



2026 Long-Range Financing Plan

January 22, 2026



LRFP Provides a Financial Roadmap Governed by Key Policies.

The LRFP Does Not Authorize Spending or Setting of Rates & Charges.

Key Stakeholders provide input, direction, and guidance

- Board of Directors
- Member Agencies
- Ratepayers

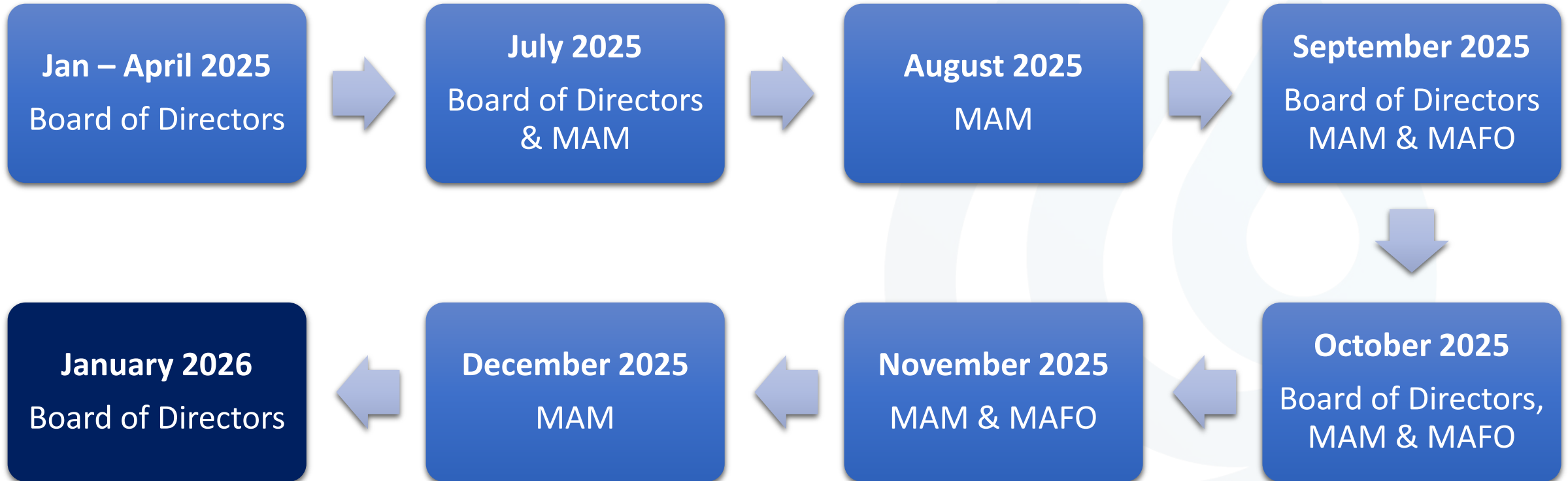
Others use resulting data and forecasts for internal modeling and credit monitoring

- Credit Rating Agencies
- Member Agencies & Rate Payers
- Water Authority Staff



Year-Long Development and Coordination for the 2026 LRFP

LRFP developed with input from the Board of Directors, Member Agency Managers (MAM), Finance Officers (MAFO) and Staff



Board Driven Core Tenets

Affordability

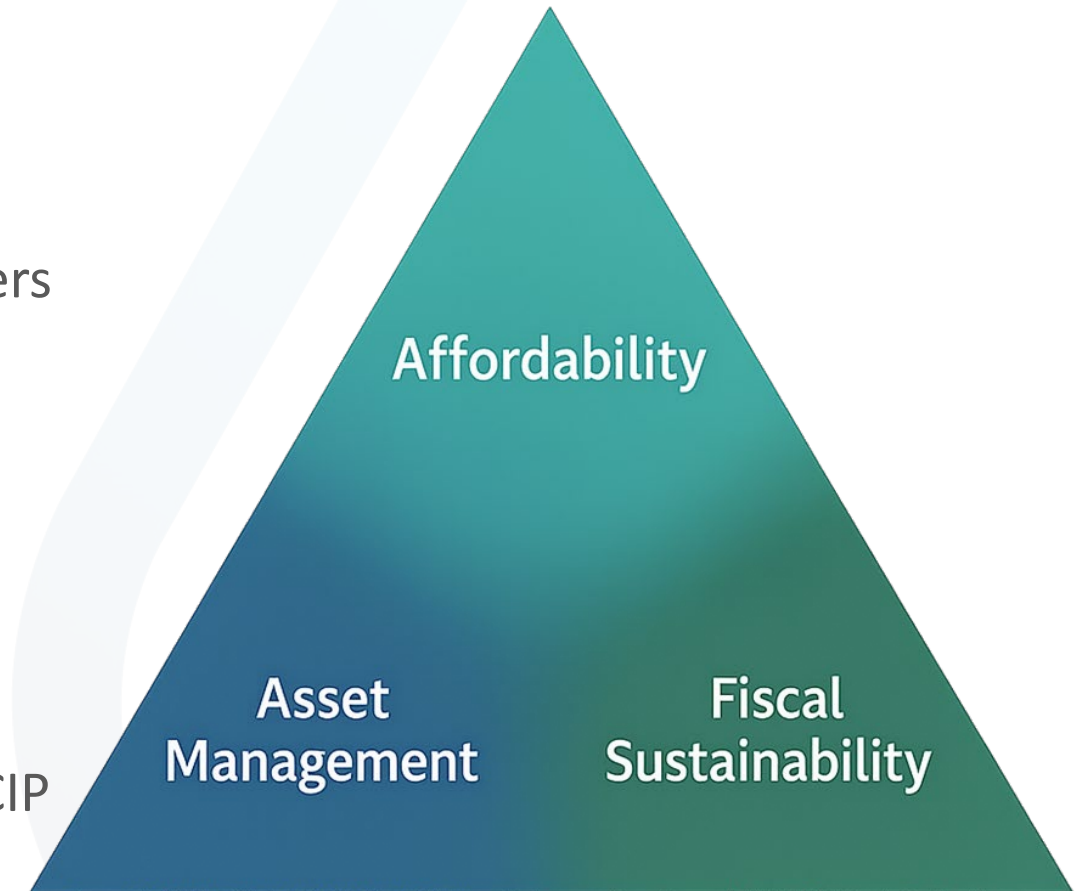
- Utilizing the Rate Stabilization Fund, debt, grant funding and focus on legislation to help the ratepayers
- Cost control and “turning over every stone”
- Third-Party Water Sales

Asset Management CIP

- Innovative approach to maximize asset life and minimize cost
- Board’s recent shift to moderate-risk from low-risk CIP

Financial Flexibility & Stability

- Prudent management of rates, debt and reserves to provide predictability of financials





San Diego County
Water Authority

Findings & Recommendations

Future Rates: Average Annual Increases of 4.2% to 7.2%

Compound Annual Growth Rate (CAGR)	Projected Volumetric Rates*	Projected Fixed Charges	Weighted CAGR
Higher Demand Scenario:	5.5%	0.9%	4.2%
Lower Demand Scenario:	9.5%	1.6%	7.2%

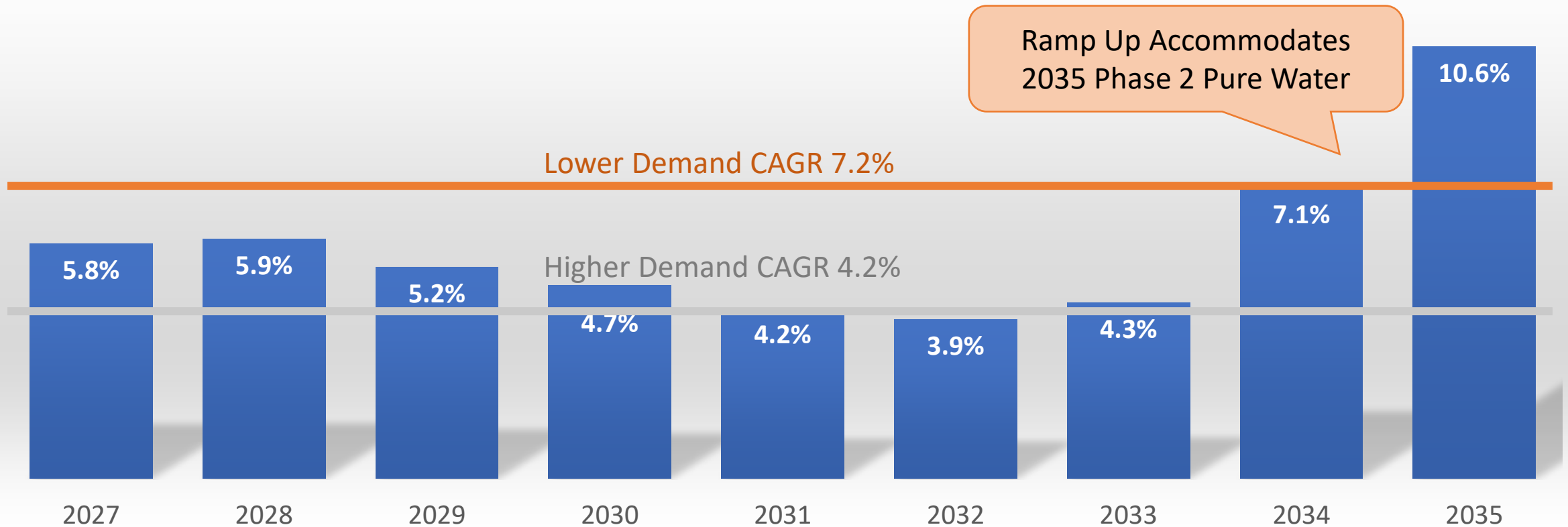
**includes Treatment Rates*

Forecasted compounded rate increases to support key financial metrics are 38% to 65%, depending on annual demands, through 2035.

Rate Forecast Demonstrates Stability and Predictability

Forecast maintains financial metrics, while assuming planned local supply development and no water deals

Baseline Effective Rate Increases Using Member Agency Demand Projections



2026 LRFP Policy Framework

Builds from prior frameworks and existing strengths, with minor adjustments to reflect current realities and feedback

1. Capital Funding Mix

- Range between 40%~60% debt based on mix of potential CIP needs and cashflow
- Debt necessary to mitigate rate spikes and normalize rates

2. Maintain 1.50x DSCR Target *(Senior Lien)*

- Consistent with Industry standards and Guiding Principles
- Establishes a monitoring threshold for unusually high coverage (30x)

3. Maintain 150 days of Cash Minimum Target

- As PAYGO Fund is included in days of cash, 150+ days necessary to support PAYGO

4. Split Rate Stabilization Fund *(Standalone Policy)*

- Reactive - Debt Service Coverage Fund (based on 50% 3yr annual average Senior Lien Debt Service)
- Proactive - Rate Relief Fund (up to \$50M to mitigate rates as directed by the Board)

5. Creation of Excess Revenue Procedure Policy *(Standalone Policy)*

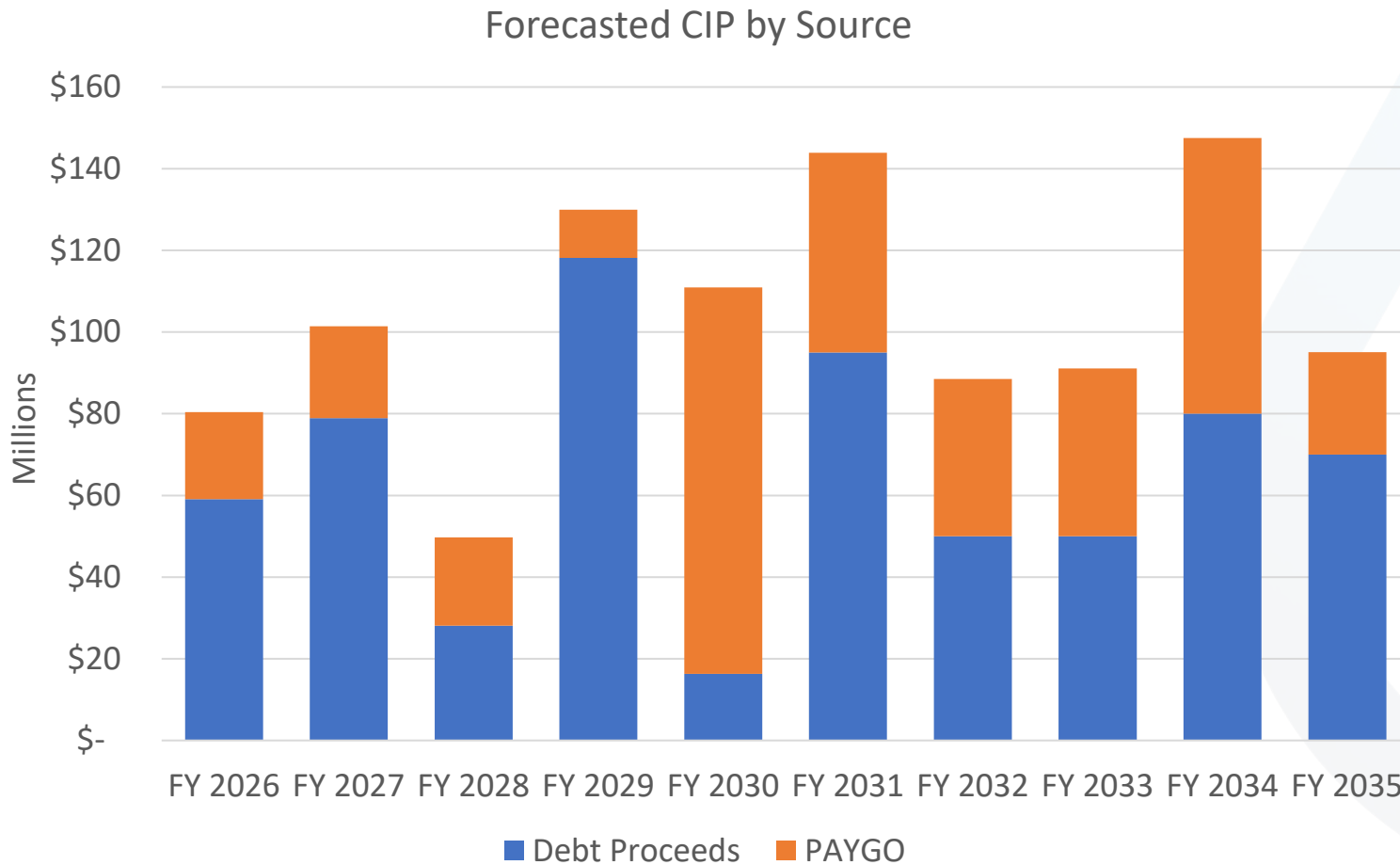
- Policy for staff to present the Board options on how to address unanticipated revenues

6. Maintain All other policies and Guiding Principles

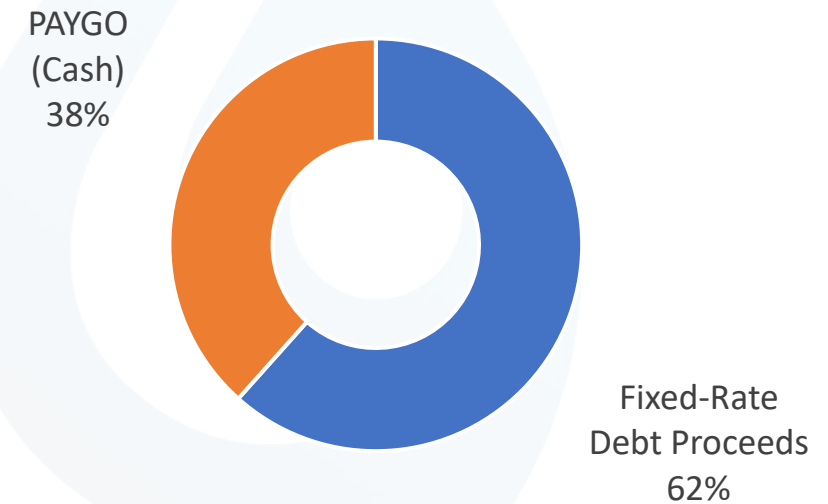
- Including adoption of previously provided Short-Term Debt Policy

Capital Funding Mix: Provides Affordability & Generational Equity

Average life of debt funded projects 50+ yrs. Mix provides rate smoothing required for Pure Water P2 & supports PayGo



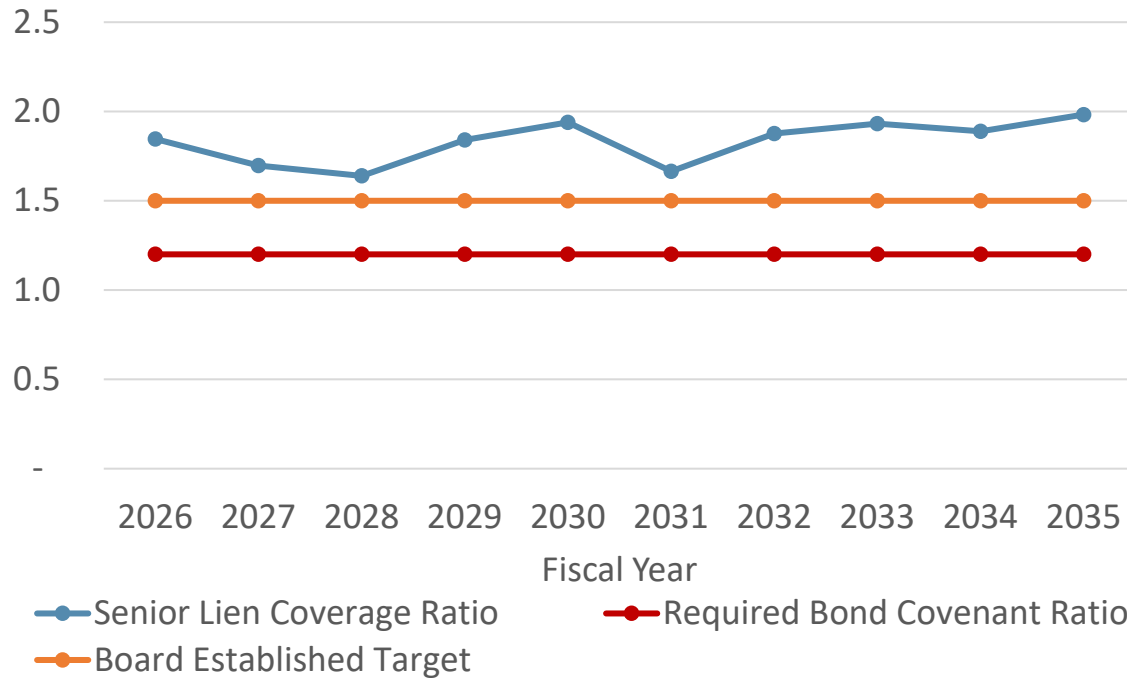
FY26-FY35 Target CIP Funding Mix



Maintain 1.5x Coverage: Occurs Naturally as Debt is Paid Down

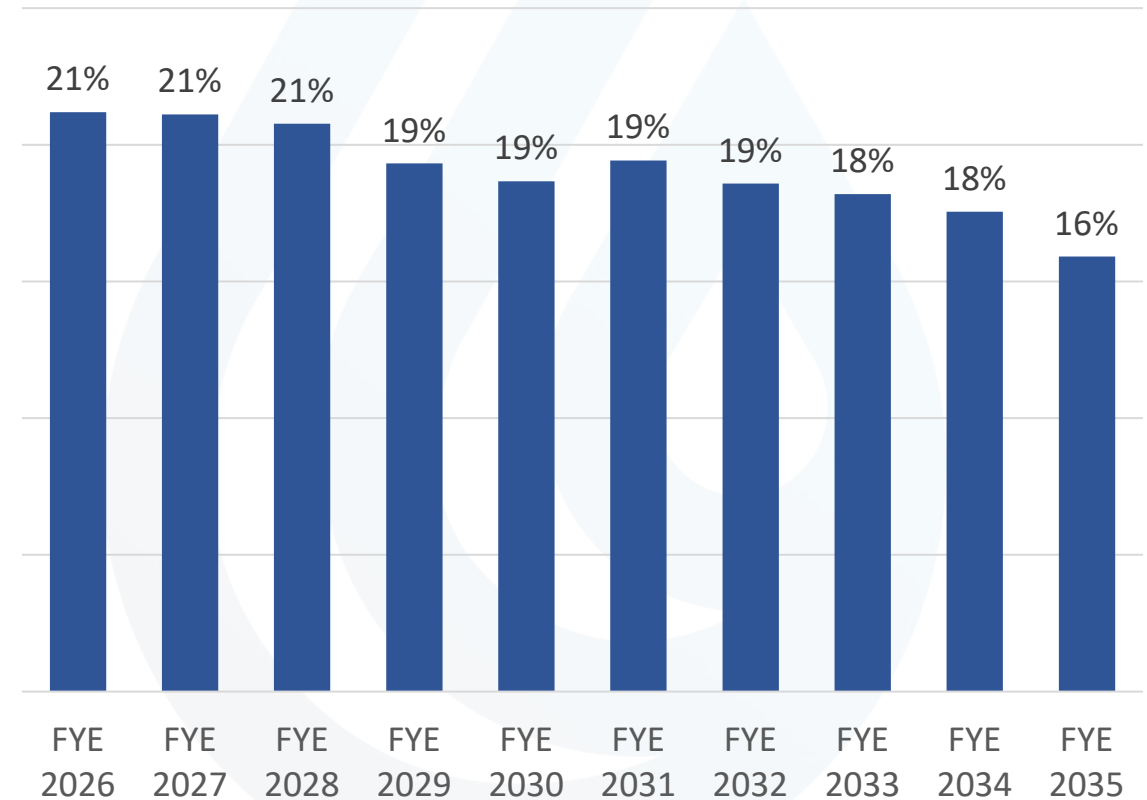
Deleveraging: \$841M LTD principal paydown vs \$650M in anticipated new money.

Senior Lien Debt Service Coverage*



*Rating Agency calculation may vary (be lower) based on specific calculations.
 *Overall (Aggregate) Coverage levels average 0.25x lower than SL ratio
 GASB 103 may also change forecasted results.

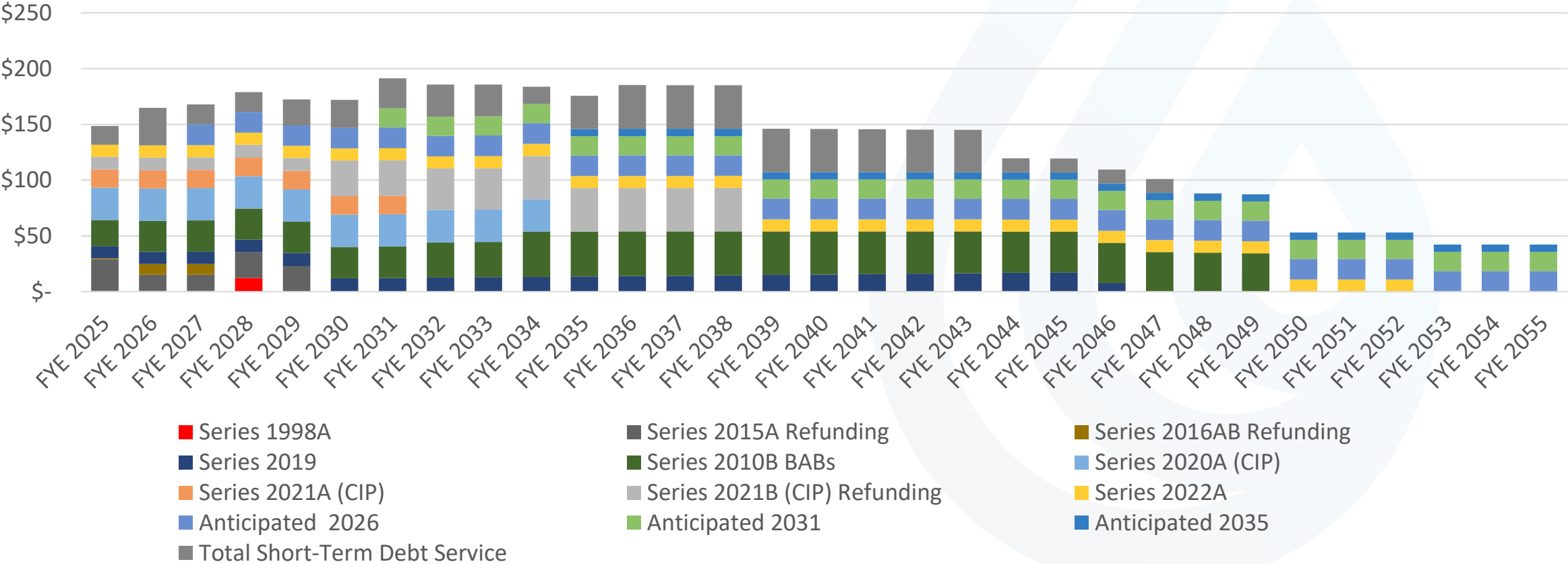
Debt Service Cost to Total Expenses



30yr Debt Stack Demonstrates Planned Deleveraging

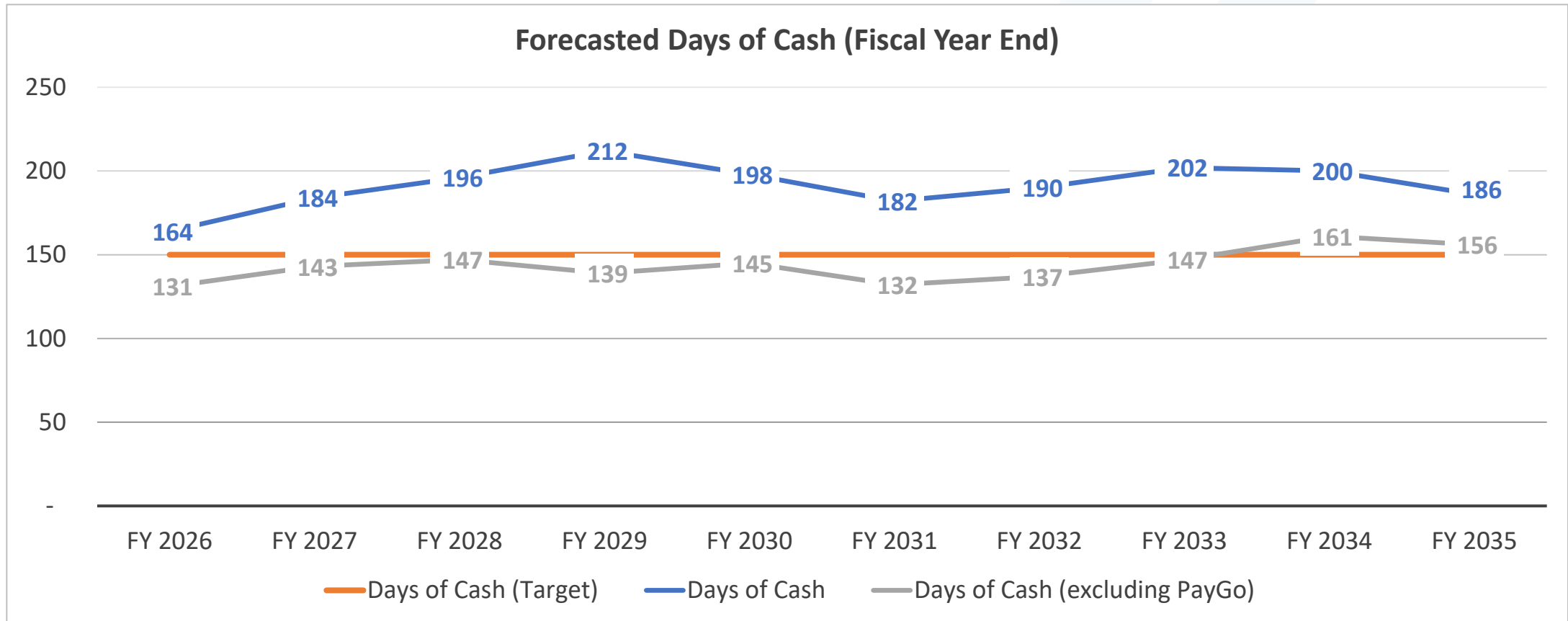
Forecasted principal paydown of \$841M LTD and \$102M STD (2026-2035). Excludes any potential refunding and defeasance. Staff to work with Financial Advisors during various anticipated market entry points to maximize affordability/savings.

Total Debt Stack (\$M)



Maintain 150 Days of Cash: Minimized to Support Affordability

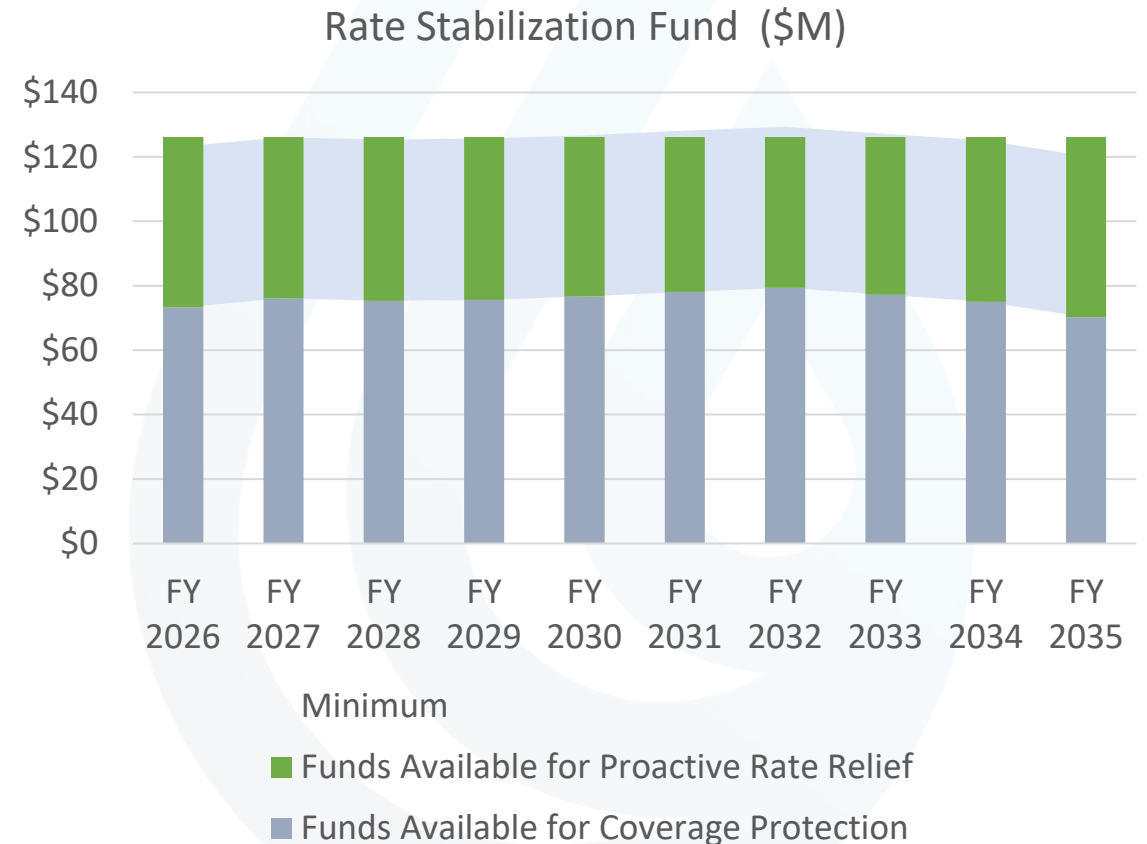
Excluding PayGo, which is volatile to support CIP, cash generally hovers below the 150-day Target.



Split Rate Stabilization Fund: Revised RSF Clarifies Use Cases

Revision aligns funding to annual debt service and rate smoothing, rather than hydrology

- **Coverage Protection: \$0 to ~\$70M**
 - Minimum defined by 50% Avg 3-yr Forecasted Senior Lien Debt Service
 - If coverage minimum is breached, funds to be replenished within 3 years
- **Proactive Portion: Up to \$50M**
 - Available for Board directed use
 - Use should consider Days of Cash levels
- RSF maximum sum of Coverage + Proactive
- RSF remains a standalone policy



Creation of Excess Revenue Policy: Transparency & Clarity

Standalone policy can be updated overtime as necessary

Purpose: Given potential to generate revenues above forecast and/or the Board's directive to seek 3rd party water transactions, this policy details potential procedures and options for addressing so called "excess" revenue.

Excess Revenue: Defined as cash flows \$5M or greater than anticipated in the Water Authority's Annual Rate Setting Process for any given Fiscal Year. Amounts will be defined at the conclusion of the fiscal year, following all transfers and reflective of the audited financial statements (ACFR).

Adjustments will be made to account for any debt issuance, accruals, and/or accounting of payments/expenses that cross fiscal years. (e.g., Water Authorities Upfront Payment Program). Excess Revenue is not tied to debt service coverage and will exclude withdrawals from the Rate Stabilization Fund.

Potential Uses of Excess Revenues

Should Excess Revenues be defined, Staff will provide presentation to the Board for potential uses, including but not limited to:

- Debt Optimization: Advance funding of any short or long-term debt obligations
- Liability Paydown: Including Pension liability or OPEB
- Rate Stability: Deposits into the RSF or other considerations relative to financial standing
- Capital Funding: Transfers to the PayGo fund to reduce/defer future anticipated debt issuances
- Member Agency Refunds or Rate Reductions

Implementation will vary based on the action taken and be clearly communicated during the presentation.

Staff Recommendation

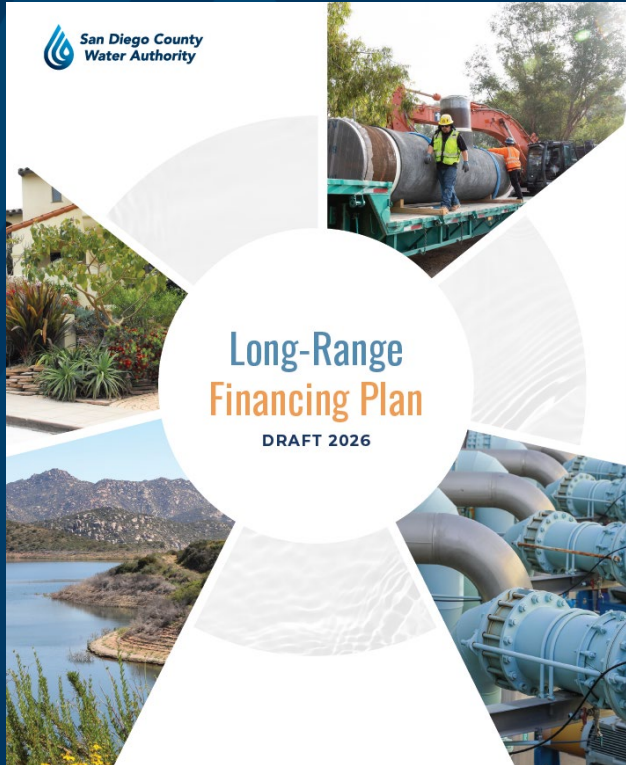
Adopt the 2026 Long-Range Financial Plan including:

1. Updated Rate Stabilization Fund Policy
2. Excess Revenue Procedure Policy
3. Updated Statement of Debt Management and Disclosure Policy

Alternative:

Adopt the 2026 Long-Range Financial Plan without:

1. Updated Rate Stabilization Fund Policy
2. Excess Revenue Procedure Policy
3. Updated Statement of Debt Management and Disclosure Policy



Thank You!



@sdcwa



SanDiegoCountyWaterAuthority



@sdcwa



San Diego County
Water Authority



San Diego County
Water Authority



Memorandum of Understanding for Integrated Regional Water Management Program

January 22, 2026

Water Planning and Environmental Committee

Summer Adleberg
Water Resources Manager

Background – Integrated Regional Water Management Program

- Statewide IRWM Program – Department of Water Resources
 - Supports regional and watershed planning efforts
 - Directs bond funds to cost-effective projects
- 48 active IRWM Planning Regions in California
- Regional goals include
 - Long-term water supply reliability
 - Improve water quality
 - Protect natural resources



San Diego IRWM Planning Region

- Created through Memorandum of Understanding (MOU) in 2005
- MOU signatories formed Regional Water Management Group (RWMG)
 - Water Authority (lead agency)
 - City of San Diego
 - County of San Diego
- Responsible for planning, funding, and implementation of SD IRWM Program
- Input from Regional Advisory Committee (RAC)
 - 32 members
 - Represent variety of stakeholder interests










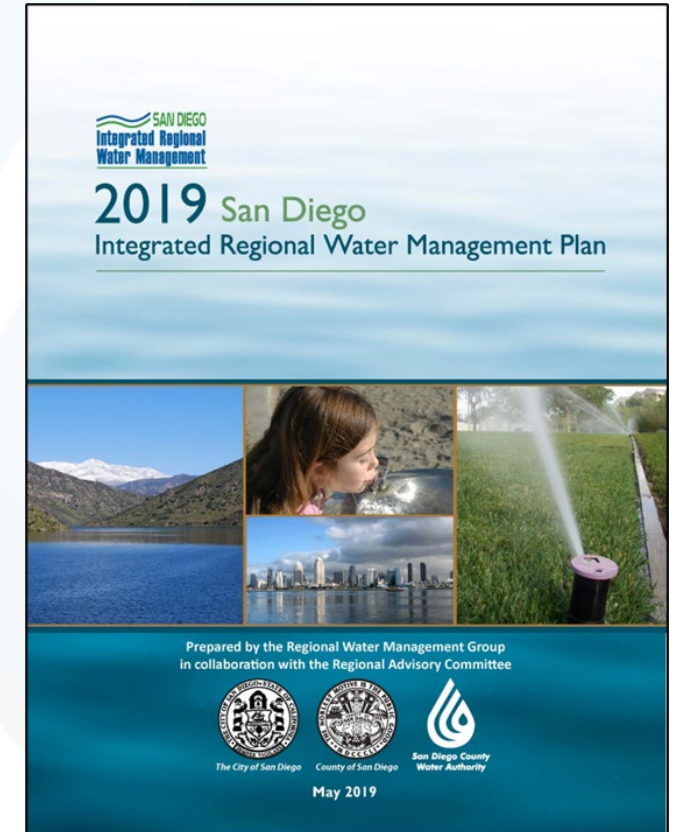
IRWM Program Funding

- \$132 million in funding from 11 state grants
- \$285 million in local funding match
- Provides support for 84 projects
 - 3 planning projects
 - 81 regional implementation projects
 - \$88 million to Water Authority/member agency projects



MOU General Terms and Obligations

-  Term - February 2026 – December 2030
-  Water Authority Funding Share - \$333,334
-  Water Authority serves as IRWM Program Manager
-  Defines terms of administrative policies
-  Water Authority administers grants
-  Agencies are equal partners on IRWM Plan Updates
-  Ensures continued input from RAC



Examples of Ongoing and Future IRWM MOU Activities

- Coordinate with regional and state stakeholders
- Facilitate RAC Workgroup and San Diego IRWM Summit activities
- Update 2019 IRWM Plan, Program Policies and Procedures
- Track state and federal IRWM funding opportunities
- Track Proposition 4 funding guidelines
- Develop and submit grant applications
- Lead public outreach and stakeholder engagement
- Manage and update IRWM website

MOU Funding Overview

- Funding contributions split equally between three RWMG agencies
- \$150,000 included in Water Authority’s Adopted Multi-Year Budget for Fiscal Years 2026-2027
 - Funding for future years subject to Board approval

Budget Category	Water Authority	City of San Diego	County of San Diego
Consultant Support Services	\$266,667	\$266,667	\$266,667
Reimbursement to Water Authority	\$66,667	\$66,667	\$66,667
Total Five-Year Contribution	\$333,334	\$333,334	\$333,334

Recommendation

Approve the MOU with the City and the County for IRWM planning and implementation activities.





San Diego County
Water Authority



Professional Services Contract for Integrated Regional Water Management

January 22, 2026
Water Planning and Environmental Committee

Loisa Burton
Supervising Management Analyst

IRWM Program Background

- Integrates regional water planning and implementation activities
 - Established in 2005
 - State-approved and regionally implemented
 - Water Authority serves as Grant Administrator
 - \$111 million distributed through program
- IRWM Program activities supported by:
 - Regional Water Management Group (RWMG)
 - Professional support services



Need for Professional Services Contract

- Supports implementation of RWMG MOU
 - Previous contract expired December 31, 2025
- Provides operational continuity
 - Maintains uninterrupted RWMG activities
 - Allows compliance with ongoing grant requirements
- Grant readiness
 - Supports pursuit of future state and federal funding opportunities, including Proposition 4



Consultant Selection Process

- RFP issued March 17, 2025
- Six proposals received
 - Dudek, Falcon Strategies, GeoSyntec, Larry Walker Associates, Inc., Villa Civil, Woodard & Curran
- Evaluated by multi-agency panel
- Woodard and Curran selected as most qualified based on experience, capacity, cost control, past performance, work approach



Scope of work

- Program implementation support
 - RWMG coordination and facilitation
 - IRWM Summit and regional engagement activities
 - Public outreach, including disadvantaged community and Tribal engagement
 - IRWM Policy, Plan, and website updates
- Grant readiness support
 - Track funding opportunities
 - Prepare grant applications
 - Provide project coordination, integration, and technical assistance



Contract Details

- Terminates on June 30, 2029, with option to extend up to 18 months
- Contract amount: \$503,255
- Funding sources:

Regional Water Management Group Members *		
Water Authority	City of San Diego	County of San Diego
\$167,752	\$167,752	\$167,752

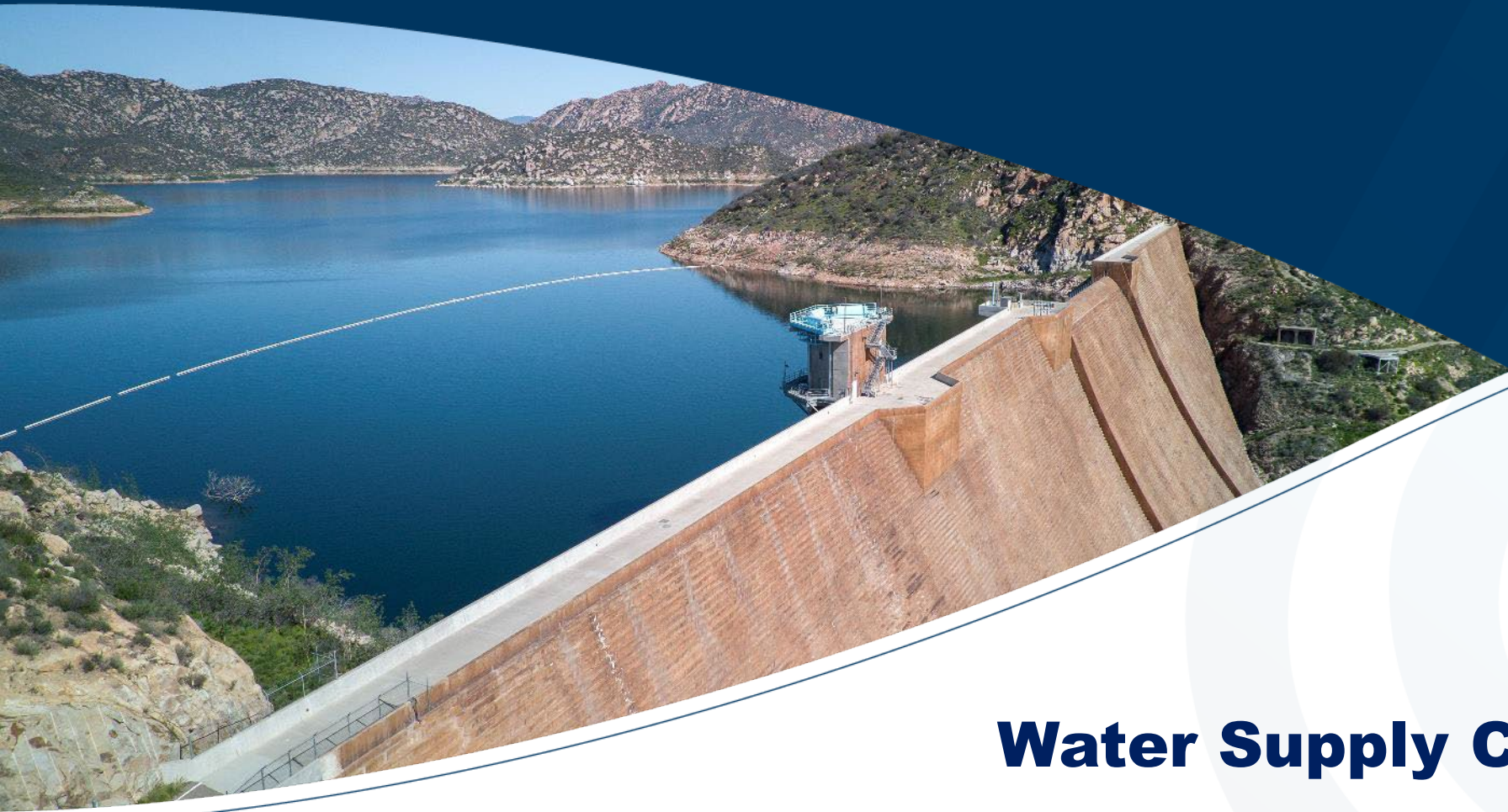
* Dollar amounts are rounded.

Staff Recommendation

Approve a professional services contract with such non-material modifications as approved by the General Manager or General Counsel, to Woodard and Curran for a not-to-exceed amount of \$503,255, with a termination date of June 30, 2029, with an option to extend the contract for up to an additional 18 months, and authorize the General Manager or designee, to execute the contract.



San Diego County
Water Authority



Water Supply Conditions Update

January 22, 2026

Water Planning and Environmental Committee

Efren Lopez

Senior Water Resources Specialist

First Snow Survey – Water Year 2026

December 30, 2025



Phillips Station

- 24 inches of snow depth
- 5 inches of snow water equivalent
- 50% of average

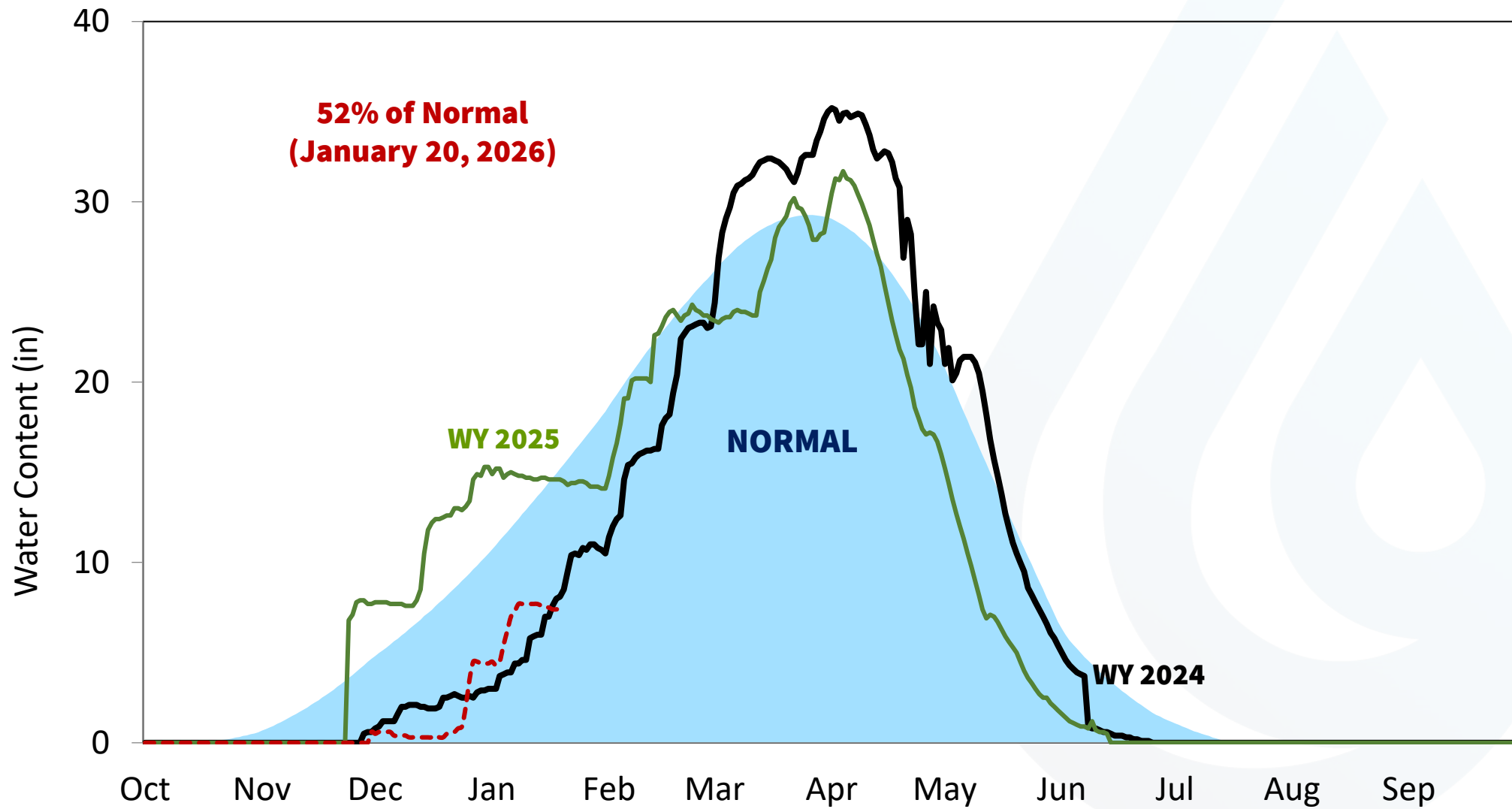


Statewide

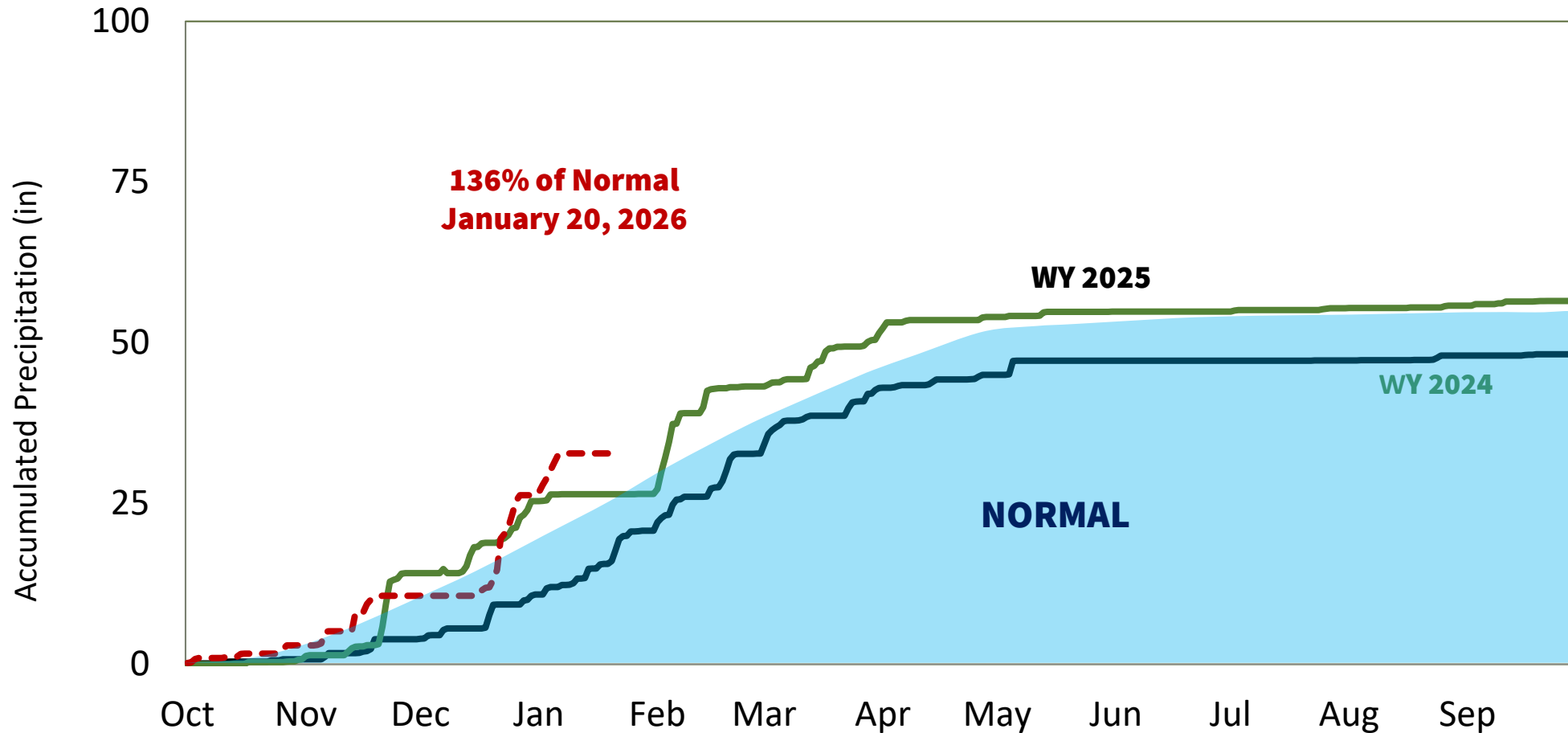
- 6.5 inches of snow water equivalent
- 71% of average

Source: DWR

Northern Sierra Snowpack WY 26

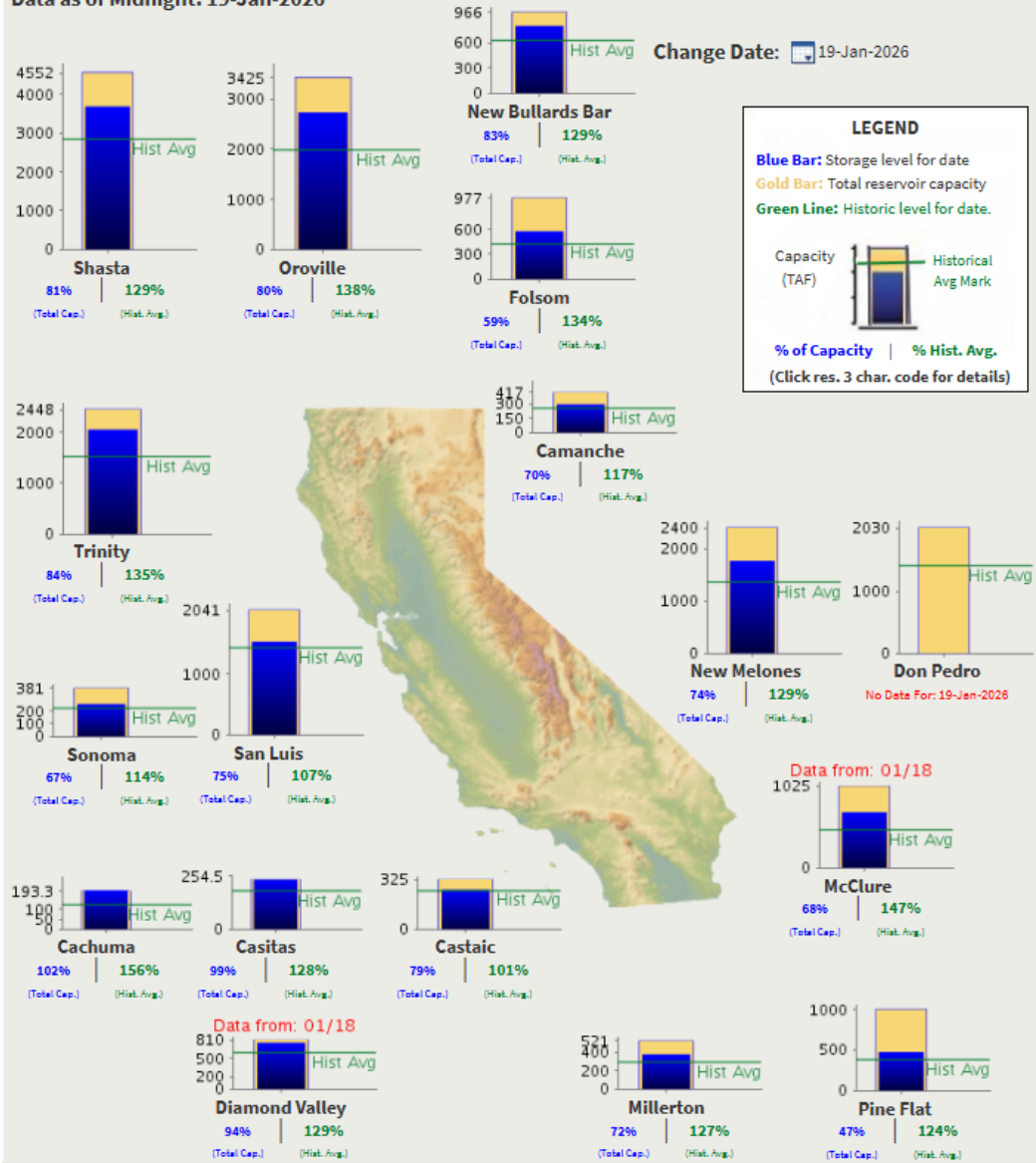


Northern Sierra 8-Station Precipitation Index—WY 26



California Reservoir Storage

Data as of Midnight: 19-Jan-2026

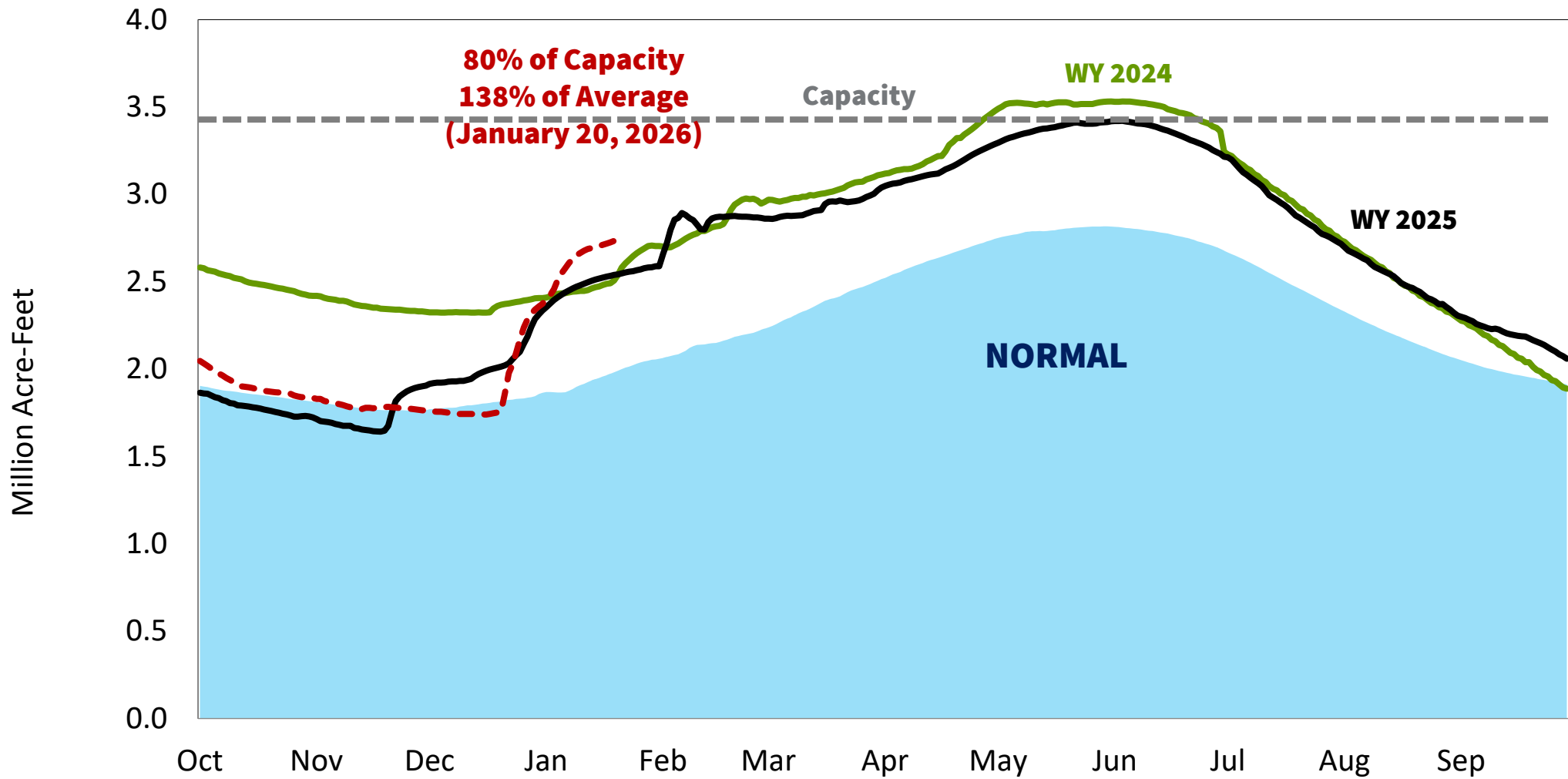


Lake Oroville



San Luis Reservoir

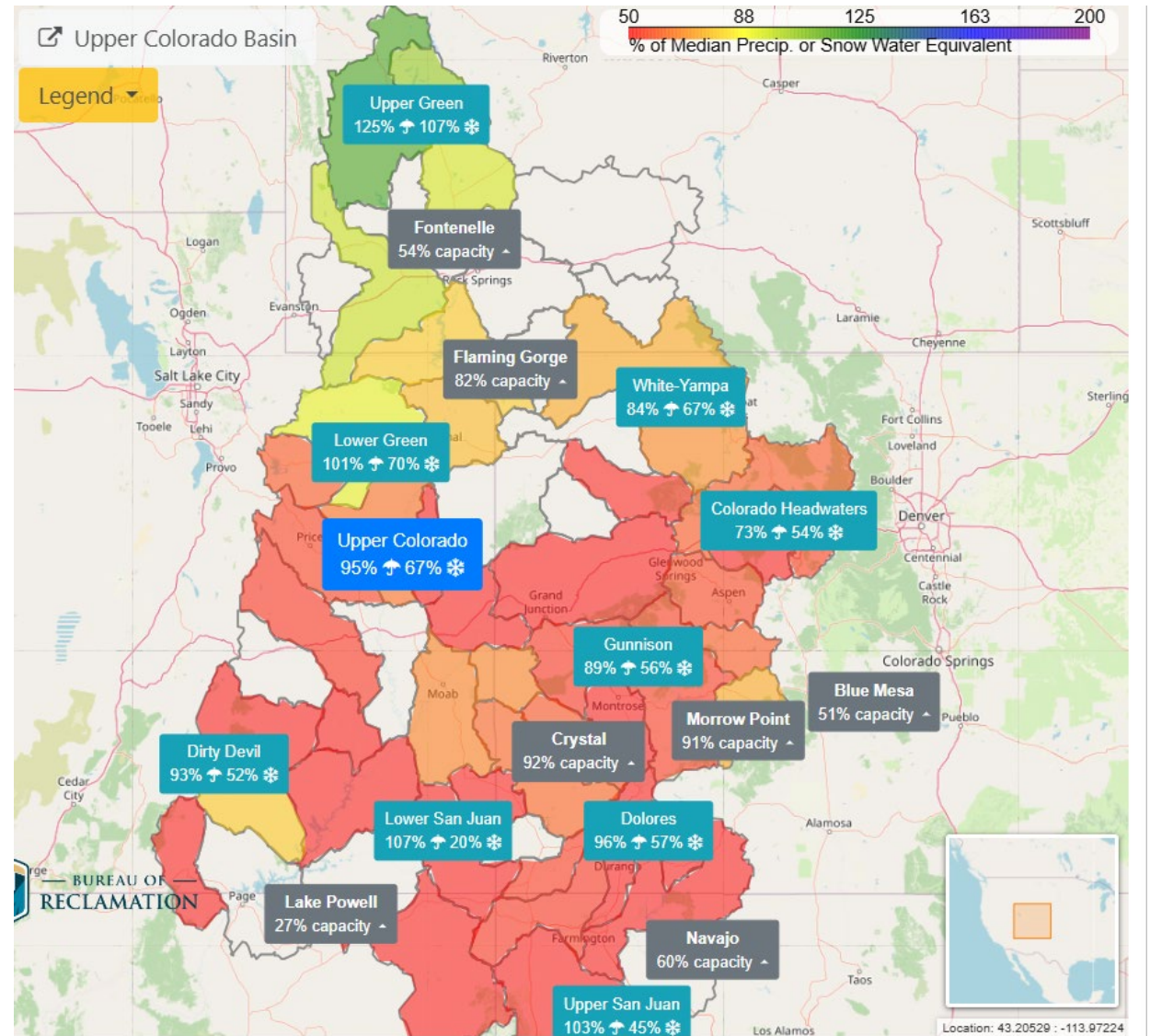
Lake Oroville Storage Volume WY 26



Colorado River Basin Conditions

As of January 20, 2026

- Precipitation 95% of normal
- Snowpack 67% of normal
- Lake Powell 27% full (6.2 MAF)
- Lake Mead 34% full (8.7 MAF)



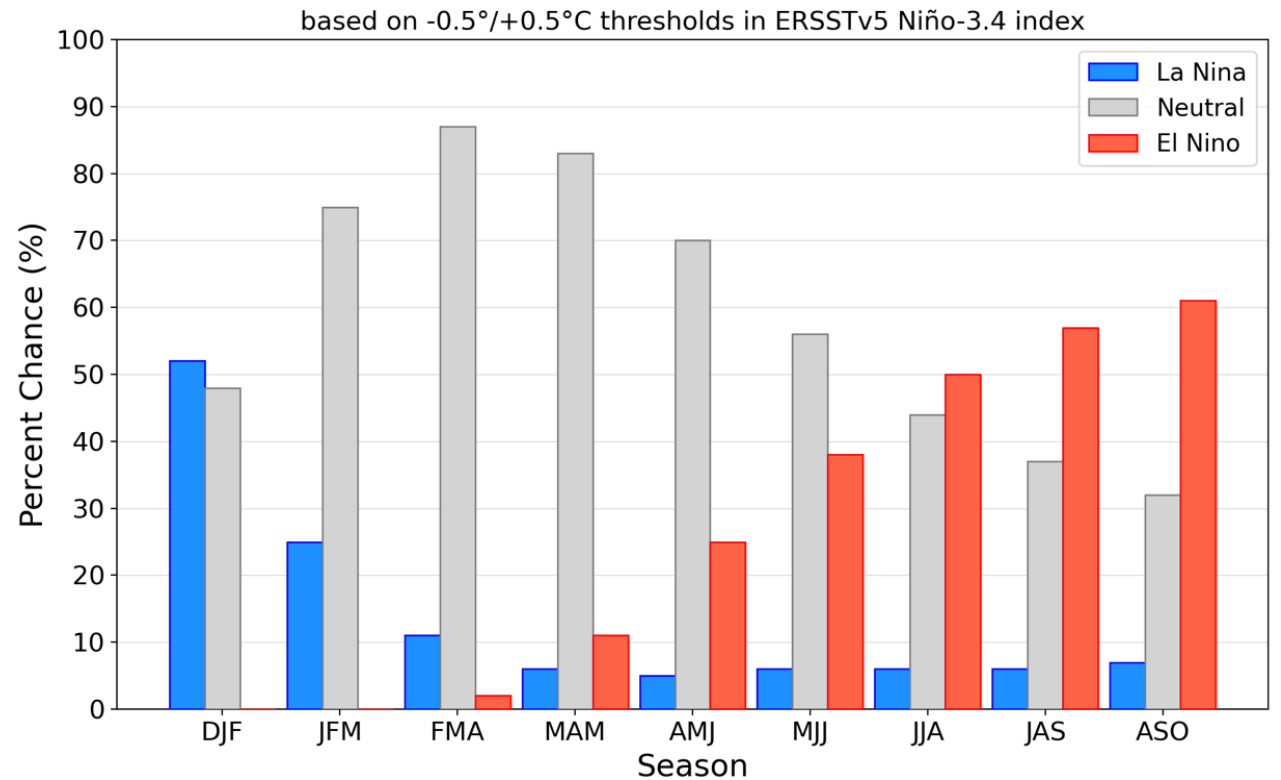
Local Precipitation

Water Year 2026				
	<u>Month To-Date</u> January 1-20, 2026		<u>Water Year To-Date</u> October 1, 2025 – January 1-20, 2026	
Station	Actual	% Normal	Actual	% Normal
Lindbergh Field	3.08 in.	238%	7.80 in.	183%
Ramona Airport	2.80 in.	135%	7.04 in.	119%

NOAA Outlook WY 26

- La Niña conditions are present
- Impacts of La Niña can result in drier-than-average winter in Southern California
- Transition to ENSO-neutral January – March 2026 (75% chance)

Official NOAA CPC ENSO Probabilities (issued January 2026)

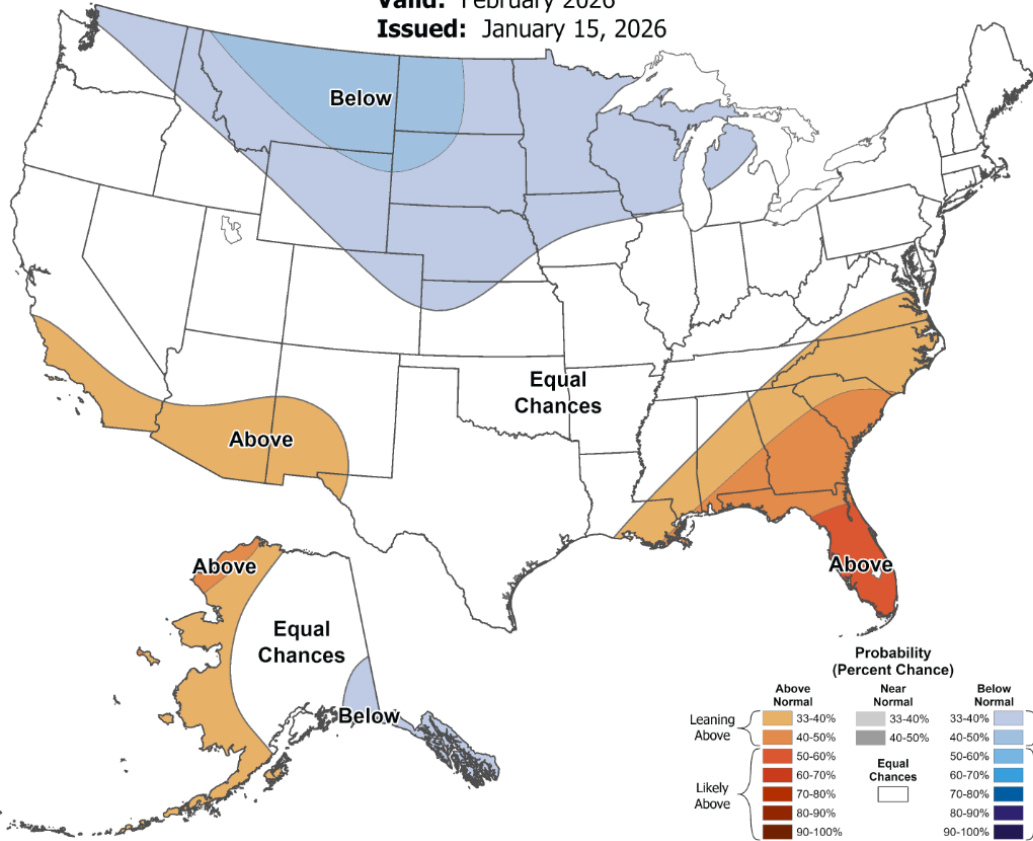


Source: NOAA Climate Prediction Center/NCEP

Outlook

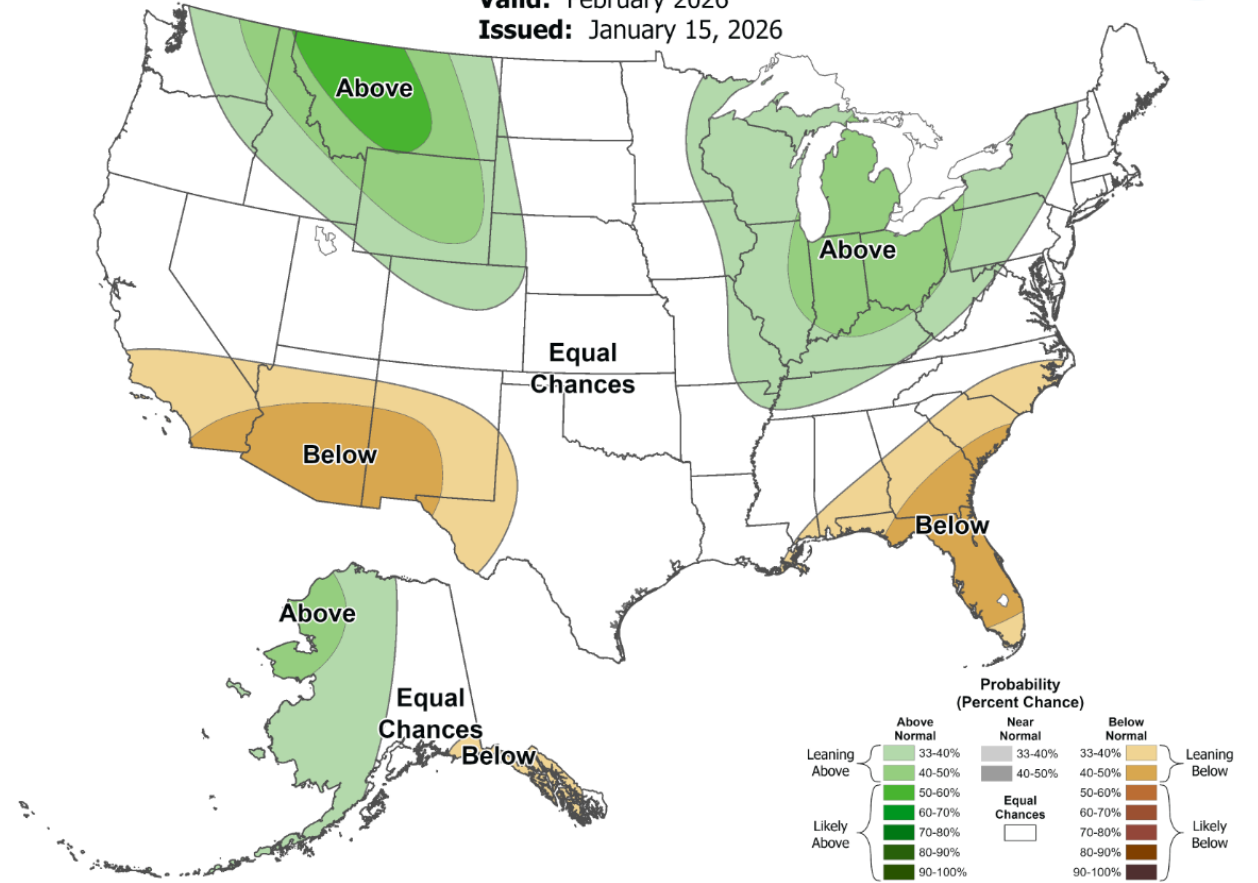
Monthly Temperature Outlook

Valid: February 2026
 Issued: January 15, 2026



Monthly Precipitation Outlook

Valid: February 2026
 Issued: January 15, 2026



Source: NOAA Climate Prediction Center/NCEP



San Diego County
Water Authority



Quarterly Report on Public Affairs Activities

January 22, 2026

Legislation and Public Outreach Committee

Mike Lee

Public Affairs Director



San Diego County
Water Authority

Q4 2025

DIGITAL OUTREACH



A New Chapter in
Outreach &
Engagement

Marlyn Carrillo
Public Affairs Representative II

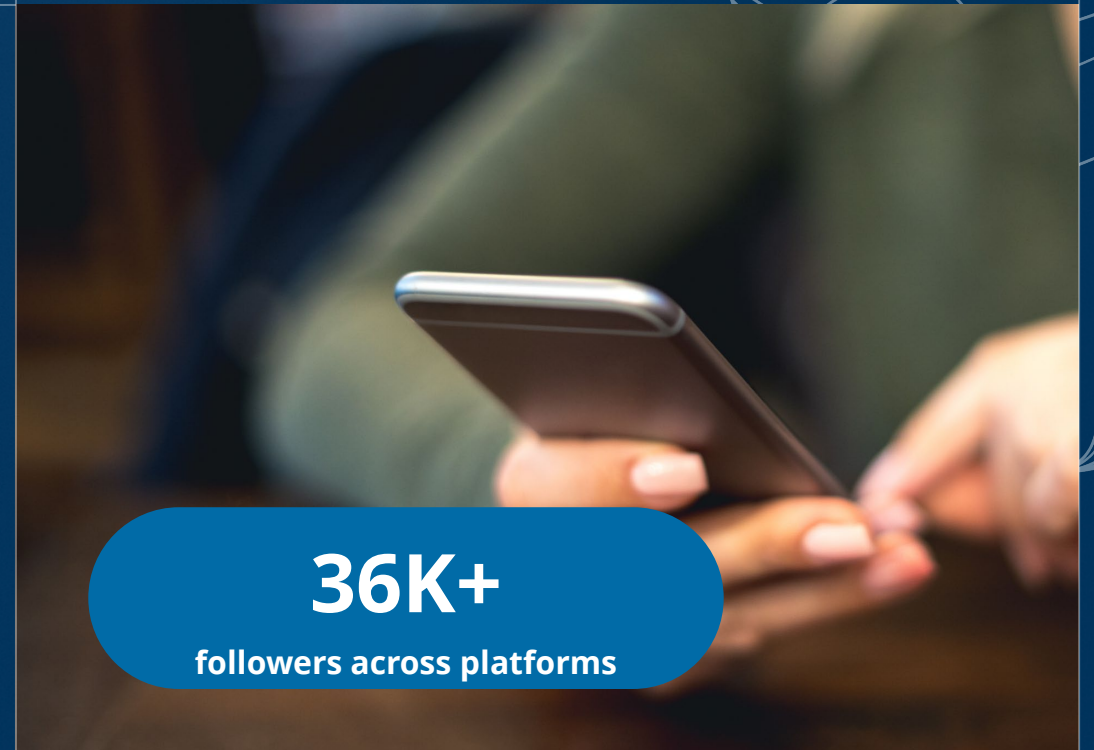
Why Social Media Matters

Inform — What we're working on

Explain — Why our work matters to the county

Connect — With member agencies & communities

Attract — Future water professionals



36K+

followers across platforms

Q4 2025 at a Glance

Oct-Dec 2025



> **646K Impressions**

↑83%

> **9.9K Engagements**

↑41%

> **238K Video Views**

↑3K%

**47.1% from Paid Ads*

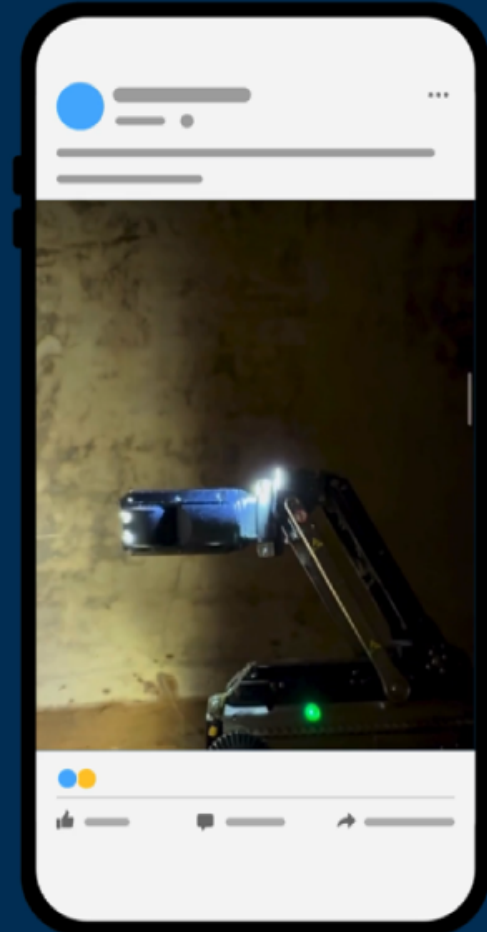


Infrastructure Performs When People See It

> **12K+ Views**

> **4K+ Engagements**

> **\$100 Promotion**



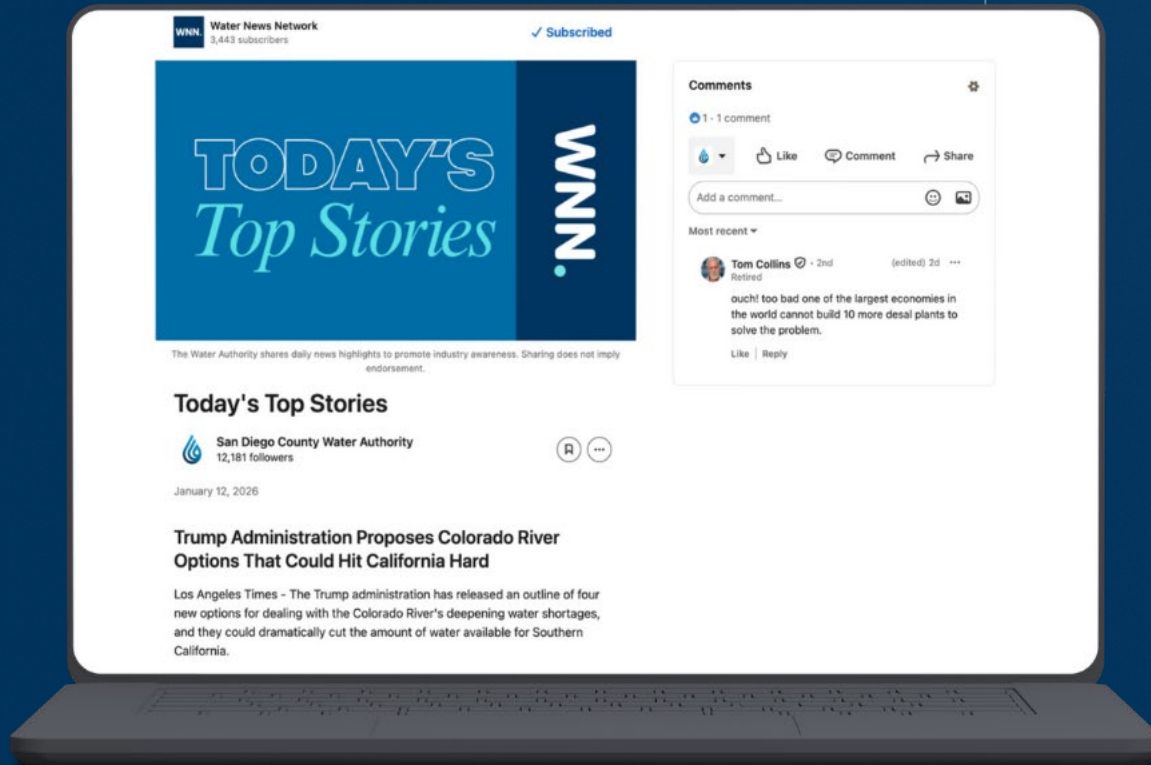
People Power the System



WE ♥
WATER
PROS

- > 258K Impressions
- > 131K People Reached
- > 2.4K Website Clicks

Meeting Audiences Where They Are



3.3K Subscribers in 1 Month



2.5K Article Views



~50% Email Open Rate

Building on *Momentum* in 2026



**MORE
PEOPLE-CENTERED
VIDEOS**



**DATA-DRIVEN
STRATEGY**



**STRONGER
LINKEDIN
STORYTELLING**



**INCREASED
MEMBER-AGENCY
COLLABORATION**

Collaboration in Action





San Diego County
Water Authority

THANK YOU



A New Chapter in
Outreach &
Engagement



San Diego County
Water Authority



Colorado River Board Representative's Report

Director Jim Madaffer
Vice Chair, Colorado River Board

January 22, 2026

Imported Water Committee Meeting

Reclamation's Colorado River "Voices of the Basin"

Urban Perspectives on Water Resilience



December 2025 CRB Meeting and CA Press Event



We support a post-2026 approach with flexibility to adapt to changing conditions through tools like interstate water transactions.

CRB Vice Chair
Jim Madaffer



DOI and Reclamation at CRWUA and the Draft EIS



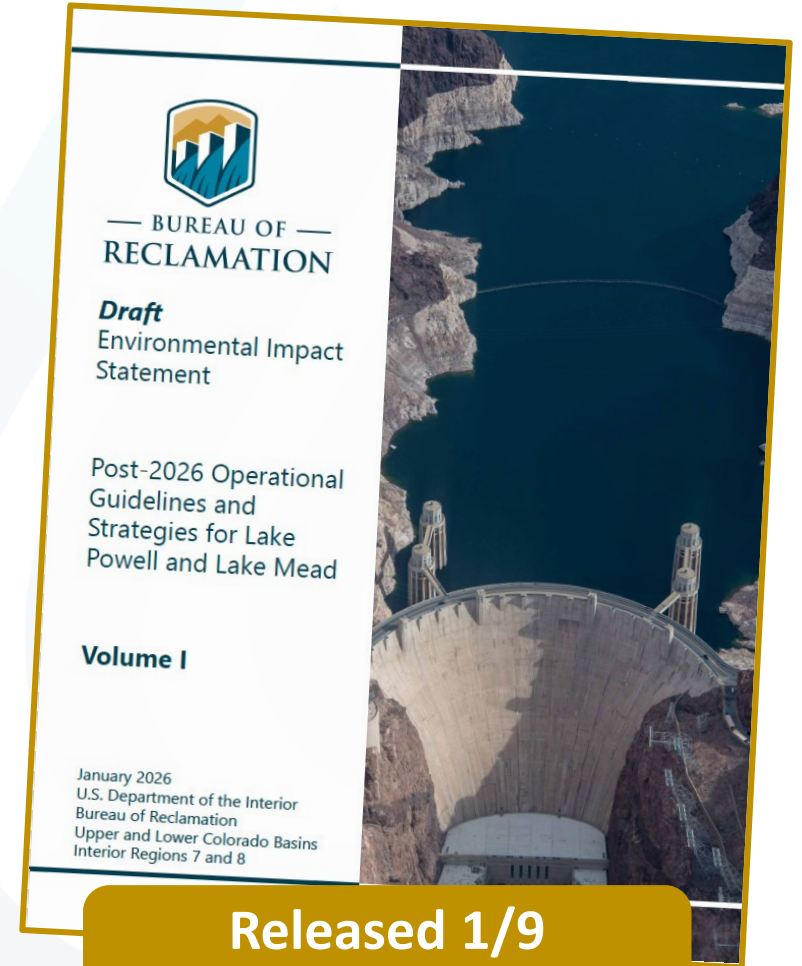
“[T]he time for serious negotiations is now.”

DOI Assistant Secretary for
Water and Science
Andrea Travnicek



“Shared risks require shared solutions across the basin Cooperation is the only path forward.”

Acting Reclamation
Commissioner
Scott Cameron



Released 1/9
Under review by Staff



San Diego County
Water Authority



Public Hearing Regarding Vacancies, and Recruitment and Retention Efforts Pursuant to Gov. Code Section 3502.3

Catherine Love

Director of Human Resources

January 22, 2026

Formal Board Meeting

Agenda

- Legislative Background
- Vacancy Summary
- Retention Information
- Recruitment Efforts



Legislation Addresses Public Sector Vacancies

Assembly Bill 2561 amended Meyers-Milias-Brown Act



Effective January 1, 2025, to address public sector vacancies and impact to employees and public services offered



Requires public agencies to present annually on vacancies, recruitment and retention efforts



Recognized employee organization(s) may present at the public hearing



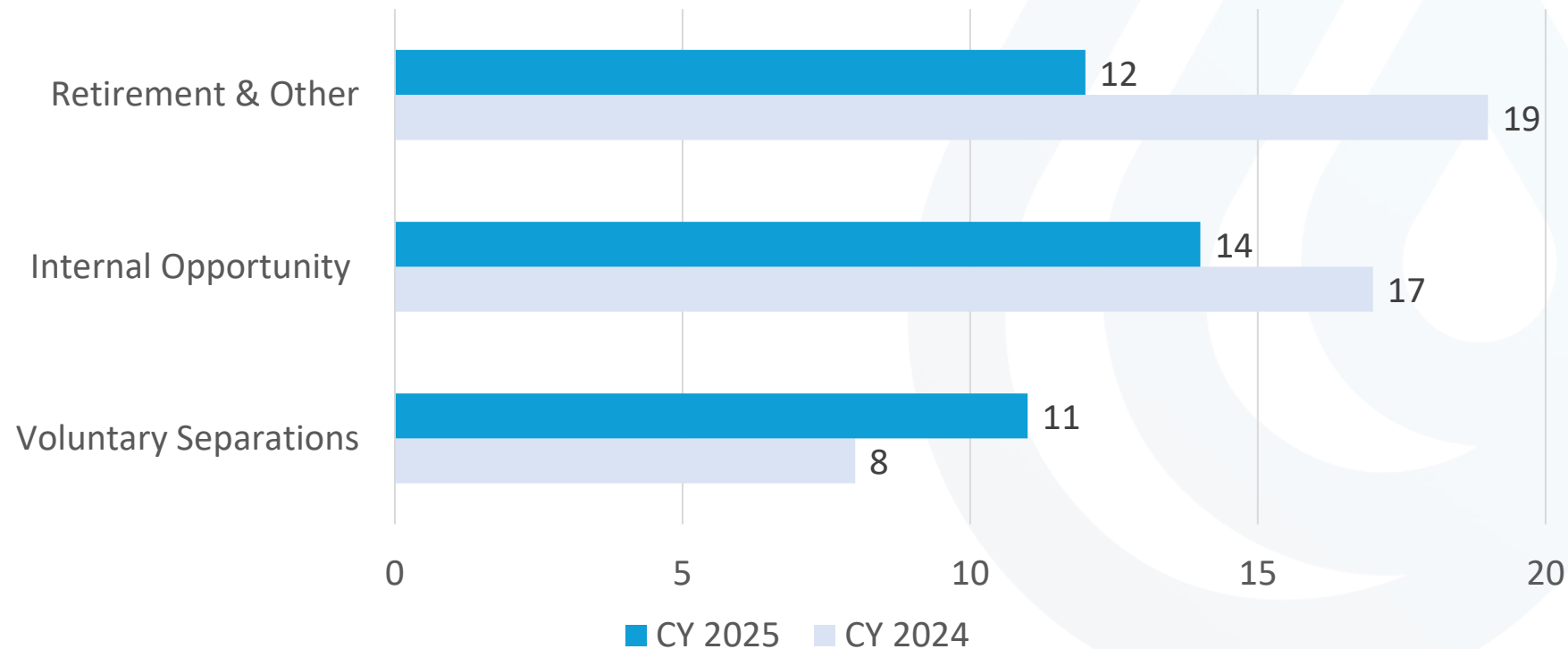
Vacancy Summary

Total Budgeted/Authorized Full-Time Equivalent Positions: 257.5

Vacancy Summary As of December 31, 2025			
Employee Group	# of Vacancies	# of Budgeted FTEs	Vacancy Rate
Represented			
Managerial/Supervisory	1	54	2%
Professional/Administrative	3	58	5%
Technical/Support	8	104.5	8%
Non-Represented			
Confidential	1	9	11%
Executive	1	12	8%
Senior Management	2	20	10%
Agency-Wide Total	16	257.5	6.2%
SDCWA Calendar Year 2025 Average			6.2%

Retention Information

- Total Number of Vacancies Created During CY 2025: **37**
- CY 2025 Annual Staffing Turnover Rate: **4%**



Recruitment Information

CY 2025 Water Authority Recruitments by Numbers



Recruitment Efforts

Expanding Our Talent Pool Through Strategic Outreach

- Partnering with hiring managers to implement diverse recruitment strategies
- Sample platforms: San Diego Water Works, LinkedIn, BC Water Jobs, AWWA, Native Hire, and Media Bistro
- Enhanced partnership with Public Affairs to support mutual workforce development efforts



Recruitment Efforts

Date	Event
2/27/2025	California Water Virtual Career Fair (Water Works Here, LLC)
3/20/2025	Women In Water Symposium
4/8/2025	Cuyamaca College AWWA Student Chapter Water Professional Panel
4/10/2025	Palomar College's Trade & Industry Pathway
6/4/2025	WaterReuse SD Chapter Meeting (Presentation on the Regional Internship Program)
9/10/2025	National University Virtual Career Fair
9/25/2025	Camp Pendleton Career Fair
9/30/2025	East County Manufacturing Expo at Cuyamaca College
10/29/2025	Palomar College Trade and Industry Career Fair
11/20/2025	City College Apprenticeship Fair



Recruitment Efforts

Expanded recruitment and outreach program to connect with military preparing to transition to civilian careers

- Direct engagement with Camp Pendleton and Navy
- Participation in military recruitment opportunities
- Member of MWD's Veteran's Outreach Committee
- Enhancing website to include recruitment resources for transitioning military



The flyer features the San Diego WaterWorks logo at the top, which includes a stylized blue wave and the text 'SAN DIEGO WaterWorks'. To the right of the logo is a QR code. Below the logo is a dark blue banner with the text 'WE'RE HIRING' in white. The main body of the flyer is light blue and contains the following text: 'The water industry offers competitive pay, excellent benefits, retirement pension, work/life balance and diverse career paths. Opportunities range from hands-on operational roles with on-the-job training and certifications to professional careers in engineering, finance, public affairs, human resources, administration, and information technology.' Below this is a call to action: 'JOIN THE SAN DIEGO COUNTY WATER AUTHORITY! We welcome veteran or transitioning military to apply'. Two job openings are listed: 'SURVEY TECHNICIAN' with a salary range of '\$95,108.00 - \$127,909.60 ANNUALLY' and a description of field surveys and technical calculations; and 'SENIOR CONSTRUCTION MANAGER' with a salary range of '\$152,043.84 - \$204,480.64 ANNUALLY' and a description of coordinating complex projects. The flyer concludes with the website 'WWW.SANDIEGOWATERWORKS.ORG' in a dark blue footer.

WE'RE HIRING

The water industry offers competitive pay, excellent benefits, retirement pension, work/life balance and diverse career paths. Opportunities range from hands-on operational roles with on-the-job training and certifications to professional careers in engineering, finance, public affairs, human resources, administration, and information technology.

JOIN THE SAN DIEGO COUNTY WATER AUTHORITY!
We welcome veteran or transitioning military to apply

SURVEY TECHNICIAN \$95,108.00 - \$127,909.60 ANNUALLY Performs field surveys, technical calculations, and drafting work to support planning, design, and construction projects. Apply by January 11, 2026.	SENIOR CONSTRUCTION MANAGER \$152,043.84 - \$204,480.64 ANNUALLY Coordinates complex projects; conducts technical analysis, research, and construction management for a variety of capital improvement, major maintenance, and /or other San Diego County Water Authority projects.
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WWW.SANDIEGOWATERWORKS.ORG

Recruitment Efforts

Promoting Work-Based Learning Opportunities

- In the 19th year of the San Diego Regional Water/Wastewater Internship Program
- Participating in APWA Summer Internship Program
- Identifying other pathways to increase our work-based learning opportunities



Thank You!



@sdcwa



SanDiegoCountyWaterAuthority



@sdcwa



San Diego County
Water Authority