

I hereby certify that the following Agenda was posted at least 24 hours prior to the time of the Special Board Meeting so noticed below at the usual agenda posting location of the South Orange County Wastewater Authority (SOCWA) and at [www.socwa.com](http://www.socwa.com).



Lynda May, Assistant Secretary  
SOCWA and the Board of Directors thereof

*Special Meeting of The  
South Orange County Wastewater Authority  
Board of Directors*

April 07, 2026  
8:30 a.m.

**PHYSICAL MEETING LOCATION:**  
South Orange County Wastewater Authority  
34156 Del Obispo Street  
Dana Point, CA 92629

THE BOARD OF DIRECTORS MEETING ROOM IS WHEELCHAIR ACCESSIBLE. IF YOU REQUIRE ANY SPECIAL DISABILITY RELATED ACCOMMODATIONS, PLEASE CONTACT THE SOUTH ORANGE COUNTY WASTEWATER AUTHORITY SECRETARY'S OFFICE AT (949) 234-5400 AT LEAST TWENTY-FOUR (24) HOURS PRIOR TO THE SCHEDULED MEETING TO REQUEST SUCH ACCOMMODATIONS. THIS AGENDA CAN BE OBTAINED IN ALTERNATE FORMAT UPON REQUEST TO THE SOUTH ORANGE COUNTY WASTEWATER AUTHORITY'S SECRETARY AT LEAST TWENTY-FOUR (24) HOURS PRIOR TO THE SCHEDULED MEETING. MEMBERS OF THE PUBLIC HAVE THE OPTION TO PARTICIPATE IN AND MAY JOIN THE MEETING REMOTELY VIA VIDEO CONFERENCE FOR VISUAL INFORMATION ONLY (USE ZOOM LINK BELOW) AND BY TELECONFERENCE FOR AUDIO PARTICIPATION (USE PHONE NUMBERS BELOW). THIS IS A PHONE-CALL MEETING AND NOT A WEB-CAST MEETING, SO PLEASE REFER TO AGENDA MATERIALS AS POSTED ON THE WEBSITE AT [WWW.SOCWA.COM](http://WWW.SOCWA.COM). ON YOUR REQUEST, EVERY EFFORT WILL BE MADE TO ACCOMMODATE PARTICIPATION. FOR PARTIES PARTICIPATING REMOTELY, PUBLIC COMMENTS WILL BE TAKEN DURING THE MEETING FOR ORAL COMMUNICATION IN ADDITION TO PUBLIC COMMENTS RECEIVED BY PARTIES PARTICIPATING IN PERSON. COMMENTS MAY BE SUBMITTED PRIOR TO THE MEETING VIA EMAIL TO ASSISTANT SECRETARY LYNDA MAY AT [LMAY@SOCWA.COM](mailto:LMAY@SOCWA.COM) WITH THE SUBJECT LINE "REQUEST TO PROVIDE PUBLIC COMMENT." IN THE EMAIL, PLEASE INCLUDE YOUR NAME, THE ITEM YOU WISH TO SPEAK ABOUT, AND THE TELEPHONE NUMBER YOU WILL BE CALLING FROM SO THAT THE COORDINATOR CAN UN-MUTE YOUR LINE WHEN YOU ARE CALLED UPON TO SPEAK. THOSE MAKING PUBLIC COMMENT REQUESTS REMOTELY VIA TELEPHONE IN REAL-TIME WILL BE ASKED TO PROVIDE YOUR NAME, THE ITEM YOU WISH TO SPEAK ABOUT, AND THE TELEPHONE NUMBER THAT YOU ARE CALLING FROM SO THE COORDINATOR CAN UNMUTE YOUR LINE WHEN YOU ARE CALLED UPON TO SPEAK. ONCE THE MEETING HAS COMMENCED, THE CHAIR WILL INVITE YOU TO SPEAK AND ASK THE COORDINATOR TO UNMUTE YOUR LINE AT THE APPROPRIATE TIME.

AGENDA ATTACHMENTS AND OTHER WRITINGS THAT ARE DISCLOSABLE PUBLIC RECORDS DISTRIBUTED TO ALL, OR A MAJORITY OF, THE MEMBERS OF THE SOUTH ORANGE COUNTY WASTEWATER AUTHORITY BOARD OF DIRECTORS IN CONNECTION WITH A MATTER SUBJECT FOR DISCUSSION OR CONSIDERATION AT AN OPEN MEETING OF THE BOARD OF DIRECTORS ARE AVAILABLE FOR PUBLIC INSPECTION IN THE AUTHORITY ADMINISTRATIVE OFFICE LOCATED AT 34156 DEL OBISPO STREET, DANA POINT, CA ("AUTHORITY OFFICE") OR BY PHONE REQUEST MADE TO THE AUTHORITY OFFICE AT 949-234-5400. IF SUCH WRITINGS ARE DISTRIBUTED TO MEMBERS OF THE BOARD OF DIRECTORS LESS THAN TWENTY-FOUR (24) HOURS PRIOR TO THE MEETING, THEY WILL BE AVAILABLE IN THE RECEPTION AREA OF THE AUTHORITY OFFICE AT THE SAME TIME AS THEY ARE DISTRIBUTED TO THE BOARD OF DIRECTORS AND SENT TO ANY REMOTE PARTICIPANTS REQUESTING EMAIL DELIVERY OR POSTED ON SOCWA'S WEBSITE. IF SUCH WRITINGS ARE DISTRIBUTED IMMEDIATELY PRIOR TO, OR DURING, THE MEETING, THEY WILL BE AVAILABLE IN THE MEETING ROOM OR IMMEDIATELY UPON VERBAL REQUEST TO BE DELIVERED VIA EMAIL TO REQUESTING PARTIES PARTICIPATING REMOTELY.

**THE PUBLIC MAY PARTICIPATE REMOTELY BY VIRTUAL MEANS. FOR AUDIO OF MEETING USE THE CALL IN PHONE NUMBERS BELOW AND FOR VIDEO USE THE ZOOM LINK BELOW.**

Join Zoom Meeting  
<https://socwa.zoom.us/>

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Agenda

- 1. CALL TO ORDER
- 2. PLEDGE OF ALLEGIANCE
- 3. ORAL COMMUNICATIONS

*Members of the public may address the Board regarding an item on the agenda or may reserve this opportunity during the meeting at the time the item is discussed by the Board. There will be a three-minute limit for public comments.*

- 4. APPROVAL OF BOARD MEMBER REQUEST FOR REMOTE PARTICIPATION

ACTION Board Discussion/Direction and Action.

PAGE NO.

- 5. CLOSED SESSION

A. Closed Session Conference Pursuant to Government Code § 54957(b)(1)  
Public Employment  
Title: General Manager

Report out of Closed Session

- 6. BUDGET WORKSHOP – Presentation of FY 2026-27 Budget..... 1

ACTION Board Discussion/Direction and Action.

- 7. OTHER MATTERS

Determine the need to take action on the following item(s) introduced by the General Manager, which arose after the posted agenda. [Adoption of this action requires a two-thirds vote of the Board, or if less than two-thirds are present, a unanimous vote.]

- 8. ADJOURNMENT

THE NEXT SOCWA BOARD MEETING  
May 14, 2026

# Agenda Item

6

Board of Directors Meeting

Meeting Date: April 7, 2026

**TO:** Finance Committee  
**FROM:** Amber Boone, General Manager  
**SUBJECT:** Presentation of FY 2026-27 Budget

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## Summary

This staff report provides a walkthrough of the updated FY 2026-27 SOCWA Budget for the Special Board Workshop on April 7, 2026. The attached presentation incorporates quality control refinements (external and internal), revised figures, and minor adjustments to line items after presentation to the SOCWA Finance Committee on March 3, 2026. The material is structured to give Board members a clear, transparent overview of budget composition, drivers, and member agency allocations.

## Discussion

The proposed FY 2026-27 Operating and Maintenance (O&M) budget, including Unfunded Actuarial Liability (UAL) and Other Post-Employment Benefits (OPEB), totals \$20,039,499. This represents an increase of \$569,228, or 2.92%, over the FY 2025-26 adopted budget of \$19,470,271. The overall increase remains well below projected inflation, demonstrating SOCWA's continued commitment to fiscal discipline and prudent financial management.

The O&M subtotal, which includes all Operating expenses across the Project Committees plus Administration and General Fund costs, is \$17,307,548, reflecting a modest increase of 1.85% from the prior year. For the Capital Improvement Program (CIP), the proposed FY 2026-27 cash requests total \$12,280,076. This amount is significantly lower than previously planned — a reduction of \$4,544,819 compared to the FY 2026-27 projection included in last year's budget — allowing for more efficient use of agency resources.

The budget maintains a strong emphasis on safety, regulatory compliance, and critical infrastructure reliability. At the same time, ongoing Master Planning efforts for the major facilities at PC-2 (J.B. Latham Treatment Plant) and PC-15 (Coastal Treatment Plant) continue to guide longer-term investment decisions.

Key budget assumptions include a 3% merit increase and 3% COLA for eligible employees (with final March 2026 COLA figures expected in mid-April), along with tiered inflation factors: 6% to 10% for energy-related line items, 3% to 5% for non-energy operating expenses, and 1% to 5% or higher for construction-based items and CIP projects, consistent with recent market trends that have exceeded some industry indices.

## Quality Control Updates

External quality control recommendations were carefully reviewed and largely incorporated into the updated budget presentation. These included right-aligning all numbers for easier comparison of year-over-year changes, limiting dollar signs to column headers and totals to reduce visual clutter, color-coding linked cells (which can be removed for final printing), and adding footnotes to clarify the basis for allocations (included in the Budget Book). Rounding to the nearest \$100 for improved readability was considered but not implemented at this time. These changes result in a modest reduction to the overall totals compared to the March 3, 2026 draft (\$3,107 reduction prior to final internal review).

Internal quality control adjustments included an additional \$75,000 to account 02-5076-01-00-00 (Department 01) and \$75,000 to account 15-5076-01-00-00 (Department 01) to support implementation of the Aptean EAM (Tabware) system, along with \$12,000 added to account 01-5018-04-00-00 to fund Governmental Affairs activities.

## Budget Composition

The FY 2026-27 budget is structured around two primary components: Unfunded Actuarial Liability (UAL) and Other Post-Employment Benefits (OPEB) retirement liabilities, combined with the O&M Administration Subtotal. The O&M Administration Subtotal consists of Total Operating expenses across all Project Committees plus Administration and General Fund costs (Table 1).

Each Project Committee budget is built using an activity-based costing approach. It includes loaded labor — calculated from staff time allocated from Departments 01 and 02, plus applicable fringe benefits — along with other operating expenses and the direct allocation of Information Technology costs. This methodology promotes transparency and ensures that costs are distributed equitably among the member agencies based on actual resource utilization. Approval of the total budget also constitutes approval of the individual Capital Improvement Program (CIP) project budgets, which encompass large capital projects, small capital items, non-capital studies, and miscellaneous engineering efforts.

Table 1: O&M Budget

Project Committee	FY 2026-27 (\$)	FY 2025-26 (\$)	Difference (\$)	Change (%)
PC2	\$8,993,749	\$8,616,078	\$377,671	4.38%
PC5	\$927,694	\$944,588	(\$16,894)	-1.79%
PC8	\$294,815	\$289,662	\$5,153	1.78%
PC12	\$111,256	\$88,769	\$22,487	25.33%
PC15	\$3,698,057	\$3,822,519	(\$124,462)	-3.26%
Lab Services	\$640,543	\$576,240	\$64,303	11.16%
PC21	\$24,197	\$27,589	(\$3,392)	0.00%
PC23	\$10,294	\$17,500	(\$7,206)	0.00%
PC24	\$804,972	\$807,995	(\$3,023)	-0.37%
<b>Total Operating</b>	<b>\$15,505,577</b>	<b>\$15,190,939</b>	<b>\$314,637</b>	<b>2.07%</b>
Administration & General Fund	\$1,801,972	\$1,801,514	\$458	0.03%
Subtotal O&M and Admin	\$17,307,548	\$16,992,453	\$315,095	1.85%
UAL & OPEB	\$ 2,731,951	\$2,477,818	\$254,133	10.26%
<b>TOTAL BUDGET</b>	<b>\$20,039,499</b>	<b>\$19,470,271</b>	<b>\$569,228</b>	<b>2.92%</b>

## **Overall O&M Budget Summary**

The UAL and OPEB liabilities section reflects a total of \$2,731,951 for FY 2026-27, a 10.26% increase driven primarily by updated actuarial valuations and discount rate adjustments. This includes \$1,955,345 for the CalPERS pension unfunded liability (which incorporates the 15 transferred MNWD employees) and \$776,606 for OPEB retiree health pay-go costs. Funded ratios stand at 71.6% for the pension plan and approximately 51–53.5% for OPEB, while CalPERS normal costs included in the fringe pool decreased 25.8% to \$558,051 due to changes in payroll mix. These obligations are largely non-discretionary.

In the O&M comparison, Administration expenses declined 0.6% overall, largely due to the retirement of the Executive Assistant, though partially offset by increased part-time hours, modest growth in contract services, office supplies, employee recognition efforts, and a potential GM car allowance. The General Fund saw a significant reduction from the same retirement, with AI workflow integration expected to help stabilize costs going forward. The Fringe Pool rate decreased slightly from 51.7% to 51.6%, and Information Technology costs rose a minimal 0.07%.

Key drivers within the Project Committees include additional labor and SDGE power cost increases for PC-2 (JBL), 5% higher beach monitoring consumables and NPDES-related regulatory support for PC-5 and PC-24, SCE power and chemical inflation for PC-15 (CTP), and primarily inflationary or permit-driven changes across the remaining PCs. Insurance adjustments show property coverage up 5%, liability up 10%, and workers' compensation down 46% due to the MNWD staff transfer.

Detailed allocations (including Admin without GF, General Fund, each PC, and UAL/OPEB) are provided in the budget workbook and presentation. Totals reflect established flow-based and fixed-percentage methodologies, with footnotes for basis.

## **Capital Improvement Program (CIP)**

The Capital Improvement Program (CIP) for FY 2026-27 proposes total cash requests of \$12,280,076, with a primary focus on safety and regulatory compliance while Master Planning efforts continue for the major facilities at PC-2 (J.B. Latham Treatment Plant) and PC-15 (Coastal Treatment Plant). Of this amount, \$4,573,340 is allocated to projects currently in construction or implementation, \$1,801,736 to projects in design, \$1,482,000 to projects planned to start in FY 2026-27, \$1,370,000 for planned small capital items, and \$3,053,000 for non-capital studies.

The two-year CIP outlook for FY 2026-27 and FY 2027-28 totals \$29,833,815. By Project Committee, the largest investments in FY 2026-27 are directed to PC-2 JBL at \$5,668,741, PC-15 CTP at \$4,594,203, PC-21 ETM at \$1,433,132, and Lab Services at \$489,000, with the balance supporting smaller, targeted projects across other areas.

## **FY 2026-27 Total Budget Request by Member Agency**

The FY 2026-27 total budget request across all SOCWA member agencies is \$32,319,575, consisting of \$20,039,499 in combined O&M and UAL/OPEB costs plus \$12,280,076 in Capital Improvement Program cash requests. South Coast WD and Santa Margarita WD represent the largest shares at approximately \$10.16 million and \$9.67 million respectively, while smaller agencies such as Emerald Bay SD and San Clemente have more modest total requests under \$330,000 each. Overall, the combined budget reflects a focused approach on safety, regulatory compliance, and essential infrastructure upgrades, with most agencies experiencing reduced CIP cash requirements compared to prior-year planning.

**Table 2: FY 2026-27 Total Budget Request by Member Agency**

<b>Member Agency</b>	<b>O&amp;M UAL/OPEB<sup>1</sup> +</b>	<b>CIP Cash Request</b>	<b>Total Budget Request</b>
City of Laguna Beach (CLB)	\$2,253,792	\$2,500,510	<b>\$4,754,302</b>
City of San Clemente (CSC)	\$309,770	\$14,542	<b>\$324,312</b>
Emerald Bay SD (EBSD)	\$190,125	\$138,283	<b>\$328,408</b>
El Toro WD (ETWD) <sup>1</sup>	\$325,041	\$720,771	<b>\$1,045,812</b>
IRWD (c/o ETWD) <sup>2</sup>	\$200,904	\$714,245	<b>\$915,149</b>
MNWD (Direct) <sup>3</sup>	\$2,006,566	\$386,256	<b>\$2,392,822</b>
MNWD (c/o ETWD)	\$392,180	\$75,539	<b>\$467,719</b>
MNWD (c/o SCWD)	\$2,251,310	\$1,275,290	<b>\$3,526,600</b>
MNWD (c/o SMWD)	\$92,619	\$2,288	<b>\$94,907</b>
South Coast WD (SCWD) <sup>1</sup>	\$5,402,530	\$4,754,032	<b>\$10,156,562</b>
Santa Margarita WD (SMWD) <sup>1</sup>	\$6,614,660	\$3,051,437	<b>\$9,666,097</b>
<b>Total</b>	<b>\$20,039,499</b>	<b>\$12,280,076</b>	<b>\$32,319,575</b>

1. O&M + UAL/OPEB column is taken directly from the latest presentation (Slide 28 / Page 28 of the PPT). It includes Administration (without General Fund), General Fund, all Project Committees, and the UAL/OPEB payment.
2. CIP Cash Request is from the updated April 7, 2026 CIP table.
3. Footnotes for CIP:
  - (1) Includes agency MNWD billings per December 2024 Exit Agreements.
  - (2) Per 2023 IRWD Exit Agreement.
  - (3) MNWD Direct billings.

**Recommended Action:** Board Committee Discussion, Direction, Action

**Attachment:** FY 26-27 Final Draft O&M Budget Presentation

**Under Separate Cover:** FY 26-27 Final Draft O&M Budget Template

# SOCWA FY26-27 Budget Presentation

April 7, 2026

Amber Boone & Jim Burror

SOCWA General Manager & Deputy General Manager



# Budget Review To Date

- Engineering Committee: February 19, 2026
- Finance Committee: March 3, 2026
- SOCWA Board: March 5, 2026
- Special Board Meeting: April 7, 2026



# FY 26-27 SOCWA Budget Workshop Agenda

- Quality Control Review
- Budget Composition
- Overall O&M Budget Summary
- UAL/OPEB Liabilities
- FY 26-27 vs. FY 25-26 O&M Budget Comparison & Budget Drivers
  - Administration
  - General Fund
  - Fringe Pool
  - Information Technology
  - O&M (includes Environmental Compliance)
  - O&M Budget by Member Agency
  - Capital Improvement Plan (CIP)(including CIP by Member Agency)



# Quality Control (QC) - External

## Findings:

- Fringe allocations check.
- Editorial updates to FY 26-27.
- Right align all number and percentages. It is easier to see the differences between numbers when they are right aligned.
- Enter all numbers and calculations so that they round to the nearest \$100 dollars or better yet roundup to the next \$100. Since it is a budget document it does not need to be exact. Numbers are easier to remember and read if rounded to \$100.
- The dollar sign (\$) should be used in a column only at the first number in the column and then in the totals. Using \$ in all rows and cells makes the worksheet too busy.
- When a cell is linked to another worksheet color code that cell to match the color of the worksheet it is linked to. This makes it easier to review. It also reminds you not to edit that cell unless you want to change the cells it is referring to. You can remove the colors for the final printing.
- Footnote in each worksheet that has an allocation, the basis for the allocation.



# QC Review - External

## Pre-QC

Project Committee	FY 2026-27 (\$)	FY 2025-26 (\$)	Difference (\$)	Change (%)
PC2	\$8,918,749	\$8,616,078	\$302,671	3.51%
PC5	\$927,694	\$944,588	(\$16,894)	-1.79%
PC8	\$297,921	\$289,662	\$8,259	2.85%
PC12	\$111,256	\$88,769	\$22,487	25.33%
PC15	\$3,623,057	\$3,822,519	(\$199,462)	-5.22%
Lab Services	\$640,543	\$576,240	\$64,303	11.16%
PC21	\$24,197	\$27,589	(\$3,392)	0.00%
PC23	\$10,294	\$17,500	(\$7,206)	0.00%
PC24	\$804,972	\$807,995	(\$3,023)	-0.37%
Total Operating	\$15,358,683	\$15,190,939	\$167,744	1.10%
Administration & General Fund	\$1,789,972	\$1,801,514	(\$11,542)	-0.64%
Subtotal O&M and Admin	\$17,148,655	\$16,992,453	\$156,202	0.92%
UAL & OPEB	\$ 2,731,951.00	\$2,477,818	\$254,133	10.26%
TOTAL BUDGET	\$19,880,606	\$19,470,271	\$410,335	2.11%

## Post-QC (Current Budget)

Project Committee	FY 2026-27 (\$)	FY 2025-26 (\$)	Difference (\$)	Change (%)
PC2	\$8,918,749	\$8,616,078	\$302,671	3.51%
PC5	\$927,694	\$944,588	(\$16,894)	-1.79%
PC8	\$294,815	\$289,662	\$5,153	1.78%
PC12	\$111,256	\$88,769	\$22,487	25.33%
PC15	\$3,623,057	\$3,822,519	(\$199,462)	-5.22%
Lab Services	\$640,543	\$576,240	\$64,303	11.16%
PC21	\$24,197	\$27,589	(\$3,392)	0.00%
PC23	\$10,294	\$17,500	(\$7,206)	0.00%
PC24	\$804,972	\$807,995	(\$3,023)	-0.37%
Total Operating	\$15,355,577	\$15,190,939	\$164,637	1.08%
Administration & General Fund	\$1,789,972	\$1,801,514	(\$11,542)	-0.64%
Subtotal O&M and Admin	\$17,145,548	\$16,992,453	\$153,095	0.90%
UAL & OPEB	\$ 2,731,951.00	\$2,477,818	\$254,133	10.26%
TOTAL BUDGET	\$19,877,499	\$19,470,271	\$407,228	2.09%



# QC - Internal

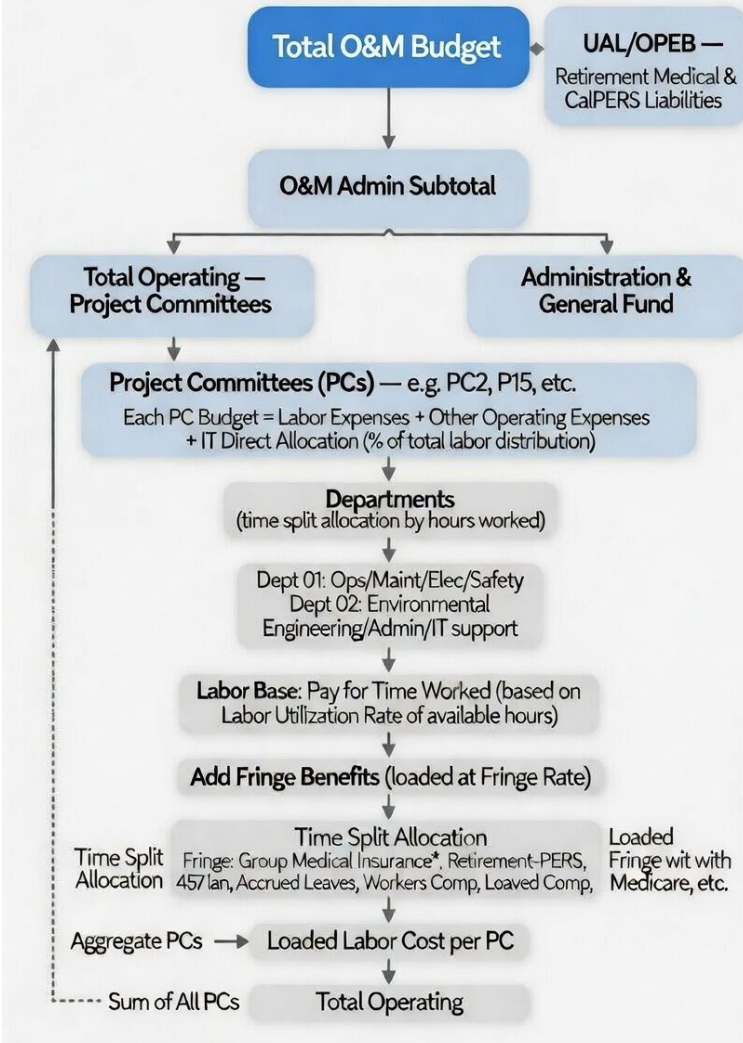
- \$75,000 add to 02-5076-01-00-00 (DEPT 01) for Aptean EAM (Tabware)
- \$75,000 add to 15-5076-01-00-00 (DEPT 01) for Aptean EAM (Tabware)
- \$12,000 add to 01-5018-04-00-00 for Government Affairs



# SOCWA Budget Composition

- Total Budget consists of UAL/OPEB (retirement liabilities) + O&M Administration Subtotal
- O&M Administration Subtotal = Total Operating (Project Committees) + Administration & General Fund
- Each Project Committee budget includes Loaded Labor + Other Operating Expenses + IT Direct Allocation
- Loaded Labor is calculated by allocating staff time from Departments 01 & 02 (based on hours worked), then applying the Fringe Benefits rate
- This activity-based structure ensures transparent, fair, and accurate allocation of all direct and indirect costs
- The Total Budget also includes Capital expenses (inclusive of large capital, non-capital, misc. engineering, and small capital).
- The approval of the Total Budget also represents the approval of the individually planned and ongoing CIP project budgets.

## How the SOCWA Budget Works



The Total Budget then adds in the Annual CIP Billings

$$\text{UAL + OPEB} + \text{Total O\&M Budget} + \text{Annual Capital Billing Budget} = \text{Total Budget}$$



# Budget workbook – Master Template

- Contents:
  - Budget Book:
    - Tables 1-6: Summary Tables
    - Tables 7-30: PC Member Agency (%), Member Agency (\$) Allocations, and PC Line-Item detail
  - Supporting Material:
    - Budget Summary Quality Control YOY
    - Department Level Details
    - Labor Details
    - Unfunded Liability Costs
    - CalPERS Normal Costs
    - Property Insurance Detail



# Total O&M Budget Summary

Project Committee	FY 2026-27 (\$)	FY 2025-26 (\$)	Difference (\$)	Change (%)
PC2	\$8,993,749	\$8,616,078	\$377,671	4.38%
PC5	\$927,694	\$944,588	(\$16,894)	-1.79%
PC8	\$294,815	\$289,662	\$5,153	1.78%
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PC24	\$804,972	\$807,995	(\$3,023)	-0.37%
<b>Total Operating</b>	<b>\$15,505,577</b>	<b>\$15,190,939</b>	<b>\$314,637</b>	<b>2.07%</b>
Administration & General Fund	\$1,801,972	\$1,801,514	\$458	0.03%
Subtotal O&M and Admin	\$17,307,548	\$16,992,453	\$315,095	1.85%
UAL & OPEB	\$ 2,731,951.00	\$2,477,818	\$254,133	10.26%
<b>TOTAL BUDGET</b>	<b>\$20,039,499</b>	<b>\$19,470,271</b>	<b>\$569,228</b>	<b>2.92%</b>

- Overall budget increase projected less than inflation.
- 3% Merit + 3% COLA Assumption Included
- March COLA numbers will be available mid-April
- Energy-Based Line Items Inflation: 6 to 10%
- Non-Energy Based Line Items Inflation: 3 to 5%
- Construction-Based Line Items and CIP Inflation: 1 to 5% or more (we are seeing higher increases that ENRLA is reporting)
- 'Summary Budget Table' in Budget workbook



# Admin Comparison Summary

**South Orange County Wastewater Authority  
Administration Expenses Detail by Line Item  
(\*Includes General Fund Expenses)**

	FY25-26 Budget	Proposed FY26-27 Budget	% Difference
<b>Salary and Fringe</b>			
Regular Salaries-O&M	\$ 773,482	\$ 751,908	-2.87%
Overtime Salaries-O&M	\$ 530	\$ 950	44.21%
Comp Time - O&M	\$ 1,060		
Fringe Benefits IN to PC's & Depts.	\$ 390,561	\$ 388,088	-0.64%
<b>Total Payroll Costs</b>	<b>\$ 1,165,633</b>	<b>\$ 1,140,946</b>	<b>-2.16%</b>
<b>Other Expenses</b>			
Small Purchases and Consumables	\$ 26,000	\$ 18,000	-44.44%
Management Support Services	\$ 150,000	\$ 140,000	-7.14%
Audit	\$ 45,000	\$ 45,000	0.00%
Legal	\$ 100,000	\$ 100,000	0.00%
Public Relations		\$ 12,000	100.00%
Contract Services Misc.	\$ 9,709	\$ 10,000	2.91%
Memberships, Conferences, Training and Travel	\$ 121,000	\$ 121,000	0.00%
Office Equipment	\$ 1,000	\$ 2,000	50.00%
Education Reimbursement	\$ 1,000	\$ 1,000	0.00%
Scholarship Sponsorship	\$ 1,000	\$ 1,000	0.00%
Employee Recognition	\$ 26,050	\$ 41,000	36.46%
Monthly Car Allowance	\$ 16,200	\$ 19,200	15.63%
IT Allocations in to PC's & Depts.	\$ 138,922	\$ 150,826	7.89%
<b>Total</b>	<b>\$ 1,801,514</b>	<b>\$ 1,801,972</b>	<b>0.03%</b>

- 0.6% decrease from FY 25-26 to FY 26-27 overall (including labor and other expenses)
- Executive Assistant Retirement reduced regular salaries
- Part-Time Assistant from 20 to 30 hours increased regular salary and overtime costs
- Contract services ~3% budget increase
- Increase in office supplies \$1000 led to 50% increase from FY 25-26 to FY 26-27
- Increase in employee recognition for retention and culture building
- Potential increase in GM car allowance through contract negotiations
- 2% overall increase in admin other expenses (non-labor)
- Table 5 in Budget workbook



**South Orange County Wastewater Authority  
Administration and General Fund Expenses Detail by Line Item**

	FY 26-27	FY 25-26
	<b>General Fund Portion</b>	<b>General Fund Portion</b>
Salaries and Fringe		
Regular Salaries-O&M	\$ 152,695	\$ 205,304
Overtime Salaries-O&M	\$ 475	\$ 265
Comp Time - O&M	\$ -	\$ 530
Fringe Benefits IN to PC's & Depts.	\$ 78,812	\$ 103,666
<b>Total Payroll Costs</b>	\$ 231,982	\$ 309,765
Other Expenses		
Small Purchases and Consumables	\$ 1,330	\$ 1,330
Management Support Services	\$ -	\$ -
Audit	\$ 45,000	\$ 45,000
Legal	\$ 67,000	\$ 67,000
Public Relations	\$ 12,000	\$ -
Contract Services Misc.	\$ -	\$ -
Memberships, Conferences, Training and Travel	\$ 27,800	\$ 90,000
Office Equipment	\$ -	\$ -
Education Reimbursement	\$ -	\$ -
Scholarship Sponsorship	\$ -	\$ -
Employee Recognition	\$ -	\$ -
Monthly Car Allowance	\$ 3,900	\$ 3,900
IT Allocations in to PC's & Depts.		\$ 6,946
<b>Subtotal Other Expenses</b>	\$ 157,030	\$ 214,176
<b>Total Expenses (Including Labor &amp; Fringe) FY 26-27</b>	\$389,012	\$523,941
<b>Total Expenses (Including Labor &amp; Fringe) FY 25-26</b>	\$523,941	
<b>Difference</b>	-\$134,929	

# General Fund Comparison

<b>Total Expenses (Including Labor &amp; Fringe) FY 26-27</b>	\$389,012	\$523,941
<b>Total Expenses (Including Labor &amp; Fringe) FY 25-26</b>	\$523,941	
<b>Difference</b>	-\$134,929	

- Retirement of Executive Assistant driving reduction in general fund reduction.
- Integration of AI workflows in governance documents projected to maintain general fund expenditures over time.
- ‘Table 6’ in Budget workbook



**South Orange County Wastewater Authority  
Fringe Benefits Pool and Rate  
FY 2026-27 Fringe Benefits Budget**

Liabilities	FY 2026-27 Budget	FY 2025-26 Budget	Change	% Change
<b>Fringe Pool (1)</b>				
457 Plan - Employer Contributions (40.75 Participants)	\$ 61,125	\$ 63,000	\$ (1,875)	-3%
Accrued Administrative Leave	\$ 31,900	\$ 31,000	\$ 900	3%
Accrued Holiday*			\$ -	
Accrued Personal Leave	\$ 79,503	\$ 75,000	\$ 4,503	6%
Crime Policy			\$ -	100%
Accrued Sick Pay	\$ 239,055	\$ 242,000	\$ (2,945)	-1%
Accrued Vacation	\$ 373,832	\$ 351,000	\$ 22,832	7%
Bereavement Pay*			\$ -	
Jury Duty*			\$ -	
Disability/Life/Dental/Vision Insurance*			\$ -	
Group Medical Insurance	\$ 870,000	\$ 920,000	\$ (50,000)	-5%
Group Medical Insurance Waiver	\$ 10,800	\$ 10,800	\$ -	0%
Medicare Tax - Employer	\$ 97,000	\$ 90,000	\$ 7,000	8%
Retiree Health Savings Program (RHS)	\$ 57,600	\$ 48,000	\$ 9,600	20%
Retirement - PERS Normal Costs	\$ 558,051	\$ 583,000	\$ (24,949)	-4%
Workers Compensation Ins.	\$ 112,693	\$ 210,540	\$ (97,847)	-46%
<b>Total O&amp;M Budget Fringe Benefits Pool</b>	<b>\$ 2,491,559</b>	<b>\$ 2,624,340</b>	<b>\$ (132,781)</b>	<b>-5%</b>
<b>Labor Base (2)</b>				
O&M (Department 01)	\$ 2,492,139	\$ 2,896,741	\$ (404,602)	-14%
Environmental (Department 02)	\$ 1,050,854	\$ 989,286	\$ 61,568	6%
Engineering	\$ 353,540	\$ 385,991	\$ (32,451)	-8%
Admin net of transfer to Engr	\$ 751,908	\$ 773,482	\$ (21,574)	-3%
IT	\$ 178,880	\$ 151,848	\$ 27,032	18%
<b>Total Pay for Time Worked Labor Base</b>	<b>\$ 4,827,321</b>	<b>\$ 5,197,348</b>	<b>\$ (370,027)</b>	<b>-7%</b>
<b>Fringe Rate (3)</b>	<b>51.6%</b>	<b>53.80%</b>	<b>-2.19%</b>	

(1) Fringe pool are liabilities incurred by the Agency as benefits offered to staff.

(2) Labor Base is the total labor based on the labor utilization rate calculated by total hours worked divided by total available hours, 2,080 hours and includes Holiday Pay, Child Leave, Bereavement and Jury Duty.

(3) Fringe rate is calculated by dividing Fringe Pool benefits by the Labor Base

(\*) Includes Disability/Life/Dental/Vision Insurance.

# Fringe Pool Comparison Summary

- Admin Leave increase from \$31,000 to \$31,900 decreased fringe pool from 51.7% to 51.6%
- Admin Personal Leave
- Medicare Slight Increase
- Retiree Health Savings Program Increase – New Hires in Tier 3
- Worker’s Comp Decrease – Sick and vacation buybacks are lower
- ‘Table 1’ in Budget workbook



**South Orange County Wastewater Authority  
IT Expenses Detail by Line Item**

	FY25-26 Budget	Propops ed FY26-27 Budget	% Increase
<b>Salary and Fringe</b>			
Regular Salaries-O&M	\$ 151,848	\$ 189,613	24.87%
Fringe Benefits IN to PC's & Depts.	\$ 76,674	\$ 97,866	27.64%
<b>Total Payroll Costs</b>	\$ 228,521	\$ 287,479	25.80%
<b>Other Expenses</b>			
Small Purchases and Consumables	\$ 4,000	\$ 6,000	50.00%
Management Support Services	\$ 150,000	\$ 130,500	-13.00%
Memberships, Conferences, Training and Travel	\$ 7,025	\$ 7,760	10.46%
IT O&M	\$ 303,831	\$ 279,784	-7.91%
Telecommunications	\$ 145,382	\$ 162,032	11.45%
Operating Leases	\$ 56,000	\$ 62,530	11.66%
Monthly Car Allowance	\$ 4,200	\$ 4,200	0.00%
IT Allocations in to PC's & Depts.			
<b>Total</b>	\$ 898,959	\$ 940,285	4.60%

# IT Budget Summary

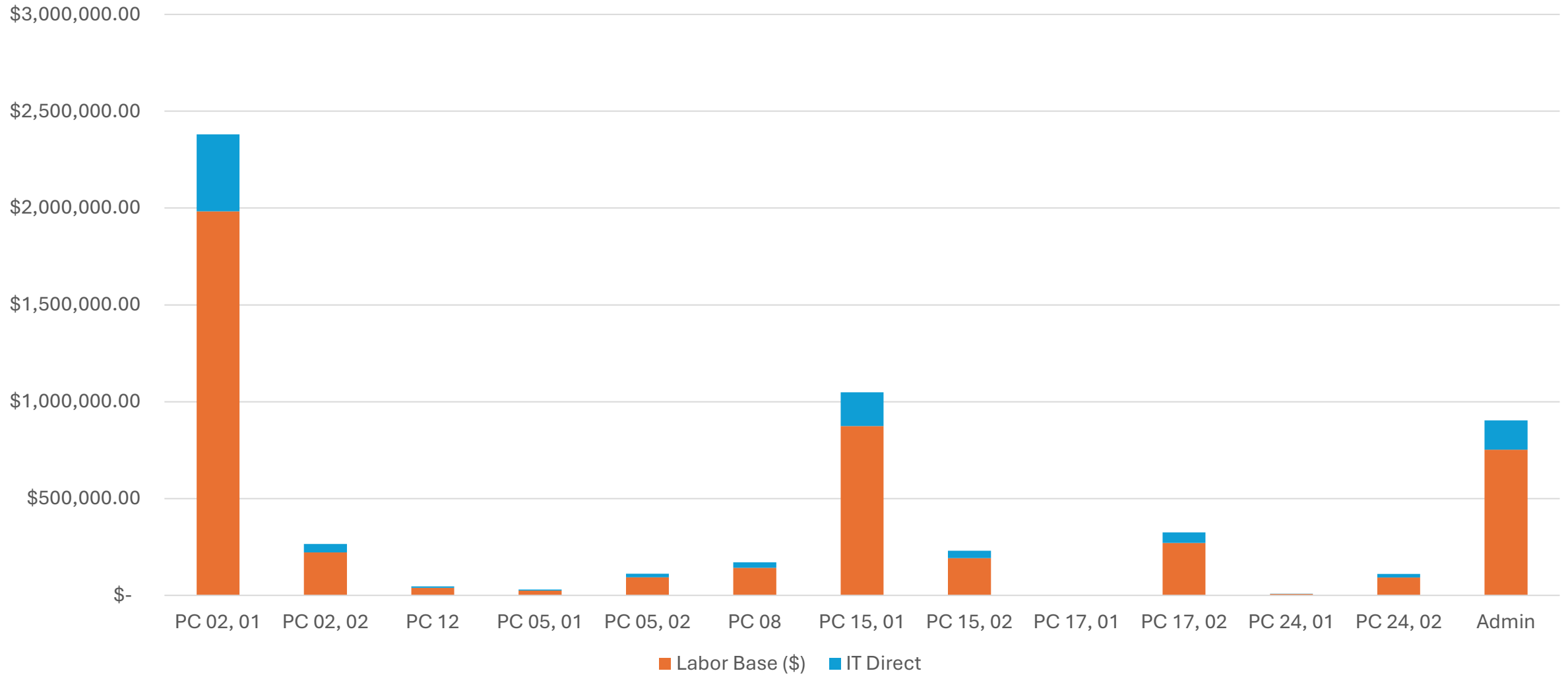
- Regular Salaries were under budgeted last year resulting in an overall increase of 0.07%.
- ‘DEPT05-IT Sched’ in the Budget workbook

**South Orange County Wastewater Authority  
IT Expenses Detail by Line Item**

	FY25-26 Budget	Propops ed FY26-27 Budget	% Increase
<b>Salary and Fringe</b>			
Regular Salaries-O&M	\$ 178,880	\$ 189,613	6.00%
Fringe Benefits IN to PC's & Depts.	\$ 90,334	\$ 97,866	8.34%
<b>Total Payroll Costs</b>	\$ 269,214	\$ 287,479	6.78%
<b>Other Expenses</b>			
Small Purchases and Consumables	\$ 4,000	\$ 6,000	50.00%
Management Support Services	\$ 150,000	\$ 130,500	-13.00%
Memberships, Conferences, Training and Travel	\$ 7,025	\$ 7,760	10.46%
IT O&M	\$ 303,831	\$ 279,784	-7.91%
Telecommunications	\$ 145,382	\$ 162,032	11.45%
Operating Leases	\$ 56,000	\$ 62,530	11.66%
Monthly Car Allowance	\$ 4,200	\$ 4,200	0.00%
IT Allocations in to PC's & Depts.			
<b>Total</b>	\$ 939,652	\$ 940,285	0.07%



# IT Direct Distribution to PCs and Admin



# Pension + OPEB Liabilities

Item	Pension (CalPERS)	OPEB Funding Valuation (Foster & Foster, Jan 1, 2025)	GASB 75 Accounting Report (June 30, 2025 measurement)
<b>What it covers</b>	Monthly retirement pension benefits	Retiree medical premiums + implicit subsidy	Same as OPEB (accounting version)
<b>Valuation / Measurement Date</b>	June 30, 2024	January 1, 2025	June 30, 2025
<b>Discount Rate</b>	6.8% (CalPERS standard – unchanged)	5.75% (changed from 6.5%)	5.75%
<b>Total / Accrued Liability</b>	\$74,692,157	\$14,345,376	\$14,499,764
<b>Plan Assets</b>	\$53,486,234	\$7,317,958	\$7,750,994
<b>Unfunded Liability</b>	<b>\$21,205,923 UAL</b>	<b>\$7,027,418 UAAL</b>	<b>\$6,748,770 Net OPEB Liability</b>
<b>Funded Ratio</b>	<b>71.6%</b>	<b>51.0%</b>	<b>53.5%</b>
<b>Annual Cash Impact (approx.)</b>	<b>\$2,020,733</b> fixed UAL payment (FY 2026-27) + Normal Cost % of payroll	\$946,550 ADC (recommended); only ~\$150k net to PARS trust after paying ~\$795k pay-go	Accounting expense only (~\$874k OPEB expense for FY 2024/25)

# CalPERS Normal Costs (included in the fringe pool)

<b>Employer Normal Costs</b>				
Pension Plans	Annual % of Payroll	Pensionable Payroll \$'s	Employer's Normal Costs	Increase/ (Decrease)
Tier 1 Classic	14.16%	\$648,128.00	\$91,775	
Tier 2 Classic	12.56%	\$1,033,677	\$129,830	
Tier 3 PEPRA	7.93%	\$4,242,701	\$336,446	
<b>Total</b>		<b>\$5,924,506</b>	<b>\$558,051</b>	<b>-25.8%</b>
<b>Prior year Budget FY 25-26</b>			<b>\$752,394</b>	



# UAL & OPEB Cost Comparison

	FY 24-25	FY 25-26	FY 26-27
Unfunded Accrued Pension Liability(UAL)*	\$1,513,373	\$1,760,610	\$1,955,345
OPEB/Retiree Health Insurance(Pay-Go)	\$615,004	\$717,208	\$776,606
<b>Total</b>	<b>\$2,128,377</b>	<b>\$2,477,818</b>	<b>\$2,731,951</b>

\*UAL includes the 15 transferred MNWD employees<sup>21</sup>

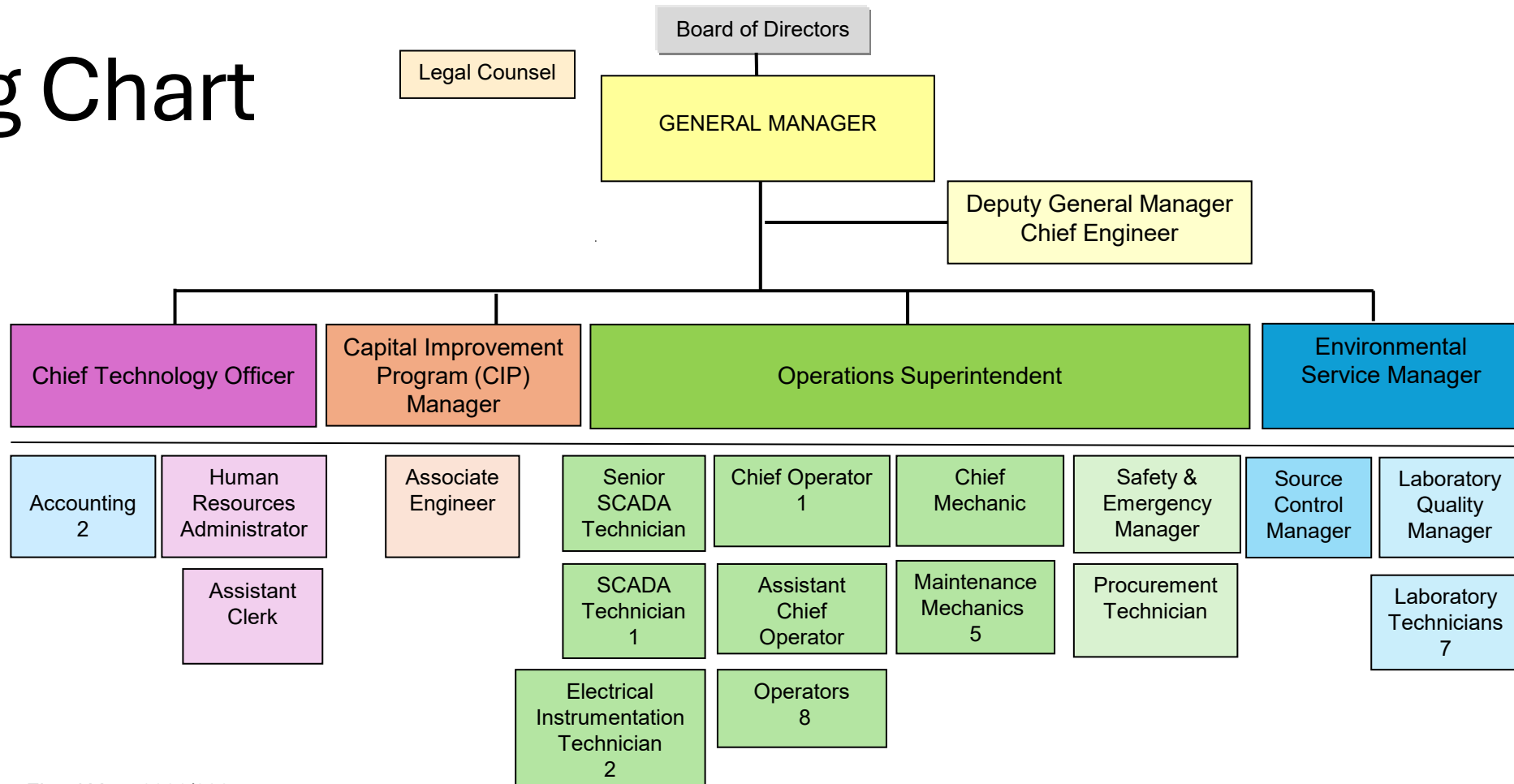


# General Budget Drivers - Insurance

- Property Insurance: +5%
- Liability Insurance (PLP): 10%
- Workers' Compensation: -46% (MNWD staff transfer)
- Primary Pollution Insurance Program (PIP):
- Crime: 10%
- Cyber Crime: -5%
- General Commercial : +10%
- Auto Physical Damage: 5%



# Org Chart



Fiscal Year 2026/2027

**FTE 41.75**

Technology Services	4.75
Operations O/M	23
Environmental	10
Engineering	2
GM/DGM	2



FY26-27 BUDGET YEAR OVER YEAR COMPARISON

	PC2 FY25-26 Budget	PC2 Proposed FY26-27 Budget	Delta \$	Delta %
<b>Salary and Fringe</b>				
Regular Salaries-O&M	\$ 2,110,912	\$ 2,204,974	\$ 94,062	4.46%
Overtime Salaries-O&M	\$ 41,564	\$ 42,300	\$ 736	1.77%
Performance Based Merit Pay				
Scheduled Holiday Work	\$ 24,475	\$ 27,800	\$ 3,325	13.58%
Comp Time - O&M	\$ 13,574	\$ 21,300	\$ 7,726	56.92%
Fringe Benefits IN to PC's & Depts.	\$ 1,065,880	\$ 1,138,069	\$ 72,188	6.77%
Standby Pay	\$ 41,000	\$ 58,000	\$ 17,000	41.46%
Total Payroll Costs	\$ 3,300,586	\$ 3,492,443	\$ 191,857	5.81%
<b>Other Expenses</b>				
Electricity	\$ 791,040	\$ 870,000	\$ 78,960	9.98%
Natural Gas	\$ 222,480	\$ 222,480	\$ -	0.00%
Potable & Reclaimed Water	\$ 27,000	\$ 28,620	\$ 1,620	6.00%
Chlorine/Sodium Hypochlorite	\$ 65,000	\$ 68,900	\$ 3,900	6.00%
Polymer Products	\$ 550,000	\$ 550,000	\$ -	0.00%
Ferric Chloride	\$ 400,000	\$ 400,000	\$ -	0.00%
Odor Control Chemicals	\$ 45,000	\$ 48,000	\$ 3,000	6.67%
Small Purchases and Consumables	\$ 151,100	\$ 152,600	\$ 1,500	0.99%
Laboratory Services	\$ 16,924	\$ 15,400	\$ (1,524)	-9.00%
Grit Hauling	\$ 80,000	\$ 80,000	\$ -	0.00%
Management Support Services	\$ 25,000	\$ 45,000	\$ 20,000	80.00%
Audit	\$ 500	\$ 500	\$ -	0.00%
Legal Fees	\$ 5,000	\$ 5,000	\$ -	0.00%
Contract Services Misc.	\$ 343,000	\$ 343,000	\$ -	0.00%
Insurance - Property/Liability	\$ 353,523	\$ 329,934	\$ (23,588)	-6.67%
Trash Disposal	\$ 3,000	\$ 4,500	\$ 1,500	50.00%
Recruitment	\$ 1,000	\$ 1,000	\$ -	0.00%
Memberships, Conferences, Training and Travel	\$ 90,785	\$ 102,870	\$ 12,085	13.31%
Laboratory Supplies	\$ 21,630	\$ 24,300	\$ 2,670	12.34%
Office Equipment	\$ 14,000	\$ 14,000	\$ -	0.00%
Permits	\$ 34,195	\$ 35,000	\$ 805	2.35%
Biosolids Disposal	\$ 800,000	\$ 775,000	\$ (25,000)	-3.13%
Digester Cleaning	\$ -	\$ 62,000	\$ 62,000	100.00%
Diesel Truck Expenses	\$ 29,000	\$ 29,000	\$ -	0.00%
Maintenance Equip. & Facilities (Solids)	\$ 125,000	\$ 125,000	\$ -	0.00%
Maintenance Equip. & Facilities (Liquids)	\$ 200,000	\$ 200,000	\$ -	0.00%
Maintenance Equip. & Facilities (Common)	\$ 30,000	\$ 31,500	\$ 1,500	5.00%
Maintenance Equip. & Facilities (Co-Gen)	\$ 308,000	\$ 351,000	\$ 43,000	13.96%
SCADA / IT O&M	\$ 110,000	\$ 126,000	\$ 16,000	14.55%
Operating Leases	\$ 66,000	\$ 20,000	\$ (46,000)	-69.70%
Monthly Car Allowance	\$ 10,000	\$ 9,900	\$ (100)	-1.00%
Stormwater Station Costs Share - O&M	\$ (14,000)	\$ (14,000)	\$ -	0.00%
Laboratory Lease	\$ 3,000	\$ 3,000	\$ -	0.00%
IT Allocations in to PC's & Depts.	\$ 408,315	\$ 441,802	\$ 33,487	8.20%
<b>Total</b>	<b>\$ 8,616,078</b>	<b>\$ 8,993,749</b>	<b>\$ 377,671</b>	<b>4.38%</b>

# PC2 Budget Drivers

- Labor (cola and merit based on 3-year MOU - currently going into year 2) with some additional hours at JBL for upcoming construction projects this next year. Electrical/equipment shutdowns and drain bypasses for the two larger projects. (about 1/3rd of an FTE total between Ops, Maint, and SSD)
- Increased power costs planned by SDGE
- Increased O&M for cogen, based on the last few years of experience
- One planned digester cleaning for an upcoming internal inspection (planned in the non-cap CIP) (there is another planned cleaning for FY27-28 for the other internal inspection)
- Chemicals with energy-intensive production processes (including bleach, caustic, ferric, and polymer) – 6%
- Management services budgets to include increases to support renewal of Verily wastewater-based epidemiology monitoring contract.
- ‘PC02 DEPT01’+‘PC02 DEPT02’ =‘DEPT01-02 YOY Worksheet’



# PC5 Budget Drivers

## South Orange County Wastewater Authority Year Over Year O & M, Environmental & Safety Departments Budget Summary

	PC5 FY25-26 Budget	PC5 Propopsed FY26-27 Budget	Delta \$	Delta %
<b>Salary and Fringe</b>				
Regular Salaries-O&M	\$ 84,649	\$ 117,863	\$ 33,214	39.24%
Overtime Salaries-O&M	\$ 106	\$ 500	\$ 394	371.70%
Performance Based Merit Pay				
Scheduled Holiday Work	\$ 515	\$ 500	\$ (15)	-2.91%
Fringe Benefits IN to PC's & Depts.	\$ 42,743	\$ 60,834	\$ 18,091	42.33%
Total Payroll Costs	\$ 129,073	\$ 179,697	\$ 50,624	39.22%
<b>Other Expenses</b>				
Management Support Services	\$ 150,000	\$ 100,000	\$ (50,000)	-33.33%
Audit	\$ 500	\$ 500	\$ -	0.00%
Contract Services Misc.	\$ -	\$ 6,000	\$ 6,000	100.00%
Insurance - Property/Liability	\$ 114,398	\$ 90,111	\$ (24,287)	-21.23%
Memberships, Conferences, Training and Travel	\$ 15,585	\$ 10,000	\$ (5,585)	-35.84%
Laboratory Supplies	\$ 41,300	\$ 35,000	\$ (6,300)	-15.25%
Permits	\$ 382,658	\$ 382,700	\$ 42	0.01%
Offshore Monitoring	\$ 50,000	\$ 51,500	\$ 1,500	3.00%
Offshore Biochemistry	\$ 11,000	\$ 14,000	\$ 3,000	27.27%
Effluent Chemistry	\$ 29,000	\$ 29,870	\$ 870	3.00%
Maintenance Equip. & Facilities (Common)	\$ 1,000	\$ 1,000	\$ -	0.00%
Monthly Car Allowance	\$ 700	\$ 700	\$ -	0.00%
Laboratory Lease	\$ 3,000	\$ 3,000	\$ -	0.00%
IT Allocations in to PC's & Depts.	\$ 16,374	\$ 23,616	\$ 7,242	44.23%
			\$ -	
<b>Total</b>	<b>\$ 944,588</b>	<b>\$ 927,694</b>	<b>\$ (16,894)</b>	<b>-1.79%</b>

- Molecular technologies for beach monitoring consumables are expected to increase by 5%
- Additional management services are assumed across all PCs to support expanding regulatory requirements, including climate change adaptation and air toxics compliance.
- PC5 and PC24 management services increases for NPDES permit reissuance costs needed
- Completion of required NPDES rig fishing and benthic monitoring management services in FY 25-26 results in budget reductions for PC5 and PC24.
- Research priorities management support: 5% increase.
- 'PC05 DEPT01'+ 'PC05 DEPT02' = 'DEPT01-02 YOY Worksheet'



# PC8 Budget Drivers

	PC8 FY25-26 Budget	PC8 Propopsed FY26-27 Budget	Delta \$	Delta %
<b>Salary and Fringe</b>				
Regular Salaries-O&M	\$ 141,939	\$ 142,104	\$ 165	0.12%
Performance Based Merit Pay				
Fringe Benefits IN to PC's & Depts.	\$ 71,671	\$ 73,345	\$ 1,675	2.34%
<b>Total Payroll Costs</b>	<b>\$ 213,610</b>	<b>\$ 215,450</b>	<b>\$ 1,840</b>	<b>0.86%</b>
<b>Other Expenses</b>				
Small Purchases and Consumables	\$ 8,416	\$ 5,000	\$ (3,416)	-40.59%
Laboratory Services	\$ 3,180	\$ 6,000	\$ 2,820	88.68%
Management Support Services	\$ 20,000	\$ 20,600	\$ 600	3.00%
Audit	\$ 1,356	\$ 1,400	\$ 44	3.24%
Contract Services Misc.	\$ 1,600	\$ 1,600	\$ -	0.00%
Insurance - Property/Liability	\$ 4,152	\$ 5,392	\$ 1,240	29.88%
Memberships, Conferences, Training and Travel	\$ 9,295	\$ 9,600	\$ 305	3.28%
Permits	\$ 598	\$ 600	\$ 2	0.33%
Monthly Car Allowance	\$ -	\$ 700	\$ 700	100.00%
IT Allocations in to PC's & Depts.	\$ 27,455	\$ 28,473	\$ 1,017	3.71%
			\$ -	
<b>Total</b>	<b>\$ 289,662</b>	<b>\$ 294,815</b>	<b>\$ 5,153</b>	<b>1.78%</b>

- Pretreatment budget expects inflationary increase
- 'PC08' = 'DEPT01-02 YOY Worksheet'



# PC12 Budget Drivers

	PC12 FY25-26 Budget	PC12 Propopsed FY26-27 Budget	Delta \$	Delta %
<b>Salary and Fringe</b>				
Regular Salaries-O&M	\$ 26,785	\$ 39,057	\$ 12,272	45.82%
Performance Based Merit Pay				
Fringe Benefits IN to PC's & Depts.	\$ 13,525	\$ 20,159	\$ 6,634	49.05%
<b>Total Payroll Costs</b>	<b>\$ 40,310</b>	<b>\$ 59,216</b>	<b>\$ 18,906</b>	<b>46.90%</b>
<b>Other Expenses</b>				
Management Support Services	\$ 35,000	\$ 35,000	\$ -	0.00%
Audit	\$ 500	\$ 500	\$ -	0.00%
Insurance - Property/Liability	\$ 1,283	\$ 2,014	\$ 731	57.00%
Memberships, Conferences, Training and Travel	\$ 5,795	\$ 6,000	\$ 205	3.54%
Monthly Car Allowance	\$ 700	\$ 700	\$ -	0.00%
IT Allocations in to PC's & Depts.	\$ 5,181	\$ 7,826	\$ 2,645	51.04%
			\$ -	
<b>Total</b>	<b>\$ 88,769</b>	<b>\$ 111,256</b>	<b>\$ 22,487</b>	<b>25.33%</b>

- Salt and Nutrient Management Plan completion in FY 24-25 with support needed for Master Recycled Water Waste Discharge permit needed for PC12
- Increase in cost of labor due to permit renewal (last renewed in 1997)
- 'PC12 DEPT02' = 'DEPT01-02 YOY Worksheet'



# PC15 Budget Drivers

- Labor (cola and merit based on 3-year MOU)
- Superintendent to act as CPO
- Increased power costs planned by SCE
- Chemicals with energy-intensive production processes (including bleach, caustic, ferric, and polymer) – 6%
- Adjustments for ongoing treatment process changes post new diffuser installation project.
- Increased bleach usage for increased planned recycled water deliveries based on FY25-26.
- Management services budgets to include increases to support renewal of Verily wastewater-based epidemiology monitoring contract.
- ‘PC15 DEPT01’+‘PC15 DEPT02’ =‘DEPT01-02 YOY Worksheet’

	PC15 FY25-26 Budget	PC15 Propopsed FY26-27 Budget	Delta \$	Delta %
<b>Salary and Fringe</b>				
Regular Salaries-O&M	\$ 1,173,106	\$ 1,066,197	\$ (106,909)	-9.11%
Overtime Salaries-O&M	\$ 14,223	\$ 14,300	\$ 77	0.54%
Performance Based Merit Pay				
Scheduled Holiday Work	\$ 12,602	\$ 10,400	\$ (2,202)	-17.47%
Comp Time - O&M	\$ 2,120	\$ 5,000	\$ 2,880	135.85%
Fringe Benefits IN to PC's & Depts.	\$ 592,346	\$ 550,304	\$ (42,042)	-7.10%
Standby Pay	\$ 12,000	\$ 20,000	\$ 8,000	66.67%
<b>Total Payroll Costs</b>	<b>\$ 1,807,457</b>	<b>\$ 1,666,201</b>	<b>\$ (141,256)</b>	<b>-7.82%</b>
<b>Other Expenses</b>				
Electricity	\$ 310,000	\$ 341,000	\$ 31,000	10.00%
Natural Gas	\$ 3,500	\$ 3,500	\$ -	0.00%
Potable & Reclaimed Water	\$ 24,000	\$ 26,302	\$ 2,302	9.59%
Chlorine/Sodium Hypochlorite	\$ 117,500	\$ 204,000	\$ 86,500	73.62%
Ferric Chloride	\$ 300,000	\$ 200,000	\$ (100,000)	-33.33%
Odor Control Chemicals	\$ 70,000	\$ 70,000	\$ -	0.00%
Small Purchases and Consumables	\$ 56,500	\$ 59,500	\$ 3,000	5.31%
Laboratory Services	\$ 16,000	\$ 18,500	\$ 2,500	15.63%
Grit Hauling	\$ 22,000	\$ 26,400	\$ 4,400	20.00%
Management Support Services	\$ 27,500	\$ 34,500	\$ 7,000	25.45%
Audit	\$ 500	\$ 500	\$ -	0.00%
Legal Fees	\$ 5,000	\$ 5,000	\$ -	0.00%
Contract Services Misc.	\$ 221,500	\$ 228,145	\$ 6,645	3.00%
Insurance - Property/Liability	\$ 159,272	\$ 141,603	\$ (17,670)	-11.09%
Trash Disposal	\$ 3,000	\$ 4,000	\$ 1,000	33.33%
Recruitment	\$ 300	\$ 500	\$ 200	66.67%
Memberships, Conferences, Training and Travel	\$ 78,625	\$ 92,677	\$ 14,052	17.87%
Laboratory Supplies	\$ 23,000	\$ 23,700	\$ 700	3.04%
Office Equipment	\$ 3,000	\$ 3,000	\$ -	0.00%
Permits	\$ 3,450	\$ 3,500	\$ 50	1.45%
Access Road Damage	\$ 45,000	\$ 15,000	\$ (30,000)	-66.67%
Storm Damage	\$ 20,000	\$ 20,000	\$ -	0.00%
Diesel Truck Expenses	\$ 1,500	\$ 1,500	\$ -	0.00%
Maintenance Equip. & Facilities (Liquids)	\$ 100,000	\$ 103,000	\$ 3,000	3.00%
Maintenance Equip. & Facilities (Common)	\$ 24,000	\$ 20,000	\$ (4,000)	-16.67%
SCADA / IT O&M	\$ 110,000	\$ 126,000	\$ 16,000	14.55%
Monthly Car Allowance	\$ 10,000	\$ 8,400	\$ (1,600)	-16.00%
Laboratory Lease	\$ 3,000	\$ 3,000	\$ -	0.00%
IT Allocations in to PC's & Depts.	\$ 226,915	\$ 213,630	\$ (13,285)	-5.85%
			\$ -	
<b>Total</b>	<b>\$ 3,822,519</b>	<b>\$ 3,698,057</b>	<b>\$ (124,462)</b>	<b>-3.26%</b>



# Lab Services Budget Drivers

- Increase in 3A lab services
  - Increase in contract services
  - Increase in lab supplies
  - PC17 LAB DEPT02' = 'DEPT01-02 YOY Worksheet'

	PC17 FY25-26 Budget	PC17 Propopsed FY26-27 Budget	Delta \$	Delta %
<b>Salary and Fringe</b>				
Regular Salaries-O&M	\$ 264,922	\$ 270,693	\$ 5,770	2.18%
Overtime Salaries-O&M	\$ 530	\$ 600	\$ 70	13.21%
Performance Based Merit Pay				
Scheduled Holiday Work	\$ 3,180	\$ 3,400	\$ 220	6.92%
Comp Time - O&M	\$ 1,272	\$ 1,500	\$ 228	17.92%
Fringe Benefits IN to PC's & Depts.	\$ 133,769	\$ 139,714	\$ 5,945	4.44%
Total Payroll Costs	\$ 403,673	\$ 415,907	\$ 12,234	3.03%
<b>Other Expenses</b>				
Small Purchases and Consumables	\$ 1,500	\$ 1,500	\$ -	0.00%
Laboratory Services	\$ 30,000	\$ 30,900	\$ 900	3.00%
Audit	\$ 500	\$ 500	\$ -	0.00%
Contract Services Misc.	\$ -	\$ 28,600	\$ 28,600	100.00%
Insurance - Property/Liability	\$ 8,023	\$ 11,599	\$ 3,576	44.57%
Memberships, Conferences, Training and Travel	\$ 5,000	\$ 5,200	\$ 200	4.00%
Laboratory Supplies	\$ 31,000	\$ 40,600	\$ 9,600	30.97%
MNWD Potable Water Supplies & Svcs.	\$ 41,000	\$ 42,200	\$ 1,200	2.93%
Group Insurance Waiver	\$ 3,600	\$ 3,600	\$ -	0.00%
Monthly Car Allowance	\$ 700	\$ 700	\$ -	0.00%
IT Allocations in to PC's & Depts.	\$ 51,244	\$ 54,238	\$ 2,994	5.84%
			\$ -	
<b>Total</b>	<b>\$ 576,240</b>	<b>\$ 640,543</b>	<b>\$ 64,303</b>	<b>11.16%</b>



# PC 21/23 Budget Drivers

	PC21/23 FY25-26 Budget	PC21/23 Proposed FY26-27 Budget	Delta \$	Delta %
<b>Salary and Fringe</b>				
Regular Salaries-O&M	\$ 12,060	\$ 9,060	\$ (3,000)	-24.88%
Performance Based Merit Pay				
Fringe Benefits IN to PC's & Depts.	\$ 6,090	\$ 4,676	\$ (1,413)	-23.21%
<b>Total Payroll Costs</b>	<b>\$ 18,150</b>	<b>\$ 13,736</b>	<b>\$ (4,413)</b>	<b>-24.32%</b>
<b>Other Expenses</b>				
Small Purchases and Consumables	\$ -	\$ 1,000	\$ 1,000	#DIV/0!
Insurance - Property/Liability	\$ 26,939	\$ 19,755	\$ (7,184)	-26.67%
			\$ -	
<b>Total</b>	<b>\$ 45,089</b>	<b>\$ 34,491</b>	<b>\$ (10,598)</b>	<b>-23.50%</b>

- CLB Reach 5 Design effort support completed for SOCWA staff.
- ‘PC21 DEPT01’ + ‘PC23 DEPT01’ = ‘DEPT01-02 YOY Worksheet’



# PC24 Budget Drivers

	PC24 FY25-26 Budget	PC24 Propopsed FY26-27 Budget	Delta \$	Delta %
<b>Salary and Fringe</b>				
Regular Salaries-O&M	\$ 71,653	\$ 99,195	\$ 27,542	38.44%
Overtime Salaries-O&M	\$ 518	\$ 2,000	\$ 1,482	286.10%
Performance Based Merit Pay				
Scheduled Holiday Work	\$ -	\$ 500	\$ 500	100.00%
Fringe Benefits IN to PC's & Depts.	\$ 36,181	\$ 51,198	\$ 15,018	41.51%
Total Payroll Costs	\$ 108,882	\$ 152,893	\$ 44,011	40.42%
<b>Other Expenses</b>				
Management Support Services	\$ 150,000	\$ 100,000	\$ (50,000)	-33.33%
Audit	\$ 500	\$ 500	\$ -	0.00%
Contract Services Misc.	\$ -	\$ 6,000	\$ 6,000	100.00%
Insurance - Property/Liability	\$ 78,336	\$ 63,003	\$ (15,333)	-19.57%
Memberships, Conferences, Training and Travel	\$ 7,345	\$ 10,000	\$ 2,655	36.15%
Laboratory Supplies	\$ 27,592	\$ 35,000	\$ 7,408	26.85%
Permits	\$ 328,900	\$ 328,900	\$ -	0.00%
Offshore Monitoring	\$ 50,000	\$ 51,500	\$ 1,500	3.00%
Offshore Biochemistry	\$ 11,000	\$ 4,000	\$ (7,000)	-63.64%
Effluent Chemistry	\$ 23,880	\$ 24,600	\$ 720	3.02%
Access Road Damage	\$ 3,000	\$ -	\$ (3,000)	-100.00%
Maintenance Equip. & Facilities (Common)	\$ 1,000	\$ 5,000	\$ 4,000	400.00%
Monthly Car Allowance	\$ 700	\$ 700	\$ -	0.00%
Laboratory Lease	\$ 3,000	\$ 3,000	\$ -	0.00%
IT Allocations in to PC's & Depts.	\$ 13,860	\$ 19,875	\$ 6,015	43.40%
			\$ -	
<b>Total</b>	<b>\$ 807,995</b>	<b>\$ 804,972</b>	<b>\$ (3,023)</b>	<b>-0.37%</b>

- Molecular technologies for beach monitoring consumables are expected to increase by 5%
- Additional management services are assumed across all PCs to support expanding regulatory requirements, including climate change adaptation and air toxics compliance.
- PC5 and PC24 management services increases for NPDES permit reissuance costs needed
- Completion of required NPDES rig fishing and benthic monitoring management services in FY 25-26 results in budget reductions for PC5 and PC24.
- Research priorities management support: 5% increase.
- 'PC24 DEPT01'+ 'PC24 DEPT02' = 'DEPT01-02 YOY Worksheet'



# Cost Allocations Per Member Agency – O&M

PC/Area	City of Laguna Beach	City of San Clemente	EBS	ETWD	IRWD (CO ETWD)	MNWD	MNWD (CO ETWD)	MNWD (CO SCWD)	MNWD (CO SMWD)	SCWD	SMWD	Total
Admininstration (without GF)	\$ 158,353	\$ 18,859	\$ 9,391	\$ 13,883	\$ 15,067	\$ 67,212	\$ 32,753	\$ 188,019	\$ 7,735	\$ 402,521	\$ 499,167	\$ 1,412,960
General Fund (GF)	\$ 64,835	\$ 64,835	\$ 64,835	\$ 64,835	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 64,835	\$ 64,835	\$ 389,012
PC 2 - JB Latham Treatment Plant	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,004,290	\$ -	\$ 2,161,638	\$ 4,827,821	\$ 8,993,749
PC 5 - San Juan Creek Ocean Outfall	\$ -	\$ 154,183	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 59,001	\$ 84,884	\$ 115,683	\$ 513,942	\$ 927,694
PC 8 - Pretreatment Program	\$ 12,251	\$ 52,770	\$ 6,462	\$ 12,251	\$ 29,616	\$ 55,664	\$ -	\$ -	\$ -	\$ 38,299	\$ 87,501	\$ 294,815
PC 12 - SO - Water Reclamation Permits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 41,362	\$ -	\$ -	\$ -	\$ 21,391	\$ 48,503	\$ 111,256
PC 15 - Coast Treatment Plant	\$ 1,627,071	\$ -	\$ 89,893	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,981,093	\$ -	\$ 3,698,057
PC 17 - Laboratory Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 640,543	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 640,543
PC 21 - Effluent Transmission Main	\$ -	\$ -	\$ -	\$ 8,867	\$ 8,867	\$ -	\$ 6,463	\$ -	\$ -	\$ -	\$ -	\$ 24,197
PC 23 - North Coast Interceptor	\$ 9,870	\$ -	\$ 424	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,294
PC 24 - Aliso Creek Ocean Outfall	\$ 88,547	\$ -	\$ 6,279	\$ 131,226	\$ 126,864	\$ -	\$ 352,964	\$ -	\$ -	\$ 99,092	\$ -	\$ 804,972
OPEB UAL Payment	\$ 292,865	\$ 19,124	\$ 12,840	\$ 93,979	\$ 20,490	\$ 1,201,785	\$ -	\$ -	\$ -	\$ 517,978	\$ 572,890	\$ 2,731,951
<b>Total</b>	<b>\$ 2,253,792</b>	<b>\$ 309,770</b>	<b>\$ 190,125</b>	<b>\$ 325,041</b>	<b>\$ 200,904</b>	<b>\$ 2,006,566</b>	<b>\$ 392,180</b>	<b>\$ 2,251,310</b>	<b>\$ 92,619</b>	<b>\$ 5,402,530</b>	<b>\$ 6,614,660</b>	<b>\$ 20,039,499</b>



# SOCWA Draft CIP Budget - Updated

April 7, 2026

Jim Burror, Deputy General Manager

SOCWA



# FY26-27 Summary

<b>FY26-27 Proposed Cash Requests</b>	<b>Current Project Phase</b>
\$4,573,340	In Construction/Implementation
\$1,801,736	In Design
\$1,482,000	Planned FY26-27 start
\$1,370,000	Planned small capital
\$3,053,000	Non-cap studies
\$12,280,076	Total FY26-27 Budget



# Current FY26-27 Versus FY26-27 Planned in FY25-26

	Est. FY26-27 Budget From FY25-26 Budget Book	Proposed FY26-27 Budget	Delta from Budget for FY26-27
Planned Cash Request	\$16,824,895	\$12,280,076	(\$4,544,819)



# Current FY26-27 Versus FY26-27 Planned in FY25-26

Member Agency	Proposed FY26-27 Cash Request	FY26-27 Cash Request in FY25-26 Budget	Delta
CLB	\$2,500,510	\$3,532,670	(\$1,032,160)
CSC	\$14,542	\$31,578	(\$17,036)
EBSB	\$138,283	\$195,390	(\$57,107)
ETWD(1)	\$720,771	\$941,871	(\$221,100)
IRWD (c/o ETWD)(2)	\$714,245	\$941,194	(\$226,949)
MNWD(3)	\$386,256	\$1,901,678	(\$1,515,422)
SCWD(1)	\$4,754,032	\$4,746,273	\$7,759
SMWD(1)	\$3,051,437	\$4,534,241	(\$1,482,804)
Total	\$12,280,076	\$16,824,895	(\$4,544,819)

- 1) Includes agency MNWD billings per December 2024 Exit Agreements.
- 2) Per 2023 IRWD Exit Agreement.
- 3) MNWD Direct billings



# Current FY26-27 MNWD Other Agency Billings

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<b>Member Agency</b>	<b>Proposed FY25-26 Cash Request</b>
MNWD (c/o ETWD)	\$75,539
MNWD (c/o SCWD)	\$1,275,290
MNWD (c/o SMWD)	\$2,288
Total	\$1,353,116



# Draft CIP Budget Summary Updated

	<b>FY 2026/2027 \$MM</b>	<b>FY 2027/2028 \$MM</b>	<b>Total \$MM</b>
Large Capital	\$7.86	\$13.13	\$20.99
Non & Small Cap	\$4.42	\$4.42	\$8.85
<b>Total</b>	<b>\$12.28</b>	<b>\$17.55</b>	<b>\$29.83</b>



# 2-YR Capital Budget by PC

PC	Facility	FY 2026/27	FY 2027/28	Total
PC-2	JBL	\$5,668,741	\$7,621,183	\$13,289,924
PC-5	SJCOO	\$25,000	\$400,000	\$425,000
PC15	CTP	\$4,594,203	\$5,688,956	\$10,283,159
Lab	Lab	\$489,000	\$10,000	\$499,000
PC-21	ETM	\$1,433,132	\$3,708,600	\$5,141,732
PC-24	ACOO	\$70,000	\$125,000	\$195,000
Total		\$12,280,076	\$15,553,739	\$29,833,815



# Capital Budget by PC and Agency Updated

Member Agency	FY 2026/27	FY 2027/28	Total
Laguna Beach	\$2,500,510	\$3,099,052	\$5,599,562
San Clemente	\$14,542	\$66,480	\$81,022
Emerald Bay SD	\$138,283	\$171,434	\$309,717
El Toro WD	\$720,771	\$1,874,678	\$2,595,448
IRWD (c/o ETWD)	\$714,245	\$1,874,000	\$2,588,245
MNWD (c/o ETWD)	\$75,539	\$54,810	\$130,349
MNWD	\$310,718	\$10,000	\$320,718
South Coast WD	\$3,478,742	\$4,270,453	\$7,749,195
MNWD (c/o SCWD)	\$1,275,290	\$1,714,018	\$2,989,308
Santa Margarita WD	\$3,049,149	\$4,382,211	\$7,431,360
MNWD (c/o SMWD)	\$2,288	\$36,604	\$38,891
Total	\$12,280,076	\$17,553,739	\$29,833,815

# Projects Starting or in Planning Phase

- JBL Digester 3 and 4 Upgrades and Coatings (Budget \$1M (YR1 \$200k))
- Laboratory Reconstruction Feasibility Phase 2 (Budget \$100k)
- Business Network Server Replacement Project (3 PCs) (Budget \$525k)
- Firewall Reliability Upgrade (3PCs) (Budget \$27k)
- WIMS Server Replacement (3PCs) (Budget \$60k)
- Golf Course Access Road (Assessment Phase) (Budget \$45k)
- Nimble/Hypervisors/Switches - Upgrade Project (3 PCs) (Budget \$525k)



# Projects in Design Phase

- 32232S-000/ 32234S-000/32231S-000 - Buried Digester and Flare Gasline Replacement Projects
- 32261S-000 - Odor Control Scrubber No.2 Replacement
- 3101-000/ 31221B-000 - Trail Bridge Crossing Protection Projects
- 3105/6/7/8-000 - Air Valve Replacements Reach E and D
- 31222B-000 - ETM Reach B/C Techite Replacement Projects



# Projects in Construction

- 3252-000 - MCC M and G Replacement
- 3285-000 - Main Plant Drain Line Reconstruction
- 32241L-000 - Effluent PS Storage and Staging Area
- 32226L-000 - Effluent Pump Station Upgrades
- 32243L-000 - Plant 2 Headworks Rehabilitation
- 32225S/C-000 - Energy Building Roof Upgrades Projects
- 3216-000 - Hoist System for Maintenance Shop



# Projects in Construction (cont'd)

- 3541-000/001 - Export Sludge System Construction Projects (Mitigation Phases)
- 35247L-000 - Aeration Blower System Upgrades
- 35235L-000 - Odor Control Scrubber Improvements
- 35242L-000 - CTP grit baffles and diffusers
- 3525-000 - Personnel Building Improvements
- 35248L-000 - Access Road Repaving
- 35229L-000 - Foul Air System
- 3522AL-000 - Drainage Pump Station Rehabilitation



# Budget Schedule

- ✓ January 22 - Draft 10-Year Spending Plan released
- ✓ January to February 5 – Budget Review Meetings with Agencies, if requested
- ✓ January 22 & February 19 – Presentation and Discussion to Engineering Committee
- ✓ March 3 – Executive Committee Meeting & Special Finance Committee Meeting
- ✓ March 17 – Final Budget Presentation to Finance Committee
- April 7 – Special Budget Board Workshop



# Discussion & Questions



# Next Steps

- April 21, 2026: Finance Committee Draft Final Budget Review
- May 14, 2026: Proposed Draft Budget & Public Hearing on Open Vacancies (AB 2561)