

Agenda Item: {{section.number}}G

May 19, 2025

TO: THE FINANCE COMMITTEE

Director Mike Gardner
Director Laura Roughton

FROM: Richard R. Aragon, Assistant General Manager/Chief Financial Officer

ADOPT RESOLUTION 3349, APPROVING THE BUDGETS OF THE SANTA ANA WATERSHED PROJECT AUTHORITY FOR FISCAL YEARS 2025-2026 AND 2026-2027

RECOMMENDATION:

Staff requests that the Finance Committee recommend the Board of Directors:

1. Consider adoption of Resolution 3349, approving the budgets of the Santa Ana Watershed Project Authority (SAWPA) for Fiscal Years 2025-2026 and 2026-2027.

EXECUTIVE SUMMARY:

On April 1, 2025, the Santa Ana Watershed Project Authority Commission approved their budgets for Fiscal Years 2025-2026 and 2026-2027. These budgets must now be approved and ratified by June 30, 2025, by each of its five member agencies.

BUDGET IMPACT:

There is a minimal impact to Western Water's budget. Western Water's member agency contribution costs in Fiscal Year 2025-2026 are over budget by approximately \$7,000 and Western Water's Fiscal Year 2026-2027 budget, which will go to the Board by June 30, 2026, will be assembled with the actual contribution amount listed below.

DETAIL:

The member contributions from each of the five Santa Ana Watershed Project Authority (SAWPA) agencies increased from \$452,282 to \$454,680 for Fiscal Year (FY) 2025-2026, an increase of 0.5%. Although there are immaterial changes to the member contributions for the first year of the biennial budget adoption, there are increases to General Planning and the Watershed Management activities, as well as a new project named "Integrated Climate Adaptation and

Resilience Program.” These increases are offset by similar reductions to the PFAS Study and Cloud Seeding activities. The member contribution for FY 2026-2027 will increase from \$454,680 to \$484,247, an increase of 6.5%. The majority of this change is due to increases in Cloud Seeding activities.

Reason for Action:

Member agencies are required to obtain Board approval of the SAWPA budget, memorializing previous action taken by the SAWPA Commission.

Solution:

Approve the SAWPA budgets for FY 2025-2026 and FY 2026-2027.

STRATEGIC PRIORITIES REFERENCE:

This action aligns with Western Water’s Strategic Priority of Financial Stewardship.

PROPOSED DATE OF ACTION:

If approved by the Committee, this item is scheduled for consideration by the full Board of Directors at their meeting on June 18, 2025.

LEGAL COUNSEL REVIEW:

Not applicable.

Respectfully submitted by:

Richard R. Aragon, Assistant General Manager/Chief Financial Officer

Attachments:

1. Resolution 3349
2. SAWPA Member Agency Contributions – FY26-27