,000	110,000	110,000	110,000	110,000
<i>Subtotal (Administration)</i>	<i>801,233</i>	<i>160,247</i>	<i>160,247</i>	<i>160,247</i>	<i>160,247</i>	<i>160,247</i>
Member Agency Contributions to SAWPA	\$2,421,233	\$484,247	\$484,247	\$484,247	\$484,247	\$484,247

Section 5 Revenues



Revenues

SAWPA utilizes a diverse mix of revenue sources to support both operating and capital expenses. This balanced funding strategy helps maintain financial stability, provides resources for long-term capital needs, and supports watershed-wide programs and projects.

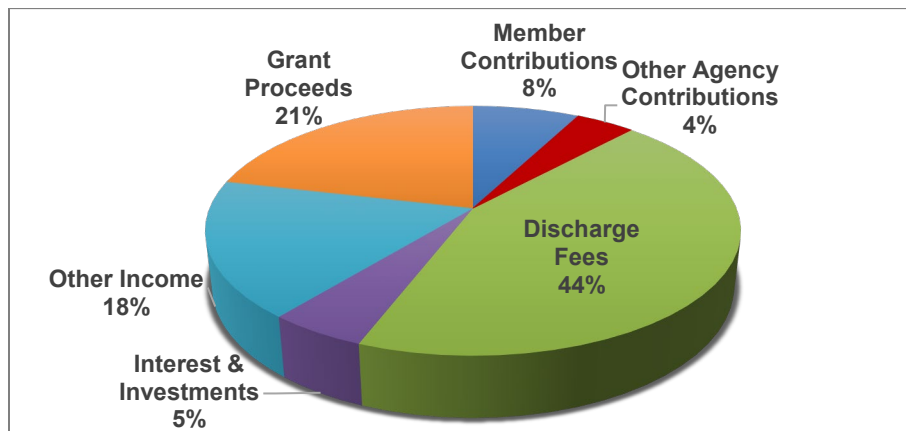
SAWPA's primary revenue sources include:

- Member Contributions
- Other Agency Contributions
- Brine Line Discharge Fees
- Interest and Investments
- Other Income (use of reserves, mitigation credit sales, operating transfers)
- Grant Proceeds

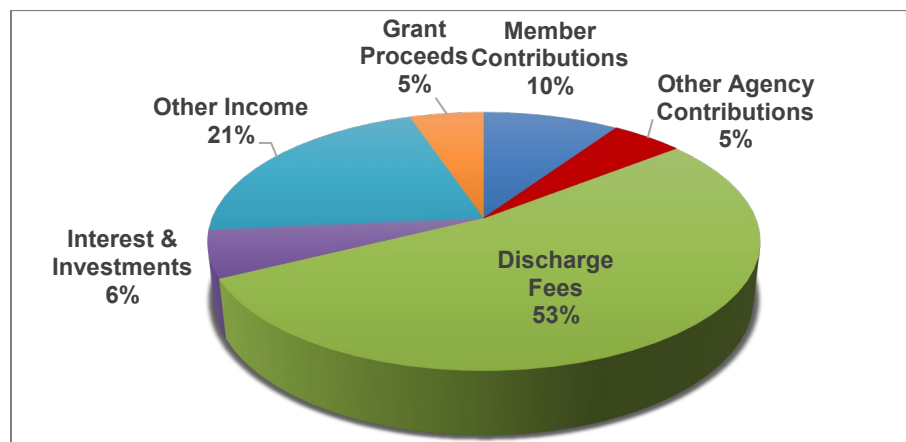
Each source is described below.

For FYE 2026, total agency revenues are projected at \$29.6 million (excluding \$20.8 million in Proposition 1 and 84 project pass-through funds). For FYE 2027, total revenues are projected at \$25.5 million (excluding \$7.3 million in Proposition 1 and 84 pass-through funds).

**Total Revenues by Source
FYE 2026**



**Total Revenues by Source
FYE 2027**



Compared to the prior year, agency-wide revenues are expected to increase by \$7.6 million in FYE 2026 and decrease by \$4.1 million in FYE 2027. The FYE 2026 increase is primarily driven by higher discharge fees, stronger investment earnings, other income, and grant proceeds.

Member Contributions

Member contributions provide a stable funding base to support agency operations, planning efforts, and legislative/regulatory outreach. These funds also help offset SAWPA labor costs associated with OWOW planning and roundtable projects. Member agencies may also choose to contribute directly to roundtable projects that benefit their service areas.

- FYE 2026: \$2.3 million (≈8% of total revenues)
- FYE 2027: \$2.4 million (≈9% of total revenues)

Other Agency Contributions

SAWPA facilitates numerous stakeholder and collaborative efforts, particularly within OWOW and roundtable programs. Participating agencies contribute funds to support these initiatives.

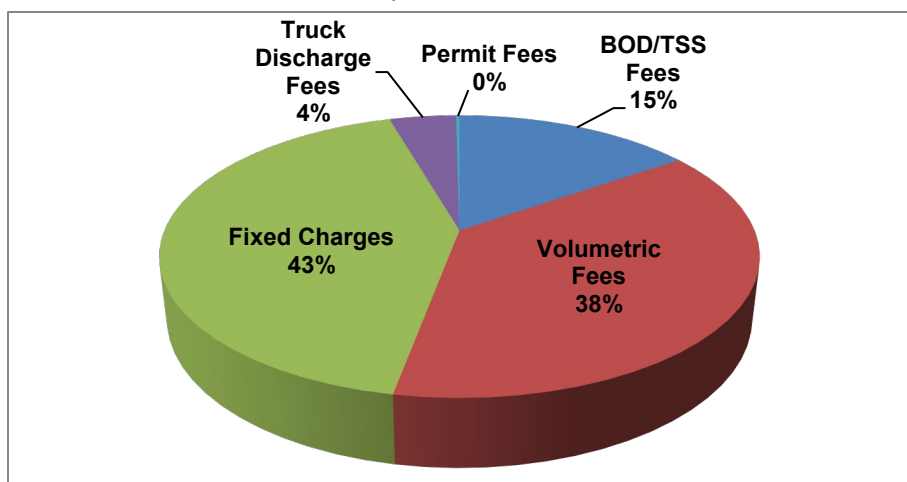
- FYEs 2026 & 2027: \$1.3 million (≈4%–5% of total revenues)

Discharge Fees

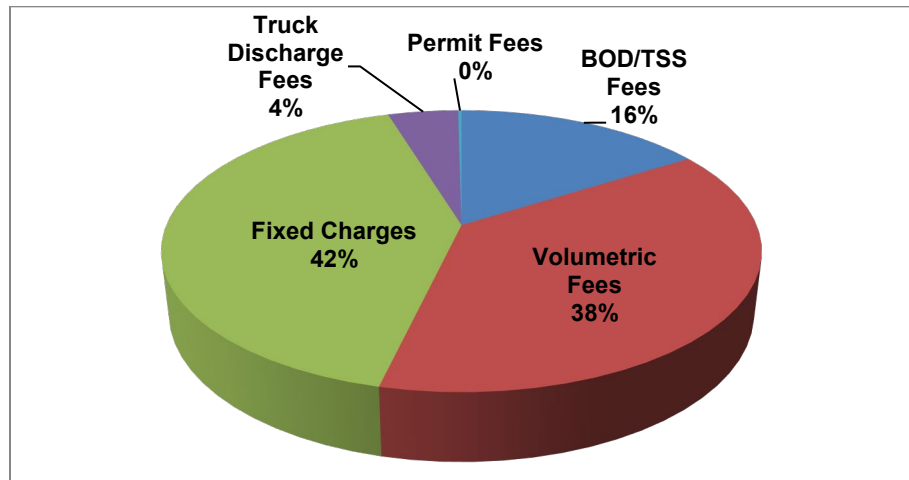
The Inland Empire Brine Line is a critical regional facility that exports non-reclaimable wastewater, including high-salinity industrial flows and desalter brine, to the OC San for treatment and ocean discharge. Discharge fees are the largest single source of agency revenue, supporting ongoing operations, capital improvements, and reserves for long-term repair and replacement.

- FYE 2026: \$13.0 million (≈44% of total revenues)
- FYE 2027: \$13.6 million (≈53% of total revenues)

FYE 2025 Discharge Fees
\$13.0 Million



**FYE 2026 Discharge Fees
\$13.6 Million**



Discharge fees consist of volumetric, biochemical oxygen demand (BOD) and total suspended solids (TSS), fixed, truck discharge, emergency discharge, and permit charges. A financial rate model, first established in 2018, is updated annually to ensure adequate cost recovery and capital funding.

Each year, the rate model is updated, and any rate changes are included in the budget. The following table represents the rates through FYE 2027.

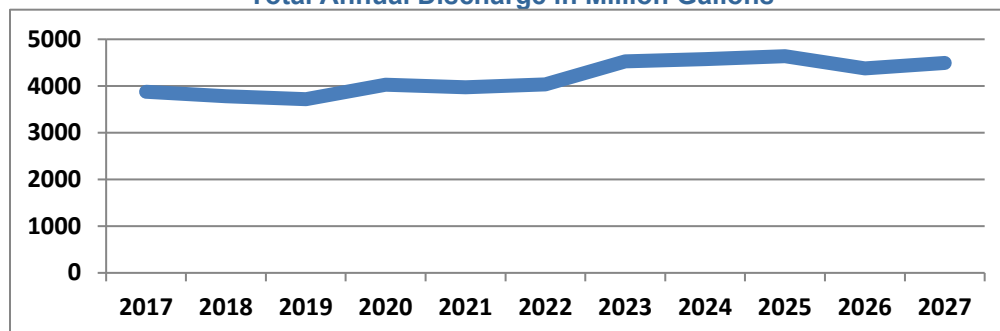
Brine Line Rates

<i>FYE</i>	<i>Flow/MG</i>	<i>BOD/1,000 lbs</i>	<i>TSS/1,000 lbs</i>	<i>Fixed Treatment</i>	<i>Fixed Pipeline</i>
2025	\$1,097	\$396	\$497	\$6,654	\$13,505
2026	\$1,119	\$416	\$522	\$6,787	\$13,775
2027	\$1,141	\$437	\$548	\$6,693	\$14,051

Volumetric Charges

Volumetric charges are based on million gallons (MG) of discharge into the system. Total discharge into the system is projected to be 4,380 MG for FYE 2026 and 4,490 MG for FYE 2027. In FYE 2026, revenues from volumetric charges are projected to be \$4.9 million, or approximately 38% of the \$13.0 million projected for total discharge fees. In FYE 2027, revenues from volumetric charges are projected to be \$5.1 million, or approximately 38% of the \$13.6 million projected for total discharge fees. For FYEs 2026 and 2027, only the pass-through portions of flow, BOD, and TSS will increase based on projected OC San rate increases.

Total Annual Discharge in Million Gallons



BOD/TSS Charges

BOD and TSS charges are based on pollutant concentrations in the discharge flow (per 1,000 lbs.). Concentration is determined by sampling conducted at each flow meter location.

In FYE 2026, BOD/TSS charges are projected to be \$2.0 million, or approximately 15% of the \$13.0 million projected for total discharge fees. In FYE 2027, BOD/TSS charges are projected to be \$2.2 million, or approximately 16% of the \$13.6 million projected for total discharge fees.

Fixed Charges

Fixed charges cover the portion of annual operating expenses that are fixed regardless of flow amount. The fixed charge is based on total owned pipeline capacity and total owned treatment and disposal capacity rights. Each month, dischargers are charged a fee based on the total pipeline and the total treatment capacity they own in the system. Total treatment and disposal capacity rights sold and leased in the system is 17 million gallons a day (MGD). Total purchased pipeline capacity is 32.568 MGD.

In FYE 2026, fixed charges are projected to be \$5.5 million, or approximately 43% of the \$13.0 million projected for total discharge fees. In FYE 2027, fixed charges are projected to be \$5.7 million, or approximately 42% of the \$13.6 million projected for total discharge fees.

Truck Discharge Fees

EMWD, IEUA, SBVMWD, and WMWD each operate a truck discharge station. Truck dischargers are indirect dischargers. Truck discharges are projected at 2.67 MGD per month for FYE 2026 and 2.9 MGD per month for FYE 2027. The rates for truck discharge fees are shown in the table below:

<i>Waste Strength</i>	<i>BOD or TSS Concentration</i>	<i>FYE 2026</i>	<i>FYE 2027</i>
Brine	Less than 100 mg/L	\$0.0168	\$0.0172
Non Brine Tier	100 mg/L or higher	*	*

* Concentrations 100 mg/L and higher will be charged using the following cost components: \$0.0168 per gallon, \$0.8187/pound of BOD, and \$0.7819/pound of TSS.

In FYE 2026, truck discharge fees are projected to be \$559,600, or approximately 4% of the \$13.0 million projected for total discharge fees. In FYE 2027, truck discharge fees are projected to be \$615,560, or approximately 5% of the \$13.6 million projected for total discharge fees.

Emergency Discharge Fees

From time to time there may be emergency discharges into the system from a variety of sources. Because emergency discharges cannot be projected, they are not included as revenue in the budget.

Permit Fees

Direct dischargers are charged a \$600 permit fee for each meter in the system, indirect dischargers are charged \$300, and liquid waste haulers are charged \$250. There are currently 33 direct connections, 16 indirect dischargers, and 8 liquid waste haulers in the system. In FYE 2026, permit fees are projected to be \$28,800 or approximately 0.22% of the \$13.0 million projected for total discharge fees. In FYE 2027, permit fees are projected to be \$28,800 or approximately 0.21% of the \$13.6 million projected for total discharge fees.

Sampling Surcharge

Sampling Surcharges are the fees charged by OC San for the special sampling done on Stringfellow discharges. No sampling surcharge revenues are projected for FYEs 2026 and 2027.

Capacity Sales

This revenue source is from the sale of pipeline or treatment capacity rights in the Brine Line system. There are no planned capacity sales revenues are projected for FYEs 2026 and 2027.

SRF Loans

SAWPA has used SRF Loans to fund capital repair projects. No revenues from SRF Loans are projected for FYEs 2026 and 2027.

Interest and Investments

Investment income provides an important supplementary revenue stream. SAWPA invests idle cash in the Local Agency Investment Fund (LAIF) and high-quality securities in accordance with the annually adopted Investment Policy.

- FYEs 2026 & 2027: \$1.5 million annually ($\approx 5\%$ – 6% of total revenues)

Other Income

Other income consists of several categories, including the use of reserves, mitigation credit sales, miscellaneous income, and operating transfers.

- FYE 2026: \$5.3 million ($\approx 18\%$ of total revenues)
- FYE 2027: \$5.4 million ($\approx 21\%$ of total revenues)

Use of Reserves

SAWPA's CIP assumes pay-as-you-go funding using reserves and excess operating cash. In FYE 2026, use of reserves is projected to be \$2.9 million. In FYE 2027, use of reserves is projected to be \$4.9 million.

Mitigation Credit Sales

As part of the Proposition 13 Southern California Integrated Watershed Program (SCIWP), SAWPA purchased 100 mitigation bank units (1 unit = 1 acre) from the Riverside County Parks and Open-Space District for \$4 million. These units are sold to those needing riparian mitigation for projects within the region. Funds generated by the sale of units are used to support the on-going maintenance of habitat created from the SCIWP Arundo Program and for other habitat creation projects within the Watershed. In FYEs 2026, we anticipate selling the remaining 20 acres of mitigation credits for a total of \$2.0 million.

Other Income

SAWPA provides administrative services for the Lake Elsinore & San Jacinto Watersheds Authority (LESJWA) JPA. Other funding proceeds are revenues received for reimbursement of those services. These funds are reimbursed from funds received by LESJWA.

Operating Transfers

As part of the Basin Plan Amendment to revise recreation standards for inland freshwaters in the Santa Ana Region the Regional Water Quality (RWQ) Monitoring Task Force was established to implement a regional monitoring program. In an effort to eliminate redundancy and streamline reporting of regional monitoring efforts, the MSAR TMDL Task Force decided to transfer funding from their task force to the RWQ Monitoring Task Force and have them do the required monitoring.

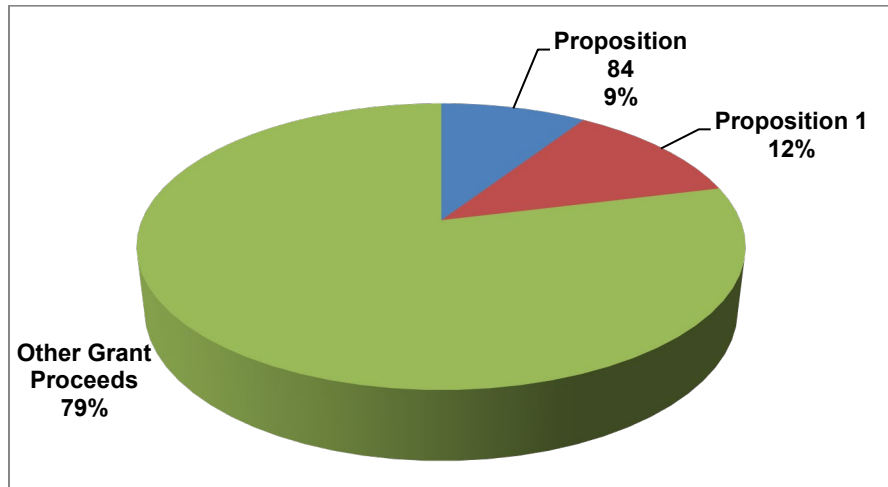
Grant Proceeds

Grant funding remains a vital component of SAWPA's financial strategy, enabling significant watershed-wide investments.

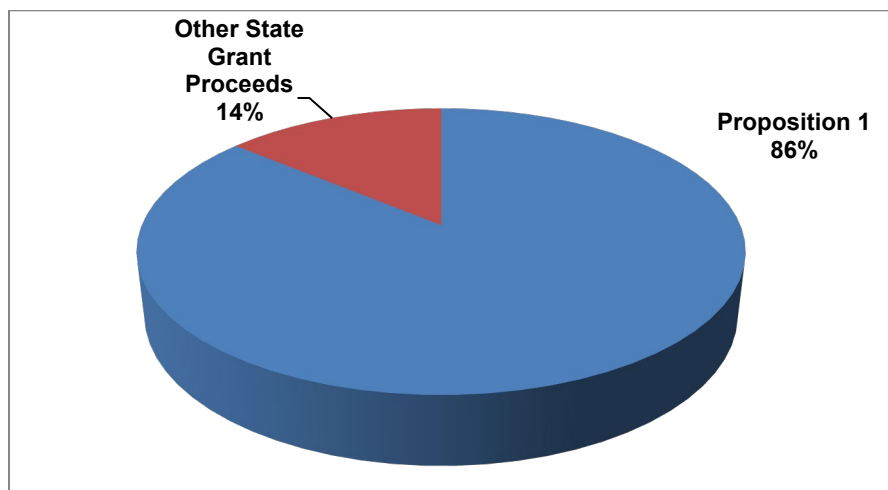
- FYE 2026: \$6.3 million ($\approx 21\%$ of total revenues)
- FYE 2027: \$1.3 million ($\approx 5\%$ of total revenues)

Grant proceeds projections are based on the total expenses for eligible projects and any other programs that are eligible for grant funding. SAWPA has received several grants which are included in the FYEs 2026 and 2027 budget.

**Grant Proceeds
FYE 2026
\$6.3 Million**



**Grant Proceeds
FYE 2027
\$1.3 Million**



Proposition 84

In 2006, Propositions 84, 1E, and 1C were approved by the voters. Under Chapter 2 of Proposition 84, \$114 million was allocated to the Watershed subject to an adopted IRWMP. Through the SAWPA OWOW Plan, an IRWMP for the Watershed was crafted and was instrumental in securing funds for the region. SAWPA has received \$12.7 million in grant funding under Proposition 84 IRWM Round 1 implementation in August 2011, \$15.1 million in Round 2 implementation in late 2013, \$12.9 million in grant funding from the Drought Round implementation in early 2015. Under the Final Proposition 84 Round 2015, \$64.3 million in grant funding has been allocated to SAWPA and will be provided to SAWPA on a reimbursable basis through Fall 2026.

Proposition 1 – Capital Projects

On November 4, 2014, California voters approved Proposition 1, the Water Quality, Supply, and Infrastructure Improvement Act of 2014. Proposition 1 authorized \$510.0 million in IRWM funding. The Proposition 1 IRWM Grant Program, administered by DWR, provides funding for projects that help meet the long-term water needs of the state. Of the \$510.0 million, \$63.0 million will be allocated to the Watershed.

Other State Grant Proceeds

Additional State grant funding has been awarded to SAWPA from the California Strategic Growth Council (SGC) as part of joint application and award to the City of Riverside for the development and implementation of neighborhood-level climate sustainability projects as part of the Transformative Climate Communities (TCC) program. The grant will provide SAWPA with \$68,546 in FYE 2026 for turf removal and drought tolerant landscaping in the City of Riverside. The grant expires in FYE 2026.

The Agency applied for and received a \$5.0 million grant for DWR's Urban and Multi-benefit Drought Relief Grant Program for Disadvantaged Communities (DAC). The grant will provide SAWPA with \$4.5 million in FYE 2026 for DAC related projects. This grant will expire in FYE 2026.

The Agency also applied for and received an Integrated Climate Adaption and Resiliency Program grants (ICARP) through the Governor's Office of Land Use and Climate Innovation. The grant will provide SAWPA with \$443,979 in FYE 2026 and \$184,140 in FYE 2027.

Summary

SAWPA's diverse and carefully managed revenue portfolio, anchored by Brine Line discharge fees and strengthened by member support, strategic investments, and competitive grant awards, ensures the agency's ability to fund operations, maintain critical infrastructure, and advance watershed-wide sustainability initiatives.

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REVENUES FYE 2026

	Member Contributions	Other Agency Contributions	Discharge Fees	Interest & Investments	Other Income	Grant Proceeds	Total FYE 2026	Total FYE 2025	Inc (Dcr) from Prior Year	% Change
100 General Fund	\$ 733,400	–	–	–	\$ 258,400	–	\$ 991,800	\$ 712,910	\$ 278,890	39.1%
145 Prop 84 – 2015 Program Management	–	–	–	–	–	\$ 534,786	\$ 534,786	\$ 539,894	\$ (5,108)	(0.9%)
150 Prop 1 R1 – Program Management	–	–	–	–	–	\$ 172,540	\$ 172,540	\$ 248,593	\$ (76,053)	(30.6%)
155 Prop 1 R2 – Program Management	–	–	–	–	–	\$ 280,675	\$ 280,675	\$ –	\$ 280,675	100.0%
240 Brine Line Enterprise	–	–	\$ 13,038,465	\$ 1,500,000	–	–	\$ 14,538,465	\$ 13,078,112	\$ 1,460,353	11.2%
320 Brine Line Protection Project	–	–	–	–	\$ 2,632,558	–	\$ 2,632,558	\$ 1,400,590	\$ 1,231,968	88.0%
327 Reach IV-D Corrosion Repair	–	–	–	–	–	–	\$ –	\$ 469,423	\$ (469,423)	(100.0%)
370 Basin Planning General	\$ 500,000	–	–	–	–	–	\$ 500,000	\$ 450,000	\$ 50,000	11.1%
370 USBR Partnership Studies	\$ 20,000	–	–	–	–	–	\$ 20,000	\$ 70,000	\$ (50,000)	(71.4%)
373 Watershed Management (OWOW)	\$ 500,000	\$ 47,300	–	–	–	–	\$ 547,300	\$ 767,900	\$ (220,600)	(28.7%)
374 Basin Monitoring Program Task Force	–	\$ 224,043	–	–	–	–	\$ 224,043	\$ 516,000	\$ (291,957)	(56.6%)
376 ICARP	\$ 40,000	–	–	–	\$ 43,250	\$ 443,979	\$ 527,229	\$ –	\$ 527,229	100.0%
377 PFAS Study	\$ 450,000	–	–	–	–	–	\$ 450,000	\$ 550,000	\$ (100,000)	(18.2%)
378 Cloud Seeding	–	\$ 11,000	–	–	–	\$ 262,372	\$ 273,372	\$ 402,500	\$ (129,128)	(32.1%)
381 SA River Fish Conservation Task Force	\$ 20,000	\$ 19,000	–	–	–	–	\$ 39,000	\$ 279,000	\$ (240,000)	(86.0%)
384 MSAR TMDL Task Force	–	\$ 427,200	–	–	–	–	\$ 427,200	\$ 282,820	\$ 144,380	51.1%
386 RWQ Monitoring Task Force	–	\$ 345,334	–	–	\$ 118,000	–	\$ 463,334	\$ 417,625	\$ 45,709	10.9%
387 Arundo & Habitat Restoration	–	–	–	–	\$ 2,014,560	–	\$ 2,014,560	\$ 889,800	\$ 1,124,760	126.4%
392 Emerging Constituents Task Force	–	\$ 178,841	–	–	–	–	\$ 178,841	\$ 114,000	\$ 64,841	56.9%
397 WECAN - Riverside	–	–	–	–	–	\$ 68,546	\$ 68,546	\$ 148,933	\$ (80,387)	(54.0%)
398 Drought Relief Grant - DACI	–	–	–	–	–	\$ 4,475,423	\$ 4,475,423	\$ 471,466	\$ 4,003,957	849.3%
477 LESJWA Administration	\$ 10,000	–	–	–	\$ 192,111	–	\$ 202,111	\$ 198,285	\$ 3,826	1.9%
504 Proposition 84 - SARCCUP	–	–	–	–	–	\$ 50,473	\$ 50,473	\$ 47,908	\$ 2,565	5.4%
505 Proposition 1 - Capital Projects	–	–	–	–	–	\$ 37,428	\$ 37,428	\$ 36,178	\$ 1,250	3.5%
	\$ 2,273,400	\$ 1,252,718	\$ 13,038,465	\$ 1,500,000	\$ 5,258,879	\$ 6,326,222	\$ 29,649,684	\$ 22,091,937	\$ 7,557,746	34.2%

PASS THROUGH

504 Proposition 84 – Capital Projects	–	–	–	–	–	\$ 9,000,000	\$ 9,000,000			
505 Proposition 1 - Capital Projects	–	–	–	–	–	\$ 11,843,088	\$ 11,843,088			
Total							\$ 20,843,088			

REVENUES FYE 2027

	Member Contributions	Other Agency Contributions	Discharge Fees	Interest & Investments	Other Income	Grant Proceeds	Total FYE 2027	Total FYE 2026	Inc (Dcr) from Prior Year	% Change
100 General Fund	\$ 801,233	–	–	–	\$ 46,800	–	\$ 848,033	\$ 991,800	\$ (143,767)	(14.5%)
145 Prop 84 – 2015 Program Management	–	–	–	–	–	–	\$ –	\$ 534,786	\$ (534,786)	(100.0%)
150 Prop 1 –Program Management	–	–	–	–	–	\$ 181,736	\$ 181,736	\$ 172,540	\$ 9,194	5.3%
155 Prop 1 R2 – Program Management	–	–	–	–	–	\$ 621,296	\$ 621,296	\$ 280,675	\$ 340,620	121.4%
240 Brine Line Enterprise	–	–	\$ 13,604,122	\$ 1,500,000	–	–	\$ 15,104,122	\$ 14,538,465	\$ 565,658	3.9%
320 Brine Line Protection Project	–	–	–	–	\$ 4,828,641	–	\$ 4,828,641	\$ 2,632,558	\$ 2,196,083)	83.4%
327 Reach IV-D Corrosion Repair	–	–	–	–	–	–	\$ –	\$ –	\$ –	0.0%
370 Basin Planning General	\$ 500,000	–	–	–	–	–	\$ 500,000	\$ 500,000	\$ –	0.0%
370 USBR Partnership Studies	\$ 20,000	–	–	–	–	–	\$ 20,000	\$ 20,000	\$ –	0.0%
373 Watershed Management (OWOW)	\$ 500,000	\$ 47,300	–	–	–	–	\$ 547,300	\$ 547,300	\$ –	0.0%
374 Basin Monitoring Program Task Force	–	\$ 266,282	–	–	–	–	\$ 266,282	\$ 224,043	\$ 42,239	18.9%
376 ICARP	–	–	–	–	\$ 226,750	\$ 184,140	\$ 410,890	\$ 527,229	\$ (116,339)	(22.1%)
377 PFAS Study	\$ 400,000	–	–	–	–	–	\$ 400,000	\$ 450,000	\$ (50,000)	(11.1%)
378 Cloud Seeding	\$ 170,000	–	–	–	–	\$ 219,356	\$ 389,356	\$ 273,372	\$ 115,984	42.4%
381 SA River Fish Conservation Task Force	\$ 20,000	\$ 19,000	–	–	–	–	\$ 39,000	\$ 39,000	\$ –	0.0%
384 MSAR TMDL Task Force	–	\$ 427,700	–	–	–	–	\$ 427,700	\$ 427,200	\$ 500	0.1%
386 RWQ Monitoring Task Force	–	\$ 312,000	–	–	\$ 118,000	–	\$ 430,000	\$ 463,334	\$ (33,334)	(7.2%)
387 Arundo & Habitat Restoration	–	–	–	–	–	–	\$ –	\$ 2,014,560	\$ (2,014,560)	(100.0%)
392 Emerging Constituents Task Force	–	\$ 185,367	–	–	–	–	\$ 185,367	\$ 178,841	\$ 6,526	3.6%
397 WECAN - Riverside	–	–	–	–	–	–	\$ –	\$ 68,546	\$ (68,546)	(100.0%)
398 Drought Relief Grant – DACI	–	–	–	–	–	–	\$ –	\$ 4,475,423	\$ (4,475,423)	(100.0%)
477 LESJWA Administration	\$ 10,000	–	–	–	\$ 223,516	–	\$ 233,516	\$ 202,111	\$ 31,407	15.5%
504 Proposition 84 - SARCCUP	–	–	–	–	–	–	\$ –	\$ 50,473	\$ (50,473)	(100.0%)
505 Proposition 1 - Capital Projects	–	–	–	–	–	\$ 114,615	\$ 114,615	\$ 37,428	\$ 77,188	206.2%
	\$ 2,421,233	\$ 1,257,649	\$ 13,604,122	\$ 1,500,000	\$ 5,443,707	\$ 1,321,143	\$ 25,547,854	\$ 29,649,684	\$ (4,101,829)	(13.8%)

PASS THROUGH

504 Proposition 84 – Capital Projects	–	–	–	–	–	\$ –	\$ –
505 Proposition 1 - Capital Projects	–	–	–	–	–	\$ 7,300,000	\$ 7,300,000
<i>Total</i>							\$ 7,300,000

Section 6 Debt Service

Debt Service

The Agency's outstanding debt at the beginning of FYE 2026 totals \$19.8 million. Total outstanding debt includes two SRF loans for the construction of pipelines/facilities.

Impact on proposed budget

The total debt service obligations (interest and principal) included in the budget for the FYEs 2026 and 2027 amount to \$1.7 million for each year, or 5.9% and 6.4% of the total budgeted expenses.

Debt Policy

The Agency has a formal debt policy that outlines the use of debt instruments and provides guidelines for the use of debt for financing SAWPA's infrastructure needs. In the past, debt financing was used to construct the Brine Line. The Agency will limit long-term borrowing to capital improvements or projects that cannot be financed from current revenues, upon approval by the SAWPA Commission. The Agency has no legal debt limits as imposed by the State or local legislation.

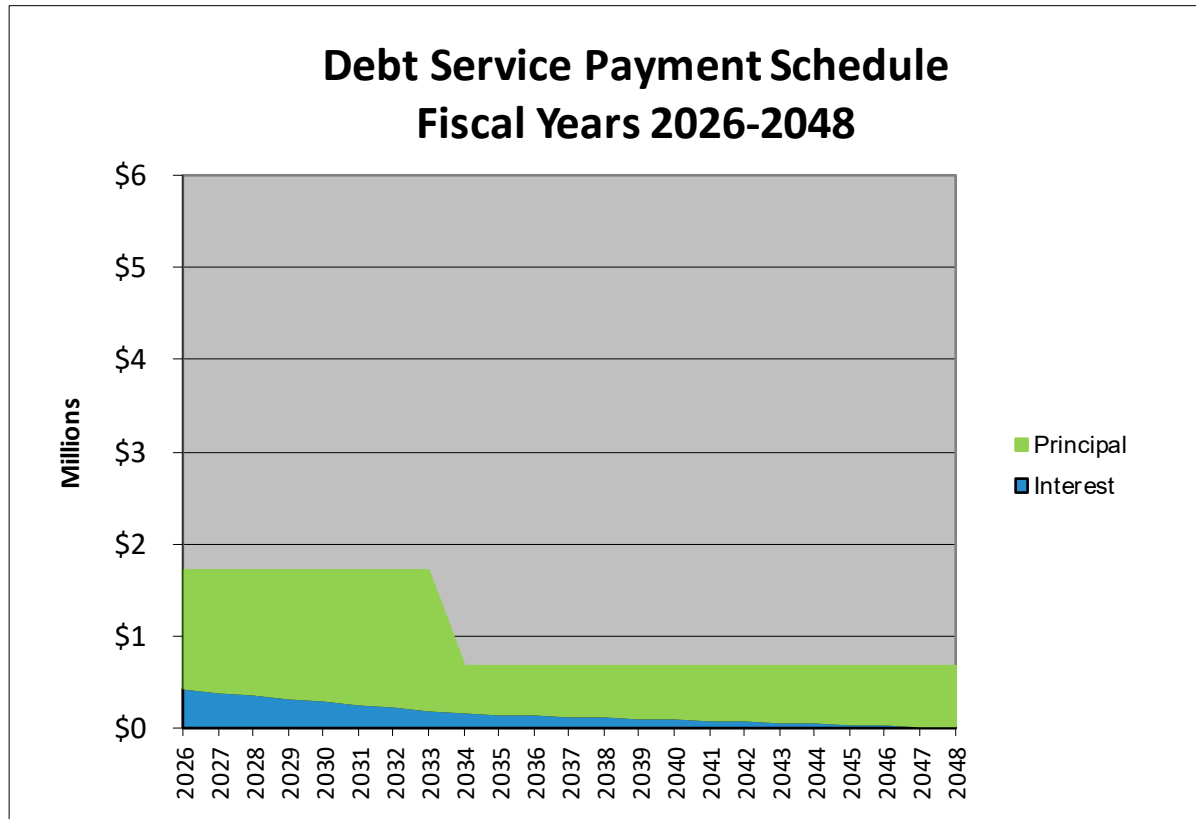
Future Debt Financing

The Agency is confronted with a substantial \$367.0 million Capital Improvement Program spanning the next 40 years. The CIP will be funded by a combination of rate increases, use of reserves, pay-as-you-go, and debt financing. There are no planned debt financings within the next five years.

Funding

The Agency has established debt reserves to cover its annual debt service obligations as stipulated in the loan agreements, in the amount of \$3.1 million at the beginning of FYE 2026. Those reserves are held in medium and short-term investments.

The graph and table below show total debt service payments, principal, and interest, that will be made through 2048.



Total Debt Schedule and Graph

FYE	Interest	Principal	Total Payment	Remaining Principal
2026	\$427,585	\$1,281,891	\$1,709,476	\$18,475,733
2027	397,276	1,312,199	1,709,476	17,163,534
2028	366,237	1,343,239	1,709,476	15,820,295
2029	334,449	1,375,027	1,709,476	14,445,268
2030	301,894	1,407,582	1,709,476	13,037,686
2031	268,553	1,440,923	1,709,476	11,596,763
2032	234,407	1,475,068	1,709,476	10,121,694
2033	199,437	1,510,039	1,709,476	8,611,656
2034	163,621	501,581	665,203	8,110,075
2035	154,091	511,111	665,203	7,598,963
2036	144,380	520,822	665,203	7,078,141
2037	134,485	530,718	665,203	6,547,423
2038	124,401	540,801	665,203	6,006,622
2039	114,126	551,077	665,203	5,455,545
2040	103,655	561,547	665,203	4,893,998
2041	92,986	572,217	665,203	4,321,782
2042	82,114	583,089	665,203	3,738,693
2043	71,035	594,167	665,203	3,144,526
2044	59,746	605,457	665,203	2,539,069
2045	48,242	616,960	665,203	1,922,109
2046	36,520	628,682	665,203	1,293,426
2047	24,575	640,627	665,203	652,799
2048	12,403	652,799	665,203	-

Debt Service Fund Analysis

FYE	From Rates	Loan Payments	Interest Earned *	Excess/(Use) of Cash	Ending Cash Reserve Balance
Beg. Balance					\$ 3,077,423
2026	\$ 1,709,476	\$ (1,709,476)	\$ 76,936	\$ 76,936	3,154,539
2027	1,709,476	(1,709,476)	78,859	78,859	3,233,218
2028	1,709,476	(1,709,476)	80,830	80,830	3,314,048
2029	1,709,476	(1,709,476)	82,851	82,851	3,396,899
2030	1,709,476	(1,709,476)	84,922	84,922	3,481,822
2031	1,709,476	(1,709,476)	87,046	87,046	3,568,867
2032	1,709,476	(1,709,476)	89,222	89,222	3,658,089
2033	1,709,476	(1,709,476)	91,452	91,452	3,749,541
2034	665,203	(665,203)	93,739	93,739	3,843,280
2035	665,203	(665,203)	96,082	96,082	3,939,362
2036	665,203	(665,203)	98,484	98,484	4,037,846
2037	665,203	(665,203)	100,946	100,946	4,138,792
2038	665,203	(665,203)	103,470	103,470	4,138,792
2039	665,203	(665,203)	106,057	106,057	4,348,318
2040	665,203	(665,203)	108,708	108,708	4,457,026
2041	665,203	(665,203)	111,426	111,426	4,568,452
2042	665,203	(665,203)	114,211	114,211	4,682,663
2043	665,203	(665,203)	117,067	117,067	4,799,730
2044	665,203	(665,203)	119,993	119,993	4,919,723
2045	665,203	(665,203)	122,993	122,993	5,042,716
2046	665,203	(665,203)	126,068	126,068	5,168,784
2047	665,203	(665,203)	129,220	129,220	5,298,003
2048	665,203	(665,203)	132,450	132,450	5,430,454
Totals	\$ 23,653,844	\$ (23,653,844)	\$ 2,353,031	\$ 2,353,031	\$ 5,430,454

* Interest earned is based on a conservative estimate of 2.5%

SRF Loan

The Brine Line construction was primarily funded by SRF loans issued by the State Water Resources Control Board (SWRCB). The Agency has two outstanding SRF loans, one loan funded Reach IV-A and IV-B Repairs and one loan funded the Reach V Capital Repair Project.

Reach IV-A and IV-B Repairs

After inspection of the unlined reinforced concrete pipe (RCP) used in the construction of portions of Reach IV-A and IV-B, which was constructed in the early 1980's, it was found that the structural integrity of those portions could be at risk. In 2012, repairs on Reach IV-A and IV-B began. Over 32,504 linear feet of pipeline were slip lined to protect the integrity of the pipeline and another 25,023 linear feet were rehabilitated using cured-in-place pipe (CIPP). An SRF loan in the amount of \$15,956,864 was obtained to fund construction of the pipeline repairs.

SRF Loans

Repayment Began	Loan Amount	Interest Rate	Term	Annual Payment
12/29/13	\$ 15,956,864	2.60%	20 Years	\$ 1,044,273
Total	\$ 15,956,864			\$ 1,044,273

Debt Service Funding

To fund repayment of the SRF loan, rates will be increased to cover the entire loan payment each year.

The following table displays the debt service funding analysis for the Reach IV-A and IV-B Repairs SRF loan payments.

Debt Service Fund Analysis

FYE	Rate Increases	Loan Payments
2026	\$ 1,044,273	\$ (1,044,273)
2027	1,044,273	(1,044,273)
2028	1,044,273	(1,044,273)
2029	1,044,273	(1,044,273)
2030	1,044,273	(1,044,273)
2031	1,044,273	(1,044,273)
2032	1,044,273	(1,044,273)
2033	1,044,273	(1,044,273)
Totals	\$ 8,354,186	\$ (8,354,186)

Reach V Capital Repairs

On October 18, 2011, a catastrophic failure and brine spill occurred on Reach V of the Brine Line. An investigation revealed that in some portions of Reach V, the original polyvinyl chloride (PVC) pipe had experienced deflection, and that the resulting increase in ovality had contributed to the failure, resulting in the spill. Further investigation found that other instances of deflection appeared to exist in other segments of Reach V. A project was developed to investigate the condition and shape of the original pipe in the area of question, and based on that investigation, address each segment either by leaving it in place, lining it with CIPP, or excavating and replacing the segment. The project was completed in January 2018 at a cost of \$30.9 million. A SRF loan in the amount of \$15,000,000 was obtained to fund construction of the pipeline repairs.

SRF Loans

Repayment Began	Loan Amount	Interest Rate	Term	Annual Payment
03/31/2019	\$ 15,000,000	1.90%	30 Years	\$ 665,203
Total	\$ 15,000,000			\$ 665,203

Debt Service Funding

To fund repayment of the SRF loan, rates will be increased to cover the entire loan payment each year.

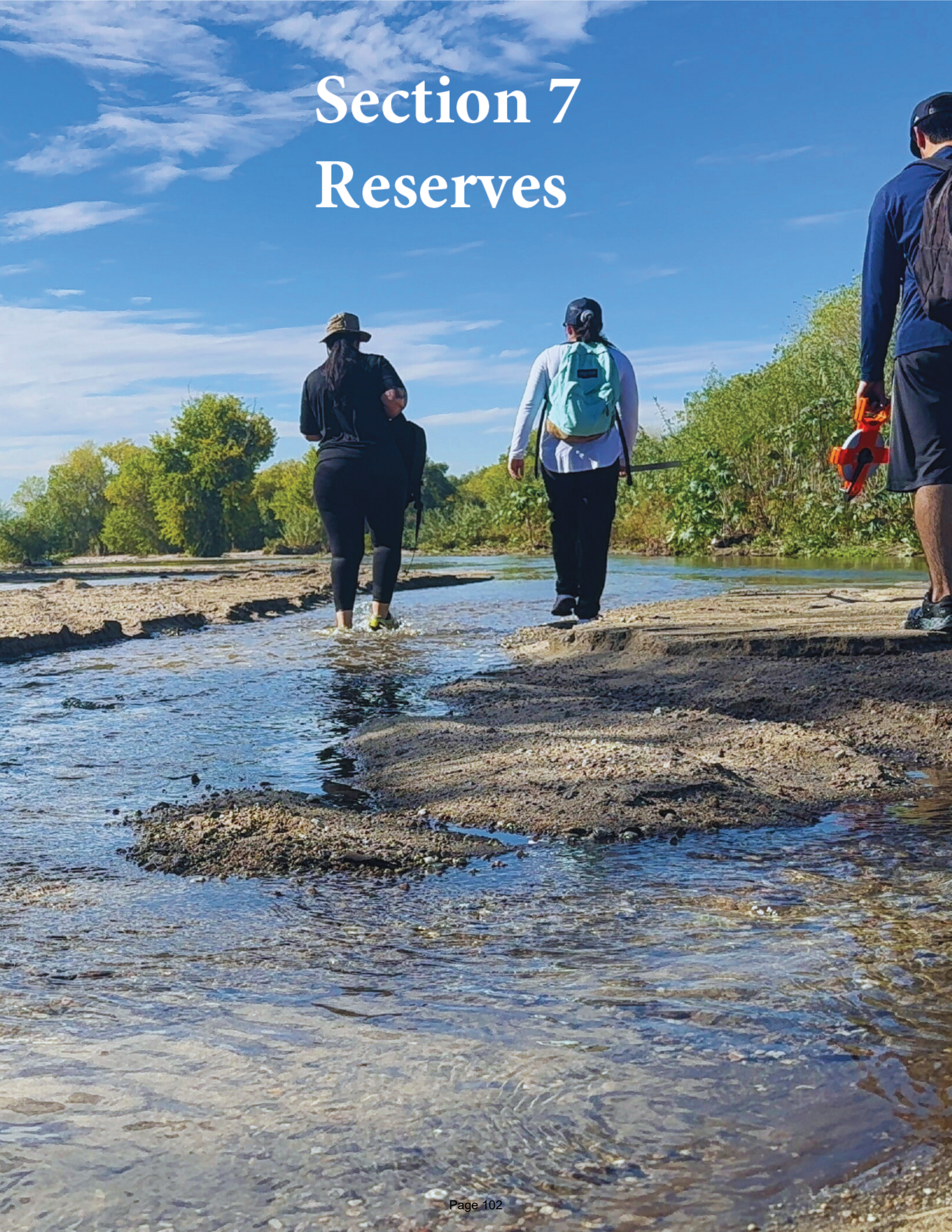
The following table displays the debt service funding analysis for the Reach V Capital Repairs SRF loan payments.

Debt Service Fund Analysis

FYE	From Rates		Loan Payments	
2026	\$	665,203	\$	(665,203)
2027		665,203		(665,203)
2028		665,203		(665,203)
2029		665,203		(665,203)
2030		665,203		(665,203)
2031		665,203		(665,203)
2032		665,203		(665,203)
2033		665,203		(665,203)
2034		665,203		(665,203)
2035		665,203		(665,203)
2036		665,203		(665,203)
2037		665,203		(665,203)
2038		665,203		(665,203)
2039		665,203		(665,203)
2040		665,203		(665,203)
2041		665,203		(665,203)
2042		665,203		(665,203)
2043		665,203		(665,203)
2044		665,203		(665,203)
2045		665,203		(665,203)
2046		665,203		(665,203)
2047		665,203		(665,203)
2048		665,203		(665,203)
Totals	\$	15,299,658	\$	(15,299,658)

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Section 7 Reserves



Reserves

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. 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 (PA) 24 Committee 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, 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 PA 24 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.

Contribution for FYEs 2026 and 2027 – No contributions are projected to be made to this reserve for FYEs 2026 and 2027.

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.

Contribution for FYEs 2026 and 2027 – No contributions are projected to be made to this reserve for FYEs 2026 and 2027.

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.

Contribution for FYEs 2026 and 2027 – No contributions are projected to be made to this reserve for FYEs 2026 and 2027.

- 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.

Contribution for FYEs 2026 and 2027 – No contributions are projected to be made to this reserve for FYEs 2026 and 2027.

- 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.

Contribution for FYEs 2026 and 2027 – Contributions projected to be made to this reserve are \$426,224 for FYE 2026 and \$182,388 for FYE 2027.

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) \$5.0 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 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.

Contribution for FYEs 2026 and 2027 – Contributions projected to be made to this reserve are \$2,000,000 for both FYEs 2026 and 2027.

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.

Contribution for FYEs 2026 and 2027 – No contributions are projected to be made to this reserve for FYEs 2026 and 2027.

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.

Contribution for FYEs 2026 and 2027 – Contributions projected to be made to this reserve are \$100,000 for both FYEs 2026 and FYE 2027.

- 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 money 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.

Contribution for FYEs 2026 and 2027 – No contributions are projected to be made to this reserve for FYEs 2026 and 2027.

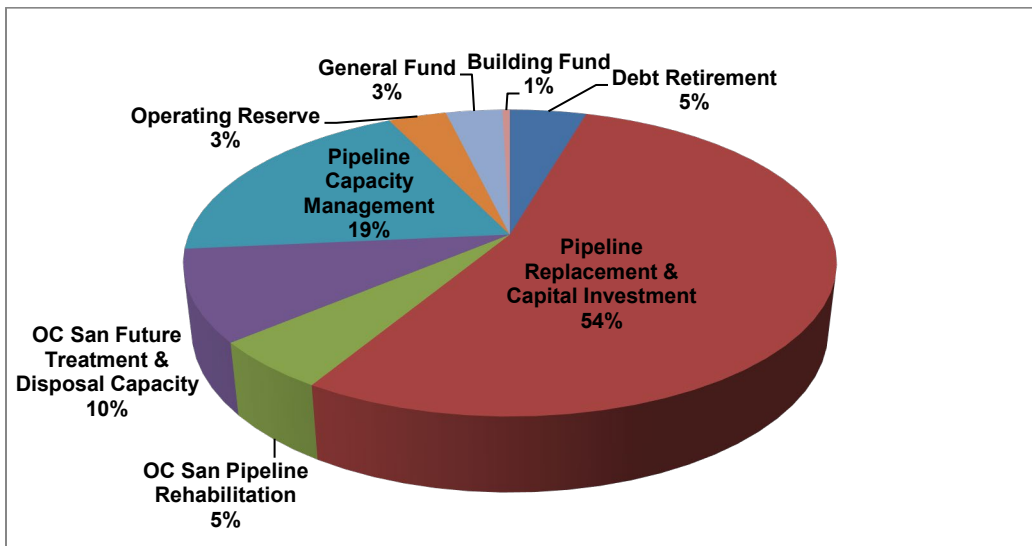
INVESTMENT GUIDELINES

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-term 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.

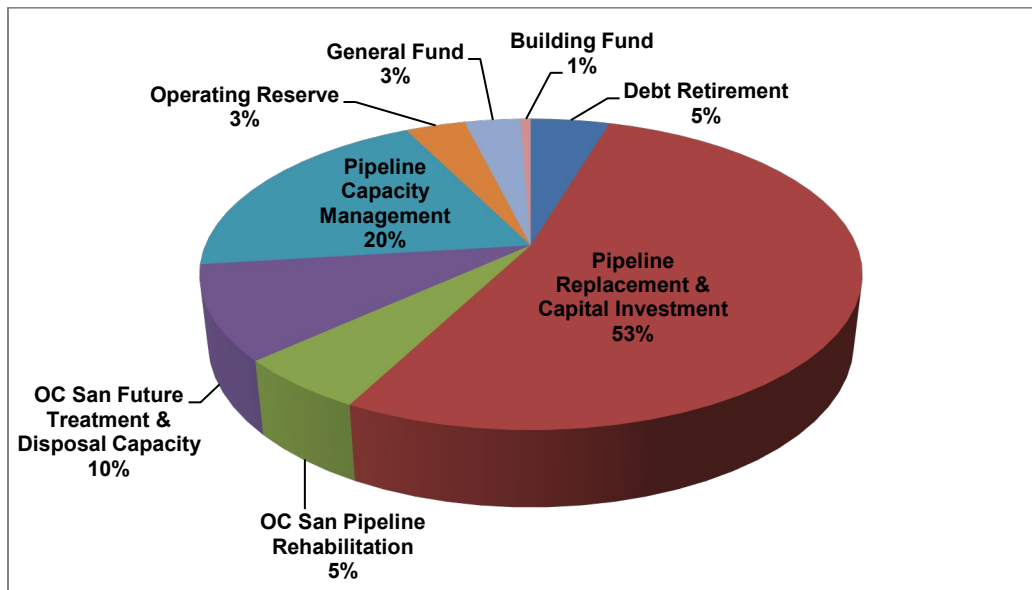
DELEGATION OF AUTHORITY

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.

**Total Reserves
FYE 2026
\$67.2 Million**

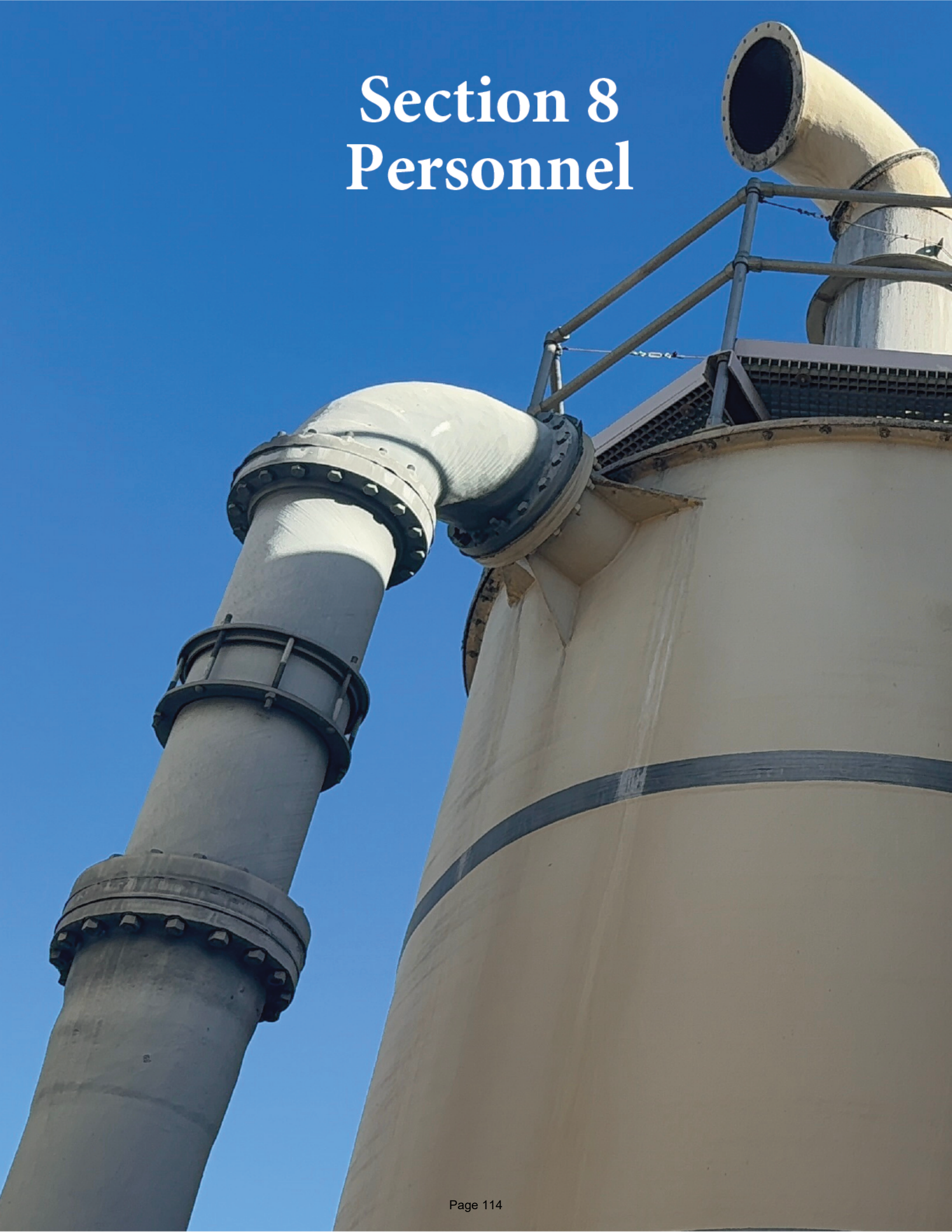


**Total Reserves
FYE 2027
\$66.1 Million**



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Section 8 Personnel



Personnel

Staffing and related employment costs are one of the primary operating expenses for the Agency. For FYE 2026, these costs will represent \$6.8 million, or approximately 23.3% of the Agency's total budget of \$29.1 million. For FYE 2027, staffing and related employment costs will represent \$7.4 million, or approximately 27.4% of the Agency's total budget of \$26.9 million. Benefit costs for FYE 2026 have increased 20.8% from FYE 2025 and have increased by 9.4% for FYE 2027. Overall, employment expenses have increased by 12.4% (\$748,603) over the FYE 2025 budgeted expenses and have increased by 8.8% (\$598,041) for FYE 2027. The following increases are reflected in the total employment expenses:

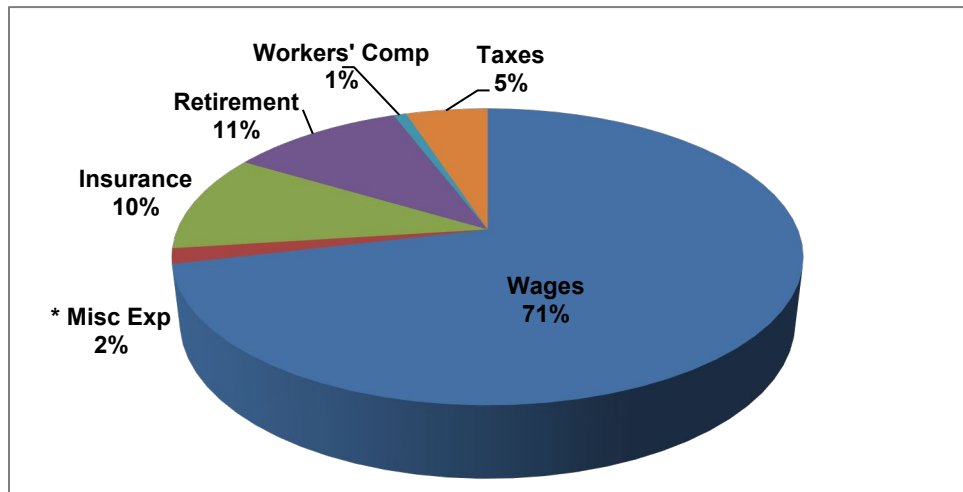
FYE 2026

- ◆ Projected increases in both insurance and taxes account for a slight increase.
- ◆ Increase in PERS employer contribution rate.
- ◆ An overall 8% increase for COLA and merit pool has been budgeted and approved, that will go into effect on July 1, 2025, for an estimated cost of \$323,253.
- ◆ Changes in position classifications.
- ◆ Funds are available in the budget to be used at the General Manager's discretion for promoting and reclassification of budgeted positions.

FYE 2027

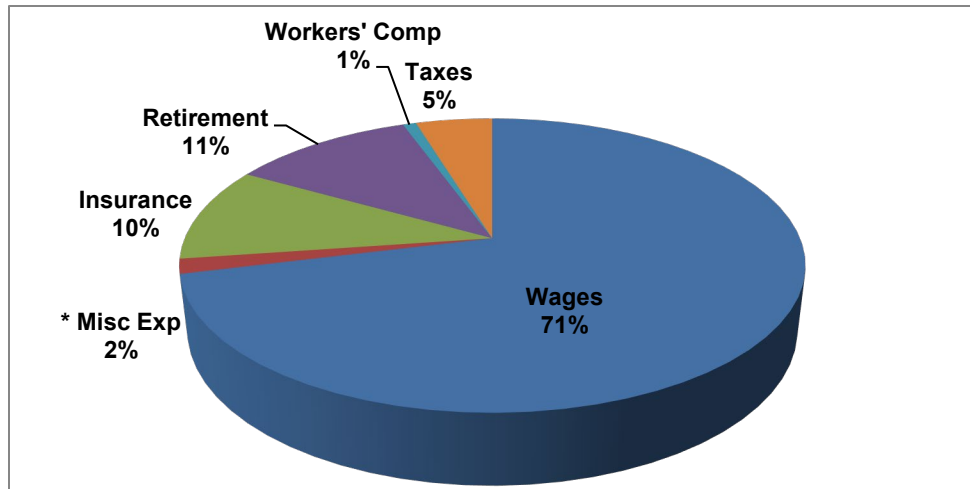
- ◆ Projected increases in both insurance and taxes account for a slight increase.
- ◆ Increase in PERS employer contribution rate.
- ◆ An overall 8% increase for COLA and merit pool has been budgeted and approved, that will go into effect on July 1, 2026, for an estimated cost of \$389,521.
- ◆ Changes in position classifications.
- ◆ Funds are available in the budget to be used at the General Manager's discretion for promoting and reclassification of budgeted positions.

**Employment Expenses
FYE 2026
\$6.8 million**



* Miscellaneous Expense of 2% includes State Unemployment taxes, State Disability Insurance (SDI), car allowance, and other benefits.

**Employment Expenses
FYE 2027
\$7.4 million**



* Miscellaneous Expense of 1% includes State Unemployment taxes, State Disability Insurance (SDI), car allowance, and other benefits.

The Agency provides a comprehensive benefit package to all permanent full-time employees, which includes: insurance (health, dental, vision, short- and long-term disability, and workers' compensation), sick and vacation leave, deferred compensation, and retirement benefits in the form of participation in the California Public Employees Retirement System (CalPERS). In FYEs 2026 and 2027, these benefits are budgeted at \$1.9 million and \$2.2 million, or approximately 28.7% and 28.8% of employment expenses.

The following tables display total labor costs for FYEs 2026 and 2027 by department.

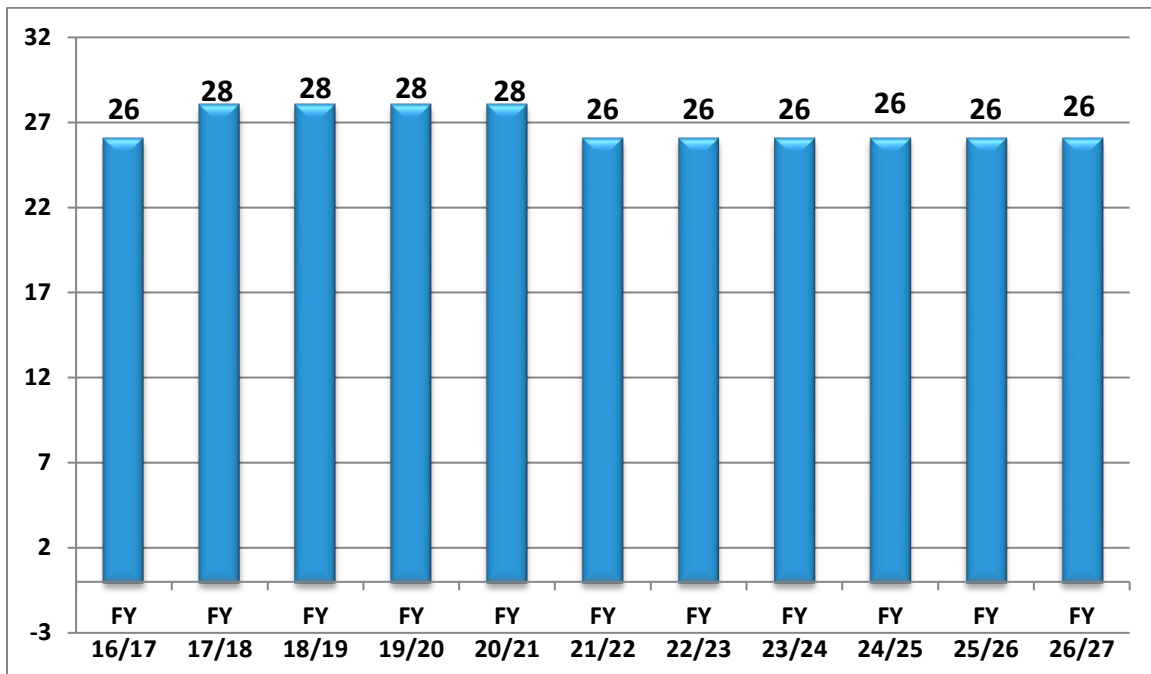
Labor Costs by Fund 2026

<i>Department</i>	<i>General</i>	<i>Brine Line</i>	<i>OWOW</i>	<i>Round-table</i>	<i>Capital Project</i>	<i>Total</i>
<i>Executive Mgmt</i>	\$ 309,709	\$ 74,491	\$ 70,737	\$ 12,204	\$ –	\$ 471,141
<i>Admin Services</i>	583,832	159,847	56,988	35,012	1,327	837,006
<i>Finance/Accounting</i>	492,719	116,851	82,332	34,115	550	726,567
<i>Info and Technology</i>	556,044	21,640	16,794	3,285	–	597,763
<i>Engineering & Operations</i>	288,917	1,057,946	160,842	–	31,986	1,539,691
<i>Wtr Resources & Plan</i>	139,514	–	434,674	83,293	–	657,481
Total	\$ 2,370,735	\$ 1,434,775	\$ 822,367	\$ 167,909	\$ 33,863	\$ 4,829,649

Labor Costs by Fund 2027

Department	General	Brine Line	OWOW	Round-tables	Capital Projects	Total
Executive Mgmt	\$ 447,299	\$ 92,697	\$ 80,553	\$ 24,251	\$ –	\$ 644,800
Admin Services	637,081	174,554	46,977	44,457	1,435	904,504
Finance/Accounting	467,887	123,658	56,277	26,528	–	674,350
Info and Technology	602,881	23,318	16,074	3,435	–	645,708
Engineering & Operations	318,402	1,145,595	162,137	–	38,443	1,664,577
Wtr Resources & Plan	190,110	–	415,297	104,886	–	710,293
Total	\$ 2,663,660	\$ 1,559,822	\$ 777,315	\$ 203,557	\$ 39,878	\$5,244,232

Budgeted Staffing Levels FY 16/17 – FY 26/27 (Does not include interns)



Staffing Plan

The FYEs 2026 and 2027 staffing plan does not include any change to the number of positions. There were some changes that include: changed the Clerk of the Board to the Administrative Services Supervisor, changed the Executive Assistant II to the Senior Administrative Services Specialist, changed the Pretreatment Program Technician I to the Administrative Assistant II, changed the Senior Accountant to a Controller, changed the Accounting Technician II to the Senior Accounting Technician, changed the Project Specialist to the Associate Project Manager, changed the IS Analyst II to the Senior IS Analyst, and changed the Brine Line Pipeline Operator II to a Senior Brine Line Pipeline Operator. The following table is a summary of the Agency's budgeted positions.

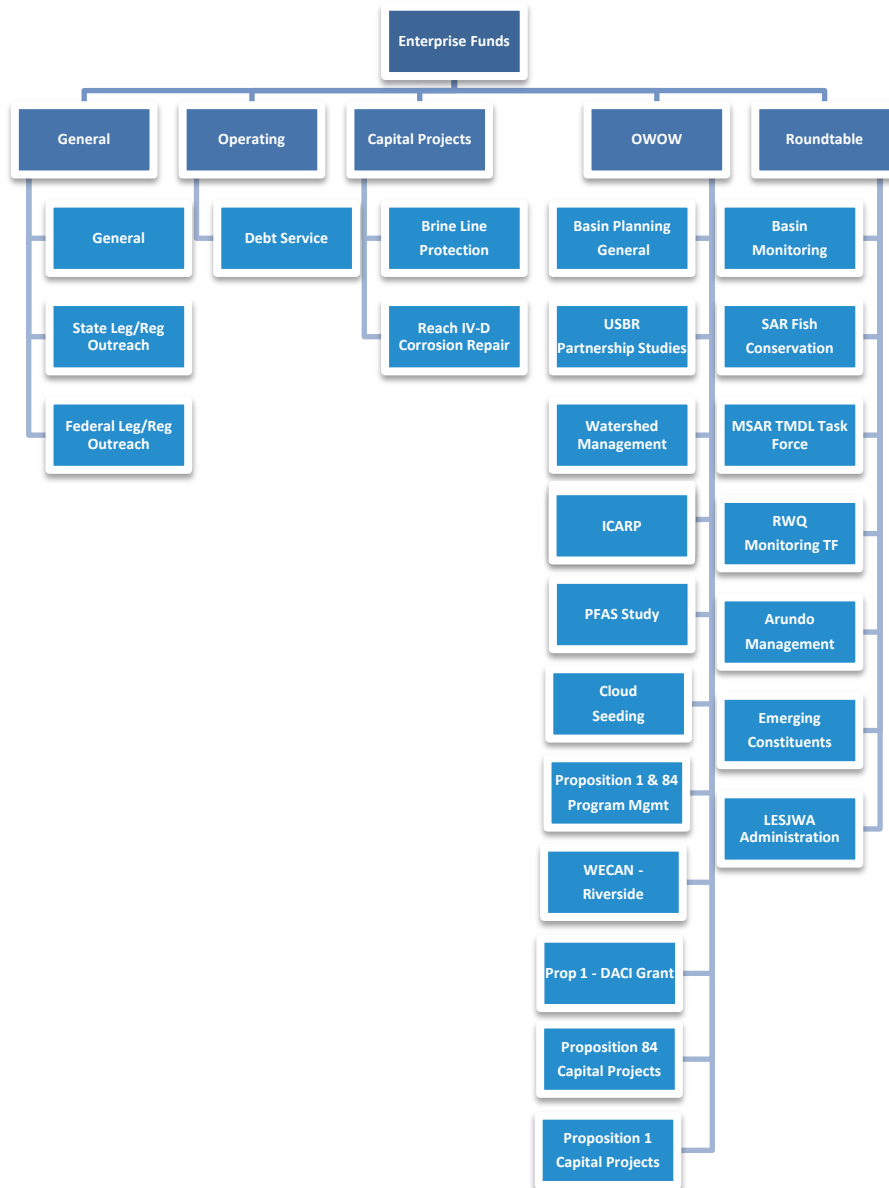
Total Budgeted Position Count by Year

Position	FYE 2023	FYE 2024	FYE 2025	FYE 2026	FYE 2027	Department
General Manager	1	1	1	1	1	Executive Management
Administrative Services Mgr	1	1	1	1	1	Administrative Services
Administrative Services Supervisor	0	0	0	1	1	Administrative Services
Clerk of the Board	1	1	1	1	1	Administrative Services
Business Analyst II	1	1	1	1	1	Administrative Services
Sr Administrative Services Specialist	0	0	0	1	1	Administrative Services
Executive Assistant I	1	1	1	0	0	Administrative Services
Executive Assistant II	0	0	0	1	1	Administrative Services
Administrative Assistant I	0	0	0	1	1	Administrative Services
Communications Specialist	1	1	1	1	1	Administrative Services
Deputy GM/Chief Financial Officer	1	1	1	1	1	Finance/Accounting
Controller	0	0	0	1	1	Finance/Accounting
Senior Accountant	0	1	1	0	0	Finance/Accounting
Accountant II	1	0	0	0	0	Finance/Accounting
Senior Accounting Technician	0	0	0	1	1	Finance/Accounting
Accounting Technician II	1	1	1	0	0	Finance/Accounting
Associate Project Manager	0	0	0	1	1	Finance/Accounting
Project Specialist	1	1	1	0	0	Finance/Accounting
IS and Technology Mgr	1	1	1	1	1	IS and Technology
Senior GIS Project Manager	1	1	1	0	0	IS and Technology
Senior IS Analyst	0	0	0	1	1	IS and Technology
IS Analyst II	1	1	1	0	0	IS and Technology
Ex Mgr of Engineering & Operations	1	1	1	1	1	Engineering & Operations
Project Manager	1	1	1	0	0	Engineering & Operations
Mgr Permitting & Pretreatment	1	1	1	1	1	Engineering & Operations
Sr Pretreatment Program Specialist	0	1	1	1	1	Engineering & Operations
Pretreatment Program Specialist	1	0	0	0	0	Engineering & Operations
Pretreatment Program Technician I	1	1	1	0	0	Engineering & Operations
Manager of Operations	1	1	1	1	1	Engineering & Operations
BL Operations Superintendent	1	1	1	1	1	Engineering & Operations
Senior Brine Line Pipeline Operator	2	2	2	3	3	Engineering & Operations
Brine Line Pipeline Operator II	1	1	1	0	0	Engineering & Operations
Water Res. & Planning Mgr	1	1	1	1	1	Water Resources & Planning
Senior Watershed Manager	2	2	2	2	2	Water Resources & Planning
Total	26	26	26	26	26	



Section 9 Fund Budgets

Fund Structure



The Agency's budget is organized on the basis of funds, each of which is considered a separate budgetary and accounting entity. Financial resources are allocated to, and accounted for, in individual funds based upon the purposes for which they are to be utilized.

The Agency develops its sources and uses of fund estimates for the annual budget in a manner that follows GAAP. Activities and projects are accounted for in Enterprise Funds. These funds are included in the Agency's financial statements and are grouped in the following fund types based on their activities: General, Brine Line Enterprise, Capital Projects, OWOW, and Roundtable. All of the entities' funds are subject to appropriation and are included in this budget.

Details on each program fund's initiatives, activities, and budget are provided in the individual project budgets that follow.

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<i>Fund Summary - Combined</i>	<i>General Fund</i>		<i>Brine Line Enterprise Fund</i>		<i>OWOW Fund</i>	
Source of Funds:	FYE 2026	FYE 2027	FYE 2026	FYE 2027	FYE 2026	FYE 2027
Discharge Fees	\$ –	\$ –	\$ 13,038,465	\$ 13,604,122	\$ –	\$ –
Grant Proceeds	\$ –	\$ –	\$ –	\$ –	\$ 6,326,222	\$ 1,321,143
Member Agency Contributions	\$ 733,400	\$ 801,233	\$ –	\$ –	\$ 1,510,000	\$ 1,590,000
Other Agency Contributions	\$ –	\$ –	\$ –	\$ –	\$ 58,300	\$ 47,300
Operating Transfer	\$ –	\$ –	\$ –	\$ –	\$ 43,250	\$ 226,750
Use of Reserves	\$ 258,400	\$ 46,800	\$ –	\$ –	\$ –	\$ –
Other Income	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –
Interest & Investments	\$ –	\$ –	\$ 1,500,000	\$ 1,500,000	\$ –	\$ –
Total Source of Funds	\$ 991,800	\$ 848,033	\$ 14,538,465	\$ 15,104,122	\$ 7,937,772	\$ 3,185,193
Use of Funds:						
Labor	\$ 2,370,735	\$ 2,663,660	\$ 1,434,775	\$ 1,559,822	\$ 822,367	\$ 777,315
Benefits	\$ 954,471	\$ 1,080,808	\$ 577,649	\$ 632,914	\$ 331,089	\$ 315,404
Indirect Costs	\$ (4,179,824)	\$ (4,535,131)	\$ 2,438,925	\$ 2,741,252	\$ 1,397,913	\$ 1,366,064
Education & Training	\$ 68,200	\$ 69,200	\$ 14,500	\$ 15,225	\$ –	\$ –
Consulting & Professional Services	\$ 459,540	\$ 437,970	\$ 810,000	\$ 815,750	\$ 1,557,900	\$ 1,117,500
Operating Costs	\$ 14,600	\$ 14,600	\$ 3,785,480	\$ 4,079,833	\$ –	\$ –
Repair & Maintenance	\$ 115,100	\$ 109,200	\$ 518,000	\$ 543,750	\$ –	\$ –
Phone & Utilities	\$ 76,333	\$ 76,333	\$ 11,000	\$ 11,550	\$ –	\$ –
Equipment & Computer	\$ 275,550	\$ 285,750	\$ 160,706	\$ 151,017	\$ –	\$ –
Meeting & Travel	\$ 60,500	\$ 60,500	\$ 3,000	\$ 3,000	\$ 21,180	\$ 21,600
Other Administrative Costs	\$ 200,839	\$ 204,385	\$ 82,050	\$ 84,925	\$ 12,250	\$ 22,250
Other Expenses	\$ 377,690	\$ 166,530	\$ 566,680	\$ 573,220	\$ 43,250	\$ 226,750
Program Expense	\$ –	\$ –	\$ –	\$ –	\$ 4,651,212	\$ 38,075
Construction	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –
Debt Service	\$ –	\$ –	\$ 1,709,476	\$ 1,709,476	\$ –	\$ –
Total Use of Funds from Operations	\$ 793,734	\$ 633,805	\$ 12,112,241	\$ 12,921,734	\$ 8,837,161	\$ 3,884,958
Contribution To/(From) Reserves:						
Pipeline Replacement & Capital Investment	\$ –	\$ –	\$ 2,000,000	\$ 2,000,000	\$ –	\$ –
OC San Pipeline Rehabilitation	\$ –	\$ –	\$ 426,224	\$ 182,388	\$ –	\$ –
Debt Retirement Reserve	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –
Post Retirement Medical Benefits	\$ 98,066	\$ 114,228	\$ –	\$ –	\$ –	\$ –
Building Repair/Replacement Reserve	\$ 100,000	\$ 100,000	\$ –	\$ –	\$ –	\$ –
Total Contributions to Reserves	\$ 198,066	\$ 214,228	\$ 2,426,224	\$ 2,182,388	\$ –	\$ –
Total Use of Funds	\$ 991,800	\$ 848,033	\$ 14,538,465	\$ 15,104,122	\$ 8,837,161	\$ 3,884,958
Net Gain (Loss)	\$ –	\$ –	\$ –	\$ –	\$ (899,389)	\$ (699,765)
Beginning Fund Balance	\$ –	\$ –	\$ –	\$ –	\$ 1,879,669	\$ 980,280
Ending Fund Balance	\$ –	\$ –	\$ –	\$ –	\$ 980,280	\$ 280,514

<i>Fund Summary - Combined</i>	<i>Roundtable Fund</i>		<i>Capital Project Fund</i>		<i>Total</i>		
<i>Source of Funds:</i>	<i>FYE 2026</i>	<i>FYE 2027</i>	<i>FYE 2026</i>	<i>FYE 2027</i>	<i>FYE 2026</i>	<i>FYE 2027</i>	<i>2-Yr Budget</i>
Discharge Fees	\$ -	\$ -	\$ -	\$ -	\$ 13,038,465	\$ 13,604,122	\$ 26,642,587
Grant Proceeds	\$ -	\$ -	\$ -	\$ -	\$ 6,326,222	\$ 1,321,143	\$ 7,647,365
Member Agency Contributions	\$ 30,000	\$ 30,000	\$ -	\$ -	\$ 2,273,400	\$ 2,421,233	\$ 4,694,633
Other Agency Contributions	\$ 1,194,418	\$ 1,210,349	\$ -	\$ -	\$ 1,252,718	\$ 1,257,649	\$ 2,510,367
Operating Transfer	\$ 118,000	\$ 118,000	\$ -	\$ -	\$ 161,250	\$ 344,750	\$ 506,000
Use of Reserves	\$ -	\$ -	\$ 2,632,558	\$ 4,828,641	\$ 2,890,958	\$ 4,875,441	\$ 7,766,399
Other Income	\$ 2,206,671	\$ 223,516	\$ -	\$ -	\$ 2,206,671	\$ 223,516	\$ 2,430,187
Interest & Investments	\$ -	\$ -	\$ -	\$ -	\$ 1,500,000	\$ 1,500,000	\$ 3,000,000
Total Source of Funds	\$ 3,549,089	\$ 1,581,865	\$ 2,632,558	\$ 4,828,641	\$ 29,649,684	\$ 25,547,854	\$ 55,197,538
<i>Use of Funds:</i>							
Labor	\$ 167,909	\$ 203,557	\$ 33,863	\$ 39,878	\$ 4,829,649	\$ 5,244,232	\$ 10,073,881
Benefits	\$ 67,602	\$ 82,595	\$ 13,633	\$ 16,181	\$ 1,944,444	\$ 2,127,902	\$ 4,072,346
Indirect Costs	\$ 285,424	\$ 357,733	\$ 57,562	\$ 70,082	\$ -	\$ -	\$ -
Education & Training	\$ -	\$ -	\$ -	\$ -	\$ 82,700	\$ 84,425	\$ 167,125
Consulting & Professional Services	\$ 1,323,786	\$ 1,341,181	\$ 275,000	\$ 1,105,000	\$ 4,426,226	\$ 4,817,401	\$ 9,243,627
Operating Costs	\$ -	\$ -	\$ -	\$ -	\$ 3,800,080	\$ 4,094,433	\$ 7,894,513
Repair & Maintenance	\$ -	\$ -	\$ -	\$ -	\$ 633,100	\$ 652,950	\$ 1,286,050
Phone & Utilities	\$ -	\$ -	\$ -	\$ -	\$ 87,333	\$ 87,883	\$ 175,216
Equipment & Computer	\$ -	\$ -	\$ -	\$ -	\$ 436,256	\$ 436,767	\$ 873,023
Meeting & Travel	\$ 1,500	\$ 1,500	\$ -	\$ -	\$ 86,180	\$ 86,600	\$ 172,780
Other Administrative Costs	\$ 11,650	\$ 11,650	\$ 2,500	\$ 2,500	\$ 309,289	\$ 325,710	\$ 634,999
Other Expenses	\$ 118,000	\$ 118,000	\$ -	\$ -	\$ 1,105,620	\$ 1,084,500	\$ 2,190,120
Program Expense	\$ 90,470	\$ 79,656	\$ -	\$ -	\$ 4,741,682	\$ 117,731	\$ 4,859,413
Construction	\$ -	\$ -	\$ 2,250,000	\$ 3,595,000	\$ 2,250,000	\$ 3,595,000	\$ 5,845,000
Debt Service	\$ -	\$ -	\$ -	\$ -	\$ 1,709,476	\$ 1,709,476	\$ 3,418,952
Total Use of Funds from Operations	\$ 2,066,341	\$ 2,195,872	\$ 2,632,558	\$ 4,828,641	\$ 26,442,035	\$ 24,465,010	\$ 50,907,045
<i>Contribution To/(From) Reserves:</i>							
Pipeline Replacement & Capital Investment	\$ -	\$ -	\$ -	\$ -	\$ 2,000,000	\$ 2,000,000	\$ 4,000,000
OC San Pipeline Rehabilitation	\$ -	\$ -	\$ -	\$ -	\$ 426,224	\$ 182,388	\$ 608,612
Post Retirement Medical Benefits	\$ -	\$ -	\$ -	\$ -	\$ 98,066	\$ 114,228	\$ 212,294
Building Repair/Replacement Reserve	\$ -	\$ -	\$ -	\$ -	\$ 100,000	\$ 100,000	\$ 200,000
Total Contributions to Reserves	\$ -	\$ -	\$ -	\$ -	\$ 2,624,290	\$ 2,396,616	\$ 5,020,906
Total Use of Funds	\$ 2,066,341	\$ 2,195,872	\$ 2,632,558	\$ 4,828,641	\$ 29,066,325	\$ 26,861,626	\$ 55,927,951
Net Gain (Loss)	\$ 1,482,748	\$ (614,007)	\$ -	\$ -	\$ 583,359	\$ (1,313,772)	\$ (730,413)
Beginning Fund Balance	\$ 2,596,645	\$ 4,079,393	\$ -	\$ -	\$ 4,476,314	\$ 5,059,673	\$ 4,476,314
Ending Fund Balance	\$ 4,079,393	\$ 3,465,386	\$ -	\$ -	\$ 5,059,673	\$ 3,745,900	\$ 3,745,900

SAWPA Fund Summary FYE 2026	General Fund	Brine Line Enterprise Fund	OWOW Fund	Roundtable Fund	BL Capital Fund	Total
Source of Funds:						
Discharge Fees	\$ -	\$ 13,038,465	\$ -	\$ -	\$ -	\$ 13,038,465
Grant Proceeds	\$ -	\$ -	\$ 6,326,222	\$ -	\$ -	\$ 6,326,222
Member Agency Contributions	\$ 733,400	\$ -	\$ 1,510,000	\$ 30,000	\$ -	\$ 2,273,400
Other Agency Contributions	\$ -	\$ -	\$ 58,300	\$ 1,194,418	\$ -	\$ 1,252,718
Other Income	\$ 258,400	\$ -	\$ 43,250	\$ 2,324,671	\$ 2,632,558	\$ 5,258,879
Interest & Investments	\$ -	\$ 1,500,000	\$ -	\$ -	\$ -	\$ 1,500,000
Total Source of Funds	\$ 991,800	\$ 14,538,465	\$ 7,937,772	\$ 3,549,089	\$ 2,632,558	\$ 29,649,684
Staffing:						
Hours Allocated	28,753	18,830	9,402	2,165	250	59,400
FTE (based on 2080)	13.8	9.1	4.5	1.0	0.1	28.6
Use of Funds:						
Labor	\$ 2,370,735	\$ 1,434,775	\$ 822,367	\$ 167,909	\$ 33,863	\$ 4,829,649
Benefits	\$ 954,471	\$ 577,649	\$ 331,089	\$ 67,602	\$ 13,633	\$ 1,944,444
Indirect Costs	\$ (4,179,824)	\$ 2,438,925	\$ 1,397,913	\$ 285,424	\$ 57,562	\$ -
Education & Training	\$ 68,200	\$ 14,500	\$ -	\$ -	\$ -	\$ 82,700
Consulting & Professional Services	\$ 459,540	\$ 810,000	\$ 1,557,900	\$ 1,323,786	\$ 275,000	\$ 4,426,226
Operating Costs	\$ 14,600	\$ 3,785,480	\$ -	\$ -	\$ -	\$ 3,800,080
Repair & Maintenance	\$ 115,100	\$ 518,000	\$ -	\$ -	\$ -	\$ 633,100
Phone & Utilities	\$ 76,333	\$ 11,000	\$ -	\$ -	\$ -	\$ 87,333
Equipment & Computers	\$ 275,550	\$ 160,706	\$ -	\$ -	\$ -	\$ 436,256
Meeting & Travel	\$ 60,500	\$ 3,000	\$ 21,180	\$ 1,500	\$ -	\$ 86,180
Other Administrative Costs	\$ 200,839	\$ 82,050	\$ 12,250	\$ 11,650	\$ 2,500	\$ 309,289
Other Expenses	\$ 377,690	\$ 566,680	\$ 43,250	\$ 118,000	\$ -	\$ 1,105,620
Program Expenses	\$ -	\$ -	\$ 4,651,212	\$ 90,470	\$ -	\$ 4,741,682
Construction	\$ -	\$ -	\$ -	\$ -	\$ 2,250,000	\$ 2,250,000
Debt Service	\$ -	\$ 1,709,476	\$ -	\$ -	\$ -	\$ 1,709,476
Total Use of Funds from Operations	\$ 793,734	\$ 12,112,241	\$ 8,837,161	\$ 2,066,341	\$ 2,632,558	\$ 26,442,035
Contribution To Reserves:						
Pipeline Replacement & Capital Investment	\$ -	\$ 2,000,000	\$ -	\$ -	\$ -	\$ 2,000,000
OC San Pipeline Rehabilitation	\$ -	\$ 426,224	\$ -	\$ -	\$ -	\$ 426,224
Debt Retirement Reserve	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Post Retirement Medical Benefits	\$ 98,066	\$ -	\$ -	\$ -	\$ -	\$ 98,066
Building Repair/Replacement Reserve	\$ 100,000	\$ -	\$ -	\$ -	\$ -	\$ 100,000
Total Contributions to Reserves	\$ 198,066	\$ 2,426,224	\$ -	\$ -	\$ -	\$ 2,624,290
Total Use of Funds	\$ 991,800	\$ 14,538,465	\$ 8,837,161	\$ 2,066,341	\$ 2,632,558	\$ 29,066,325
Net Gain (Loss)	\$ -	\$ -	\$ (899,389)	\$ 1,482,748	\$ -	\$ 583,359
Beginning Fund Balance	\$ -	\$ -	\$ 1,879,669	\$ 2,596,645	\$ -	\$ 4,476,314
Ending Fund Balance	\$ -	\$ -	\$ 980,280	\$ 4,079,393	\$ -	\$ 5,059,673
Pass Throughs (Prop 1 & 84 – Capital)	\$ -	\$ -	\$ 20,843,088	\$ -	\$ -	\$ 20,843,088

SAWPA Fund Summary FYE 2027	General Fund	Brine Line Enterprise Fund	OWOW Fund	Roundtable Fund	Capital Project Fund	Total
Source of Funds:						
Discharge Fees	\$ -	\$ 13,604,122	\$ -	\$ -	\$ -	\$ 13,604,122
Grant Proceeds	\$ -	\$ -	\$ 1,321,143	\$ -	\$ -	\$ 1,321,143
Member Agency Contributions	\$ 801,233	\$ -	\$ 1,590,000	\$ 30,000	\$ -	\$ 2,421,233
Other Agency Contributions	\$ -	\$ -	\$ 47,300	\$ 1,210,349	\$ -	\$ 1,257,649
Other Income	\$ 46,800	\$ -	\$ 226,750	\$ 341,516	\$ 4,828,641	\$ 5,443,707
Interest & Investments	\$ -	\$ 1,500,000	\$ -	\$ -	\$ -	\$ 1,500,000
Total Source of Funds	\$ 848,033	\$ 15,104,122	\$ 3,185,193	\$ 1,581,865	\$ 4,828,641	\$ 25,547,854
Staffing:						
Hours Allocated	28,895	19,045	8,275	2,395	270	58,880
FTE (based on 2080)	13.9	9.2	4.0	1.2	0.1	28.3
Use of Funds:						
Labor	\$ 2,663,660	\$ 1,559,822	\$ 777,315	\$ 203,557	\$ 39,878	\$ 5,244,232
Benefits	\$ 1,080,808	\$ 632,914	\$ 315,404	\$ 82,595	\$ 16,181	\$ 2,127,902
Indirect Costs	\$ (4,535,131)	\$ 2,741,252	\$ 1,366,064	\$ 357,733	\$ 70,082	\$ -
Education & Training	\$ 69,200	\$ 15,225	\$ -	\$ -	\$ -	\$ 84,425
Consulting & Professional Services	\$ 437,970	\$ 815,750	\$ 1,117,500	\$ 1,341,181	\$ 1,105,000	\$ 4,817,401
Operating Costs	\$ 14,600	\$ 4,079,833	\$ -	\$ -	\$ -	\$ 4,094,433
Repair & Maintenance	\$ 109,200	\$ 543,750	\$ -	\$ -	\$ -	\$ 652,950
Phone & Utilities	\$ 76,333	\$ 11,550	\$ -	\$ -	\$ -	\$ 87,883
Equipment & Computers	\$ 285,750	\$ 151,017	\$ -	\$ -	\$ -	\$ 436,767
Meeting & Travel	\$ 60,500	\$ 3,000	\$ 21,600	\$ 1,500	\$ -	\$ 86,600
Other Administrative Costs	\$ 204,385	\$ 84,925	\$ 22,250	\$ 11,650	\$ 2,500	\$ 325,710
Other Expenses	\$ 166,530	\$ 573,220	\$ 226,750	\$ 118,000	\$ -	\$ 1,084,500
Program Expense	\$ -	\$ -	\$ 38,075	\$ 79,656	\$ -	\$ 117,731
Construction	\$ -	\$ -	\$ -	\$ -	\$ 3,595,000	\$ 3,595,000
Debt Service	\$ -	\$ 1,709,476	\$ -	\$ -	\$ -	\$ 1,709,476
Total Use of Funds	\$ 633,805	\$ 12,921,734	\$ 3,884,958	\$ 2,195,872	\$ 4,828,641	\$ 24,465,010
Contribution To Reserves:						
Pipeline Replacement & Capital Investment	\$ -	\$ 2,000,000	\$ -	\$ -	\$ -	\$ 2,000,000
OC San Pipeline Rehabilitation	\$ -	\$ 182,388	\$ -	\$ -	\$ -	\$ 182,388
Debt Retirement Reserve	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Post Retirement Medical Benefit	\$ 114,228	\$ -	\$ -	\$ -	\$ -	\$ 114,228
Building Repair/Replacement Reserve	\$ 100,000	\$ -	\$ -	\$ -	\$ -	\$ 100,000
Total Contributions to Reserves	\$ 214,228	\$ 2,182,388	\$ -	\$ -	\$ -	\$ 2,396,616
Total Use of Funds	\$ 848,033	\$ 15,104,122	\$ 3,884,958	\$ 2,195,872	\$ 4,828,641	\$ 26,861,626
Net Gain (Loss)	\$ -	\$ -	\$ (699,765)	\$ (614,007)	\$ -	\$ (1,313,772)
Beginning Fund Balance	\$ -	\$ -	\$ 980,280	\$ 4,079,393	\$ -	\$ 5,059,673
Ending Fund Balance	\$ -	\$ -	\$ 280,514	\$ 3,465,386	\$ -	\$ 3,745,900
<i>Pass Throughs (Prop 1 & 84 – Capital)</i>	\$ -	\$ -	\$ 7,300,000	\$ -	\$ -	\$ 7,300,000

General Fund

The General Fund serves as the administrative cost center for labor, benefits, and other direct costs associated with SAWPA's operation of the Joint Powers Authority (JPA) that are not directly allocable to other funds. These direct costs include building operations, repair and maintenance, technology and information systems, Commission and related expenses, and outreach activities. Through the indirect cost allocation process, the General Fund recovers costs as direct labor is charged to activities and projects within other fund groups.

To support the goals and objectives outlined in the Strategic Plan, staff will focus on several key functions within the General Fund. These include enhancing communication and participation throughout the Watershed, maintaining strong financial management and planning practices, and advancing legislative and intergovernmental affairs to support SAWPA's regional initiatives.

Communication and Participation

To support SAWPA's mission and strategic goals, the General Fund budget includes resources for communication, outreach, and participation in regional and statewide efforts. These activities include producing SAWPA's newsletter, engaging stakeholders across the watershed, and participating in conferences, task forces, and collaborative initiatives.

These efforts are designed to advance key objectives such as:

- ◆ Keeping watershed needs visible to the public, state and federal administrations, and legislators.
- ◆ Continuing to seek and secure funding for local and regional water projects.
- ◆ Expanding opportunities for the watershed to obtain state proposition and other grant funding.

Financial Management and Planning

- ◆ Develop a long-range financial plan to guide SAWPA's resource allocation and sustainability.
- ◆ Initiate the development of analytical models for key areas of SAWPA operations.
- ◆ Integrate these models into a comprehensive framework to support informed decision-making.
- ◆ Utilize the models to assist in setting strategic goals and evaluating progress toward objectives.

Outreach Efforts

The Agency's primary role in outreach is to coordinate with member agencies and watershed stakeholders to advocate for shared priorities and goals across federal, state, and local regulatory and legislative arenas, thereby maximizing the collective voice, influence, and visibility of the agencies and the Watershed.

Revenue and Other Funding Sources

For FYE 2026, the General Fund has total budgeted revenues of \$991,800, representing approximately 3.3% of the Agency's total budgeted revenue of \$29.6 million. These revenues consist of member agency contributions and the use of reserves.

For FYE 2027, total General Fund revenues are budgeted at \$848,033, also approximately 3.3% of the Agency's total budgeted revenue of \$25.5 million and are similarly derived from member agency contributions and reserves.

Expenses and Other Uses of Funds

Staff continue to identify and implement cost-saving measures throughout the Agency. While these efficiencies help reduce overall operating costs, inflationary pressures have affected certain expenditures.

For FYE 2026, total General Fund budgeted expenses are \$5.2 million, representing approximately 17.8% of the Agency's total budgeted operating expenses of \$29.1 million. This reflects a projected increase of \$693,540, or 15.4%, over the FYE 2025 budget.

For FYE 2027, total General Fund budgeted expenses are \$5.4 million, or approximately 16.7% of total operating expenses of \$26.9 million. This represents an estimated increase of \$211,540, or 4.0%, over the FYE 2026 budget.

Of these expenses, \$4.2 million (FYE 2026) and \$4.5 million (FYE 2027) are allocated through the Indirect Cost Allocation process to the Brine Line Enterprise, OWOW, Roundtable, and Capital Project Funds based on total labor dollars. After these allocations, remaining General Fund expenses of \$991,801 (FYE 2026) and \$848,033 (FYE 2027) are funded through member agency contributions and the use of reserves.

FYE 2026 Indirect Cost Allocation by Fund Type

<i>Fund Type</i>	<i>Indirect Cost Allocation</i>	<i>% of Total</i>
Brine Line Enterprise Fund	\$2,438,925	58.35%
OWOW Fund	1,397,913	33.44%
Roundtable Fund	285,424	6.83%
Capital Project Fund	57,562	1.38%
Total	\$4,179,824	100.00%

FYE 2027 Indirect Cost Allocation by Fund Type

<i>Fund Type</i>	<i>Indirect Cost Allocation</i>	<i>% of Total</i>
Brine Line Enterprise Fund	\$2,741,252	60.44%
OWOW Fund	1,366,064	30.12%
Roundtable Fund	357,733	7.89%
Capital Project Fund	70,082	1.55%
Total	\$4,535,131	100.00%

Labor and Benefits

For FYE 2026, total labor and benefits for the General Fund are projected at \$3.3 million, representing 49.0% of the Agency's total labor and benefits of \$6.8 million. This reflects a 15.2% increase compared to the prior year's budget. Approximately 13.9 full-time equivalents (FTE), or 28,753 total hours, will be required to carry out the work supported by this fund.

For FYE 2027, total labor and benefits are projected at \$3.7 million, or 50.7% of the Agency's total labor and benefits of \$7.4 million. This represents an increase of 12.6% over the FYE 2026 budget. The fund will continue to require approximately 13.9 FTE, or 28,895 total hours, to perform the necessary work.

Education and Training

Total education and training costs for the General Fund are projected at \$68,200 for FYE 2026 and \$69,200 for FYE 2027. This represents an increase of 11.8% compared to the FYE 2025 budget and a 1.4% increase over FYE 2026. These funds support staff professional development and training to enhance the Agency's capacity and effectiveness.

Consulting and Other Professional Services

Total consulting and other professional services for the General Fund are projected at \$459,540 for FYE 2026 and \$437,970 for FYE 2027. This reflects an increase of 50.6% from the FYE 2025 budget and a 4.7% decrease from the FYE 2026 budget.

Planned consulting services include network and security support, internal security audits, document imaging support, website redesign, strategic plan development, and long-term financial plan consulting. Other professional services cover temporary staffing, employment recruitment, auditing, and legal services.

Operating Costs

Total operating costs for the General Fund are projected at \$14,600 for both FYEs 2026 and 2027, representing an increase of 22.8% over the FYE 2025 budget. These costs include materials, supplies, and safety-related expenditures necessary to support the Agency's day-to-day operations.

Repair and Maintenance

Total repair and maintenance costs for the General Fund are projected at \$115,100 for FYE 2026 and \$109,200 for FYE 2027. This represents an increase of 7.6% from the FYE 2025 budget and a 5.1% increase over the FYE 2026 budget. Expenses in this category include security, custodial services, landscape maintenance, HVAC, and general facility repair and maintenance.

Phone and Utilities

Total phone and utilities costs for the General Fund are projected at \$76,333 for both FYEs 2026 and 2027, reflecting a 14.8% decrease from the FYE 2025 budget. This category includes electricity, water, telephone, internet, and cell phone services necessary to support Agency operations.

Equipment and Computers

Total equipment and computer expenses for the General Fund are projected at \$275,550 for FYE 2026 and \$285,750 for FYE 2027. This reflects a 3.7% decrease from the FYE 2025 budget and a 3.7% increase over the FYE 2026 budget. Expenses in this category include equipment purchases, repair and maintenance, rented equipment, and computer hardware and software necessary to support Agency operations.

Meeting and Travel

Total meeting and travel expenses for the General Fund are projected at \$60,500 for both FYEs 2026 and 2027, representing a 26.0% increase from the FYE 2025 budget. This category includes costs for offsite meetings and travel, in-house meetings, and conference participation.

Other Administrative Costs

Total other administrative costs for the General Fund are projected at \$200,839 for FYE 2026 and \$204,385 for FYE 2027. This represents a 5.8% increase from the FYE 2025 budget and a 1.7% increase over the FYE 2026 budget. Expenses in this category include dues and subscriptions, contributions, bank fees, shipping and postage, office supplies, offsite storage, Commission fees, mileage, and other miscellaneous administrative costs necessary to support Agency operations.

Other Expenses

Total other expenses for the General Fund are projected at \$377,690 for FYE 2026 and \$166,530 for FYE 2027. This represents a 122.2% increase from the FYE 2025 budget and a 55.9% decrease from the FYE 2026 budget. Expenses in this category include insurance, contingency costs, building lease, and fixed asset purchases. The increase in FYE 2026 reflects planned fixed asset purchases funded through reserves, as detailed below.

■ Fixed Assets

All capital purchases—defined by policy as items greater than \$10,000, including furniture, vehicles, computers, and office equipment—are capitalized and depreciated as fixed assets. For FYE 2026, fixed asset purchases are projected at \$258,400, which includes the replacement of one HVAC unit, roof replacement at the office headquarters, and the installation of four electric vehicle charging stations. For FYE 2027, fixed asset purchases are projected at \$46,800, including the replacement of two HVAC units.

Reserve Contributions

The General Fund budget includes reserve contributions of \$198,066 for FYE 2026 and \$214,228 for FYE 2027. This includes the Annual Required Contribution (ARC) to the Retiree Medical Trust, which is \$98,066 for FYE 2026 and \$114,228 for FYE 2027. Additionally, contributions to the Building Repair/Replacement Reserve are budgeted at \$100,000 for both FYEs 2026 and 2027. These contributions help ensure the long-term financial stability of the Agency and support planned capital and maintenance needs.

FYE 2026 Reserve Balance

<i>Reserve</i>	<i>FYE 2025 Balance</i>	<i>Contribution</i>	<i>Interest</i>	<i>Expenses</i>	<i>FYE 2026 Balance</i>
Building Repair	\$215,143	\$100,000	\$—	\$—	\$315,143
Total	\$215,143	\$100,000	\$—	\$—	\$315,143

FYE 2027 Reserve Balance

<i>Reserve</i>	<i>FYE 2026 Balance</i>	<i>Contribution</i>	<i>Interest</i>	<i>Expenses</i>	<i>FYE 2027 Balance</i>
Building Repair	\$315,143	\$100,000	\$—	\$—	\$415,143
Total	\$315,143	\$100,000	\$—	\$—	\$415,143

In June 2004, the Governmental Accounting Standards Board (GASB) issued Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. More recently, GASB issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which supersedes GASB 45 and establishes more comprehensive accounting and financial reporting standards for Other Post Employment Benefits (OPEB) obligations.

These standards have a significant impact on the Agency's financial reporting, as they require recognition of the long-term liability associated with retiree medical benefits offered to employees. To comply with GASB 75, the Agency must complete an actuarial valuation to determine the annual cost of these obligations. The next actuarial valuation is scheduled for FYE 2026.

The Agency participates in the CalPERS OPEB Trust Fund to prefund its retiree medical benefit obligations and contributes the ARC each year to ensure the long-term sustainability of the program.

General Fund Budget FYE 2026	General Fund Fund 100-00	State Leg/Reg Outreach Fund 100-03	Total
Source of Funds:			
Member Agency Contributions	\$ 500,000	\$ 233,400	\$ 733,400
Other Income	\$ 258,400	\$ –	\$ 258,400
Total Source of Funds	\$ 758,400	\$ 233,400	\$ 991,800
Staffing:			
Hours Allocated	28,193	560	28,753
FTE (based on 2080)	13.6	0.3	13.9
Use of Funds:			
Labor	\$ 2,299,154	\$ 71,581	\$ 2,370,735
Benefits	\$ 925,652	\$ 28,819	\$ 954,471
Indirect Costs Applied	\$ (4,179,824)	\$ –	\$ (4,179,824)
Education & Training	\$ 68,200	\$ –	\$ 68,200
Consulting & Professional Services	\$ 340,540	\$ 119,000	\$ 459,540
Operating Costs	\$ 14,600	\$ –	\$ 14,600
Repair & Maintenance	\$ 115,100	\$ –	\$ 115,100
Phone & Utilities	\$ 76,333	\$ –	\$ 76,333
Equipment & Computers	\$ 275,550	\$ –	\$ 275,550
Meeting & Travel	\$ 46,500	\$ 14,000	\$ 60,500
Other Administrative Costs	\$ 200,839	\$ –	\$ 200,839
Other Expenses	\$ 377,690	\$ –	\$ 377,690
Total Use of Funds	\$ 560,334	\$ 233,400	\$ 793,734
Contribution To Reserves:			
Post Retirement Medical Benefits	\$ 98,066	\$ –	\$ 98,066
Building Repair/Replacement Reserve	\$ 100,000	\$ –	\$ 100,000
Total Contributions to Reserves	\$ 198,066	\$ –	\$ 198,066
Total Use of Funds	\$ 758,400	\$ 233,400	\$ 991,800
Net Gain (Loss)	\$ –	\$ –	\$ –

General Fund Budget FYE 2027	General Fund Fund 100-00	State Leg/Reg Outreach Fund 100-03	Total
Source of Funds:			
Member Agency Contributions	\$ 550,000	\$ 251,233	\$ 801,233
Other Income	\$ 46,800	\$ –	\$ 46,800
Total Source of Funds	\$ 596,800	\$ 251,233	\$ 848,033
Staffing:			
Hours Allocated	28,275	620	28,895
FTE (based on 2080)	13.6	0.3	13.9
Use of Funds:			
Labor	\$ 2,579,554	\$ 84,106	\$ 2,663,660
Benefits	\$ 1,046,681	\$ 34,127	\$ 1,080,808
Indirect Costs Applied	\$ (4,535,131)	\$ –	\$ (4,535,131)
Education & Training	\$ 69,200	\$ –	\$ 69,200
Consulting & Professional Services	\$ 318,970	\$ 119,000	\$ 437,970
Operating Costs	\$ 14,600	\$ –	\$ 14,600
Repair & Maintenance	\$ 109,200	\$ –	\$ 109,200
Phone & Utilities	\$ 76,333	\$ –	\$ 76,333
Equipment & Computers	\$ 285,750	\$ –	\$ 285,750
Meeting & Travel	\$ 46,500	\$ 14,000	\$ 60,500
Other Administrative Costs	\$ 204,385	\$ –	\$ 204,385
Other Expenses	\$ 166,530	\$ –	\$ 166,530
Total Use of Funds	\$ 382,572	\$ 251,233	\$ 633,805
Contribution To Reserves:			
Post Retirement Medical Benefits	\$ 114,228	\$ –	\$ 114,228
Building Repair/Replacement Reserve	\$ 100,000	\$ –	\$ 100,000
Total Contributions to Reserves	\$ 214,228	\$ –	\$ 214,228
Total Use of Funds	\$ 596,800	\$ 251,233	\$ 848,033
Net Gain (Loss)	\$ –	\$ –	\$ –

General Fund FYE 2021 - 2027	FYE 2021 Actuals	FYE 2022 Actuals	FYE 2023 Actuals	FYE 2024 Actuals	FYE 2025 Budget	FYE 2025 Actuals	FYE 2026 Budget	FYE 2027 Budget
Source of Funds:								
Grant Proceeds	\$ -	\$ -	\$ -	\$ 1,040	\$ -	\$ 1,040	\$ -	\$ -
Member Agency Contributions	\$ 680,340	\$ 716,845	\$ 725,435	\$ 696,275	\$ 712,910	\$ 712,910	\$ 733,400	\$ 801,233
Other Income	\$ 3,832	\$ 38,435	\$ 7,708	\$ 3,186	\$ -	\$ 15,182	\$ 258,400	\$ 46,800
Interest & Investments	\$ 21,707	\$ 24,566	\$ 91,492	\$ 148,885	\$ -	\$ 145,350	\$ -	\$ -
Total Source of Funds	\$ 705,879	\$ 779,846	\$ 824,635	\$ 849,386	\$ 712,910	\$ 874,482	\$ 991,800	\$ 848,033
Staffing:								
Hours Allocated	24,234	22,956	27,416	25,948	28,150	27,092	28,753	28,895
FTE (based on 2080)	11.7	11.0	13.2	12.5	13.5	13.0	13.9	13.9
Use of Funds:								
Labor	\$ 1,528,571	\$ 1,627,232	\$ 2,043,775	\$ 2,066,310	\$ 2,115,066	\$ 2,234,207	\$ 2,370,735	\$ 2,663,660
Benefits	\$ 699,690	\$ 644,384	\$ 859,173	\$ 558,689	\$ 770,579	\$ 589,734	\$ 954,471	\$ 1,080,808
Indirect Costs Applied	\$ (2,851,357)	\$ (2,816,406)	\$ (3,224,641)	\$ (3,430,663)	\$ (3,765,175)	\$ (3,594,917)	\$ (4,179,824)	\$ (4,535,131)
Education & Training	\$ 20,034	\$ 25,203	\$ 22,848	\$ 52,575	\$ 61,000	\$ 65,686	\$ 68,200	\$ 69,200
Consulting & Professional Services	\$ 334,422	\$ 282,968	\$ 296,921	\$ 333,866	\$ 426,610	\$ 325,207	\$ 459,540	\$ 437,970
Operating Costs	\$ 3,618	\$ 1,564	\$ 2,145	\$ 2,694	\$ 11,880	\$ 6,164	\$ 14,600	\$ 14,600
Repair & Maintenance	\$ 90,129	\$ 64,179	\$ 63,997	\$ 106,575	\$ 106,900	\$ 106,903	\$ 115,100	\$ 109,200
Phone & Utilities	\$ 57,476	\$ 55,109	\$ 54,383	\$ 59,570	\$ 89,666	\$ 60,712	\$ 76,333	\$ 76,333
Equipment & Computer	\$ 190,520	\$ 203,046	\$ 208,171	\$ 314,511	\$ 265,663	\$ 301,955	\$ 275,550	\$ 285,750
Meeting & Travel	\$ 4,091	\$ 25,700	\$ 44,253	\$ 44,551	\$ 71,500	\$ 45,001	\$ 60,500	\$ 60,500
Other Administrative Costs	\$ 156,091	\$ 148,841	\$ 166,833	\$ 182,417	\$ 189,730	\$ 182,630	\$ 200,839	\$ 204,385
Other Expenses	\$ 73,864	\$ 115,399	\$ 106,476	\$ 89,911	\$ 169,968	\$ 139,287	\$ 377,690	\$ 166,530
Total Use of Funds	\$ 307,149	\$ 377,219	\$ 644,334	\$ 381,006	\$ 513,387	\$ 462,569	\$ 793,734	\$ 633,805
Contributions To Reserves:								
Post Retirement Medical Benefits	\$ 81,266	\$ 131,283	\$ 79,207	\$ 83,407	\$ 99,523	\$ 99,523	\$ 98,066	\$ 114,228
Building Repair/Replacement Reserve	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 199,523	\$ 100,000	\$ 100,000
Total Contributions to Reserves	\$ 181,266	\$ 231,283	\$ 179,207	\$ 183,407	\$ 199,523	\$ 132,583	\$ 198,066	\$ 214,228
Total Use of Funds	\$ 488,415	\$ 608,502	\$ 823,541	\$ 564,413	\$ 712,910	\$ 662,092	\$ 991,800	\$ 848,033
Net Gain (Loss)	\$ 217,464	\$ 171,344	\$ 1,094	\$ 284,973	\$ -	\$ 212,390	\$ -	\$ -

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Enterprise Fund

The Agency's Enterprise Fund is comprised of Brine Line operations and debt service activities. These functions are supported through user fees, grants, the strategic use of reserves, and interest and investment earnings.

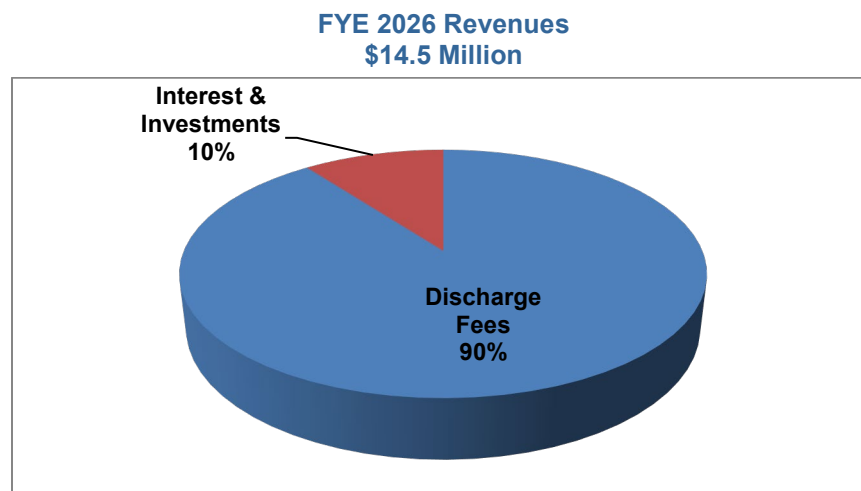
Brine Line Enterprise

The Inland Empire Brine Line is a regional conveyance system designed to transport up to 30 MGD of non-reclaimable wastewater from the upper Santa Ana River Watershed to the OC San for treatment and ultimate ocean disposal. This flow consists primarily of desalter concentrate, industrial brine, and other high-salinity waste streams; domestic wastewater is accepted only on a temporary basis. To date, more than 73 miles of pipeline have been constructed and are currently in service.

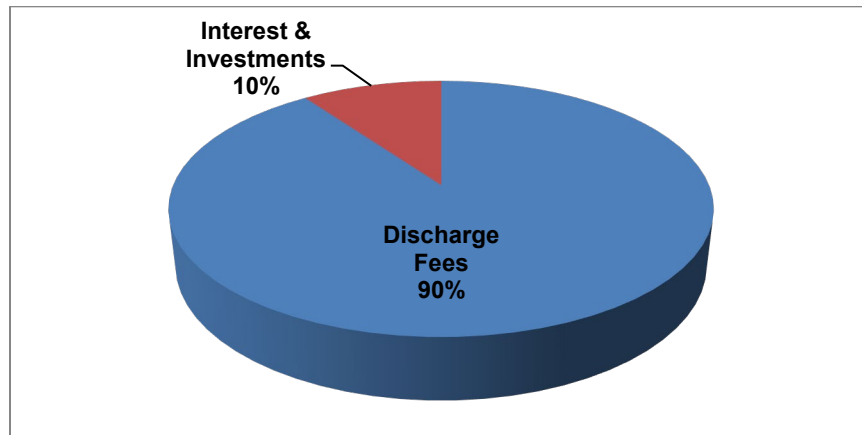
Revenue and Other Funding Sources

In FYE 2026, the Brine Line Enterprise is projected to generate \$14.5 million, representing 49.1% of the Agency's total projected revenues of \$29.6 million. Revenue sources include \$13.0 million in discharge fees and \$1.5 million in interest and investment income.

In FYE 2027, total projected revenues increase to \$15.1 million, or 59.1% of the Agency's total projected revenues of \$25.5 million. Revenues consist of \$13.6 million in discharge fees and \$1.5 million in interest and investments.



**FYE 2027 Revenues
\$15.1 Million**



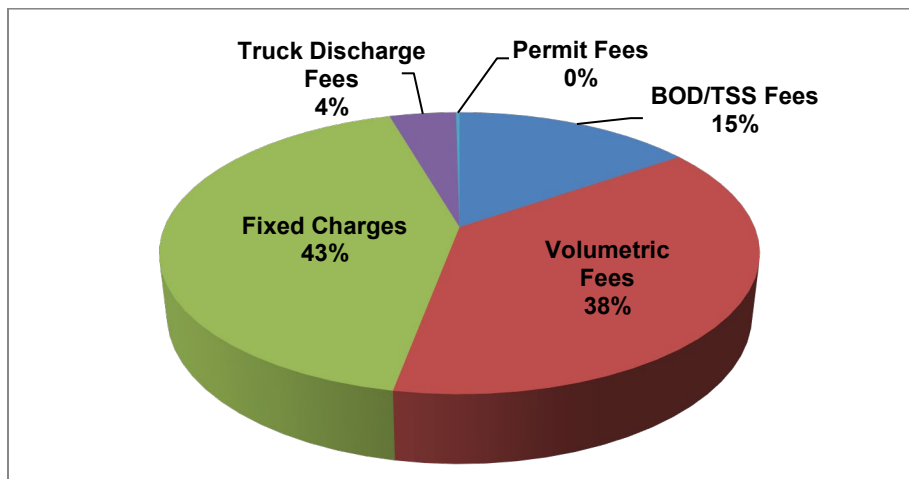
Brine Line Operating Revenues

Operating revenues for the Brine Line are generated from discharge fees, interest and investment earnings, and other income or use of reserves. These revenue sources support ongoing operations, maintenance, regulatory compliance, and long-term system needs.

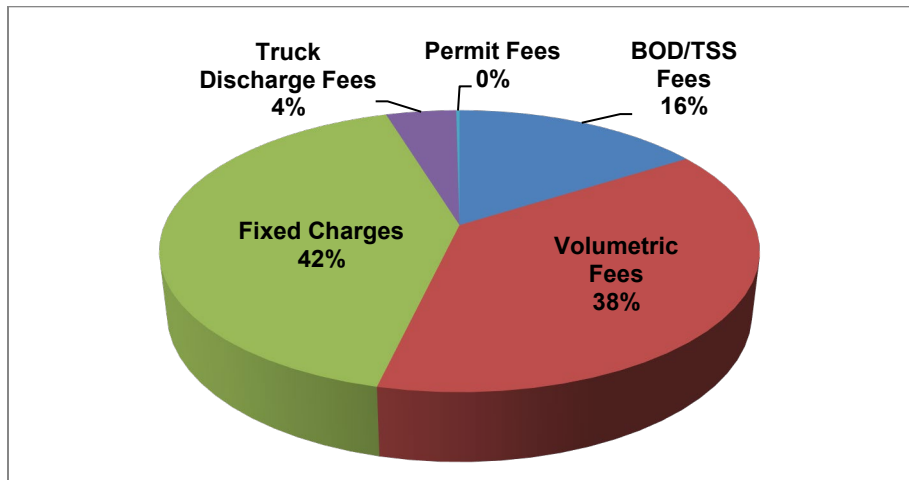
Discharge Fees are the primary revenue source for the Brine Line Enterprise and are projected at \$13.0 million for FYE 2026 and \$13.6 million for FYE 2027, reflecting anticipated customer discharge volumes and approved rate adjustments.

Interest and Investment Earnings are projected to total \$1.5 million in both FYEs 2026 and 2027, based on projected cash balances and current market interest rate conditions.

**FYE 2026 Discharge Fees
\$13.0 Million**



**FYE 2027 Discharge Fees
\$13.6 Million**



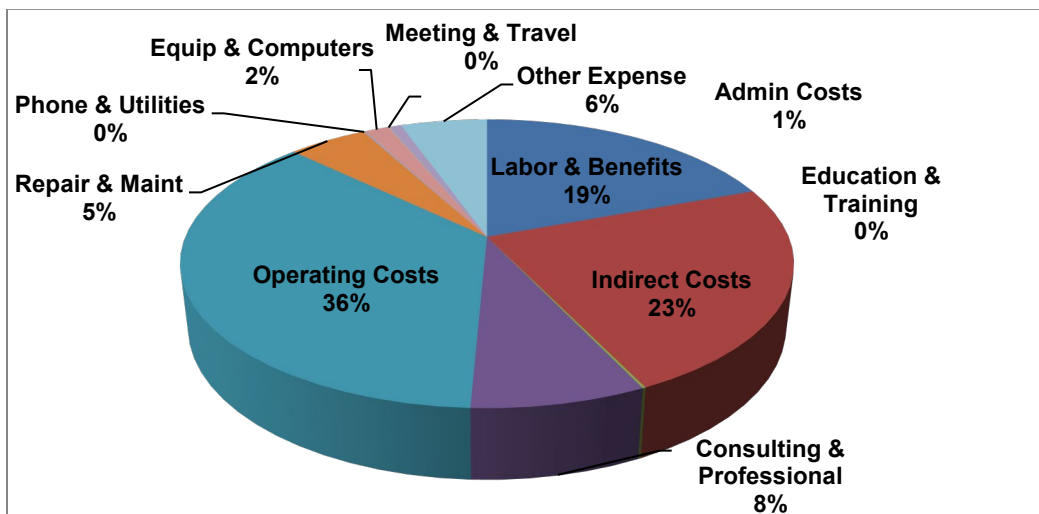
Discharge fees are generated through several components: volumetric charges, BOD/TSS loadings, fixed charges, trucked flow, emergency discharges, permit fees, and sampling surcharges.

A detailed narrative on each revenue source can be found in the “Revenues” section of this budget.

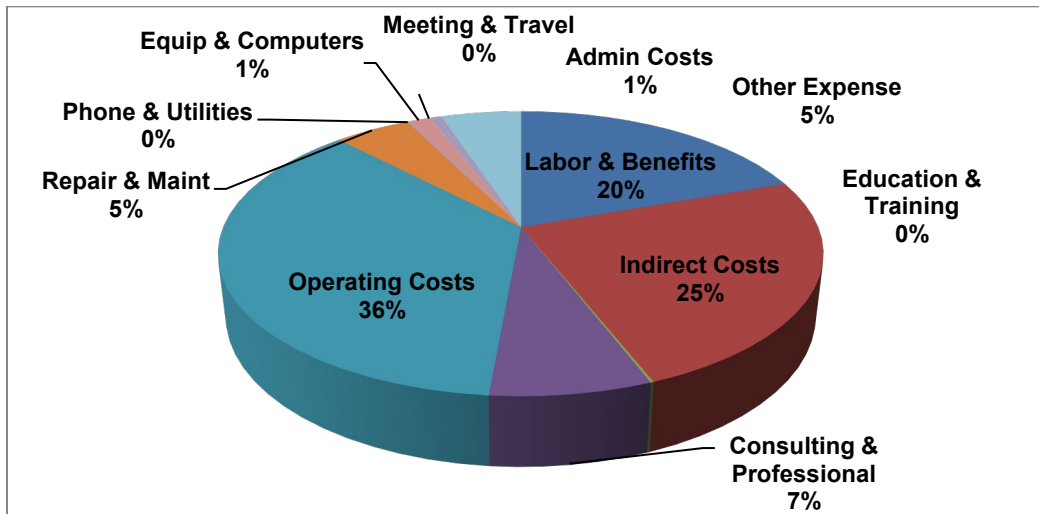
Brine Line Operating Expenses and Other Uses of Funds

Total Brine Line operating expenses are projected at \$10.4 million for FYE 2026, representing 39.3% of Agency-wide operating expenses. For FYE 2027, operating expenses increase to \$11.2 million, or 45.8% of Agency-wide operating costs. This reflects an overall increase of \$1.1 million from the FYE 2025 budget.

**FYE 2026 Total Operating Expenses
\$10.4 Million**



**FYE 2027 Total Operating Expenses
\$11.2 Million**



Labor and Benefits

Labor and benefit costs allocated to the Brine Line total \$2.0 million in FYE 2026 and \$2.2 million in FYE 2027, representing 29.7% of total Agency labor and benefit expenses for each year. These amounts correspond to approximately 9.1 full-time equivalent (FTE) positions (18,830 hours) in FYE 2026 and 9.2 FTE positions (19,045 hours) in FYE 2027 dedicated to Brine Line operations.

Indirect Costs

Indirect costs represent the Brine Line's allocated share of General Fund expenses and are distributed based on the amount of direct labor charged to the Brine Line Enterprise. These costs support agencywide functions such as administration, finance, human resources, information technology, and general management that enable efficient delivery of Brine Line services.

For FYE 2026, indirect costs are projected to be 58.4%, totaling \$2.4 million. In FYE 2027, indirect costs increase to 60.4%, or \$2.7 million, reflecting changes in agencywide expenditures and the proportion of labor dedicated to Brine Line activities.

Training Costs

Training requirements for Brine Line staff include mandatory programs related to EPA regulatory compliance, Occupational Safety and Health Administration (OSHA) safety standards, collection system operator certifications, and pretreatment oversight responsibilities. These activities ensure staff maintain the necessary qualifications and competencies to operate the Brine Line safely and in compliance with federal and state regulations.

Training costs are projected at \$14,500 in FYE 2026 and \$15,225 in FYE 2027, reflecting scheduled certification renewals, safety training updates, and anticipated adjustments in training program costs.

Consulting and Professional Services

Consulting and professional services provide specialized technical support necessary to ensure Brine Line reliability, regulatory compliance, and long-term system performance. These services include hydraulic modeling, system condition assessments, PFAS research and analysis, engineering design and review, and other professional support required to meet operational and regulatory obligations.

Total consulting and professional services costs are projected at \$810,000 in FYE 2026 and \$815,750 in FYE 2027, reflecting ongoing engineering needs and targeted studies that support strategic planning and system optimization.

FYE 2026 Consulting & Professional Services

<i>Work Performed</i>	<i>FYE 2026</i>
SCADA System Work Plan	\$ 130,000
Hydraulic Model Support	\$ 40,000
Engineering Support	\$ 50,000
PFAS Study	\$ 150,000
Green Hydrogen Feasibility Study	\$ 80,000
Traffic Engineering	\$ 30,000
Topographic Mapping/Field Survey	\$ 75,000
Evaluation of Impacts from Scouring and Erosion	\$ 35,000
Developer Coordination – Construction Support	\$ 25,000
Evaluate Brine Management Technologies	\$ 40,000
Scale Evaluation, Solids Control, Operations Support	\$ 110,000
Right of Way, Surveyor Support, As Built Drawings	\$ 20,000
Legal Fees	\$ 25,000
Total Consulting & Professional Services	\$ 810,000

FYE 2027 Consulting & Professional Services

<i>Work Performed</i>	<i>FYE 2027</i>
Green Hydrogen Feasibility Study	\$ 120,000
Hydraulic Model Support	\$ 42,000
Engineering Support	\$ 52,500
Off-Line Storage Feasibility Study	\$ 190,000
Traffic Engineering	\$ 30,000
Topographic Mapping/Field Survey	\$ 75,000
Evaluation of Impacts from Scouring and Erosion	\$ 35,000
Developer Coordination – Construction Support	\$ 25,000
Scale Evaluation, Solids Control, Operations Support	\$ 110,000
Right of Way, Surveyor Support, As Built Drawings	\$ 20,000
Evaluate Brine Management Technologies	\$ 40,000
PFAS Study	\$ 50,000
Legal Fees	\$ 26,250
Total Consulting & Professional Services	\$ 815,750

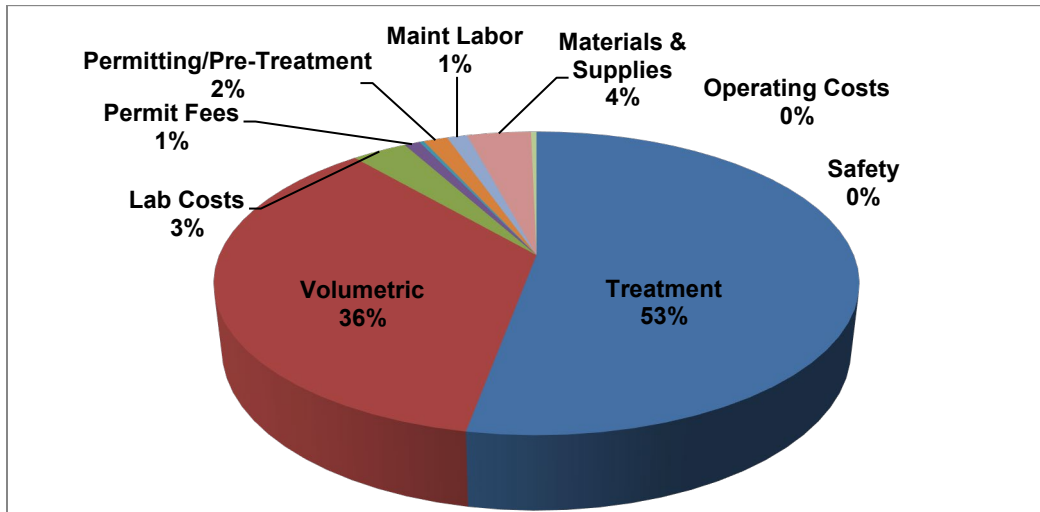
Operating Costs

Operating costs encompass the core activities and services necessary to support day-to-day Brine Line operations. These include volumetric and treatment charges paid to OC San, sampling and laboratory

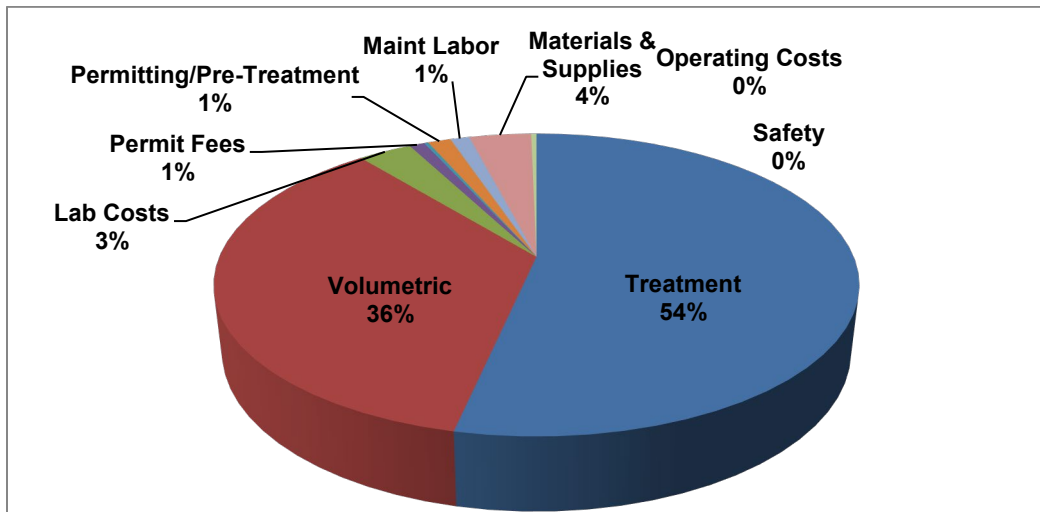
analysis, regulatory permitting activities, maintenance labor provided by partner agencies, materials and supplies, and essential safety equipment and services.

Total operating costs are projected at \$3.8 million in FYE 2026 and \$4.1 million in FYE 2027, reflecting anticipated changes in treatment charges, system maintenance needs, and regulatory requirements.

FYE 2026 Operating Costs
\$3.8 Million



FYE 2027 Operating Costs
\$4.1 Million



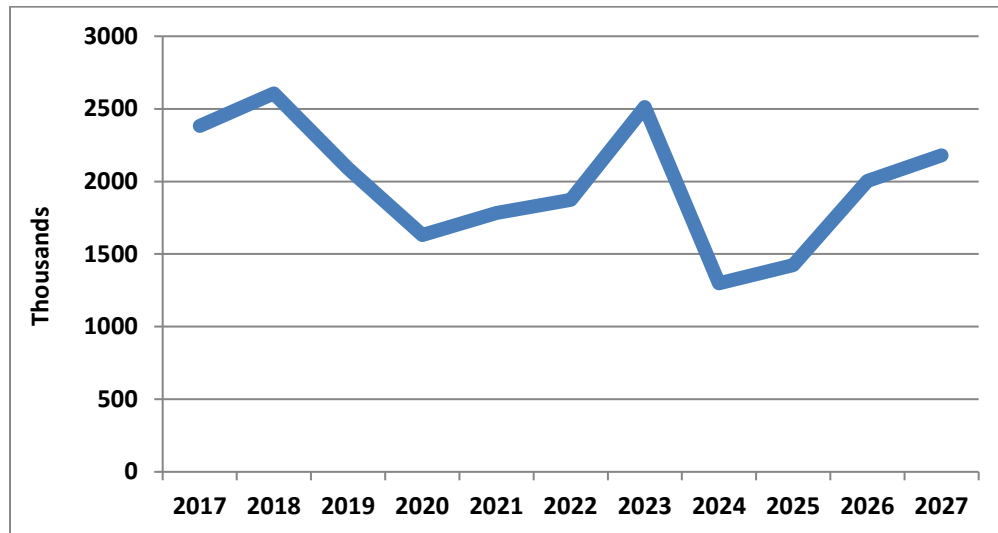
- **Treatment Costs**

Treatment costs represent the fees assessed by OC San for BOD and TSS loadings discharged through the Brine Line. These fees are determined based on samples collected at the metering facility located near the Orange County line and reflect the proportional share of treatment required for the wastewater accepted into the OC San system.

For FYE 2026, total treatment costs are projected to be \$2.0 million, increasing to \$2.2 million in FYE 2027 based on anticipated loading levels and updated OC San treatment rates. These costs are fully

pass-through expenses and are billed directly to Brine Line dischargers in accordance with SAWPA's approved rate structure.

Historical Treatment Costs

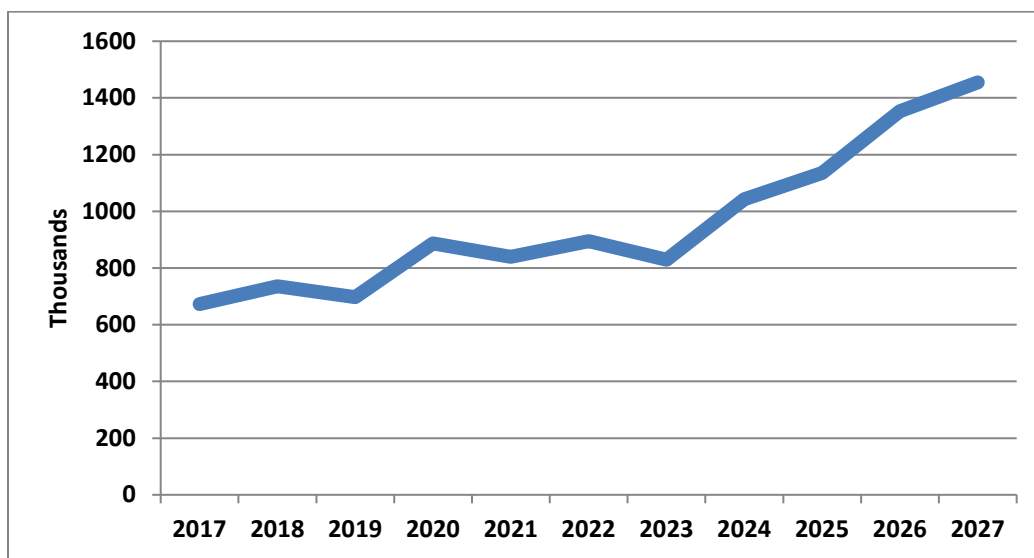


- Volumetric Costs

Volumetric costs represent the fees assessed by OC San for the total volume of flow discharged through Meter S-01. For FYE 2026, volumetric costs are projected to total \$1.4 million, an increase of 19.2% compared to FYE 2025. In FYE 2027, volumetric costs increase to \$1.5 million, reflecting an additional 7.5% increase based on anticipated flow levels and updated OC San volumetric rates.

Projected flows have increased from 11.42 MGD in FYE 2025 to 12.0 MGD in FYE 2026 and 12.30 MGD in FYE 2027, contributing to the rise in volumetric charges and aligning with customer discharge trends.

Historical Volumetric Costs



- Lab Costs

Laboratory costs reflect the expenses associated with analyzing sample collections from Brine Line dischargers to determine BOD and TSS concentrations. Total laboratory costs are projected at

\$125,000 for FYE 2026 and \$130,750 for FYE 2027, representing a minimal increase from the prior year's budget.

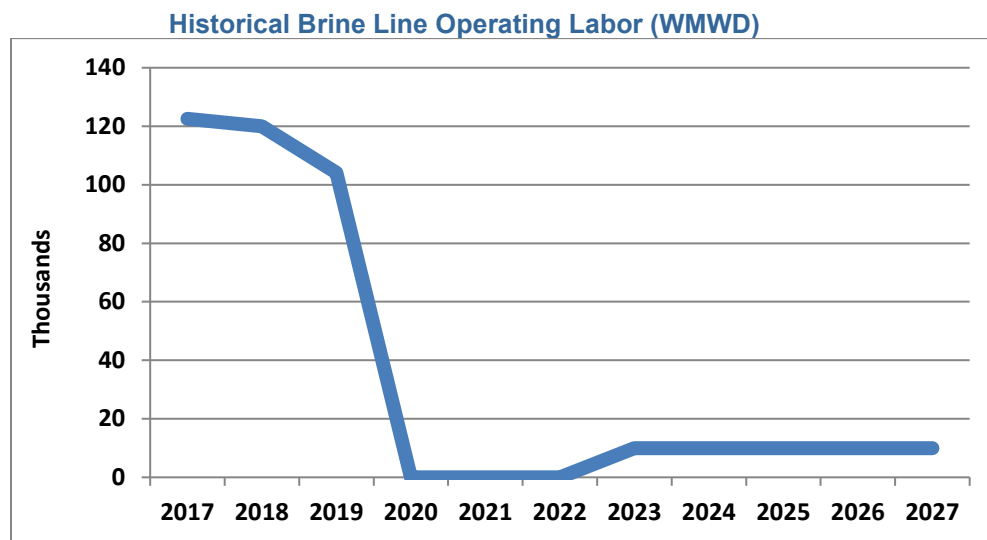
SAWPA's assumption of responsibility for issuing Brine Line Discharge Permits to Member Agency-owned facilities have resulted in additional laboratory testing needs. Further, the scope of sampling has expanded, both in the number of parameters analyzed and the frequency of monitoring, at the SARI Metering Station (S-01) and at individual discharger monitoring locations. This expanded effort supports a more comprehensive understanding of total suspended solids formation and overall system water quality throughout the Brine Line.

- Permit Fees

Permit fees include costs associated with securing encroachment permits from local jurisdictions for Brine Line activities conducted within the public right-of-way, as well as the annual fees for the Brine Line Waste Discharge Requirements (WDR) permit issued by the State Water Resources Control Board. Total permit fees are projected at \$55,000 for FYE 2026 and \$56,000 for FYE 2027, reflecting no increase from the prior year's budget.

- Brine Line Operating Labor

Brine Line operating labor reflects the cost of WMWD staff who perform sample collection, line cleaning, and other routine field activities that support safe and reliable system operation. Total operating labor costs are projected to be \$10,000 for both FYEs 2026 and 2027, with no increase from the prior year's budget.



- Permitting/Pre-Treatment Activities

Permitting and pretreatment activities include the costs associated with processing discharge permits, conducting inspections, preparing regulatory reports, implementing enforcement actions, and updating SAWPA Ordinance No. 9. These functions ensure compliance with federal, state, and local requirements and support safe operation of the Brine Line.

Specialty permitting and pretreatment consultant costs are projected to be \$55,000 in FYE 2026 and \$56,000 in FYE 2027, reflecting a 1.8% increase. The FYE 2026 amount is significantly lower than FYE 2025 due to the one-time feasibility study for the waste hauler program that was budgeted in FYE 2025.

- Maintenance Labor

Maintenance labor includes the costs associated with OC San's maintenance of the Stringfellow sampling and inspection facilities, as well as maintenance performed by IEUA and EMWD for the

portions of the Brine Line located within their respective service areas. These activities support ongoing system reliability, routine inspections, and field maintenance needs across the regional pipeline system. Total maintenance labor costs are projected to be \$45,960 for FYE 2026 and \$46,758 for FYE 2027, reflecting standard annual adjustments.

- *Materials and Supplies*

Materials and supplies include the routine equipment, parts, tools, and consumables necessary to support Brine Line operations, field activities, and system maintenance. Total materials and supplies costs are projected to be \$145,200 for FYE 2026 and \$151,570 for FYE 2027, with no significant change from the prior year's budget.

- *Safety*

Safety costs include the equipment, supplies, and training necessary to maintain a safe working environment for staff performing Brine Line field operations, sampling, inspections, and maintenance activities. Total safety costs are projected at \$12,400 for FYE 2026 and \$13,020 for FYE 2027, representing standard annual adjustments.

Repair and Maintenance

Repair and maintenance costs support ongoing upkeep of the Brine Line system, including pipeline repairs, mechanical and electrical maintenance, facility upkeep, equipment replacement, and contracted field services necessary to ensure reliable system performance. Total repair and maintenance costs are projected at \$518,000 for FYE 2026 and \$543,750 for FYE 2027. The FYE 2026 amount reflects a 6.4% decrease from the prior year's budget, while the FYE 2027 projection represents a 5.0% increase as routine maintenance needs and system conditions evolve.

Phone and Utilities

Phone and utility costs include electricity for Brine Line facilities and cell phone services that support field operations, sampling, and system monitoring activities. Total phone and utility expenses are projected at \$11,000 for FYE 2026 and \$11,550 for FYE 2027, representing a slight decrease from the prior year's budget.

Equipment and Computers

Equipment and computer expenses include the replacement, upgrade, and maintenance of field equipment, monitoring devices, hardware, and software systems necessary to support Brine Line operations, sampling, data management, and regulatory reporting. Total equipment and computer expenses are projected to be \$160,706 for FYE 2026 and \$151,017 for FYE 2027, representing a 21.2% decrease from the FYE 2025 budget due to reduced one-time equipment needs.

Meeting and Travel

Meeting and travel expenses include offsite meetings and travel, in-house meetings, and conference participation necessary to support Brine Line operations, coordination with partner agencies, and staff professional development. Total meeting and travel expenses are projected to be \$3,000 for both FYEs 2026 and 2027, representing a decrease from the prior year's budget.

Other Administrative Costs

Other administrative costs include vehicle repair and maintenance, dues and subscriptions, contributions, shipping and postage, office supplies, and miscellaneous administrative expenses that support Brine Line operations. Total other administrative costs are projected at \$82,050 for FYE 2026 and \$84,925 for FYE 2027, representing a slight decrease from the prior year's budget and a 3.5% increase in FYE 2027. The projected increase is primarily attributable to rising fuel costs for the six field vehicles used to support Brine Line activities.

Other Expenses

Other expenses include insurance premiums and fixed asset purchases necessary to support Brine Line operations and system reliability. Total other expenses are projected to be \$566,680 for FYE 2026 and \$573,220 for FYE 2027, representing a slight increase from the prior year's budget.

◆ Fixed Assets

All capital purchases, defined by SAWPA policy as items exceeding \$10,000, are capitalized and depreciated as fixed assets. These purchases include furniture, vehicles, computers, and office equipment that support Brine Line operations and agencywide needs. In preparation for compliance with the California Electric Vehicle (EV) mandate, two new trucks are planned for purchase in FYE 2026, followed by two new trucks and one van in FYE 2027 to continue the transition of the Agency's fleet to electric vehicles.

Reserve Contributions

Reserve contributions support long-term capital planning, system rehabilitation, and future Brine Line replacement needs. For FYE 2026, reserve contributions include \$3.5 million toward the Pipeline Replacement and Capital Investment Reserve and \$426,224 for the OC San Pipeline Rehabilitation Reserve. In FYE 2027, reserve contributions remain at \$3.5 million for the Pipeline Replacement and Capital Investment Reserve, with \$182,388 budgeted for the OC San Pipeline Rehabilitation Reserve. These contributions ensure adequate funding for future capital improvements, system renewal, and rehabilitation obligations.

FYE 2026 Reserve Contribution and Balance

<i>Reserve</i>	<i>FYE 2025 Balance</i>	<i>Contribution</i>	<i>Expense</i>	<i>FYE 2026 Balance</i>
Pipeline Replacement and Capital Investment	\$ 41,939,551	\$ 3,500,000	\$ 2,632,558	\$42,806,993
OC San Pipeline Rehabilitation Reserve	\$ 3,167,752	\$ 426,224	\$ –	\$ 3,593,976
OC San Future Treatment & Disposal Capacity	\$ 6,615,178	\$ –	\$ –	\$ 6,615,178
Pipeline Capacity Management Reserve	\$ 13,363,704	\$ –	\$ –	\$13,363,704
Operating Reserve	\$ 2,917,215	\$ –	\$ –	\$ 2,917,215
Operating Cash	\$ 2,548,941	\$ 13,038,465	\$12,112,241	\$ 3,475,164
Debt Retirement Reserve	\$ 3,142,328	\$ –	\$ –	\$ 3,142,328
Total	\$ 73,694,668	\$ 16,964,689	\$14,744,799	\$75,914,558

FYE 2027 Reserve Contribution and Balance

<i>Reserve</i>	<i>FYE 2026 Balance</i>	<i>Contribution</i>	<i>Expense</i>	<i>FYE 2027 Balance</i>
Pipeline Replacement and Capital Investment	\$ 42,806,993	\$ 3,500,000	\$ 4,826,641	\$41,478,352
OC San Pipeline Rehabilitation Reserve	\$ 3,593,976	\$ 182,388	\$ –	\$ 3,776,364
OC San Future Treatment & Disposal Capacity	\$ 6,615,178	\$ –	\$ –	\$ 6,615,178
Pipeline Capacity Management Reserve	\$ 13,363,704	\$ –	\$ –	\$13,363,704
Operating Reserve	\$ 2,917,215	\$ –	\$ –	\$ 2,917,215
Operating Cash	\$ 3,475,164	\$ 13,604,122	\$12,921,734	\$ 4,157,552
Debt Retirement Reserve	\$ 3,142,328	\$ –	\$ –	\$ 3,142,328
Total	\$ 75,914,558	\$ 17,286,510	\$17,750,375	\$75,450,693

The Pipeline Replacement and Capital Investment Reserve provides funding for the Brine Line CIP. Total contributions to this reserve are projected to be \$2.0 million in both FYEs 2026 and 2027, supporting long-term system rehabilitation and replacement needs.

The OC San Pipeline Rehabilitation Reserve funds SAWPA's share of OC San's capital improvement activities related to the Brine Line connection. Total contributions to this reserve are projected at \$426,224 for FYE 2026 and \$182,388 for FYE 2027.

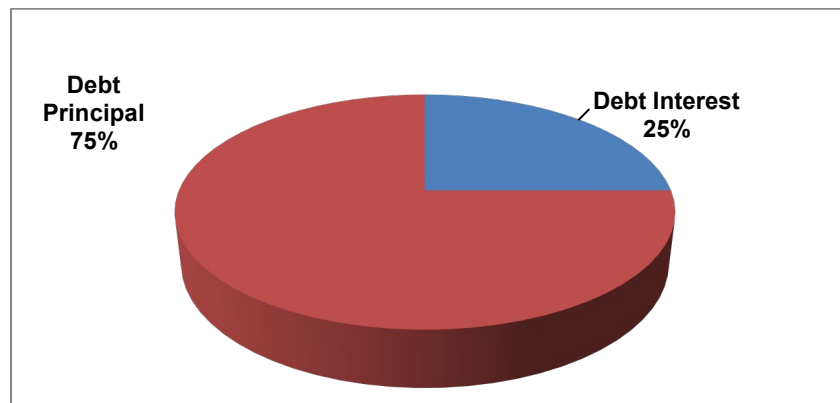
The Operating Reserve is maintained at 25% of total operating expenses. No additional contributions are required in FYEs 2026 or 2027, as this reserve is fully funded.

A detailed narrative on reserve account contribution methodologies, targets, and balances is provided in the "Reserves" section of this budget.

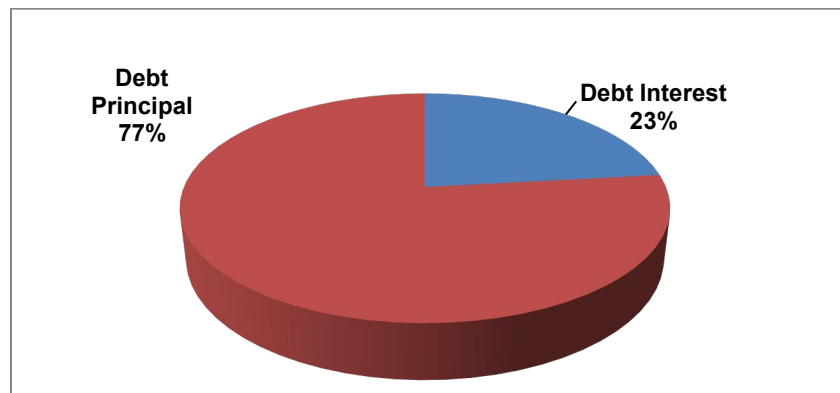
Brine Line Debt Service Expenses

Brine Line debt service expenses include annual principal and interest payments on outstanding obligations issued to finance past capital improvements. Total debt service payments for both FYEs 2026 and 2027 are projected to be \$1.7 million, consistent with the current repayment schedule.

**FYE 2026 Debt Service Expense
\$1.7 Million**



**FYE 2027 Debt Service Expense
\$1.7 Million**



A detailed narrative and breakdown of Brine Line debt service obligations, schedules, and funding sources can be found in the “Debt Service” section of this budget.

Enterprise Fund Budget FYE 2026	Brine Line Operating Fund 240		Brine Line Debt Service	Total
Source of Funds:				
Discharge Fees	\$	13,038,465	\$ –	\$ 13,038,465
Interest & Investments	\$	1,500,000	\$ –	\$ 1,500,000
Total Source of Funds	\$	14,538,465	\$ –	\$ 14,538,465
Staffing:				
Hours Allocated		18,830	–	18,830
FTE (based on 2080)		9.1	–	9.1
Use of Funds:				
Labor	\$	1,434,775	\$ –	\$ 1,434,775
Benefits	\$	577,649	\$ –	\$ 577,549
Indirect Costs	\$	2,438,925	\$ –	\$ 2,438,925
Education & Training	\$	14,500	\$ –	\$ 14,500
Consulting & Professional Services	\$	810,000	\$ –	\$ 810,000
Operating Costs	\$	3,785,480	\$ –	\$ 3,785,480
Repair & Maintenance	\$	518,000	\$ –	\$ 518,000
Phone & Utilities	\$	11,000	\$ –	\$ 11,000
Equipment & Computer	\$	160,706	\$ –	\$ 160,706
Meeting & Travel	\$	3,000	\$ –	\$ 3,000
Other Administrative Costs	\$	82,050	\$ –	\$ 82,050
Other Expenses	\$	566,680	\$ –	\$ 566,680
Debt Service Payments	\$	–	\$ 1,709,476	\$ 1,709,476
Total Use of Funds	\$	10,402,765	\$ 1,709,476	\$ 12,112,241
Contribution To Reserves:				
Pipeline Replacement & Capital Investment	\$	2,000,000	\$ –	\$ 2,000,000
OC San Pipeline Rehabilitation	\$	426,224	\$ –	\$ 426,224
Total Contributions to Reserves	\$	2,426,224	\$ –	\$ 2,426,224
Total Use of Funds	\$	12,828,989	\$ 1,709,476	\$ 14,538,465
Net Gain (Loss)	\$	1,709,476	\$ (1,709,476)	\$ –
Indirect Costs Contribution		58.35%	0.00%	58.35%

Enterprise Fund Budget FYE 2027	Brine Line Operating Fund 240	Brine Line Debt Service	Total
Source of Funds:			
Discharge Fees	\$ 13,604,122	\$ –	\$ 13,604,122
Interest & Investments	\$ 1,500,000	\$ –	\$ 1,500,000
Total Source of Funds	\$ 15,104,122	\$ –	\$ 15,104,122
Staffing:			
Hours Allocated	19,045	–	19,045
FTE (based on 2080)	9.2	–	9.2
Use of Funds:			
Labor	\$ 1,559,822	\$ –	\$ 1,559,822
Benefits	\$ 632,914	\$ –	\$ 632,914
Indirect Costs	\$ 2,741,252	\$ –	\$ 2,741,252
Education & Training	\$ 15,225	\$ –	\$ 15,225
Consulting & Professional Services	\$ 815,750	\$ –	\$ 815,750
Operating Costs	\$ 4,079,833	\$ –	\$ 4,079,833
Repair & Maintenance	\$ 543,750	\$ –	\$ 543,750
Phone & Utilities	\$ 11,550	\$ –	\$ 11,550
Equipment & Computer	\$ 151,017	\$ –	\$ 151,017
Meeting & Travel	\$ 3,000	\$ –	\$ 3,000
Other Administrative Costs	\$ 84,925	\$ –	\$ 84,925
Other Expenses	\$ 573,220	\$ –	\$ 573,220
Debt Service Payments	\$ –	\$ 1,709,476	\$ 1,709,476
Total Use of Funds from Operations	\$ 11,212,258	\$ 1,709,476	\$ 12,921,734
Contribution To Reserves:			
Pipeline Replacement & Capital Investment	\$ 2,000,000	\$ –	\$ 2,000,000
OC San Pipeline Rehabilitation	\$ 182,388	\$ –	\$ 182,388
Total Contributions to Reserves	\$ 2,182,388	\$ –	\$ 2,182,388
Total Use of Funds	\$ 13,394,646	\$ 1,709,476	\$ 15,104,122
Net Gain (Loss)	\$ 1,709,476	\$ (1,709,476)	\$ –
Indirect Costs Contribution	60.44%	0.00%	60.44%

Enterprise Fund FYE 2021 - 2027	FYE 2021 Actuals	FYE 2022 Actuals	FYE 2023 Actuals	FYE 2024 Actuals	FYE 2025 Budget	FYE 2025 Actuals	FYE 2026 Budget	FYE 2027 Budget
Source of Funds:								
Discharge Fees	\$ 12,159,431	\$ 12,010,235	\$ 12,310,368	\$ 12,830,811	\$ 12,405,112	\$ 13,036,749	\$ 13,038,465	\$ 13,604,122
Use of Reserves	\$ 2,160,027	\$ 196,104	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –
Other Income	\$ 317,425	\$ 30,286	\$ 269,721	\$ 2,383,089	\$ –	\$ 1,040	\$ –	\$ –
Interest & Investments	\$ 342,986	\$ 304,367	\$ 1,295,665	\$ 2,432,284	\$ 673,000	\$ 2,892,639	\$ 1,500,000	\$ 1,500,000
Total Source of Funds	\$ 14,979,869	\$ 12,540,992	\$ 13,875,754	\$ 17,646,184	\$ 13,078,112	\$ 15,930,428	\$ 14,538,465	\$ 15,104,122
Staffing:								
Hours Allocated	20,314	17,954	18,035	17,982	19,407	18,137	18,830	19,045
FTE (based on 2080)	9.8	8.6	8.7	8.6	9.3	8.7	9.1	9.2
Use of Funds:								
Labor	\$ 1,222,530	\$ 1,058,655	\$ 1,161,934	\$ 1,243,036	\$ 1,392,817	\$ 1,381,367	\$ 1,434,775	\$ 1,559,822
Benefits	\$ 553,806	\$ 419,227	\$ 488,012	\$ 456,194	\$ 507,443	\$ 502,818	\$ 577,649	\$ 632,914
Indirect Costs	\$ 1,843,575	\$ 1,707,611	\$ 1,868,391	\$ 2,103,217	\$ 2,278,716	\$ 2,259,916	\$ 2,438,925	\$ 2,741,252
Education & Training	\$ 7	\$ 1,197	\$ 1,451	\$ 108	\$ 15,225	\$ 337	\$ 14,500	\$ 15,225
Consulting & Professional Services	\$ 130,145	\$ 77,679	\$ 113,549	\$ 340,899	\$ 772,500	\$ 221,995	\$ 810,000	\$ 815,750
Operating Costs	\$ 2,781,464	\$ 2,899,025	\$ 2,936,072	\$ 3,327,750	\$ 3,041,939	\$ 3,368,073	\$ 3,785,480	\$ 4,079,833
Repair & Maintenance	\$ 269,449	\$ 216,778	\$ 90,314	\$ 255,889	\$ 553,558	\$ 205,084	\$ 518,000	\$ 543,750
Phone & Utilities	\$ 11,816	\$ 11,092	\$ 9,326	\$ 9,042	\$ 13,200	\$ 8,078	\$ 11,000	\$ 11,550
Equipment & Computer	\$ 50,045	\$ 49,938	\$ 53,572	\$ 48,133	\$ 204,167	\$ 52,566	\$ 160,706	\$ 151,017
Meeting & Travel	\$ 285	\$ –	\$ 2,055	\$ 579	\$ 7,700	\$ 1,158	\$ 3,000	\$ 3,000
Other Administrative Costs	\$ 39,183	\$ 55,295	\$ 43,374	\$ 40,478	\$ 98,988	\$ 48,202	\$ 82,050	\$ 84,925
Other Expenses	\$ 190,861	\$ 406,635	\$ 239,273	\$ 356,268	\$ 426,597	\$ 450,211	\$ 566,680	\$ 573,220
Debt Service	\$ 2,835,027	\$ 2,608,439	\$ 1,709,476	\$ 1,709,475	\$ 1,709,476	\$ 1,709,476	\$ 1,709,476	\$ 1,709,476
Total Use of Funds from Operations	\$ 9,928,193	\$ 9,511,571	\$ 8,716,799	\$ 9,891,068	\$ 11,022,326	\$ 10,209,281	\$ 12,112,241	\$ 12,921,734
Contribution To Reserves:								
Pipeline Replacement & Capital Investment	\$ 1,810,491	\$ 928,781	\$ 1,467,543	\$ 1,900,000	\$ 1,900,000	\$ 5,410,485	\$ 2,000,000	\$ 2,000,000
OC San Pipeline Rehabilitation Reserve	\$ –	\$ –	\$ –	\$ 325,309	\$ 155,786	\$ 155,786	\$ 426,224	\$ 182,388
Self-Insurance Reserve	\$ 100,000	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –
Debt Retirement Reserve	\$ 1,708,750	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –
Total Contributions to Reserves	\$ 3,619,241	\$ 928,781	\$ 1,467,543	\$ 2,225,309	\$ 2,055,786	\$ 5,566,271	\$ 2,426,224	\$ 2,182,388
Total Use of Funds	\$ 13,547,434	\$ 10,440,352	\$ 10,184,342	\$ 12,116,377	\$ 13,078,112	\$ 15,775,552	\$ 14,538,465	\$ 15,104,122
Net Gain (Loss)	\$ 1,432,435	\$ 2,100,640	\$ 3,691,412	\$ 5,529,807	\$ –	\$ 154,876	\$ –	\$ –

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OWOW Fund

The One Water One Watershed (OWOW) Fund supports SAWPA's role as the lead regional agency for integrated water management across the Santa Ana River Watershed. Through this fund, SAWPA conducts planning and implementation efforts that address regional water issues, advance multi-benefit solutions, and strengthen long-term watershed sustainability.

Activities within the OWOW Fund include basin planning to evaluate regional water quality and supply challenges, partnership studies with the U.S. Bureau of Reclamation, development and maintenance of the State-recognized SAWPA OWOW Plan, and implementation of projects funded through State grants and local matching contributions. These efforts provide a coordinated framework that brings together water agencies, community organizations, and stakeholders to identify shared priorities and deliver projects that improve water supply reliability, enhance water quality, restore ecosystems, and support climate resilience.

Collectively, the programs and projects supported by this fund increase the sustainability and resiliency of the Watershed as it continues to face evolving water management challenges. The OWOW Fund is comprised of the following major activities and projects, each described in the sections that follow.

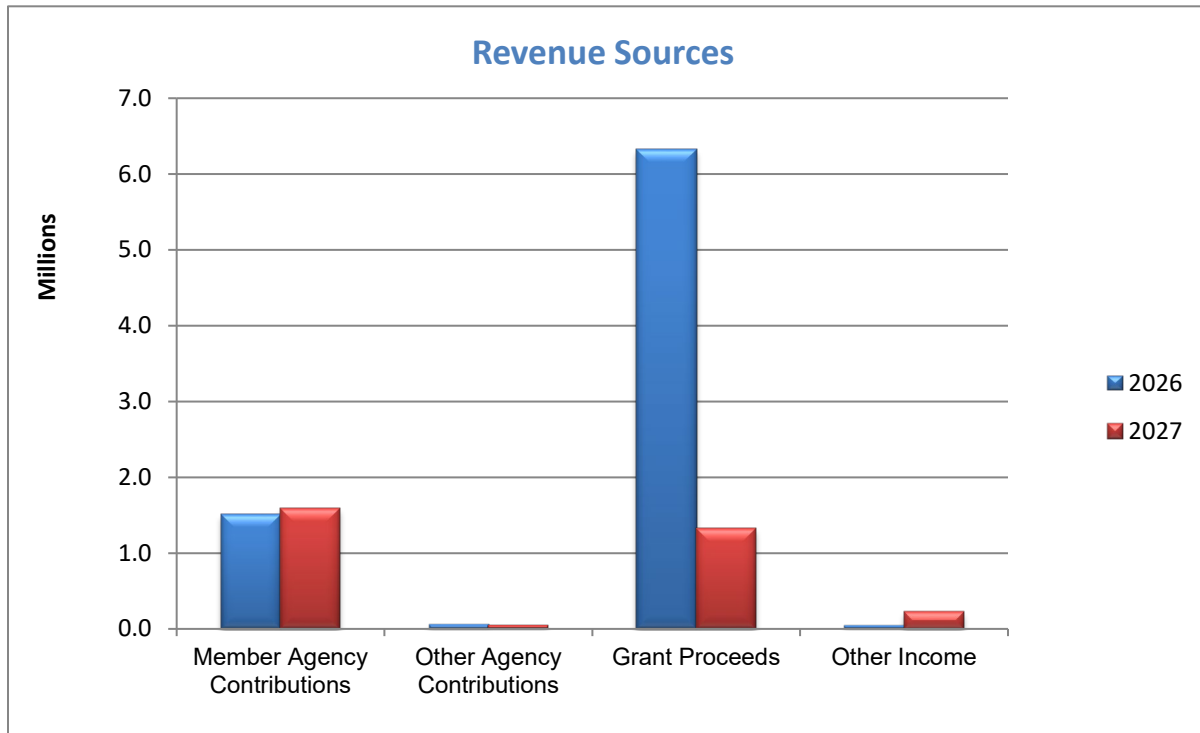
<i>Fund</i>	<i>Project</i>
370-01	Basin Planning General
370-02	USBR Partnership Studies
373	Watershed Management (OWOW)
376	ICARP
377	PFAS Study
378	Cloud Seeding
145	Proposition 84 Program Management – Round 2015
150	Proposition 1 Round 1 Program Management
155	Proposition 1 Round 2 Program Management
397	WECAN - Riverside
398	Drought Relief Grant - DACI
504-04	Proposition 84 - Round 2015 (SARCCUP & Other Projects)
505	Proposition 1 – Capital Projects

Revenue and Other Funding Sources

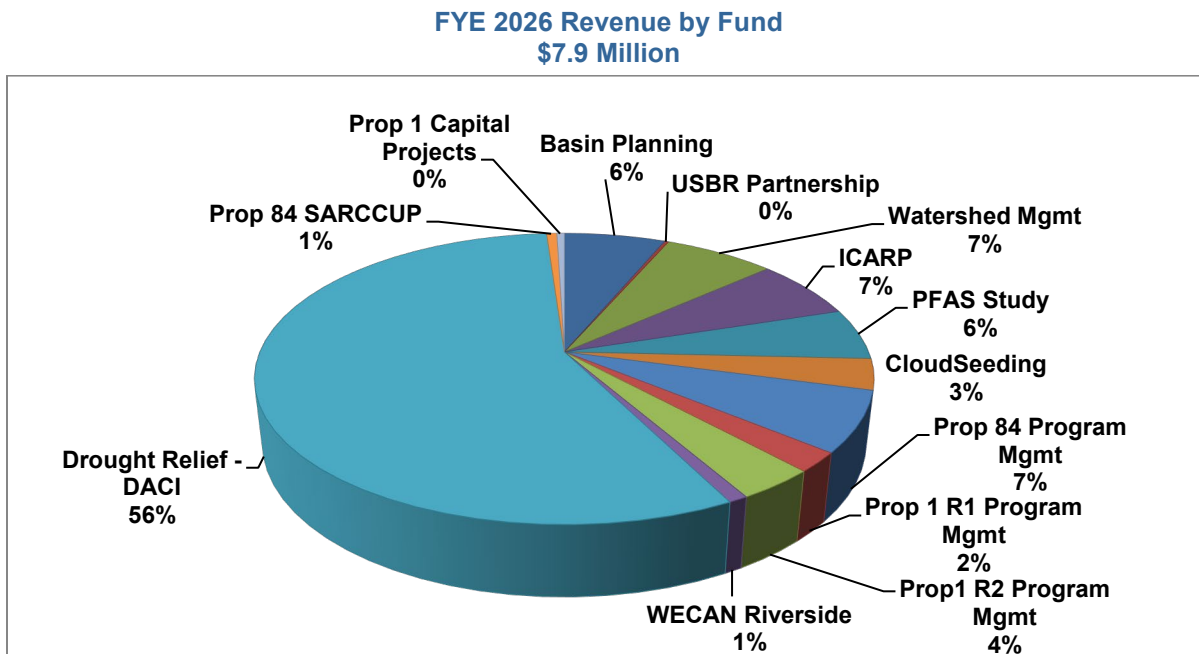
In FYE 2026, the OWOW Fund has total budgeted revenues of \$7.9 million, representing 26.7% of the Agency's total budgeted revenue of \$29.6 million. This reflects a \$4.2 million increase from the FYE 2025 budget, primarily driven by continued revenue from the Drought Relief Grant - DACI and the addition of the ICARP grant.

In FYE 2027, total budgeted revenues for the OWOW Fund are \$3.2 million, or 12.5% of the Agency's total budgeted revenue of \$25.5 million. This represents a \$4.7 million decrease compared to the FYE 2026 budget. The reduction is attributable to the completion of several major grant-funded programs, including the Drought Relief Grant – DACI, the WECAN Riverside Grant, and the Proposition 84 Santa Ana River Conservation and Conjunctive Use Program (SARCCUP) projects.

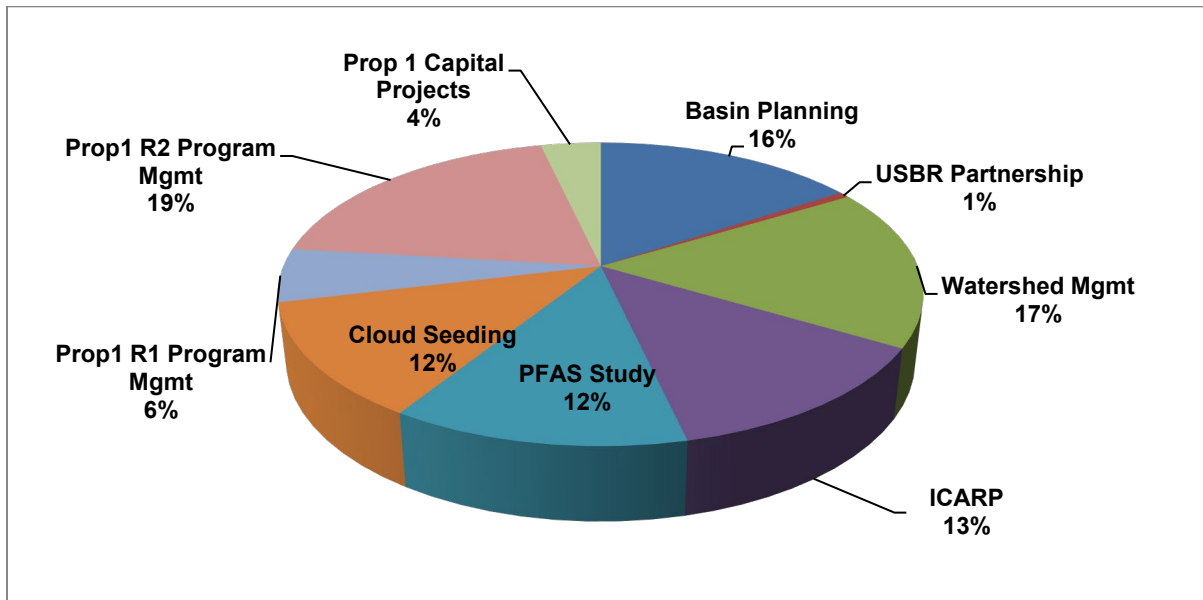
Revenues for the OWOW Fund are derived from member agency contributions, other agency contributions, grant proceeds, and other income. A breakdown of these sources is shown in the graph below.



The total revenues by fund type for FYEs 2026 and 2027 are illustrated in the pie charts below, providing a visual comparison of how each fund contributes to the Agency's overall revenue structure.



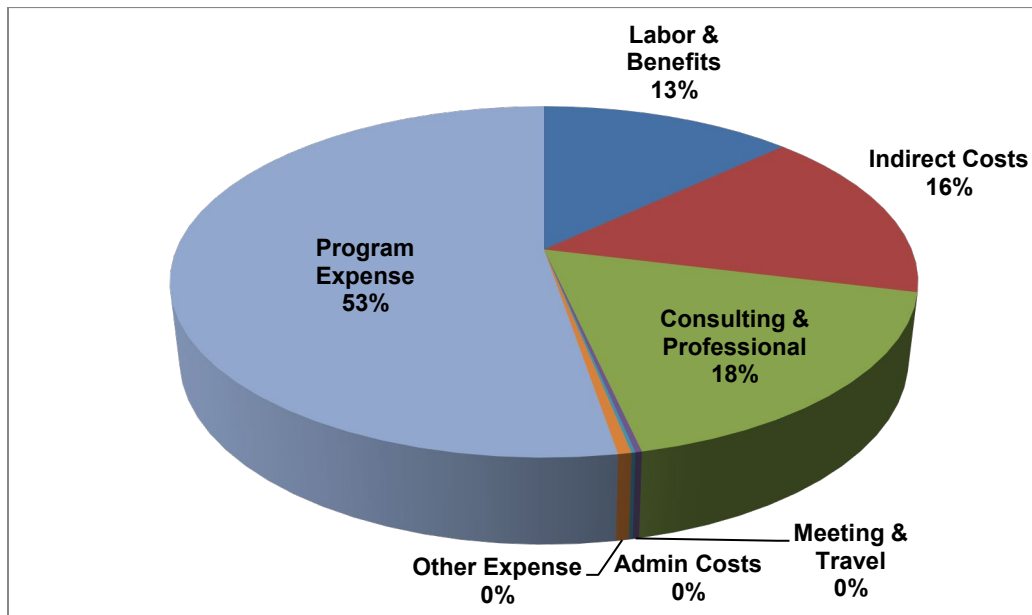
**FYE 2027 Revenue by Fund
\$3.2 Million**



Expenses and Other Uses of Funds

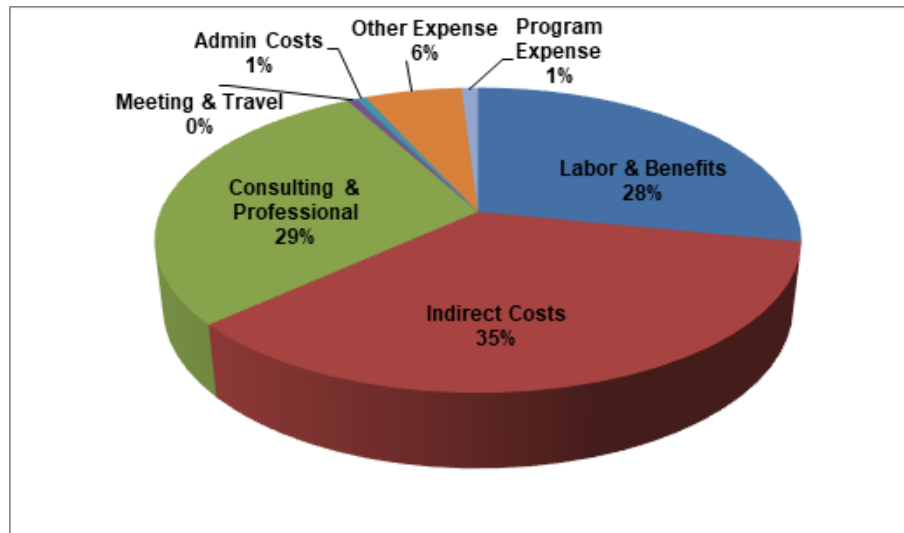
Total expenses for FYE 2026 are \$8.8 million, representing approximately 25.3% of total budgeted operating expenses. This reflects a \$4.6 million increase compared to the FYE 2025 budget, primarily due to expenditures associated with the Drought Relief Grant – DACI and the addition of the ICARP grant.

**FYE 2026 Total Expenses
\$8.8 Million**



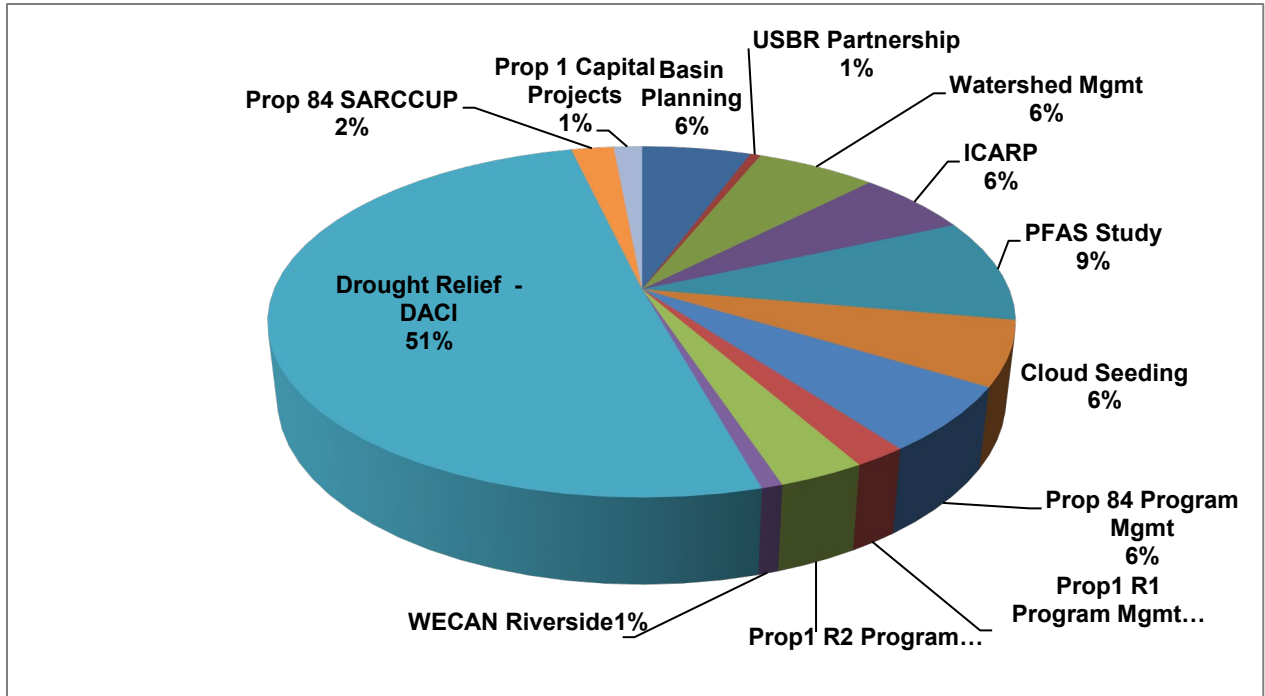
Total expenses for FYE 2027 are \$3.9 million, representing approximately 19.4% of total budgeted operating expenses. This reflects a \$5.0 million decrease compared to the FYE 2026 budget. The reduction is attributable to the completion of several major grant-funded efforts, including the Drought Relief Grant, the WECAN Riverside grant, and the Proposition 84 SARCCUP Projects grant.

**FYE 2027 Total Expenses
\$3.8 Million**

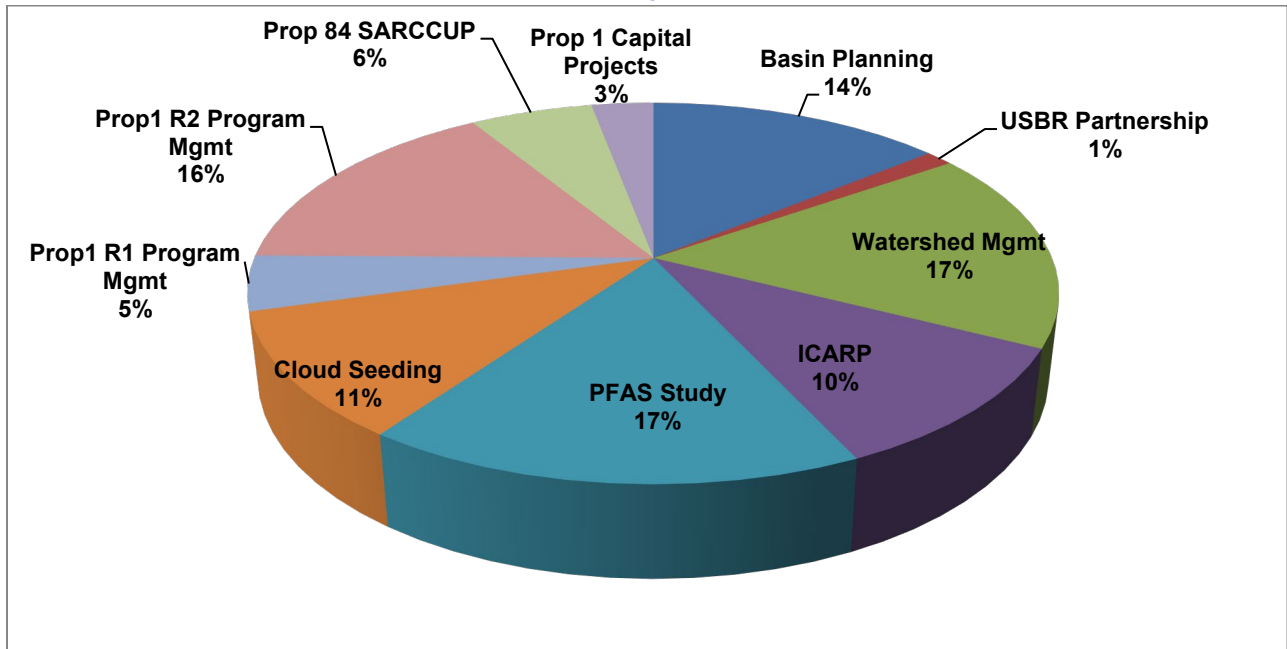


Participation in OWOW projects also allows a portion of the Agency's General Fund expenses to be allocated to this fund group. In FYE 2026, approximately 33.4%, or \$1.4 million, of General Fund expenses will be supported through OWOW-related activities. In FYE 2027, approximately 30.1%, or \$1.4 million, of General Fund expenses will likewise be recovered through this fund group.

Expenses by Fund
FYE 2026



Expenses by Fund
FYE 2027



Fund Balance

The fund balance represents the difference between a fund's assets and liabilities. For many OWOW projects, revenues may be collected in one fiscal year while the related expenditures occur in another. As a result, the fund balance reflects the timing difference between when cash is received and when it is ultimately spent. The table below presents the fund balance for each OWOW project.

FYE 2026 Fund Balance

<i>Fund</i>	<i>Fund Balance at 06/30/25</i>	<i>Revenues</i>	<i>Expenses</i>	<i>Fund Balance at 06/30/26</i>
370-01	\$ 102,487	\$ 500,000	\$ 496,690	\$ 105,797
370-02	\$ 70,393	\$ 20,000	\$ 47,921	\$ 42,472
373	\$ 239,144	\$ 547,300	\$ 547,789	\$ 238,655
376	\$	\$ 527,229	\$ 527,229	\$ –
377	\$ 533,322	\$ 450,000	\$ 836,766	\$ 146,556
378	\$ 218,351	\$ 273,378	\$ 525,515	\$ (33,792)
145	\$ –	\$ 534,786	\$ 534,786	\$ –
150	\$ –	\$ 172,540	\$ 172,540	\$ –
155	\$ –	\$ 280,675	\$ 280,675	\$ –
397	\$ –	\$ 68,546	\$ 68,546	\$ –
398	\$ –	\$ 4,475,423	\$ 4,475,423	\$ –
504-04	\$ 648,842	\$ 50,473	\$ 193,723	\$ 505,592
505	\$ 67,130	\$ 37,428	\$ 129,558	\$ (25,000)
Total	\$ 1,879,669	\$ 7,937,772	\$ 8,837,161	\$ 980,280

FYE 2027 Fund Balance

<i>Fund</i>	<i>Fund Balance at 06/30/24</i>	<i>Revenues</i>	<i>Expenses</i>	<i>Fund Balance at 06/30/25</i>
370-01	\$ 105,797	\$ 500,000	\$ 544,963	\$ 60,834
370-02	\$ 42,472	\$ 20,000	\$ 51,121	\$ 11,350
373	\$ 238,655	\$ 547,300	\$ 665,081	\$ 120,874
376	\$ –	\$ 410,890	\$ 410,890	\$ –
377	\$ 146,556	\$ 400,000	\$ 654,305	\$ (107,749)
378	\$ (33,792)	\$ 389,356	\$ 414,201	\$ (58,637)
150	\$ –	\$ 181,736	\$ 181,736	\$ –
155	\$ –	\$ 621,296	\$ 621,296	\$ –
504-04	\$ 505,592	\$ –	\$ 226,750	\$ 278,842
505	\$ (25,000)	\$ 114,615	\$ 114,615	\$ (25,000)
Total	\$ 980,280	\$ 3,185,193	\$ 3,884,958	\$ 280,514

The OWOW fund balance is projected to decrease by 47.9% in FYE 2026 and by 71.4% in FYE 2027. This reduction reflects a deliberate decision by staff to utilize existing fund balances to help balance the budget each year, rather than increasing member agency contributions to cover total expenses.

Fund 370-01 Basin Planning General

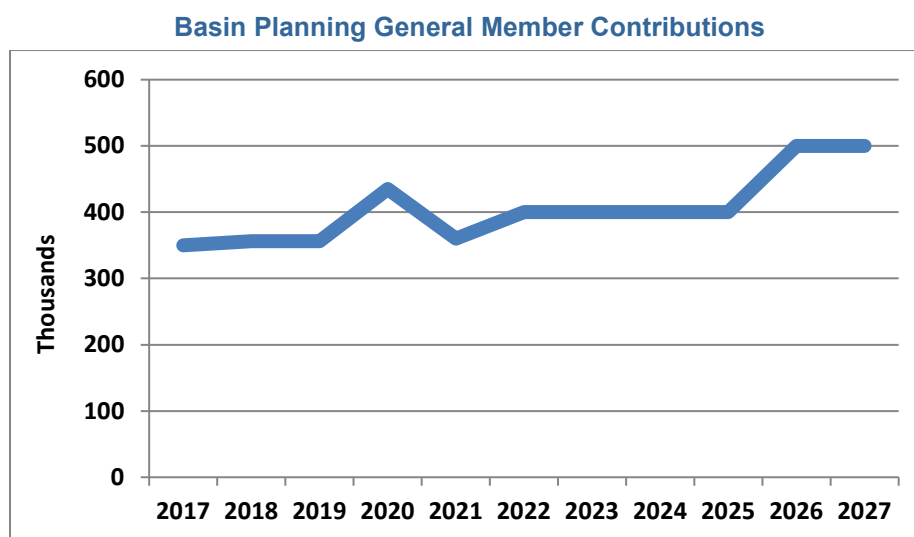
This activity consolidates planning efforts that emphasize inter-agency coordination and cooperation, both among SAWPA's member agencies and with external regional, state, and federal partners. The project includes staff work dedicated to aligning programs, sharing information, and addressing watershed-wide issues collaboratively. As regional activities and regulatory requirements continue to expand, the scope of work under this activity has likewise grown.

All new grant applications, with the exception of State Propositions such as Proposition 84, Proposition 1, and U.S. Bureau of Reclamation (USBR) grants, are prepared under this fund. This enables staff to stay current on state priorities, regulatory developments, and local agency needs, ensuring SAWPA remains well positioned to pursue competitive funding opportunities.

This activity also supports SAWPA staff involvement in key regional and statewide initiatives, including the Multi-State Salinity Coalition, Southern California Salinity Coalition, the Santa Ana River Summit process led by Riverside County partners, and the Statewide General Plan Advisory Group. Staff participation in conferences and training programs, such as the Orange County Water Summit and courses offered through the U.C. Extension Program, is also funded under this activity.

Additional work includes coordination with the region's Flood Control Districts and development of watershed tools, such as interactive dashboards, to effectively communicate information related to watershed management and integrated planning.

For FYEs 2026 and 2027, total revenues for this activity are projected to be \$500,000 each year, funded through a combination of member agency contributions, grant proceeds, and other agency contributions. The chart below illustrates the history of member contributions to this fund.

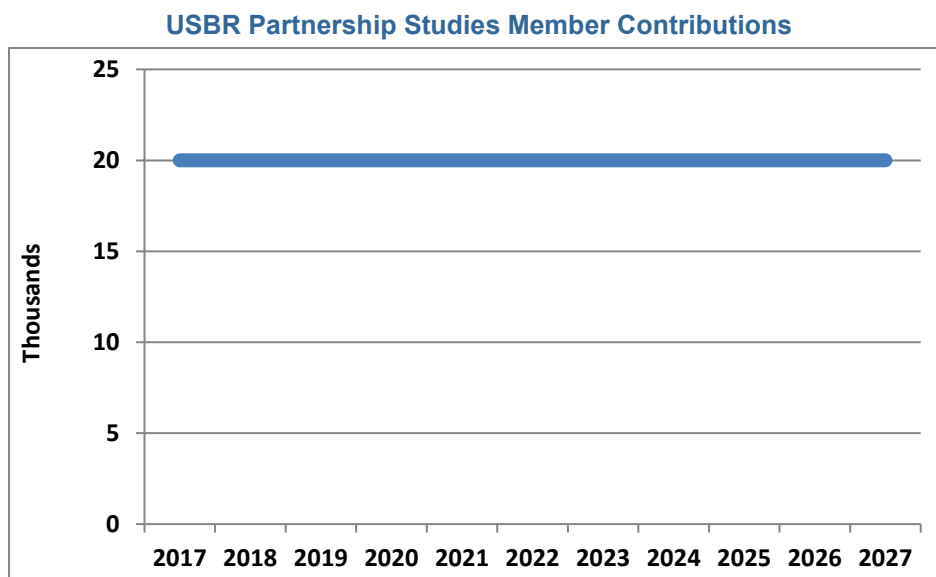


Fund 370-02 USBR Partnership Studies

This activity supports planning studies and technical analyses conducted through funding partnerships with the USBR. Each year, USBR releases competitive grant opportunities focused on water resource planning, water use efficiency, and regional water management initiatives. Through this partnership, SAWPA has previously secured funding for several important efforts, including a pilot-scale analysis of aerial mapping tools for water measurement and multi-agency regional studies on water recycling and salinity management. Federal funding for these efforts is typically provided on a 50-50 cost-share basis, with SAWPA contributing the local match.

For FYEs 2026 and 2027, this activity will continue to monitor and pursue grant opportunities offered nationwide under various USBR programs. This work ensures that SAWPA and its member agencies remain positioned to leverage federal resources for watershed-scale planning and implementation.

Total revenues for this activity are projected to be \$20,000 for both fiscal years, supported by member agency contributions and USBR grant funding. The chart below presents the history of member contributions to this fund.



Fund 373 Watershed Management

This project supports SAWPA's integrated regional watershed management planning efforts. The first watershed-wide plan, the Integrated Watershed Plan, was completed in June 2002 and subsequently updated in 2005, 2010, 2014, and 2018 through contributions from SAWPA's member agencies and State grant funding. The 2010 update marked the transition to a State-certified IRWM Plan, branded as the OWOW Plan.

The OWOW Plans (2010, 2014, and 2018) embody a holistic view of the Santa Ana River Watershed, one in which all forms of water (imported, local surface and groundwater, stormwater, and treated wastewater) are understood as interconnected components of a single resource system linked to land use, habitat, and natural hydrology. The planning process engages all sub-regions, political jurisdictions, water agencies, and non-governmental partners to ensure a coordinated approach to watershed challenges and opportunities.

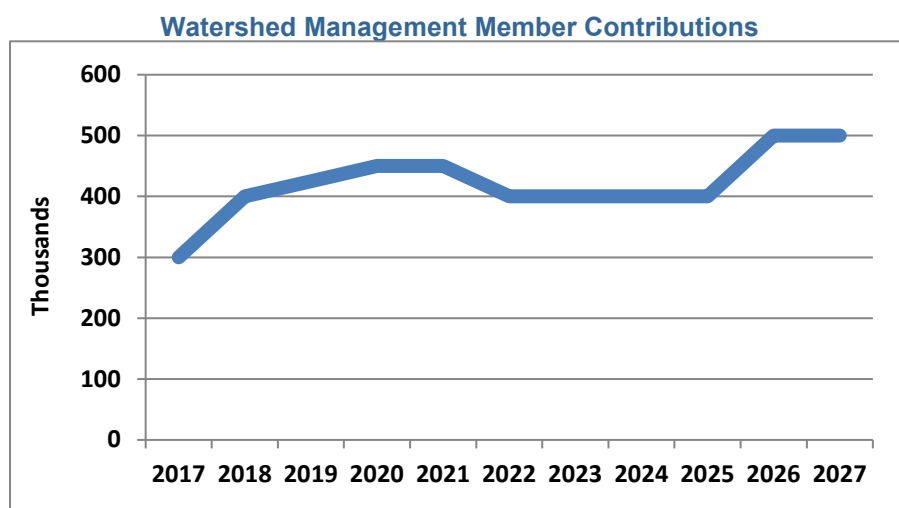
Since 2018, SAWPA has served on the Steering Committee of the Statewide Roundtable of IRWM Regions, providing strategic input to the California DWR on future grant solicitations. In FYEs 2026 and 2027, SAWPA will continue administering the contract for the Roundtable of Regions Network Coordinator to support statewide coordination and information sharing.

In 2024, SAWPA mapped the estimated distribution of the invasive, high-water-using plant *Arundo donax* using 2021 high-resolution imagery and compared its presence to the 2011 mapping conducted by the California Invasive Plant Council. During FYEs 2026 and 2027, SAWPA will also continue monitoring and reporting on the Proposition 4 Climate Bond, providing member agencies with updates relevant to project development and funding opportunities.

SAWPA recently secured grant funding to develop a regional climate adaptation and resilience plan for the Santa Ana River Watershed. Additional grant opportunities will be pursued to implement nature-based

solutions addressing water quality impairments and enhancing watershed resilience. As part of the CARP, SAWPA will compile data and indicators to track watershed conditions and measure progress over time.

Total revenues for this project are projected to be \$547,300 for FYEs 2026 and 2027, supported through member agency contributions, other agency contributions, and grants. The chart below illustrates the history of member contributions to this fund.



Fund 377 PFAS Study

In 2023, SAWPA initiated the Regional PFAS Analysis to identify and quantify the presence of PFAS within the Upper Santa Ana River (USAR), with a primary focus on the Santa Ana River mainstem and its tributaries upstream of Prado Dam. Phase 1 focused on data collection and the selection and application of appropriate modeling tools to simulate PFAS transport and behavior across the Upper and Middle Santa Ana River Watershed.

Phase 2, completed in the third quarter of 2025, expanded this work by compiling additional validation data, extending the selected Hydrological Simulation Program, FORTRAN (HSPF) model through 2022, calibrating and validating model results, and conducting sensitivity analyses for PFAS transport and fate simulations.

During FYEs 2026 and 2027, SAWPA will carry out Phase 3 of the Regional PFAS Analysis. This phase will define and assess potential PFAS management strategies, evaluate the regulatory context surrounding these strategies, assess cost and feasibility considerations, and develop additional monitoring plans to support long-term watershed management and regulatory compliance.

Total revenues for this project are projected to be \$450,000 in FYE 2026 and \$400,000 in FYE 2027, funded through member agency contributions.

Fund 378 Cloud Seeding

SAWPA successfully completed the first year of the Santa Ana River Watershed Cloud Seeding Pilot Program in partnership with its operations contractor, North American Weather Consultants (NAWC). The Pilot program was conducted during the 2023–24 winter season, operating from November 15, 2023, through April 15, 2024. The effort focused on seeding four mountain ranges, or target areas, surrounding the Watershed with the goal of increasing snow precipitation during carefully selected storms that posed no risk of flooding or other significant hazards.

The results of the storm seedings and the associated increases in snow precipitation were independently validated by an external research partner, ensuring scientific rigor and unbiased assessment of program benefits.

For FYEs 2026 and 2027, total revenues for this project are projected to be \$273,372 and \$389,356, respectively. Funding for this activity is derived from member agency contributions, grant proceeds, and other agency contributions.

Fund 145 – Proposition 84 Program Management – 2015 Round

In 2006, California voters approved Proposition 84, a statewide bond measure providing more than \$5.0 billion to support water resource needs across the State. Chapter 2 of Proposition 84 authorized \$1.0 billion for the IRWM Program, including a dedicated allocation of \$114.0 million for the SAR Watershed. Of this amount, \$64.3 million was awarded to SAWPA under the 2015 Round for three major regional projects, with \$3.2 million designated specifically for SAWPA's grant administration efforts. All administrative responsibilities and associated costs for the Proposition 84 IRWM 2015 Round are accounted for within this fund.

For FYE 2026, both revenues and expenses are projected to be \$534,786, representing the remaining administrative activities associated with the grant closeout. With the conclusion of the grant, no revenues or expenses are projected for FYE 2027. Only the costs necessary to complete final contract administration have been included in the budget.

Fund 150 – Proposition 1 Round 1 Program Management

On November 4, 2014, California voters approved Proposition 1, the *Water Quality, Supply, and Infrastructure Improvement Act of 2014*. Proposition 1 authorized \$510.0 million statewide for IRWM funding. Administered by the California DWR, the Proposition 1 IRWM Grant Program supports projects that advance the State's long-term water supply reliability, water quality improvements, and watershed resilience. Of the statewide allocation, \$63.0 million was designated for the SAR Watershed, with \$21.1 million awarded through the Round 1 Grant Agreement between SAWPA and DWR. Within this amount, \$1.2 million is dedicated to SAWPA for grant administration.

For FYE 2026, both revenues and expenses are projected to be \$172,540, reflecting anticipated administrative activities for the grant. For FYE 2027, both revenues and expenses are projected to be \$181,736. Only the costs associated with administering the grant contract have been included in the budget.

Fund 155 – Proposition 1 Round 2 Program Management

On November 4, 2014, California voters approved Proposition 1, the *Water Quality, Supply, and Infrastructure Improvement Act of 2014*. Proposition 1 authorized \$510.0 million in statewide funding for the IRWM Program. Administered by the California DWR, the program provides financial support for projects that help meet the State's long-term water supply, water quality, and watershed resilience needs. Of the \$510 million, \$63 million was allocated to the SAR Watershed, with \$29.1 million awarded under the Round 2 Grant Agreement between SAWPA and DWR. Within this allocation, \$1.4 million is designated for SAWPA's grant administration responsibilities.

For FYE 2026, both revenues and expenses are projected to be \$280,675. For FYE 2027, both revenues and expenses are projected to be \$621,296. Only the costs associated with administering the grant contract have been included in the budget.

Fund 376 – ICARP

Staff applied for funding from the Governor's Office of Land Use and Climate Innovation (formerly the Governor's Office of Planning and Research) through the ICARP – Regional Resilience Planning and Implementation Grant Program. SAWPA was awarded \$644,190 in grant funding, and the grant agreement was executed in July 2024.

During FYEs 2026 and 2027, SAWPA staff, consultants, and project partners will complete key tasks that include:

- Identifying and prioritizing watershed vulnerabilities;

- Developing proposed metrics and indicators to measure watershed resiliency over time;
- Preparing the draft and final CARP; and
- Developing a funding strategy informed by research on current and anticipated State and federal grant and loan programs.

For FYE 2026, both revenues and expenses are projected to be \$527,229, and for FYE 2027, both revenues and expenses are projected to be \$410,890. Only the costs associated with administering and implementing the grant agreement have been included in the budget.

Fund 397 – WECAN - Riverside

The WECAN Program began on June 24, 2015, when SAWPA was selected to receive a \$2.3 million grant from the California DWR. This initial effort launched the first phase of WECAN, which focused on direct-install water use efficiency services for low-income residential properties across several areas of the Santa Ana River Watershed. Throughout all program phases, WECAN has maintained its focus on supporting disadvantaged communities through cost-effective, water-saving measures.

FYE 2026 represents the final year of the WECAN Phase 3 Program. Phase 3 is funded through the TCC grant program, managed by the City of Riverside. Under this phase, SAWPA has partnered with the city through an approximately \$593,000 agreement to implement turf removal and replacement with drought-tolerant landscaping. To date, the program has successfully removed over 22,000 square feet of turf and replaced it with climate-appropriate, low-water-use landscaping.

For FYE 2026, both revenues and expenses are projected to be \$68,546. With the conclusion of the grant, no revenues or expenses are projected for FYE 2027.

Fund 398 – Drought Relief Grant - DACI

The statewide DACI grant program was established to ensure that economically burdened communities are meaningfully included in IRWM planning. The program provides targeted support to IRWM funding areas with disproportionately high numbers of residents who meet the State-defined criteria for a disadvantaged community, economically distressed area, or underrepresented community. These communities have historically been underserved and often excluded from watershed planning processes.

Using DWR Urban and Multi-benefit Drought Relief grant funding, SAWPA administers a suite of drought relief implementation projects designed to serve disadvantaged communities throughout the SAR Watershed. These projects address critical water supply and drought resilience needs and are scheduled for completion in the first quarter of 2026.

For FYE 2026, both revenues and expenses are projected to be \$4.5 million. With the conclusion of the grant, no revenues or expenses are projected for FYE 2027.

Fund 504-04 – Proposition 84 – SARCCUP & Other Projects

In 2006, California voters passed Proposition 84, which provided more than \$5.0 billion in statewide funding to support a variety of water resource needs. Chapter 2 of Proposition 84 authorized \$1.0 billion for the IRWM Program, including a dedicated allocation of \$114.0 million for the SAR Watershed. From this amount, \$64.3 million in grant funding was awarded to SAWPA under the 2015 Round for three major regional projects, supported by an additional \$175.6 million in local cost-share match.

Among these projects, the largest share of funding supports the SARCCUP, a major conjunctive use and groundwater storage initiative designed to improve regional water reliability. The remaining projects include an OC San pipeline improvement project and a watershed protection initiative led by the Riverside County Flood Control and Water Conservation District (RCFC&WCD).

For FYE 2026, total revenues and expenses for the Proposition 84 SARCCUP & Other Projects fund are projected to be \$169,530, which includes the use of \$159,475 in carryover funding, and approximately \$9 million in grant funding is expected to pass through directly to project proponents.

In FYE 2027, no revenues or expenses are projected, as all remaining grant-funded work and project closeout activities will have been completed during FYE 2026.

Fund 505 – Proposition 1 – Capital Projects

On November 4, 2014, California voters approved Proposition 1, the *Water Quality, Supply, and Infrastructure Improvement Act of 2014*. Proposition 1 authorized \$510.0 million statewide for the IRWM Program. Administered by the California DWR, the Proposition 1 IRWM Grant Program provides funding for projects that support the State's long-term water supply reliability, water quality improvements, ecosystem restoration, and watershed resilience. Of the statewide allocation, \$63.0 million will be made available to the SAR Watershed.

For FYE 2026, total revenues for Proposition 1 Capital Projects are projected to be \$129,558, which includes \$92,130 in carryover funding. Approximately \$2.5 million in grant funding is expected to pass directly through to project proponents during the fiscal year.

For FYE 2027, total revenues are projected to be \$114,615, with approximately \$1.5 million passing through to project proponents.

OWOW Fund Budget FYE 2026	Basin Planning General Fund 370-01	USBR Partnership Studies Fund 370-02	Watershed Mgmt (OWOW) Fund 373	ICARP Fund 376	PFAS Study Fund 377	Cloud Seeding Fund 378	Prop 84 – 2015 Program Mgmt Fund 145
Source of Funds:							
Grant Proceeds	\$ –	\$ –	\$ –	\$ 443,979	\$ –	\$ 262,372	\$ 534,786
Member Agency Contributions	\$ 500,000	\$ 20,000	\$ 500,000	\$ 40,000	\$ 450,000	\$ –	\$ –
Other Agency Contributions	\$ –	\$ –	\$ 47,300	\$ –	\$ –	\$ 11,000	\$ –
Other Income	\$ –	\$ –	\$ –	\$ 43,250	\$ –	\$ –	\$ –
Total Source of Funds	\$ 500,000	\$ 20,000	\$ 547,300	\$ 527,229	\$ 450,000	\$ 273,372	\$ 534,786
Staffing:							
Hours Allocated	1,650	105	1,975	310	665	410	1,805
FTE (based on 2080)	0.8	0.1	0.9	0.1	0.3	0.2	0.9
Use of Funds:							
Labor	\$ 148,975	\$ 10,112	\$ 155,550	\$ 18,696	\$ 58,265	\$ 37,046	\$ 172,374
Benefits	\$ 59,978	\$ 4,071	\$ 62,625	\$ 7,527	\$ 23,458	\$ 14,915	\$ 69,399
Indirect Costs	\$ 253,237	\$ 17,188	\$ 264,414	\$ 31,781	\$ 99,043	\$ 62,974	\$ 293,013
Consulting & Professional Services	\$ 15,000	\$ 15,000	\$ 60,000	\$ 247,500	\$ 655,000	\$ 405,000	\$ –
Meeting & Travel	\$ 8,000	\$ 1,000	\$ 5,000	\$ –	\$ 1,000	\$ 5,580	\$ –
Other Administrative Costs	\$ 11,500	\$ 550	\$ 200	\$ –	\$ –	\$ –	\$ –
Other Expenses	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –
Program Expense	\$ –	\$ –	\$ –	\$ 221,725	\$ –	\$ –	\$ –
Total Use of Funds from Operations	\$ 496,690	\$ 47,921	\$ 547,789	\$ 527,229	\$ 836,766	\$ 525,515	\$ 534,786
Net Gain (Loss)	\$ 3,310	\$ (27,921)	\$ (489)	\$ –	\$ (386,766)	\$ (252,143)	\$ –
Beginning Fund Balance	\$ 41,653	\$ 59,277	\$ 118,270	\$ –	\$ 641,071	\$ 276,988	\$ –
Ending Fund Balance	\$ 44,963	\$ 31,356	\$ 117,781	\$ –	\$ 254,305	\$ 24,845	\$ –
Pass Through (Proposition 1 & 84 – Capital)	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –
Indirect Costs Contribution	6.06%	0.41%	6.33%	0.76%	2.37%	1.51%	7.01%

OWOW Fund Budget FYE 2026	Prop 1 R1 Program Mgmt Fund 150	Prop 1 R2 Program Mgmt Fund 155	WECAN Riverside Fund 397	Drought Relief - DACI Fund 398	SARCCUP & Other Projects Fund 504-04	Prop 1 Capital Projects Fund 505	Total
Source of Funds:							
Grant Proceeds	\$ 172,540	\$ 280,675	\$ 68,546	\$ 4,475,423	\$ 50,473	\$ 37,428	\$ 6,326,222
Member Agency Contributions	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –	\$ 1,510,000
Other Agency Contributions	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –	\$ 58,300
Other Income	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –	\$ 43,250
Total Source of Funds	\$ 172,540	\$ 280,675	\$ 68,546	\$ 4,475,423	\$ 50,473	\$ 37,428	\$ 7,937,772
Staffing:							
Hours Allocated	610	955	192	155	195	375	9,402
FTE (based on 2080)	0.3	0.5	0.1	0.1	0.1	0.2	4.5
Use of Funds:							
Labor	\$ 55,614	\$ 90,468	\$ 12,392	\$ 14,645	\$ 16,140	\$ 32,090	\$ 822,367
Benefits	\$ 22,390	\$ 36,423	\$ 4,989	\$ 5,896	\$ 6,498	\$ 12,920	\$ 331,089
Indirect Costs	\$ 94,536	\$ 153,784	\$ 21,065	\$ 24,895	\$ 27,435	\$ 54,548	\$ 1,397,913
Consulting & Professional Services	\$ –	\$ –	\$ 30,000	\$ –	\$ 100,400	\$ 30,000	\$ 1,557,900
Meeting & Travel	\$ –	\$ –	\$ 100	\$ 500	\$ –	\$ –	\$ 21,180
Other Administrative Costs	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –	\$ 12,250
Other Expenses	\$ –	\$ –	\$ –	\$ –	\$ 43,250	\$ –	\$ 43,250
Program Expense	\$ –	\$ –	\$ –	\$ 4,429,487	\$ –	\$ –	\$ 4,651,212
Total Use of Funds from Operations	\$ 172,540	\$ 280,675	\$ 68,546	\$ 4,475,423	\$ 193,723	\$ 129,558	\$ 8,837,161
Net Gain (Loss)	\$ –	\$ –	\$ –	\$ –	\$ (143,250)	\$ (92,130)	\$ (899,389)
Beginning Fund Balance	\$ –	\$ –	\$ –	\$ –	\$ 720,865	\$ 92,130	\$ 1,879,669
Ending Fund Balance	\$ –	\$ –	\$ –	\$ –	\$ 577,615	\$ –	\$ 980,280
Pass Through (Proposition 1 & 84 – Capital)	\$ –	\$ –	\$ –	\$ –	\$ 9,000,000	\$ 11,843,088	\$ 20,843,088
Indirect Costs Contribution	2.26%	3.68%	0.50%	0.60%	0.66%	1.31%	33.44%

OWOW Fund Budget FYE 2027	Basin Planning General Fund 370-01	USBR Partnership Studies Fund 370-02	Watershed Mgmt (OWOW) Fund 373	ICARP Fund 376	PFAS Study Fund 377	Cloud Seeding Fund 378
Source of Funds:						
Grant Proceeds	\$ –	\$ –	\$ –	\$ 184,140	\$ –	\$ 219,356
Member Agency Contributions	\$ 500,000	\$ 20,000	\$ 500,000	\$ –	\$ 400,000	\$ 170,000
Other Agency Contributions	\$ –	\$ –	\$ 47,300	\$ –	\$ –	\$ –
Other Income	\$ –	\$ –	\$ –	\$ 226,750	\$ –	\$ –
Total Source of Funds	\$ 500,000	\$ 20,000	\$ 547,300	\$ 410,890	\$ 400,000	\$ 389,356
Staffing:						
Hours Allocated	1,660	105	2,140	460	665	375
FTE (based on 2080)	0.8	0.1	1.0	0.2	0.3	0.2
Use of Funds:						
Labor	\$ 161,377	\$ 10,929	\$ 186,484	\$ 37,720	\$ 62,692	\$ 37,494
Benefits	\$ 65,480	\$ 4,435	\$ 75,668	\$ 15,305	\$ 25,438	\$ 15,214
Indirect Costs	\$ 283,606	\$ 19,207	\$ 327,729	\$ 66,290	\$ 110,175	\$ 65,893
Consulting & Professional Services	\$ 15,000	\$ 15,000	\$ 60,000	\$ 252,500	\$ 455,000	\$ 290,000
Meeting & Travel	\$ 8,000	\$ 1,000	\$ 5,000	\$ 1,000	\$ 1,000	\$ 5,600
Other Administrative Costs	\$ 11,500	\$ 550	\$ 10,200	\$ –	\$ –	\$ –
Other Expenses	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –
Program Expense	\$ –	\$ –	\$ –	\$ 38,075	\$ –	\$ –
Total Use of Funds from Operations	\$ 544,963	\$ 51,121	\$ 665,081	\$ 410,890	\$ 654,305	\$ 414,201
Net Gain (Loss)	\$ (44,963)	\$ (31,121)	\$ (117,781)	\$ –	\$ (254,305)	\$ (24,845)
Beginning Fund Balance	\$ 44,963	\$ 31,356	\$ 117,781	\$ –	\$ 254,305	\$ 24,845
Ending Fund Balance	\$ –	\$ 235	\$ –	\$ –	\$ –	\$ –
Pass Through (Proposition 1 & 84 – Capital)	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –
Indirect Costs Contribution	6.25%	0.42%	7.23%	1.46%	2.43%	1.45%

OWOW Fund Budget FYE 2027	Prop 1 R1 Program Mgmt Fund 150	Prop 1 R2 Program Mgmt Fund 155	PA23 SARCCUP & Other Projects Fund 504-04	Prop 1 Capital Projects Fund 505	Total
Source of Funds:					
Grant Proceeds	\$ 181,736	\$ 621,296	\$ –	\$ 114,615	\$ 1,321,143
Member Agency Contributions	\$ –	\$ –	\$ –	\$ –	\$ 1,590,000
Other Agency Contributions	\$ –	\$ –	\$ –	\$ –	\$ 47,300
Other Expenses	\$ –	\$ –	\$ –	\$ –	\$ 226,750
Total Source of Funds	\$ 181,736	\$ 621,296	\$ –	\$ 114,615	\$ 3,185,193
Staffing:					
Hours Allocated	625	1,940	–	305	8,275
FTE (based on 2080)	0.3	0.9	0.0	0.1	4.0
Use of Funds:					
Labor	\$ 57,454	\$ 196,415	\$ –	\$ 26,750	\$ 777,315
Benefits	\$ 23,312	\$ 79,698	\$ –	\$ 10,854	\$ 315,404
Indirect Costs	\$ 100,970	\$ 345,183	\$ –	\$ 47,011	\$ 1,366,064
Consulting & Professional Services	\$ –	\$ –	\$ –	\$ 30,000	\$ 1,117,500
Meeting & Travel	\$ –	\$ –	\$ –	\$ –	\$ 21,600
Other Administrative Costs	\$ –	\$ –	\$ –	\$ –	\$ 22,250
Other Expenses	\$ –	\$ –	\$ 226,750	\$ –	\$ 226,750
Program Expense	\$ –	\$ –	\$ –	\$ –	\$ 38,075
Total Use of Funds from Operations	\$ 181,736	\$ 621,296	\$ 226,750	\$ 114,615	\$ 3,884,958
Net Gain (Loss)	\$ –	\$ –	\$ (226,750)	\$ –	\$ (699,765)
Beginning Fund Balance	\$ –	\$ –	\$ 577,615	\$ –	\$ 980,280
Ending Fund Balance	\$ –	\$ –	\$ 350,865	\$ –	\$ 280,514
Pass Through (Proposition 1 & 84 – Capital)	\$ –	\$ –	\$ –	\$ 7,300,000	\$ 7,300,000
Indirect Costs Contribution	2.23%	7.61%	0.00%	1.04%	30.12%

OWOW Fund FYE 2021 – 2027	FYE 2021 Actuals	FYE 2022 Actuals	FYE 2023 Actuals	FYE 2024 Actuals	FYE 2025 Budget	FYE 2025 Actuals	FYE 2026 Budget	FYE 2027 Budget
Source of Funds:								
Grant Proceeds	\$ 2,569,692	\$ 856,080	\$ 1,142,350	\$ 1,457,166	\$ 2,109,785	\$ 1,983,834	\$ 6,326,222	\$ 1,321,143
Member Agency Contributions	\$ 830,000	\$ 845,000	\$ 1,324,325	\$ 1,592,000	\$ 1,528,500	\$ 1,528,500	\$ 1,510,000	\$ 1,590,000
Other Agency Contributions	\$ 815,260	\$ 501,412	\$ 177,233	\$ 112,233	\$ 95,087	\$ 78,900	\$ 58,300	\$ 47,300
Operating Transfer	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –
Other Income	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –	\$ 43,250	\$ 226,750
Interest & Investments	\$ 5,947	\$ 5,482	\$ 20,682	\$ 46,982	\$ –	\$ 61,549	\$ –	\$ –
Total Source of Funds	\$ 4,220,899	\$ 2,207,974	\$ 2,664,590	\$ 3,208,381	\$ 3,733,372	\$ 3,652,783	\$ 7,937,772	\$ 3,185,193
Staffing:								
Hours Allocated	6,924	7,454	8,165	8,617	8,372	8,423	9,402	8,275
FTE (based on 2080)	3.3	3.6	3.9	4.1	4.0	4.0	4.5	4.0
Use of Funds:								
Labor	\$ 467,382	\$ 516,038	\$ 601,210	\$ 655,038	\$ 680,611	\$ 685,600	\$ 822,367	\$ 777,315
Benefits	\$ 211,724	\$ 204,350	\$ 252,508	\$ 240,383	\$ 247,967	\$ 249,558	\$ 331,089	\$ 315,404
Indirect Costs	\$ 704,814	\$ 832,367	\$ 966,747	\$ 1,088,646	\$ 1,113,511	\$ 1,121,641	\$ 1,397,913	\$ 1,366,064
Education & Training	\$ –	\$ –	\$ 116	\$ –	\$ –	\$ –	\$ –	\$ –
Consulting & Professional Services	\$ 1,258,504	\$ 512,776	\$ 693,871	\$ 1,362,548	\$ 1,712,380	\$ 858,622	\$ 1,557,900	\$ 1,117,500
Operating Costs	\$ –	\$ –	\$ 1,291	\$ 233	\$ –	\$ –	\$ –	\$ –
Equipment & Computer	\$ 172	\$ 771	\$ 2,000	\$ –	\$ –	\$ –	\$ –	\$ –
Meeting & Travel	\$ (20)	\$ 2,500	\$ 8,443	\$ 14,273	\$ 12,000	\$ 1,372	\$ 21,180	\$ 21,600
Other Administrative Costs	\$ 10,750	\$ 10,000	\$ 18,694	\$ 22,154	\$ 10,850	\$ 13,924	\$ 12,250	\$ 22,250
Other Expense	\$ 780	\$ 8,656	\$ –	\$ –	\$ –	\$ 10,395	\$ 43,250	\$ 226,750
Construction	\$ –	\$ –	\$ –	\$ 1,134	\$ –	\$ –	\$ –	\$ –
Program Expense	\$ 835,369	\$ 1	\$ 281,354	\$ 105,563	\$ 452,000	\$ 425,738	\$ 4,651,212	\$ 38,075
Total Use of Funds	\$ 3,489,475	\$ 2,087,459	\$ 2,826,234	\$ 3,489,972	\$ 4,229,319	\$ 3,366,850	\$ 8,837,161	\$ 3,884,958
Net Gain (Loss)	\$ 731,424	\$ 120,515	\$ (161,644)	\$ (281,591)	\$ (495,947)	\$ 285,933	\$ (899,389)	\$ (699,765)
Pass Through (Proposition 1 & 84 – Capital)	\$ 10,726,798	\$ 11,290,121	\$ 8,067,833	\$ 5,132,063	\$ 15,263,495	\$ 11,183,011	\$ 20,843,088	\$ 7,300,000

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Roundtable Fund

The Roundtable Fund consists of programs and projects administered or facilitated by SAWPA on behalf of external partners, including member agencies, cities, counties, and regional entities. These activities are supported primarily through contributions from the participating agencies in each program. In certain cases, the SAWPA Commission may authorize the use of member agency contributions to offset administrative costs associated with managing these programs. Currently, the Roundtable Fund encompasses seven active projects and initiatives, each described in the following section.

Fund	Project
374	Basin Monitoring Program Task Force
381	Santa Ana River (SAR) Fish Conservation Task Force
384-01	MSAR TMDL Task Force
386	RWQ Monitoring Task Force
387	Arundo Management & Habitat Restoration
392	Emerging Constituents Program Task Force
477	LESJWA Administration

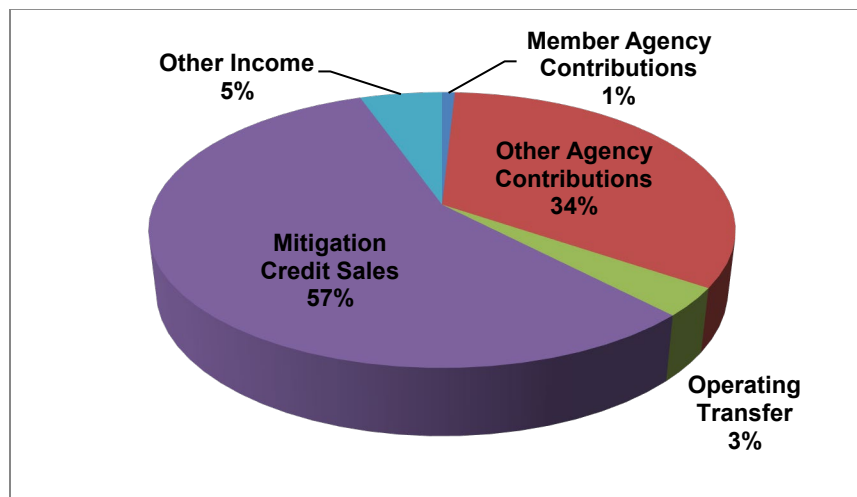
Revenue and Other Funding Sources

In FYE 2026, the Roundtable Fund has total budgeted revenues of \$3.5 million, representing approximately 12.0% of SAWPA's total budgeted revenue of \$29.6 million. This reflects a 31.6% increase, or \$0.9 million, compared to the FYE 2025 budget. The increase is primarily attributed to mitigation credit sales and higher other agency contributions within several task forces.

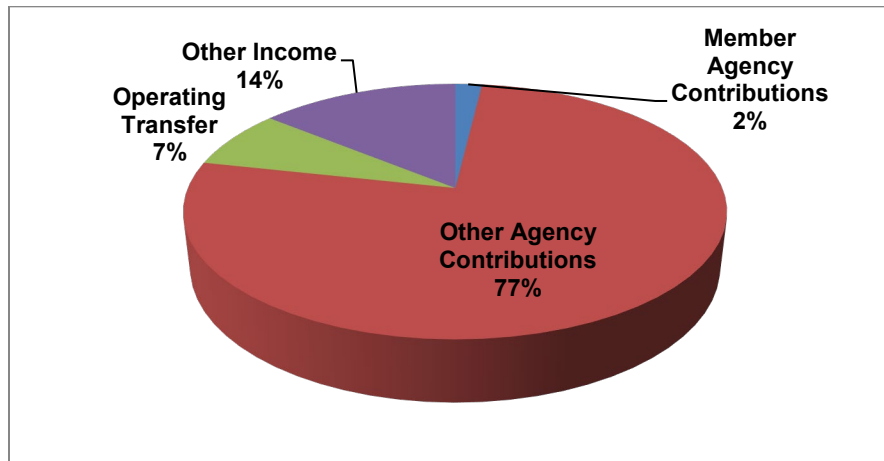
In FYE 2027, total budgeted revenues are projected at \$1.6 million, or 6.2% of SAWPA's total budgeted revenue of \$25.5 million. This represents a decrease of \$2.0 million from the FYE 2026 budget, largely due to the absence of projected mitigation credit sales in that fiscal year.

Revenues are comprised of the categories and percentages illustrated in the following pie charts.

FYE 2026 Revenues
\$3.5 Million

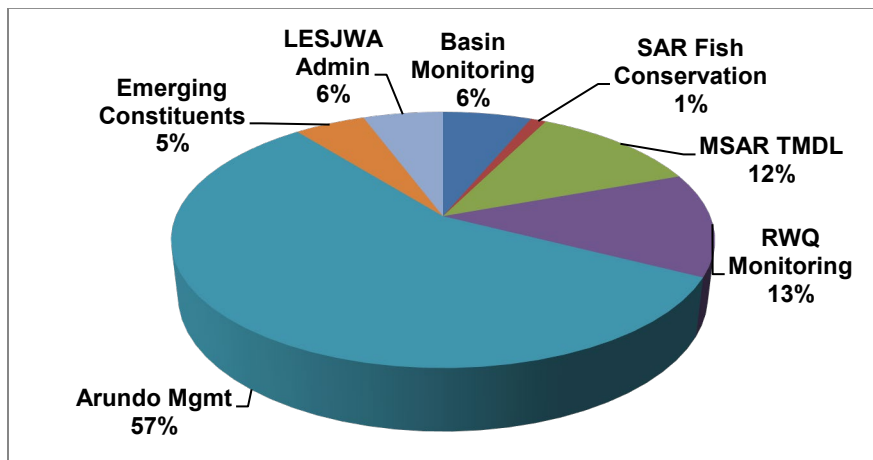


**FYE 2026 Revenues
\$1.6 Million**

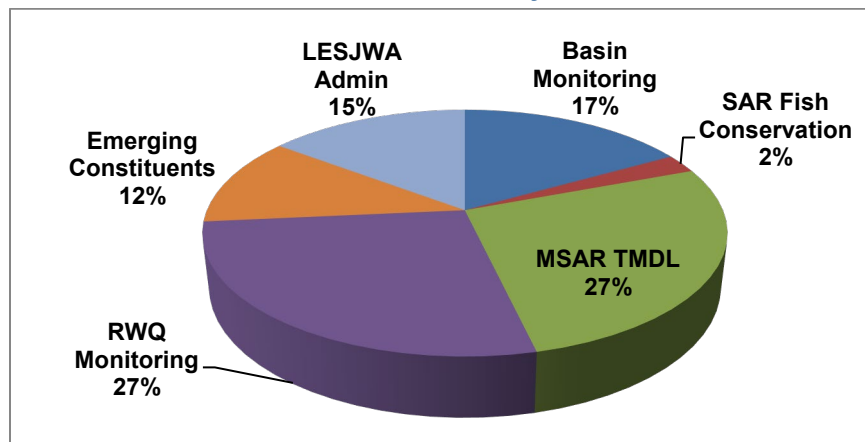


The total revenues by fund type are shown in the pie charts below, illustrating the distribution of revenue sources that support the Roundtable Fund.

FYE 2026 Revenue by Fund



FYE 2027 Revenue by Fund



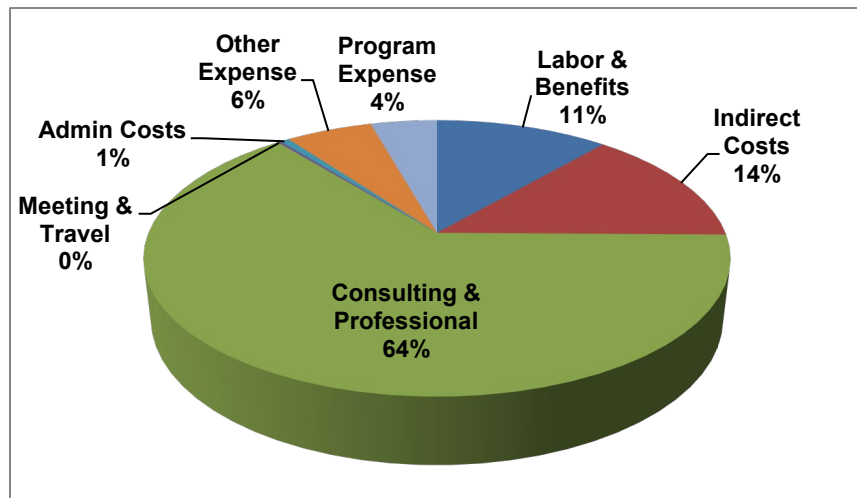
Expenses and Other Uses of Funds

In FYE 2026, total budgeted expenses for the Roundtable Fund are \$2.1 million, representing approximately 8.5% of SAWPA's total budgeted operating expenses. This reflects a 5.8% decrease, or \$113,078, compared to the FYE 2025 budget.

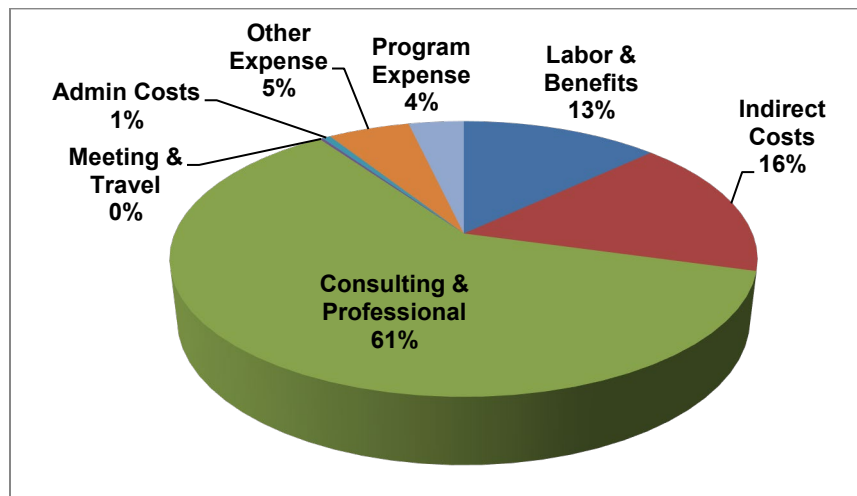
In FYE 2027, total expenses are projected at \$2.2 million, or 8.2% of total budgeted operating expenses. This represents a 6.3% increase, or \$129,531, compared to the FYE 2026 budget.

Expenses are comprised of the categories and percentages illustrated in the following pie charts.

FYE 2026 Total Expenses
\$2.1 Million



FYE 2027 Total Expenses
\$2.2 Million

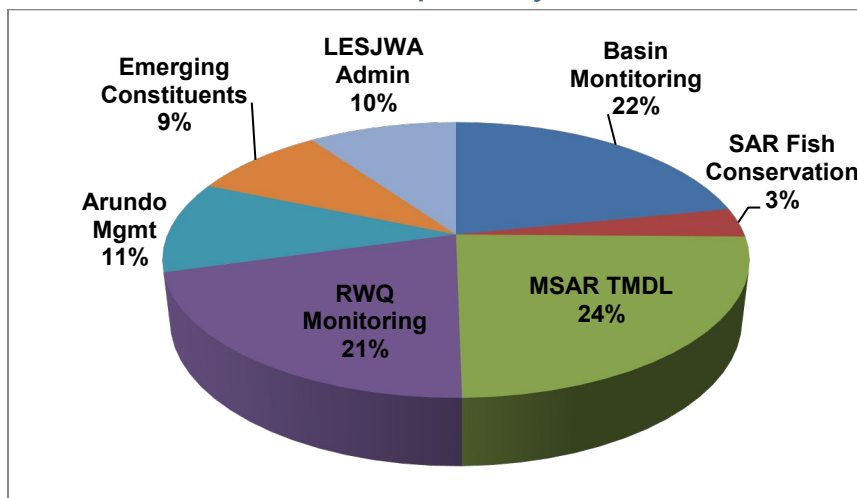


Participation in Roundtable Fund projects enables a portion of SAWPA's General Fund expenses to be allocated to these activities, reflecting the staff time and administrative support provided to the programs. In FYE 2026, approximately 6.8%, or \$285,424, of General Fund expenses are budgeted to be recovered through the Roundtable Fund group. In FYE 2027, this allocation increases to approximately 7.9%, or

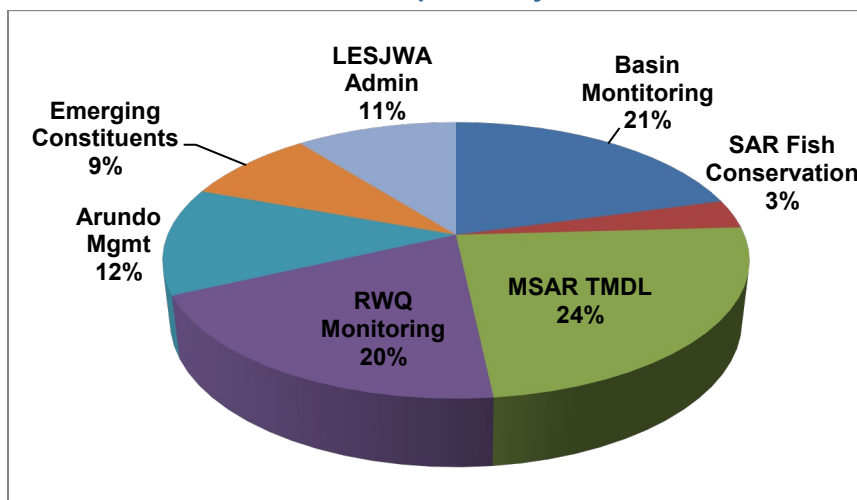
\$357,733, reflecting the continued level of staff involvement and administrative coordination required to support these collaborative programs.

The total expenses by fund type are illustrated in the pie charts below, showing the relative distribution of costs across the Roundtable Fund activities and programs.

FYE 2026 Expenses by Fund



FYE 2027 Expenses by Fund



Fund Balance

The fund balance represents the difference between total assets and liabilities within the Roundtable Fund. For many Roundtable projects, revenues may be received in one fiscal year while related expenses occur in subsequent years. As a result, the fund balance often reflects timing differences between when cash is collected and when it is expended.

The following table presents the fund balance for each Roundtable project, illustrating the changes in available resources over the two-year budget period.

FYE 2026 Fund Balance

<i>Fund</i>	<i>Fund Balance at 06/30/25</i>	<i>Revenues</i>	<i>Expenses</i>	<i>Fund Balance at 06/30/26</i>
374	\$ 1,073,882	\$ 224,043	\$ 451,230	\$ 846,694
381	\$ 94,874	\$ 39,000	\$ 70,455	\$ 63,419
384	\$ 398,163	\$ 427,200	\$ 505,880	\$ 319,483
386	\$ 117,660	\$ 463,334	\$ 432,195	\$ 148,798
387	\$ 709,237	\$ 2,014,560	\$ 222,088	\$ 2,501,709
392	\$ 202,831	\$ 178,841	\$ 182,382	\$ 199,289
477	\$ –	\$ 202,111	\$ 202,111	\$ –
Total	\$ 2,596,645	\$ 3,549,089	\$ 2,066,341	\$ 4,079,393

FYE 2027 Fund Balance

<i>Fund</i>	<i>Fund Balance at 06/30/26</i>	<i>Revenues</i>	<i>Expenses</i>	<i>Fund Balance at 06/30/27</i>
374	\$ 846,694	\$ 266,282	\$ 455,658	\$ 657,318
381	\$ 63,419	\$ 39,000	\$ 73,551	\$ 28,868
384	\$ 319,483	\$ 427,700	\$ 531,442	\$ 215,740
386	\$ 148,798	\$ 430,000	\$ 434,782	\$ 144,017
387	\$ 2,501,709	\$ –	\$ 275,109	\$ 2,226,599
392	\$ 199,289	\$ 185,367	\$ 191,814	\$ 192,842
477	\$ –	\$ 233,516	\$ 233,516	\$ –
Total	\$ 4,079,393	\$ 1,581,865	\$ 2,195,872	\$ 3,465,386

Fund 374 – Basin Monitoring Program Task Force

As part of the TDS Basin Plan Amendment approved by the RWQCB in January 2004, watershed agencies were required to conduct ongoing water quality monitoring within the SAR Watershed. These requirements include (1) updates to ambient groundwater quality throughout all groundwater management zones every three years, and (2) an annual report on Nitrogen and TDS concentrations within SAR Reaches 2, 4, and 5.

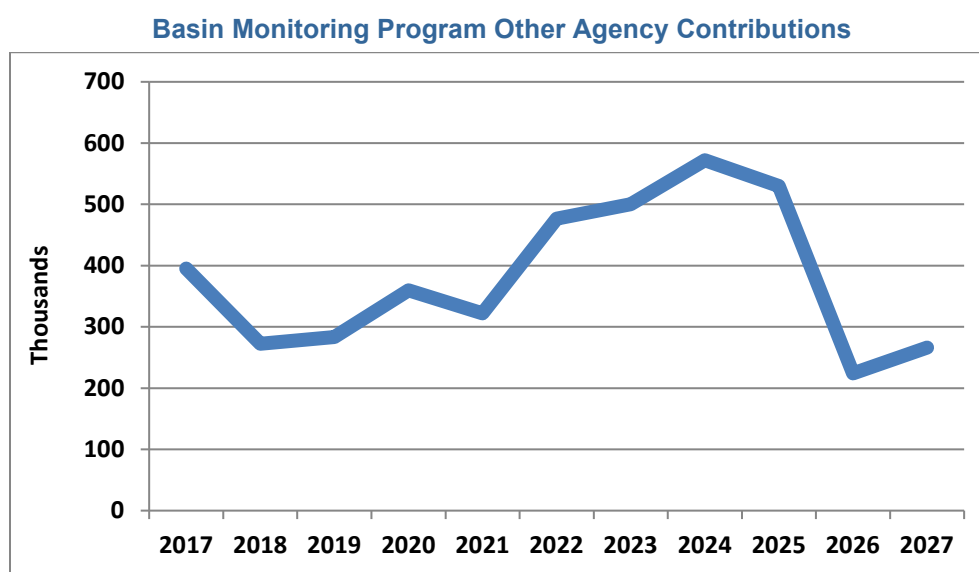
Rather than prepare individual reports for each jurisdiction, the agencies identified in the Basin Plan Amendment elected to pool resources and produce comprehensive, watershed-wide monitoring reports. To accomplish this, a multi-agency task force was established, with SAWPA serving as administrator. Four

of SAWPA's member agencies, EMWD, IEUA, WMWD, and OCWD, are participants, along with SBVMWD and sixteen additional partner agencies, bringing total participation to twenty agencies.

Planned work for FYEs 2026 and 2027 includes preparation of the annual Santa Ana River monitoring report, implementation of a special study focused on Reach 3 TDS levels, additional surface water sampling, preparation of a Basin Plan Amendment, and acquisition of aquifer property data to support the next ambient water quality recompile due to the Regional Board in October 2028.

In FYE 2026, total revenues are projected at \$224,043, reflecting a prior decision by the Task Force to collect funding incrementally over multiple years rather than in a single fiscal year. In FYE 2027, total revenues are projected to increase to \$266,282.

The chart below illustrates the historical trend of Other Agency Contributions to this fund.



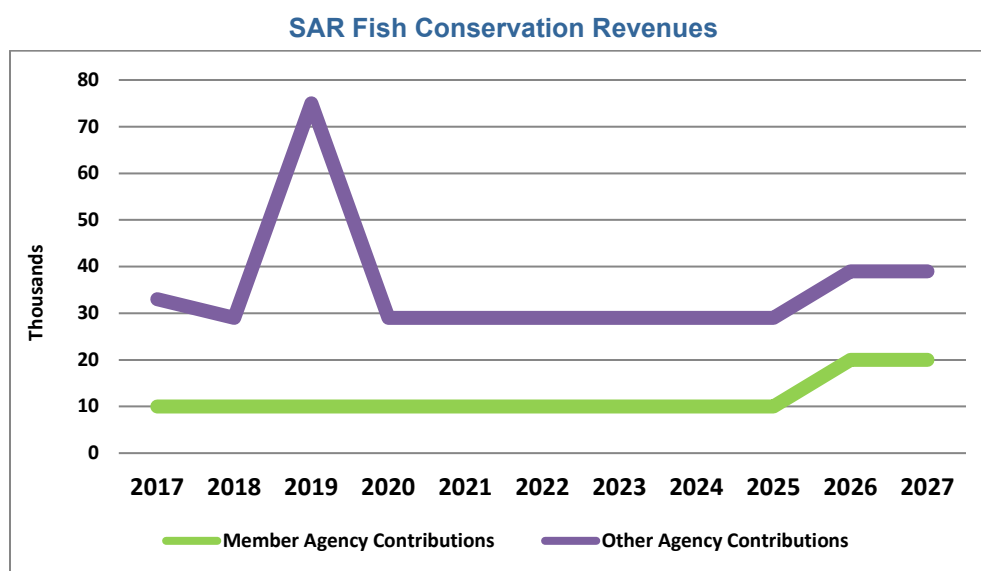
Fund 381 – SAR Fish Conservation Task Force

This multi-agency task force, administered by SAWPA, conducts applied research and coordinated efforts aimed at the recovery and delisting of the Santa Ana sucker, a fish species listed as threatened by the U.S. Fish and Wildlife Service in 2000. Task Force activities emphasize interagency coordination and cooperation, fish habitat assessment and restoration, and the development of Federal and State permits in collaboration with member agencies and external partners.

SAWPA administers the program with funding support from its member agencies and other regional stakeholders, including the City of Riverside. The Task Force will continue to plan and implement the annual Santa Ana River Habitat Survey, also known as the Riverwalk, which measures habitat conditions along the river corridor from the City of Colton to the City of Corona. The findings are compiled into an annual report featuring mapping products and comparative analyses with data from previous surveys.

For FYEs 2026 and 2027, total revenues are projected at \$39,000 per year, consisting of \$19,000 from other agency contributions and \$20,000 from member agency contributions.

The chart below illustrates the historical trend of Member and Other Agency Contributions to this fund.



Fund 384-01 – MSAR TMDL Task Force

This activity supports SAWPA's member agencies and sub-agencies within the Chino Basin and Middle Santa Ana River areas by reducing compliance costs associated with the pathogen TMDL requirements for water bodies in this region. The Task Force provides a collaborative, multi-agency forum for conducting joint technical studies and compliance efforts.

Through this partnership, stakeholders coordinate TMDL compliance monitoring and perform technical evaluations to identify and address the sources of bacterial contamination affecting the watershed. The Task Force also provides technical and administrative support to County agencies in the implementation of their Comprehensive Bacteria Reduction Plans (CBRPs).

SAWPA staff manage the administration of the multi-agency Task Force and oversee consultant contracts that provide specialized technical support. All costs associated with this effort are fully funded by local agencies and future grant proceeds, no SAWPA member agency contributions are used for this program.

During FYE 2026, the Task Force will continue to assist Regional Board staff in the preparation of Basin Plan Amendment language, with the goal of presenting the proposed amendment for Regional Board adoption in early 2026. Following adoption, the Task Force will provide continued support as the amendment advances through the State Office of Administrative Law and U.S. EPA review processes in early 2027.

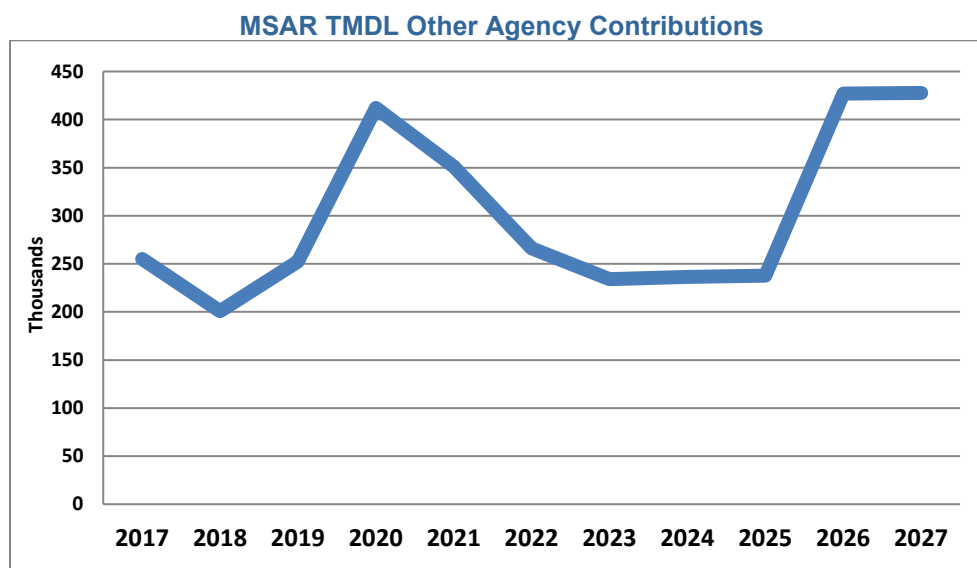
In FYE 2027, the Task Force will begin implementing new tasks identified in the revised TMDLs, including studies to further define pathogen source characteristics and evaluate the effectiveness of CBRPs implemented by municipal stormwater (MS4) programs.

For FYEs 2026 and 2027, total revenues are projected at \$427,200 and \$427,700, respectively, funded entirely through other agency contributions.

Note: In 2016, with the formation of the Regional Water Quality (RWQ) Monitoring Task Force, MSAR TMDL compliance monitoring was incorporated into the Santa Ana River Bacteria Monitoring Program,

reducing redundancy and improving regional monitoring efficiency. The MSAR TMDL Task Force contributes annually to this program through a transfer of funds to the RWQ Monitoring Task Force.

The chart below illustrates the historical trend of Other Agency Contributions to this fund.



Fund 386 – Regional Water Quality Monitoring Task Force

This Task Force supports the continued implementation of a coordinated regional water quality monitoring program by the flood control districts within the Santa Ana River Watershed. Its purpose is to fulfill the implementation plan requirements of the 2012 Basin Plan Amendment that revised recreation standards for inland freshwaters in the Santa Ana Region.

The Santa Ana River Bacteria Monitoring Program, administered through this Task Force, consolidates the previously separate bacteria monitoring efforts conducted by the three county flood control districts and integrates them with the existing monitoring program under the Middle Santa Ana River (MSAR) TMDL Task Force. This regional approach eliminates redundancy, streamlines reporting, and enhances coordination of watershed-wide monitoring activities. The MSAR TMDL Task Force contributes annually to this program through a transfer of funds to the RWQ Monitoring Task Force.

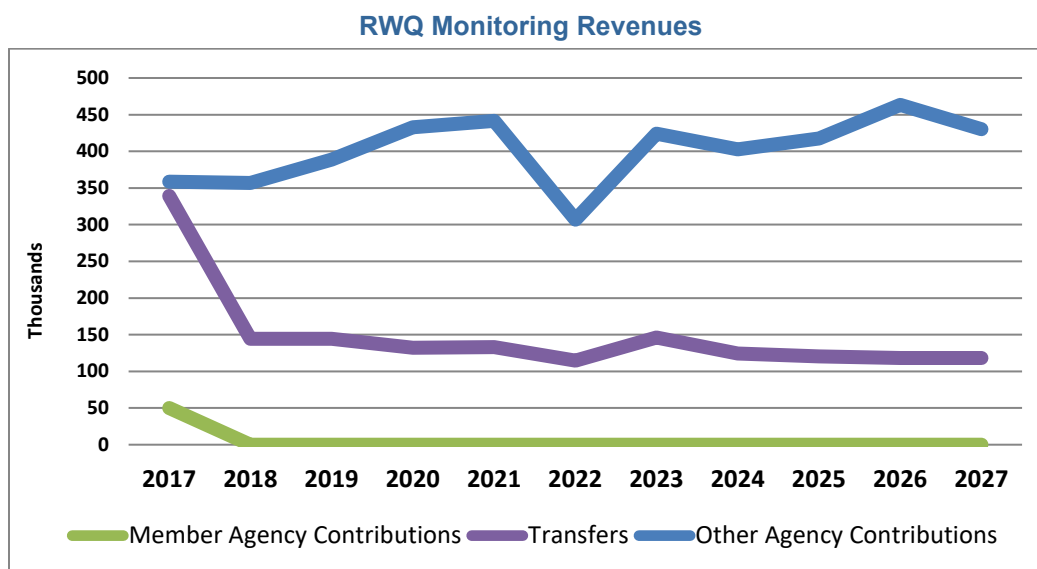
In addition to implementing the regional monitoring program, the Task Force also serves as a forum for collaboration with the Regional Water Quality Control Board, supporting future triennial reviews of the Basin Plan and ongoing policy development related to water quality standards and monitoring requirements.

SAWPA's role includes administration of the multi-agency Task Force and contract management of consultant services. Consultants are retained to conduct the annual monitoring program and provide technical support as needed. All costs for this work are funded by local agencies and future grant proceeds; no SAWPA member agency contributions are used for this effort.

In FYE 2026, total revenues are projected at \$463,334, consisting of \$345,334 from other agency contributions and \$118,000 from an operating transfer from the MSAR TMDL Task Force.

In FYE 2027, total revenues are projected at \$430,000, including \$312,000 from other agency contributions and \$118,000 from an operating transfer from the MSAR TMDL Task Force.

The chart below illustrates the historical trend of revenue sources to this fund.



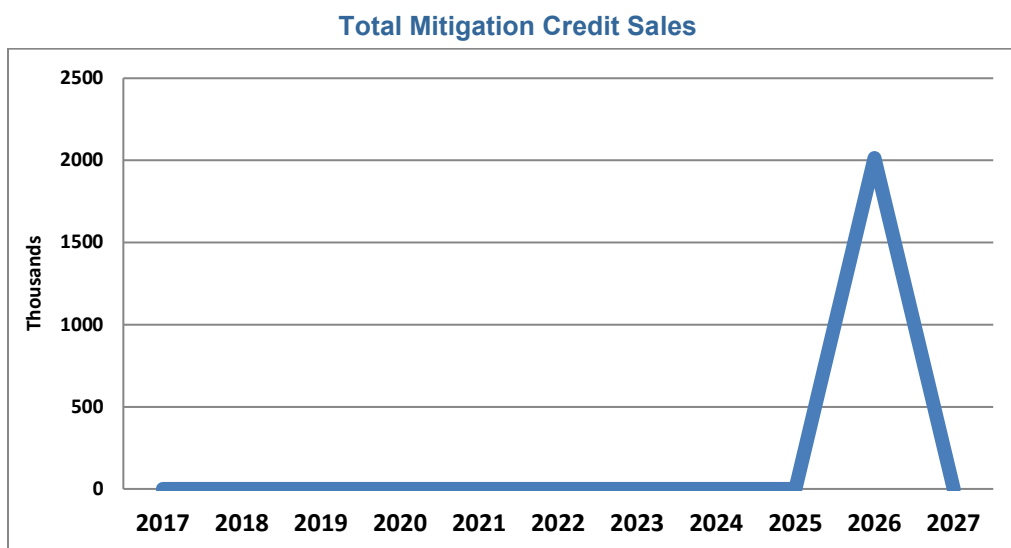
Fund 387 – Arundo Management & Habitat Restoration

This project was established to fund Arundo removal, maintenance, and habitat restoration activities throughout the Santa Ana River Watershed. Funding for this effort is generated through the sale of Arundo mitigation bank credits, which were originally purchased from the Riverside County Regional Park and Open-Space District's Santa Ana River Mitigation Bank under Proposition 13 Santa Ana Integrated Watershed Program (SCIWP). A total of 100 mitigation units were acquired at a cost of \$40,000 per unit, for a total investment of \$4 million.

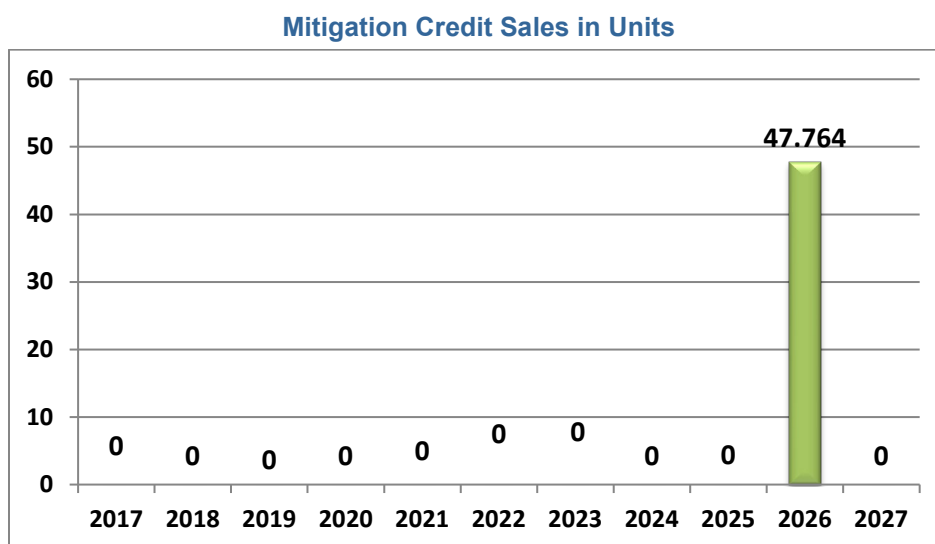
Revenues from mitigation credit sales are used to support ongoing Arundo removal and maintenance activities in the upper Santa Ana River Watershed during FYEs 2026 and 2027. Additionally, funding will support coordination with the Riverside County Parks and Open-Space District to explore potential modifications or updates to the existing mitigation bank structure to enhance long-term habitat management and restoration opportunities.

As of FYE 2025, a total of 52.236 mitigation units have been sold, leaving 47.764 units remaining in inventory. In FYE 2026, it is anticipated that the remaining 47.764 units will be sold, completing the sale of all mitigation bank credits.

The chart below illustrates the historical trend of mitigation credit sales in thousands of dollars.



The chart below illustrates the historical trend of mitigation credit sales in units.



Fund 392 – Emerging Constituents Program Task Force

The Emerging Constituents Program Task Force was established in response to a Santa Ana RWQCB resolution accompanying the Cooperative Agreement for Imported Water Recharge, signed in January 2008 by the RWQCB and nine imported water recharging agencies. Under this agreement, the signatories committed to developing a plan to investigate “emerging constituents”, trace chemical compounds and other unregulated substances, in recharged water entering local aquifers.

The Task Force, administered by SAWPA, was formed among the signatory agencies and interested stakeholders to design and implement the study and evaluate the presence and management of emerging constituents in the watershed.

Current and planned work includes the continued development of a small-scale strategic plan to define the future direction of the Task Force. Consultant Kahn, Soares and Conway LLP facilitated one-on-one discussions with Task Force members to identify common priorities. Based on these interviews, the Task Force is engaging in a process to establish a clear purpose, core goals, and implementation strategies for the program.

In addition, the Task Force continues to support public outreach and education efforts through SAWPA's website, social media, and other regional forums to inform the public about the safety of drinking water and ongoing efforts to monitor and manage emerging constituents within the watershed.

For FYEs 2026 and 2027, total revenues are projected at \$178,841 and \$185,367, respectively, funded entirely through other agency contributions.

Fund 477 – LESJWA Administration

The Lake Elsinore & San Jacinto Watersheds Authority (LESJWA) was established in 2000 through the passage of the Proposition 13 Water Bond, which allocated \$15 million to support watershed improvement and lake restoration efforts within the region. SAWPA serves as the administrator for this JPA and is one of its five governing members, alongside the Elsinore Valley Municipal Water District (EVMWD), the City of Lake Elsinore, the County of Riverside, and the City of Canyon Lake.

By FYE 2008, all Proposition 13 Water Bond funding had been fully expended. Since that time, LESJWA has continued operations through additional State grant funding and increased local stakeholder contributions, including funding from the Lake Elsinore/Canyon Lake (LE/CL) TMDL Task Force and participating member agencies. These resources have enabled the JPA to continue implementing long-term nutrient management and water quality improvement projects.

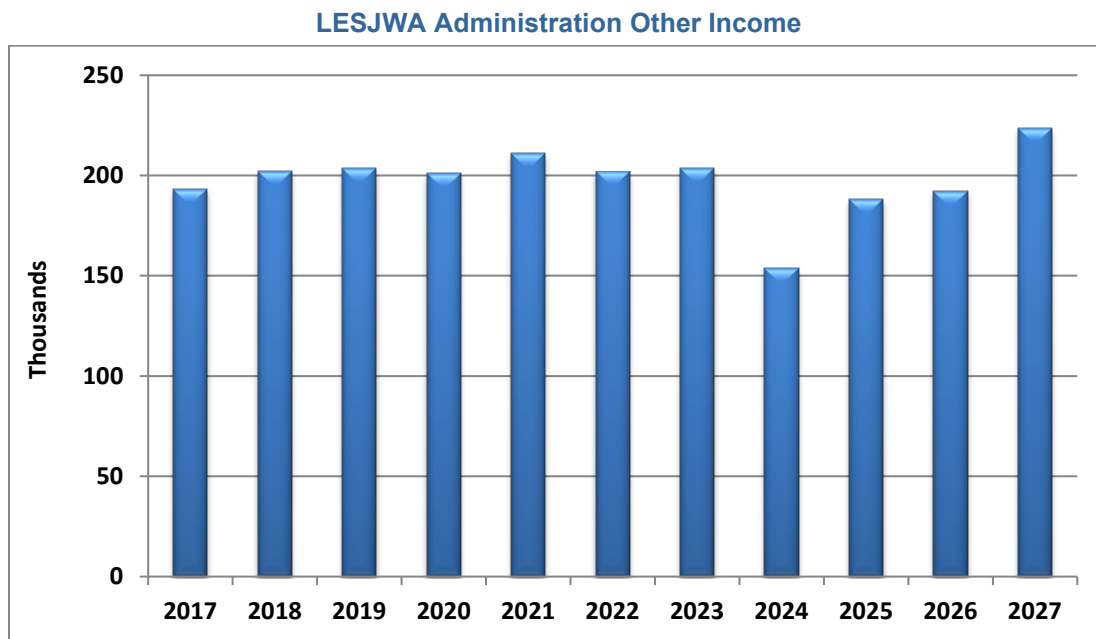
Looking ahead, LESJWA will focus on achieving the strategic priorities and goals outlined in its Strategic Plan, adopted in early 2025. During FYEs 2026 and 2027, efforts will center on collaboration among member agencies to define the characteristics of healthy lakes and clarify LESJWA's role in maintaining and supporting those conditions.

In 2026, LESJWA will complete a Proposition 1 Grant-funded project demonstrating the application of nanobubble technology for algae harvesting to improve water quality in Lake Elsinore. LESJWA will also continue to administer the LE/CL TMDL Task Force, ensuring effective implementation of the revised TMDLs adopted in late 2024. Additional work will include nutrient reduction and water quality improvement projects, such as ongoing operation of the Lake Elsinore Aeration and Mixing System (LEAMS) and alum applications in Canyon Lake.

LESJWA will continue to pursue State and Federal grant opportunities to support future lake improvement initiatives and to advance the long-term sustainability of both lakes.

For FYE 2026, revenues and expenses are projected at \$202,111, representing a minimal increase from the FYE 2025 budget. In FYE 2027, revenues and expenses are projected to rise to \$233,516.

The chart below presents the total funding proceeds supporting the administration of LESJWA.



Roundtable Fund Budget FYE 2026	Basin Monitoring Program TF Fund 374	SAR Fish Conservation Task Force Fund 381	MSAR TMDL Task Force Fund 384-01	RWQ Monitoring Task Force Fund 386	Arundo Mgmt & Habitat Restoration Fund 387	Emerging Constituents Task Force Fund 392	LESJWA Admin Fund 477	Total
Source of Funds:								
Member Agency Contributions	\$ –	\$ 20,000	\$ –	\$ –	\$ –	\$ –	\$ 10,000	\$ 30,000
Other Agency Contributions	\$ 224,043	\$ 19,000	\$ 427,200	\$ 345,334	\$ –	\$ 178,841	\$ –	\$ 1,194,418
Other Income	\$ –	\$ –	\$ –	\$ 118,000	\$ 2,014,560	\$ –	\$ 192,111	\$ 2,324,671
Total Source of Funds	\$ 224,043	\$ 39,000	\$ 427,200	\$ 463,334	\$ 2,014,560	\$ 178,841	\$ 202,111	\$ 3,549,089
Staffing:								
Hours Allocated	400	170	155	115	305	300	720	2,165
FTE (based on 2080)	0.2	0.1	0.1	0.1	0.1	0.1	0.3	1.0
Use of Funds:								
Labor	\$ 25,183	\$ 12,395	\$ 13,273	\$ 10,377	\$ 26,146	\$ 20,112	\$ 60,423	\$ 167,909
Benefits	\$ 10,139	\$ 4,990	\$ 5,344	\$ 4,178	\$ 10,527	\$ 8,097	\$ 24,327	\$ 67,602
Indirect Costs	\$ 42,808	\$ 21,070	\$ 22,563	\$ 17,640	\$ 44,445	\$ 34,187	\$ 102,711	\$ 285,424
Consulting & Professional Services	\$ 373,100	\$ 30,000	\$ 346,700	\$ 400,000	\$ 50,000	\$ 119,986	\$ 4,000	\$ 1,323,786
Meeting & Travel	\$ –	\$ 500	\$ –	\$ –	\$ 500	\$ –	\$ 500	\$ 1,500
Other Administrative Costs	\$ –	\$ 1,500	\$ –	\$ –	\$ –	\$ –	\$ 10,150	\$ 11,650
Other Expense	\$ –	\$ –	\$ 118,000	\$ –	\$ –	\$ –	\$ –	\$ 118,000
Program Expense	\$ –	\$ –	\$ –	\$ –	\$ 90,470	\$ –	\$ –	\$ 90,470
Total Use of Funds	\$ 451,230	\$ 70,455	\$ 505,880	\$ 432,195	\$ 222,088	\$ 182,382	\$ 202,111	\$ 2,066,341
Net Gain (Loss)	\$ (227,187)	\$ (31,455)	\$ (78,680)	\$ 31,139	\$ 1,792,472	\$ (3,541)	\$ –	\$ 1,482,748
Beginning Fund Balance	\$ 703,337	\$ 66,006	\$ 343,110	\$ 67,832	\$ 717,408	\$ 208,258	\$ –	\$ 2,596,645
Ending Fund Balance	\$ 476,150	\$ 34,551	\$ 264,430	\$ 98,971	\$ 2,509,880	\$ 204,717	\$ –	\$ 4,079,393
Indirect Costs Contribution	1.02%	0.50%	0.54%	0.42%	1.06%	0.82%	2.46%	6.83%

Roundtable Fund Budget FYE 2027	Basin Monitoring Program TF Fund 374	SAR Fish Conservation Task Force Fund 381	MSAR TMDL Task Force Fund 384-01	RWQ Monitoring Task Force Fund 386	Arundo Mgmt & Habitat Restoration Fund 387	Emerging Constituents Task Force Fund 392	LESJWA Admin Fund 477	Total
Source of Funds:								
Member Agency Contributions	\$ –	\$ 20,000	\$ –	\$ –	\$ –	\$ –	\$ 10,000	\$ 30,000
Other Agency Contributions	\$ 266,282	\$ 19,000	\$ 427,700	\$ 312,000	\$ –	\$ 185,367	\$ –	\$ 1,210,349
Other Income	\$ –	\$ –	\$ –	\$ 118,000	\$ –	\$ –	\$ 223,516	\$ 341,516
Total Source of Funds	\$ 266,282	\$ 39,000	\$ 427,700	\$ 430,000	\$ –	\$ 185,367	\$ 233,516	\$ 1,581,865
Staffing:								
Hours Allocated	400	170	150	115	460	300	800	2,395
FTE (based on 2080)	0.2	0.1	0.1	0.1	0.2	0.1	0.4	1.2
Use of Funds:								
Labor	\$ 29,040	\$ 13,136	\$ 13,797	\$ 10,996	\$ 45,825	\$ 21,571	\$ 69,192	\$ 203,557
Benefits	\$ 11,783	\$ 5,330	\$ 5,598	\$ 4,462	\$ 18,594	\$ 8,753	\$ 28,075	\$ 82,595
Indirect Costs	\$ 51,035	\$ 23,085	\$ 24,247	\$ 19,324	\$ 80,534	\$ 37,909	\$ 121,599	\$ 357,733
Consulting & Professional Services	\$ 363,800	\$ 30,000	\$ 369,800	\$ 400,000	\$ 50,000	\$ 123,581	\$ 4,000	\$ 1,341,181
Meeting & Travel	\$ –	\$ 500	\$ –	\$ –	\$ 500	\$ –	\$ 500	\$ 1,500
Other Administrative Costs	\$ –	\$ 1,500	\$ –	\$ –	\$ –	\$ –	\$ 10,150	\$ 11,650
Other Expense	\$ –	\$ –	\$ 118,000	\$ –	\$ –	\$ –	\$ –	\$ 118,000
Program Expense	\$ –	\$ –	\$ –	\$ –	\$ 79,656	\$ –	\$ –	\$ 79,656
Total Use of Funds	\$ 455,658	\$ 73,551	\$ 531,442	\$ 434,782	\$ 275,109	\$ 191,814	\$ 233,516	\$ 2,195,872
Net Gain (Loss)	\$ (189,376)	\$ (34,551)	\$ (103,742)	\$ (4,782)	\$ (275,109)	\$ (6,447)	\$ –	\$ (614,007)
Beginning Fund Balance	\$ 476,150	\$ 34,551	\$ 264,430	\$ 98,971	\$ 2,509,880	\$ 204,717	\$ –	\$ 4,079,393
Ending Fund Balance	\$ 286,774	\$ –	\$ 160,688	\$ 94,189	\$ 2,234,771	\$ 198,270	\$ –	\$ 3,465,386
Indirect Costs Contribution	1.13%	0.51%	0.53%	0.43%	1.78%	0.84%	2.68%	7.89%

Roundtable Fund FYE 2021 - 2027	FYE 2021 Actuals	FYE 2022 Actuals	FYE 2023 Actuals	FYE 2024 Actuals	FYE 2025 Budget	FYE 2025 Actuals	FYE 2026 Budget	FYE 2027 Budget
Source of Funds:								
Grant Proceeds	\$ -	\$ -	\$ -	\$ -	\$ 250,000	\$ -	\$ -	\$ -
Member Agency Contributions	\$ 20,000	\$ 20,000	\$ 20,000	\$ 11,000	\$ 20,000	\$ 20,000	\$ 30,000	\$ 30,000
Other Agency Contributions	\$ 1,115,239	\$ 1,064,375	\$ 1,138,155	\$ 1,217,493	\$ 1,229,125	\$ 1,201,864	\$ 1,194,418	\$ 1,210,349
Mitigation Credit Sales	\$ -	\$ -	\$ -	\$ -	\$ 889,800	\$ -	\$ 2,014,560	\$ -
Operating Transfer	\$ 133,000	\$ 114,625	\$ 145,964	\$ 124,165	\$ 120,320	\$ 120,320	\$ 118,000	\$ 118,000
Other Income	\$ 201,354	\$ 191,841	\$ 203,714	\$ 153,460	\$ 188,285	\$ 142,100	\$ 192,111	\$ 223,516
Interest & Investments	\$ 14,444	\$ 11,920	\$ 47,568	\$ 90,451	\$ -	\$ 112,832	\$ -	\$ -
Total Source of Funds	\$ 1,484,037	\$ 1,402,761	\$ 1,555,401	\$ 1,596,569	\$ 2,697,530	\$ 1,597,116	\$ 3,549,089	\$ 1,581,865
Staffing:								
Hours Allocated	2,424	2,372	2,245	2,008	2,325	1,855	2,165	2,395
FTE (Based on 2080)	1.2	1.1	1.1	1.0	1.1	0.9	1.0	1.2
Use of Funds:								
Labor	\$ 154,065	\$ 148,492	\$ 146,385	\$ 123,967	\$ 173,792	\$ 129,004	\$ 167,909	\$ 203,557
Benefits	\$ 69,792	\$ 58,802	\$ 61,481	\$ 45,495	\$ 63,317	\$ 46,958	\$ 67,602	\$ 82,595
Indirect Costs	\$ 232,330	\$ 239,516	\$ 235,386	\$ 209,751	\$ 284,333	\$ 211,051	\$ 285,424	\$ 357,733
Consulting & Professional Services	\$ 617,165	\$ 931,289	\$ 945,482	\$ 783,818	\$ 1,273,375	\$ 529,143	\$ 1,323,786	\$ 1,341,181
Operating Costs	\$ 2,522	\$ -	\$ 141	\$ -	\$ -	\$ 313	\$ -	\$ -
Equipment & Computers	\$ -	\$ 318	\$ -	\$ 319	\$ -	\$ 319	\$ -	\$ -
Meeting & Travel	\$ -	\$ 219	\$ 327	\$ 1,091	\$ 1,250	\$ 916	\$ 1,500	\$ 1,500
Other Administrative Costs	\$ 10,111	\$ 10,120	\$ 10,205	\$ 12,330	\$ 10,150	\$ 10,484	\$ 11,650	\$ 11,650
Other Expense	\$ 134,661	\$ 114,812	\$ 145,964	\$ 124,165	\$ 120,320	\$ 122,057	\$ 118,000	\$ 118,000
Program Expense	\$ 6,541	\$ -	\$ -	\$ -	\$ 26,726	\$ 50,132	\$ 90,470	\$ 79,656
Total Use of Funds	\$ 1,227,187	\$ 1,503,568	\$ 1,545,371	\$ 1,300,936	\$ 1,953,263	\$ 1,100,377	\$ 2,066,341	\$ 2,195,872
Net Gain (Loss)	\$ 256,850	\$ (100,807)	\$ 10,030	\$ 295,633	\$ 744,267	\$ 496,739	\$ 1,482,748	\$ (614,007)

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Capital Project Fund

The Capital Project Fund includes projects that support the ongoing operation, maintenance, and enhancement of the Inland Empire Brine Line. The Brine Line is a non-reclaimable wastewater pipeline that conveys desalter brine, high-salinity industrial wastewater, and domestic wastewater generated throughout the SAR Watershed to the OC San treatment plant in Huntington Beach. Following treatment, the effluent is safely discharged to the Pacific Ocean.

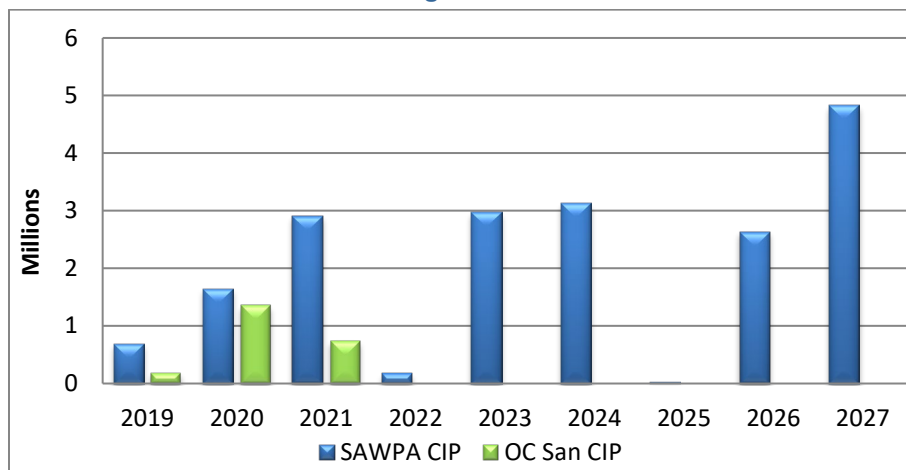
In September 2025, the SAWPA Project Agreement 24 Committee approved the Brine Line CIP for planning purposes. The CIP outlines more than \$69 million in projects planned for completion by FYE 2035, with a focus on ensuring the long-term viability, reliability, and sustainability of the Brine Line system. Major program elements address system maintenance, capital replacement, protection and relocation of facilities, and strategic coordination with regional partners.

For FYE 2026, approximately \$2.6 million is budgeted for Capital Projects, increasing to \$4.8 million in FYE 2027, consistent with the approved CIP. Key elements include:

1. SAWPA Brine Line CIP Projects
 - a. Capital Repairs (Annual): Ongoing rehabilitation and replacement activities to maintain system integrity.
 - b. SCADA System: Implementation of enhanced Supervisory Control and Data Acquisition (SCADA) components to improve real-time monitoring, operation, and control of the Brine Line.
 - c. Reach IV-B Maintenance Access Structures Project: Construction of two new Maintenance Access Structures (MAS) on a 36-inch ductile iron pipeline segment constructed in the late 1990s. A 2024 condition assessment identified the need for improved access to facilitate inspections, cleaning, and repairs.
 - d. Euclid Avenue Bridge Project: Coordination with the City of Chino on the Euclid Avenue realignment and elevation project, requiring protection or relocation of approximately 5,000 linear feet of Reach IV-D pipeline.
2. OC San Capital Improvement Program:

SAWPA participates in OC San's long-term CIP for the Brine Line, with a variable cost share estimated at approximately \$400,000 annually through FYE 2060.

**Expected Capital Improvement Plan Expenditures
Through FYE 2027**



SAWPA Capital Improvements Plan (CIP) Projects

The Inland Empire Brine Line extends more than 93 miles through San Bernardino, Riverside, and Orange Counties, of which approximately 73 miles are owned and maintained by SAWPA. Constructed over a 20-year period, the system includes several distinct segments, Reaches IV, IV-A, IV-B, IV-D, and V, with pipe materials and diameters tailored for durability, hydraulic capacity, and cost efficiency. The oldest portions of the system are nearly 49 years old, while the newest were completed 24 years ago.

To safeguard the system's integrity and reduce long-term maintenance costs, SAWPA conducts continuous closed-circuit television (CCTV) inspections to assess pipeline condition. Inspection reports identify anomalies such as cracks, liner delamination, sags, root intrusion, and debris accumulation. These assessments also provide valuable data for estimating infiltration and inflow and for prioritizing repair or replacement needs within the CIP. The CIP is regularly updated in coordination with the results of the CCTV inspection program to ensure a proactive, data-driven approach to system management.

Current CIP Activities

Ongoing and planned projects include:

- Condition Assessments of Reaches IV-B and IV-E, following prior CCTV inspections.
- Repair and Rehabilitation Projects addressing issues identified through inspection reports to maintain system reliability and prevent potential failures.

U.S. Army Corp of Engineers (ACOE) Project

Several Brine Line relocations have been required as part of the ACOE Prado Dam Mainstem Project, which aims to enhance flood protection within the Santa Ana River watershed.

- SAWPA completed the relocation of a Brine Line segment to avoid conflicts with the new outlet works and relocated low-flow channel.
- In FYE 2015, the ACOE and project sponsor Orange County Public Works (OCPW) relocated and protected a portion of Reach IV-A in the City of Chino (Yorba Slaughter Adobe Dike).
- In FYE 2021, SAWPA relocated and protected a portion of Lower Reach IV-B in the City of Corona (Alcoa Dike).
- Future work will include the modification and elevation of several MAS located below the Prado Dam flood storage elevation, including the raising of two MAS upon completion of ACOE's Phase II Alcoa Dike project.

These cooperative efforts with the ACOE and OCPW ensure long-term protection of Brine Line infrastructure and uninterrupted system operation.

OC San CIP Projects

The Orange County Sanitation District (OC San) also maintains a Capital Improvement Program for its portion of the Santa Ana Regional Interceptor (SARI)—now known as the Brine Line—through FYE 2060. Under SAWPA's cost-sharing agreement with OC San, SAWPA is responsible for a portion of the costs associated with these projects, with the percentage varying by pipeline reach. SAWPA's annual cost share for OC San's CIP is currently estimated at \$400,000 per year.

Impact of CIP on Operating Budget

The primary impact of SAWPA's capital projects on the operating budget is limited to staff time and administrative support required to implement and manage the projects. **Once** completed, these investments typically reduce future operating and maintenance costs by improving system condition, access, and reliability.

CIP Funding

During the biennial budget process, both the rate model and the CIP were updated to reflect FYEs 2026 and 2027 projections. The rate model establishes annual reserve contributions of approximately \$2.4 million in FYE 2026 and \$2.2 million in FYE 2027. Contributions to reserves, along with existing balances, will be used to fund the planned CIP.

In 2018, SAWPA developed a dynamic financial and rate model that integrates long-term capital planning and multiple funding strategies. Funding options include pay-as-you-go, debt financing, or a hybrid approach, depending on project scope and timing. This model provides a stable framework for maintaining financial sustainability while ensuring the Brine Line's long-term reliability. In recent years, SAWPA has primarily used pay-as-you-go funding and SRF loans for capital projects. Planned CIP projects for FYEs 2026 and 2027 will be fully funded through agency reserves.

Reserve Balances at FYE 2025

<i>Reserve Account</i>	<i>FYE 2025 Balance</i>	
Pipeline Replacement & Capital Investment Reserve	\$	41,939,551
OC San Pipeline Rehabilitation Reserve	\$	3,167,752
Pipeline Capacity Management Reserve	\$	13,363,704
Total Reserves Available for CIP	\$	58,471,007

Reserves Available to Fund CIP through FYE 2027

<i>FYE</i>	<i>Beginning Reserve Balance</i>	<i>Contributions To Reserves</i>	<i>CIP Funding</i>	<i>Ending Reserve Balance</i>
2026	\$ 58,471,007	\$ 2,426,224	\$ (2,632,558)	\$ 58,264,673
2027	\$ 58,264,673	\$ 2,182,388	\$ (4,828,641)	\$ 55,618,420

A detailed description of each project in the budget is included on the pages to follow.

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Request for Capital Funding

Project # 320-03

PROJECT OR EQUIPMENT INFORMATION		
NAME:	Priority:	High
Capital Repair, Other Required Activities	External Fund Potential:	No
DESCRIPTION:	Current Stage:	Planning
Construct a master SCADA station integrating flow and quality data from Brine Line dischargers and five (5) system locations. Collection of real-time flow and quality information increases SAWPA's ability to monitor, operate and control the Brine Line system. Raising two maintenance access structures (MAS) upon completion of the Corps Alcoa Dike Phase 2 project and modifications to MAS structures within the Prado Basin inundation area. Reach IV-A Pine Avenue siphon relocation due to Caltrans and City of Chino plans to construct freeway access to California State Hwy 71. Protection / relocation of a portion of the Reach IV-D pipeline due to realignment of Euclid Avenue and construction of a new elevated roadway by the City of Chino. Reach V Temescal Canyon Road widening (El Cerrito segment) due to County of Riverside plans to widen Temescal Canyon Road. Pipeline condition assessment on Reach IV-B. A condition assessment is necessary to understand the reliability and performance of Reach IV-B. Reach IV-E Condition Assessment and IV- siphon mainline valve. Reach IV-E was constructed in 1995. A portion of Reach IV-E is in a long siphon and access is limited. This inspection and subsequent repairs will extend the remaining useful life of the system. The installation of a new mainline valve on Reach IV-E will be used as a low flow bypass, thereby allowing dewatering of the existing siphon section and allow emergency by-pass on a portion of Reach IV-E. Addition of two MAS on Reach IV-B lower to allow access for cleaning and inspection. Miscellaneous capital repairs that may require rapid response to prevent further deterioration including protection of the Brine Line from stormwater/erosion. As the system ages, additional repairs are anticipated to be needed annually.	Expansion %:	0%
	Replacement %:	100%
	Req'd Ext Funding %:	0%
	Expended to Date:	\$3.9
	Future Costs:	\$7.4M
	Total Project Cost:	\$11.3M
LOCATION:		
System wide		

DESCRIBE PROBLEMS, EXPENSES, ETC. AS JUSTIFICATION FOR REPLACEMENT:

Protection/relocation of the Brine Line is necessary due to conflict with projects by others, such as the raising of Prado Dam spillway (U.S Army Corps.) and various roadway improvements (City and County) such as the City of Chino elevated roadway. Corrosion is the main factor that can affect the structural integrity of the Brine Line. Over time defects in the lining system can develop due to excessive wear and scaling. An assessment of the condition of the lining system and pipe can identify potential issues and actions needed to extend the remaining useful life of the Brine Line. Repairs are necessary from time to time which are not known at the time annual budgets are prepared. These repairs cannot wait until a subsequent year. Such repairs include, but are not limited to:

1. MAS repair and adjustments.
2. Protection/Relocation where SAWPA does not have "prior rights".
3. Repairs that result from CCTV pipeline inspections.
4. Protection from stormwater/erosion.

ANNUAL IMPACTS ON OPERATIONS/MAINTENANCE:

Potential impacts would result from pipeline failure in close proximity to a surface water and environmentally sensitive areas. Impact would include shutdown of system, impacting industries that discharge to the Brine Line and shut down of water production facilities that utilize the Brine Line for high saline discharge. Unplanned emergency repairs are significantly more expensive than planned repairs and protection of the Brine Line.

Cost Estimate:	2022-23	2023-24	2024-25	2025-26	2026-27	TOTAL
SAWPA LABOR	\$ 7,217	\$ 1,098	\$ 645	\$ 33,863	\$ 39,878	\$ 82,701
BENEFITS	\$ 3,031	\$ 403	\$ 235	\$ 13,633	\$ 16,181	\$ 33,483
INDIRECT COSTS	\$ 11,606	\$ 1,858	\$ 1,056	\$ 57,562	\$ 70,082	\$ 142,164
ENGINEERING	\$ 253,038	\$ 200,296	\$ 865	\$ 275,000	\$ 1,105,000	\$ 1,834,199
CONSTRUCTION	\$ 38,594	\$ -	\$ -	\$ 2,250,000	\$ 3,595,000	\$ 5,883,594
OTHER EXPENSE	\$ -	\$ -	\$ -	\$ 2,500	\$ 2,500	\$ 5,000
TOTALS	\$ 313,486	\$ 203,655	\$ 2,801	\$ 2,632,558	\$ 4,828,641	\$ 7,981,141

Escalation Rate: 3%

Request for Capital Funding

Project # 327

PROJECT OR EQUIPMENT INFORMATION		
NAME:	Priority:	High
Reach IV-D Corrosion Repairs	External Fund Potential:	Yes
DESCRIPTION:	Current Stage:	Design
About seven (7) miles of the Brine Line Reach 4D consists of T-Lock Lined 42-inch reinforced concrete pipe (RCP). The T-lock lining is a polyvinyl chloride (PVC) lining on the interior circumference of the pipe that provides a protective corrosion barrier between the flow and concrete pipe. The T-lock lining on this portion of the Brine Line was installed on the upper 270 degrees of the pipeline, leaving the invert or bottom 90 degrees of the pipe unlined. Routine inspection of Reach IV-D found extensive corrosion within the pipe invert as the T-Lock corrosion protection liner only covered the upper 270° portion of the pipe.	Expansion %:	0%
	Replacement %:	100%
	Req'd Ext Funding %:	0%
LOCATION:	Expended to Date:	\$706,664
About seven (7) miles of Reach IV-D within Euclid Avenue beginning at Pomona Rincon Road in the City of Chino in San Bernardino County and continuing northerly to Pine Avenue. Continuing along Pine Avenue easterly along Schleisman Road in the City of Eastvale and ending at the intersection of Schleisman Road and Hamner Avenue.	Future Costs:	\$0.000M
	Total Project Cost (Subject to Reevaluation after FYE 2027 Investigation):	\$10.0M

DESCRIBE PROBLEMS, EXPENSES, ETC. AS JUSTIFICATION FOR REPLACEMENT:

Corrosion of pipe invert. Low flows during the initial years of operation placed the flow line below the termination of the T-lock liner and exposed the concrete to corrosion and uplifting of the T-Lock liner. Reach IV-D Work Plan commenced in FYE 2018 and was completed in FYE 2019. The Work Plan included a recommendation to conduct additional pipeline investigations in FYE 2019 and FYE 2024. The summary report for the additional pipeline investigations in 2019 and 2024 concluded that the findings presented in the Reach IV-D Work Plan remain valid and the recommendations provided remain unchanged. A report was completed in 2025 detailing the results of the 2024 investigation and an additional recommendation to reinspect Reach IV-D in 5 to 10 years (FY 2029 – FY 2034). Based on 2024 assessment, the predicted remaining useful life is 10 to 15 years. Total project costs will be evaluated after the next inspection in 5 to 10 years.

ANNUAL IMPACTS ON OPERATIONS/MAINTENANCE:

Investigation is required in the next 5 to 10 years. Protection is required in next 10 to 15 years to preserve the pipe structure.

Cost Estimate:	2022-23	2023-24	2024-25	2025-26	2026-27	TOTAL
SAWPA LABOR	\$ –	\$ 10,002	\$ 302	\$ –	\$ –	\$ 10,304
BENEFITS	\$ –	\$ 3,671	\$ 110	\$ –	\$ –	\$ 3,781
INDIRECT COSTS	\$ –	\$ 16,923	\$ 494	\$ –	\$ –	\$ 17,417
CONSULTING	\$ –	\$ 274,507	\$ 18,885	\$ –	\$ –	\$ 293,392
ENGINEERING	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –
PROJECT MANAGEMENT	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –
PERMIT FEES	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –
CONSTRUCTION	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –
OTHER EXPENSE	\$ –	\$ 389	\$ –	\$ –	\$ –	\$ 389
TOTALS	\$ –	\$ 305,493	\$ 19,791	\$ –	\$ –	\$ 325,283

Escalation Rate: 3%

BL Capital Project Fund Budget FYE 2026	Brine Line Protection Fund 320	Reach IV-D Corrosion Repair Fund 327	Total
Source of Funds:			
Financing Proceeds	\$ —	\$ —	\$ —
Use of Reserves	\$ 2,632,558	\$ —	\$ 2,632,558
Total Source of Funds	\$ 2,632,558	\$ —	\$ 2,632,558
Staffing:			
Hours Allocated	250	-	250
FTE (based on 2080)	0.1	0.0	0.1
Use of Funds:			
Labor	\$ 33,863	\$ —	\$ 33,863
Benefits	\$ 13,633	\$ —	\$ 13,633
Indirect Costs	\$ 57,562	\$ —	\$ 57,562
Consulting & Professional Services	\$ 275,000	\$ —	\$ 275,000
Operating Costs	\$ —	\$ —	\$ —
Other Administrative Costs	\$ 2,500	\$ —	\$ 2,500
Construction	\$ 2,250,000	\$ —	\$ 2,250,000
Total Use of Funds from Operations	\$ 2,632,558	\$ —	\$ 2,632,558
Net Gain (Loss)	\$ —	\$ —	\$ —
Indirect Costs Contribution	1.38%	0.00%	1.38%

BL Capital Project Fund Budget FYE 2027	Brine Line Protection Fund 320	Reach IV-D Corrosion Repair Fund 327	Total
Source of Funds:			
Financing Proceeds	\$ —	\$ —	\$ —
Use of Reserves	\$ 4,828,641	\$ —	\$ 4,828,641
Total Source of Funds	\$ 4,828,641	\$ —	\$ 4,828,641
Staffing:			
Hours Allocated	270	-	270
FTE (based on 2080)	0.1	0.0	0.1
Use of Funds:			
Labor	\$ 39,878	\$ —	\$ 39,878
Benefits	\$ 16,181	\$ —	\$ 16,181
Indirect Costs	\$ 70,082	\$ —	\$ 70,082
Consulting & Professional Services	\$ 1,105,000	\$ —	\$ 1,105,000
Operating Costs	\$ —	\$ —	\$ —
Other Administrative Costs	\$ 2,500	\$ —	\$ 2,500
Construction	\$ 3,595,000	\$ —	\$ 3,595,000
Total Use of Funds from Operations	\$ 4,828,641	\$ —	\$ 4,828,641
Net Gain (Loss)	\$ —	\$ —	\$ —
Indirect Costs Contribution	1.55%	0.00%	1.55%

BL Capital Project Fund FYE 2021 – 2027	FYE 2021 Actuals	FYE 2022 Actuals	FYE 2023 Actuals	FYE 2024 Actuals	FYE 2025 Budget	FYE 2025 Actuals	FYE 2026 Budget	FYE 2027 Budget
Source of Funds:								
Financing Proceeds	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –
Grant Proceeds	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –
Use of Reserves	\$ 2,911,332	\$ 171,529	\$ 2,975,255	\$ 3,127,961	\$ 1,870,013	\$ 24,081	\$ 2,632,558	\$ 4,828,641
Other Income	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –
Total Source of Funds	\$ 2,911,332	\$ 171,529	\$ 2,975,255	\$ 3,127,961	\$ 1,870,013	\$ 24,081	\$ 2,632,558	\$ 4,828,641
Staffing:								
Hours Allowed	531	326	132	310	626	27	250	270
FTE (based on 2080)	0.3	0.2	0.1	0.1	0.3	0.0	0.1	0.1
Use of Funds:								
Labor	\$ 46,843	\$ 17,500	\$ 32,029	\$ 32,606	\$ 54,164	\$ 1,443	\$ 33,863	\$ 39,878
Benefits	\$ 21,220	\$ 6,930	\$ 12,312	\$ 11,966	\$ 19,734	\$ 526	\$ 13,633	\$ 16,181
Indirect Costs	\$ 70,639	\$ 28,227	\$ 53,310	\$ 55,168	\$ 88,615	\$ 2,362	\$ 57,562	\$ 70,082
Consulting & Professional Services	\$ 76,796	\$ 35,000	\$ 568,542	\$ 760,485	\$ 580,000	\$ 19,750	\$ 275,000	\$ 1,105,000
Operating Costs	\$ –	\$ –	\$ 4,297	\$ 1,176	\$ –	\$ –	\$ –	\$ –
Meeting & Travel	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –
Other Administrative Costs	\$ 357	\$ 350	\$ –	\$ 389	\$ 2,500	\$ –	\$ 2,500	\$ 2,500
Construction	\$ 2,695,477	\$ 83,522	\$ 2,304,765	\$ 2,266,171	\$ 1,125,000	\$ –	\$ 2,250,000	\$ 3,595,000
Total Use of Funds from Operations	\$ 2,911,332	\$ 171,529	\$ 2,975,255	\$ 3,127,961	\$ 1,870,013	\$ 24,081	\$ 2,632,558	\$ 4,828,641
Net Gain (Loss)	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –

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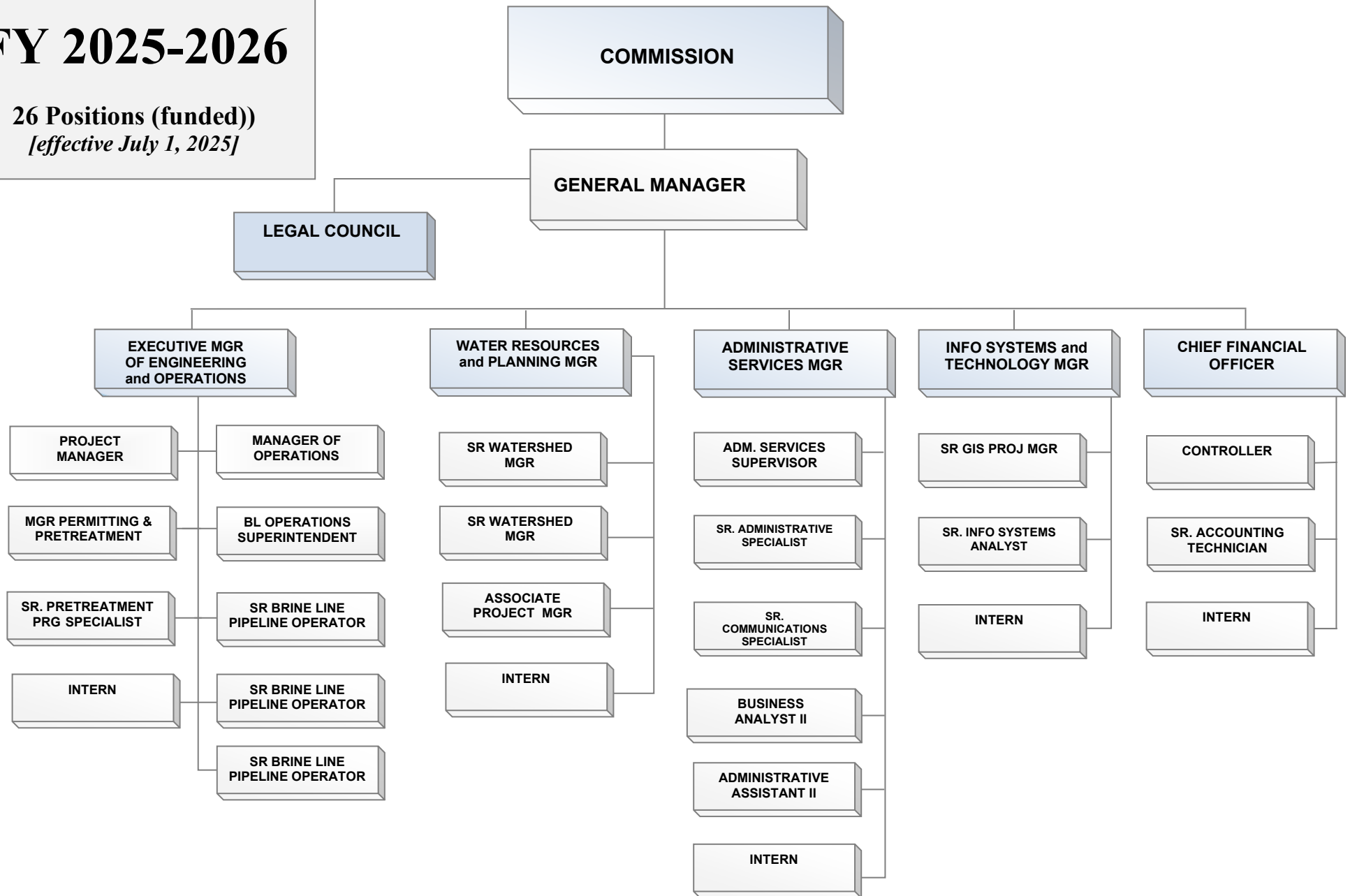
Section 10 Departments



ORGANIZATION CHART

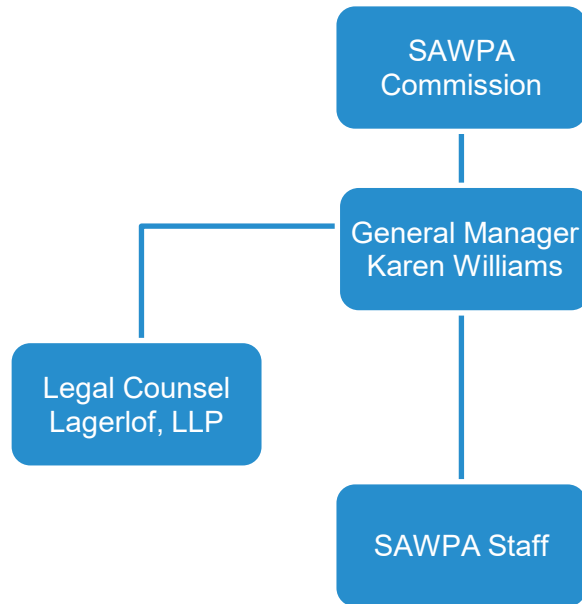
FY 2025-2026

26 Positions (funded))
[effective July 1, 2025]



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Executive Management



Summary Information

Existing Staff – 1 FTE

1 – General Manager

Mission

Lead Agency efforts to implement the policies and activities directed by the Commission and the Project Agreement Committees.

Objectives for FYEs 2026 and 2027

- Administrative
 - ◆ Oversee administrative, management, and legal directions for the Agency.
- Brine Line
 - ◆ Ensure continued cost-effective and reliable operation of the Brine Line.
 - ◆ Oversee the marketing of the Brine Line for new customers.
 - ◆ Maintain SAWPA's relationship with OC San on Brine Line permitting and operations, as well as Brine Line capital improvements.
 - ◆ Assess long-term resource recovery opportunities for Brine Line flows.
 - ◆ Oversee the implementation of Brine Line Reserve Policies.
- OWOW Program
 - ◆ Achieve optimal use of local water supplies and reduce reliance on imported water.
 - ◆ Improve water quality.
 - ◆ Identify opportunities for long term water use efficiency gains.
 - ◆ Balance water supply needs with natural habitat and recreational beneficial use protection.

- ◆ Build public understanding and support for Watershed resilience.
- ◆ Facilitate incorporation of water resources management in land use planning.
- ◆ Seek sustainable funding for the Watershed to support accomplishing Watershed goals.
- Roundtables, Task Forces, and Work Groups
 - ◆ Continue SAWPA's reputation as a watershed-wide, knowledgeable, neutral and trusted facilitator, leader, and administrator of contracted activities.
 - ◆ Oversee the communication of the results of roundtable, task force, and work group efforts and leveraging the information and involvement for the benefit of SAWPA, its members, and other stakeholders.

Salary and Benefit Costs

<i>Account Information</i>	<i>FYE 2025 Budget</i>	<i>FYE 2026 Budget</i>	<i>% Inc/ (Decr)</i>	<i>FYE 2027 Budget</i>	<i>% Inc/ (Decr)</i>
*Salaries and Benefits	\$398,428	\$600,164	50.6%	\$821,673	36.9%

Core Activities

The General Manager is charged with the Commissions and Project Agreement Committees' direction and leading the activities of the SAWPA staff. The primary responsibilities relate to the Agency's effectiveness and efficiency, as well as working with various external groups and agencies. The core activities of the office include:

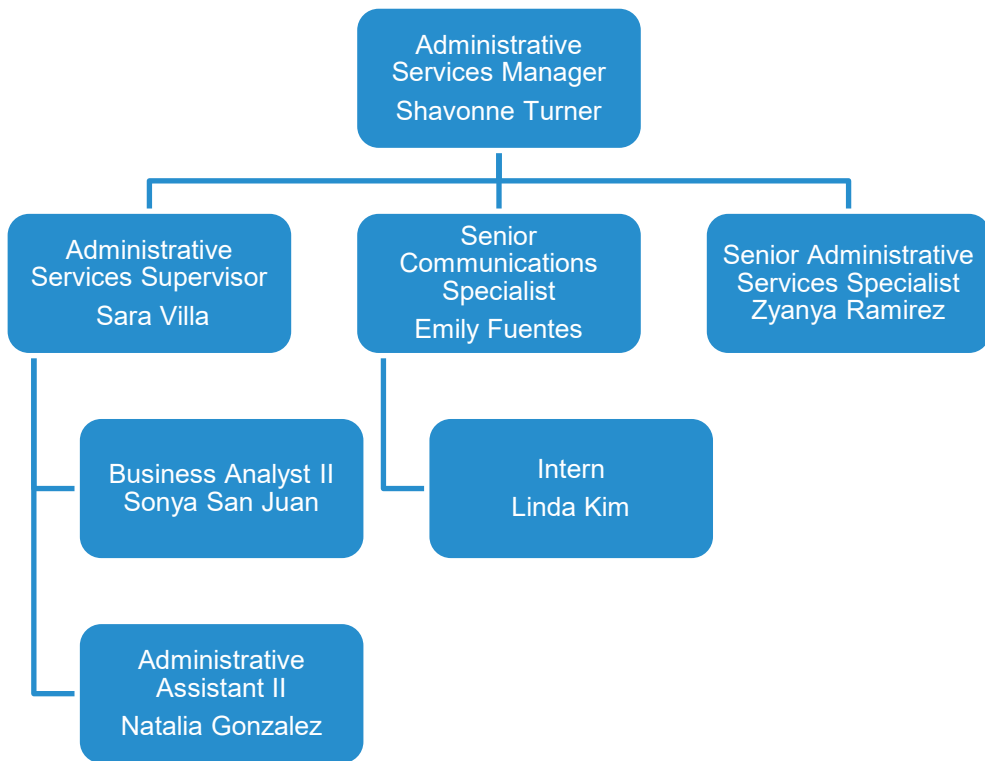
- Implementing and communicating direction and policies set by the Commission and Project Agreement Committees.
- Supporting Commission and Project Agreement Committee meetings and activities.
- Building collaboration and cooperation among Watershed stakeholders.
- Leading internal organizational efforts, administering personnel, and resolving employee issues.
- Communication with member agencies and outside organizations, including watershed stakeholders, state agencies, and local regulators.
- Updating the agency's long-term vision through the Strategic Plan as required and implementing efforts required to achieve its objectives.
- Complying with contract and grant requirements.
- Coordinating legislative/outreach and information activities.
- Representing the Agency in legal business and public policy issues.

Staff Additions Needed for FYEs 2026 and 2027

No additional staff are proposed for FYEs 2026 and 2027. The original biennial budget assumed the retirement of the Deputy General Manager/CFO and the subsequent recruitment of two new positions: an Assistant General Manager and a Director of Finance. The projected salary and benefit costs shown in this section reflected that earlier succession plan.

However, those plans have since been revised. The Deputy General Manager/CFO has been appointed to serve as General Manager while continuing to fulfill the duties of CFO. As a result, the previously anticipated positions are no longer needed, and the staffing plan for FYEs 2026 and 2027 remains unchanged.

Administrative Services



Summary Information

Existing Staff – 6 FTE

- 1 – Administrative Services Manager
- 1 – Administrative Services Supervisor/Clerk of the Board
- 1 – Senior Administrative Services Specialist
- 1 – Senior Communications Specialist
- 1 – Business Analyst II
- 1 – Administrative Assistant II
- 1 – Communications Intern

Mission

The Administrative Services Department (ASD) exists to provide comprehensive business and operational support to SAWPA, its member agencies, and its watershed-wide partnerships. ASD ensures effective coordination and high-level service delivery across the agency by managing or supporting SAWPA's core functional areas, including:

- Board Administration and Executive Management
- Human Resources (HR)

- Engineering & Operations Support
- Pretreatment and Brine Line Support
- Water Resources & Planning Support
- Legal, Procurement, and Records Management
- IS / Technology and Facilities Management
- Regulatory and Legislative Support
- Communications, Marketing, and Public Relations

Through these functions, ASD provides strategic, administrative, and operational support that ensures agency transparency, efficiency, accountability, and alignment with SAWPA's mission and priorities.

Accomplishments for FYEs 2024 and 2025

- Public Meeting Administration
 - ◆ Continued full support for SAWPA Commission, PA Committees (PA 22, PA 23, PA 24), OWOW Steering Committee, and LESJWA Board meetings.
 - ◆ Enhanced agenda preparation and posting processes, incorporating greater use of electronic systems for efficiency and transparency.
 - ◆ Provided Clerk of the Board support for all required actions, including minutes, resolutions, and public noticing.
 - ◆ Successfully coordinated logistics for a governance meeting held offsite due to building renovations, managing multiple locations and ensuring a smooth meeting experience.
- Water Resources & Planning Support
 - ◆ Administered and supported multiple Roundtables/Task Forces, including agenda development, meeting facilitation, quarterly reports, invoices, and regulatory submissions.
 - ◆ Coordinated workshops, tours, and luncheons to support watershed collaboration and stakeholder engagement.
 - ◆ Edited and provided support on legislative letters and request for proposals (RFPs).
 - ◆ Provided ongoing communications and graphic support for water quality reporting, river walks, CARP, conservation coordinator activities, and project review committees.
 - ◆ Supported the development of the LESJWA Strategic Plan.
- Records Management
 - ◆ Managed continued phases of the Records Management Policy, including electronic indexing and retention/destruction processes.
 - ◆ Maintained onsite archival records.
 - ◆ Coordinated responses to multiple public records requests.
 - ◆ Maintained SAWPA's real property and easement files.
 - ◆ Implemented and coordinated regularly scheduled agency-wide document destruction events.
 - ◆ Coordinated staff approvals of FYEs 2024 and 2025 retention schedules (annual legal review and updates).
- Engineering & Operations
 - ◆ Supported Brine Line capital projects, maintenance, and repair efforts through administrative coordination, data management, and monthly reporting.
 - ◆ Coordinated and maintained procurement through PlanetBids for RFPs and construction bidding.
 - ◆ Continued data management; electronic filing/indexing (OnBase; iPACS; SharePoint).
 - ◆ Tracked and reported construction project progress – US Census Bureau.
 - ◆ Maintained Planet Bids for RFPs and construction bidding.
 - ◆ Organized numerous meetings, workshops, and luncheons.
 - ◆ Prepared and provided monthly industry flow data to Finance department for billing purposes.

- Pretreatment Support
 - ◆ Provided pretreatment program administrative support, including preparation of required reports, permit processing, liquid waste hauler compliance tracking, and documentation in preparation for the EPA Pretreatment Audit.
 - ◆ Pursuant to requirements of the memorandum of understanding (MOU) with OC San, compiled data and composed monthly, quarterly, semi-annual, and annual reports (17) in implementing and enforcing the Industrial Pretreatment Program.
 - ◆ SSO – maintained documentation for spill/no spill monthly California Integrated Water Quality Systems (CIWQS) reporting (15).
 - ◆ Liquid Waste Haulers – tracked and maintained data relating to insurance, vehicles, drivers, and generator lists.
 - ◆ Prepared and maintained Wastewater Discharge Permits, including amendments and extensions, assisted with permit enforcement.
 - ◆ Coordinated compiled and organized data, attended, meeting minutes, follow up for Pretreatment Program Workshop Meetings and Enforcement Hearings.
 - ◆ Continued preparation for anticipated EPA Pretreatment Audit.
 - ◆ Continued data management; electronic filing/indexing (OnBase; iPACS; SharePoint).
 - ◆ Updated contents to Brine Line documents page on SAWPA website.

- Human Resources
 - ◆ Initiated development of a structured framework for HR functions to enhance organizational visibility, establish credibility with staff, and provide a clear, consistent point of support and guidance, with CPS HR used only for limited urgent needs.
 - ◆ Conducted successful recruitment and onboarding, updated policies and procedures, and advanced revisions to the Personnel Handbook.
 - ◆ Supported employee professional development through training platforms, conference attendance, and targeted workshops.
 - ◆ Fully implemented human resource information system (HRIS) / electronic application systems to streamline processes.
 - ◆ Continued to update policies and procedures in adherence to applicable legislation.
 - ◆ Completed annual review of the Personnel Handbook.
 - ◆ Continued to promote professional development through LinkedIn Learning and increased its use by employees.
 - ◆ Adjusted flexible spending account (FSA) and health savings account (HSA) benefit schedules to align with the calendar year for consistency and improved employee access.
 - ◆ Updated the Work from Home Policy to emphasize performance-based eligibility and clarified management's role in reviewing and rescinding privileges as needed.
 - ◆ Supported Payroll by tracking employee deductions and creating formula-driven spreadsheets to support accurate and efficient processing.

- IS / Technology
 - ◆ Maintained and improved the SAWPA website with content updates, layout refinements, and digital accessibility improvements.
 - ◆ Coordinated with information technology (IT) staff and vendors to enhance digital platforms and expand use of SharePoint and OnBase for agency operations.
 - ◆ Supported the implementation of a new agency-wide calendar view, ADA compliance, providing all SAWPA employees with access to see when colleagues are busy and scheduled for meetings, while maintaining privacy for personal and confidential appointments.
 - ◆ Implemented use of Keeper Password Vault to improve security, streamline access management, and support staff in maintaining secure credentials.
 - ◆ Introduced Asana as a project management tool to improve collaboration, task tracking, and workflow efficiency within ASD.

- Facilities Management / Safety / Vehicle Maintenance
 - ◆ Supported the implementation of additional safety and security measures, including lobby security upgrades, quarterly facility safety checks, and vehicle/equipment compliance.
 - ◆ Coordinated maintenance and service vendor relationships to ensure safe and efficient building operations.
 - ◆ Continued compliance with OSHA/Injury Illness Prevention Program (IIPP) requirements and employee safety programs.
 - ◆ Continued Safety Meeting coordination and support; maintained and revised office and vehicle safety documentation; maintained IIPP pursuant to OSHA requirements; maintained inventory of SAWPA wear and safety equipment.
 - ◆ Developed and implemented a Workplace Violence Prevention Plan; provided staff with training.
 - ◆ Secured grant funding and began planning SAWPA's Wellness Room, including staff input via surveys and coordination with a vendor to design the space.
 - ◆ Maintained the Department of Motor Vehicles (DMV) Employee Pull Notice Program for key driving positions.
 - ◆ Maintained DMV registration of all agency vehicles.
 - ◆ Managed coordination and communication with facilities maintenance and janitorial vendors to ensure timely and effective upkeep of SAWPA facilities.
 - ◆ Supported the building remodel project by coordinating schedules, managing vendor communications, overseeing workspace planning, and ensuring minimal disruption to daily operations.

- Procurement & Contracts
 - ◆ Managed procurement processes in support of agency projects, ensuring compliance with policy and procurement best practices.
 - ◆ Coordinated competitive solicitations through PlanetBids and maintained contract and insurance documentation.
 - ◆ Supported Finance through purchase order processing and vendor invoice resolution.
 - ◆ Coordinated with various contractors and suppliers to obtain numerous quotes and subsequent purchases in support of field operations.
 - ◆ Prepared General Service Agreements, Task Orders, Works Orders, Change Orders; Purchase Orders; obtained and tracked applicable insurance documentation.
 - ◆ Coordinated public hearings and ensured timely publication of all required notices.
 - ◆ Procured office furniture and equipment, verifying vendor accuracy and delivery.
 - ◆ Managed procurement of office supplies, safety equipment, hardware, tools, business cards, letterhead, awards, and plaques.
 - ◆ Collaborated monthly with Finance to support accounts payable processes, including follow-up with vendors on invoice or quote discrepancies.

- Legislative Efforts
 - ◆ Coordinated legislative calls with lobbying firms and supported agency advocacy efforts.
 - ◆ Prepared agendas and managed scheduling for weekly and bi-weekly legislative conference calls.

- Communications, Outreach, Marketing
 - ◆ Continued to expand SAWPA's communications presence through enhanced social media strategy, targeted e-newsletters, and increased use of digital analytics.
 - ◆ Continued to develop new outreach materials, brochures, and digital campaigns for programs including CARP and Brine Line.
 - ◆ Continued to work on the re-design of the existing Brine Line brochure.
 - ◆ Developed watershed map for installation throughout watershed.
 - ◆ Developed and installed new SAWPA Garden signage.
 - ◆ Organized and hosted tours, events, and public engagement opportunities.

- ◆ Increased use of multimedia formats (graphics, video, digital content) to strengthen stakeholder engagement.
- ◆ Developed and implemented new templates to support consistency of the SAWPA brand.
- ◆ Managed internal and external events including, 50th anniversary, new SAWPA apparel, tabling at public events, and speaking engagements.
- ◆ Successfully hosted the “Women in Water” event, fostering robust discussion on conflict management, while achieving strong participation and engagement.

Salary and Benefit Costs

<i>Account Information</i>	<i>FYE 2025 Budget</i>	<i>FYE 2026 Budget</i>	<i>% Inc/ (Decr)</i>	<i>FYE 2027 Budget</i>	<i>% Inc/ (Decr)</i>
Salaries and Benefits	\$945,859	\$1,185,263	(25.3%)	\$1,256,788	6.0%

Core Activities

The ASD exists to support the business-related functions of SAWPA in relation to its member agencies, governmental and watershed-wide partnerships, and other stakeholder efforts. The core activities of the department for FYEs 2026 and 2027 include:

- Administrative and Project Support:
 - ◆ Provide administrative/project management support to the SAWPA Commission, JPA, and agency-wide departments.
 - ◆ Support Pretreatment Program administration and compliance.
 - ◆ Coordinate outreach efforts, including OWOW/IRWMP, Proposition 1 and Proposition 84 administrative support, and other collaborative stakeholder and roundtable initiatives.
 - ◆ Streamline policies and procedures and reorganize shared drives and e-spaces to create a more efficient and accessible system. Enhance internal communications to ensure timely, clear, and consistent information flow across all departments.
- Committee and Task Force Support:
 - ◆ OWOW Steering Committee.
 - ◆ PA 22 Committee – Drought Response Grant Program.
 - ◆ PA 23 Committee – SARCCUP.
 - ◆ PA 24 Committee – Brine Line.
 - ◆ RWQ Monitoring Task Force.
 - ◆ Emerging Constituents Task Force.
 - ◆ Basin Monitoring Program Task Force.
 - ◆ Imported Water Recharge Technical Committee.
 - ◆ MSAR TMDL Task Force.
 - ◆ LESJWA Board.
 - ◆ Lake Elsinore and Canyon Lake TMDL Task Force.
 - ◆ Lake Elsinore and Canyon Lake Technical Advisory Committee.
 - ◆ SAR Fish Conservation Task Force.
 - ◆ Forest First Program.
 - ◆ Santa Ana River Parkway Trail.
 - ◆ Other Ad Hoc committees or initiatives as needed.
- Contract and Compliance Administration:
 - ◆ Contract administration and coordination.
 - ◆ Fair Political Practices Commission (FPPC) filings.
- Records Management:
 - ◆ Maintain electronic and hard-copy records, including indexing, filing, and OnBase Records Management System administration.

- ◆ Manage onsite/offsite archival records and process public information requests.
- Human Resources:
 - ◆ Oversee HR functions across the full employee lifecycle, including recruitment and onboarding, policy development and implementation, benefits administration, employee relations, performance management, professional development, and offboarding.
- Information Technology Support:
 - ◆ Provide website support and coordination, graphics support, Zoom phone system and conferencing, and other IT assistance as needed.
- Facilities and Safety:
 - ◆ Manage facilities maintenance, including landscaping, building maintenance, and security improvements.
 - ◆ Maintain SAWPA's Sustainable Landscaping Garden.
 - ◆ Finalize the Wellness Room, creating a functional and inviting space that supports staff well-being.
 - ◆ Monitor and coordinate staff safety training and compliance with safety regulations.
- Public Information, Outreach, and Marketing:
 - ◆ Support agency communications, marketing, and event coordination.
 - ◆ Develop outreach materials, digital campaigns, and stakeholder engagement initiatives.
- Procurement and Inventory Management:
 - ◆ Procure office supplies, equipment, furniture, and other materials.
 - ◆ Maintain office inventory and coordinate vendor services.

Group Goals and Objectives for FYEs 2026 and 2027

- Provide high-quality administrative and project management support to the SAWPA Commission, JPA, agency departments, and stakeholder outreach efforts.
- Continue cross-training administrative staff to maintain flexibility in coverage and ensure seamless departmental support.
- Develop and implement a comprehensive Communications Plan and Style Guide to strengthen agency messaging and stakeholder engagement.
- Complete the Lobby Security Improvements Project, including upgrades to comply with the Americans with Disabilities Act (ADA).
- Refresh SAWPA landscaping and irrigation systems to enhance sustainability and facility aesthetics. Develop and issue an RFP to solicit proposals from potential contractors for landscape management.
- Create a comprehensive Human Resources Manual including policies, procedures, and guidelines to support the transition of HR functions in-house.
- Develop and expand Employee Training Programs for safety, onboarding, professional development, and ongoing HR education through platforms like Target Solutions.
- Promote awareness and utilization of SAWPA employee benefits and programs.
- Cultivate employee engagement through internal programs, recognition, and professional development opportunities.
- Enhance OnBase Data Management System usage and workflows to improve document access, tracking, and efficiency.
- Update and streamline contract administration procedures to improve efficiency and compliance.
- Continue implementing the Retention and Destruction of Agency Records Policy, ensuring compliance and operational efficiency.
- Maintain and strengthen agency-wide transparency, including reviewing and updating open governance policies and supporting Finance in obtaining Special District Leadership Foundation (SDLF) transparency certification.

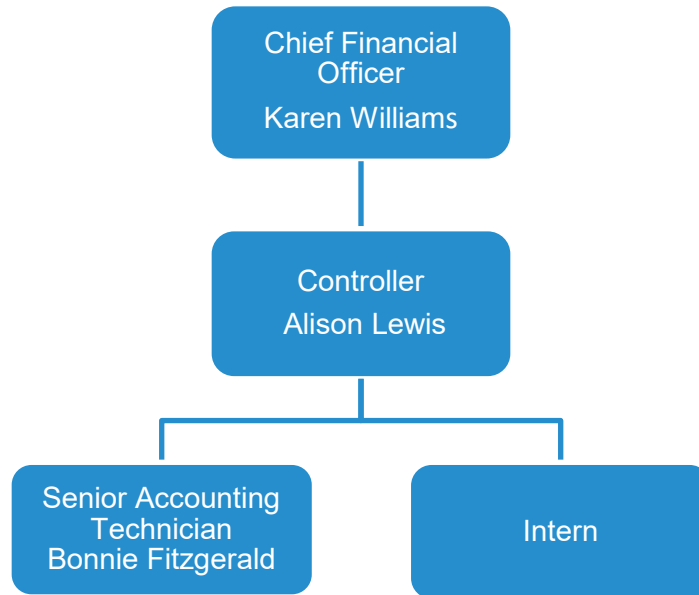
- Review and update policies and procedures to ensure compliance with current legislation, FPPC requirements, and Conflict-of-Interest laws.
- Support strategic HR initiatives, including bringing HR functions fully in-house, modernizing systems, and improving internal HR services for employees.
- Begin initiatives aimed at enhancing organizational culture and employee experience to position SAWPA for recognition as a Top Workplace.

Staff Additions Needed for FYEs 2026 and 2027

An Administrative Assistant II position was added in FYEs 2026 and 2027. The Clerk of the Board position was changed to the Administrative Services Supervisor, and the Executive Assistant II position was changed to the Senior Administrative Services Specialist.

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Finance



Summary Information

Existing Staff – 3 FTE

- 1 – Chief Financial Officer
- 1 – Controller
- 1 – Senior Accounting Technician
- 1 – Intern

Mission

Perform the Agency's accounting and treasury functions, manage the Agency's debt and assets, and provide financial planning and accountability.

Accomplishments for FYEs 2024 and 2025

- Worked with a consultant to document our procedures and use of our financial software Great Plains (GP) as we move forward in seeking a replacement system.
- Submitted FYE 2023 and FYE 2024 Annual Comprehensive Financial Report (ACFR) to the Government Finance Officers Association (GFOA) and received the Certificate of Achievement for Excellence in Financial Reporting.
- Completed financial Audit for FYE 2023 and FYE 2024.
- Completion and approval of FYEs 2026 and 2027 Budget.
- Received the GFOA's Distinguished Budget Presentation Award for the FYEs 2024 and 2025 Budget.
- Updated Statement of Investment Policy.

Objectives for FYEs 2026 and 2027

- Build and strengthen internal accounting controls in the Agency's processes and procedures.
- Review and update the Procurement Policy, if needed.
- Assist with the Brine Line business plan and rate model update.
- Assist in the development of a long-term financial plan for SAWPA.

- Continue to update and refine the 5-Year Financial Model.
- Provide meaningful monthly financial reports for all levels of management, including the Board of Commissioners.
- Streamline processes and procedures for increased efficiency and document all procedures.
- Increase investment earnings potential.

Salary and Benefit Costs

<i>Account Information</i>	<i>FYE 2025 Budget</i>	<i>FYE 2026 Budget</i>	<i>% Inc/ (Decr)</i>	<i>FYE 2027 Budget</i>	<i>% Inc/ (Decr)</i>
<i>Salaries and Benefits</i>	\$843,930	\$802,619	(4.9%)	\$898,669	12.0%

Core Activities

The Finance Department is primarily responsible for all the Agency's accounting and treasury functions as well as working with various internal and external groups and agencies. The core activities of the group are:

- Process the Agency's accounts payables and accounts receivables functions including the preparation of all vendor 1099s at year-end.
- Maintain and update the general ledger.
- Administer and process the Agency's payroll function, including the process and payment of related payroll tax payments, employee retirement and benefits payments, and any other employee-related costs administered through the payroll function. This also includes the preparation of the Agency's quarterly and year-end tax reporting and W-2s for all employees.
- Benefit Administration.
- Prepare quarterly reporting of the General Manager's and all employee's travel and expenses.
- Prepare monthly/quarterly reporting of consulting expenses.
- Monitor, track, execute, and complete all grant billings for Proposition 1 and 84; State; Federal; and other grant funding.
- Prepare all billings for member and other agency contributions.
- Prepare all Brine Line Enterprise billings and provide analysis on the operations to all levels of management.
- Provide budget versus actual variance reporting to all levels of management on a monthly basis for all project costs including labor.
- Report, on a monthly basis, Inter-Fund Loan transactions and balances and annually summarize transactions for the year.
- Report on all open consulting contracts including contract amount, amount paid to date, and amount remaining for distribution to all levels of management including the Board of Commissioners.
- Monitor and manage the Agency's cash and investments daily to meet Agency needs, including periodic review and update of the Agency's Investment Policy.
- In conjunction with our investment firm, monitor, track, and manage all the Agency's investments including LAIF and securities to maximize earnings, at a reasonable risk, consistent with the Investment Policy.
- Monitor, track, and manage the Agency's debt service payments.
- Monitor, track, and maintain the Agency's reserve funds, and update the Agency's reserve policy as necessary.
- Prepare Agency's fiscal year budget for review and approval by member agencies.
- Complete quarterly FPPC reporting.
- Prepare all year-end schedules for the external independent auditor prior to the beginning of the audit work.
- Work with external independent auditors to complete the Agency's annual audit, single audit (as necessary), and work with outside agency auditors to fulfill any necessary audit requirements.
- Provide project accounting analysis for all the Agency's capital projects, and work with all project managers to ensure that all project costs are properly accounted for and are within the project budget.
- Manage the Agency's fixed assets and verify proper accounting of depreciation and amortization.
- Provide accounting and administrative services for LESJWA.

- Maintain electronic filing system of accounting records in OnBase.
- Coordinate with member agencies' Chief Financial Officers.
- Insurance and Risk Management.

Group Goals for FYEs 2026 and 2027

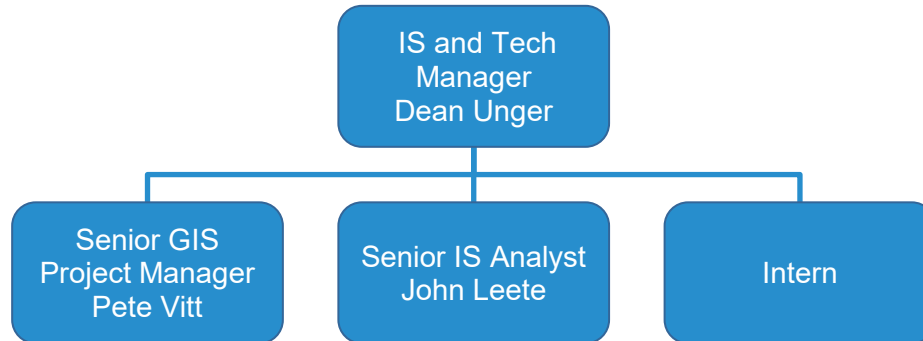
- Complete required actuarial evaluation for compliance with GASB 45, 72, and 75 *Accounting and Financial Reporting by Employers for Post-employment Benefits Other Than Pensions*.
- Comply with GASB 68 *Accounting and Financial Reporting for Pensions*.
- Comply with GASB 87 *Leases*.
- Implement GASB 96 *Subscription-Based Information Technology Arrangements*.
- Submit FYEs 2026 and 2027 Budget to the GFOA's Distinguished Budget Presentation Awards Program.
- Submit FYE 2025 and FYE 2026 ACFR to the GFOA's ACFR Award Program.
- Continue to cross-train staff in all accounting positions to provide better coverage, and to strengthen internal accounting controls with the ability to rotate staff in certain functions.
- Improve reporting and project accounting analysis for all the Agency's capital projects, and work with all project managers to ensure that all project costs are properly accounted for and are within the project budget.
- Through the RFP process, select a replacement for our financial software system Great Plains and implement the new system.
- Financial analysis and reporting – create meaningful monthly financial reports to all levels of management including the Board of Commissioners.
- Improve the quarterly reporting of budget versus actual variances to the Board of Commissioners.
- Improve the quarterly financial reporting format for the Commission Workshop.
- Update the SAWPA 5-Year Financial Model.
- Implement Brine Line rate changes and BOD/TSS allocation.
- Implement the Brine Line Long Range Financial Plan.
- Improve investment earnings through use of an Asset Management firm.

Staff Additions Needed for FYEs 2026 and 2027

This budget includes the promotion of Deputy General Manager/Chief Financial Officer to General Manager/Chief Financial Officer. No additional staff are proposed for FYEs 2026 and 2027.

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Information Systems and Technology



Summary Information

Existing Staff – 3 FTE

- 1 – Information Technology Manager
- 1 – Senior GIS Project Manager
- 1 – Senior IS Analyst
- 1 – Intern

Mission

The mission of the Information Systems (IS) & Technology Department includes:

- Provide and maintain information that SAWPA Commissioners and staff will need in an efficient and reliable way.
- Provide and maintain systems that allow SAWPA Commissioners and staff to work as efficiently and effectively as possible.
- Provide and maintain technology that enhances internal and external communications (including member agencies, other stakeholders, and the public).

Accomplishments for FYEs 2024 and 2025

- Located and ordered SAWPA kiosk.
- Upgraded all personal computers (PC) to Windows 11.
- Completed OnBase workflow forms.
- Supported meeting rooms refresh with NeatBar camera installation including new wiring and central mounting location.
- Moved PDK access control to Verkada Security Camera System.
- Negotiated new 3-year phone/video contract with Zoom.
- Designed and managed technology portion of Proposition 1 landscape version 2.
- Incorporated new SAWPA GIS inspection disconnect abilities.
- Incorporated new Dig Alert printed contracts and updated to latest version of software.
- Continued improvements in SAWPA's hardware, software, and systems to maximize staff efficiency.
- Assisted with improvements in Brine Line operations and business plan implementation, including improved data management and analysis.
- Integrated web GIS capabilities into more projects.
- Provided support for other Engineering & Operations, and Planning department projects.

Objectives for FYEs 2026 and 2027

- Acquire new VmWare hosting licenses for servers and hosts.
- Upgrade server operating systems (OS) to match new version for SAWPA applications.
- Negotiate new 3-year phone/video contract with Zoom.
- Upgrade cybersecurity software.
- Add Gate to Verkada Security and Video Camera System.
- Support lobby refresh project with kiosk and security fob readers.
- Design and manage technology portion of Proposition 1 landscape version 2.
- Incorporate new Dig Alert features with updates.
- Continuous improvements in SAWPA's hardware, software, and systems to maximize staff efficiency.
- Assist with improvements in Brine Line operations and business plan implementation, including improved data management and analysis.
- Integrate web GIS capabilities into more projects.
- Provide support for other Engineering & Operations, and Planning department projects.

Salary and Benefit Costs

Account Information	FYE 2025 Budget	FYE 2026 Budget	% Inc/ (Decr)	FYE 2027 Budget	% Inc/ (Decr)
Salaries and Benefits	\$776,699	\$798,427	2.8%	\$859,681	7.7%

FYEs 2026 and 2027 New Initiatives/Programs

- Issue RFP for GP Finance system replacement.
- Provide Finance with support to implement new Finance system.
- Replace cloud firewall with Cloudflare and add Cloud domain name system (DNS) services.
- Improve cyber security measures with updated desktop hardware and OS.
- Provide IT support for IPACS system replacement.
- Replace PDK access control with Verkada supported system.
- Review Zoom contract and determine the best fit for video/chat software.
- GIS and web support for Planning and Engineering & Operations.
- Support the cloud seeding pilot program.
- Support Planning's CARP effort by data, GIS and technological solutions.
- The department will support technological components of other Engineering & Operations Department initiatives such as:
 - ◆ Brine Line drone acquisition;
 - ◆ Brine Line Dig Alert system;
 - ◆ Brine Line maintenance management system;
 - ◆ Pipeline cleaning mapping and data management;
 - ◆ Portable flow meter data management and analysis;
 - ◆ Continue CCTV results mapping and data management;
 - ◆ Streamlining Brine Line billing data input;
 - ◆ Development of Brine Line graphical reports;
 - ◆ Data retrieval/management of Brine Line discharge flow meter data loggers;
 - ◆ Support of hydraulic model and Capacity Management Plan analysis (updates as needed);
 - ◆ GPS support to locate Brine Line facilities; and
 - ◆ Updates to Brine Line record drawings.

Core Activities

The IS & Technology Department is responsible (either directly, or in support of other departments) for many of SAWPA's day-to-day operations as well as providing the lead role or support on Agency projects. These responsibilities are summarized below.

Information Systems

- Computer network, servers, network communications, and hardware/software.
- Staff (end-user) workstations and laptops (hardware and software).
- Support computers (security, phone system, etc.).
- Printers, copiers, scanners, and associated peripherals.
- Purchase of new equipment and surplus/disposal of old equipment.
- Software purchasing/software maintenance agreements.
- Security as related to information systems.
- Backup and disaster recovery.
- Business resumption for SAWPA office facility.
- Planning new initiatives to support SAWPA needs.

Information Technology/Data Management

- Manage Agency GIS (software and data).
- Use/maintenance of structured query language (SQL) Server software for data management and applications support.

Cross-Department Interface

- Support of Brine Line technology needs.
- Support of other SAWPA projects with GIS, data management, and other technological needs.
- Support Finance Department with accounting software platform and needs.
- Work with other departments on all technology issues, activities, and solutions.
- Identify and provide technological solutions to improve efficiency and effectiveness.
- Use programming tools to provide and maintain new tools for SAWPA staff to better perform their tasks.
- Establish and maintain training systems for staff.

Communications

- Management of SAWPA phone system and teleconference bridge.
- Management of cell phones and mobile email systems.
- Management of internet connection.
- Management of email, scheduling, and related tasks.
- Coordination of technology efforts with member agency technology staff.

Records Management

- In coordination with the ASD, develop and maintain SAWPA records information management (RIM) system.
- In coordination with the ASD, develop and maintain an off-site storage process for original documents with historic or vital status in a controlled environment.
- Provide training to staff to support document upload and retrieval.
- Provide and maintain automated systems to support the electronic commission package process.

Public Information

- Management and maintenance of SAWPA website. Update the site as needed and provide new features/capabilities as necessary. Work with the Senior Communications Specialist.

Other

- Provide non-technology staff support to other departments (e.g., data analysis, preparation of presentations, technical writing, document review, etc.) as needed.
- Perform other duties as required.

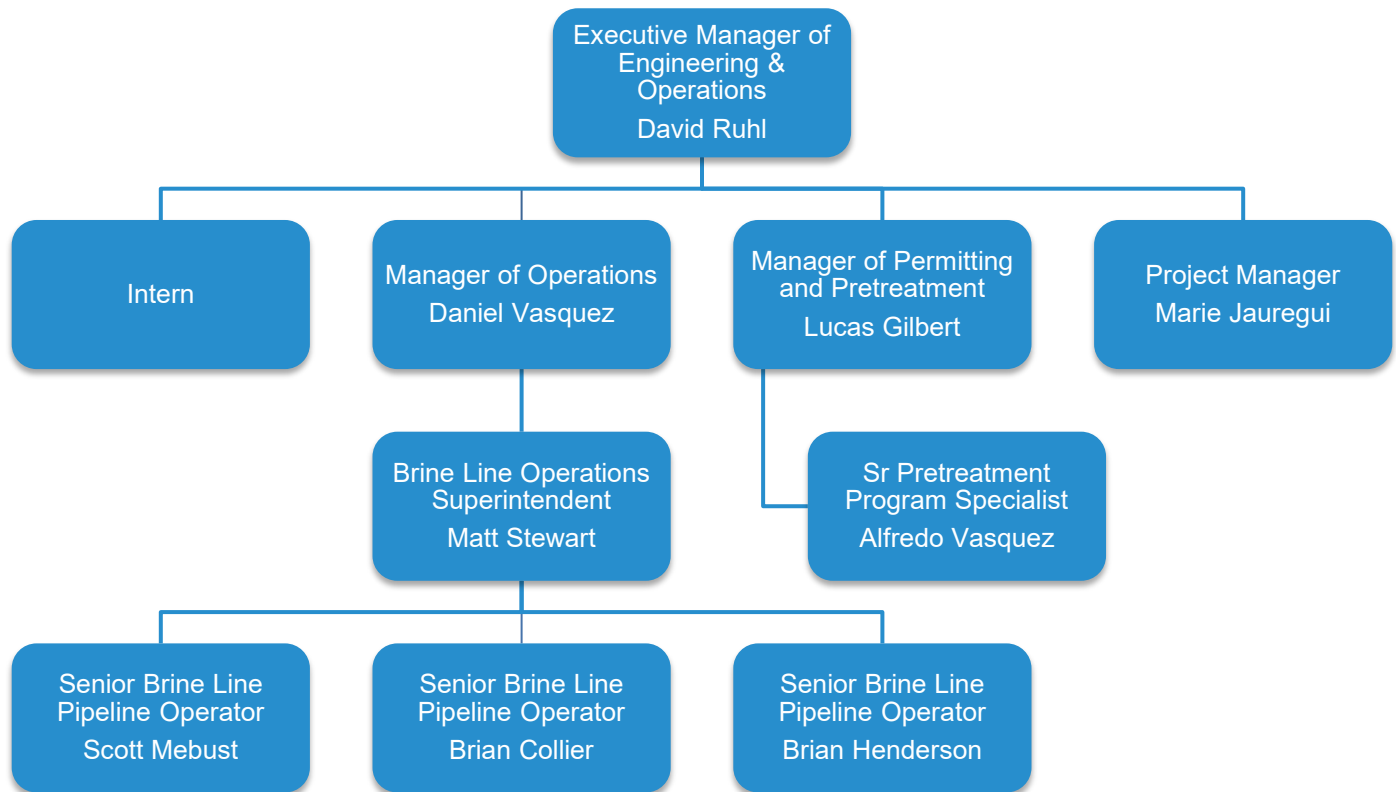
Group Goals for FYEs 2026 and 2027

- Continuing improvement in IT Documentation.
- Integrate new GIS Intern.
- Cross training of individual staff in the department.
- Continuing identification and implementation of ways to support the Commission and other departments in improving efficiency and effectiveness.

Staff Additions Needed for FYEs 2026 and 2027

No additional staff are proposed for FYEs 2026 and 2027.

Engineering and Operations



Summary Information

Existing Staff – 8 FTE

- 1 – Executive Manager of Engineering and Operations
- 1 – Manager of Permitting and Pretreatment
- 1 – Senior Pretreatment Program Specialist
- 1 – Manager of Operations
- 1 – Brine Line Operations Superintendent
- 3 - Senior Brine Line Pipeline Operator
- 1 – Intern

Mission

Manage the operation, maintenance, and repair of the Brine Line and the associated CIP. Implement the Proposition 84 grant funding program consisting of up to one round of projects and the Proposition 1 grant funding program consisting of up to two rounds of projects.

Accomplishments for FYEs 2024 and 2025

Engineering

- Completed the Brine Line Master Plan effort to identify the current capacity of the Brine Line system, identified system deficiencies, developed system improvements and updated and calibrate the Brine Line hydraulic model. In addition, the Master Plan identifies potential capacity management activities to maximize regional use of the Brine Line and to identify existing dischargers and the potential regional market for future dischargers.
- Completed a Discharger Lease Agreement with the City of Beaumont to lease 30,000 gallons per day of Brine Line capacity.
- Completed an agreement to purchase treatment and disposal capacity rights with San Bernardino Valley Municipal Water District for 0.505 million gallons per day of capacity.
- Issued RFP for SCADA Work Plan.
- Completed design of lobby security improvements, received bids and awarded construction contract.
- Updated Brine Line reserve targets based on methodology outlined in Reserve Policy.
- Continued to coordinate efforts and represent SAWPA's interests with OC San through the Joint Policy Committee and the Joint Operations Committee.

CIP Projects

- Completed the Reach IV-B Field Inspection Plan Findings and Rehabilitation Recommendations Report.
- Conducted the Reach IV condition assessment field inspection work.
- Completed the Reach IV Field Inspection Plan Findings and Rehabilitation Recommendations Report.
- Conducted the Reach IV-D condition assessment field inspection work.
- Completed the Data Analysis and Summary Report for the Reach IV-D Work Plan Mid-Term Inspections.
- Completed construction of the Agua Mansa Lateral.
- Updated the 10-year Capital Improvement Plan.

Permitting and Pretreatment

- Continued to implement the SAWPA Pretreatment Program (PTP). Performed 64 on-site discharger inspections, 71 monitoring (or sampling) events at discharge locations, 60 monitoring (or sampling) events at the SARI Metering Station, issued 22 new permits, and reissued 27 existing permits. Issued 11 liquid wastehauler permit amendments and 1 discharge amendment.
- Submitted 28 reports (Monthly, Quarterly, Semi-Annual and Annual) to OC San detailing pretreatment program activities and industrial compliance.
- Conducted and completed individual agency audits. Prepared individual agency audit reports with no major findings identified.
- Prepared and implemented a monitoring plan as part of the solid's imbalance review and billing formula update.
- Issued RFP for data management software (DMS) for the pretreatment program.

Operations and Maintenance

- Prepared RFP and awarded contracts for on-call line services for various activities on the Brine Line.
- Prepared RFP and awarded contract for an audit of the Sewer System Management Plan (SSMP).
- Completed the audit of the SSMP. Implemented findings and recommendations from the audit.
- Updated the Spill Emergency Response Plan (SERP) and conducted a workshop for staff and Member Agencies.
- Received and reviewed Dig Alert tickets marked Brine Line locations in the field, and met with contractors working in close proximity to the Brine Line.
- Completed a license agreement with AT&T to install a telecommunications conduit on SAWPA's property on Reach IV as part of the Santa Ana River Trail Project.
- Completed purchase of Brine Line equipment (new vehicle, dump trailer and mini excavator).

- Received and reviewed 1,778 USA Dig Alert tickets.
- Installed four new frames and cover assemblies on Reach IV-A upper and six new frames and cover assemblies on Reach IV-D.
- Completed over 50,000 feet of right-of-way maintenance.
- Inspected 98 Maintenance Access Structures (MAS) on the Brine Line.
- Rehabilitated 8 MAS on Reach IV, IV-A Upper and IV-D.
- Maintained Brine Line Operations Center (BLOC).
- Maintained air release and vacuum valves on Reach IV-B and Reach V.
- Completed inspection of 57,000 linear feet of pipeline on the Brine Line.
- Completed line cleaning 60,000 linear feet of pipeline on the Brine Line.
- Continued periodic siphon cleaning program for system siphons.
- Continued to implement the SSMP.

Implementation of Grant Programs

- Processed grant invoices, prepared reports, coordinated with member agencies, project proponents, and Department of Water Resources, and conducted quality assurance site visits.

Objectives for FYEs 2026 and 2027

Engineering

- Continue to maintain/grow partnership with OC San through the Joint Operations Committee and Joint Policy Committee.
- Implement studies and projects as recommended in the Brine Line Master Plan.
- Continue to implement the Lease Capacity Pool Program and develop Discharge Lease Agreements as needed.
- Coordinate with agencies and developers on review of infrastructure plans with potential to impact the Brine Line.
- Convert hydraulic model to new modeling software.

CIP Projects

- Reach IV-B MAS. Add up to two MAS to provide access for inspection, cleaning and minor repairs.
- Reach IV-E Mainline Valve. Added new valve to facilitate inspection, cleaning, minor repairs and emergency bypass on Reach IV-E.
- Collection of real-time flow and quality information (SCADA System). Install SCADA system at existing discharge sites and five in-line monitoring sites.
- Reach IV-E Condition Assessment. Conduct pipeline and condition assessment on Reach IV-E siphon.
- Reach IV B Condition Assessment. Conduct pipeline and condition assessment on portion of Reach IV-B.
- Reach IV-D Corrosion Repairs / Euclid Bridge Project. Relocation of 1 mile of Reach IV-D due to City of Chino Euclid Avenue Bridge.
- Miscellaneous capital repairs based on system wide pipes and MAS inspections.

Permitting and Pretreatment

- Continue to implement the permitting and pretreatment program per existing and new OC San requirements.
- Update Ordinance No. 9 with comment from OC San, conduct public hearing, and adopt Ordinance No. 9.
- Update the Policies and Procedures documents and submit draft to OC San for review and finalize program documents.
- Implement new document management software (DMS).
- Implement audit of SAWPA's pretreatment program and implement program efficiencies.
- Continue monitoring at the OC San SARI Metering Station for the purpose of billing between SAWPA and OC San.

Operations and Maintenance

- Operate system in accordance with the SSMP and update SSMP as required.

- Work to minimize the risk of Brine Line spills from a variety of causes (system operations, actions of others working around pipe, natural disaster, etc.).
- Continue to refine operations and maintenance activities to improve system performance and efficiency.
- Perform O&M activities including utility markings, coordination with developers and public agencies working near the Brine Line, valve maintenance, support of line cleaning, potholing, and routine system inspections.
- Evaluate agency/developer requests working in close proximity to the Brine Line.
- Respond to urgent and emergency repair requirements identified by CCTV and MAS inspections.
- Continue to evaluate methods to control the formation of scale and suspended solids in the pipe.
- Continue annual pipeline cleaning and CCTV inspection program.

Implementation of Grant Programs (Proposition 1 and 84)

- Implement the program in accordance with the contract requirements.
- Request State approval of revised project scope of work requirements and timelines when necessary.
- Complete reports and other deliverables in accordance with the contract requirements.
- Request time extensions when required by the constructing agency.

Salary and Benefit Costs

<i>Account Information</i>	<i>FYE 2025 Budget</i>	<i>FYE 2026 Budget</i>	<i>% Inc/ (Decr)</i>	<i>FYE 2027 Budget</i>	<i>% Inc/ (Decr)</i>
Salaries and Benefits	\$2,127,510	\$2,101,680	(1.2%)	\$2,267,241	7.9%

Core Activities

The Engineering & Operations Department is primarily responsible for the following:

- Planning – quality, quantity projections, system finances (O&M, capital).
- Capital Improvement Program – design and construction.
- Capital repairs (based upon MAS and CCTV pipe inspections, other).
- Capacity Management.
- Sampling and monitoring programs.
- Inspections and enforcement.
- Permitting and pretreatment.
- OC San coordination.
- Coordination/review of development plans (facility construction around Brine Line).
- Emergency discharges – coordinate with OC San and issue letter to discharge.
- Brine Line Protection/Relocation in Riverside and San Bernardino Counties.
- Hydraulic Model. Maintain (calibration) computer model. Perform calculations to evaluate the system and impacts of non-routine discharges.
- Operations including maintaining information on system configuration (a/v, MAS lid opened/closed) maintaining system, data and information, invoicing.
- Data collection and analysis.
- Update SSMP as required, including the Spill Emergency Response Plan.
- Maintain record data for system facilities – (blow-offs, air-vacs, etc.).
- Utility markings (Underground Service Alert).
- Right-of-way maintenance.
- Reading, calibrating, and maintaining SAWPA owned flow meters.
- Facility maintenance.
- SAWPA Building improvements and repairs.

Grant Programs

- Maintenance of procedures document including Quality Assurance program. Implementation including checklist completion for deliverables and invoice packages.
- Reporting and invoicing.

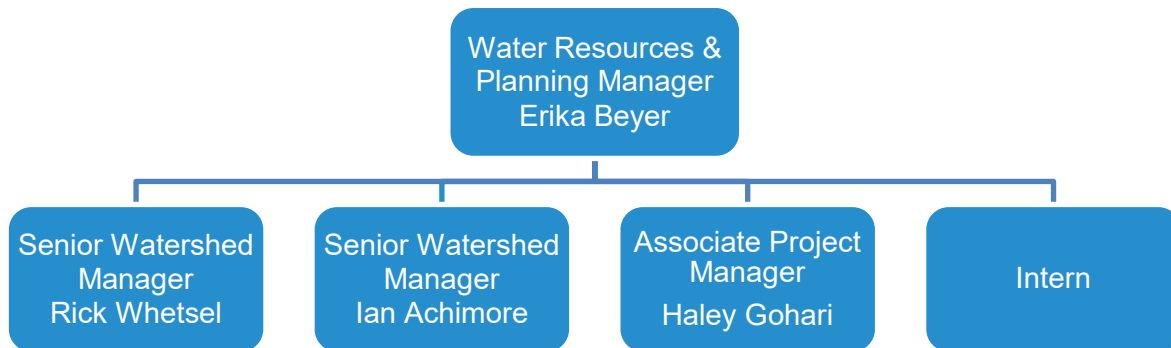
- Site visits.
- Completion of contract deliverables; submittal to DWR.
- Contract closeout.
- Prepare for Department of Finance Audit.

Staff Additions Needed for FYEs 2026 and 2026

The Pre-Treatment Program Specialist position was eliminated from the FYEs 2026 and 2027 budget. No additional staff are proposed for FYEs 2026 and 2027.

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Water Resources and Planning



Summary Information

Existing Staff – 4 FTE

- 1 – Water Resources & Planning Manager
- 2 – Senior Watershed Managers
- 1 – Associate Project Manager
- 1 – Intern

Mission

Support SAWPA member agencies and watershed stakeholders in regional and watershed planning functions.

Accomplishments for FYEs 2024 and 2025

OWOW

- Continued work to implement projects to support small water systems serving disadvantaged communities within the Santa Ana River Watershed through a \$5.0 million set-aside for Disadvantaged Communities through the Multi-benefit Drought Relief Grant program.
- Continued work on the SARCCUP, a member agency-led conjunctive use water storage project that will store up to approximately 137,000 acre-ft (AF) of water for use in dry periods, depending on hydrology. Completed the SARCCUP water conservation portion called Water Efficiency Budget Assistance through partnership with eight retail water agency partners.
- Continued working with the U.S. Bureau of Reclamation (BOR) to implement the Proposition 1 Round 1 funded Enhancements to Watershed-Wide Water Budget Decision Support Tool project. In FYE 2025, the BOR finalized the imagery analysis to identify, and measure irrigated and irrigable outdoor landscape for retail water agency service areas located in the upper watershed and portion of the Santa Margarita Watershed.

- Continued to lead the procurement of facilitation support services for the IRWM Roundtable of Regions, which is a coalition of IRWM regions across the State that work with DWR on IRWM and to promote and support IRWM statewide.
- Continued working with the City of Riverside on Phase 3 of SAWPA's WECAN program through the City's TCC Program Grant awarded SGC. Accomplishments included removing over 22,000 square feet of turf and replacing it with drought-tolerant landscaping, executing amendments for the grant agreement, increasing outreach and engagement in the community to encourage resident participation, and providing detailed observations to the City of Riverside and the SGC about program progress and implementation obstacles.
- Implemented one-year of the Santa Ana River Watershed Cloud Seeding Pilot Program. Provided results to the SAWPA Commission and stakeholders in Spring/Summer 2025.

Stakeholder Partnering (Roundtables)

- Completed and submitted the FYEs 2024 and 2025 Santa Ana River Regional Bacteria Monitoring Program annual reports as required under the Regional Water Quality Monitoring Program Task Force agreement among SAWPA, the Regional Board, and the three flood control districts in Orange, San Bernardino, and Riverside Counties.
- Completed and submitted the FYE 2024 and 2025 Lake Elsinore and Canyon Lake TMDLs Compliance Monitoring Program annual reports as required by the 2004 Lake Elsinore and Canyon Lake TMDLs.
- Worked with Regional Board staff to revise the Lake Elsinore and Canyon Lake Nutrient TMDLs Technical Report and prepare language for the Basin Plan to amend the Lake Elsinore and Canyon Lake Nutrient TMDLs.
- Implemented the updated surface water monitoring and groundwater monitoring work plans for the Basin Monitoring Program Task Force.
- Completed annual habitat survey for the threatened fish species, Santa Ana sucker fish, known as the Riverwalk, the longest running and largest voluntary annual habitat assessment conducted in southern California for an aquatic species.
- Successfully implemented two alum applications in both FYEs 2024 and 2025, in Canyon Lake to reduce the phosphorus content, reduce algae, and help meet the TMDL targets for the lake water quality. Results over the past 12 years of alum applications show significant improvements in water clarity, decreased algae, and increased oxygen levels in Canyon Lake.
- Completed Phase 2 of the PFAS Regional Analysis for the Upper Santa Ana River Watershed.

Objectives for FYEs 2026 and 2027

- Manage the PFAS Phase 3 Study and administer the workgroup of SAWPA member agencies and Orange County Sanitation District.
- Support disadvantaged community projects through the finalization of the \$5.0 million Multi-benefit Drought Relief Grant program by March 31, 2026.
- Provide representation of SAWPA interests through membership in the Southern California Salinity Coalition, Multi-State Salinity Coalition, Roundtable of IRWM Regions, and the State-wide Planning Guidelines Update's Water Advisory Group.
- Complete the implementation and close-out of Phase 3 of the WECAN program in the City of Riverside's TCC grant program. Once the current phase is completed, SAWPA staff will continue to search and identify potential applications of the WECAN program ideals in areas of need across the Watershed.
- Implement Emerging Constituents Program Task Force public relations program focused on safety and reliability of tap water. Continue the use of short videos, succinct blog posts, and social media to disseminate information to the public regarding the safety and quality of drinking water from the tap.
- Implement the small-scale strategic plan with Emerging Constituents Program Task Force members to receive input on any possible future tasks/deliverables for the Task Force.
- Complete the Annual Santa Ana River Water Quality Reports for the Basin Monitoring Program Task Force.
- Finalize the Santa Ana River Reach 3 Total Dissolved Solids Study, including managing the consultant's outreach to treatment plants regarding their flow and water quality data.

- Finalize the SAWPA's Proposition 1 IRWM Round 1 grant funded enhancements to Watershed-Wide Water Budget Decision Support Tool to support retail water agencies through the SAWPA PA 22 Committee.
- Continue support of the SARCCUP planning team, administer contract with SARCCUP program manager, and administer implementation of SARCCUP through SAWPA PA 23 Committee. Complete the \$55.0 million grant-funded SARCCUP by June 2026 with the submission of project completion reports to the Department of Water Resources.
- Facilitate and administer existing task forces to reduce costs and address regional impacts. Identify new areas where regional efforts could be conducted in a collaborative manner, with Member Agencies and impacted watershed stakeholders. Some workgroup examples could include climate, stormwater, nature-based solutions, data management, and other areas that could enhance natural resource management in the Santa Ana River Watershed.
- Continue to provide administrative support to SAWPA roundtable groups and LESJWA to accomplish required tasks and provide necessary deliverables.
- Increase regional awareness of water resource needs by providing coordination support of water quality and water resources issues among SAWPA member agencies, Metropolitan Water District of Southern California (MWDSC), and other entities.
- Continue with the development and implementation of the CARP, funded by the Integrated Climate Adaptation and Resilience Planning (ICARP) Grant Program for the development of a Santa Ana River Watershed CARP.

Salary and Benefit Costs

<i>Account Information</i>	<i>FYE 2025 Budget</i>	<i>FYE 2024 Budget</i>	<i>% Inc/ (Decr)</i>	<i>FYE 2025 Budget</i>	<i>% Inc/ (Decr)</i>
Salaries and Benefits	\$833,062	\$1,033,521	24.1%	\$1,107,300	7.1%

Core Activities

The Water Resources and Planning Department is primarily responsible for the planning functions of SAWPA and administration functions of a separate JPA, LESJWA. The core activities of the department are:

- Implement water use efficiency measures.
- Support the SARCCUP planning team, administer contract with SARCCUP program manager, and administer implementation of SARCCUP.
- Initiate, facilitate, and administer multi-agency workgroups and task forces including collection of all outside revenue, contract preparation, and administration of task force and consultant agreements.
- Review and provide support applicable to environmental issues related to SAWPA projects and planning.
- Provide representation of SAWPA interests in regional planning projects and activities through Southern California Salinity Coalition, Multi-State Salinity Coalition, MWDSC coordination, WaterReuse, ACOE and BOR studies, Regional Board, State Board, and DWR.
- Administer the Santa Ana River Mitigation Bank in partnership with Riverside County Regional Parks and Open-Space District, as well as Arundo Donax removal and habitat restoration contracts.
- Support SAWPA Operations & Engineering Department in Brine Line environmental reviews and planning.
- Continue administrative support for LESJWA including the following:
 - ◆ Serve as administrator for the LE/CL Nutrient TMDL Task Force;
 - ◆ Prepare all consultants and State Board Contracts, Task Orders, and amendments;
 - ◆ Prepare all Board meeting staff reports and attachments;
 - ◆ Prepare Committee and Board agendas;
 - ◆ Facilitate and administer Board meetings, task force meetings, Scoping Committee meetings, Technical Advisory Committee meetings, Public Relations Committee, and consultant coordination meetings;
 - ◆ Review and approve all invoices received;

- ◆ Prepare grant proposals for funding future LESJWA and LE/CL TMDL Task Force activities;
- ◆ Provide status report of LESJWA activities at Regional Board and LESJWA member agency governing board meetings periodically; and
- ◆ Update LESJWA's Business Plan.

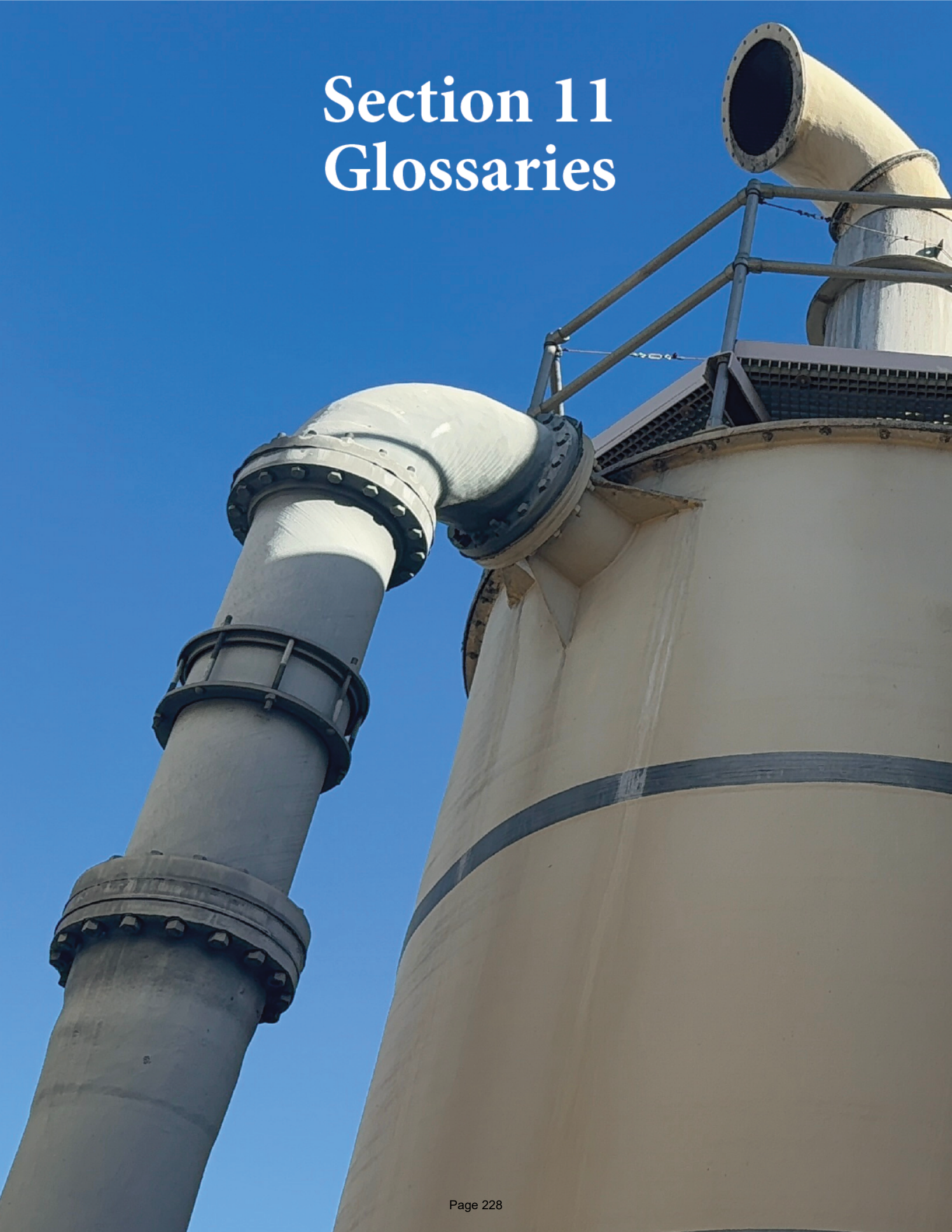
Group Goals for FYEs 2026 and 2027

- Continue development of a Regional Climate Adaptation and Resilience Plan by obtaining funding from the Governor's Office of Planning and Research Climate Adaptation and Resilience Planning Grant Program.
- Track funding opportunities through the IRWM Program for implementation of projects.
- Expand collaboration and coordination opportunities with SAWPA member agency staff and other stakeholders.
- Investigate new regional project opportunities, such as stormwater capture and nature-based solutions.
- Investigate potential Federal and State grant opportunities.
- Evaluate funding opportunities in California's budget related to drought and climate resilience.
- Evaluate the future role of IRWM in the State, including the role of the Roundtable of Regions.
- Provide continued service to SAWPA member agencies and its stakeholders.

Staffing Needs for FYEs 2026 and 2027

The Associate Project Manager position was added to the FYEs 2026 and 2027 budget. No additional staff are proposed for FYEs 2026 and 2027.

Section 11 Glossaries



Financial Policies

The following practices and policies have been established to help in the development, implementation, and analysis of the Agency's operational objectives as defined in the Vision Statement. The section below outlines these policies.

Operating Budget Policies

- The Budget will be based on the Vision Statement, its goals, and objectives.
- The Budget should be adopted prior to the end of the fiscal year.
- The Budget will consist of staffing plans, O&M, and capital projects.
- The fiscal year budget should be consistent with the 20-Year CIP, the Brine Line Business Plan, and SAWPA's Long-Term Financial Plan.
- The Budget will be prepared based on the guidelines and rating criteria of the California Society of Municipal Finance Officers (CSMFO) and the Government Finance Officers Association of the United States and Canada.
- The rate structure is revised and adopted by the Commission in the form of a resolution.
- The Budget will be balanced using current revenues and/or prior year fund balances to meet current expenses.

Revenue Policies

- Revenue estimates will be updated annually and will be based on the most current wastewater flows and growth data provided by member agencies.
- The Brine Line Rate Model will be updated annually and rates will be revised, if necessary.
- Member contributions will be based on Agency needs each year.

Debt Management

- Debt will only be issued when necessary to meet the CIP costs which exceed pay-as-you-go funding.
- Debt will not be issued to cover operating needs.
- Debt reserves will only be used to cover debt service.
- Debt reserves will be established for any new debt incurred.

Audit, Accounting, and Financial Reporting

- An independent audit firm will conduct an annual audit of all Agency financial records.
- All financial records will be maintained according to GAAP and the guidance issued by the GASB.
- A single audit will be conducted by an independent auditor in conformity with Federal requirements for all grant funded programs.
- All funds use the accrual basis of accounting for both revenues and expenses.

Capital Planning and Programming

- The 20-Year CIP will be reviewed and adjusted annually.
- All projects in the CIP will be brought to the Commission for approval prior to start of the project.

Reserves

- Reserves will be established pursuant to the Commission's adopted reserve policy.
- A reserve covering at least 25% of budgeted operating costs will be maintained at all times.
- Reserve contributions will be set within the Brine Line rate model.

Cash Management/Investment Policies

- The Agency will invest temporary idle funds in investments according to the Agency's adopted investment policy.
- The Agency will encourage receipt of funds by wire transfer.
- Cash disbursements to vendors, consultants, and member agencies will generally be completed within 30 days.
- Bank balances will be maintained at a level to meet operating expenditures.

Human Resources Management

- Staff will be maintained at an appropriate level to serve the Agency's strategic goals.
- Benefit assumptions will be brought to the Commission for approval prior to beginning the budget process each year.
- The compensation package will be reviewed and adjusted at least every three years based on market surveys performed either with Agency staff or an outside consulting firm.

Statistical and Other Information

General Information

Year of Formation.....	1975	Service Area.....	2,840 sq. miles
Form of Government.....	Joint Powers Authority	Service Population	Approximately 6.0 Million
Authority.....	Section 6500 et. seq.	Miles of Pipeline	73 miles
.....	Government Code	Pipeline Capacity	32 MGD
Authorized Staff (Full-Time Equivalent).....	26	Treatment Capacity Owned	17 MGD

<i>Member Agency</i>	<i>Counties Served</i>
Eastern Municipal Water District	Riverside
Inland Empire Utilities Agency	San Bernardino and a small portion of Los Angeles
Orange County Water District	Orange
San Bernardino Valley Municipal Water District	San Bernardino and a small portion of Riverside
Western Municipal Water District	Riverside

County Information

	<i>Orange County</i>	<i>San Bernardino County</i>	<i>Riverside County</i>
Total Population (August 2025)	3,186,989	2,181,654	2,529,933
Land Area (sq miles)	792.84	20,068.01	7,209.27
Median Family Income (2025)	\$131,404	\$96,782	\$113,969
Median Home Price (2025)	\$1,072,585	\$566,579	\$633,074
Building Permits Issued (2024)	6,162	6,183	9,598

Source: US Census Bureau (www.census.gov); National Association of Realtors (www.nar.realtor)

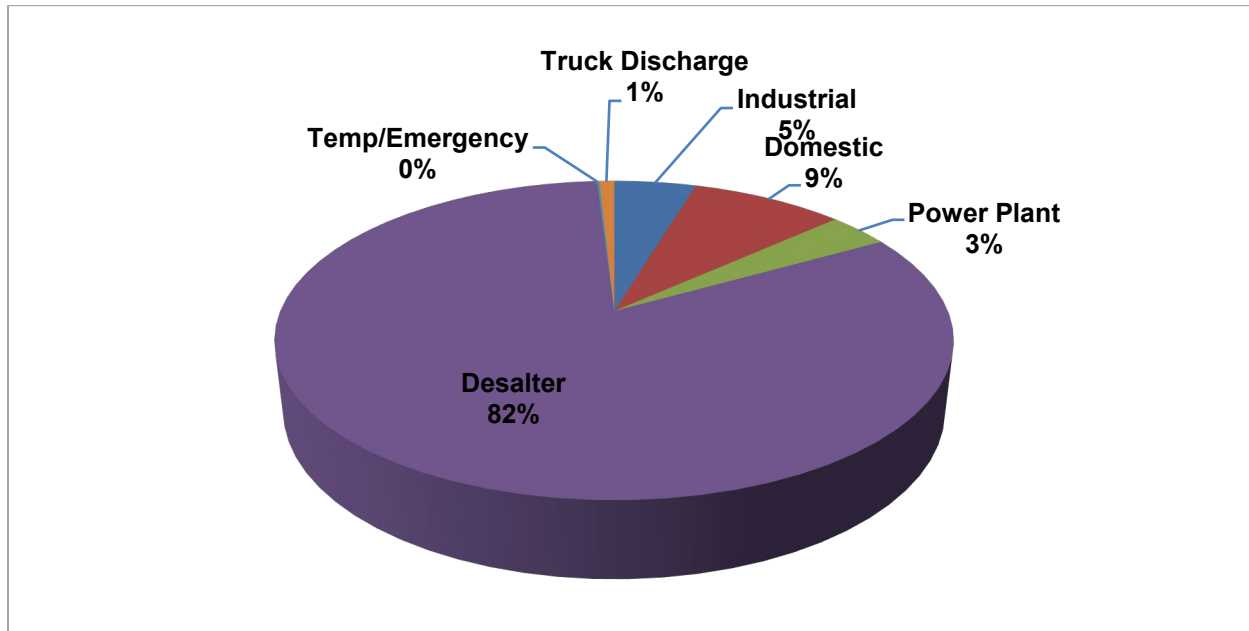
Treatment Information

Actual annual MGD of discharge by type:

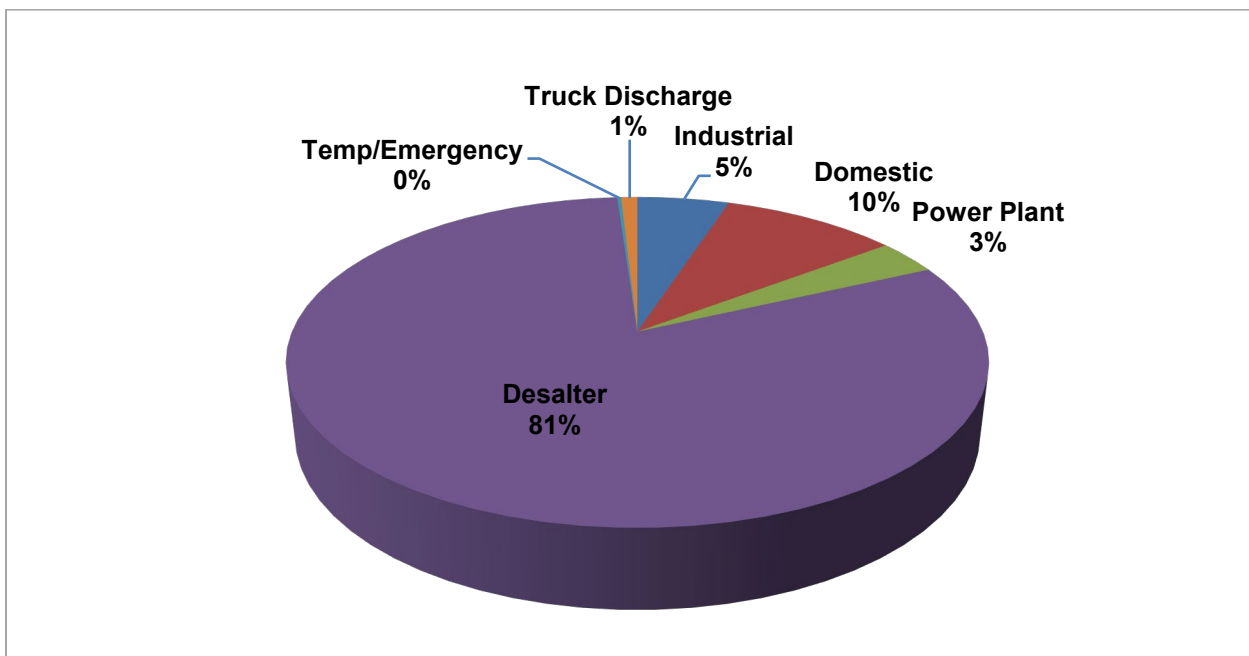
<i>Type of Discharge</i>	<i>FYE 2019</i>	<i>FYE 2020</i>	<i>FYE 2021</i>	<i>FYE 2022</i>	<i>FYE 2023</i>	<i>FYE 2024</i>	<i>FYE 2025</i>
Industrial	146.2297	181.3119	187.3816	222.0080	205.6451	213.0132	234.3823
Domestic	365.5703	345.2252	372.6175	459.4311	391.2032	397.4078	449.5701
Power Plant	182.3315	174.6108	159.5573	136.2439	143.2049	160.7403	156.9984
Desalters/Water Supply	2,977.7296	3,286.5031	3,206.6906	3,169.4397	3,742.1344	3,761.3052	3,745.6746
Temporary/Emergency	13.8265	5.4886	2.4556	1.5160	1.4093	7.4148	9.9798
Truck Discharge	32.1043	31.8486	40.6385	46.6620	43.4240	38.9906	41.2883
Total	3,717.7919	4,024.9882	3,969.3411	4,035.3007	4,527.0209	4,578.8719	4,637.8935

The following pie charts show the trend toward increased desalter discharge into the system. Currently, there are seven desalters in the Santa Ana River Watershed with a plan to construct more in the future.

**Discharge by Type
FYE 2024**



**Discharge by Type
FYE 2025**

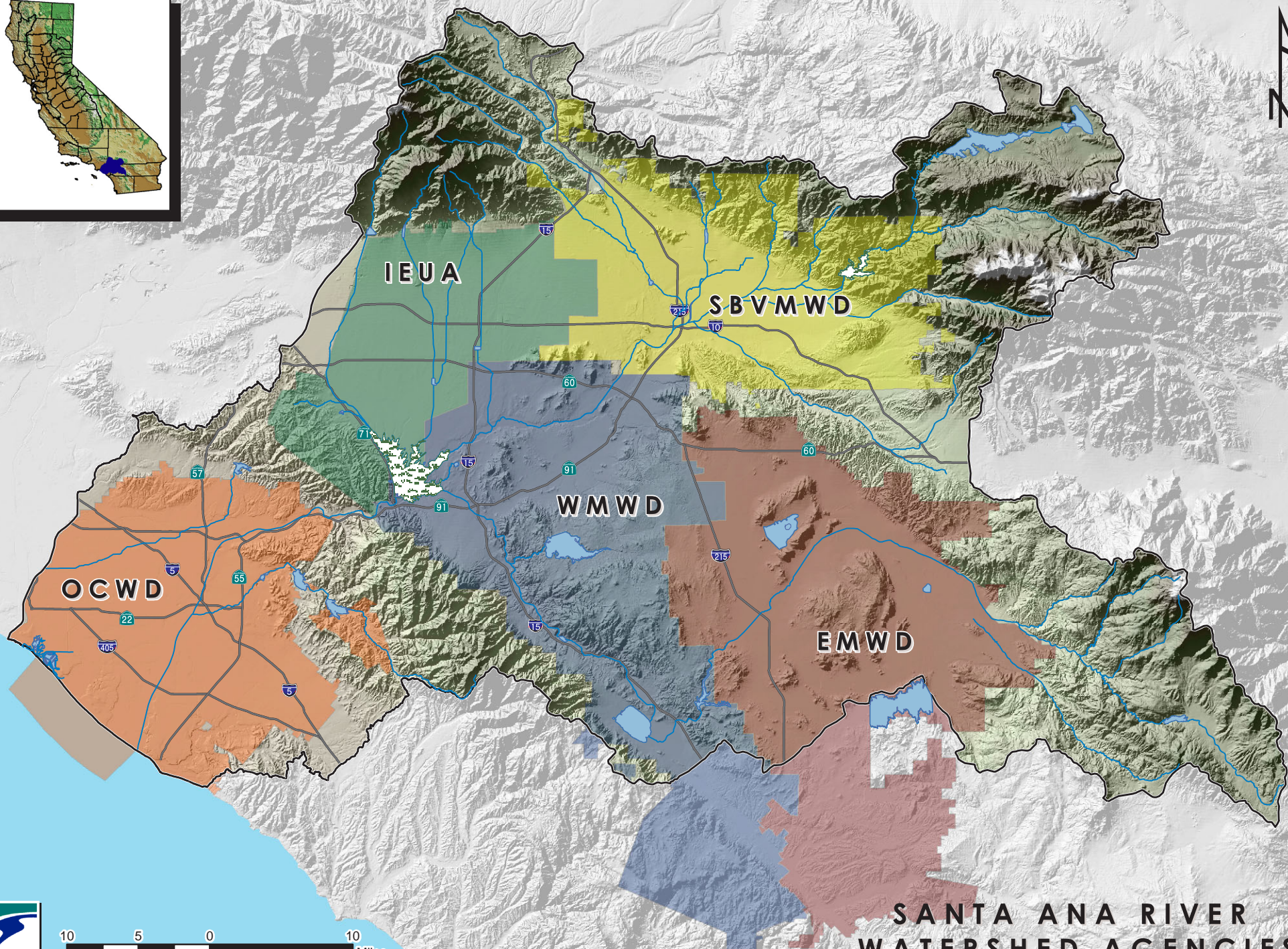
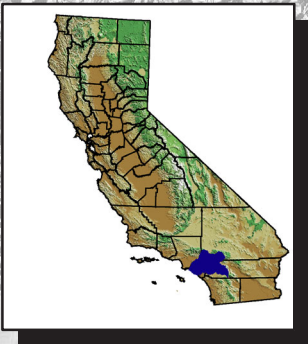


The table below shows the total pipeline and treatment & disposal capacity owned (in MGD's) by each of SAWPA's member agencies as of June 30, 2025.

<i>Agency</i>	<i>Pipeline Capacity</i>	<i>Treatment & Disposal Capacity</i>
Eastern Municipal Water District	5.946	3.548
Inland Empire Utilities Agency *	7.800	5.600
Orange County Water District	0.000	0.000
San Bernardino Valley MWD	7.738	2.144
Western Municipal Water District **	11.084	6.213
SAWPA unassigned capacity	0.000	0.000
Total	32.568	17.505

* Includes Chino Desalter I & II

** Includes Arlington Desalter



**SANTA ANA RIVER
WATERSHED AGENCIES**

General Terms

Acre-Foot

A unit of measurement equivalent to 359,900 gallons of water, which meets the need of two average families in and around the home for one year.

Accrual Basis Accounting

A method of accounting in which revenues are recorded when measurable and earned, and expenses are recognized when a good or service is used.

Annual Required Contribution

The employer's periodic required contribution to a defined benefit Other Post Employment Benefits (OPEB) plan, calculated in accordance with the parameters.

Appropriation

A legal authorization granted by a legislative body to make expenditures and to incur obligations for specific purposes.

Asset

A probable future economic benefit obtained or controlled by a particular entity as a result of past transactions or events.

Biennial Budget

A budget applicable to two individual fiscal years.

Bond

A written promise to pay a specific sum of money (called principal or face value), at a specific date or dates in the future (called maturity date(s)) along with periodic interest paid at a specified interest rate.

Bureau of Reclamation (BOR)

A public agency whose primary goal is to manage, develop, and protect water as well as related resources in an environmentally and economically sound manner in order to meet the increasing water demands of the Western States.

Brine Line (formerly known as SARI Line)

A regional brine line, designed to convey 30 MGD of non-reclaimable wastewater from the upper Santa Ana River Basin to the ocean for disposal, after treatment.

Budget

A plan of financial operation including an estimate of proposed expenditures for a given period and the proposed means of financing them.

Budgetary Control

The control or management of a government in accordance with an approved budget to keep expenses within the limitations of available appropriations and available revenues.

Budget Calendar

The schedule of key dates which the Agency follows in the preparation and adoption of the budget.

Budget Document

The instrument used by the budget-making authority to present a comprehensive financial program to the appropriating governing body.

CalPERS

California Public Employees Retirement System. An autonomous instrumentality of the State established to oversee public employer and employee retirement contributions.

Capital Project

Major construction, acquisition, or renovation, which increases the useful life of the asset or adds to the value of the assets.

Debt Service

The current year portion of interest costs and current year principal payments incurred on long-term debt issued by the Agency.

Defined Benefit OPEB Plan

An OPEB plan having terms that specify the benefits to be provided at or after separation from employment. The benefits may be specified in dollars (for example, a flat dollar payment or an annual amount based on one or more factors, such as age, years of service, and compensation), or as a type or level or coverage (for example, prescription drugs or a percentage of healthcare insurance premiums).

Enterprise Fund

A separate fund used to account for services supported primarily by service charges.

Expenses

Charges incurred, whether paid or unpaid, for operation, maintenance, interest, and other charges presumed to benefit the current fiscal period.

Fiscal Year

A twelve-month period to which the annual operating budget applies and at the end of which an entity determines its financial position and the results of its operations. SAWPA operates on a fiscal year from July 1 through June 30.

Full-Time Equivalent (FTE)

The number of hours per year that a full-time employee is expected to work (2080).

Fund

A fiscal and accounting entity with a self-balancing set of accounts in which assets are recorded and segregated to carry on specific activities.

Fund Balance

The difference between fund assets and fund liabilities of governmental funds.

Fund Group

A group of funds that are similar to each other and accounted for in a single group. SAWPA has five fund groups: General Fund, Brine Line Enterprise Fund, OWOW Fund, Roundtable Fund, and Capital Project Fund.

Fund Transfer

Fund transfer required to maintain a given level of fund balance in accordance with Commission policies.

General Fund

The general fund accounts for all activities not accounted for in other funds.

Goals and Objectives

Specific projects and programs to be undertaken utilizing allocated financial resources, and are designated to further the achievement of the Agency's vision.

Grants

Contribution or gifts of cash or other asset from another government agency to be expended for a specific purpose, activity, or facility.

Indirect Costs Allocation

The distribution of general fund costs that are not directly allocated to a specific project. Costs are allocated based on a percentage of the total direct labor charged to the project.

Interest

Revenue derived from the investment of idle cash and/or reserves.

Interfund borrowing

A transfer of money from a fund that has a surplus to a fund that has a temporary revenue shortfall.

Liability

Probable future sacrifice of economic benefits, arising from present obligation of a particular entity to transfer asset or provide service to other entities in the future as a result of a past transaction or event.

Million Gallons per Day (MGD)

MGD is the term used to represent million gallons per day of sewage discharged to the Brine Line.

Non-Reclaimable Wastewater

Any wastewater and any water borne solid, liquid, or gaseous wastes resulting from any producing, manufacturing, or processing operations of whatever nature as defined by Federal, State, or regional agency authorized by law to prescribe quality standards for the discharge of sewage effluent and industrial waste effluent within the Watershed.

Operating Expenses

Proprietary fund expenses related directly to the fund's primary activities.

Orange County Sanitation District (OC San)

A public agency located in Fountain Valley, providing wastewater treatment services for 21 cities and three sanitary districts in Orange County.

Ordinance

A law set forth by a governmental or legislative body.

Other Postemployment Benefits (OPEB)

Post employment benefits other than pension benefits. OPEB include post-employment healthcare benefits, regardless of the type of plan that provides them, and all post-employment benefits provided separately from a pension plan, except benefits defined as special termination benefits.

Pay-As-You-Go (Pay go)

The practice of funding construction expenditures from current operating revenue in lieu of using debt proceeds.

Public Employee Retirement System (PERS)

An autonomous instrumentality of the State established to oversee public employer and employee retirement contributions.

Program

Group activities, operations, or organizational units directed to attaining specific purposes or objectives.

Recycled Water

Effluent that goes through a process or method for altering its quality to standards superior to those prescribed for treatment.

Reserve

An account used to indicate that a portion of fund equity is restricted for a specific purpose, or not available for appropriation and subsequent spending.

Resolution

A special or temporary order of a legislative body requiring less formality than a statute or ordinance.

Revenue

Income generated by contributions, user chargers, fees, investment income, etc.

RWQCB

An organization with the mission to preserve, enhance and restore the quality of California's water resources, and ensure their proper allocation and efficient use for the benefit of present and future generations.

SARI

The portion of the Brine Line owned and operated by OC San.

SRF

The Federal Clean Water Act amendments of 1897 authorized the use of federal money to create an SRF loan program to replace the Federal Clean Water Grant program. SRF loans are used for the construction and upgrade of publicly owned treatment works. SRF loan also can be used to support reclamation non-point source pollution, storm drainage, and estuary projects.

SWRCB

A joint authority of water allocation and water quality protection that provides comprehensive protection for California's waters, enforcing the many uses of water, including the needs of industry, agriculture, municipal districts, and the environment. The SWRCB also administers SRF loans and grants.

SWOT Analysis

A strategic planning method used to evaluate the **S**trengths, **W**eaknesses, **O**pportunities, and **T**hreats involved in a project or in a business venture. It involves specifying the objective of the business venture or project and identifying the internal and external factors that are favorable and unfavorable to achieve that objective.

T-Strips

Treasury Strips (Separate Trading of Registered Interest and Principal of Securities) are treasury notes and bonds that allow investors to hold and trade the individual interest and principal components as separate securities. Treasury Strips also are called zero-coupon securities because the only time an investor receives a payment during the life of the Strip is when it matures. They are popular with investors who want to receive a known payment at a specific future date. Strips are obligations of the Treasury and are backed by the full faith and credit of the United States.

Zero-based Fund Accounting

All the revenues in excess of expenditures are transferred into reserves within the fund and all expenditures in excess of revenues are transferred from reserves within the same fund.

Acronyms and Abbreviations

AB	Assembly Bill
A/C	Air Conditioning
ACOE	U.S. Army Corps of Engineers
ACFR	Annual Comprehensive Financial Report
ADA	Americans with Disabilities Act
AF	Acre Feet
AI	Artificial Intelligence
ARC	Annual Required Contribution
ASD	Administrative Services Department
ATV	All-terrain Vehicle
BMP	Best Management Practices
BOD	Biochemical Oxygen Demand
BOR	U.S. Bureau of Reclamation
CalPERS	California Public Employees Retirement System
CARP	Climate Adaptation and Resilience Plan
CBRP	Comprehensive Bacteria Reduction Plan
CCTV	Closed Circuit Television
CEQA	California Environmental Quality Act
CFO	Chief Financial Officer
CFS	Cubic Feet per Second
CIP	Capital Improvement Program
CIPP	Cured in Place Pipe
CIWQS	California Integrated Water Quality System
CMC	Certified Municipal Clerk
CMTA	California Municipal Treasurers Association
CoF	Consequence of Failure
COG	Council of Governments
COLA	Cost of Living Adjustment
COVID	Corona Virus Disease
CPI	Consumer Price Index
CSMFO	California Society of Municipal Finance Officers
DAC	Disadvantaged Community
DACI	Disadvantaged Communities Involvement
DFG	California Department of Fish and Game
DMS	Data Management System
DMV	Department of Motor Vehicles
D/S	Downstream
DWR	Department of Water Resources
EC	Emerging Constituents
EIR	Environmental Impact Report
EIS	Environmental Impact Statement
EMWD	Eastern Municipal Water District
EPA	Environmental Protection Agency
ERP	Enterprise Resource Planning
EV	Electronic Vehicle
EVMWD	Elsinore Valley Municipal Water District

FEMA	Federal Emergency Management Agency
FICA	Federal Insurance Contributions Act
FPPC	Fair Political Practices Commission
FSA	Flexible Savings Account
FTE	Full Time Equivalents
FYE	Fiscal Year Ending
GAAP	Generally Accepted Accounting Principles
GASB	Governmental Accounting Standards Board
GFOA	Government Finance Officers Association
GHG	Greenhouse Gas
GIS	Geographical Information System
GM	General Manager
GP	Great Plains (accounting software system)
GWRS	Groundwater Replenishment System
Hg	Mercury
HR	Human Resources
HRCI	Human Resource Certification Institute
HRIS	Human Resource Information System
HSA	Health Savings Account
HVAC	Heating, Ventilation, and Air Conditioning
ICARP	Integrated Climate Adaptation and Resiliency Program
IEUA	Inland Empire Utilities Agency
IIPP	Injury and Illness Prevention Program
IU	Industrial Users
IRWM	Integrated Regional Water Management
IRWMP	Integrated Regional Water Management Plan
IS	Information Systems
IT	Information Technology
IWP	Integrated Watershed Plan
JCSD	Jurupa Community Services District
JPA	Joint Powers Authority
JPIA	Joint Powers Insurance Authority
JPRIMA	Joint Powers Risk and Insurance Management Authority
LAIF	Local Agency Investment Fund
LE/CL	Lake Elsinore / Canyon Lake
LEAMS	Lake Elsinore Aeration Management System
LED	Light Emitting Diode
LESJWA	Lake Elsinore & San Jacinto Watersheds Authority
LLP	Limited Liability Partnership
MAS	Maintenance Access Structure
MG	Million Gallons
Mg/L	Milligrams per liter
MGD	Million Gallons per Day
MOU	Memorandum of Understanding
MS4	Municipal Separate Storm Sewer System
MSAR	Middle Santa Ana River
MWD(SC)	Metropolitan Water District of Southern California
NAWC	North American Weather Consultants
NEPA	National Environmental Policy Act
NIST	National Institute of Statistics and Technology

NRCS	Natural Resources Conservation Service
O&M	Operations and Maintenance
OCPFRD	Orange County Public Facilities and Resources Department
OCPW	Orange County Public Works
OCRDMD	Orange County Resources and Development Management Department
OCFCD	Orange County Flood Control District
OC San	Orange County Sanitation District
OCWD	Orange County Water District
OERP	Overflow Emergency Response Plan
OPEB	Other Post Employment Benefits
OPR	Office of Planning and Research (Governor's Office)
OS	Operating System
OSHA	Occupational Safety & Health Administration
OWOW	One Water One Watershed
PA	Project Agreement
PERS	Public Employee Retirement System
PFAS	Per- and Poly Fluoroalkyl
PIO	Public Information Officer
PoF	Probability of Failure
POTW	Publicly Owned Treatment Works
PTP	Pretreatment Program
PVC	Polyvinyl Chloride
R&R	Renewal & Replacement
RBF	Rialto Bioenergy Facility
RCFC&WCD	Riverside County Flood Control & Water Conservation District
RCP	Reinforced Concrete Pipe
RCTC	Riverside County Transportation Commission
RFP	Request for Proposal
RFQ	Request for Quotation
RIM	Records Information Management
RWQ	Regional Water Quality
RWQCB	Regional Water Quality Control Board
SA	Santa Ana
SAR	Santa Ana River
SARCCUP	Santa Ana River Conservation and Conjunctive Use Project
SARI	Santa Ana Regional Interceptor (OC San portion)
SARW	Santa Ana River Watershed
SAWA	Santa Ana Watershed Association
SAWPA	Santa Ana Watershed Project Authority
SBVMWD	San Bernardino Valley Municipal Water District
SCADA	Supervisory Control and Data Acquisition
SCG	Strategic Growth Council
SCIWP	Southern California Integrated Watershed Program
SDLF	Special District Leadership Foundation
SDI	State Disability Insurance
SEP	Supplemental Environmental Project
SERP	Spill Emergency Response Plan
SHRM	Society for Human Resource Management
SQL	Standard Query Language
SQSTF	Stormwater Quality Standards Task Force

SR	State Route
SRF	State Revolving Fund
SSMP	Sanitary Sewer Management Plan
SSO	Sanitary Sewer Overflow
STAG	State and Tribal Affairs Grant
SWRCB	State Water Resources Control Board
TBD	To Be Decided
TCC	Transformative Climate Communities
TDS	Total Dissolved Solids
TF	Task Force
TIN	Total Inorganic Nitrogen
TMDL	Total Maximum Daily Load
TSS	Total Suspended Solids
T-Strips	Treasury Strips
TVRI	Temescal Valley Regional Interceptor
UC	University of California
UCI	University of California, Irvine
US	United States
USAR	United States Army Reserve
USB	US Bank
USBR	United States Bureau of Reclamation
USFWS	United States Fish and Wildlife Service
USGS	US Geological Survey
W/C	Workers' Compensation
WCD	Water Conservation District
WDR	Wastewater Discharge Requirement
WECAN	Water Energy Community Action Network
WMWD	Western Municipal Water District
WRCRWA	Western Riverside County Regional Wastewater Authority



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