

million in DEP grant funds plus \$825,000 in District match. Subsequent amendments extended the term, adjusted the pay-for-performance rate structure to reflect actual influent conditions, and provided for year-round operation. As amended, the contract with SWIG will end on September 30, 2026.

This project is operated in partnership with CCUA, who provides land for the Project under a memorandum of understanding (MOU) that expires July 31, 2026.

DISCUSSION

In the FY 2025–26 state budget, the Legislature appropriated an additional \$5,000,000 for the Project. The proposed amendment to the contract with SWIG would allocate an additional \$5 million in pay-for-performance funding to support the Project's continued operations. The amendment would also extend the contract through July 31, 2031.

In addition, the amendment updates the payment rate by applying a 15 percent increase to the existing pay for performance rate structure. The current rate structure calculates payment based on the mass of phosphorus removed, with the unit payment varying based on influent phosphorus concentration. The 15 percent adjustment accounts for cost escalation over the extended operating period while maintaining the same performance-based payment approach.

Finally, staff are proposing an amendment to extend the term of the MOU with CCUA to allow for continued operations of the Project on CCUA's property through July 31, 2031.
